

Revised Plan of Operation For Prospecting Permit

Mount Margaret Project

Skamania County, Washington State

Ascot USA Inc.

October 5, 2011

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To: Chris DeWitt
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BLM OR/WA State Office
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Portland, OR 97208

October 5, 2011

(1) Applicant and Location:

Ascot USA Inc. ("Ascot") is a U.S. company registered in Washington State. Ascot USA Inc. is a wholly owned subsidiary of Ascot Resources Ltd., a Canadian public exploration company. Ascot is applying for a prospecting permit for exploration of certain lands in Skamania County in the state of Washington. The properties are located in portions of sections 7, 8, 9, 16, 17, 18 and 19 of Township 10 North, Range 6 East, Willamette Meridian. Minerals applied for include copper, molybdenum, silver and gold and associated minerals. The principal contact for Ascot is director and secretary Robert A. Evans at Suite 420-475 Howe St., Vancouver, B.C. Canada, V6C 2B3. The prospecting permit application includes the following lands (the "Area of Interest"):

Name	Serial #	Patent Date	Acres	Lot #
Index Group	43393	March 8, 1906	247.932	MS 779
Earl Group	43189	November 20, 1906	266.148	MS 774
Judy/April Group	46820016	August 6, 1982	163.892	MS 1329
Wendy Group	46820017	August 6, 1982	2.699	MS 1330
Germania Group	114944	March 21, 1910	217.273	MS 708
Total under application			897.944	

Ascot's statement of qualifications and holdings is included at appendix 3.

(2) **Contacts:** The names, addresses and telephone numbers of persons responsible for operations under your plan and to whom BLM will deliver notices and orders;

Notices and orders for Ascot USA Inc. can be sent to: Ascot USA Inc. to its director and secretary Robert A. Evans at Suite 420-475 Howe St., Vancouver, B.C. Canada, V6C 2B3. The phone number is (604)-684-8950 and e-mail address is bobevans55@gmail.com.

Operations manager is Rick Kasum and can be notified at the above address or reached at the following phone number: (604)-816-5850.

The Area of Interest is within lands managed by the United States Forest Service ("USFS") within the Gifford Pinchot National Forest in an area zoned for multiple use. The Area of Interest has been largely logged off in the last 25 years and is dominated by second growth cover. The Area of Interest has a horse campsite operated by USFS at the south end with access to the Green River. Numerous old logging and drill trails are still present over much of the area which locally has little activity except the nearby

Goat Ridge hiking trail, and a rest stop overlooking Ryan Lake. The area has active hunting activity during the fall hunting season. Ascot worked closely with USFS during the 2010 drill program on MS708 and has evolved procedures to minimize environmental impact in conjunction with USFS. These procedures will continue to evolve.

(3) The method of exploration ;

Exploration will be by diamond drilling (NQ core) to determine subsurface geologic controls on mineralization and to collect core samples for analysis. As per 3505.10c only hand samples and drill core will be removed from the site. Drilling will be directional drilling consisting of 63 proposed NQ diameter drill holes for approximately 110,000 feet of core and will only require 23 proposed pad sites. Service equipment will include service trucks for drillers, possibly a water truck if water has to be trucked, and an excavator for pad and sump building when required. In 2010 this included a larger excavator for trail and pad construction and a small "Kubota" machine for brushing and small jobs like sumps. The track mounted drill rig owned by Ascot is self-propelled and drill moves will not require the use of a cat or excavator. Final pad locations are pending site visits to adjust hole locations where necessary to minimize disturbance.

(4) Determining existence and workability of a valuable deposit:

Ascot USA Inc., as a subsidiary of Ascot Resources Ltd. (AOT-V) a publicly reporting mineral exploration company, is obligated to explore and develop exploration projects under the guidance of **National Instrument 43-101**. National Instrument 43-101 (the "NI 43-101" or the "NI") is a mineral resource classification scheme used for the public disclosure of information relating to mineral properties in Canada or anywhere by public reporting companies. The NI is a strict guideline for how public companies can disclose scientific and technical information about mineral projects on bourses supervised by the Canadian Securities Administrators.

NI 43-101 is a national instrument for the *Standards of Disclosure for Mineral Projects*. The Instrument is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. This includes foreign-owned mining entities which trade on stock exchanges overseen by the Canadian Securities Administrators, even if they only trade on Over The Counter (OTC) derivatives or other instrumented securities.

Many publicly held Canadian mineral exploration and mining companies list on the TSX Venture Exchange (TSX-V) or the Toronto Stock Exchange (TSX). Some of these companies may also have listings on stock exchanges outside Canada, such as Johannesburg Stock Exchange, Australian Securities Exchange and London Stock Exchange.

Disclosures covered by the NI 43-101 code include press releases of mineral exploration reports, reporting of resources and reserves, presentations, oral comments, and websites. The NI 43-101 covers precious metals and solid energy commodities as well as bulk minerals, dimension stone, precious stones and mineral sands commodities.

The National Instrument 43-101 is broadly comparable to the Joint Ore Reserves Committee Code (JORC Code) which regulates the publication of mineral exploration reports on the Australian Stock Exchange

(ASX). It is also broadly comparable with the South African Code for the Reporting of Mineral Resources and Mineral Reserves (SAMREC). The reporting codes are, however, not entirely congruent in practice, in that NI 43-101 is more prescriptive in terms of the manner in which mineral exploration reporting is presented, although the content of the technical reports, and the scientific rigors to which the mineral resource classifications within them are put, are often very similar.

For TSX listing purposes, a NI 43-101 Technical Report would have to be accompanied by a NI 43-101 Cimval Report. For ASX listings, a JORC Mineral Resource Statement needs to be accompanied by a Valmin Valuation Report, while for JSE listings, a Competent Person's Report (CPRs), which is compliant with SAMREC and The South African Code for the Valuation of Mineral Assets (SAMVAL), needs to be submitted.

In many cases, NI 43-101 and JORC Code technical reports are considered inter-changeable and may be accepted by either regulatory body in cases of dual listed entities and, indeed, are accepted as the de-facto industry reporting standard by many other jurisdictions which lack similar rigorous reporting standards or internationally recognized industry professional bodies. The LSE, for instance, accepts CPRs, Qualified Person's Reports (QPRs), and Mineral Resource Statements, compiled using JORC, SAMREC and SAMVAL, or NI 43-101, when accompanied by a NI51-101 Valuation Form, for listing on the LSE.

NI 43-101 stipulates and codifies the form and content of a compliant report (i.e.; a report that complies with the Reporting Standard).

Prescribed disclosure within the National Instrument relates to;

- All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person
- What the National Instrument is to be used for, such as which types of mineral properties must be covered by a compliant report
- Prescribes the terminology to be used to describe various features, both geologically and financially, within the report
- Stipulates the type of information to be discussed and the technical data which must be portrayed, for various levels of reporting
- Prescribes a list of approved Competent Persons, and the definition of Groups and Associations which may qualify to certify such a person as "Qualified"
- Prescribes that a Qualified Person vouches for the accuracy and completeness of the contained information and the manner in which it is presented
- Provides guidance on reporting Historical mineral resource estimates

Prescribed disclosure within the National Instrument precludes a company from reporting;

- quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve or a proven mineral reserve
- results of an economic analysis that includes inferred mineral resources allows for the potential grade, quantity and metal or mineral content of an exploration property, provided that a qualifying statement is made as to this being conceptual in nature

- the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the National Instrument

Mineral resource classifications are necessary to establish to various levels of confidence the validity of the mineral system that can then be assessed for various levels of economic assessment and potential mine planning. A Cu-Au-Ag-Mo porphyry system is loosely defined in the Mount Margaret area but remains largely conceptual at the resource and economic evaluation level and indeed is not well constrained by historic Duval work and does not presently meet many of the NI43-101 requirements.

Previous reviews by SRK (U.S.) consultants in 1991 mention a number of deficiencies that existed based on historic Duval work before the advent of NI 43-101 including the following:

- Understanding of the geology of the porphyry system, controls on mineralization and alteration patterns were not well understood or sufficient for modeling.
- The porphyry system limits were not adequately defined and internal drill density was not sufficient for resource estimation.
- Historic core was destroyed and rejects were lost so ability to verify historic analyses has been lost. Included with this the absence of historic gold analyses from much of the core made accurate gold estimation impossible.

With the advent of NI43-101 the situation is further complicated by additional deficiencies including but not limited to:

- Gaining a proper understanding of limits and controls on mineralization, alteration and geologic controls in a predictive manner.
- Duplicating enough of the historic Duval holes to verify historic results and allow use in a resource calculation. For an inferred resource this will require at least 10% duplication of Duval holes to allow incorporation of historic data.
- Sufficient drill density to model sufficient confidence levels on grade continuity. Again for initial inferred resources a minimum 300 foot centres are necessary for any interpolation and that is dependent on continuity of mineralized zones yet to be determined.
- New drill core is necessary for initial analyses, metallurgical work, rock mechanics, rock properties and geological studies and strict QA/QC protocols are required.

With the present plan of operation proposed here it is hoped the minimum requirements for a preliminary inferred resource could be obtained, but at this stage that cannot be determined until the program is completed and the data is analyzed. If results were positive this could form the minimum then to allow a PEA (Preliminary Economic Assessment) to indicate if the system has economic potential or indicate what additional work needed to be done to arrive at this stage. Once a PEA was in place it would allow the development of a plan for additional resource work and economic assessments to advance the project, if the project warranted it.

Proposed Drill Pad and Drill Hole Locations , Including Lot 708

Pad #	Hole #	UTM Nad 83 Zone 10-E	UTM Nad 83 Zone 10-N	PDH Proposed diamond drill hole	Planned Azimuth	Planned Dip	Planned Depth Approx feet
Pad 01	PDH-01&02	570,139E	5,133,556N	PDH-01	270	-50	1600
				PDH-02*	000	-90	1500
				Twin Duval Hole #52			
Pad 02	PDH- 03&04&05	570,018E	5,133,502N	PDH-03	270	-50	1600
				PDH-04	090	-50	1600
				PDH-05*	000	-90	1500
				Twin Duval Hole#49			
Pad 03	PDH- 06&07&08& 09&10	569,972E	5,133,435N	PDH-06	045	-50	1600
				PDH-07	090	-50	1800
				PDH-08	135	-50	1600
				PDH-09	270	-50	1600
				PDH-10	000	-90	1600
Pad 04	PDH- 11&12&13& 14	570,017E	5,133,229N	PDH-11	045	-50	1600
				PDH-12	090	-50	1600
				PDH-13	135	-50	1600
				PDH-14	000	-90	1500
Pad 05	PDH-15	570,084E	5,133,228N	PDH-15*	000	-90	1800
				Twin Duval Hole #44			
Pad 06	PDH- 16&17&18&	570,323E	5,133,250N	PDH-16	315	-50	1600

	19			PDH-17	270	-50	1600
				PDH-18	225	-50	1600
				PDH-19	000	-90	1500
Pad 07	PDH-20&21&22&23	570,386E	5,133,324N	PDH-20	315	-50	1600
				PDH-21	270	-50	1600
				PDH-22	225	-50	1600
				PDH-23	000	-90	1500
Pad 10	PDH-29&30&31	570,734E	5,133,952N	PDH-29	315	-50	1500
				PDH-30	000	-50	1600
				PDH-31	000	-70	2000
Pad 11	PDH-32&33&34	570,542E	5,133,957N	PDH-32	315	-50	1600
				PDH-33	000	-50	1800
				PDH-34	045	-50	1600
Pad 12	PDH-35&36	570,404E	5,133,978N	PDH-35	000	-50	1800
				PDH-36	045	-50	1800
Pad 13	PDH-37&38	570,401E	5,134,092N	PDH-37	000	-50	1800
				PDH-38	045	-50	1800
Pad 14 L708	PDH-39&40	570,224E	5,133,561N	PDH-39	270	-50	1800
				PDH-40	000	-90	1800
				Twin Duval #48			
Pad 15 L708	PDH-41&42	570,400E	5,133,599N	PDH-41	270	-50	1800
				PDH-42*	000	-90	1800
				Twin Duval #11			
Pad 16 L708	PDH-43&44	570,065E	5,133,674N	PDH-43	300	-50	1800

				PDH-44	240	-50	1800
Pad 17 L708	PDH-45&46&47	570,184E	5,133,677N	PDH-45	300	-50	1800
				PDH-46	240	-50	1800
				PDH-47*	000	-90	1800
				Twin Duval #61			
Pad 18 L708	PDH-48&49&50	570,305E	5,133,701N	PDH-48	300	-50	1800
				PDH-49	240	-50	1800
				PDH-50*	000	-90	1800
				Twin Duval #65			
Pad 19 L708	PDH-51&52&53	570,400E	5,133,724N	PDH-51	300	-50	1800
				PDH-52	240	-50	1800
				PDH-53	270	-50	1800
Pad 20 L708	PDH-54&55	570,174E	5,133,823N	PDH-54	300	-50	1800
				PDH-55	240	-50	1800
Pad 21 L708	PDH-56&57	570,285E	5,133,820N	PDH-56	315	-50	1800
				PDH-57	270	-50	1800
Pad 22 L708	PDH-58&59&60 &61	569,984E	5,133,974N	PDH-58	315	-50	1800
				PDH-59	270	-50	1800
				PDH-60	225	-50	1800
				PDH-61*	000	-90	1800
				Twin Duval #78			
Pad 23 L708	PDH-62&63	570,138E	5,133,960N	PDH-62	315	-50	1800

				PDH-63	000	-50	1800
Pad 24 L708	PDH-64,65	570,200E	5,133,937N	PDH-64	360	-50	1800
				PDH-65	360	-65	2000
Pad 25 L708	PDH-66,67,68	570,275E	5,133,993N	PDH-66	335	-50	1800
				PDH-67	360	-50	1800
				PDH-68	025	-50	1800

List Of Proposed Mobile Equipment	#units	Comments
Unit		
diamond drill- hydraulic track mounted	2	
6 wheel ATV Rod Carrier	2	
Track Excavator (JD690 Size)	1	Only upper trail building
D-4 Cat	1	Only upper trail building (alternative to large excavator)
Small Track Excavator (Kubota 290) Includes a chipper head for barking and small tree reduction	1	Trail Cleanup, pad and sump building and reclamation.
4WD Pickup Trucks	4	Drill and Geology Service Trucks
Water Truck (1500 gallon ex Randle Fire Truck)	1	Only a contingency or if requested.
Tidy Tanks (60 gallon diesel tanks) w/ spill kits	4	Drill, water pump and in 2 service trucks
Water Pumps (Diesel 20gpm)	2	If needed much is gravity feed.
Tools	Collection	Standard hand tools to service machinery and drill.
Fire Fighting Equipment	As proscribed see details	State and USFS regs

(5) Drill Operations

Drill, Drill Pads and Sumps:

For the program Ascot proposes using its own track mounted hydraulic diamond drill rig(s), built by Multi Power Products (“MPP”). The diamond drill fits within the tarp and frame drill shack 16x16 feet unfolded and consists of several pieces including a diesel generator, engine and various pumps, tools, etc. All components lock onto a steel base and all engine and fuel components have oil and fuel containment systems. Spill kits for fuel and petroleum products are at the drill site as are first aid kits, fire-fighting equipment and satellite phones for communications. Ascot will adhere to their Spill Prevention Plan submitted to the Forest Service. Any spills or leaks of hazardous substances will be cleaned up and the Forest Service and National Response Center (phone 800 424-8802) will be notified immediately. The mast on the new hydraulic rigs is approximately 14 feet long. While moving the rig has dimensions of 10 x 12 feet and once drilling decks are unfolded on jacks an outside dimension of 16 x 16 feet. Tracks are independent so a turning radius of 14 feet can be obtained. The noise level is similar to say a small bulldozer or skidder with a distinctive higher pitch when drill rods are turning. This can be heard on a calm day for several hundred feet but this is variable with forest cover. In the drill shack ear protection is required but the drill shack muffles the noise outside. The drill will be operational 24 hours a day seven days a week including holidays, but there may be flexibility on things such as holiday breaks. Drilling is with NQ diamond drill rods, outside diameter is 2.75 inches, and casing usually uses HQ diameter rods with a diameter of 3.5 inches. Pictures of the Ascot Rig being built are included at the end of this plan in Appendix 2.

Noise Levels: MPP took some decibel readings of the open machine at their shop in Kelowna:

DECIBELS AT 10' RADIUS

76dB AT IDLE

93dB AT 2500RPM

DECIBELS AT 50' RADIUS

60dB AT IDLE

76dB AT 2500RPM

DECIBELS AT 100' RADIUS

55dB AT IDLE

68dB AT 2500RPM

This was qualified with the following comment : “Attached is a Quote# 2643 with your decibel readings for the D2 as requested. I have included readings at 10, 50, and 100 feet from the rig. As mentioned, the readings are a worst case scenario due to the testing being done between two buildings in an open lot. I would expect that, in an accurate environment, the ground and surrounding bushes will provide some barrier or absorption of sound.” This will also be enhanced by a tarp barrier frame for noise reduction and protection for the operators from inclement weather.

A separate feature Rick Kasum, Ascot’s operations manager, has noted with this rig is we can cover the pad area under the rig with a tarp for extra protection for oils, grease etc. and control of drill water into

a sump. We don't have exact dimensions but they have supplied photos at the end of this memo and the plans will be supplied once delivered from Multi-Power.

Drill Rig Safety:

Visitors and the general public are requested to stay at least 150 feet away from the operating drill rigs for safety reasons. Appropriate signage will be posted to make the public aware of operations and cautions.

Employees around drill rig will require:

Mine Safety & Health Act training prior to work on the site will be provided for employees. Exploration safety guidelines, as applied by AME, will be utilized for exploration practices. Emergency Response Plans will be developed for various contingencies at the exploration site and discussed with employees prior to work. Appropriate first aid kits will be both at the drill site and at the security site as well crews will have appropriate first aid qualifications. Cell phone and satellite phones will be available at the job site.

Personal protective equipment will be required for drill crews including hard hats, steel toed boots with vibram soles, hearing protection and safety glasses, and protective coveralls. Appropriate gloves are required for handling drill rods. Also appropriate additional clothing is required as weather can change markedly in a short time. Any chainsaw work also requires use of hard hats, ear protection, safety glasses and chainsaw chaps.

Drill Pads & Sumps:

The actual drill pad is a level pad of pumice and dirt and will require an area to a maximum of 20X20 feet square. As the drill is equipped with hydraulic rams, leveling requirements will be reduced.

After trying a few variations in 2010, it was found a sump for collecting drill cuttings, drill water, and drill mud was the most effective procedure. A sump point for collecting drill water which averages 4-6 feet wide and 2-4 feet deep worked well. The Mount Margaret sites are generally unconsolidated soils with a large component of pumice and ash which is very permeable. The main purpose of sumps is to induce water into the overburden and minimize surface runoff and erosion. With thick sections of permeable soil/ash drill water was found to return directly into the ground water table. Coincidentally, drill muds are largely bentonites of a similar composition to the pumice/ash mix existing at the sites. Drill muds are generally used as little as possible and consist of bentonites and environmentally safe polymers (MSDS specifications will be supplied to the BLM when materials are selected).

The spoils are a mix of drill muds and rock cuttings that are generally very fine material that is normally filtered back into the water table via the sump. The amount of material left as residue in a sump is normally between 2-10 gallons of mud and cutting, and the placing of an enviro-mat to line sumps allows removal and offsite disposal of most of this material. The sump is then reclaimed as part of the pad reclamation by backfilling of cast material once the sump has dried. Pads are reclaimed by providing an uneven surface as close to original slopes as is practical and stable. Any topsoil and vegetation is then returned from separate piles as remediation on the top to promote regeneration and wildlife habitat.

This plan proposes 23 drill pads for an affected area of approximately 0.10 ha's or 0.23 acres. A majority of the proposed holes are directional holes to fill in gaps in the historic information to complete the

geological model. A few of the holes are twinned holes of historic Duval holes meant to verify historic information.

Mode of transportation to access each drill site.

A local logging contractor will be used to reactivate the old logging/drill trails and will supply a mid-size excavator and the small "Kubota" size brushing excavator. The 2010 experience showed the small brushing excavator was effective for small jobs as well as brushing and can build sumps and pads with less impact than a large excavator. This would be the machine used in the lower areas as actual trail building would not be required just brushing out and stump and fallen tree removal for access. The track mounted diamond drill rig is self-sufficient for moves in the lower elevation areas. Drill rods will be moved with a 6 wheel ATV carrier with a rod carrier bed. Drillers require 4x4 pickups for shift change and equipment, fuel resupply etc.

Level 1 Road Safety:

These level 1 roads are reactivated to a minimum disturbance possible. These roads are therefore narrow and have restricted vision and are a safety hazard for the general public. With irregular traffic and machine activity on these roads it is felt that the general public should be kept from accessing these roads either by pedestrian or with any motor vehicles for safety reasons. Signage will be posted and gates where appropriate will restrict public vehicular and pedestrian traffic. No public motorized vehicles will be used off designated routes.

Anticipated ground disturbance associated with pad and trail construction.

A vast majority (95%) of the 2011 road/trail network is established roads and would only require locating a suitable pad site to minimize impact. In total trail construction will involve reactivating a total of approximately 1.69 miles (3.07 acres) of historic and level -1 roads, including 1.35 miles (2.45 acres) reactivated from the 2010 program and 0.34 miles (0.62 acres) from old drill/logging trails not previously reactivated. Sites for MS774 are located from reconditioned trails from access activated in 2010 for Ascot's MS708 program. The area of disturbance for drill trails is based on a 10 foot wide road and 5 foot wide cast pile. This plan proposes 23 drill pads for an affected area of approximately 0.10 ha's or 0.23 acres. Old logging trails and drill trails have not grown in as much as was expected so trails in 2010 were reactivated to close to original condition with sloughed material removed to the outside as cast material, and saved for reclamation. This is not believed to be required in the MS1329 area, as this area is much flatter so disturbance and soil removal/disturbance can be avoided. Trees growing on the road are removed and saved for reclamation while trees on road edges are only limbed to avoid job hazards. In a few locations that had any true topsoil, the topsoil was scraped off and stockpiled as it creates a hazard with heavy rainfall. Trails with any grade had water-bars established to prevent erosion and these will be maintained and enhanced upon reclamation. Areas with seasonal drainage had temporary culverts established with silt screens downstream. These are removed and the original drainage slope re-established on reclamation. Hazard trees were noted in the area and if deemed dangerous by the company and USFS would be removed on a selective basis.

The USFS has requested a suggested water-barring based on the following topography.

Road Grade (%)	Distance (ft)
2	250
5	135
10	80
15	60
20	45
25	40
30	35

Water-bars should be installed at about 30-degree angle downslope and not perpendicular to the road. The outflow end of the water-bar should be kept open to keep water from accumulating and should not flow directly into a stream. Water-bars can be left as a supplement to closing the road once operations are completed.

Drilling Operations and Hole Abandonment

The schedule for drilling is on a 24 hour seven day a week basis, but Ascot will utilize its own drill rigs so some flexibility on scheduling for holiday weekends could be available. Under most cases, upon completion of a hole, the casing is pulled and a small wooden collar post is put in the collar to mark the hole and the hole is allowed to naturally cave. If the hole on completion continues to make water, a capping will be required. In most cases the down-hole plugs work for sealing holes but where there is excessive water, cementing and capping will be required. Specific details and contractors are being finalized for this eventuality. The other option utilized on hole MM-10-10 is to install a pressure release valve on a fixed cap but this is would be at the BLM's discretion.

USFS has requested new drill casings that produce water that will need to be abandoned by pressure filling from the bottom to surface with a cement sealant consisting of either Portland cement types I, II, III or high-alumina cement mixed with at least six gallons of water per sack of cement. The grouting procedure for new holes that make water would be to insert a grouting plug on completion of the hole and introduce prescribed grout into the hole with the diamond drill remaining on site until the operation is completed. The grout is allowed to set and determine the cap has sealed the water and then casing would be removed and the site would be reclaimed.

Water Needs

Water is used from either Duval hole 06 or MM-10-10 on MS 708 and in many cases can supply drilling by gravity feed or if pumping is required by a small diesel pump placed at the collar and a pressure hose will supply the drill using 1000-2500 feet of high pressure water line. Pumps are equipped with enviro-mats and spill protection kits and all fuels, oils, etc., have fuel and material containment systems. Water consumption averages between 2-20 gpm during the drilling process. Water is generally consumed down hole at a rate of ~5 gpm and there are few ways to recirculate water as in-ground containment systems are required increasing site disturbance and particulate materials, as well as causing heavy wear on drill rods. Peak water consumption for a few hours can reach 20gpm which is a peak value and may not be obtainable with the pumps selected. The diesel pump is built into a self-contained fuel containment system and fuel, and oil spill kits are attached. If existing drill holes do not supply adequate

water, water will be trucked by contractors by water truck from water purchased from the Randle water system but this is considered a contingency.

If this action is required, Ascot may utilize a vehicle to bring in water to the site for drilling operations. Locations of any water storage tank will be mutually agreed upon by the Forest Service, BLM and Ascot field representative.

Reclamation

Pads and trails are reclaimed by providing an uneven surface as close to original slopes as is practical and stable. Cast piles are pulled back from the outside on areas with a slope and spread irregularly over the surface with natural contours. If there are steeper grades, water-bars conforming to drainage patterns are built at the prescribed frequency. Temporary culverts are removed and natural drainage slopes are re-established with forest cover placed as natural silt barriers and as wildlife habitat. Sites on existing active USFS roads would be reclaimed to as close to original condition as possible. Any topsoil and vegetation removed is returned from separate piles as remediation on the top to promote regeneration and wildlife habitat. Bucking up of felled trees and stumps are then laid on the reclaimed trail. Reclamation is conducted on a site by site basis as drilling and activity is completed in each area. This avoids having topsoil or vegetation stockpiled for any appreciable amount of time. Reseeding with a prescribed forestry mix is possible but was not requested in 2010. This would be combined with any recommended fertilizer as recommended by the USFS or BLM. Visits to 2010 drill sites indicate natural revegetation has been quite effective.

Topsoil and any vegetation, which is generally minimal in this pumice rich area would be selectively piled in specific local cast piles to be redistributed on the final surface when cast piles of coarser materials were placed as irregular uncompacted material. Sites are on trail areas that have previously been developed as level one roads and have had rock ballast introduced as road bed material ranging from 1 to 8 feet in thickness. All areas have received previous compaction from prior logging and USFS activities. Ascot will roughen surface and trails of areas affected by their activities but compaction is relatively low considering historic activity.

The amount of material left as residue in a sump is normally between 2-10 gallons of mud and cutting, and the placing of an enviro-mat to line sumps allows removal and offsite disposal of most of this material. The sump is then reclaimed as part of the pad reclamation by backfilling of cast material once the sump has dried. Pads are reclaimed by providing an uneven surface as close to original slopes as is practical and stable. Any topsoil and vegetation is then returned from separate piles as remediation on the top to promote regeneration and wildlife habitat.

Ascot will monitor the site after operations are complete to confirm reclamation protocols are met, and will take necessary steps to mediate environmental damage.

Employee Accommodations and Security

Housing of employees and contractors will be in a local community likely Randle or Morton. To run a typical program like this will require a crew of approximately 18 people with half on the job site and the others working at the core facility. This consists of 1 drill foreman, 4 drillers, 4 drill helpers, 2-3 geologists and 2-3 core technicians and possibly 2 local trail and pad contractors and one security person. Some work is specialized but we typically try to hire local people for staffing crews as much as

possible and rent local core facilities, motels etc. To ensure security, a local security person will stay on site at the staging/storage site utilized in 2010. Security is needed to prevent theft and vandalism of equipment at the job site and also to control public access to the job site for safety reasons. Appropriate signage is planned for job site and the gate area which is also utilized to control public access to the job site. Ascot will also place warning signs at entrances to the main road where heavier traffic occurs.

Other Concerns

1. Air Quality is not much of an issue as all machinery has air filtration systems and no burning is anticipated. Dust abatement has not been an issue but would be addressed if situations arose. Fish and wildlife habitat, is not noticeably impacted with this scale of operation but can be addressed if USFS or BLM has concerns. The only hazardous substances are petroleum products such as lubricants, fuels used on machinery and containment systems are in place with removal of garbage on a shift by shift basis.
2. It is also noted snow plowing of the Forest developed roads 26 and 2612 will not be allowed without FS written approval and permit.
3. Operating Season: The area is snow free up to around November 1, and sometimes beyond. If operations need to go beyond November 1 date, Ascot will notify the FS and BLM field representatives so the site conditions, weather, drilling progress and other factors can be considered to operate beyond this date. Operations will cease if ruts in the road are greater than 2 inches deep and/or the FS field or BLM representative determines that use of the road is causing excessive resource damage due to a very wet spring/early summer.
4. Ascot and Forest Service and BLM will each designate a field representative and alternates, each party will have responsibility for on-site changes to the operating plan.
5. At least 1 week prior to on-site work, Ascot and the FS and BLM will hold a joint pre-work field meeting to discuss mobilization, timing issues, safety plans, etc. In order to reduce potential impacts to the public in the vicinity, Ascot will provide a schedule of drilling operations so the Forest Service can make visitors aware of possible noise, traffic, and activities.
6. Invasive Plants: Ascot will wash all vehicles and equipment prior to entry on National Forest. Vehicles will be inspected by FS field representative at a time and place arranged by both representatives, to reduce the spread of noxious weeds.
7. Fire Prevention and Suppression: All motorized equipment will have spark arresters. Operations may be restricted depending on the fire precaution levels during the summer season.
8. Public Safety: All personnel will drive defensively and give right of way to the occasional visitors using the paved roads by using turn outs and not driving over the speed limit of 20 mph and 15 mph on the unpaved roads A safety plan will be presented to all field personnel at the first field meeting and all personnel on site will adhere to it.

(6) Timetable of Operations

This remains difficult to schedule as much of the program is dependent on when the operating plan becomes approved. The snow free season in this area is from Mid-late May until early November and the present program would take approximately 5 months to complete with the planned equipment. The simplest format would be to start the program in late May 2012 and complete drilling and reclamation by late October 2012. With uncertain timing on permitting the program may require splitting into two phases with drilling of the southern area separated from drilling of the northern steeper areas. Regardless of timing drilling and reclamation would be have final completion by October 2013 and specifics of the timing would first be agreed upon by Ascot, BLM and USFS.

(7) Description of the Environment and USFS Land Use Plans

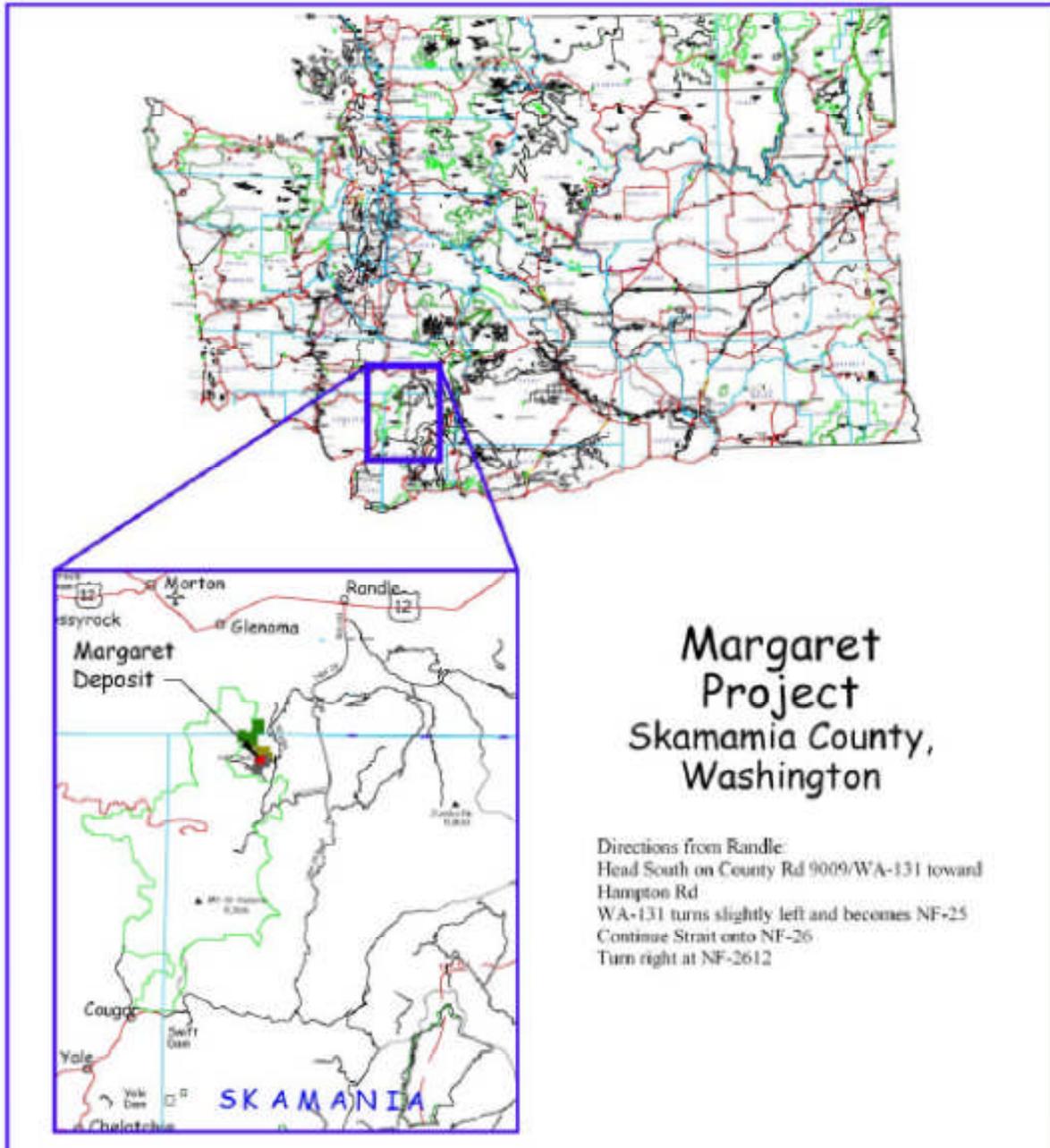
Ascot has not conducted a detailed review of specifics of the environment and USFS land use plans for the area. Informal discussions with the USFS had indicated the area was zoned for multiple use and work plans by Ascot were compatible with plans for the area. The present prospecting permit is a low impact exploration program and Ascot is committed to causing the least physical impact by closely working with USFS and BLM. It is Ascot's understanding that the BLM will require an environmental assessment by an independent consultant prior to any permit approval and this would be included in consultation with USFS over land use plans. These plans will be conducted by Ascot within all state and federal regulations and laws which Ascot will adhere to.

ASCOT USA INC.
a Washington corporation

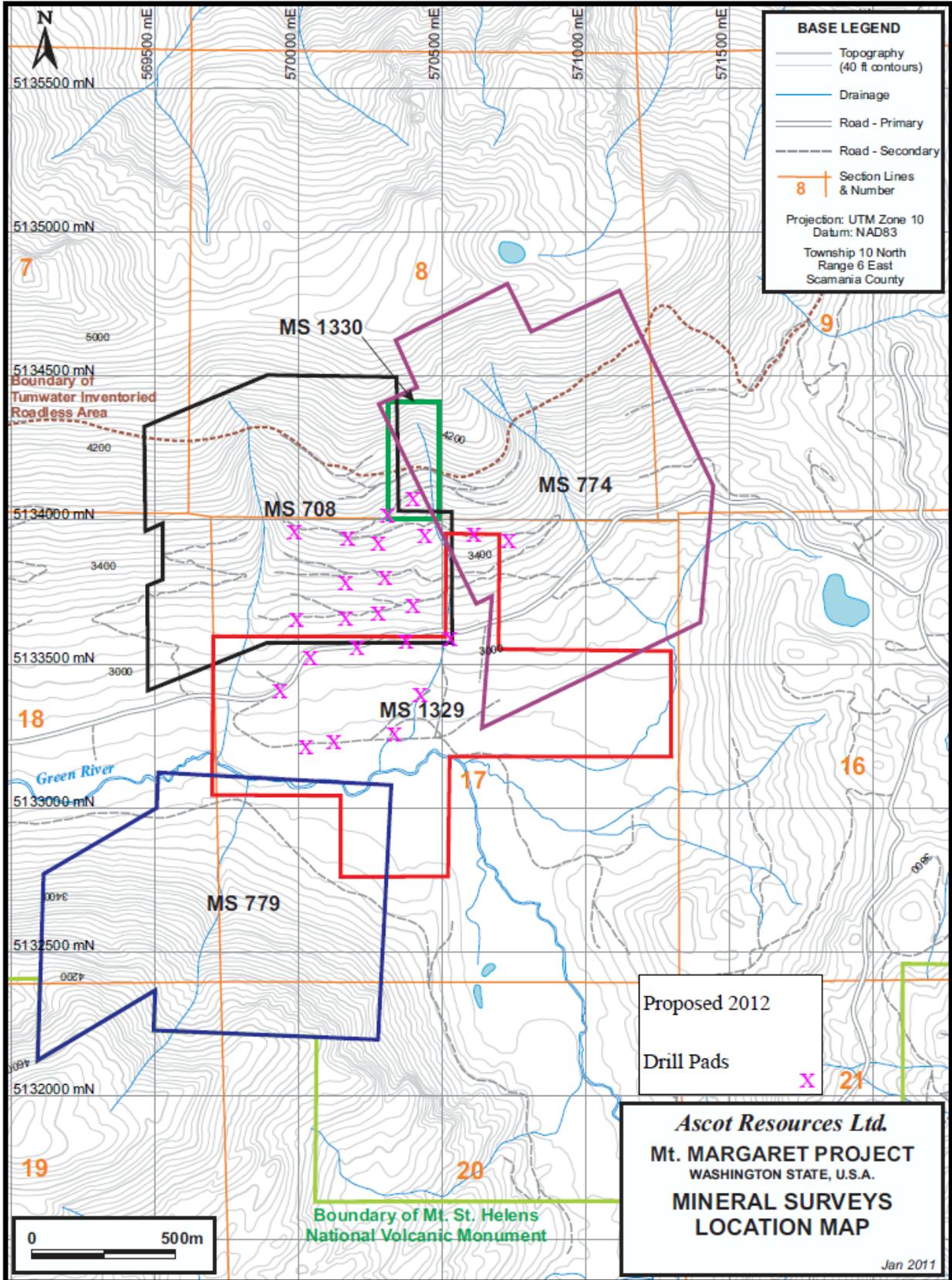
By: 

Bob Evans, Vice President

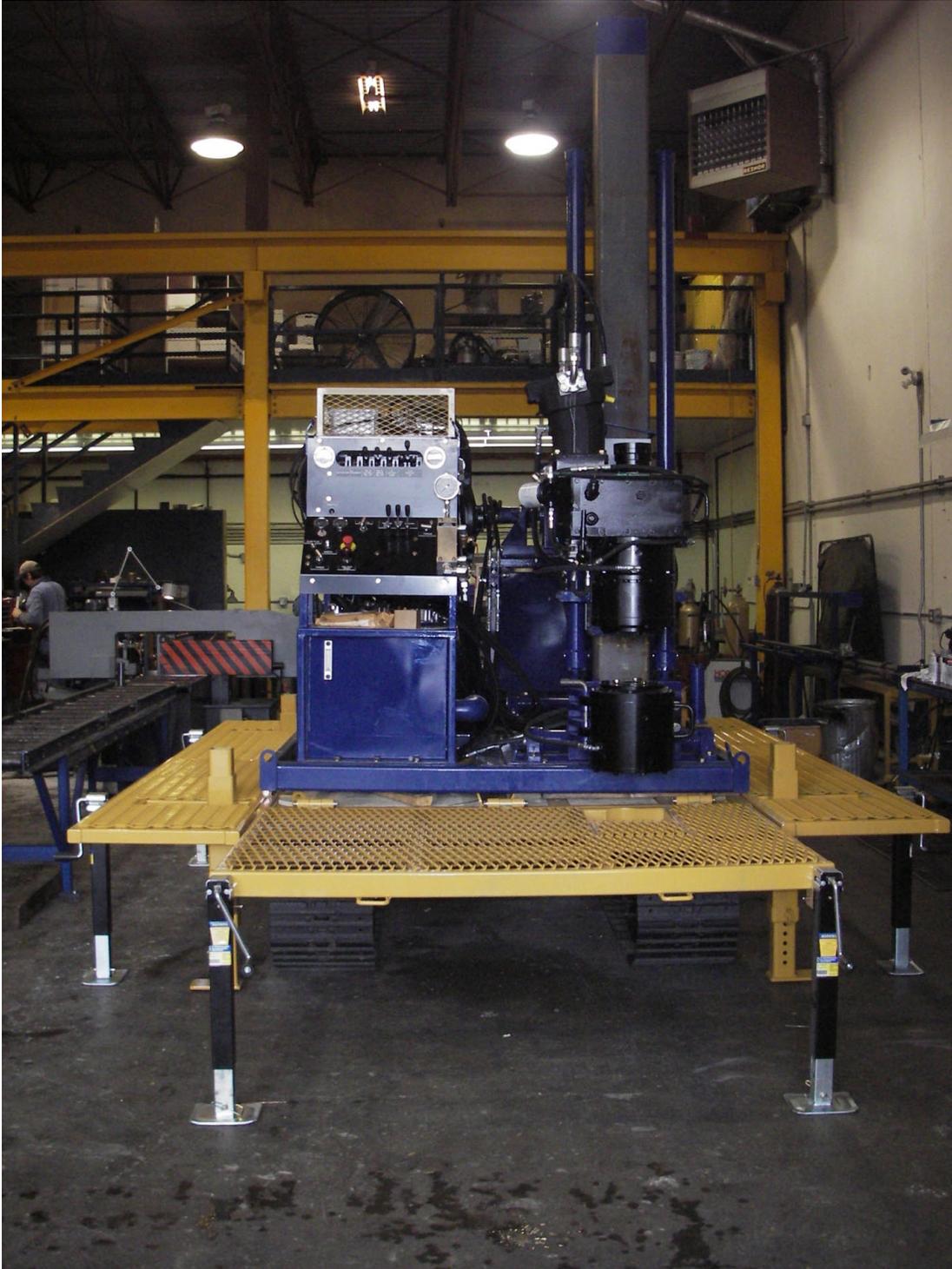
APPENDIX 1
MAPS AND FIGURES



General Project Location



APPENDIX 2
PHOTOS



Multipowers Track Mounted Hydraulic Diamond Drill



Multipowers Track Mounted Hydraulic Diamond Drill-Detail



Multipowers Track Mounted Hydraulic Diamond Drill on Jobsite

Appendix 3
Statement of Qualifications and Holdings

**STATEMENT OF QUALIFICATIONS
OF
ASCOT USA INC.**

I hereby certify that I am the Vice President of Ascot USA Inc., a Washington corporation (the “**Company**”). In connection with the Company’s application to the United States Bureau of Land Management for a Prospecting Permit on acquired lands within the Gifford Pinchot National Forest, Skamania County, Washington, I hereby further certify as follows:

1. The Company is incorporated in the state of Washington.
2. The Company is a wholly owned subsidiary of Ascot Resources Ltd., a Canadian public exploration company (the “**Company’s Parent**”).
3. I am an officer authorized to act on behalf of the Company.
4. The Company’s acreage holdings, and those of the Company’s Parent do not exceed the acreage limitations in 43 CFR §3503.37.

Dated this ___ day of October, 2011.



Robert A. Evans

Mt Margaret option:

In March, 2010 the Company announced the signing of an Option Agreement to purchase a 100% interest of the 50% interest in the Mt. Margaret property held by General Moly Inc. in the St. Helens Mining district of Skamania county in Washington state.

The Mt. Margaret property covers a large portion of the undeveloped resource known as the Mt. Margaret deposit. This is one of the largest of the Cu-Mo-Au-Ag calc-alkaline porphyries of Miocene age in Washington state. Since discovery in 1969 Duval Corporation conducted numerous exploration programs and mine/metallurgical studies on Mt. Margaret deposit until the eruption of Mt. St. Helens halted all fieldwork in 1980.

The Mt. Margaret porphyry copper-molybdenum-gold-silver deposit is located 22.5 km southwest of Randle Washington in Skamania county. The Mt. Margaret deposit was discovered by Duval Corporation in 1969 and was actively explored annually from 1971-1980. By 1980, a total of 105 diamond drill holes totaling 20,729 metres had been completed.

In order for the Company to purchase all of the interests of the Mt. Margaret property held by General Moly Inc. it must make the following payments:

- 1) \$ 100,000 US on signing (paid)
- 2) \$ 300,000 US fifteen months from the date of signing
- 3) \$1,600,000 US twenty seven months from the date of signing.

General Moly Inc will retain a 1.5% Net Smelter Return.

Legal Description -- Margaret Property

Mineral rights as reserved in deed dated December 17, 1965, from William J. Wineberg, executor, to International Paper Co., recorded December 23, 1965 under Skamania County Auditor's File No. 66135 in Book 55, Page 196, as amended by deed dated May 27, 1966, and recorded January 11, 1967 in Book 56, Page 488 under Auditor's File No. 68030, in the following tracts:

Germania Nos. 1 and 2;
Germania Jr. Nos 1 and 2;
Germania Secundus Nos. 1 and 2;
Ardentine Nos. 1 and 2;
Zenith Nos. 1 and 2; and
Adamantine No. 2

All in Sections 7, 8, 17 and 18, Township 10 North, Range 6 East,
W.M. (212.27 acres) also known as U.S. Mineral Survey #708.

as acquired by Janet Ellen Leigh on or about May 8, 1983 and recorded on December 16, 1983 under Skamania County Auditor's File No. 96795.

And,

as acquired by Idaho General Mines, Inc. from Janet Ellen Leigh on or about September 28, 2004 and recorded on October 6, 2004 under Skamania County Auditor's File No. 2004154700; and,

as corrected by a Correction Deed on or about August 31, 2005 and recorded on September 7, 2005 under Skamania County Auditor's File No. 2005158629.

Exhibit "1"
Page 1 of 1

Erwin & Thompson LLP
A Limited Liability Partnership
Including Professional Corporation

OSWEGO LIBRARY, SUITE 401
POST OFFICE BOX 9847
RENO, NEVADA 89507

TERESA J. BERRY
FRANK W. THOMPSON

TELEPHONE: (775) 784-4444
FACSIMILE: (775) 784-1188
E-MAIL: erwin@erwin.com
URL: www.erwin.com

May 6, 2010
Confidential Legal Advice

Ascot Resources Ltd.
John A. Toffin, President
Suite 420 – 475 Howe Street
Vancouver, B.C., Canada V6C 2B3

Blake, Cassels & Graydon LLP
595 Burrard Street
P.O. Box 49314
Suite 2600, Bentall Centre
Vancouver, B.C., Canada V7X 1L3

Re: Margaret Project, Skamania County, Washington
File No. 11710.001

Ladies and Gentlemen:

At your request we have prepared this Mineral Status Report for the Margaret Project which consists of the 105 unpatented mining claims known as the MN and RB mining claims (collectively the "Claims") situated in T. 10 N., R. 5 E.; T. 10 N., R. 6 E. T. 11 N., R. 5 E. and T. 11 N., R. 6 E., WB&M, Skamania County, Washington. This Mineral Status Report also discusses title to an undivided one-half (1/2) interest in the mineral estate in the Germania Nos. 1 and 2, the Germania Junior Nos. 1 and 2, the Argentine Nos. 1 and 2, the Zenith Nos. 1 and 2 and the Germania Secundus Nos. 1 and 2 patented mining claims identified in Mineral Survey No. 708 (the "Mineral Rights").

Our report regarding the Claims is based on our examination of the records of the United States Bureau of Land Management ("BLM") in its LR2000 on-line database and certain records of the Office of the Auditor and Recorder of Skamania County, Washington. We examined the BLM mining claim and public land records for the lands within the boundaries of the unpatented mining claims described in this report. Our examination of the BLM records is effective to May 2, 2010, 4:00 p.m.

We also examined certain records recorded in the Office of the Auditor and Recorder of Skamania County, Washington, including the grantor-grantee index of the Skamania County electronic database. Our examination of the grantor-grantee index of the Office of the Recorder of Skamania County is effective to May 5, 2010, 5:00 p.m.

We examined the plaintiff-defendant index of the United States District Court and the party index of the United States Bankruptcy Court for the District of Nevada, effective to May 5, 2010, 5:00 p.m., to confirm that there are no actions pending against any entity holding interest in the Claims in the United States District Court and there are no bankruptcy proceedings pending in the United States Bankruptcy Court in which any entity holding interest in the Claims is named as a debtor. Our examination was conducted through the PACER on-line service.

We have not examined any public records concerning the status of any other Federal public lands, mining claims or mineral rights and interests, except as expressly described in this report.

May 6, 2010

Page 2.

Confidential Legal Advice

A. Description of Property. The Claims are described in Exhibit A attached to this report. The Mineral Rights are in the patented mining claims described above which are located in Sections 7, 8, 17 and 18 of T. 10 N., R. 6 E., WB&M, Skamania County, Washington, for which Patent No. 114944 was issued on March 21, 1910. Our examinations of the records of the Office the Recorder of Skamania County, Washington, did not extend to examination of the grantor-grantee index from the date of issuance of the mineral patent, but was limited to an examination of the records of the period beginning in 1992 when the Skamania County Auditor and Recorder began using a digital database for its grantor-grantee index.

B. Title. Record title to the Claims is vested in General Moly, Inc., a Delaware corporation. Record title to the mineral rights is vested in General Moly, Inc., a Delaware corporation, formerly known as Idaho General Mines, Inc. The Mineral Rights are subject to the limitation that no minerals will be removed by strip mining methods and subject to the Regulations of the Secretary of the Agriculture in effect on May 27, 1966, as provided in the Warranty Deed from William J. Wineberg, individually and as Executor of the Estate of Janet R. Wineberg, deceased, to International Paper Company, recorded December 23, 1965, File No. 66135, as corrected by Warranty Deed recorded January 11, 1967, File No. 68030, pursuant to which the Mineral Rights were reserved.

C. Federal Land Status – Unpatented Claims. The BLM land status and mineral status records show that the lands appropriated by the Claims are Federal public lands. The lands were open to location under the Mining Law of 1872, as amended, on the dates of location of the Claims. The Master Title Plats and Historical Indexes for the townships and ranges in which the Claims are located show that certain patents have been issued for unpatented mining claims and other entries in the sections of the public survey 1 which certain of the Claims are located and that rights-of-way have been granted or reserved in which certain of the public lands and the patented mining claims.

If an unpatented mining claim conflicts with fee lands, including patented mining claims, the unpatented mining claim is void to the extent of the area in conflict. If the monument of location for an unpatented mining claim is located on fee lands, including patented mining claims, the unpatented mining claim is void in its entirety (and not merely to the extent of any conflict). Accordingly, the Company should assure that the monuments of locations for the Claims are on public land available for the location of unpatented mining claims.

The Claims are situated within the Gifford-Pinchot National Forest and the mining claim owner's activities on the Claims are subject to administration and regulation by the United States Forest Service of the United States Department of Agriculture.

UNITED STATES OF AMERICA

The State of  Washington
Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal,
hereby issue this

CERTIFICATE OF INCORPORATION

to

ASCOT USA INC.

a/an WA Profit Corporation. Charter documents are effective on the date indicated below.

Date: 3/8/2010

UBI Number: 602-997-476

APPID: 1675034

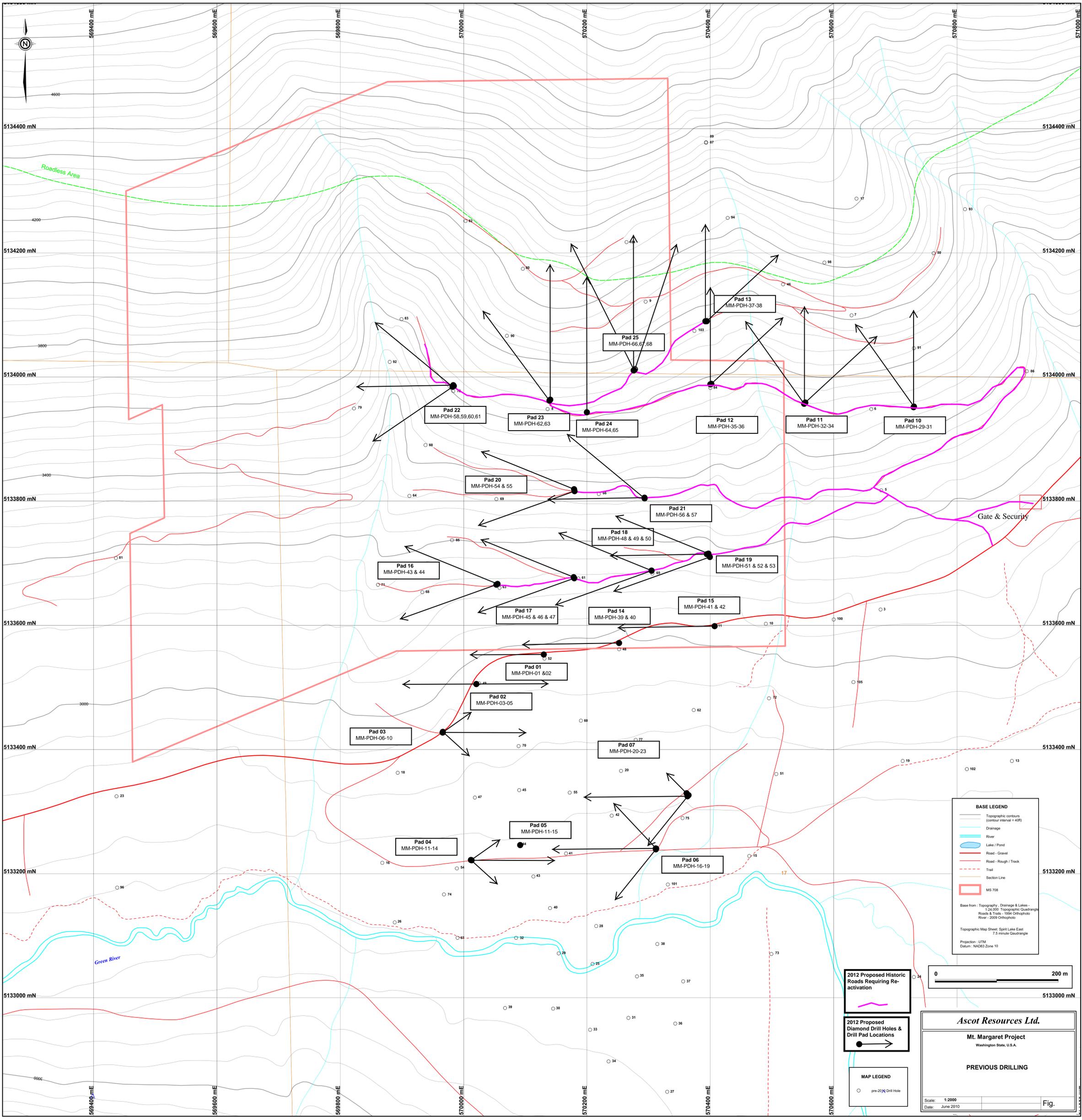
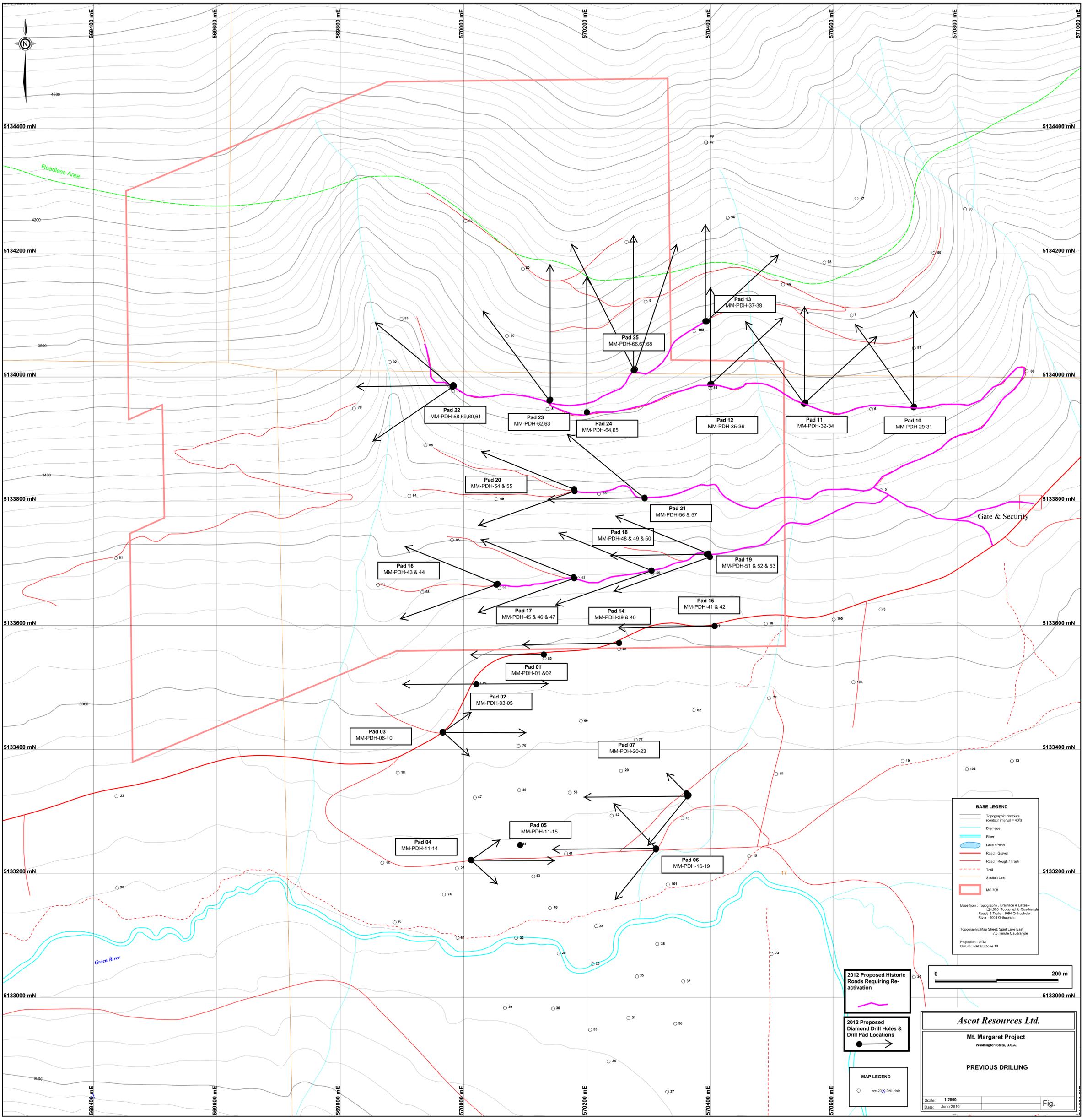


Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

Sam Reed, Secretary of State

Appendix 4
Detailed Maps

[enclosed herewith]



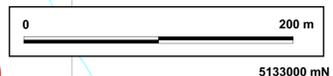
BASE LEGEND

- Topographic contours (contour interval = 40ft)
- Drainage
- River
- Lake / Pond
- Road - Gravel
- Road - Rough / Track
- Trail
- Section Line
- MS 708

Base from: Topography, Drainage & Lakes - 1:24,000; Topographic Quadrangle
Roads & Trails - 1994 Orthophoto
River - 2009 Orthophoto

Topographic Map Sheet: Spirit Lake East
7.5 minute Quadrangle

Projection: UTM
Datum: NAD83 Zone 10



2012 Proposed Historic Roads Requiring Revitalization

2012 Proposed Diamond Drill Holes & Drill Pad Locations

MAP LEGEND

pre-2012 Drill Hole

Ascot Resources Ltd.

Mt. Margaret Project
Washington State, U.S.A.

PREVIOUS DRILLING

Scale: 1:2000
Date: June 2010

Fig. _____