

The Insolvency Act 1986

Administrator's progress report

Name of Company Ascot Mining Plc (in Administration)
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Company number 06009952

In the High Court of Justice, Chancery Division – Company Court <small>(full name of court)</small>
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Court case number 7253 of 2013
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)

Stephen Robert Cork
Cork Gully LLP
52 Brook Street
London
W1K 5DS

Joanne Elizabeth Milner
Cork Gully LLP
52 Brook Street
London
W1K 5DS

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 6 November 2013	To (b) 5 May 2014
------------------------------------	-----------------------------

Signed

Joint / Administrator(s)

Dated

3 June 2014

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Tim Grimstone
Cork Gully LLP
52 Brook Street
London
W1K 5DS

DX Number

02072682150
DX Exchange

WEDNESDAY



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COMPANIES HOUSE

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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

CORK GULLY

Cork Gully LLP
52 Brook Street
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TO ALL KNOWN CREDITORS

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3 June 2014

Our ref ASC001/SRC/JEM/TRG - 15

Dear Sir/Madam,

Ascot Mining Plc (in Administration) ("the Company")

As you are aware Stephen Cork and I were appointed Joint Administrators of the Company on 6 November 2013

This is our report on the progress of the administration of the Company for the first six months of the administration being for the period 6 November 2013 to 5 May 2014

1 Introduction

This report is addressed to the Company's creditors and forms the Joint Administrators' progress report. This report and the attached Form 2 24B are statutory requirements as part of the administration process. The report contains important information for creditors and should be read in conjunction with our previous report to creditors.

The Company was placed into administration on 6 November 2013 and Stephen Cork and I were appointed Joint Administrators ("the Administrators"). The Administrators carry out their functions jointly and severally.

The Administrators consider that the EC regulation on insolvency proceedings apply to the administration of the Company and also consider that they are "main" proceedings as the Company's registered office and former management address are in the United Kingdom.

2 Statutory Information

The Company's statutory information is attached at Appendix I.

3. Summary Of The Administrators' Proposals

The Administrators' proposals for dealing with the Company's assets and affairs were circulated to all known creditors in our report dated 30 December 2013.

The Administrators were not obliged to summon a meeting of creditors by virtue of paragraph 52(1) of schedule B1 to the Insolvency Act 1986 ("the Act") and creditors did not requisition a meeting. In these circumstances the proposals are deemed to have been approved by creditors 8 days from the date of the proposals, in accordance with Rule 2.33(5) of the Insolvency Rules 1986 ("the Rules"), being 10 January 2014. Please note, this does not apply to resolutions in relation to the Administrators' remuneration.

Notice of deemed approval of the Administrators' proposals was sent to creditors on 14 January 2014.

A summary of the Administrators' proposals is attached at Appendix II to this report.

Partners and directors act as insolvency practitioners without personal liability.
The affairs, business and property of the Company are managed by the Joint Administrators who act as the Company's agents and without personal liability.
Stephen Cork and Joanne Milner are licensed to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Cork Gully is a Limited Liability Partnership registered in England and Wales under number OC357274. A list of members is available for inspection at the registered office above. Members will be referred to as partners and directors.

4 Steps Taken During the Administration

The Administrators have complied with all necessary statutory notice and other requirements upon their appointment. A summary of the key steps taken in the Administration is provided below.

Director Cooperation

As advised in our last report to creditors, the Administrators were concerned about the level of cooperation from the Company's directors. Despite numerous warnings from the Administrators, cooperation has not materially improved and the Administrators have instead largely been relying on information supplied by the Company's major creditor. The Directors are fully aware of the potential repercussions with regards to lack of cooperation which the Administrators have pursued within the constraints of the case.

Refinancing of the Company

A key element influencing the decision of the Court to make the Administration Order was the attempts by the Management to obtain refinancing of the Company. Since the date of their appointment, the Administrators have attempted to progress the refinancing with the parties introduced by the Management. The Administrators entered into correspondence with the interested parties, but evidence of funding was not forthcoming and doubts were raised over the ownership of the Company's assets.

The parties have since indicated they do not intend to proceed with the transaction.

Litigation surrounding the Costa Rican assets

Creditors will be aware that following legal proceedings in Costa Rica instigated by the secured creditor of the Company's subsidiaries, being Ganadera los Maizoles, S A and Ventas Gold C R, S A, legal ownership of the shares in these subsidiaries was awarded to the secured creditor.

The Administrators were informed by the Company's directors upon the onset of the Administration that an appeal had previously been lodged in Costa Rica contesting the conduct of the proceedings that awarded the shares to the secured creditor, which the directors expected to rule in the Company's favour. This appeal, however, would not prejudice the secured creditor from restarting the legal proceedings which awarded the ownership of the shares as the debt remains outstanding.

The Administrators have learnt throughout the course of the Administration from the lawyers acting for the secured creditor that this appeal was only commenced after the Company entered into Administration, without the consent of the Administrators. The Administrators attempted to enter into correspondence with the Costa Rican legal advisers engaged by the directors to request clarification as regards the situation with the appeal and the source of funding to meet the associated professional costs. No satisfactory response was received and the Administrators felt that they could not give sanction for the appeal to continue given there were no funds in the case for any associated professional costs to be met and that it would not be in the best interest of creditors as a whole unless the refinancing was successful and the debt to the secured creditor repaid, which was looking unlikely.

The Administrators have since received confirmation that the deadline for the appeal to be lodged has passed and thus it appears the award of the shares in the subsidiaries to the secured creditor remains valid.

5. Next steps to be taken by the Administrators

In light of the above, the Administrators no longer consider that they will be able to achieve the primary objective of the Administration, being to rescue the company as a going concern, and intend to return to Court at the earliest opportunity to request directions as to whether the Company should be wound up or dissolved. The Administrators intend to do this as soon as they have received confirmation from the Costa Rican legal advisers that there are no residual funds due to the Company. The Administrators do not intend to act as any subsequently appointed liquidators.

6. Investigation into the Affairs of the Company

The Administrators have undertaken initial investigations into the affairs of the Company to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of

the public interest, potential recoveries, monies likely to be available to fund an investigation, and the costs involved

Within six months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. This report has been submitted.

7. Receipts & Payments Account

A summary of the receipts and payments made during the administration for the period 6 November 2013 to 5 May 2014, being for the first six months of the administration, is attached as Appendix III to this report. Creditors should note that all expenses are shown net of VAT and that VAT is recoverable in this matter. All funds are held in an interest bearing account.

Receipts

- **Cash at Bank**

The Joint Administrators have realised £226 39 cash at bank.

Payments

There have been no payments in the Administration to date.

8. Outcome For Creditors

Secured creditors

The Company has not granted any fixed or floating charges.

Preferential creditors

The Administrators are not aware of any preferential creditors of the Company.

Non-preferential Unsecured creditors (including Crown Creditors)

There are provisions within the insolvency legislation that require an administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property."

A company's net property is that which is left from the proceeds of sale after settlement of any fixed charge over the property and after paying any preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company has not granted floating charges to any creditors and accordingly, the Prescribed Part in administration of the Company does not apply.

9 Pre-Administration Costs

Pre-Administration costs total £22,080.00 plus VAT. £20,000 was received on account of costs on 22 October 2013. Approval will be sought from creditors for payment of the balance out of estate funds, should they become available.

10 Administrators' Remuneration

As advised in our last report to creditors, the obligation to summon an initial meeting of the Company's creditors to consider the Administrators' proposals, to include fixing the basis of the Administrators' remuneration, is disapplied by paragraph 52(1) of schedule B1 to the Act if the Administrators consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors.

The Administrators made a statement to this effect and a meeting was not requisitioned by creditors. Accordingly, the basis of the Administrators' remuneration has not been fixed and on present information it is unlikely there will be sufficient asset realisations to warrant calling a meeting of creditors to fix the basis of remuneration. The Administrators will write to creditors should the situation change.

The Administrators' total time costs for the period to 5 May 2014 amount to £23,590 50, which have been charged at an average hourly charge out rate of £432 85. A schedule of the total time incurred by us and our staff during the administration period, being from 6 November 2013 to 5 May 2014, is attached at Appendix IV to this report. Cork Gully LLP staff record time in minimum units of 6 minutes. No fees have been drawn to date.

A description of the routine work that was undertaken during the administration is as follows:

Administration and Planning

- Review and documentation of Administration strategy
- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolvency Practitioner System ("IPS") Case Management software
- Case bordereau
- Liaising with the Company's directors regarding completion and submission of the Statement of Affairs
- Preparing the Administrators' proposals
- Ensuring statutory lodgements and tax lodgement obligations are met

Shareholders

- Dealing with shareholder enquiries and correspondence to include written and verbal communications

Creditors

- Dealing with creditor enquiries and correspondence to include written and verbal communications
- Maintaining creditor information on IPS Case Management software
- Reviewing statement of claims received from creditors

Investigations

- Statutory investigations, including a review of the Company's Officers' conduct
- Preparation and review of questionnaires to directors
- Review of statutory and financial records to identify any voidable antecedent transactions or possible actions the Administrators may bring against a third party in order to recover funds for the benefit of creditors

Realisation of Assets

- Liaising with the directors as regards the refinancing agreement
- Liaison with the Company's former bankers to determine the balance of the bank accounts

11. Administrators' Expenses

The Administrators' accrued expenses for the administration amount to £135. This amount has not been drawn. These expenses are for statutory advertising requirements.

The Administrators have not incurred any Category 2 disbursements. Category 2 disbursements are defined as those charged by Cork Gully LLP directly, for example room hire, printing, stationery etc.

Further information for creditors

A copy of 'A creditors Guide to Administrators' Fees' may be downloaded at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

A hard copy of the above document may be provided to creditors upon request.

12. Creditor Rights

A statement of creditors' rights in relation to our remuneration and expenses is provided in Appendix V.

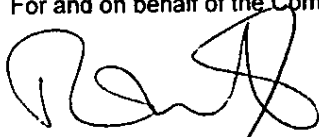
13 Summary

The Administrators will seek confirmation as to whether there are any residual funds from the legal proceedings in Costa Rica and then intend to return to Court to seek directions as to whether the Company should be wound up or dissolved.

A further report to creditors will be issued to creditors on conclusion of the Administration.

Should creditors have any queries, they should contact Tim Grmstone of this office on 020 7268 2150 or email timgrmstone@corkgully.com

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to be 'Joanne Milner', written over a horizontal line.

Joanne Milner
Joint Administrator

Stephen Cork and Joanne Milner were appointed as Joint Administrators on 6 November 2013. The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agent and without personal liability. Stephen Robert Cork and Joanne Elizabeth Milner are both authorised to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales. This report has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

STATUTORY INFORMATION

Company name: Ascot Mining Plc (in Administration)
Previous name: N/A
Company number: 06009952
Date of incorporation: 27 November 2006
Current registered office: c/o Cork Gully LLP, 52 Brook Street, London W1K 5DS
Former registered office: 4th Floor, 36 Spital Square, London E1 6DY
Principal trading activity: Activities of other holding companies not elsewhere classified
Date of appointment: 6 November 2013
Appointment made by: Court
Court name and reference: High Court of Justice, Companies Court (Case No 7253/2013)
Administrators appointed: Stephen Cork and Joanne Milner of Cork Gully LLP

Officers of the company (in the last three years):

Directors.	Date Appointed	Date Resigned
Mr Jeffrey Benavides Chavern	05/08/2011	
Mr Milo Filgas	15/11/2007	
Mr David Jackson	15/11/2007	
Mr Alexander Panko	30/03/2011	
Mr Andrew Von Kursell	15/11/2007	
Dr Michael Green	08/09/2008	28/04/2011

Company secretary:

Mr Graham May	14/11/2007
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Charges

N/A

Share capital

The Company had the following authorised and issued share capital

	Called up and fully paid share capital at the commencement of the Administration
	£
108,041,740 Ordinary Shares of 1p each	1,080,417 40
125,157 Preference Shares of 100p each	125,157 00
	<u>1,205,574 40</u>

The Company's 1p Ordinary Shares were admitted to trading on the ICAP Securities and Derivatives Exchange (UK) and the Xetra Trading Platform (Europe). As the shares were publically traded, details of ownership at the time of the commencement of Administration are held in a bulk list. Given the size of this listing, it is not included in these proposals, but can be made available electronically on request.

The Preference Shares were not admitted for trading.

EXTRACT FROM THE JOINT ADMINISTRATORS' PROPOSALS DATED 30 DECEMBER 2013

- (a) The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
- i) pursue amounts due to the Company and, where appropriate, agree commercial settlement
 - ii) sell the Company's assets and enter into any financial or commercial agreements at such time(s) and on such terms as considered appropriate
 - iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or companies whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or companies which supplies or has supplied goods or services to the Company,
 - iv) do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals

- (b) If the purpose of the Administration can be achieved the Administration of the Company will end by making an application to Court for an order that the Administration ceases

- (c) If it appears that there will be sufficient funds to pay a dividend to unsecured creditors of the Company, the Administration will end by placing the Company into creditors' voluntary liquidation and Stephen Cork and Joanne Milner will be appointed as Joint Liquidators of the Company

For the purpose of the winding up, any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of the persons for the time being holding office. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of proposals is discussed later in this report

- (d) If it appears that there will be insufficient funds to pay a distribution to unsecured creditors of the Company, the Administration will end by the filing a Notice of Dissolution with the Registrar of Companies
- (e) Alternatively, the Joint Administrators may at any time given the circumstances, deem it appropriate to present a winding up petition to the Court for the compulsory liquidation of the Company
- (f) Creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise between 3 and 5 creditors)

In the absence of a creditors' committee, the Joint Administrators further propose that

- (g) The Joint Administrators be remunerated by reference to time properly spent by them and their staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the rates outlined in this report. Details of the current charge out rates for the Joint Administrators and their staff are outlined in Appendix III of these proposals
- (h) The Joint Administrators be discharged from liability under the Administration in accordance with Paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986 immediately upon the Joint Administrators' filing of their final progress report and vacating office

**JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD 6 NOVEMBER 2013 TO 5 MAY 2014**

	STATEMENT OF AFFAIRS	RECEIPTS AND PAYMENTS
		6 November 2013 to 5 May 2014
RECEIPTS	£	£
Cash at Bank	-	226 39
		226 39
PAYMENTS		
NIL		-
		-
		226 39

DETAILED SIP9 AND TIME COST SUMMARY

PRE-APPOINTMENT TIME COSTS

Pre-Appointment Time Cost Schedule

Partner/ Director	Associates/ Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
31.50	6 00	0.00	0.00	37 50	22,080 00	588 80

Time is charged in minimum units of 6 minutes

Cork Gully LLP charge out rates from 1 September 2013

	£
Partner/Director	495-620
Associates/Manager	350-450
Other Senior Professional	200-290
Assistant/Support Staff	85-240

JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 6 NOVEMBER 2013 TO 5 MAY 2014

For the total period 6 November 2013 to 5 May 2014

Classification of Work Function	Partner/ Director	Associates / Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate
Administration & Planning	8 25	0 00	14 25	1 10	23 60	9,511 50	403 03
Case Specific Matters - Shareholders	0 00	0 00	2 25	0 00	2 25	652 50	290 00
Creditors	0 50	0 00	1 95	0 00	2 45	875 50	357 35
Investigations	8 85	0 00	6 00	0 00	14 85	6,867 00	462 42
Realisation of Assets	7 25	0 00	4 10	0 00	11 35	5,684 00	500 79
Total Hours	24.85	0 00	28 55	1 10	54 50	23,590 50	432 85

Time is charged in minimum units of 6 minutes

Cork Gully LLP charge out rates from 1 September 2013

	£
Partner/Director	495-620
Associates/Manager	350-450
Other Senior Professional	200-290
Assistant/Support Staff	85-240

STATEMENT OF CREDITOR RIGHTS

The Insolvency Rules 1986 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows -

Rule 2 48A - Creditors' request for further information

- (1) If—
- (a) within 21 days of receipt of a progress report under Rule 2 47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

Rule 2 109 - Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

The Insolvency Act 1986

Administrator's progress report

Name of Company Ascot Mining Plc (In Administration)
--

Company number 06009952

In the High Court of Justice, Chancery Division – Company Court <small>(full name of court)</small>
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Court case number 7253 of 2013
--

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)

**Stephen Robert Cork
Cork Gully LLP
52 Brook Street
London
W1K 5DS**

**Joanne Elizabeth Milner
Cork Gully LLP
52 Brook Street
London
W1K 5DS**

administrator(s) of the above company attach a progress report for the period

From


(b) 6 November 2013

To

(b) 5 May 2014

(b) Insert date

Signed


Joint / Administrator(s)

Dated

3 June 2014

WEDNESDAY



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04/06/2014

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