



ASCOT RESOURCES LIMITED
ACN 146 530 378

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 11:00 am (Perth time)
DATE: 21 September 2018
PLACE: BDO, 38 Station St, Subiaco, Western Australia

IMPORTANT INFORMATION

This Notice of Extraordinary General Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on (+61 8) 9386 3496.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of Shareholders of Ascot Resources Limited (**Company**) will be held at 11:00 am (Perth time) on 21 September 2018 at BDO, 38 Station St, Subiaco, Western Australia.

ORDINARY BUSINESS

Resolution 1 – Approval for the disposal of shares in Wonmunna Iron Ore Pty Ltd

To consider and, if thought fit, pass, with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2(b) of the Constitution and for all other purposes, approval is given for the Company to dispose of 100% of the shares it holds in its wholly owned subsidiary Wonmunna Iron Ore Pty Ltd ACN 169 151 777 pursuant to the terms of the Share Sale Agreement, the details of which are summarised in the Explanatory Statement.”

SPECIAL BUSINESS

Resolution 2 – Approval of the repeal of the current Constitution and adoption of new Constitution

To consider and, if thought fit, pass, with or without amendment the following resolution as a **special resolution**:

“That pursuant to and in accordance with section 136(2) of the Corporations Act, and for all other purposes, the Company is authorised to repeal its existing constitution in its entirety and adopt the constitution comprising the document tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification as the new constitution for the Company, with effect from the date of this Resolution.”

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary contained in the Explanatory Statement.

ENTITLEMENT TO VOTE

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 5.00pm (Perth time) on 18 September 2018.

PROXIES

Appointing a proxy

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on its behalf. The person or persons so appointed need not necessarily be Shareholders. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is attached.

To vote by proxy, please complete and sign the Proxy Form and return by:

- (a) post to Ascot Resources Limited at Unit 3, 154 Hampden Road, Nedlands WA 6009; or
- (b) facsimile to the Company on facsimile number (+61 8) 9386 3440; or

(c) email to info@ascotresources.com.

To be valid, properly completed proxy forms must be received by the Company no later than 48 hours before the Meeting.

If you return your Proxy Form but do not nominate a person as proxy, the Chairman of the Meeting will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated proxy does not attend the Meeting then your proxy will revert to the Chairman of the Meeting and he will vote on your behalf as you direct on the Proxy Form.

Transfer of Non-Chairman proxy to Chairman in certain circumstances

Section 250BC of the Corporations Act provides that, if all of the following criteria (a) to (d) are met:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the Chairman of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

then the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Corporate Representative

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the Meeting.

By order of the Board

**Nicholas Longmire
Company Secretary**

DATED: 27 August 2018

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at an Extraordinary General Meeting to be held at 11:00 am (Perth time) on 21 September 2018 at BDO, 38 Station St, Subiaco, Western Australia.

The Notice of Meeting, which is also **enclosed**, sets out the details of proposals concerning the Resolutions to be put to Shareholders.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. The Directors recommend Shareholders read the accompanying Notice of Meeting, this Explanatory Statement in full before making any decision in relation to the Resolutions.

The Board recommends that Shareholders vote in favour of the Resolutions.

The Chairman of the meeting intends to vote undirected proxies in favour of the Resolutions.

Terms and abbreviations used in this Explanatory Statement are defined in the Glossary.

Ordinary Business

2. Resolution 1 – Approval to dispose of the shares in Wonmunna Iron Ore Pty Ltd for the purpose of clause 14.2(b) of the Constitution

2.1. Background

Resolution 1 is an ordinary resolution and seeks Shareholder approval for the Company to dispose of the shares held by it in Wonmunna Iron Ore Pty Ltd ACN 169 151 777 (**WIO**) which is required by clause 14.2(b) of the Existing Constitution.

WIO is a wholly owned subsidiary of the Company and is the legal and beneficial owner of the Project.

The Company announced on 12 June 2018 that it had entered into the Share Sale Agreement with Australian Aboriginal Mining Corporation Pty Ltd ACN 126 497 434 (**AAMC**) and WIO, pursuant to which the Company will sell its shares in WIO to AAMC, subject to satisfaction or waiver of certain conditions precedent.

2.2. Key terms of the Share Sale Agreement

AAMC is a private company with a core strategy to develop an Aboriginal owned, managed and operated iron ore mine. AAMC is currently working to secure funding to develop the Project, which is one of the Conditions Precedent to the Share Sale Agreement (see paragraph 2.3 below).

The Purchase Price payable by AAMC for the sale of the Company's shares in WIO is \$20,000,000, payable in tranches as set out below in this paragraph 2.2.

AAMC has paid a deposit of \$250,000 which is currently held in an escrow account pending Completion or the Company or AAMC's earlier entitlement to the deposit in accordance with the terms of the Share Sale Agreement.

On Completion, AAMC will pay the Company \$7,000,000 (which includes the release of the deposit) and will also make the following payments to the Company or its nominee, upon AAMC achieving the following milestone events:

- (i) \$5,500,000, as Production Payment 1, by no later than 12 consecutive calendar months after the Date of Commercial Production;

- (ii) \$5,500,000, as Production Payment 2, by no later than 24 consecutive calendar months after the Date of Commercial Production; and
- (iii) \$2,000,000, as Production Payment 3, on or before the date which is the later of 36 consecutive calendar months after the Date of Commercial Production and the Production Payment 3 Date.

Security for Production Payments

In order to secure payment of the deferred Production Payments, AAMC and its subsidiary WIO will enter into the following finance documents at Completion:

- (i) a General Security Agreement in favour of the Company, in which AAMC and WIO will grant a security interest over all of the present and after acquired property of AAMC and WIO;
- (ii) a Mining Mortgage in favour of the Company, in which WIO will mortgage its interest in the Tenements to the Company;
- (iii) a Priority and Subordination Deed between AAMC, WIO, the Company (as junior creditor) and AAMC's financier for the Project (as senior creditor) which provides that the senior creditor securities granted by AAMC and WIO in favour of its financier will rank in priority to the junior creditor securities granted by AAMC and WIO to the Company.

2.3. Conditions Precedent

Completion of the Share Sale Agreement is subject to the following conditions precedent:

- (i) AAMC obtaining all corporate, statutory and regulatory approvals or waivers necessary to complete the transactions contemplated under the Share Sale Agreement.
- (ii) The Company obtaining a waiver in writing of all existing and future claims from Ochre Group Holdings Limited ACN 008 877 745 (**Ochre**) relating to the liability of the Company for the Additional Consideration (in respect of the Company's acquisition of the Project), conditional only on Completion and otherwise on terms which are satisfactory to the Company (acting reasonably).
- (iii) The Company procuring a release of the securities granted to RCF by Ascot and WIO under the RCF 2016 Convertible Note, to be effective on the Company's repayment of the Secured Financing at Completion.
- (iv) AAMC obtaining a funding arrangement in order to develop the Project which is to Fortescue's satisfaction.
- (v) The Company obtaining agreement from Gunvor Singapore Pte Ltd (**Gunvor**) to terminate the Gunvor Consultancy Agreement between the Company, WIO and Gunvor and to release the Company and WIO from all claims and liabilities arising from the Gunvor Consultancy Agreement; and
- (vi) The Company obtaining all corporate, statutory and regulatory approvals or waivers necessary to complete the Company's sale of WIO to AAMC.

Conditions Precedent Longstop Date

Other than the Condition Precedent relating to Gunvor (in paragraph (v) above), which cannot be waived, the Conditions Precedent must be satisfied or waived on or before 30 September 2018. AAMC may notify the Company of an extended date (not later than 6 December 2018) for satisfaction of the Conditions Precedent which are for its benefit, being those set out in paragraphs (i) and (iv) above, in which case portions of the deposit (which amounts depend on the relevant extended date notified by AAMC) will be released to the Company to provide working capital for the Company to accommodate such extension.

2.4. AAMC Conditions Precedent

As noted in paragraph 2.3 above, AAMC is responsible for satisfying the Conditions Precedent set out in paragraphs (i) (obtaining all necessary corporate statutory and regulatory approvals) and (iv) (obtaining a funding arrangement in order to develop the Project which is to Fortescue's satisfaction).

The Company has not yet been notified that AAMC has satisfied these Conditions Precedent but understands that AAMC is working to satisfy them.

2.5. Company Conditions Precedent

Gunvor Condition Precedent

In September 2014, the Company and WIO entered into a Consultancy Agreement with Gunvor, in which WIO appointed Gunvor as an exclusive service provider to provide consultancy services as its agent in order to enter into ore sale agreements and shipping contracts, in exchange for payment of a monthly consultancy fee and a commission. WIO's obligations under the Consultancy Agreement were guaranteed by the Company. The Consultancy Agreement is linked to the Project and, in addition, Gunvor claimed that WIO and the Company owed certain unpaid amounts to Gunvor under the Consultancy Agreement. The Company understands that AAMC will enter into its own offtake arrangements for the sale of iron ore product from the Project, accordingly, one of the Conditions Precedent to the sale of WIO is that the Gunvor Consultancy Agreement is terminated and the Company and WIO are released from all claims and liabilities arising from the Gunvor Consultancy Agreement.

On 20 August 2018, Gunvor and Ascot entered into a Settlement Deed to facilitate the termination and release of the Gunvor Consultancy Agreement required by this Condition Precedent. Accordingly, the Company has now satisfied this Condition Precedent.

The key terms of the Settlement Deed are as follows:

- (i) The Consultancy Agreement has been terminated and Gunvor has released and discharged the Company and WIO, and the Company and WIO have released and discharged Gunvor, from all claims and liabilities arising under the Gunvor Consultancy Agreement.
- (ii) In exchange for such releases and to facilitate the transaction with AAMC, the Company will pay Gunvor \$800,000 at Completion (with provision for earlier repayment on the occurrence of certain events prior to Completion) and provided that Completion occurs on or before the Maturity Date of the RCF 2016 Convertible Note, \$300,000 following the Company's receipt of Production Payment 1 (with provision for earlier repayment on the occurrence of certain events prior to the receipt of Production Payment 1 or if Completion does not occur on or before the Maturity Date).
- (iii) The Company has granted security to Gunvor over its present and after-acquired property pursuant to a General Security Deed.
- (iv) The security granted by the Company in favour of Gunvor is subordinated to the security granted to RCF in connection with the RCF 2016 Convertible Note until such time as the Convertible Note is repaid pursuant to a Priority and Subordination Deed between the Company, WIO, RCF and Gunvor.

Ochre Condition Precedent

The Company acquired the Project from Ochre in 2014 pursuant to a sale and purchase agreement (**SARSPA**). The SARSPA provided for an amount of Additional Consideration to be paid by Ascot to Ochre following completion of the first sale of product from the Project, on the terms set out in the SARSPA. In order to discharge this contingent liability to Ochre, one of the Conditions Precedent to the sale of WIO is that the Company obtains a waiver of all existing and future claims from Ochre relating to the liability of the Company for the Additional Consideration.

On 20 August 2018, Ochre and the Company entered into an Implementation Deed to facilitate the waiver of all claims to the Additional Consideration by Ochre. Accordingly, the Company has now satisfied this Condition Precedent.

The key terms of the Implementation Deed are as follows:

- (i) Ochre releases Ascot from all claims (existing and future) in connection with the Additional Consideration.
- (ii) Subject to the Production Payment 1 distribution being made (or earlier on the occurrence of certain events prior to the Production Payment 1 Distribution being made) the Company will issue Ochre a convertible note to secure repayment of a principal amount of \$7,500,000, on the terms of a Convertible Note Deed between Ascot and Ochre. The principal amount is repayable in two tranches of \$5,500,000 and \$2,000,000 which mature on receipt of Production Payment 2 (in the amount of \$5,500,000) and Production Payment 3 (in the amount of \$2,000,000) by the Company. Ochre may elect to convert all or part of the principal amount of the convertible note into Shares at any time at a deemed issue price of \$0.032 (i.e. a maximum number of 234,375,000 Shares).
- (iii) The issue of Conversion Shares to Ochre is subject to the Company obtaining Shareholder approvals to the issue of Shares in order to facilitate the conversion to Shares. Approval will be sought from Shareholders as soon as reasonably practicable following Completion.
- (iv) In the event that AAMC defaults on making any of the Production Payments and the security granted by AAMC in favour of the Company becomes enforceable, the Convertible Note will terminate and Ascot and Ochre will share in any net proceeds of enforcing the Company's security over AAMC, noting that Ascot's enforcement rights will be subject to the rights of AAMC's financier as senior creditor as set out above in paragraph 2.1 (Security for Production Payments).

RCF Condition Precedent

As set out in the Company's Notice of Meeting for its 2016 Annual General Meeting, the Company entered into the RCF 2016 Convertible Note in October 2016. The terms of the RCF 2016 Convertible Note are summarised in Schedule 2 of that Notice of Meeting. The RCF 2016 Convertible Note is scheduled to mature on 13 December 2018. It is secured by way of securities over the Company and WIO's assets, including the Tenements. The Company intends to repay RCF the sum of approximately \$3,000,000 on Completion of the Share Sale Agreement out of the proceeds received by the Company from AAMC. To ensure that the Company's is able to sell WIO free from all encumbrances, one of the Conditions Precedent is the release of such securities in favour of RCF, which is to be effective on the Company's repayment of the Secured Financing on Completion.

The Company is in advanced discussions with RCF and expects to receive from RCF all necessary documentation to release the securities and satisfy the Condition Precedent relating to the release of RCF security, conditional only on repayment of the RCF 2016 Convertible Note which will occur at Completion. The Company notes that the terms of the RCF security require release on repayment in any event.

Company Shareholder Approval

As set out below in paragraph 2.6, the Company requires the approval of its Shareholders to dispose of its shares in WIO. The Meeting is for the purpose of obtaining such approval to satisfy this Condition Precedent and facilitate the sale of WIO.

2.6. Requirement for Shareholder approval

Clause 14.2(b) of the Existing Constitution requires Shareholder approval for the sale of the Company's shares in WIO. The Company is seeking such Shareholder approval as set out in this Notice.

2.7. Commercial rationale for the sale of WIO

On 6 October 2015, the Company announced that, due to the uncertain state of the iron ore market and volatile market conditions generally, the Board had decided that further development activity on the Project would be limited until the iron ore price and market conditions generally stabilise and improve. In July 2016, the Company advised that further development of the Project would remain "on hold" due to a continuation of depressed iron ore prices and volatile market conditions generally, at that time. The Company also announced on both occasions that it would investigate opportunities for corporate or asset transactions that have potential to enhance the value of the Project or the Company generally.

The Directors have given detailed consideration to the proposed transaction with AAMC.

The sale of WIO will allow the Company to satisfy the existing debts of the Company. On Completion of the Share Sale Agreement, the Company intends to apply the amount of \$7,000,000 (which includes the deposit) received at Completion towards existing debts of the Company, as follows:

- (i) repayment of the RCF 2016 Convertible Note;
- (ii) payment to Gunvor under the Settlement Deed;
- (iii) payment of outstanding duty to the Office of State Revenue of Western Australia in relation to WIO's acquisition of the Tenements from Ochre;
- (iv) to meet transaction costs; and
- (v) to meet general corporate and working capital expenses.

The sale of WIO will also put the Company in a position where it is entitled to receive ongoing Production Payments, linked to the Date of Commercial Production from the Project achieved by AAMC. Following receipt of Production Payment 1, the Board intends to maximise the capital distributed to Shareholders (as a dividend or other return of capital). Production Payments 2 and 3 will be applied towards any funds owing to Ochre under the convertible note which will be issued to Ochre.

The Directors consider that the sale of WIO will permit the Company to realise value from the Project, provide a return of capital to Shareholders and allow the Company to satisfy existing and contingent debts.

The Company will then be in a position in which it can explore new business opportunities, although further equity raisings may be required to provide additional funds to enable the Company to expand into or take advantage of new business opportunities in the future.

Potential consequences if Resolution is not approved

If Resolution 1 is not approved and Completion does not occur, the sale will not proceed.

The RCF 2016 Convertible Note is scheduled to mature in December 2018 (unless otherwise extended) at which time the Company will be required to repay RCF the sum of approximately \$3,000,000 (being the Secured Financing advanced by RCF). Further, if the RCF 2016 Convertible Note matures before Completion occurs under the Share Sale Agreement, the Company's obligations under the Gunvor Settlement Deed will crystallise and the Company will be immediately required to pay \$1,100,000 to Gunvor.

The Company will need to consider alternative sources of funding in order to meet its existing debts (including to RCF and Gunvor), short term commitments, maintain the Tenements and working capital needs. There is no guarantee that the Company would be able to raise sufficient funds through any of these processes or that any funds raised would be on favourable terms.

The Directors consider that RCF (in respect of its first ranking security) or Gunvor (in respect of its second ranking security) could enforce their security over the Company's assets (including the Tenements held by WIO) and in the absence of other capital being available immediately or any concessions from RCF or alternative funding arrangements with RCF, there is a risk that RCF or Gunvor may appoint a receiver to sell the assets of the Company and/or WIO.

Such enforcement action may lead to a sale of WIO or the other assets of the Company which may result in the Company obtaining a lower sale price than that currently offered by AAMC.

Therefore the Directors believe that a sale of WIO is the most certain and effective way to substantially reduce the Company's existing debt and to allow the Company the opportunity to pursue new opportunities.

SPECIAL BUSINESS

3. Resolution 2 – Approval of the repeal of the Existing Constitution and adoption of the New Constitution

3.1. Background

Resolution 2 is a special resolution which seeks Shareholder approval of the repeal of the Existing Constitution and adoption of the New Constitution.

Pursuant to Section 136(2) of the Corporations Act, a special resolution of shareholders is required for the adoption of a new Constitution for the Company.

As such Resolution 2 will only be passed if 75% or more of votes cast by shareholders entitled to vote are cast in favour of the Resolution.

3.2. New Constitution

The Existing Constitution contains certain provisions based on the requirements of the ASX Listing Rules which remain applicable. It was prepared in 2011 when the Company was admitted to the official list of the ASX as Epic Resources Limited. The Existing Constitution has not been comprehensively updated since 2011. Accordingly, the provisions embedded in the Constitutions relating to the ASX Listing Rules are no longer relevant.

In December 2015, the Company was removed from the official list of the ASX, at the request of the Company and with the approval of Shareholders.

As the Company is no longer listed and is no longer subject to the Listing Rules, the Board considers that it is appropriate to update various provisions of the Existing Constitution so that it is more suitable for a public unlisted company.

The proposed changes affect a range of provisions in the Existing Constitution. The Board therefore considers it more efficient to adopt the New Constitution rather than approving numerous amendments to the Existing Constitution.

Accordingly, the Company seeks to repeal the Existing Constitution and replace it with the New Constitution that is more appropriate for a public unlisted company, consistent with current applicable laws as well as reflecting current corporate governance standards and practices.

One of the key proposed changes is the removal of clause 14.2(b). Clause 14.2(b) contains what the Board considers to be a drafting anomaly which requires Shareholder approval to the sale of the Company's assets, such as the approval being sought in this Notice of Meeting. The Board considers that clause 14.2(b) may have been intended to mirror the requirement for Shareholder approval for the disposal of the main undertaking of the Company under the ASX Listing Rules. The Board considers that clause 14.2(b) contains an unnecessary fetter on the ability of the Board to manage the orderly disposal of the Company's assets for the benefit of Shareholders and believes that the removal of this clause will facilitate any future opportunities for the sale of assets which the Directors determine will enhance the value of the Company generally.

A copy of the Existing Constitution and the New Constitution are available for review by Shareholders at the Company's website www.ascotresources.com and at the office of the Company. A copy of the New Constitution can also be sent to Shareholders on request to the Company Secretary at (+61 8) 9386 3496.

A summary of the key practical differences between the Existing Constitution and the New Constitution are set out in Schedule 1 to this Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

AAMC means Australian Aboriginal Mining Corporation Pty Ltd ACN 126 497 434.

Additional Consideration means the sum of up to \$19,950,000 payable by the Company to Ochre pursuant to the SARSPA (which was entered into when the Company acquired the Project), and any interest payable on such outstanding amount, as may be adjusted, pursuant to the terms of the SARSPA.

Board means the current board of directors of the Company.

Company means Ascot Resources Limited ACN 146 530 378.

Completion means completion of the sale and purchase of the Company's shares in WIO pursuant to the Share Sale Agreement.

Conditions Precedent means the conditions precedent to the Share Sale Agreement set out in paragraph 2.3 of the Explanatory Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Date of Commercial Production means the date which is 60 days following the date on which an aggregate amount of 35,000 wet tonnes or more of iron ore product has been produced from the Project and delivered or made available to a purchaser of the iron ore product.

Director means a current director of the Company.

Existing Constitution means the Company's current constitution as at the date of this Notice.

Explanatory Statement means this explanatory statement.

Extraordinary General Meeting or **Meeting** means the extraordinary general meeting convened by the Notice.

Fortescue means Chichester Metals Pty Ltd ACN 109 264 262.

Gunvor Consultancy Agreement means the Consultancy Agreement between the Company, Gunvor and the WIO executed on or about 14 September 2014, in which WIO appointed Gunvor as a service provider to provide consultancy services as its agent, for the purpose of entering into ore sale agreements and shipping contracts.

Maturity Date means the date on which the principal amount of the loan made by RCF to the Company is due to be repaid pursuant to the RCF 2016 Convertible Note, which is currently scheduled for 13 December 2018 as may be extended.

New Constitution means the new constitution for the Company in the form set out in the Annexure.

Notice or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

Ochre means Ochre Group Holdings Limited ACN 008 877 745.

Production Payment 1 means the sum of \$5,500,000, payable as "Production Payment 1" under the Share Sale Agreement.

Production Payment 2 means the sum of \$5,500,000, payable as "Production Payment 2" under the Share Sale Agreement.

Production Payment 3 means the sum of \$2,000,000, payable as "Production Payment 3" under the Share Sale Agreement.

Production Payment 3 Date means the earlier of:

- (a) 60 days following the date on which an aggregate amount of six million wet tonnes or more of iron ore product has been produced from the Project and delivered or made available to a purchaser of the iron ore product; and
- (b) 48 months after the Date of Commercial Production.

Project means the Wonmunna Iron Ore Project comprised of the Tenements and other related assets.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Purchase Price means \$20,000,000, payable in the manner set out in paragraph 2.2 of the Explanatory Statement.

RCF means RCF V Annex Fund L.P.

RCF 2016 Convertible Note means the convertible loan facility agreement between the Company, WIO and RCF for the principal amount of \$3,000,000 which was executed on or about 8 October 2016, as announced on 27 September 2016 and details of which are set out in the Notice of Meeting for the Company's 2016 Annual General Meeting.

RCF Parties means RCF, RCF Management L.L.C. and Resource Capital Fund V L.P.

Resolutions means the resolutions set out in the Notice of Meeting.

SARSPA means the Second Deed of Amendment and Restatement - Sale and Purchase Agreement between WIO, the Company and Ochre dated 22 July 2016 which amends and restates a Sale and Purchase Agreement dated 24 June 2014 (as amended and restated on 3 July 2014) in relation to the Company's acquisition of the Project.

Secured Financing means the moneys loaned by RCF to the Company pursuant to the RCF 2016 Convertible Note.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Sale Agreement means the share sale agreement between the Company, WIO and AAMC dated 12 June 2018 for the sale of the Company's shares in WIO.

Tenements means Mining Leases 47/1423, 47/1424 and 47/1425, Exploration Licence 47/1137 and Miscellaneous Licences 47/426 and 47/427.

Schedule 1 - Key Practical Differences in the New Constitution

The key practical differences between the Existing Constitution and the New Constitution to be adopted are outlined below. Many of the differences are administrative or relatively minor in nature. Capitalised terms that are not defined within this Explanatory Memorandum are as defined in the New Constitution.

1. The New Constitution removes embedded clauses which relate to a Company being listed on the ASX which are no longer relevant. However, clause 34 of the New Constitution makes provision for the Constitution to continue to apply and to be read as subject to the ASX Listing Rules in the event that the Company seeks re-quotations on the ASX.
2. There is no obligation in the New Constitution for the Directors to obtain shareholder approval for the disposal of the Company's assets.
3. The New Constitution does not contain any requirement Directors to retire no later than the third annual general meeting following the Director's last election or appointment (other than the Managing Director), which was a requirement set out in clause 13.2 of the Existing Constitution. This previous clause reflected common director rotation provisions among listed companies and the requirements of the ASX Listing Rules.
4. Clause 15.1 of the New Constitution prohibits a Managing Director from appointing an alternate to act as Managing Director. Clauses 16.4 and 6.5 of the New Constitution also provide for the Directors to make temporary appointments to the role of Managing Director in the event that the current Managing Director becomes incapable of acting and provides for the removal or dismissal of the Managing Director from office, subject to the terms of any contract with the Managing Director.
5. The New Constitution does not contain any ability of the Directors to adopt a retirement benefits scheme for Directors which was set out in clause 14.5 of the Existing Constitution.
6. The New Constitution does not contain a right of the Directors to create any mortgage, charge or security over the assets of the Company in circumstances where a Director, acting in its capacity as director, has become personally liable for payment of sums primarily due by the Company, which was previously set out in clause 14.6 of the Existing Constitution.
7. The New Constitution does not contain any requirement to include details of indemnities and insurance premiums in relation to the officers in the Directors' Report each year, which was previously set out in clause 27.4 of the Existing Constitution, as this is already required by section 300(1)(g) of the Corporations Act.

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**ASCOT RESOURCES LIMITED
(ACN 146 530 378)
PROXY FORM**

I/We
of

being a shareholder of Ascot Resources Limited entitled to vote at the Extraordinary General Meeting, hereby appoint:

The Chairman of the Meeting (mark with an 'X') **OR** (a) Write here the name of the person you are appointing if this person is someone other than the Chairman of this Meeting.

(b) or failing the person named (or if no person is named), the Chairman of the Meeting, or the Chairman's nominee, as my/our proxy to attend and vote on my/our behalf at the Extraordinary General Meeting of Ascot Resources Limited to be held at 11:00am (Perth time) on 21 September 2018 at BDO, 38 Station St, Subiaco, Western Australia and at any adjournment or postponement thereof.

Voting on Business of the Extraordinary General Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval for the disposal of shares in Wonmunna Iron Ore Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Approval for the repeal of the current Constitution and adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark abstain, you are directing your proxy not to vote on the Resolutions on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

The Chairman of the Meeting intends to vote all available proxies in favour of the Resolutions.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf for your directions to be implemented.

Dated this _____ day of _____ 2018

Individual or Shareholder 1 <input style="width: 250px; height: 35px;" type="text"/> Sole Director and Sole Secretary	Shareholder 2 <input style="width: 230px; height: 35px;" type="text"/> Director	Shareholder 3 <input style="width: 210px; height: 35px;" type="text"/> Director/Company Secretary
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ASCOT RESOURCES LIMITED
ACN 146 530 378

Instructions for Completing Proxy Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy may be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Any fraction of votes will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite the item of business. Please refer to the proxy form for further instructions on how to vote. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Extraordinary General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - a) post to Ascot Resources Limited at Unit 3, 154 Hampden Road, Nedlands WA 6009; or
 - b) facsimile to the Company on facsimile number (+61) 8 9386 3440; or
 - c) email to info@ascotresources.com

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.