
COMPANY ANNOUNCEMENT

1 July 2016

UPDATE

In October 2015, Ascot Resources Limited (**Ascot or the Company**) (**ASX: AZQ**) announced that, due to the uncertain state of the iron ore market and volatile market conditions generally, the Ascot Board had decided that, until the outlook stabilises and improves, further activity related to development of the Company's Wonmunna Iron Ore Project (**Project**) would be limited to:

- enhancing the value of the Project including (but not limited to) by targeted exploration, resource drilling, and value improvement initiatives; and
- obtaining any further necessary approvals to underpin a potential future project financing.

The Company also announced that it would investigate opportunities for corporate or asset transactions that have potential to enhance the value of the Project or the Company generally.

As a consequence of the Board's decision noted above, the Company sought and obtained ASX and shareholder approval for the Company to delist from ASX. Ascot was removed from ASX on 24 December 2015.

The first six months of 2016 have seen a continuation of depressed iron ore prices and volatile market conditions generally. The Company remains of the view that the decisions it made to place the Wonmunna Project 'on hold' and to delist from ASX were correct in the circumstances at that time. Further, it is the Company's view that as a significant improvement in iron ore prices and market conditions generally over the second half of 2016 appears unlikely, the Wonmunna Project will remain 'on hold' for at least the balance of 2016.

The Company advises that the WA Office of State Revenue (OSR) has recently issued an assessment notice for stamp duty on the acquisition of the Project. OSR has assessed duty of \$1.69m on a Project value of \$32.95m in line with the Company's submissions to OSR. OSR has agreed to a payment plan which will see the assessment paid in instalments.

The Company further advises that the term of the \$1.22m Loan Note Agreement made in May 2013 between the Company and Resource Capital Fund V LP (RCF) has been extended from 30 June 2016 to 31 July 2016 while the Company considers refinancing options.

For more information, visit www.ascotresources.com or contact:

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