
COMPANY ANNOUNCEMENT

12 June 2018

SALE OF WONMUNNA IRON ORE PROJECT

In March 2018 Ascot Resources Limited (“Ascot” or “the Company”) announced that it had signed a terms sheet for the sale of the Wonmunna Iron Ore Project (the “Project”) to Australian Aboriginal Mining Corporation Pty Ltd (“AAMC”).

Ascot now advises that Ascot and AAMC have executed a Share Sale Agreement (“SSA”) pursuant to which AAMC will acquire the shares in Wonmunna Iron Ore Pty Ltd (“WIO”), Ascot’s wholly owned subsidiary that is the legal and beneficial owner of the Project (“Transaction”).

If the Transaction completes, AAMC will pay Ascot a total of \$20m in instalments and assume the obligation to pay existing royalties payable to third parties.

The Transaction is subject to the satisfaction of a number of conditions precedent (“CPs”) including:

- AAMC arranging funding to develop the Project;
- a waiver of all future claims by Ochre Group Holdings Ltd (“Ochre”) relating to the liability of Ascot for future payments required under the September 2014 Sale and Purchase Agreement between Ascot and Ochre, pursuant to which Ascot acquired the Project;
- Ascot obtaining the agreement of major shareholder Gunvor Singapore Pte Ltd (“Gunvor”) to terminate a consultancy agreement made between Ascot, WIO and Gunvor relating to the marketing of product from the Project; and
- Ascot and AAMC each obtaining shareholder approval for the transaction.

Ascot advises that it has entered into terms sheets with each of Ochre and Gunvor in relation to the above CPs. Formal agreements giving effect to these terms sheets are now being prepared.

As noted above, the sale of the shares in WIO to AAMC is subject to approval by Ascot shareholders. A General Meeting of shareholders will be convened in due course to seek the necessary approval. Further details of the terms of the SSA will be provided in the Notice of Meeting.

For more information contact:

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