
ASX ANNOUNCEMENT

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The Manager
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CLARIFICATION OF ANNOUNCEMENT BY OCHRE GROUP HOLDINGS LTD

Ascot Resources Limited (**Ascot or the Company**) (**ASX: AZQ**) refers to the announcement by Ochre Group Holdings Ltd (**OGH**) released this morning (**OGH Announcement**). The OGH Announcement refers to the payment of deferred consideration and interest under the Sale and Purchase Agreement for the Wonmunna Iron Ore Project (**Project**) dated 3 July 2014 (**SPA**). Completion under the SPA occurred on 22 September 2014.

The OGH Announcement states that “within 16 months Ochre will receive approximately \$2.35m in a lump sum payment from Ascot and thereafter an annual interest payment of \$1.17m in respect to its deferred consideration, until that amount has been repaid in full”.

Appendix 1 attached is a summary of the terms of the SPA that was attached to Ascot’s ASX Announcement dated 3 July 2014. Ascot advises that under the terms of the SPA interest is payable semi-annually in arrears and will capitalise until the earlier of 24 months from completion under the SPA or first sale of product from the Project. Accordingly, the first interest payment under the SPA (payable at Ascot’s election in cash or shares) is due on 22 February 2017 unless there is a sale of product from the Project prior to 22 September 2016 in which case the first interest payment is due 6 months after that date.

Ascot also notes that, subject to the first sale of product from the Project occurring, the deferred consideration of \$19.95m which is payable to Ochre under the SPA must be paid by not later than the date that is five years from the date of that first sale of product (**End Date**). Ascot can elect to pay some or all of the deferred consideration at any time prior to the End Date.

As previously announced to ASX, Ascot is in discussions with third parties with respect to securing a viable solution to get iron ore product to market. Project go-ahead is also subject to obtaining development finance and Board approval. As such, Ascot is not able to predict when or if the first sale of product from the Project and /or the final date for payment of the deferred consideration, will occur.

About Ascot Resources Limited

Ascot Resources Limited (Ascot) is an ASX listed resources company focused on exploring and developing opportunities in steel making minerals.

The Company’s major asset is the Wonmunna Iron Ore Project, an advanced exploration asset located in the iron ore-rich Pilbara region, 80km northwest of Newman. The Wonmunna Project comprises 3 mining leases and 1 exploration licence (total area c.230km²) and is intersected by the Great Northern Highway, providing direct road access to Port Hedland. The deposit is hosted in the Marra Mamba formation, similar to the world class West Angelas mine, approximately 30km west of Wonmunna.

In addition, Ascot owns a 90% JV interest in the Titiribi Coal Project located in the Department of Antioquia, Colombia. The Project is located only 70km from State Capital Medellin and is close to existing utilities and infrastructure.

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Appendix 1

Summary of Additional Consideration Terms

1. Ascot must pay Ochre A\$19,950,000 (**Additional Consideration**) by not later than the date that is five years from the date of first sale of product to a buyer (**End Date**). Ascot may pay Ochre some or all of the Additional Consideration at any time without notice prior to the End Date.
2. Interest of 5.88% per annum will be payable on the amount of the Additional Consideration that remains unpaid at any time. Interest accrues and is payable semi-annually in arrears. Ascot may elect to pay some or all of the interest through the issue of Ascot Shares at a 5% discount to the VWAP for the 20 most recent days on which Ascot Shares have traded prior to the date for payment.
3. Interest will be capitalised until, and only become payable following, the earlier of:
 - a. the date of first sale of product to a buyer (**First Sale Date**); and
 - b. the date that is 24 months after the completion of the Transaction.
4. Provided the 60 day volume weighted average price of Ascot shares (**VWAP**) is at least A\$0.77, Ascot may, at any time prior to the End Date, give Ochre 21 days' notice that Ascot will pay some or all of the unpaid Additional Consideration by way of the issue of Ascot Shares, the number of which will be determined by reference to an issue price of \$0.70 per share. Ascot may exercise this right more than once and on each occasion in respect of any portion of the unpaid Additional Consideration.
5. Provided the 60 day VWAP is at least A\$1.00, Ochre may at any time after the First Sale Date but not later than 42 days prior to the End Date, give Ascot 21 days' notice requiring accelerated payment of some or all of the unpaid Additional Consideration by way of the issue of Ascot Shares. The number of Ascot shares to be issued will be determined by reference to a 5% discount to the 60 day volume weighted average price of Ascot shares prior to the date on which the notice is given. Ochre may exercise this right more than once and on each occasion in respect of any portion of the Additional Consideration and any interest that remains unpaid.
6. If, at any time prior to the End Date:
 - a. Ascot completes a transaction that results in the divestment of 100% of Ascot's interest in the Wonmunna Project; or
 - b. a person other than Ochre or its associates (**Bidder**) makes a takeover offer for Ascot under the Corporations Act and acquires a relevant interest in at least 50.1% in Ascot in circumstances where at least half of the securities held by Ascot shareholders (other than Ochre and its associates) have accepted into that takeover offer, or the Bidder otherwise acquires Ascot by way of a scheme of arrangement under Part 5.1 of the Corporations Act; or
 - c. a Bidder otherwise acquires a relevant interest in at least 50.1% in Ascot other than as a result of acquiring such interest through Ochre as a result of the operation of section 608(3) of the Corporations Act,

Ochre may, upon giving Ascot 21 days' prior notice, require Ascot to pay the unpaid portion of the Additional Consideration, at Ascot's election, in cash or in shares. Where Ascot elects to pay in shares, the number of Ascot Shares to be issued will be determined by reference to an issue price of A\$0.70 per share.
7. Ochre may transfer or novate its rights to receive payment of the Additional Consideration in whole (but not in part) to:
 - a. a related body corporate of Ochre; or
 - b. any other person with the prior written consent of the Ascot (such consent may be withheld at the absolute discretion of Ascot).