

OCHRE GROUP HOLDINGS Limited
(ACN 008 877 745)
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting ("Meeting") of members of Ochre Group Holdings Limited ("the Company" or "Ochre") will be held at 11.00 AM (AEST) on Friday, 5 September, 2014, at Level 15, 1 O'Connell Street, Sydney, NSW, 2000

ORDINARY BUSINESS

CHANGE INVOLVING MAIN UNDERTAKING

RESOLUTION 1: To consider and, if thought fit, pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 11.2 and for all other purposes, approval is given for the Company to dispose of its main undertaking, the Wonmunna Project, in accordance with the transaction for the sale of such assets as described in the Explanatory Notes in this Notice of General Meeting."

OTHER BUSINESS

To consider any other business that can lawfully be brought before the Meeting.

Entitlement to Vote

Who may vote?

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that for the purpose of the Meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at **7.00 pm (AEST) on 3 September, 2014 ('Entitlement Time')**.

All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the Meeting.

Proxies

Please note that:

- a member of the Company who is entitled to attend and cast a vote at the Meeting has a right to appoint a proxy;
- the appointment may specify the proportion or number of votes that the proxy may exercise;
- a member who is entitled to cast 2 or more votes at the Meeting may appoint 2 proxies and must specify the proportional number of votes each proxy is appointed to exercise;
- if the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes;
- a proxy need not be a member of the Company; and
- if you wish to appoint 2 proxies, contact the Company for another proxy form.

Unless the member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstains from voting.

If you wish to appoint a proxy, you should complete the attached 'Appointment of Proxy' form and comply with details set out in that form for lodgement of the form with the Company.

The proxy form must be signed by the member or his or her attorney duly authorised in writing or, if the member is a corporation, either under the seal of the corporation (in accordance with its Constitution) or under the hand of an attorney duly authorised in writing or otherwise signed in accordance with the *Corporations Act 2001*.

If any attorney or authorised officer signs this proxy form on behalf of a member, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the proxy form.

The proxy form must be received **not less than 48 hours** before the time for holding the General Meeting (**i.e. 11.00 AM, 3 September, 2014 AEST**) by delivering the proxy form to one of the addresses as follows:

Sydney Operations Office:

15 Whiting Street, Artarmon, NSW, Australia, 2064

Mailing Address:

PO Box H125

Australia Square,

Sydney, NSW

Australia 1215

Facsimile transmission to:

Within Australia: 02 9391 0409

International: +61 2 9391 0409

A corporation may appoint a representative who may attend the Meeting and vote on behalf of the corporation. Such a representative will have to produce a corporate representative appointment letter from the corporation signed either under the common seal of the corporation (in accordance with its Constitution), or by a duly authorised officer or otherwise signed in accordance with the *Corporations Act 2001* before he or she will be permitted to vote

Voting Exclusion Statement

In addition, in accordance with the Listing Rules, the Company will disregard any votes cast on:

Resolution 1

by any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities in the Company) if the resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY NOTES

Resolution 1: Change involving main undertaking

On 18 March 2014, the Company announced that it had entered into a binding agreement to sell all of its interest in the Wonmunna Project to Ascot Resources Limited (**Ascot**). The proposed sale is consistent with the Company's strategy of looking for ways to bring the project into production, including partnering with a third party with the requisite experience and funding capability.

Ochre believes that Ascot and its management have the necessary experience and funding capability to achieve the mutually desired goal of bringing Wonmunna into production and finding suitable off-takers to ship the iron ore to.

As the transaction involves the sale of the Company's main undertaking, shareholder approval was sought and obtained at a general meeting of shareholders held on 22 May 2014.

Subsequent to obtaining that approval, the Company agreed with Ascot to revise the terms on which Ochre would sell, and Ascot would purchase, the Wonmunna Project. Consequently, shareholder approval is again sought to proceed with the transaction, this time on the revised terms set out below.

Overview of revised Transaction

The Company has entered into an amended sale and purchase agreement to sell the Wonmunna Project to Ascot (**Transaction**). The Wonmunna Project is an iron ore project located in the Pilbara region of Western Australia and comprises the Company's right, title and interest in tenements E 47/1137, M 47/1423, M 47/1424 and M 47/1425 and in associated mining information and contracts.

The consideration to be received by the Company, subject (amongst other things) to approval of the Transaction by shareholders, amounts to approximately \$34.45 million, made up as follows:

- (i) Issue of 50 million ordinary shares in Ascot (**Ascot Shares**) for a nominal value of approximately \$12.5 Million, on completion (NB: The actual value will depend on the closing mid-market price of an Ascot Share on the date of issue of those shares);
- (ii) The receipt of cash consideration of \$2 million from Ascot on completion;
- (iii) The Additional Consideration, comprising a further \$19.95 million (plus interest), within 5 years from the date of first sale of product from the Wonmunna Project by Ascot to a buyer (further details of which are set out below); and
- (iv) a 1% gross revenue royalty on all product produced and sold by Ascot from the Wonmunna Project, commencing 12 months after Ascot completes the first sale of product from the Wonmunna Project (**Royalty**).

In addition, Ascot will continue to assume Ochre's existing obligation to Talisman Mining Limited to pay a 1% gross revenue royalty beginning from first shipment (**Talisman Royalty**).

Additional Consideration

Ascot must pay Ochre the Additional Consideration of \$19.95 Million by not later than five years from the date of first sale of product from the Wonmunna Project by Ascot to a buyer (**End Date**). The Additional Consideration bears interest at a rate of 5.88% per annum, payable semi-annually in arrears. Interest will be capitalised until, and only become payable following, the earlier of:

- the date of first sale of product by Ascot to a buyer (**First Sale Date**); and
- The date that is 24 months after Completion of the Transaction.

Ascot may elect to pay interest in cash, by way of the issue of Ascot Shares or a combination of cash or Ascot Shares, with any Ascot Shares to be issued at an issue price equal to a 5% discount to the 20 day VWAP of Ascot Shares prior to the relevant date for payment.

Whilst the Additional Consideration is only payable five years from the First Sale Date, Ascot may at its election pay some or all of it earlier in cash.

Further if at any time after the First Sale Date but prior to the End Date:

- (i) the 60 day VWAP of Ascot Shares is at least \$0.77, Ascot may elect to pay some or all of the amount outstanding by issuing Ascot Shares to Ochre at an issue price of \$0.70 per Ascot Share; and
- (ii) the 60 day VWAP of Shares is at least \$1.00, Ochre may (unless Ascot has made an election to repay the relevant amount as described in paragraph (i)) elect to require payment of, and Ascot must then pay, some or all of the amount outstanding by issuing Ascot Shares at an issue price equal to a 5% discount to the 60 day VWAP of Ascot Shares prior to the date of Ochre's election to require repayment.

Conditions precedent to the Transaction

Completion of the Transaction is subject to satisfaction of the following conditions precedent by 10 September 2014 or such later date as Ascot and Ochre may agree:

1. Approval by Ascot shareholders (if required, including for the purposes of section 611 item 7 of the Corporations Act and Listing Rule 11.1.2);

2. Approval by Ochre shareholders for the purpose of Listing Rule 11.2; and
3. Ascot raising a minimum of \$5 million in new equity at an issue price of at least \$0.25 per Ascot Share (unless jointly waived by Ascot and Ochre).

In respect of condition 3 above, as at the date of this Notice of Meeting, Ascot has informed Ochre that it has received subscription commitments from investors, and issued new shares in respect of those commitments, totalling \$1.08 million. In addition to this revised \$5 Million capital raising, Ascot has advised that its largest shareholder, Resource Capital Fund V L.P., has confirmed ongoing support and commitment to subscribe for 20 Million new shares in Ascot at \$0.25 per share, raising an additional \$5 Million, subject to completion of the revised Transaction.

Ochre has received an irrevocable undertaking from Nathan Featherby, in respect of 100,368,000 shares he owns or controls in Ochre, to vote in favour of Resolution 1.

The Directors have also agreed to vote all Ochre shares owned or controlled by them in favour of resolution 1.

The Directors recommend that shareholders vote in favour of Resolution 1.

Vaz Hovanessian
Company Secretary

OCHRE GROUP HOLDINGS LIMITED - PROXY FORM

I/We

(NAME OF SHAREHOLDER)

of

(ADDRESS IN FULL)

being a member/members of Ochre Group Holdings Limited hereby appoint

(NAME OF PROXY 1)

of

(ADDRESS OF PROXY IN FULL)

and/or failing him/her

(NAME OF PROXY 2)

of

(ADDRESS OF PROXY IN FULL)

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 AM (AEST), on, 5 September, 2014 and at any adjournment thereof in the manner indicated or in the absence of indications, as he/she thinks fit.

Proxy 1 represents ____% and Proxy 2 represents ____% of my total voting rights.

Important:

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of the resolution, please place a mark in the box. ☐

If appointed as your proxy and you do not direct how your proxy should vote, the Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the meeting for this resolution other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution

RESOLUTION

1. Disposal of main undertaking

For Against Abstain

☐☐☐

*Signature of Shareholder or
Director or Sole Director/Company Secretary

*Delete whichever is not applicable

*Signature of Shareholder or
Director/Company Secretary

Please Insert: Daytime telephone number:

E-mail address:

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed, each must be appointed to represent a specified proportion of the member's voting rights.
3. Appointment of a proxy by a member who is a corporation must be under hand of its attorney or the hand of a person duly authorised by the corporation.
4. A proxy need not be a member of the Company.
5. An appointment of proxy form must be lodged at the Sydney office of the Company not less than 48 hours before the time for holding the General Meeting.

The Sydney office of the Company is at:

**15 Whiting Street, Artarmon, NSW. 2064
Australia**

**Postal: PO BOX H125, Australia Square,
Sydney, NSW, Australia 1215**

Facsimile +61 2 9391 0409