
ASX ANNOUNCEMENT

6 October 2015

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Via: www.asxonline.com

COMPANY UPDATE

Ascot Resources Limited (**Ascot or the Company**) (**ASX: AZQ**) announces a number of important developments.

A. WONMUNNA IRON ORE PROJECT

Since acquiring the Wonmunna Iron Ore Project (**Project**) in September 2014, the Company's focus has been on developing a viable business case for the Project and completing activities that will best position it for financing and then into production.

The Company has made significant progress in these areas including securing all material environmental approvals, finalising native title agreements and advancing discussions with a number of parties relating to a potential mine gate sale and/or obtaining port access at Port Hedland. However, in view of the uncertain state of the iron ore market currently and for the foreseeable future, and volatile market conditions generally, the Board has decided that, until that outlook stabilises and improves, further activity related to development of the Project will 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 will also investigate opportunities for corporate or asset transactions that have potential to enhance the value of the Project or the Company generally.

When market conditions improve the Board believes that the Project will be in an advanced state and, subject to obtaining financing, able to be brought into production relatively quickly.

B. DELISTING FROM ASX

As a consequence of the Board's decision noted above, the Board believes that it is in the best interests of all of its shareholders for the Company to seek to be removed from the Official List of ASX.

The Board believes that the value of the Project is not reflected in the price of the Company's shares traded on the ASX. The Company's share price has dropped from a high of \$0.21 in September 2014 (immediately following the acquisition of the Project) to \$0.045. The Board believes that the current share price reflects both a general lack of investor interest in pre-production stage resource companies as well as poor sentiment for junior iron ore companies. This has resulted in very limited share trading liquidity and the low share price which the Board believes does not reflect the underlying value of the Project.

The Board also believes that delisting from ASX will deliver ongoing compliance costs savings, allow management to focus on value adding activities related to the Project and investigate new opportunities and provide more flexibility in structuring any new transactions and / or financing.

ASX has provided in-principle advice that it is likely to approve a formal application by Ascot to delist on the following conditions:

- the Company obtain the approval of its shareholders (by ordinary resolution) to removal from the official list; and
- the removal not take place earlier than one month after shareholder approval has been obtained.

C. ANNUAL GENERAL MEETING

As noted above the Company is required to seek shareholder approval for removal from the Official List of the ASX. Approval will be sought at the Company's Annual General Meeting of Shareholders which is expected to be held on Friday 13 November 2015. A Notice of Meeting and an accompanying Explanatory Statement setting out the reasons for delisting in more detail will be sent to Shareholders in the coming weeks. The Company notes that if the resolution to delist is approved by shareholders there will not be any change to the number of shares held by Shareholders and the rights and entitlements of Shareholders will continue to be subject to the Corporations Act and the Company's constitution. If the resolution to delist is approved by shareholders at the AGM, the Company expects to be removed from the Official List of the ASX on or about 14 December 2015 (being one month after shareholder approval).

D. ACQUISITION OF UNMARKETABLE PARCELS

Ascot is pleased to announce a buy-back facility in which it will offer to acquire the holdings of Shareholders who hold an unmarketable parcel of shares in the Company as at 5.00pm WST on 5 October 2015 (**Record Date**) for \$0.05 per share (**Offer Price**).

An "unmarketable parcel of shares" is any holding of less than \$500 in value of shares in Ascot (**Unmarketable Parcel**). At the Company's current share price of \$0.045, an Unmarketable Parcel is a holding of less than 11,112 shares. Ascot has a significant number of shareholders who hold an Unmarketable Parcel based on the Company's current share price of \$0.045. As a result of maintaining a register with a large number of small holdings the Company incurs additional administrative costs, such as share registry and shareholder communication costs.

Any shares acquired by the Company pursuant to the buy-back will be cancelled. Holders of Unmarketable Parcels will therefore have an opportunity to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic (noting that any taxation consequences from the buy-back will remain the responsibility of shareholders). Shareholders who do not wish to have their shares acquired will be entitled to opt out of the buy-back of Unmarketable Parcels.

The Company will send the attached letter to all shareholders who hold an Unmarketable Parcel as at the Record Date. Shareholders who do not wish to participate in the buy-back must complete, sign and return the Retention Notice and forward it to the Company's Share Registry, Security Transfers Registrars, in accordance with the directions in the Retention Notice by no later than 5.00pm WST on 3 November 2015.

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 Iron 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.

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

Paul Kopejtko - Executive Chairman

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F: +61(0) 8 9380 6440



[] October 2015

Dear Shareholder

Offer by Ascot Resources Limited to buy-back unmarketable parcels of shares (Offer)

As announced on 6 October 2015, Ascot Resources Limited (**Ascot or the Company**) intends to complete a minimum holding share buy-back for holders of unmarketable parcels of shares in Ascot as at 5pm (WST) 5 October 2015 (**Record Date**).

The directors of Ascot recognise that holders of Ascot shares with a value of \$500 or less may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with unmarketable parcels, the directors have resolved to undertake a buy-back of unmarketable parcels of Ascot shares at a price of \$0.05 per share under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the *Corporations Act 2001* (Cth) (**Buy-Back**). Shares purchased by the Company under the Buy-Back will be cancelled.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be an *unmarketable parcel* of shares. Based on the Company's current share price of \$0.045 per share, an unmarketable parcel of shares is any shareholding of 11,112 shares or less. Our share registry shows that on the Record Date the number of shares held by you or an entity that is associated with you is an unmarketable parcel, which makes you an eligible shareholder.

On the basis of the Company's current share price and the register of members of the Company as at the Record Date:

1. 96 out of 317 shareholders hold an unmarketable parcel; and
2. the aggregate value of the ordinary shares held by all holders of unmarketable parcels is \$22,932.

It is important to note that the market price of Ascot shares will change from time to time. The price offered under the Buy-Back may be more or less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your Ascot shares are brought back. The Company will not buy-back your shares if you wish to retain your shareholdings.

Ascot Resources Ltd
ASX:AZQ

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www.ascotresources.com

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SPAIN Cuzco IV, Paseo de Casertilana 141-8, 28046, Madrid

ABN 85 146 530 378

Your choices:

1. If you would like the Company to purchase your unmarketable parcel of shares at \$0.05 per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
 - a) complete the enclosed Retention Notice and return it to the Company's Share Registry by no later than 5pm (WST) 3 November 2015 (**Closing Time**); or
 - b) top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional Ascot shares on market such that your registered holding at the Closing Time is greater than 11,112 shares.

You are advised to allow reasonable time for the Retention Notice to be received by the Company's Share Registry. If you hold shares in multiple holdings, some of which are unmarketable parcels, then the Company will purchase those unmarketable parcels unless the Retention Notice is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable after the Closing Date.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with the sale of your shares under the Buy-Back, any taxation consequences arising for the sale of unmarketable parcel under the Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of unmarketable parcels under the Buy-Back.

If you require further information in respect of the Buy-Back, please contact the Company on 9381 4534 or info@ascotresources.com

For and on behalf of the Board

Paul Kopejtka
Executive Chairman



NOTICE OF RETENTION OF SHARES

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Record Date: 5 October 2015

HIN/SRN «Holder_number»

Unmarketable Holding: «SHRS »

The Directors

IMPORTANT NOTICE

Please complete this inform if you do not wish your Shares in ASCOT RESOURCES LTD to be purchased by the Company. If you do not understand this notice you should immediately consult your financial advisor.

I/we wish to retain my/our shareholding in the Company and hereby advise the Company that the buyback is not to apply to my/our shares.

Signatures(s)

Individual/Security holder 1

[Signature box for Individual/Security holder 1]

Sole Director & Sole Company Secretary

Security holder 2

[Signature box for Security holder 2]

Director/Company Secretary

Security holder 3

[Signature box for Security holder 3]

Director

Dated: ... /...../ 2015

Daytime Telephone Number

[Daytime Telephone Number box]

PLEASE RETURN THIS NOTICE TO THE COMPANY'S SHARE REGISTRY:

SECURITY TRANSFER REGISTRARS PTY LTD

Delivery:

770 Canning Highway
APPLECROSS WA 6153

Post:

PO BOX 535
APPLECROSS WA 6953

Facsimile: (08) 9315 2233

Telephone: (08) 9315 2333

Notes:

- 1. If you wish to retain your shareholding in the Company, please sign this notice in the space provided and return it to the Company's share registry by 5:00pm WST 3 November 2015.
2. Notice in respect of a corporation must be executed in accordance with the constitution of that corporation.
3. Notices signed under power of attorney or by the executor of an estate must be accompanied by a copy of that power or letters of administration, as the case may be, unless previously lodged for noting.
4. In the case of holdings held by two or more persons, all holders must sign.
5. Please provide your daytime telephone number so we can contact you if there are any problems with your Notice of Retention.

THIS NOTICE OF RETENTION MUST BE RECEIVED BY THE COMPANY'S SHARE REGISTRY BY NO LATER THAN 5.00PM WST ON 3 NOVEMBER 2015 IF YOU WISH TO RETAIN YOUR SHARES

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