



**ASCOT RESOURCES LIMITED
ACN 146 530 378**

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.30am (Perth time)
DATE: Thursday, 28 November 2013
PLACE: 512 Hay Street, Subiaco, Western Australia

IMPORTANT INFORMATION

This Notice of Annual General Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on (+61 8) 9381 4534.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 9.30am (Perth time) on Thursday, 28 November 2013 at 512 Hay Street, Subiaco Western Australia 6008.

ORDINARY BUSINESS

Financial Reports

To receive and consider the annual financial report, the Directors' report and the Auditor's report for the year ended 30 June 2013.

Resolution 1 – Re-election of Director – Francis de Souza

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

'That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Francis de Souza, a Director, retires by rotation, and being eligible, is re-elected as a Director.'

Resolution 2 – Election of Director – Andrew Caruso

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

'That, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Andrew Caruso, being eligible to act as a Director, is elected as a Director of the Company with immediate effect.'

Resolution 3 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

'That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as set out in the Directors' report for the year ended 30 June 2013.'

Note: the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described in sub-paragraphs (a) and (b) above and either:

- (a) the person holds a directed proxy; or
- (b) the person is the Chair of the meeting and the proxy:
 - (i) is undirected; and
 - (ii) expressly authorises the Chair of the meeting to exercise the proxy even though the Resolution is connected with the remuneration of members of the Key Management Personnel of the Company.

SPECIAL BUSINESS

Resolution 4 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

‘That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.’

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4 by any person who may participate in the issue of Equity Securities under Resolution 4 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 4 is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

Resolution 5 – Approval of proposed issue of Shares and Options

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

‘That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders hereby authorise the issue of up to 1,500,000 Shares and up to 10,000,000 Options to Pursuit Capital Pty Ltd or its nominee on the terms and conditions set out in the Explanatory Statement.’

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 STATEMENT

The Explanatory Statement accompanying this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary contained in the Explanatory Statement.

ENTITLEMENT TO VOTE

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00pm (Perth time) on Tuesday, 26 November 2013.

PROXIES

Appointing a proxy

Each Shareholder that is entitled to attend and vote is entitled to appoint a proxy. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint not more than two proxies to attend and vote on its behalf. The person or persons so appointed need not necessarily be Shareholders. Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes).

A Proxy Form together with instructions on how to complete the Proxy Form is attached.

To vote by proxy, please complete and sign the Proxy Form and return by:

- (a) post to Ascot Resources Limited at 512 Hay Street, Subiaco, Western Australia 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9380 6440; or
- (c) email to info@ascotresources.com.

To be valid, properly completed proxy forms must be received by the Company no later than 48 hours before the Meeting.

If you return your Proxy Form but do not nominate a person as proxy, the Chairman of the Meeting will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated proxy does not attend the Meeting then your proxy will revert to the Chairman of the Meeting and he will vote on your behalf as you direct on the Proxy Form.

Transfer of Non-Chairman proxy to Chairman in certain circumstances

Section 250BC of the Corporations Act provides that, if all of the following criteria (a) to (d) are met:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the Chairman of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

then the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Proxy restrictions regarding Resolution 3

The Chairman of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including (to the extent permitted by law) Resolution 3 (Remuneration Report). If you wish to appoint the Chairman of the meeting as proxy without giving a direction as to how to vote on Resolution 3, but do not wish to authorise him to vote the undirected proxy in his discretion, please delete the relevant words from the proxy form.

Apart from the Chairman of the meeting, if you appoint any other Director of the Company, any other member of Key Management Personnel or any of their Closely Related Parties to be your proxy (**KMP Proxy**) and you wish to vote on Resolution 3, then you must direct your KMP Proxy how to vote on Resolution 3. If you do not give a direction to your KMP Proxy as to how to vote on Resolution 3, your KMP Proxy cannot exercise your vote.

Corporate Representative

A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'DB', with a long horizontal stroke extending to the right.

David Berg
Company Secretary

DATED: 23 October 2013

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9.30am (Perth time) on Thursday, 28 November 2013 at 512 Hay Street, Subiaco, Western Australia 6008.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Terms and abbreviations used in this Explanatory Statement are defined in the Glossary.

ORDINARY BUSINESS

Financial Reports

The Corporations Act 2001 requires:

- the reports of the Directors and Auditor; and
- the annual financial report, including the financial statements of the Company for the year ended 30 June 2013,

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given an opportunity to raise questions or comments on the management of the Company.

A reasonable opportunity will be given to Shareholders who are entitled to vote at the meeting to ask the Company's auditor (Pitcher Partners) questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Resolution 1 – Re-Election of Director – Francis De Souza

Mr de Souza retires by rotation and, being eligible, offers himself for re-election.

Mr de Souza was appointed as a director on 21 September 2011. He holds a Bachelor of Commerce, majoring in Banking and Finance and has many years' experience in financial services, specialising in corporate advisory and equity markets with a specific focus in the resources sector. He has facilitated a number of resource transactions ranging from reverse takeovers, project evaluations through to capital raisings and initial public offerings (IPOs). Mr de Souza is the co-founder of Otsana Capital Pty Ltd, a boutique advisory firm specialising in mergers and acquisitions, capital raisings and IPOs.

The Board (excluding Mr de Souza) recommends that Shareholders vote in favour of the re-election of Mr de Souza.

The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr de Souza.

Resolution 2 – Election of Director – Andrew Caruso

Mr Caruso was appointed to the Board, initially as Managing Director, on 27 March 2013 and subsequently became Executive Chairman on 29 July 2013. Under the Company's constitution, Mr Caruso holds office only until this meeting and therefore offers himself for election.

Mr Caruso has over twenty years' experience in the mining industry including operations, management and executive roles within Australia and internationally. He has previously spent over five years working in significant Australian coal operations, including two at BHP Coal in Queensland. Previously he was CEO of Crosslands Resources Ltd, which was developing the Jack Hills iron ore expansion project

in Western Australia. He holds a Bachelor's Degree in Mining Engineering and is a member of the Australian Institute of Company Directors.

The Board (excluding Mr Caruso) recommends that Shareholders vote in favour of the re-election of Mr Caruso.

The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Caruso.

Resolution 3 – Adoption of Remuneration Report

The Remuneration Report sets out the Company's remuneration arrangements for Directors and senior management and is set out in the Directors' report in the Company's 2013 Annual Report.

The Corporations Act requires companies to put a resolution to their Shareholders that the Remuneration Report be adopted. Under section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and does not bind the Directors or the Company.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting. The Board will consider the outcome of the vote on Resolution 3 and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policy.

The Company encourages all shareholders to cast their votes on Resolution 3.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Under the Corporations Act, if 25% or more of votes cast on Resolution 3 at the Annual General Meeting were against the adoption of the Remuneration Report, and this occurred again at the Company's 2014 Annual General Meeting in relation to the remuneration report considered at that meeting, the following sequence of events would occur:

- *The Company would be required to put to Shareholders at the 2014 Annual General Meeting a resolution (Spill Resolution) proposing the calling of a general meeting to consider the appointment of directors of the Company.*
- *If more than 50% of Shareholders voted in favour of the Spill Resolution, the Company would be required to convene the general meeting (Spill Meeting) within 90 days after the 2014 Annual General Meeting.*
- *All of the Directors who were in office when the 2014 Directors' Report was approved by the Board, other than the Managing Director of the Company (if any), would cease to hold office immediately before the end of the Spill Meeting but could stand for re-election at the Spill Meeting.*
- *Following the Spill Meeting those persons whose election or re-election as Directors was approved at the Spill Meeting would be the Directors of the Company.*

SPECIAL BUSINESS

Resolution 4 – Approval of 10% Placement Capacity

General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

The number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (described further below).

If passed, the effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Annual General Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a market capitalisation of \$1,987,000¹.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;

¹ As at 18 October 2013

- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
- (d) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of this date, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.025 (50% decrease in current issue price)	\$0.05 (Current issue price)	\$0.075 (50% increase in current issue price)
39,740,129 (Current)	Shares issued	3,974,013	3,974,013	3,974,013
	Funds Raised	\$99,350	\$198,701	\$298,051
59,610,194 (50% increase)*	Shares issued	5,961,019	5,961,019	5,961,019
	Funds Raised	\$149,025	\$298,051	\$447,076
79,480,258 (100% increase)*	Shares issued	7,948,026	7,948,026	7,948,026
	Funds Raised	\$198,701	\$397,401	\$596,102

Note: *The number of Shares on issue (**variable A** in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Assumptions:

1. The Number of Shares on Issue is current as at 18 October 2013
2. The issue price set out above is the closing price of the Shares on the ASX on 18 October 2013
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the previous 12 months that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or

- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under Listing Rule 7.1A**

The Company has previously obtained approval under Listing Rule 7.1A at its 2012 annual general meeting held on 28 November 2012. As at the date of this Notice, in the 12 months preceding 28 November 2012, the Company has issued a total of 10,715,129 Equity Securities, representing 35.9% of the total Equity Securities on issue at the commencement of that 12 month period.

Details of all issues of Equity Securities by the Company during the 12 months preceding 28 November 2012 are set out in Annexure A to this Notice of Meeting below:

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

Resolution 5 – Approval of proposed issue of Shares and Options to Pursuit Capital

Background

The Company has convened a general meeting of Shareholders, to be held on 31 October 2013 (**October Meeting**), at which Shareholders will be asked to approve the issue up to 30,000,000 Shares. As foreshadowed in the explanatory statement accompanying the notice of the October Meeting, the

Company has been considering a range of capital raising structures, including a private placement of Shares.

The Company is now in the process of negotiating a mandate with Pursuit Capital to act as lead manager for a placement of up to 9,935,032 new Shares (**Placement Shares**), using the Company's existing issuing capacity under Listings Rules 7.1 and 7.1A (**Placement**). The final terms of the Placement, including the price at which the Placement Shares will be issued, have not been determined as at the date of preparation of this Notice of Meeting.

However, in-principle agreement has been reached with Pursuit Capital that, as part of the fee it will receive for arranging the Placement, the Company will, subject to first obtaining all necessary Shareholder approvals, issue up to 1,500,000 Shares and up to 10,000,000 Options to Pursuit Capital (on the basis all the Placement Shares are issued).

Requirement for Shareholder Approval

Resolution 5 seeks Shareholder approval under Listing Rule 7.1 for the issue of up to 1,500,000 Shares and up to 10,000,000 Options to Pursuit Capital, should the Company proceed with the Placement. The Company reserves the right to adjust the number of Shares and Options to be issued depending on the success of the Placement.

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders and subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to enable the Company to issue up to 1,500,000 Shares and up to 10,000,000 Options to Pursuit Capital, without using the Company's 15% annual placement capacity.

Listing Rules information requirements

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided for the purpose of obtaining Shareholder approval for Resolution 5:

- (a) The maximum number of Shares to be issued will be 1,500,000 Shares.
- (b) The maximum number of Options to be issued will be 10,000,000 Options.
- (c) It is anticipated that, subject to Shareholders approving Resolution 5, the Shares and Options will be issued on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver under the Listing Rules. The Shares and Options will not be issued if the Placement does not proceed.
- (d) The Shares and Options will be issued as part of the consideration for Pursuit Capital acting as lead manager in connection with the Placement.
- (e) The Shares and Options will be issued to Pursuit Capital.
- (f) The Shares will rank equally in all respects with the existing Shares on issue.
- (g) The terms of the Options are set out in Annexure B to this Notice.
- (h) No funds will be raised by the Company as a result of the issue of the Shares and the Options. However, the Company will preserve cash that it would otherwise have to have paid as fees in connection with the Placement.
- (i) A voting exclusion statement for Resolution 5 is included in the Notice.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

10% Placement Capacity has the meaning given on page 8 of the Explanatory Statement.

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

closely related party of a member of the key management personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Ascot Resources Limited (ACN 146 530 378).

Corporations Act means the *Corporations Act 2001* (Cth).

Constitution means the Company's constitution.

Director means a current director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this explanatory statement.

key management personnel has the same meaning as in the accounting standards (as that term is defined in the Corporations Act). Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.

Listing Rules means the Official Listing Rules of ASX.

Notice or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement.

Option means an option to be issued with a Share on the terms set out in Annexure B of this Notice.

Pursuit Capital means Pursuit Capital Pty Ltd ACN 136 717 283.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Annexure A – Details of Equity Securities Issued in the 12 months preceding 28 November 2012

Part 1 - Issues for cash consideration

Date of Issue	Number issued	Class/Type of equity security	Summary of terms	Allottee	Price	Discount to Market Price (%)	Total cash consideration received	Amount of cash consideration spent
22/02/13	800,000	Unlisted options	Refer Note 1 below	David Berg	Nil	Not applicable	Not applicable	Not applicable. Issued under the terms of the Company's Employee Incentive Plan (EIP).
02/08/13	16,500,000	Unlisted Executive Incentives	Refer Note 2 below	Andrew Caruso	Nil	Not applicable	Not applicable	Not applicable. Issued in connection with the appointment of Mr Caruso as Chief Executive Officer on terms equivalent to the EIP.
26/08/13	5,000,000	Ordinary shares	Refer Note 3 below	SDM	\$0.10	Nil	\$500,000	Refer Note 4

Part 2 - Issues for non-cash consideration

Date of Issue	Number issued	Class/Type of equity security	Summary of terms	Allottee	Price	Discount to Market Price (%)	Current value of non-cash consideration	Non Cash consideration paid
17/03/13	479,279	Ordinary shares	Refer Note 3 below	Resource Capital Fund V L.P. (RCF)	\$0.156	10.6%	\$23,964	Issue of Shares in lieu of payment by the Company of an Establishment Fee under a Loan Note issued to RCF.
28/06/13	309,177	Ordinary shares	Refer Note 3 below	RCF	\$0.067	11.7%	\$15,459	Issue of Shares in lieu of interest payable by the Company under a Loan Note issued to RCF.
26/08/13	376,538	Ordinary shares	Refer Note 3 below	Sedgman Limited (SDM)	\$0.05975	12.1%	\$18,827	Issue of Shares in lieu of payment by the Company of an Establishment Fee under a Loan Note issued to SDM.
30/09/13	646,461	Ordinary shares	Refer Note 3 below	RCF	\$0.0701	4.0%	\$32,323	Issue of Shares in lieu of interest payable by the Company under a Loan Note issued to RCF.
30/09/13	103,674	Ordinary shares	Refer Note 3 below	SDM	\$0.0701	4.0%	\$5,184	Issue of Shares in lieu of interest payable by the Company under a Loan Note issued to SDM.

Notes:

- The terms of the options issued on 22 February 2013 are set out in full in the Company's Notice of Extraordinary General Meeting, provided to ASX on 31 May 2013.
- The terms of the Executive Incentives issued on 22 February 2013 are set out in full in the Company's Notice of Extraordinary General Meeting, provided to ASX on 31 May 2013.
- All ordinary shares issued were fully paid and rank equally in all respects from the date of allotment with the ordinary shares already on issue on the Company.
- 100% of \$500,000 funds raised on 26 August 2013 have been spent. The funds were applied to expenditure associated with the continuing feasibility studies at the Titiribi coal project, including a study of capital and operations for the project, for expenses incurred in relation to completing the acquisition of an interest in the Uraba concession and for general working capital purposes.
- Discount to market price and current value of cash consideration determined by reference to the closing price of Shares traded on ASX on 18 October 2013 of \$0.05.

Annexure B – Option Terms

A summary of the terms and conditions of the Options is as follows:

- (a) each Option entitles the holder to one Share in the Company;
- (b) the Options are exercisable at any time on or prior to 5.00pm (WST) on or prior to the date that is three years from the date of issue (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the Option exercise price is \$0.10 per Option;
- (d) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are freely transferable;
- (f) all Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares.
- (g) Each Option will be unlisted. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- (h) if the Company undertakes a pro-rata issue (except a bonus issue), the exercise price of an Option may be reduced in accordance with ASX Listing Rule 6.22.2;
- (i) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (j) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

**ASCOT RESOURCES LIMITED
(ACN 146 530 378)**

PROXY FORM

I/We

of

being a shareholder of Ascot Resources Limited entitled to vote at the Annual General Meeting, hereby appoint:

The Chairman of the Meeting (mark with an 'X')

OR

(c)

Write here the name of the person you are appointing if this person is someone other than the Chairman of this Meeting.

(b) or failing the person named (or if no person is named), the Chairman of the Meeting, or the Chairman's nominee, as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of Ascot Resources Limited to be held at 9.30am (Perth time) on Thursday, 28 November 2013 at 512 Hay Street, Subiaco, Western Australia 6008 and at any adjournment or postponement thereof.

I/We acknowledge that Resolution 3 relates to the remuneration of key management personnel, and that the Chairman intends to vote any undirected proxies **in favour** of Resolution 3. Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolution 3 in favour of Resolution 3 (except where I have indicated a different voting intention below) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman of the Meeting.

Voting on Business of the Annual General Meeting

FOR AGAINST ABSTAIN

Resolution 1 – Re-election of Francis de Souza

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 2 – Election of Andrew Caruso

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3 – Approval to Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 4 – Approval of 10% Placement Capacity

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 5 – Approval of issue of Shares and Options to Pursuit Capital

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Please note: If you mark abstain for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf for your directions to be implemented.

Dated this _____ day of _____ 2013

Individual or Shareholder 1

Sole Director and Sole Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

ASCOT RESOURCES LIMITED
ACN 146 530 378

Instructions for Completing Proxy Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy may be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Any fraction of votes will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Please refer to the proxy form for further instructions on how to vote. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - a) post to Ascot Resources Limited at 512 Hay Street, Subiaco, Western Australia 6008; or
 - b) facsimile to the Company on facsimile number (+61) 8 9380 6440; or
 - c) email to info@ascotresources.com.

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.