



FOR IMMEDIATE RELEASE

To: ASX Limited – ASX Market Announcements Office
From: Ochre Group Holdings Limited (ASX code: OGH)
Date: Thursday, 24 July 2014

**UPDATE ON GONDWANA TAKEOVER BID AND
GENERAL MEETING (REQUISITIONED BY OCHRE)**

Please see attached a letter to Gondwana Resources Limited (**Gondwana**) shareholders with the relevant enclosures, which was dispatched to shareholders this afternoon.

Ochre has previously announced today that the offer period has been extended so that it now closes on 5.00pm (AWST) on 21 August 2014.

Ochre also advises that in its notice provided under section 630(2) of the *Corporations Act 2001* (Cth) that it has disclosed to Gondwana shareholders that:

- Ochre waives its right to rely on the breach of the defeating condition set out in section 11.28(d)(iii)(B) of Ochre's offer contained in its Bidder's Statement (**Ochre's Offer**) insofar as it relates to the sale of the Panorama Tenement;
- Ochre reserves its right to rely on the defeating condition set out in section 11.28(e)(iv) in Ochre's Offer in relation to any allotment of shares under the 1-for-1 non-renounceable rights issue announced on 17 July 2014, which is one of the items addressed in Ochre's Takeovers Panel Application; and
- Ochre reserves its right to rely on the defeating condition set out in section 11.28(e)(iv) in Ochre's Offer in relation to any allotment of shares or options should Resolutions 3, 5, 6 and 7 in the notice of Annual General Meeting dated 8 July 2014 be passed by shareholders, which is also one of the items addressed in Ochre's Takeovers Panel Application.

Signed:

A handwritten signature in black ink, appearing to read "Nathan Featherby".

Nathan Featherby
Director
Ochre Industries Pty Limited

24 July 2014

Dear fellow Gondwana Shareholder

Background

Ochre is a fellow shareholder in Gondwana.

Ochre has made an offer to acquire all of the shares in Gondwana in relation to which you will have received a Bidder's Statement and First Supplementary Bidder's Statement (**Ochre's Bid**).

Ochre has also requisitioned a general meeting (**Requisitioned Meeting**) under s249D of the *Corporations Act* at which resolutions are being put to Gondwana shareholders to remove the existing directors of the Gondwana board and replace them with three persons nominated by Ochre.

Purpose of this Letter

The purpose of this letter is to notify you of:

- (a) **Extension of the Offer** - the extension of the offer period of Ochre's Bid to 5.00pm (AWST time) on 21 August 2014, in relation to which Ochre **encloses** with this letter an Offer Extension notice under section 650D(1)(c)(ii) of the *Corporations Act 2001*;
- (b) **Loss of Shareholder Value** - the loss of shareholder value that has occurred over the last ten years (when Messrs Beckwith, Goodsall and Pynt have been directors of Gondwana) including:
 - (i) three share consolidations from 2006 to 2012; and
 - (ii) the dilutionary effect of Gondwana's recently announced fundraising options including the fundraising resolutions in the latest notice of Annual General Meeting (**Further Placement**) and the 1-for-1 non-renounceable fully underwritten entitlement issue (**Latest Entitlement Issue**);
- (c) **Ochre's recent Takeover Bid** - Ochre's recent Takeover Panel application in relation to the conduct of the affairs of Gondwana;
- (d) **How to vote at the Requisitioned Meeting** - Ochre's recommendations on how to vote at the upcoming general meeting of Gondwana requisitioned by Ochre (**Requisitioned Meeting**), in relation to which Ochre **encloses** a statement by Ochre providing shareholders with more information about its nominees for the Gondwana Board and its recommendations on how to vote at the Requisitioned Meeting, together with an **enclosed pre-completed Proxy Form should you be unable to attend the meeting**.

Loss of Shareholder Value

Consolidations

If you are a long-standing Gondwana shareholder, you will know that Gondwana's directors have conducted a series of share consolidations over the last 10 years.

If you held 100,000 Gondwana shares in the beginning of 2006, following the consolidations (excluding all other fundraising activities, such as entitlement issues or private placements), you would now **hold 4 Gondwana shares**. This explains why almost 80% of Gondwana's share register comprises shareholders holding less than 1000 shares.

Despite the consolidations of Gondwana shares, there has been no relative improvement over this period of Gondwana's share price. For example, if you held 100,000 Gondwana shares, which as at 16 February 2006 had a closing price of 0.4 cents (being the date immediately before the consolidation of shares on 17 February 2006) following the consolidations (and excluding all other fundraising activities, such as entitlement issues or private placements), you would now hold 4 Gondwana shares, which immediately before Ochre's Bid had a closing price of 5.5 cents. This represents a **relative loss of value of 99.95%**.

Recently announced fundraising options

Gondwana has announced two fundraising options which it proposes to conduct concurrently:

- (a) a 1-for-1 non-renounceable fully underwritten entitlement issue (together with the issue of 1,250,000 options to holders who participated in the placement on 31 March 2014 and 4,000,000 options as an additional fee to the underwriters) (**Latest Entitlement Issue**); and
- (b) a number of fundraising resolutions to be put before shareholders at its upcoming Annual General Meeting, in particular Resolution 5 for the issue of up to 15,000,000 shares and 15,000,000 options (**Further Placement**).

Gondwana's fundraising options will be significantly dilutive to your shareholding. To illustrate the effect of these fundraising options we have set out the impact of these fundraising options on a Gondwana shareholder holding 100,000 Gondwana shares at the date of this letter.

Event	Example shareholder's % (on a fully diluted basis) ¹	Example shareholder's shareholding ²	Issued ORD shares in Gondwana	Issued options in Gondwana ³	Gondwana issued capital (on a fully diluted basis) ⁴
Current shareholding	0.35%	100,000	24,433,440	4,100,000	28,533,440
Latest Entitlement Issue including:		0 - 100,000	24,433,440		
Prior Placement Options				1,250,000	
Underwriters Options				4,000,000	
SUB TOTAL	0.17% - 0.34%	100,000 – 200,000	48,866,880	9,350,000	58,216,880
Further Placement ⁵		0	15,000,000	15,000,000	
TOTAL	0.11% - 0.23%	100,000 – 200,000	63,866,880	24,350,000	88,216,880

Your shareholdings will be significantly diluted

As you can see from table above, even if you participate in Gondwana's Latest Entitlement Issue, your shareholding will be significantly diluted as a result of the expansion of Gondwana's issued share capital (on a fully diluted basis) from 28,533,440 securities to 88,216,880 securities.

In addition to the fundraising options announced by Gondwana as set out above, the Independent Expert Report annexed to Gondwana's Target Statement provides that **a further 36,345,141 shares are required to be issued** (at 3.2 cents) to support its preferred valuation of Gondwana shares.

This means that if you do nothing and simply hold your Gondwana shares under the guidance of the existing Gondwana directors your shareholding in Gondwana will be **substantially diluted**.

¹ The range depends on whether the Example shareholder subscribes or not in the Latest Entitlement Issue.

² The range depends on whether the Example shareholder subscribes or not in the Latest Entitlement Issue.

³ See pages 23 and 24 of the Prospectus

⁴ See pages 23 and 24 of the Prospectus

⁵ This assumes the Gondwana directors allot the maximum number of shares and options should Resolution 5 be passed. It also assumes that the Example Shareholder is not asked by Gondwana directors to participate in the Further Placement, such places to be decided by Gondwana directors in their discretion.



Information on Ochre's recent Takeovers Application

As you know, Ochre made an application to the Takeovers Panel on 29 April 2014. In respect of this application, on 6 June 2014 the Takeovers Panel declared unacceptable circumstances in relation to the conduct of the affairs of Gondwana. The detail of this can be found on the Takeovers Panel's website under its Reasons for Decisions for 2014. See: <http://www.takeovers.gov.au/>

On 17 July 2014, Ochre made a second application to the Takeovers Panel in relation to the conduct of affairs of Gondwana. As set out in the Takeovers Panel media release announced to the market on 18 July 2014, Ochre's application alleges that:

- (a) *certain shareholders in Gondwana are associates and previous placements of shares to them and previous exercises of options by them contravened s606 [of the Corporations Act 2001 (Cth)] and that has had an effect on control or potential control of Gondwana other than in accordance with s602 [of the Corporations Act 2001 (Cth)];*
- (b) *Gondwana's notice of annual general meeting contains information deficiencies and, as a result, has an effect on control or potential control of Gondwana other than in accordance with s602 [of the Corporations Act 2001 (Cth)] ; and*
- (c) *the entitlement issue announced on 17 July 2014 would trigger a condition of Ochre Group's bid, constituting frustrating action.*

On 18 July 2014, the Takeovers Panel also announced that it had made the following interim orders:

'there be no disposal, transfer of or grant of security interest over any shares or interests in shares registered in the names of [BC Capital Limited, International Business Limited, Fern Valley Limited and Finscan Investment Limited]'.

Ochre notes that each of these shareholders are listed as Top 20 shareholders in Gondwana's 2013 Annual Report (page 54).

Please read our letter and its enclosures in their entirety.

We encourage you to vote in the upcoming Requisitioned Meeting of Gondwana or if you are unable to attend, to return the pre-completed Proxy Form enclosed with this letter.

We also encourage you to accept Ochre's Bid.

Yours faithfully,

Nathan Featherby
Chairman, Ochre Group Holdings Limited

1. Date and time of the Requisitioned Meeting

The Requisitioned Meeting is scheduled to be held at 11.30am (AWST) on Monday, 11 August 2014 at The Celtic Club, 48 Ord Street, West Perth WA 6005.

2. Profiles of Ochre's Nominees

Brian McMaster

Mr McMaster is a Chartered Accountant, a registered and official liquidator and has over 20 years' experience in the area of corporate reconstruction and turnaround/performance improvement. Mr McMaster's experience includes numerous reorganisations and turnarounds, including being instrumental in the recapitalisation and listing of 12 Australian companies on the ASX. Recently, Mr. McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. Mr. McMaster currently holds a number of directorships of ASX listed companies.

Mark Reilly

Mr Reilly is a qualified Chartered Accountant, with 20 years' experience in banking, finance and corporate reconstruction. Mr Reilly commenced his career with Coopers & Lybrand, before establishing his own practice in 1997. Since January 2005, Mark has been the managing director of Forte Energy NL, an emerging Uranium exploration company listed on the ASX and the Alternative Investment Market (AIM) of the London Stock Exchange. In this role, Mr Reilly has overseen the development of Forte Energy NL's assets from grass roots to advanced exploration and has completed numerous equity and other transactions on the company's behalf.

Vaz Hovanessian

Mr Hovanessian holds a Bachelor of Business and Master of Applied Finance and has over 30 years experience in corporate and financial advisory services and public company directorships. He has served as a director of several junior resource companies including Stirling Resources Limited, Zephyr Minerals Limited, Beach Petroleum Limited, Hastings Rare Metals Limited, Capital Energy Limited and Ochre Group Holdings Limited, where he is currently the company secretary.

3. Reasons to remove the current directors of Gondwana

Ochre believes there are a number of reasons why you should vote in favour of removing the current directors of Gondwana:

- (a) loss of shareholder value which Ochre believes this reflects poorly on the performance of Gondwana's existing Board and management team including:
 - (i) from 2006 to 2012, Gondwana has undertaken three consolidations of share capital resulting in significant loss of shareholder value; and
 - (ii) despite the consolidations of Gondwana shares, there has been no relative improvement over this period of Gondwana's share price. For example, if you

held 100,000 Gondwana shares, which as at 16 February 2006 had a closing price of 0.4 cents (being the date immediately before the consolidation on shares on 17 February 2006) following the consolidations (and excluding all other fundraising activities, such as entitlement issues or private placements), you would now hold 4 Gondwana shares, which immediately before Ochre's Bid had a closing price of 5.5 cents. This represents **a relative loss of value of 99.95%**;

- (b) excess remuneration to directors and senior management which could otherwise be diverted to Gondwana's exploration and expenditure programme including in FY2013 \$533,759 paid to directors and senior management, despite only a market capitalisation of about \$1.29 million (applying a share price of 7.5 cents as at the end of Gondwana's FY2013 on 31 December 2013); and
- (c) long tenures of directorships, noting that other than Mr Sinclair, each of the directors have held office for more than 14 years which is inconsistent with best practice corporate governance principles.

4. Reasons for appoint Ochre's nominees

Ochre believes that there are a number of good reasons to vote in favour of the appointment of Ochre's nominees:

- (a) if the resolutions are passed at the General Meeting, Ochre presently intends that Mr Brian McMaster would be appointed as an independent non-executive Chairman. Importantly, Mr McMaster is independent of both Gondwana and Ochre in terms of the ASX Corporate Governance Principles noting:
 - (i) that he has not held office on the boards of either Gondwana or Ochre;
 - (ii) he does not hold securities in either Gondwana or Ochre; and
 - (iii) he is not party to any material contract with Gondwana or Ochre;
- (b) Ochre's nominees can reinvigorate the board of Gondwana and bring fresh insight and direction to Gondwana. Ochre's present intention, should Ochre's nominees be appointed, is to encourage the Board to conduct a strategic review of Gondwana's tenements, assets and contractual arrangements to identify measures to enhance Gondwana's performance and reduce its costs; and
- (c) Ochre's nominees will bring substantial experience to the Board, as their profiles set out above illustrate.

5. Ochre's Recommendations on How to Vote

Below is a table setting out the resolutions to be put to shareholders at the General Meeting, together with Ochre's recommendation on how to vote. The reasons for removing the current directors of Gondwana and appointing Ochre's nominees are set out above.

Requestioned Meeting	
Resolution	Ochre's Recommendation
Resolution 1 <i>"To remove Warren Beckwith as a director of Gondwana Resources Limited ACN 008 915 311 effective as at the close of the Meeting."</i>	Vote FOR
Resolution 2 <i>"To remove Steven Pynt as a director of Gondwana Resources Limited CAN 008 915 311 effective as at the close of the Meeting."</i>	Vote FOR
Resolution 3 <i>"To remove Paul Goodsall as a director of Gondwana Resources Limited ACN 008 915 311 effective as at the close of the Meeting."</i>	Vote FOR
Resolution 4 <i>"To remove Jolyon Sinclair as a director of Gondwana Resources Limited ACN 008 915 311 effective as at the close of the Meeting."</i>	Vote FOR
Resolution 5 <i>"That all other persons who are directors of Gondwana Resources Limited ACN 008 915 311 as at the time of the start of the meeting be removed as directors effective as at the close of the Meeting."</i>	Vote FOR
Resolution 6 <i>"That Vazrick Hovanessian, having consented to act, be elected as a director of Gondwana Resources Limited ACN 008 915 effective as at the close of the Meeting. "</i>	Vote FOR
Resolution 7 <i>"That Mark Reilly, having consented to act, be elected as a director of Gondwana Resources Limited ACN 008 915 effective as at the close of the Meeting."</i>	Vote FOR
Resolution 8 <i>"That Brian McMaster, having consented to act, be elected as a director of Gondwana Resources Limited ACN 008 915 effective as at the close of the Meeting."</i>	Vote FOR

6. How to complete the Proxy Form for the Requisitioned Meeting

If you are unable to attend the Requisitioned Meeting and support Ochre's recommendations, Ochre encourages you to submit the **enclosed pre-completed Proxy Form** for the Requisitioned Meeting.

You will see that the Proxy Form has been personalised with your name at the top. You will also see that Ochre has included Nathan Featherby as your proxy holder. If you do not wish to appoint Nathan Featherby to be your proxy holder, please cross out his name and insert the proxy holder of your choice.

If you do not insert any proxy holder then the chairman of the meeting, which is likely to be Mr Beckwith, will hold the proxy on your behalf.

To submit your Proxy Form:

1. Sign the personalised Proxy Form (see paragraph 3 of the Proxy Form for signing instructions)
2. Date the Proxy Form
3. Insert your contact details into the Proxy Form
4. Return the Proxy Form so that it is received by Gondwana by **5.00pm (AWST), 8 August 2014**. Proxy forms can be returned:
 - by post to Gondwana at: Gondwana Resources Limited, PO Box 1819, Applecross, WA 6953. Please allow 2-3 days for delivery; or
 - by fax to Gondwana at: +61 8 9346 9101.
5. If you would like us to assist, you can return the Proxy Form to Ochre's share registry, Security Transfer Registrars, in the **reply paid envelope enclosed with this letter**. Provided that your Proxy Form is received by Security Transfer Registrars before Gondwana's deadline for receiving proxy forms, Security Transfer Registers will deliver, post or fax your completed Proxy Form to Gondwana on your behalf.

PROXY FORM

GONDWANA RESOURCES LIMITED
ACN 008 915 311

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy,

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:30am (WST), on Monday, 11 August 2014 at The Celtic Club, 48 Ord Street, West Perth WA, and at any adjournment thereof.

The Chair Intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting		For	Against	Abstain
Resolution 1	Removal of Director - Warren Beckwith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Removal of Director - Steven Pynt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Removal of Director - Paul Goodsall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Removal of Director - Jolyon Sinclair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Removal of Director - All Other Appointed Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Director - Vazrick Hovanessian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Director - Mark Reilly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Director - Brian McMaster	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box 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 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: NA %

Signature of Shareholder(s):

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

Date:

Contact ph (daytime):

Contact name:

Consent for contact by e-mail
in relation to this Proxy Form: YES ☐ NO ☒

E-mail
address:

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. 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 Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders 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 Proxy 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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Gondwana Resources Limited, PO Box 1819, Applecross, Western Australia 6953;
or
 - (b) facsimile to the Company on facsimile number +61 8 9346 9101;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.