



31 October 2016

ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## **ACTIVITIES AND CASH REPORT FOR THE QUARTER ENDED 30 JUNE 2016**

### **Highlights for the quarter**

- **Consideration of natural resources opportunities.**
- **Update on proposed buy-back.**
- **Ongoing discussions with Gondwana Resources Limited (ASX:GDA).**
- **Agreement with Oil Basins Limited (ASX:OBL) for the acquisition of Oil Basins Royalties Pty Limited.**
- **Becoming a substantial shareholder in Clancy Exploration Limited (ASX:CLY).**
- **Deed of Amendment and Restatement with Ascot.**
- **Appointment of Saxon Ball as a director.**

### **NATURAL RESOURCES OPPORTUNITIES**

Ochre Group Holdings Limited ("OGH" or "the Company") continues to assess and consider a variety of natural resources related opportunities. The Company maintains a sensible and conservative approach to its balance sheet and will only pursue opportunities that meet its strict due diligence criteria.

### **UPDATE ON BUY-BACK**

It is anticipated that an announcement on the proposed buy-back timetable will be forthcoming upon completion of current negotiations with respect to a possible corporate transaction.

## **GONDWANA RESOURCES**

The Company is currently the largest shareholder in Gondwana Resources Ltd (“Gondwana”) with an approximate 27.4% interest in that company. The securities of Gondwana are presently suspended and it remains the Company’s priority to find a constructive and sensible path forward for Gondwana and its shareholders. To this end, the Company continues to remain in discussion with Gondwana management.

## **OIL BASINS LIMITED**

During the quarter, the Company announced that it had entered an agreement with Oil Basins Limited in which the Company would acquire OBL’s wholly owned subsidiary, Oil Basins Royalties Limited, in lieu of repayment of the AUD\$400,000 loan which the Company had previously provided to OBL. This agreement was subject to each party obtaining required approvals, due diligence and the execution of a sale and purchase agreement. The Company is nearing completion of its due diligence and expects that a sale and purchase agreement will be executed shortly.

## **CLANCY EXPLORATION LIMITED**

On 23 August 2016 it was announced that the Company had become a substantial shareholder in Clancy Exploration Limited, currently holding 135,000,000 shares, representing 5.73% of CLY’s issued share capital.

## **DEED OF AMENDMENT AND RESTATEMENT (ASCOT RESOURCES LIMITED)**

The Company during the quarter entered into a Deed of Amendment and Restatement with Ascot Resources Limited (“Ascot”) with respect to the Wonmunna Project Sales and Purchase Agreement.

Key Terms of the Deed of Amendment and Restatement were the:

- Additional Consideration - AUD\$19.95million prior to the end date on the terms set out as follows:
  - If the Average Price Received is equal to or greater than AUD\$120/mt then the Additional Consideration shall be increased from AUD\$19.95million to AUD\$25million.
  - If the Average Price Received is equal to or greater than AUD\$80/mt but less than AUD\$120/mt then the Additional Consideration shall not be adjusted.
  - If the Average Price Received is less than AUD\$80/mt then the Additional Consideration shall be reduced from AUD\$19.95million to AUD\$12.5million.
- Interest shall be payable by Ascot to the Company from the Completion Date until the Standstill Date on the Amount Outstanding (being the Additional Consideration plus interest) at the rate of 5.88%p.a. payable semi-annually in arrears with first payment due 6 months after the First Sale Date. There shall be no interest accrued for the period from the Standstill date until the First Sale Date.

- Royalties – The Royalty Deed on the Wonmunna Project dated 22<sup>nd</sup> September 2014 is amended to 1.25% of Gross Revenue on the project, however where the sales of product for the quarter is greater than AUD\$100/mt it shall be 1.5% of Gross Revenue for the relevant sales.
- M&A Committee – OGH to have a representative on a new to be formed M&A Committee of Ascot.
- New Project Royalties – OGH to receive a 0.25% Gross Revenue received by Ascot from sales of products produced from projects in Australia which are acquired by Ascot after the date of the Deed of Amendment and Restatement), however where such projects are sourced via the M&A Committee of Ascot a 0.5% Gross Revenue received by Ascot from sales products produced in Australia shall apply.

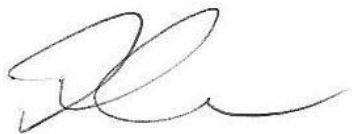
## **APPOINTMENT OF DIRECTOR**

Mr Saxon Ball was appointed as a director of the Company on 22 July 2016. Mr Ball is a director of STB Projects Pty Ltd, and Australian private company which focusses on infrastructure installation services and development within the natural resources sector. Mr Ball has also completed training in business development and leadership, and has been a valuable addition to the Board.

## **FINANCIAL POSITION**

The Company continues to hold positions in ASX Listed and USA OTC Listed companies, these provide liquidity points should the Company require funding. This combined with the support of a Director of the Company for the provision of any additional funding should the Company require it, continues to allow OGH to operate for its shareholders without dilution of shareholder's equity positions.

Yours faithfully



Trent Franklin  
Company Secretary

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

Ochre Group Holdings Limited

#### ABN

69 008 877 745

#### Quarter ended ("current quarter")

30<sup>th</sup> September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date July-June \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	655	655
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(194)	(194)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>460</b>	<b>460</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments	(400)	(400)
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date July-June\$A'000</b>
	(b) tenements (see item 10)		
	(c) investments	78	78
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(322)</b>	<b>(322)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	331	331
3.6	Repayment of borrowings	(380)	(380)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(49)</b>	<b>(49)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2	2
4.2	Net cash from / (used in) operating activities (item 1.9 above)	460	460
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(322)	(322)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(49)	(49)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>91</b>	<b>91</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	91	2
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>91</b>	<b>2</b>

**6. Payments to directors of the entity and their associates**

**Current quarter  
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

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6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>150</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: 31 October 2016

Print name: Trent Franklin

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.