

MEDIA RELEASE

12 May 2014



RECOMMENDATION TO SHAREHOLDERS

TAKE NO ACTION IN RESPECT OF OCHRE'S PROPOSED TAKEOVER OFFER

Ochre Group Holdings Limited (**Ochre**) (ASX: OGH) has advised that it intends to make an unsolicited and highly conditional takeover offer for all of the issued shares in Gondwana Resources Limited (**Gondwana**) through Ochre's wholly owned subsidiary, Ochre Industries Pty Ltd (**Offer**). Under the Offer, Ochre is offering \$0.082 per Gondwana share.

Your Directors will provide further advice in due course. Meanwhile, shareholders are advised to **TAKE NO ACTION** in relation to the Offer.

Your Directors' focus is on maximising shareholder value and this Offer, or any other offers or proposals, will be considered in that context.

The Board notes that the Offer is subject to conditions which affect both Gondwana's ability to proceed with its entitlement issue announced on 16 April 2014 and place restrictions on the placement of the shortfall from the entitlement issue.

Ochre has already made application to the Takeovers Panel in relation to the entitlement issue which has caused the delay of the capital raising (**Takeovers Panel Application**).

In addition, it is a condition of the Offer that Gondwana does not proceed with its other proposed capital raising as set out in its Notice of Meeting released to ASX and mailed to shareholders on 2 May 2014.

The Board believes that Ochre is seeking to frustrate Gondwana's capital raising initiatives at a time when Gondwana has limited cash reserves, to seek to place shareholders in a position where they have no alternative but to accept Ochre's Offer.


The Board does not believe that such behaviour is consistent with a group which will put shareholders' interests first and the Board will take this into account when determining its response to the Offer.

The findings of the Takeover Panel in relation to the Takeover Panel Application will also affect the Board's response to the Offer.

The Directors will keep shareholders fully informed of further developments as they occur and will provide a formal recommendation on the Offer, providing shareholders with sufficient time to make an informed decision.

Contact

For further information, please contact Alana Da Silva or Warren Beckwith on phone (08) 9364 7414 or send an email to info@gondwanaresources.com.

A handwritten signature in blue ink, appearing to be 'Alana Da Silva', written in a cursive style.

Director
Gondwana Resources Limited