



14 November 2016

CORUNNA DOWNS IRON PROJECT

PURCHASE OF ROYALTY INTERESTS

Ochre Group Holdings Limited (**the Company**) is pleased to announce that it and its wholly owned subsidiary, Ochre Industries Pty Limited (**Ochre**), have reached an agreement with Gondwana Resources Limited (**ASX: GDA**) to purchase GDA's remaining royalty interests.

BACKGROUND

GDA holds the following royalty interests in the Corunna Downs Iron Project, which is held by Atlas Iron Limited (**ASX: AGO**):

- *Corunna Downs iron ore*: 1.13% on tonnes beyond the first 30M of production.
- *Corunna Downs other minerals*: 1.5% of gross proceeds of sale.
- *Panorama iron ore & other materials*: 1% of gross proceeds of sale.

PURCHASE BY THE COMPANY

Ochre has agreed to purchase the above royalty interests on the following terms:

- the buy-back and cancellation of all shares held by the Company and its wholly owned subsidiary, Joffrey Pty Limited, in GDA (currently, approximately 27.4% of GDA's issued capital);
- a cash deposit of \$100,000 payable by the Company to GDA;
- satisfaction of the following conditions:

- GDA obtaining shareholder approval for the disposal of a substantial asset to a substantial holder; and
- AGO providing written consent to GDA for the sale, transfer and assignment of the royalty interests to Ochre.

Ochre and GDA have also agreed that if, for any reason, the royalty rights on the first 30Mt of Corunna Downs iron ore revert to GDA's ownership, and GDA subsequently decides to dispose of such royalty rights, Ochre will be granted a first right of refusal to purchase them.

The above transaction is subject to final ASX approval.

UPDATE ON BUY-BACK

The Company also now intends to proceed with an off-market share buyback, under the 10/12 threshold. The currently open buy-back offer will be closed, and a new buy-back offer opened. Further information regarding this proposed buy-back will be provided in the coming days.

The buy-back, which will be funded via existing cash and investments, will provide liquidity for shareholders whilst the Company's securities remain in suspension.

The Company is conducting discussions with the ASX in relation to re-quotation. It is expected that Ochre will have an update for the market in respect of these discussions by the end of November 2016.

Yours faithfully



Trent Franklin
Company Secretary