



To: Australian Securities exchange Limited (ASX)
From: Ochre Group Holdings Limited (ASX: OGH)
Date: Friday 11 July 2014

GONDWANA TAKEOVER BID UPDATE

Dispatch of Bidder's Statement

The Bidder's Statement for the off market takeover offer (**Offer**) by Ochre Industries Pty Ltd ABN 71 162 416 408 (**Bidder or Ochre**) for all the shares in Gondwana Resources Limited (**Gondwana**) was dispatched to shareholders on Thursday last week so Gondwana shareholders should have by now received the Bidder's Statement and the accompanying personalised acceptance form.

Gondwana shareholders are urged to read the Bidder's Statement and Ochre considers that there are compelling reasons for shareholders to accept the **Cash Offer of 8.2 cents per share** and urges shareholders to do so.

If shareholders have for some reason not received the Bidder's Statement in the mail or have any queries about Ochre's Offer please ring the Offer Information Line on (08) 9315 2333.

Suspension of Trading in Gondwana shares

Also shareholders should be aware there is no market for their shares on the ASX as the directors of Gondwana have suspended trading in Gondwana's shares since 1 May 2014. This suspension has been extended on three occasions and with a further announcement due from Gondwana on the suspension today. Ochre has written to the directors of Gondwana requesting that the suspension in trading of the shares in Gondwana be lifted as it can see no legitimate basis for the suspension which prevents all shareholders from trading in Gondwana shares on the ASX.

Gondwana's Funding

Ochre considers the directors of Gondwana should have pursued the rights issue, as varied as a result of the undertaking provided to the Takeovers Panel by Gondwana on 6 June 2014. A rights issue following that structure would have given all shareholders the opportunity to participate in any capital raising. In addition, if shareholders had participated in that rights issue they may have had the opportunity of taking up shares under the rights issue at 3.2 cents and accepting Ochre's Offer of 8.2 cents.

The original structure of the rights issue announced in April 2014 was found by the Takeovers Panel in its declaration of unacceptable circumstances dated 6 June 2014 to have had an unacceptable control effect including because it was partially underwritten by Bellatrix Pty Ltd, a company associated with the Chairman Mr Beckwith, without sufficient measures in place to prevent Mr Beckwith's interests potentially increasing to as high as 43.75% if there was a significant shortfall. The structure of the rights issue if it had proceeded as varied by the undertaking given to the Takeovers Panel by Gondwana on 6 June 2014 would not have had an unacceptable control effect.

Since the announcement of the cancelation of the rights issue by Gondwana on 10 June 2014, Ochre Group Holdings Limited has written to the directors of Gondwana on two occasions offering to provide funding in the form of equity and/or debt to Gondwana on attractive terms which it believes other unrelated parties would commercially be reluctant to match.

To date, the Gondwana board has offered no response to Ochre's correspondence.

Ochre has the capability and willingness to offer a debt and/or equity package to Gondwana, on attractive terms so that Gondwana has funding in place if that is necessary for it to meet its commitments such as expenditure required on tenement holdings and associated administration costs.

Yours faithfully,
Ochre Group Holdings Limited



Nathan Featherby
Executive Chairman