

26 November 2015

No. of Pages: 2

ASX CODE: ORS

Market Cap.: \$2.23m (\$0.009 p/s)
Shares on issue: 248,331,672

Cash: \$0.05 m (30 September 2015)
Debt: \$1.1 m (30 September 2015)

ASX Investments
169,672,726 AYC shares
56,557,576 AYCO options

BOARD & MANAGEMENT

Ian Gandel, Chairman
Anthony Gray, Managing Director
Bob Tolliday, Director

MAJOR SHAREHOLDERS

Abbotsleigh – 41.1%
Alliance Resources – 8.9%

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Update on Proposal to Privatisise Company

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) wish to provide an update on the proposal from Abbotsleigh Proprietary Limited (“**Abbotsleigh**”), the Company’s Chairman Ian Gandel, and associated parties (collectively “**Gandel Shareholders**”) to privatise the Company, announced to the ASX on 20 October 2015.

Following receipt of the proposal, Octagonal has sought advice from its solicitors, and liaised with ASX and ASIC concerning the legal and regulatory requirements of the proposal.

The Company advises shareholders that based on these discussions, and further discussions with Gandel Shareholders, the key terms of the offer and timetable are modified as outlined below.

The consideration offered pursuant to the original proposal is unchanged.

Key Terms of the Offer

(1) Shareholders of Octagonal will be asked to approve a Scheme of Arrangement and Selective Capital Reduction whereby the shares in Octagonal held by non-Gandel Shareholders will be cancelled in return for consideration comprising:

- A cash payment of \$0.0055 per Octagonal share, together with
- Two (2) shares in A1 Consolidated Gold Limited (“A1 Gold”) (ASX Ticker Code: AYC) for every five (5) Octagonal shares held.

Abbotsleigh has also agreed to loan Octagonal funding for the cash component of the Selective Capital Reduction consideration. The loan will only be made to the Company if the Scheme, Selective Capital Reduction and a resolution relating to the related party benefit given to the Gandel Shareholders, is approved by non-Gandel Shareholders.

(2) The Scheme of Arrangement will be conditional on Court approval being obtained. It is anticipated that this approval will be obtained on 17 December 2015.

(3) The proposed Scheme of Arrangement and Selective Capital Reduction will require 75% approval from non-Gandel Shareholders. The resolution for the financial benefit to be provided to Gandel Metals in facilitating the Scheme of Arrangement will require 50% approval from non-Gandel Shareholders. It is proposed that the meetings to approve the above resolutions will be held on 28 January 2016.

(4) Gandel Metals has agreed to:

- (a) extend the repayment date of funds loaned to the Company to date (currently \$1.3 million) from 1 December 2015 to 5 February 2016; and
- (b) loan to Octagonal the funds for Octagonal to facilitate the Scheme.

- (5) If resolution for the Scheme of Arrangement, the Selective Capital Reduction or the Related Party Benefit is not approved by shareholders, shareholder approval will be sought for the Company to repay the funds loaned by Gandel Metals. This amount will be repaid via the transfer of a number of A1 Gold shares equal to the loaned funds on the basis of the 5 day VWAP up to the trading day immediately prior to transfer (as provided for in the original loan agreement).

Indicative Timetable

Monday 30 November 2015	Lodge draft scheme booklet, draft notice of meeting and explanatory statement, independent expert's report, deed poll with ASIC for review and comment.
Thursday 17 December 2015	Court hearing to approve convening of shareholder meetings.
Tuesday 29 December 2015	Notice of meeting and scheme booklet sent to Octagonal shareholders, accompanied by a statement setting out all information material to the decision on how to vote and an Independent Expert Report.
Thursday 28 January 2016	Scheme meeting held to approve Scheme, Class meeting held to approve Selective Capital Reduction, and General meeting held to approve Selective Capital Reduction, Related Party Benefit and loan repayment resolution (if proposed).
Friday 5 February 2016	Court hearing to approve the proposed scheme.
Monday 8 February 2016	Lodge with ASIC a copy of the court order approving the scheme (Effective Date).
Monday 15 February 2016	Determine the entitlements to scheme consideration by reference to share register of ORS at that time (Record Date).
Monday 22 February 2016	Implement the court approved scheme (Implementation Date).
Tuesday 23 February 2016	Delisting from ASX.

The above is an indicative timetable and may be subject to further changes. If the Court hearing to approve convening the shareholder meetings does not occur by 18 December 2015, then there will be significant delays in the timetable as the Supreme Court of Victoria does not sit from 18 December 2015 until 1 February 2016.

Additional information relating to Octagonal and its various exploration projects can be found on the Company's website: www.octagonalresources.com.au

For further enquiries, please contact:

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