



**JOINT AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**

A1 Consolidated Gold to Purchase Maldon Gold Operation from Octagonal Resources

Highlights of Transaction

A1 Consolidated Gold Limited

- **Creates a significant junior Australian gold producer**
- **150,000 tpa CIL gold processing facility**
- **Two operating underground mines & open pit resources**
- **Combined gold resources in excess of 330,000 ounces¹**
 - **A1 Gold Mine: Indicated Resource 200,000t @ 5.1g/t Au for 41,200oz Au**
 - **A1 Gold Mine: Inferred Resource 1,170,000t @ 6.4g/t Au for 240,000oz Au**
 - **Pearl Croydon Deposit: Inferred Resource 571,000t @ 2.9g/t Au for 53,000oz Au**
- **Option over Walhalla adds 268,000 ounce resource²**
 - **Walhalla Project: Inferred Resource 1,910,000t @ 4.4g/g Au for 268,400oz Au**
- **High grade gold developed at Maldon and available for immediate mining³**
- **A1 Gold Mine to commence ore development in 2 - 3 months⁴**

Octagonal Resources Limited

- **Octagonal to receive \$5.1 million in A1 Gold shares @ 3 cents per share⁵, 1:3 options⁶, & a board position**
- **Approximately 50% of A1 Gold shares and options received by Octagonal to be distributed to Octagonal shareholders**
- **Company to focus on exploration in the Burns Prospect area, Western Australia**

1. Refer to AYC ASX Announcement dated 12 May 2014 and ORS ASX Announcement dated 21 January 2014. The companies are not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

2. Refer to AYC ASX Announcement dated 29 August 2014. The companies are not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

3. Refer to ORS ASX Announcement dated 11 November 2014

4. Refer to AYC ASX Announcement dated 13 November 2014

5. The issue price of A1 Gold shares may vary at settlement, but shall not be greater than 3 cents per share

6. It is proposed that options will have a vesting period of 3 months, term of 5 years, and be exercisable at 3 cents. Options will be listed.



24 November 2014. A1 Consolidated Gold Limited (ASX: AYC) (“A1 Gold”) and Octagonal Resources Limited (ASX: ORS) (“Octagonal”) are pleased to announce that they have entered into a binding Heads of Agreement (“Agreement”) whereby A1 Gold will purchase the Maldon Gold Operation from Octagonal to create a significant junior Australian gold business with over 330,000 ounces of underground and open pit resources ¹ and a 150,000 tpa CIL gold processing facility at Maldon that is an optimal size for planned production from the A1 Gold Mine ².

In consideration for the sale of the Maldon Gold Operation Octagonal will receive \$5.1 million in A1 Gold shares at 3 cents per share ³, 1:3 listed A1 Gold options that will vest 3 months after completion of the transaction and have a 5 year life, and a board position on A1 Gold.

Octagonal intends to distribute approximately 50% of the A1 Gold shares and options received under this transaction to its shareholders through an in specie distribution on a pro rata basis. All shares retained by Octagonal will be subject to a voluntary 6 month escrow period.

Under the Agreement A1 Gold will complete due diligence on the Maldon Gold Operation and the two companies will negotiate in good faith a Final Agreement that is expected to be executed during December 2014.

Once the Final Agreement is executed further details of the transaction will be provided.

It is expected that shareholder meetings will be required for both companies to approve this transaction which if received will provide for settlement during February 2015.

Rationale for the Transaction

- The acquisition of the Maldon Gold Operation by A1 Gold provides certainty of ore processing for its A1 Gold Mine, removes the need to construct a mill onsite, and provides substantial savings in ore processing costs;
- The Maldon Gold Operation owns a 150,000 tpa CIL gold processing plant that is an optimum size to process planned production from the A1 Gold Mine. A1 Gold intend to install a gravity circuit into the plant to improve gold recovery and eventually increase throughput;
- The combined company will hold in excess of 330,000 ounces of underground and open pit resources ¹, with the option to expand to almost 600,000 ounces of resources if the option to acquire the Walhalla tenements is exercised ⁴. This resource base provides for a long term life of mine operation;
- High grade gold developed at the Alliance South Deposit ⁵ provides for immediate production while Stage 1 of the A1 Gold Mine is brought into production in the next 2 to 3 months;

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2. Refer to AYC ASX Announcement dated 5 September 2014

3. The issue price of A1 Gold shares may vary at settlement, but shall not be greater than 3 cents per share

4. Refer to AYC ASX Announcement dated 29 August 2014. The companies are not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed. A breakdown of resource categories is provided on page 1 of this announcement.

5. Refer to ORS ASX Announcement dated 11 November 2014



- Octagonal to become a significant shareholder in A1 Gold and to benefit from the synergies in merging the two operations and exposure to an increased resource base;
- Shareholders of Octagonal retain direct exposure to production from the Maldon Gold Operation by receiving shares in A1 Gold; and
- Octagonal to substantially reduce corporate and operating costs and to focus on exploration of the Burns Prospect area in Western Australia where diamond drilling during 2014 intersected massive magnetite-copper-gold mineralisation grading 4.5g/t Au and 2.6% Cu¹.

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1. Refer to ORS ASX Announcement dated 29 August 2014