

7 December 2015

No. of Pages: 2

ASX CODE: ORS

Market Cap.: \$2.48m (\$0.010 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%

PRINCIPAL OFFICE

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Update on Scheme of Arrangement

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) wish to provide an update on the proposed Scheme of Arrangement announced to the ASX on 26 November 2015.

Scheme Implementation Deed

A copy of the Scheme Implementation Deed executed between Octagonal and Abbotsleigh Proprietary Limited that details the terms and conditions of the Scheme of Arrangement has been placed on the Company’s website.

The document can be access by visiting the Investor Centre [Scheme of Arrangement tab] on the website:

<http://www.octagonalresources.com.au/>

or directly via:

<http://www.octagonalresources.com.au/IRM/company/showpage.aspx/PDFs/1541-18308562/SchemeofArrangement?RID=358>

Other relevant Scheme documents required to be provided to shareholders will also be posted to the Scheme of Arrangement tab on the website as they become available for release.

Scheme Booklet

A copy of the draft Scheme Booklet, draft Notice of Meeting and Explanatory Statement, draft Independent Expert’s Report, and draft Deed Poll were lodged with ASIC on 2 December 2015 for review and comment.

First Court Hearing

On 27 November 2015 Octagonal filed the Originating Process in the Supreme Court of Victoria seeking orders:

- To approve the convening of shareholder meetings for the purpose of considering and voting upon the proposed Scheme of Arrangement; and
- To approve the proposed Scheme of Arrangement if it is agreed to by shareholders at the meetings.

A First Court Hearing date of 18 December 2015 has been reserved to seek orders to convene and hold meetings of shareholders for the purpose of considering and voting upon the proposed Scheme of Arrangement.

Australian Taxation Office Application for Class Ruling

On 4 December 2015 Octagonal lodged an application for a Class Ruling with the Australian Taxation Office, pursuant to the early engagement process, in respect of the proposed Scheme of Arrangement.

Octagonal is seeking confirmation from the Australian Taxation Office that:

- The distribution of the Scheme Consideration is not a dividend;
- The CGT Event C2 happens when the Scheme is completed;
- The cost base of the A1 Gold shares is equal to the market value of the A1 Gold shares on the implementation date; and
- The Commissioner will not make a determination under section 45A(2) or section 45B(3) that section 45C of the *Income Tax Assessment Act 1936* applies to the whole or part of the Scheme of Arrangement.

It is not anticipated that a Class Ruling will be finalised by the ATO before the First Court Hearing on 18 December 2015.

Indicative Timetable

A copy of the updated indicative timetable is provided below.

| | |
|--------------------------|---|
| Friday 18 December 2015 | First 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. |
| Friday 29 January 2016 | Scheme Meeting held to approve Scheme, Non-Gandel Meeting held to approve Selective Capital Reduction, and General Meeting held to approve Selective Capital Reduction, Related Party Benefit, and Loan Repayment Resolution. |
| Friday 5 February 2016 | Second 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 timetable is indicative only and may be subject to further changes. If the First Court Hearing to approve convening the shareholder meetings extends beyond 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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