

OGI Group Ltd

A.B.N. 34 090 074 785

566 Elizabeth Street
Melbourne 3000
Telephone: 61 3 9349 1488
Facsimile: 9349 1186

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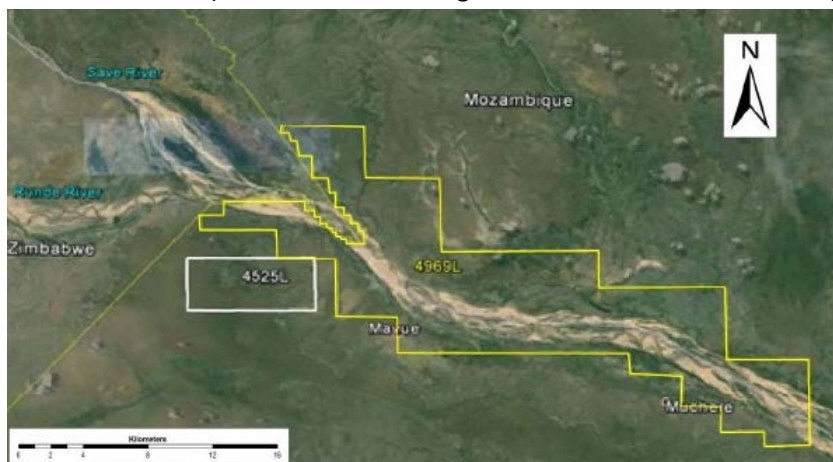
Mozambique Diamond Project Acquisition

Highlights of the Proposed Transaction

- The acquisition of an effective 50.7% interest in a highly-prospective diamond licence (L4969) and in addition first right of refusal to acquire an effective 51.15% of an adjacent licence (L4525) downstream from the world-class Murowa and Marange diamond fields in Zimbabwe.
- The massive deposition of gravels area under licence is a substantial 40km x 10km in size.
- Bulk sampling planned to commence testing the extensive alluvial gravels in August 2014 and to be completed before end December 2014.
- Experienced local diamond mining management.
- Capital raising – best endeavours obtained for \$3.5 million raising, with a priority top up facility for existing shareholders.

Save River Diamonds Project

The Save River Diamonds Project is located in southern Mozambique, next to the border with Zimbabwe (Figure 1). The area of interest is along the Save River, after the confluence with the Runde River (Figure adjacent). Save River Diamonds Pty Ltd owns 65% of L4969 (yellow outline) and has a first right of refusal to acquire 70% of L4525 (white outline). The licence area is located where gravels, conglomerates and grits have been mapped on surface. The tertiary to quaternary aged sediments are potentially associated with alluvial diamonds. The geological model for this project is based on the Save and Runde Rivers having drained areas some 200 kms upstream with rich diamondiferous conglomerates and kimberlites (Murowa and Marange diamond fields in Zimbabwe) over millions of years. The profile of the Save/Runde Rivers from the Marange/Murowa areas in Zimbabwe to the Save River Diamonds Project shows a very steep gradient resulting in a high energy environment which the Save River maintains until it reaches the confluence with the Runde River. The topography then changes to



a gentle and almost flat surface at the confluence of the rivers. This has resulted in a massive deposition of gravels on the concession area which is a substantial 40km x 10km in size.

Previous exploration work included radiometric images of the areas which showed channel features cutting across the concession. These features which are sub-parallel to the Save River, indicate that the river has migrated towards the north. Further airborne magnetic data confirmed the occurrence of a structure trending NE through the concession and is associated with structural displacements resulting in up-faulted sandstone units. The crosscutting structure formed a barrier which would have promoted the deposition of sediments and gravels on the west and eastern portion of the feature. In addition, a Ground Penetrating Radar Survey (“GPR”) over the concession area was completed by Terravision™ in April 2014. The GPR traverses confirmed the presence of a deep (14m) and wide (1-1.5km) palaeochannel in the western and central portion of the concession. Two GPR lines completed to the south of the concession mapped potential lower gravel terraces which have been affected by faulting and define a sandstone plateau and troughs with visible gravels on surface.

An exploration programme has been designed to validate the traverses and test for diamonds in all gravel settings. The programme will involve the collection of a minimum 50,000 tonnes and a maximum of 100,000 tonnes of material to test for diamonds. A preliminary budget of US\$1.7 million is proposed for this work with the programme to commence immediately and be completed during 2014. All gravels exposed during pitting and trenching will be processed for diamonds using rotary pans and Boesman jigs. Diamond size distribution and gravel volume estimates will be used to determine the grade of diamonds in the area and the depth continuity of troughs/grabens will be confirmed during pitting and trenching.

Overview of Mozambique and Diamond Market Conditions

- One of Africa’s best performing economies, achieving economic growth of over 7% between 1996 and 2013.
- Since the end of a civil war in the 1990s, the Government has introduced a mining law and framework that is investor friendly. This had been rewarded by an exploration boom in the country, particularly for coal and oil & gas.
- The country’s vast untapped coal reserves have attracted a number of multinationals. Alongside its natural resources, Mozambique’s long coastline positions it as a natural gateway to global markets for its land locked neighbouring countries.
- The global supply of rough diamonds has been falling steadily since 2005 with the prices of both rough and polished diamonds having increased since 2010. The year 2013 saw a return of price stability in the international diamond market which was underpinned with a company such as De Beers having doubled its operating profit year on year to US\$1 billion. China and India have been at the forefront in the global demand for rough diamonds.

Transaction overview

Share purchase agreement

Following a legally binding term sheet which has been entered into, the Company will enter into a Share Purchase Agreement (“SPA”) with the current shareholders of Save River Diamonds Pty Ltd (“SRD”) to acquire 78% of the issued capital of SRD. Giving the Company an effective 50.7% interest in Licence 4969L and a right of first refusal to acquire an effective interest of 51.1% in Licence 4525L. The SPA will be legally binding subject to a number of conditions precedent, including the following:

- (1) due diligence is completed to the satisfaction of the OGI Board;

- (2) OGI shareholders approvals at an EGM for:
 - a. the issue of securities to the shareholders of Saver River Diamonds Pty Ltd;
 - b. a change in the nature and scale of the Company's activities;
 - c. the consolidation of the issued capital of the Company to meet ASX Listing Rule requirements; and
 - d. The issue of shares pursuant to the Capital Raising.
- (3) OGI successfully completing the Capital Raising;
- (4) OGI and SRD completing due diligence process;
- (5) OGI obtaining all third party consents, approvals or waivers to the transaction; and
- (6) OGI obtaining the conditional approval of ASX to re-instatement of its securities to quotation.

The SPA will also contain a number of standard items and conditions, including representations and warranties from each party, considered standard for an agreement of this nature.

Capital Raising

A capital raising between \$3.5 million and \$6 million before costs pursuant to a prospectus is contemplated as part of the transaction. The minimum raising of \$3.5 million will be arranged on a best endeavours basis by Novus Capital Ltd. Novus have confirmed their full support to the Board for the acquisition and financing of this project.

Existing shareholders will be given the priority right to top up their shareholdings (\$2,000 per shareholder) pursuant to the prospectus.

Loan Agreement

As part of and until completion of the bulk sampling phase of the exploration programme, the Company intends to provide SRD with a loan facility for the drawdown of up to US\$1.7 million. The loan will have an interest rate of LIBOR + 2.5% and will be secured against the proceeds of all diamonds sold from the bulk sampling programme in priority to any distribution to shareholders. The maximum anticipated drawdown is US\$1.3 million under the budget for the bulk sampling programme.

The loan to SRD by the Company will be on arm's length commercial terms and will be repayable by SRD if the transaction does not proceed within 3 months.

To ensure the Company has adequate funds to meet this facility it has arranged a US\$500,000 convertible loan facility. The facility is available for a 6 month period and is subject to an interest rate of 10%. The loan may be converted to equity, subject to shareholder approval, under the prospectus. As part of the loan facility the Company will issue 1,000,000 options (on a post-consolidation basis) exercisable at 20 cents each on or before 31 December 2016.

Convertible Notes

The Company has been notified by a number of existing convertible note holders that subject to the transaction proceeding they intend to convert their notes to ordinary fully paid shares.

Outstanding convertible notes total \$2.1 million and are partially due for repayment with the balance due over the next 8 months. The conversion of these notes into shares provides the

Company with the ability to eliminate significant debt which it otherwise it may not be able to repay from existing cash reserves.

Change of Activities

The acquisition of 78% of SRD will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as requiring the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will despatch to shareholders as soon as practicable a notice of meeting seeking the relevant approvals to undertake this process, with such notice of meeting to contain detailed information relating to the acquisition of SRD, including independent experts' reports on the transaction.

Consolidation of Capital

As part of the transaction, and subject to the approval of shareholders, the Company will undertake a consolidation of its capital at a ratio of around 67:1 to meet ASX Listing Rule requirements.

Change of Name

It will be proposed that the Company changes its name to reflect the proposed principal focus on diamond exploration and mining.

Change of Board

The following changes have been made to the composition of the Board:

The appointment of Mr Mark Freeman and Mr Ian Daymond as non-executive directors and the resignations of Mr Chris Porter and Mr Rob Oliver as directors of the Company, whom the Company wishes to thank for their contributions and services to the Company in recent years.

Mr Mark Freeman (Non-Executive Director)

Mr Freeman is a Chartered Accountant and has more than 14 years' experience in corporate finance and the resources industry. He has experience in strategic planning, business development, acquisitions and mergers, and project development general management. Prior and current experience with Panoramic Resources Ltd, Exco Resources NL, Mirabela Nickel Ltd, Quest Petroleum NL and Matra Petroleum plc. In addition, Mr Freeman is a graduate of the University of Western Australia with a Bachelor of Commerce with a double major in Banking & Finance and Accounting as well as holding a Graduate Diploma in Applied Finance with a major in Investment Analysis from the Securities Institute of Australia. Mr Freeman is presently managing Director of Grand Gulf Energy Ltd (ASX: GGE).

Mr Ian Daymond (Non-Executive Director)

Mr Daymond is a solicitor and consultant with more than 35 years as an external or inhouse lawyer in the mining and resources area. He was General Counsel and Company Secretary of Delta Gold Ltd for over 11 years which saw the company grow from a small gold explorer into one of the largest gold producers in Australia with significant platinum and gold mining interests in southern Africa.

He has significant independent director experience, having served as a non-executive director of the International Base Metals Ltd with substantial copper interests in Namibia and is the former non-executive chairman of Eldore Mining Corporation Ltd (ASX: EDM), ActiveEX Ltd (ASX:AIV) and Copper Range Ltd (ASX:CRJ) and a former non-executive director of Hill End Gold Ltd.

Mr Daymond was the national chairman of the Australia-Southern Africa Business Council for 3 years and has substantial business, legal and corporate governance experience precious, base metals and diamond projects not only in Australia but also in southern Africa over the past 25 years. He is currently the Honorary Counsel in NSW for the Republic of Botswana and a member of the Australia-Africa Mining Industry Group which promotes corporate social responsibility principles amongst Australian mining companies with activities in Africa.

Following the completion of the transaction, the Company will appoint a new director to the Board:

Charles Mostert (Non Executive Director)

Mr Mostert has 33 years' experience in the mining industry which includes 4 years with Gold Fields of South Africa, 15 years with Anglo American, 3 years with Durban Roodepoort Deep and 11 years with Australian and Canadian junior mining companies. In his career he has served as Chairman and/or CEO and /or Director of 10 resource companies listed on the ASX, with over \$400 million in capital raisings.

His resources experience includes diamonds, gold, coal, copper, platinum and iron ore. He currently serves as President -African Business Development for Forbes and Manhattan Inc, a large Canadian merchant bank which focusses on investment in the resources sector.

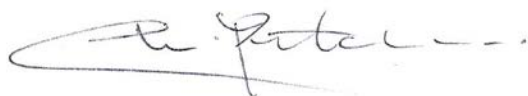
Indicative Capital Structure

The indicative capital structure of the Company following completion of the acquisition of SRD and its re-instatement to trading on ASX is set out below (on a post-consolidation basis).

	Shares	Options	Performance Rights
Current issued Capital (pre-consolidation)	191,940,064	-	-
Estimated capital following Consolidation (67:1)	2,864,777	-	-
Proposed Issue of acquisition shares	11,194,030	1,119,403	3,358,209
Proposed Issue of shares	20,000,000	1,000,000	-
Total estimate on completion of the matters contemplated by all Acquisition Resolutions on a post-consolidation basis	34,058,807	2,119,403	3,358,209

In the event all convertible notes are converted to fully paid ordinary shares an additional ~13,059,701 shares will be on issue, bringing total issued shares to ~47,118,508.

For and on behalf of the Board,



Chris Ritchie
Executive Director

Figure 1: Location of the Save River Diamonds Project near the border between Zimbabwe and Mozambique

