

OGI GROUP LTD

ASX / MEDIA ANNOUNCEMENT

OGI Raises \$6 Million to Progress Diamond Project in Mozambique and continued suspension from quotation.

- \$6 million raised through equity loans – issue well supported
- \$6 million loans automatically convert to equity after the January 2015 EGM
- Funds to be deployed immediately to progress alluvial diamond project
- OGI proceeding with \$3.5 million prospectus – underwriters being secured
- Shareholders given priority right to increase their holdings
- OGI requests continued suspension from quotation of the securities of the Company to 5 December 2014

28 November 2014: OGI Group Limited (OGI, the Company), which recently acquired significant alluvial diamond and graphite projects in Mozambique, is pleased to confirm that it has raised \$6 million through the issue of equity loans which will convert to shares following shareholder approval at its upcoming Extraordinary General Meeting (EGM).

The loans have a coupon rate of 10% and will convert to an effective price of \$0.20 per share following a 1 for 67 consolidation of share capital. As a result of the strong support received for the issue, the Company will now proceed with a prospectus to raise a further \$3.5 million. The Company is presently finalising underwriting agreements and will continue in suspense until these contracts have been finalized. Under the terms of the prospectus, existing shareholders will be given a priority right to increase their holdings for a minimum of \$2,000 at \$0.20 per share.

OGI will deploy some of the first tranche of funds to immediately commence an intensive and strategic exploration program at its highly prospective Save River alluvial diamonds project in Mozambique, designed to delineate, further prove up and develop the prospects within a three to six month timeframe.

This significant project, comprising two concessions (4969L & 4525L) covering 22,000ha of prime alluvial diamond prospects, has a sound geological model and is located downstream from the prolific Marange fields in Zimbabwe. OGI holds interests of 51% and 52% in these tenements respectively.

The Company feels that the extensive exploration work and geological modelling already undertaken at the Save River prospects significantly de-risks the project, and is confident that the low risk mining methods involved here will generate cash flow in the nearer term. OGI has also acquired six highly prospective graphite tenements in the Balama graphite province, Cabo Delgado, also in Mozambique. These prospects are located in close proximity to major graphite discoveries recently made by Syrah Resources (ASX: SYR) and Triton Resources (ASX: TON).

COMPANY INFORMATION

OGI Group Ltd

ABN 34 090 074 785

COMPANY DIRECTORS

Chris Ritchie – Exec. Director

Ian Daymond - Director

Mark Freeman – Director

MANAGEMENT

Chris Ritchie – CFO / Co Sec

STOCK EXCHANGE LISTING

Australian Stock Exchange

ASX Code: OGI

Current Shares on Issue:

483,856,094

Market Capitalization as at

27 November 2014 based on a

share price of \$0.01 per share:

AUD \$4.8 million

CURRENT PROJECTS

Diamonds

- Save River Project

- Sese Project

Graphite

- Balama Project

Oil & Gas

- Dugas & Leblanc #3

- Hensarling #1

- Sugar Valley #1

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As detailed in the announcement dated 11 November 2014, the exploration work conducted in September/October 2014 has proven high grade (up to 14% TGC) graphite mineralization through outcrops and shallow recon drilling. The Company intends to commence exploration work with an extensive airborne electromagnetic survey over all its graphite licenses in January 2015 followed by a full resource drilling program and scoping study up to the end of 2015.

The anticipated cash flow from its diamond project together with its strong cash balance following its current capital raisings, provides the Company with the financial flexibility to accelerate its graphite exploration and eventual mining.

OGI Group's Executive Director, Chris Ritchie, commented: "The overwhelming support we have received for this Equity Loan Issue has been very encouraging, and is a solid endorsement of the portfolio of diamond and graphite assets we have acquired in Mozambique."

"We now intend to proceed with the prospectus to raise a further \$3.5 million, the Company has received interest in respect of partial underwriting and will finalise arrangements over the coming weeks. This prospectus will also give our existing shareholders the opportunity to increase their holdings with a priority right at the same price as our current offering."

"Raising these funds is a key milestone towards developing the assets in Mozambique in order to unlock maximum value for our shareholders."

"We look forward to updating the market on the progress at our flagship Save River Diamond Project in the months to come."

OGI requests that ASX continue the suspension of the securities of the Company from quotation, pending the announcement concerning the completion of the underwriting arrangements for the \$3.5 million prospectus. OGI requests the suspension until the earlier of the commencement of trading on Friday 5 December 2014 or when the announcement is released to the market. OGI is not aware of any reason why ASX should not grant the continuation of the suspension.

- ENDS -

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