

24 October 2014

No. of Pages: 36

ASX CODE: ORS

Market Cap.: \$1.7 m (\$0.01 p/s)
Shares on issue: 169,672,726
Cash: \$1.8 m (30 September 2014)
Debt: \$0.0 m (30 September 2014)

BOARD & MANAGEMENT

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

MAJOR SHAREHOLDERS

Abbotsleigh – 18.7%
Alliance Resources – 13.0%
Karl Sabljak – 5.2%

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Road Show Presentation

Please find attached a copy of a Company Presentation to be made by the MD, Mr Anthony Gray, to investors during October and November 2014.

For and on behalf of the Board

Bob Tolliday

Company Secretary

OCTAGONAL RESOURCES LIMITED

Additional information relating to Octagonal and its various mining and exploration projects can be found on the Company's website:

www.octagonalresources.com.au



Octagonal
Resources Limited

ABN: 38 147 300 418

ASX Code: ORS

Investor Road Show October 2014

“Building a sustainable gold
producing operation in Victoria
to fund Company growth”



Photo: Portal of Union Hill Decline (Maldon, VIC)

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The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Anthony Gray, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Gray is a full-time employee of the company. Mr Gray has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to exploration, mining, and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

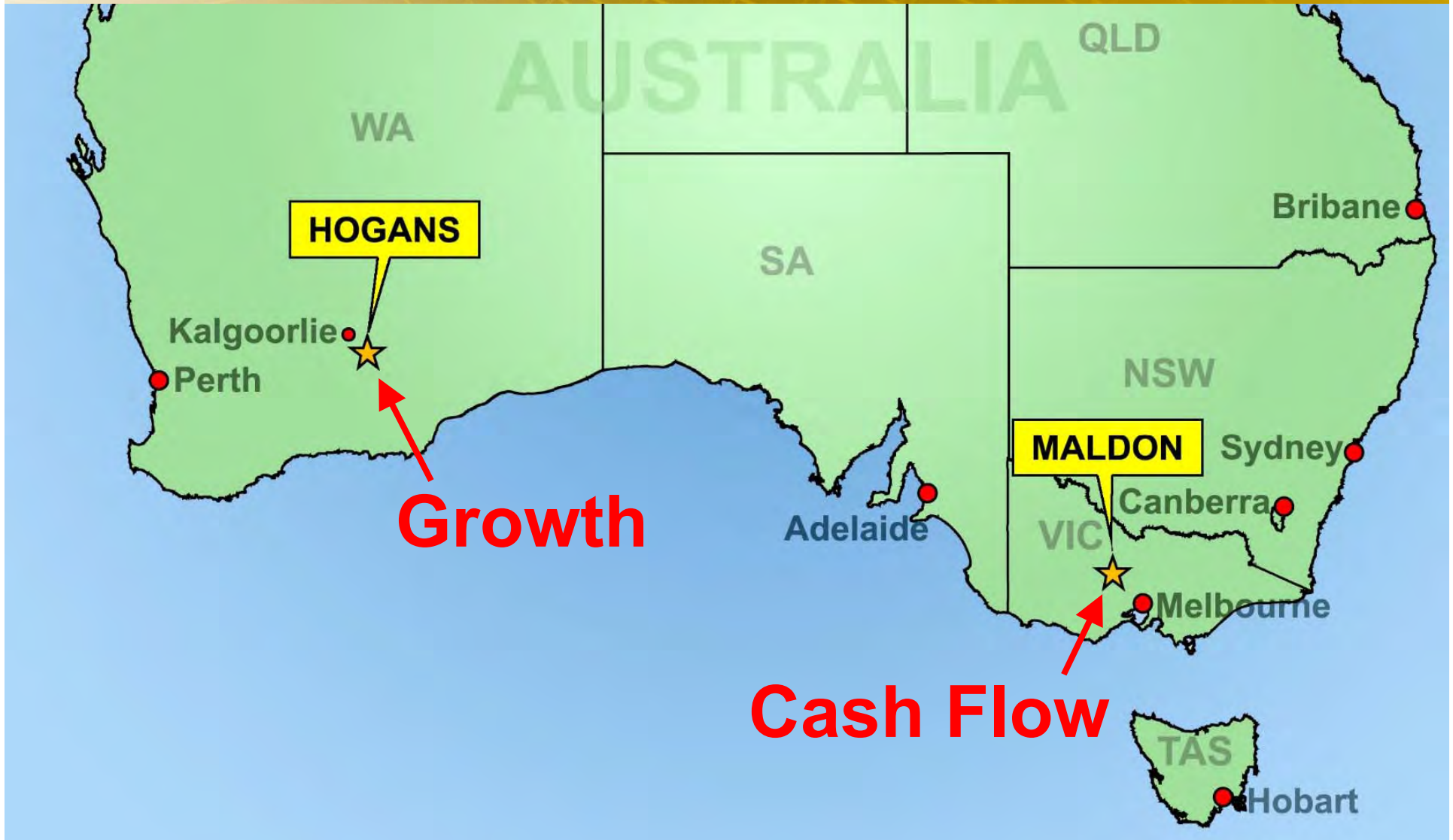
Victorian Gold Producer



Gold producer since November 2012



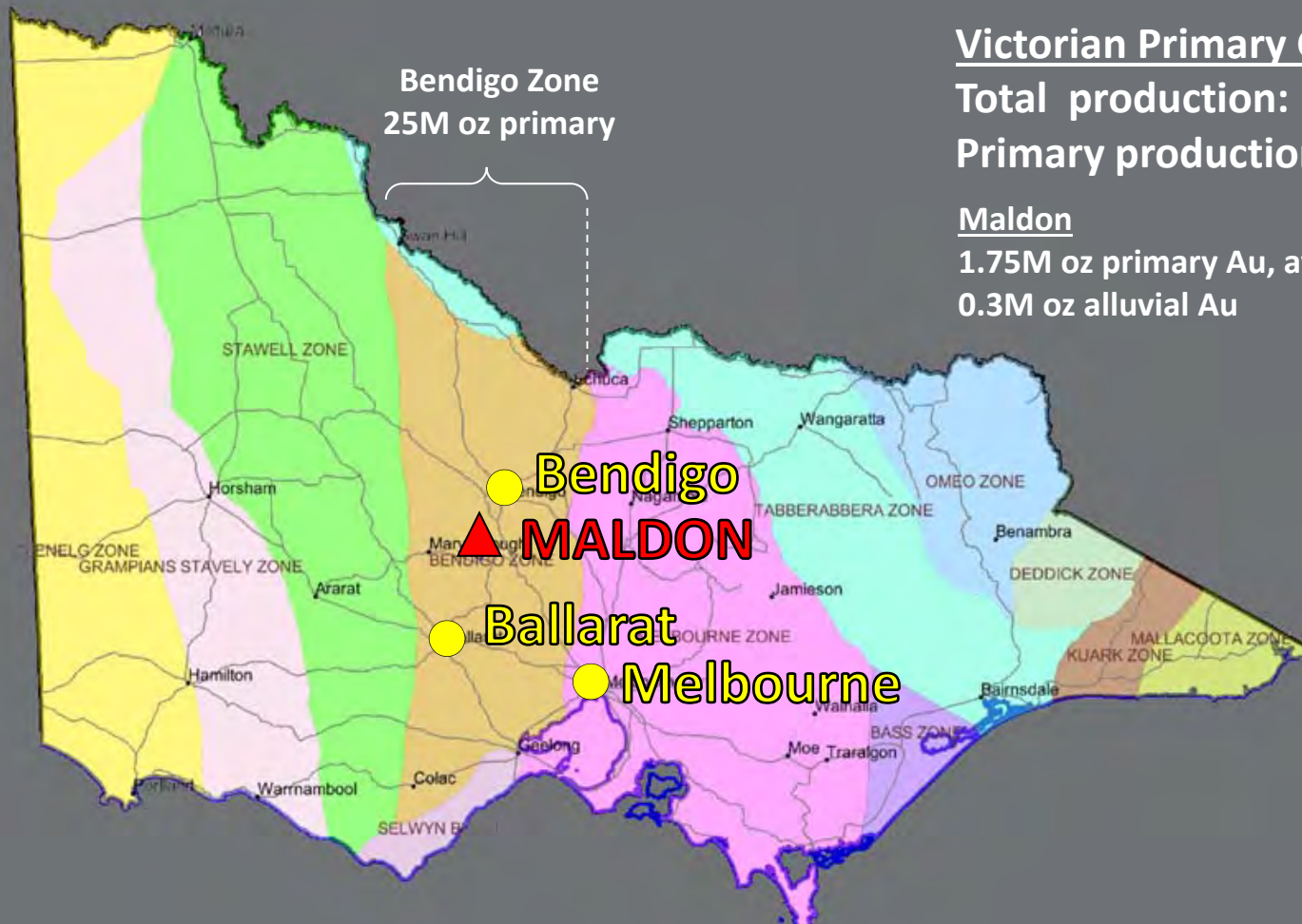
Operations



Project Location - Central Victoria



WORLD CLASS GOLD PRODUCING DISTRICT



Victorian Primary Gold

Total production: 80M oz

Primary production: 35M oz

Maldon

1.75M oz primary Au, av. 28 g/t Au

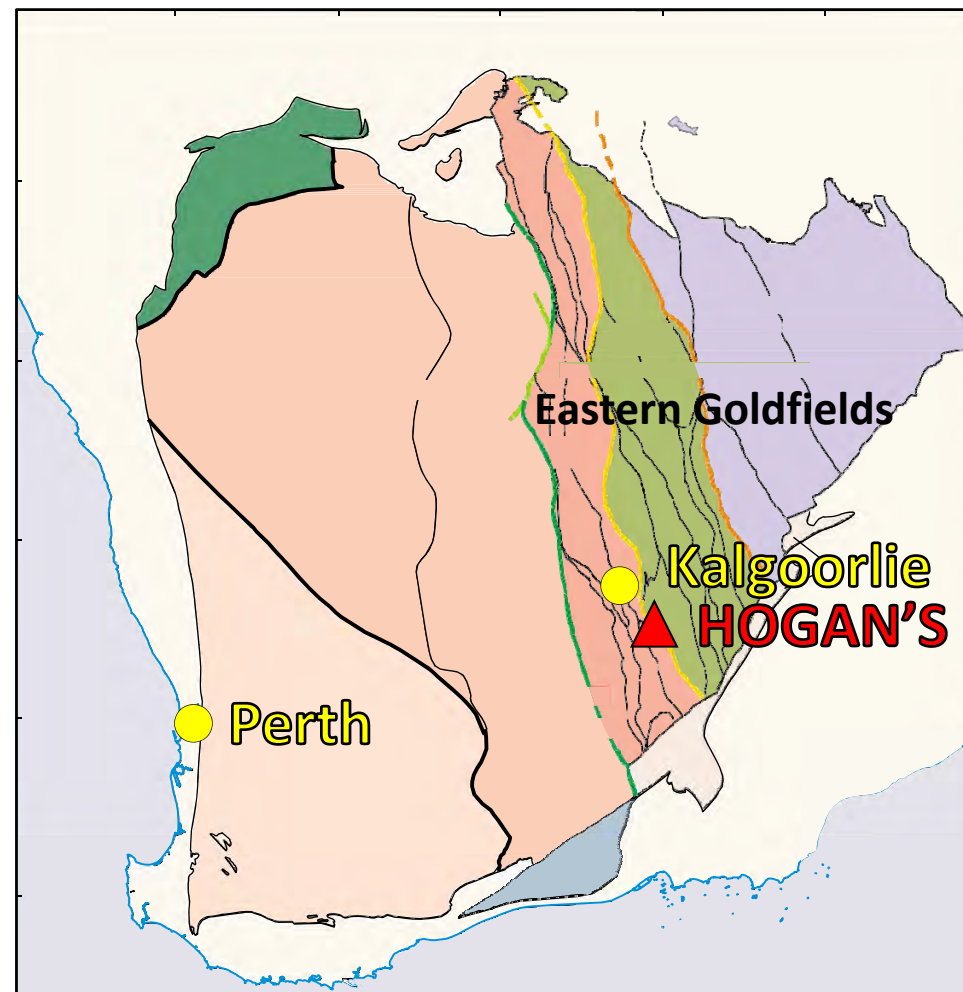
0.3M oz alluvial Au

EASTERN GOLDFIELDS PROVINCE

15 World Class Gold Deposits (+3M oz Au)

Hogan's Project

- ▶ 70 kilometres southeast of **+70M oz Golden Mile**
- ▶ 30 kilometres northeast of **+12M oz St Ives Goldfield**



Non-Renounceable Rights Issue

► ASX Announcement (23 October 2014)

- **Raise up to \$2.2 million via issue of 170 million shares @ 1.3 cents**
 - 35% discount to 1 month VWAP pre announcement (2.0c)
 - 59% discount to 3 month VWAP pre announcement (3.2c)
- **Free attaching Option @ 2.0 cents (December 2015 expiry)**
- **Partially Underwritten for \$500,500**
- **Directors intend to fully participate for their Entitlement**
- **45% of offer already committed through Directors and Underwriter**
- **Shareholders may apply for additional Shortfall shares (if any)**



Non-Renounceable Rights Issue

▶ **ASX Announcement (23 October 2014)**

● **Use of Funds:**

Development & production mining of 1080 level - Alliance South Deposit (Maldon, Vic)
Working Capital
Costs of Offer

Options could raise additional \$3.4 million
for install of vent shaft & ramp up of production mining

● **Ex date 27 October 2014**

● **Offer Closes 13 November 2014**

● **Issue of new shares 20 November 2014**

● **Trading of new shares 21 November 2014**

Share Structure



Share Structure (Current)	
Ordinary Shares	169.7 million
Options	0
Market Cap. (\$0.02)	\$3.4 million
Cash	\$1.8 million (30 Sept. 2014)
Debt	\$0 million (30 Sept. 2014)

Share Structure (post Rights Issue - 100% uptake)	
Ordinary Shares	339.4 million
Options	169.7 million
Market Cap. (\$0.02)	\$6.8 million
Cash	\$4.0 million
Debt	\$0.0 million



Directors	
Ian Gandel	Chairman
Anthony Gray	Managing Director
Bob Tolliday	Non-Executive Director

Major Shareholders	%
Abbotsleigh (Ian Gandel)	18.7
Alliance Resources Limited	13.0
Karl Sabljak	5.2
Top 20 Shareholders	60.4



Cash Flow



Replacement cost: +\$15 million



Management



▶ Board

Ian Gandel (Chairman)

Sophisticated investor: largest shareholder & director AGS, ALK, GIP

Anthony Gray (Managing Director)

Geologist: 18 years experience Vic & WA exploring for gold, copper & nickel

Bob Tolliday (Non-Executive Director)

Chartered Accountant: 25 years experience accounting, audit, finance, company secretarial

▶ Multi-skilled & professional team

- 1 mining engineer
- 2 metallurgists
- 6 underground miners
- 3 mill operators,
- 1 diesel mechanic
- 3 geologists
- 1 administrator

(+300 years mining industry experience)

+1,400 days MTI & LTI free (+200,000 hrs)



Mining Assets

Union Hill Decline

- ▶ 2 kilometres long
- ▶ 4 metre by 4.5 metre size
- ▶ **Construction cost: +\$20 million**



Underground Mining Fleet

- ▶ 2 x twin boom jumbos
- ▶ 1 x single boom jumbo
- ▶ 2 x 30 tonne dump trucks
- ▶ 2 x 40 tonne dump trucks
- ▶ 2 x boggers,
- ▶ 1 x grader & loader
- ▶ **Replacement cost: +\$3 million**



Victorian Mining Strategy

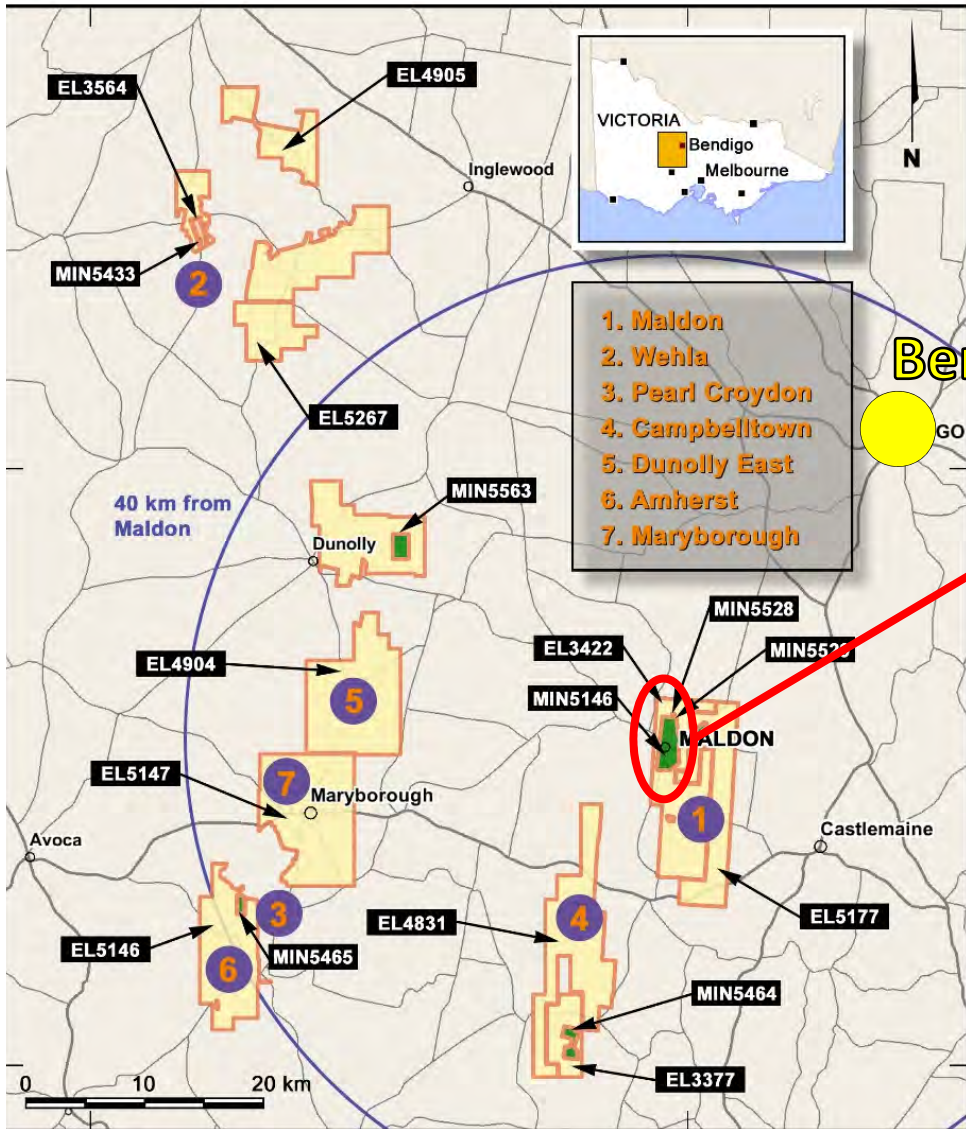


Develop a sustainable low risk, high grade, high margin gold operation

- ▶ Focus on grade and profit not tonnes and ounces
- ▶ Narrow vein mining – small mining equipment – owner operator
- ▶ Understand the gold distribution and ground conditions of deposit
- ▶ Low cash costs – small multi-skilled professional and experienced team
- ▶ Develop multiple underground and open pit ore sources – strong project pipeline
- ▶ Supplement production profile with third party ore
- ▶ Use existing resources to fund Company growth



Victorian Gold Operation



Maldon

- ▶ 150,000 tpa CIL gold mill
- ▶ Underground mine

Central Maldon Shear Zone

Historic Production 1854 – 1920 1.47 million ounces

- ▶ Nuggetty Reef: 301,000 oz
- ▶ Eaglehawk Reef: 491,000 oz
- ▶ Beehive Reef: 250,000 oz
- ▶ German Reef: 277,000 oz
- ▶ Victoria & Derby Reef: 150,000 oz

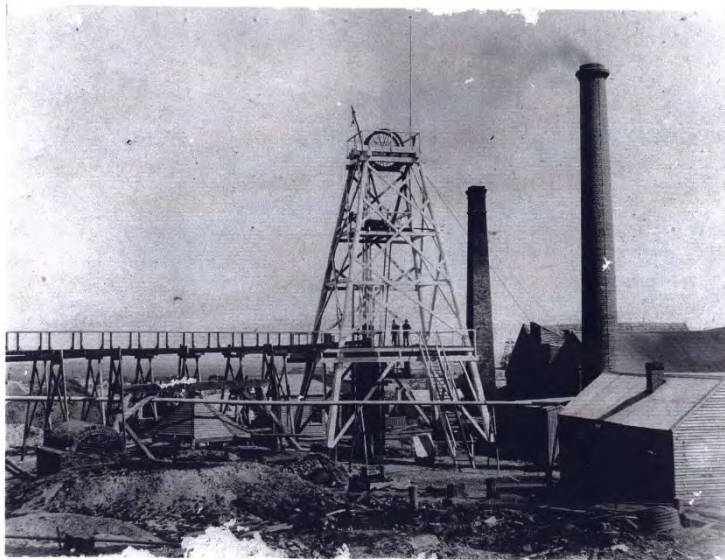
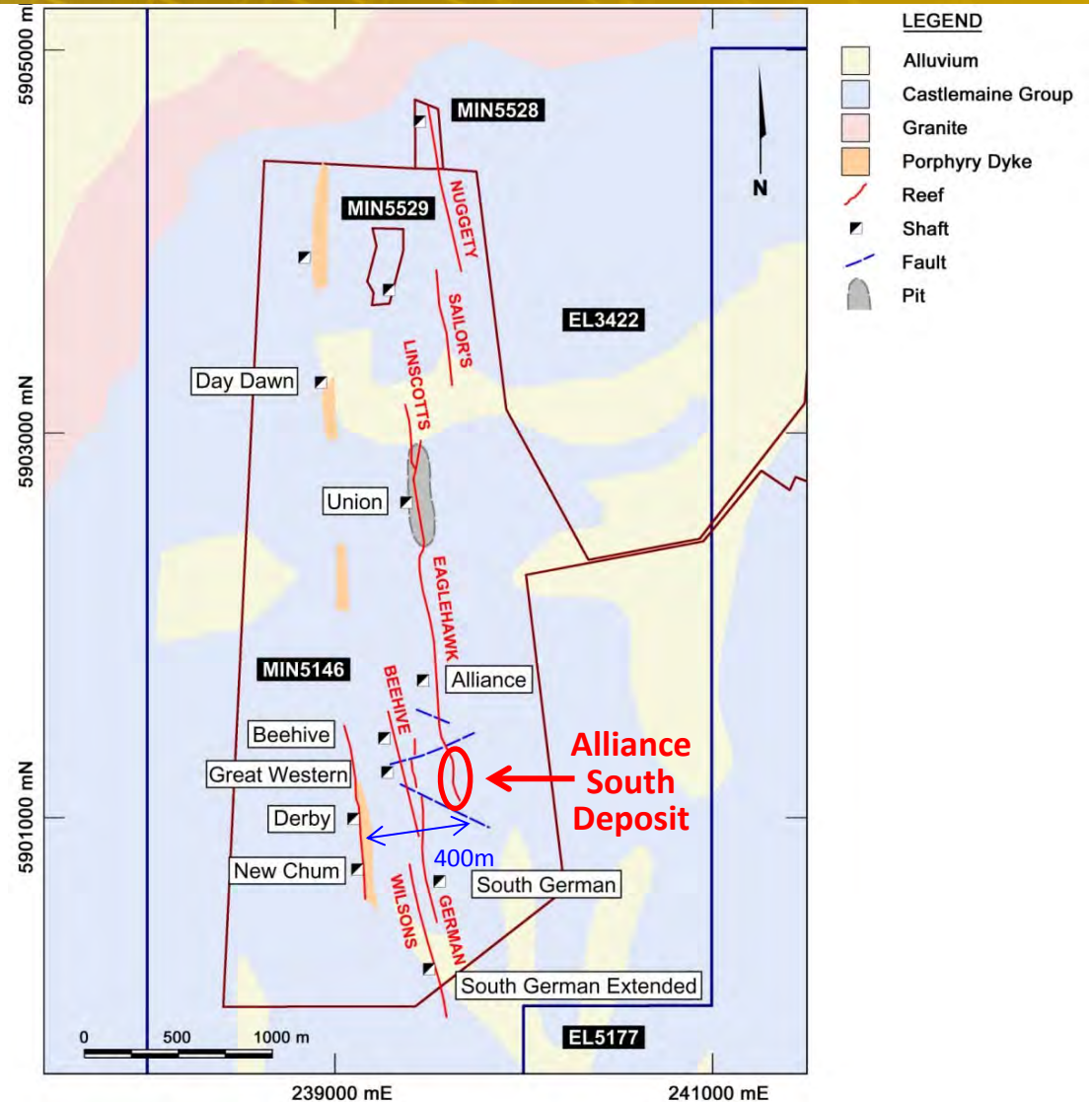
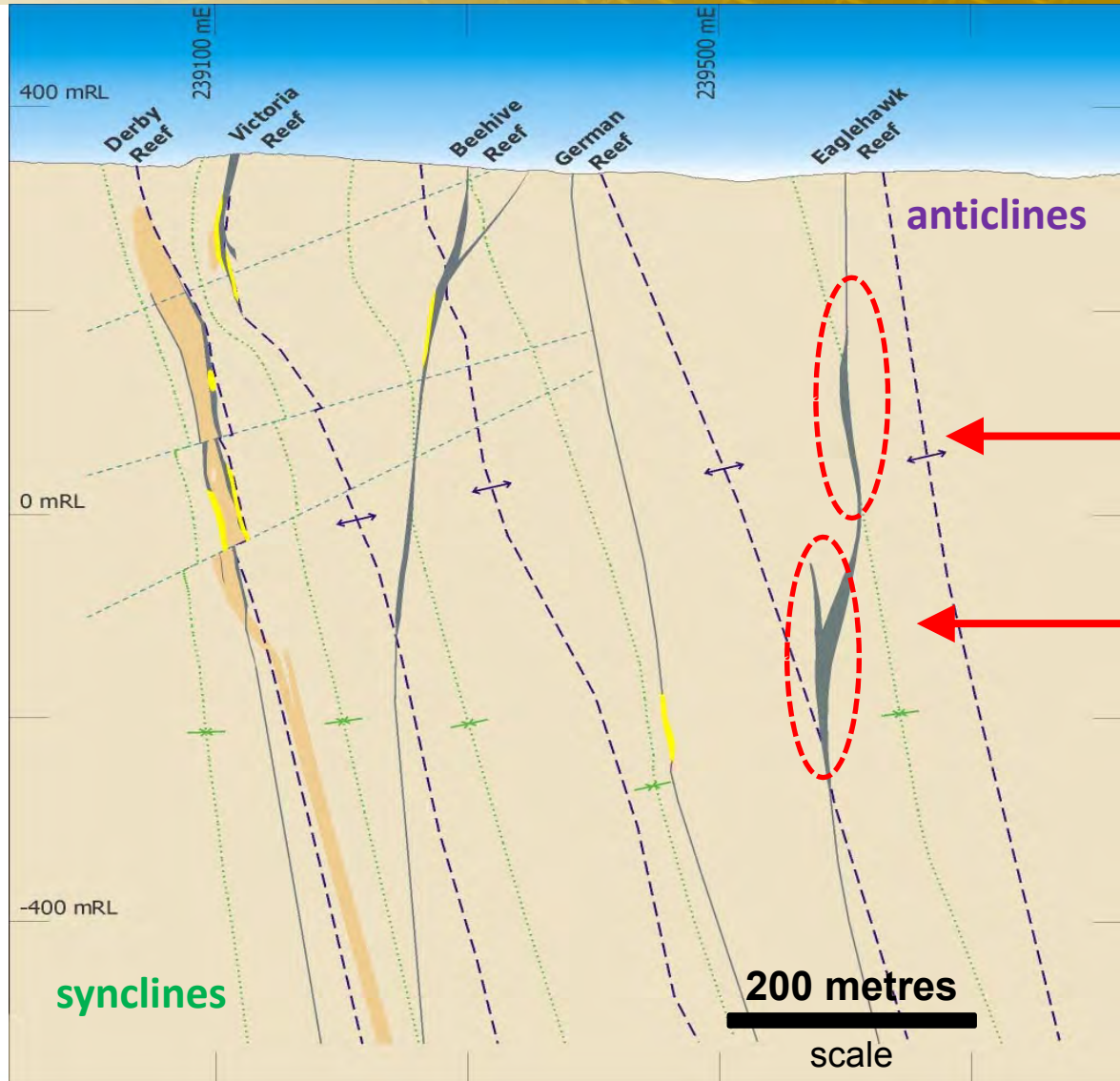


Photo: Alliance Shaft (Eaglehawk Reef)



Structural Control on Ore Shoots



gold associated with dilational jogs where the reef jumps between synclines & anticlines

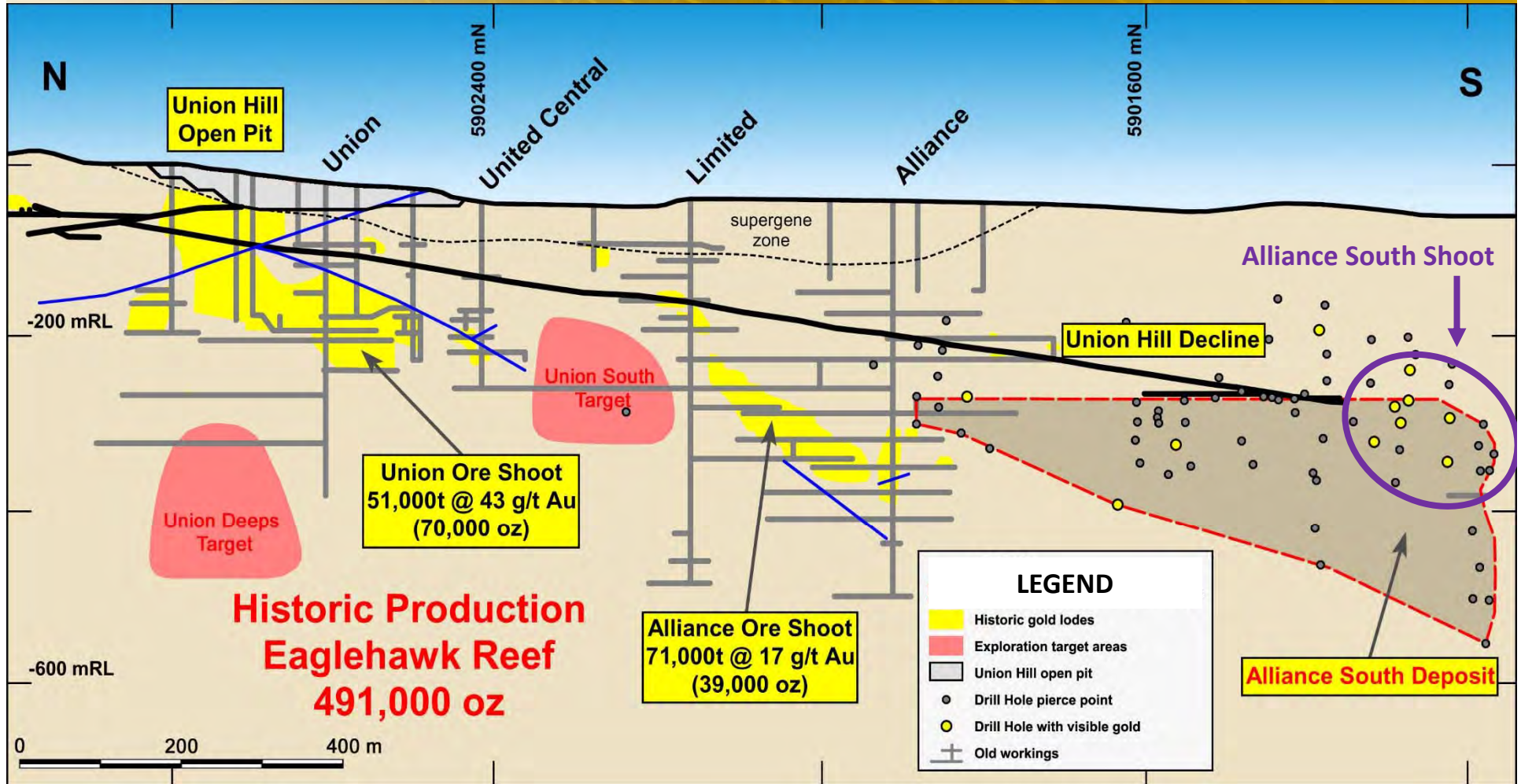
Structural position of Alliance South Shoot

Structural position of Union Shoot & Alliance Shoot



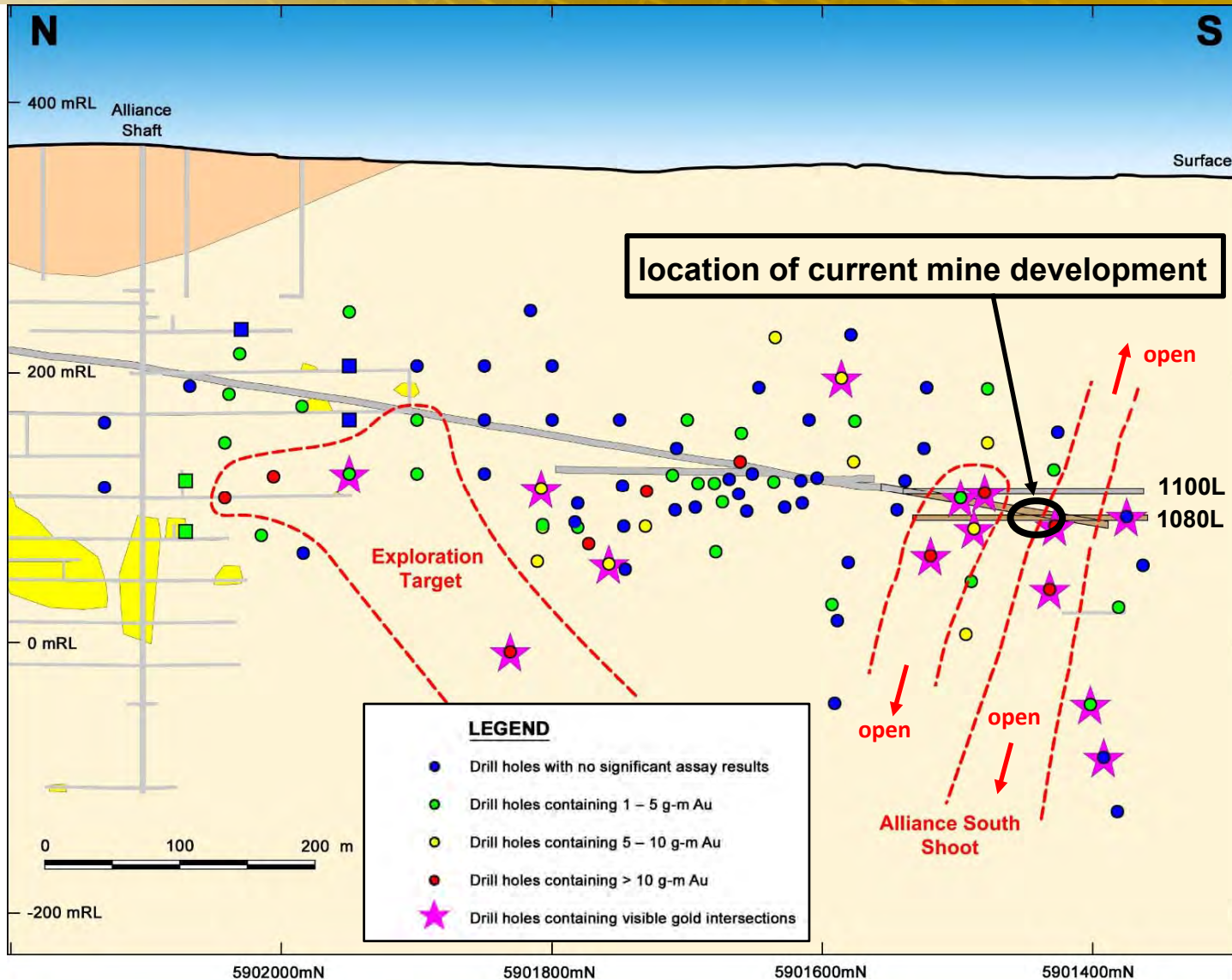
Central Maldon Shear Zone: Cross Section

Alliance South Deposit



Eaglehawk Reef: Long Section

Alliance South Mining

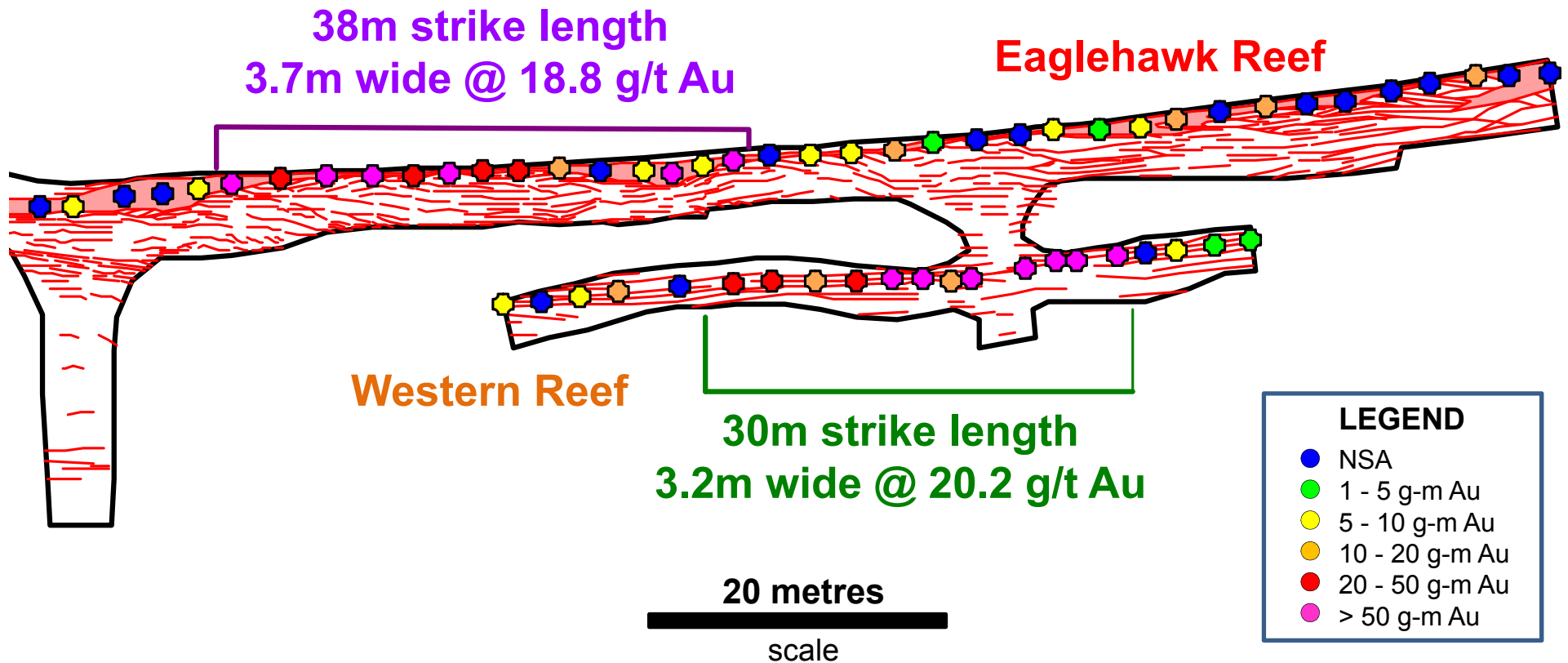


Alliance South: Long-Section

refer to ASX Announcement dated 17 October 2011



Alliance South – 1100 level



1100 Level Bulk Sample



3,920 tonne bulk sample from 1100 level processed June Quarter 2014

- ▶ Average grade estimated from face channel sampling:
 - 10.9 g/t Au (uncut); or
 - 5.5 g/t Au (20 g/t Au upper cut)

- ▶ Reconciled mill feed grade:
 - 3.0 g/t Au

- ▶ Investigation to understand poor reconciliation initially focussed on mill
 - Independent audit of metallurgical sampling & accounting
METS Engineering - respected Perth-based consultancy specialising in mineral processing services
 - Accessed & sampled areas of mill where gravity gold could accumulate
SAG mill, mill discharge hopper, bottom of tank 1

- ▶ Outcome:
 - Metallurgical sampling procedures adequate
 - No errors in metallurgical accounting
 - No accumulation of gravity gold identified in the mill circuit

1100 Level Bulk Sample

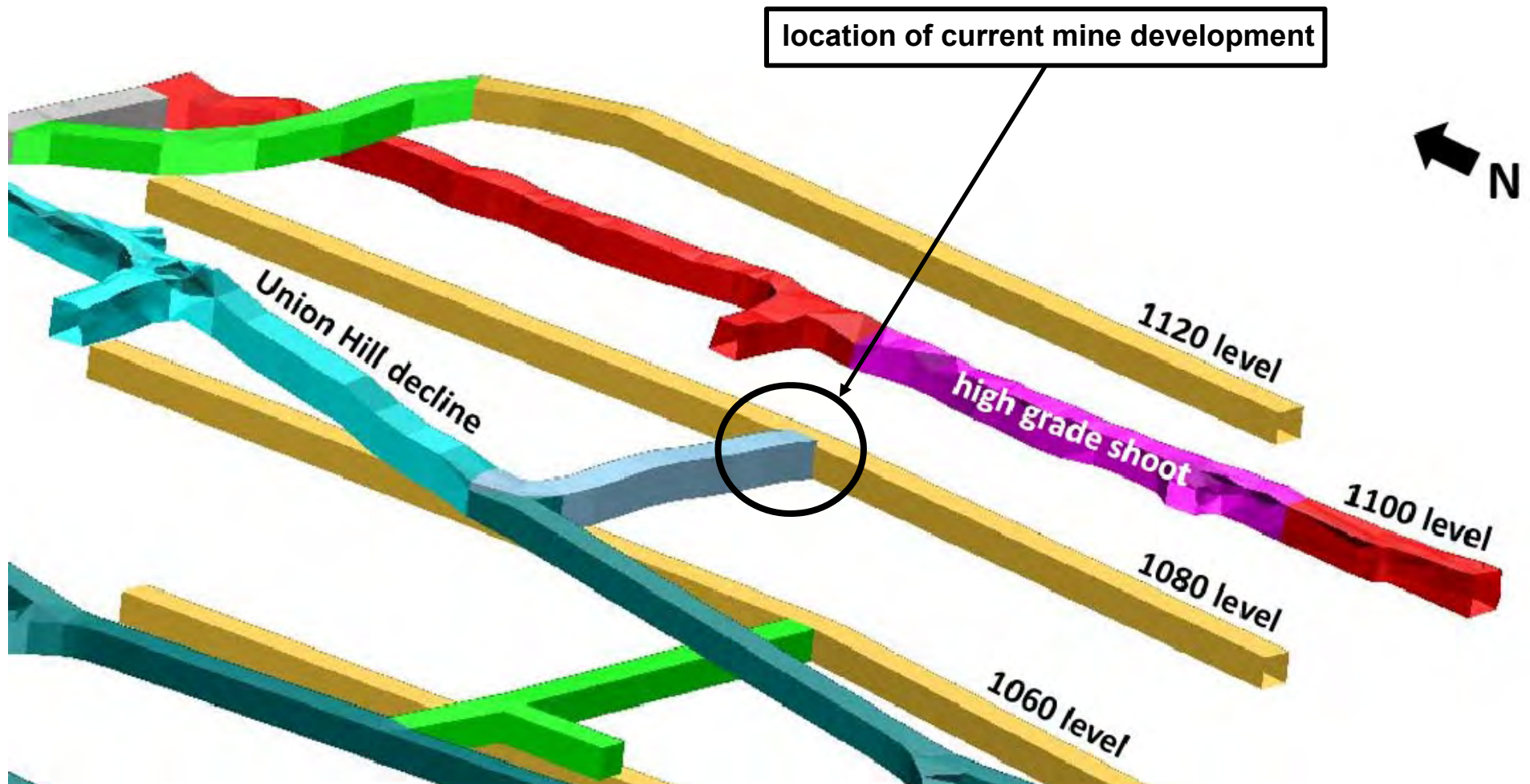


3,920 tonne bulk sample from 1100 level processed June Quarter 2014

- ▶ Investigation to understand poor reconciliation moved to mine
 - Review of bulk sample identified 8 of 31 blocks (25%) processed were low-grade
 - Due to timing of mining and processing 7 high-grade blocks were excluded from the bulk sample
 - If only high-grade ore blocks were processed in the bulk sample estimated ore grade jumps from 10.9 g/t Au to 14.4 g/t Au (uncut) or from 5.46 g/t Au to 8.38 g/t Au (20 g/t Au upper cut)
 - Review of sludge hole drilling confirms effectiveness in testing for near-development gold
 - Trial scalping (removal of oversized rock) suggests potential to upgrade ore

- ▶ Outcome:
 - Develop 1080 level using minimum mining width and use sludge hole drilling to test for near-development gold
 - Assess best technique for estimating block grade (face channel sampling, truck sampling, etc.)
 - Improve ore classification processes
 - Continue to test the potential of scalping to upgrade ore (understand ore size classification)
 - Process bulk sample from 1080 level to assess grade of deposit and develop plan for ongoing mining operation

Alliance South – 1080 level



Alliance South: 3D view of planned mine development

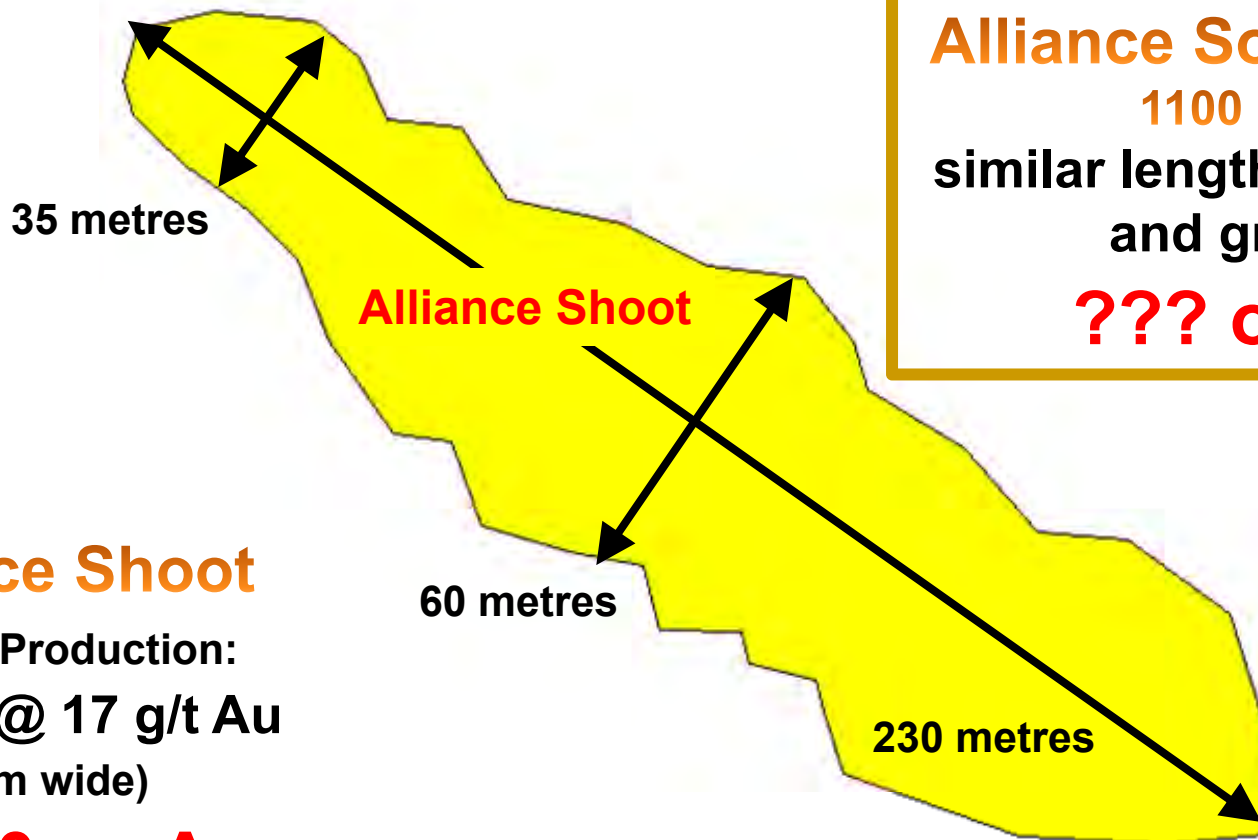
Alliance South – Size Potential



N

Size of Historic Alliance Shoot

S




Alliance South Shoot
1100 level
similar length, thickness,
and grades
??? oz Au

Alliance Shoot
Historic Production:
71,000 t @ 17 g/t Au
(2.5m wide)
39,000 oz Au

3D Model

7 Additional Underground Mining Targets Identified

4 kilometres

-  supergene gold
-  ore shoot
-  quartz reef
-  structure only
-  granite

5 reefs each producing over 100,000 oz Au

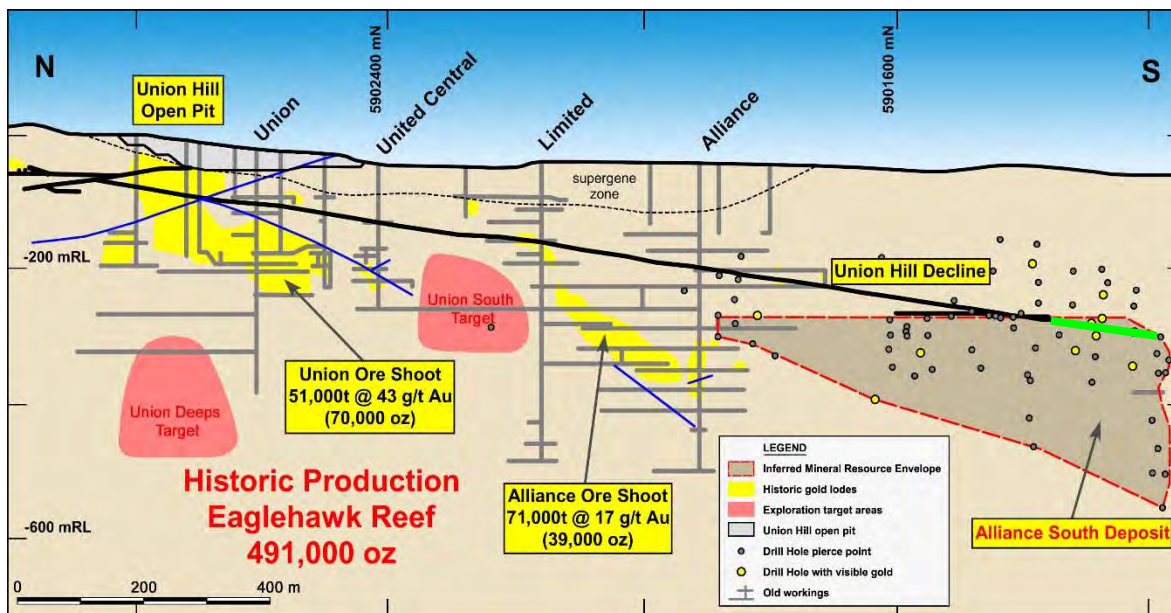
3D Model of Central Maldon Shear Zone

Maldon Underground Targets

EAGLEHAWK REEF

Historic production: 491,000 oz

Three Exploration Targets



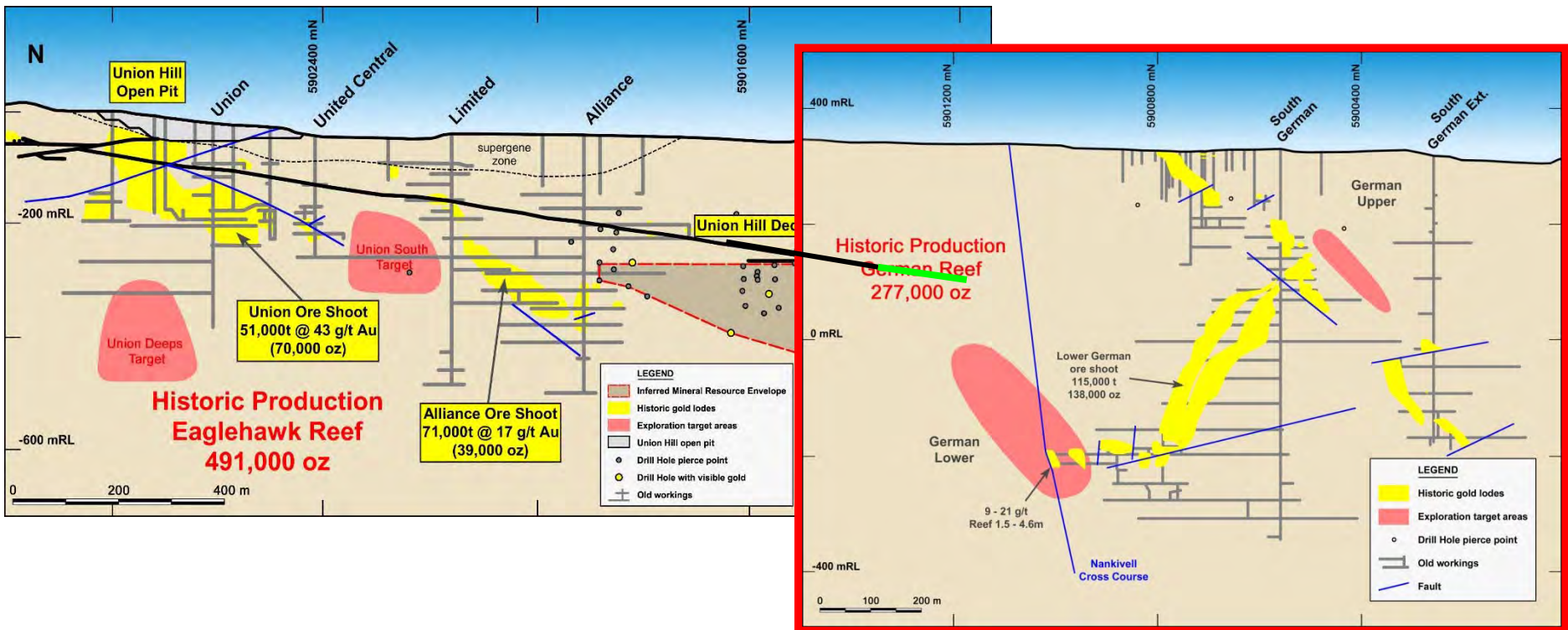
- ▶ Alliance South Target
- ▶ Union South Target
- ▶ Union Deeps Target

Maldon Underground Targets



GERMAN REEF

Historic production: 277,000 oz
Two Exploration Targets



same scale
Long-Section

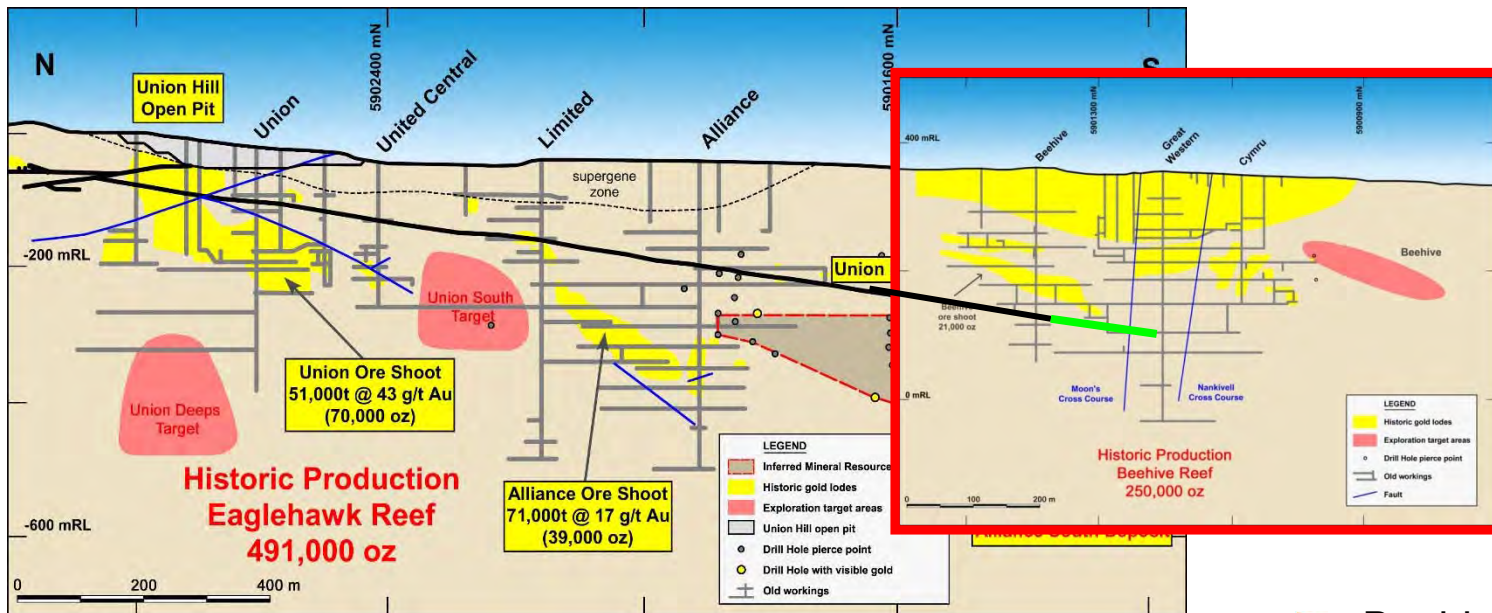
▶ 200 metres west
of development



Maldon Underground Targets

BEEHIVE REEF

Historic production: 250,000 oz
One Exploration Target



- ▶ Beehive South Target
- ▶ 250 metres west of development

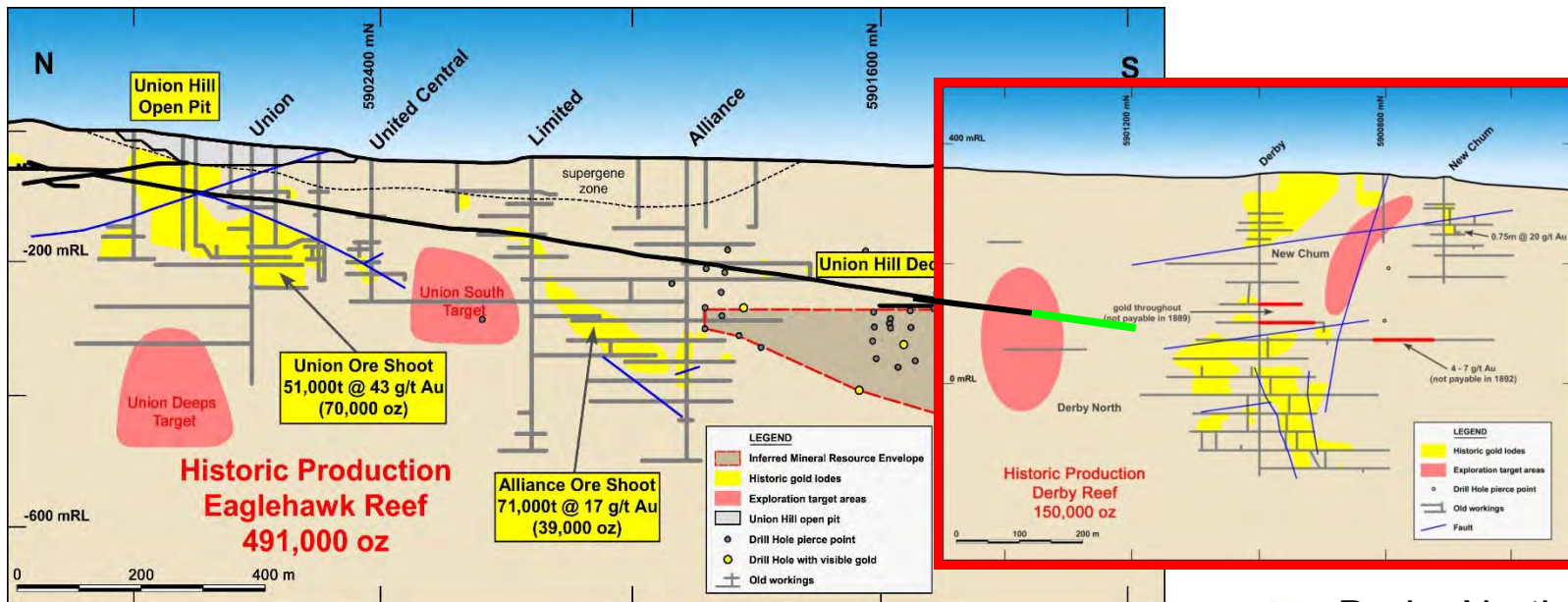
same scale
Long-Section

Maldon Underground Targets

VICTORIA & DERBY REEF

Historic production: 150,000 oz

Two Exploration Targets



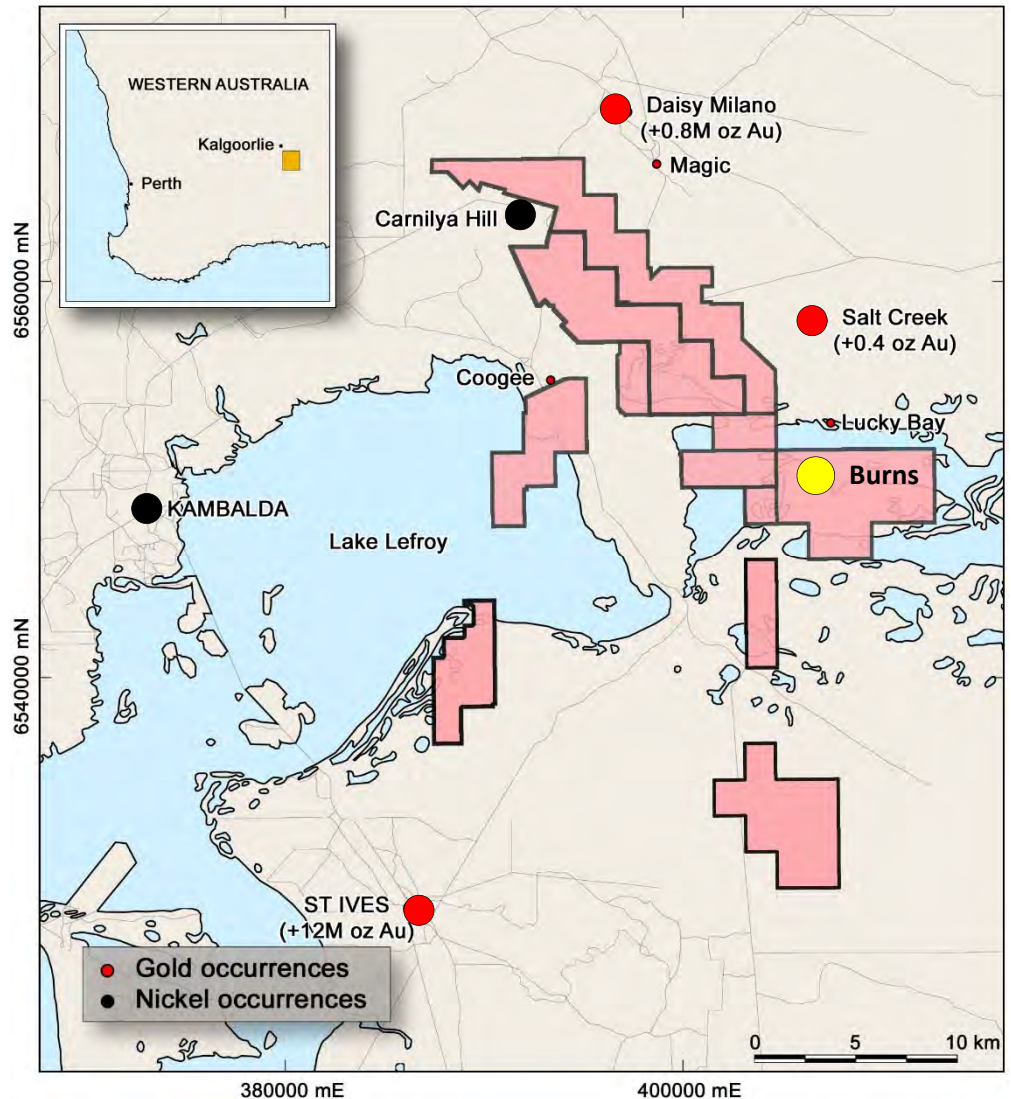
- ▶ Derby North Target
- ▶ New Chum Target
- ▶ 400 metres west of development

same scale
Long-Section

Hogan's Project - WA

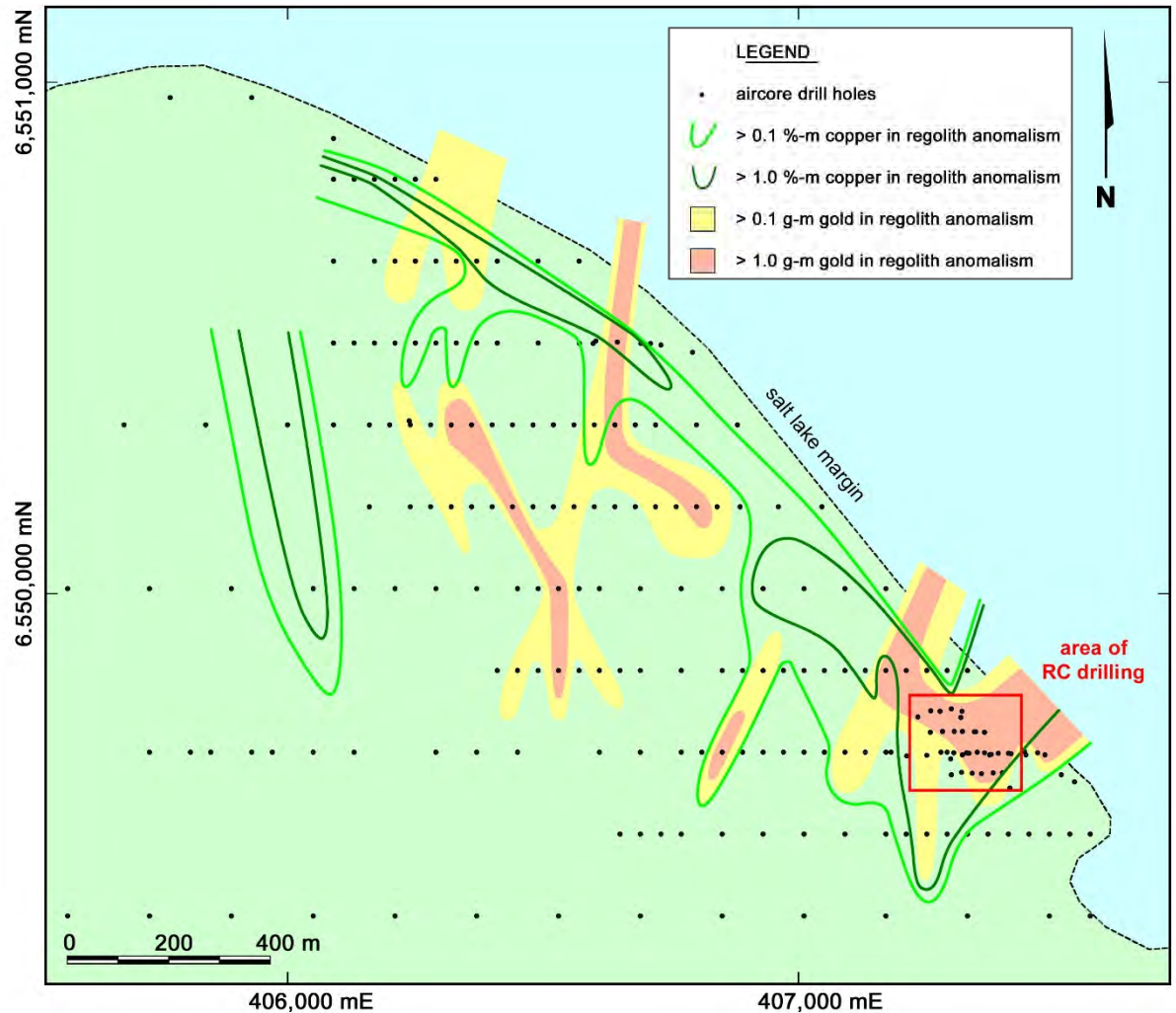


- ▶ Emerging gold producing district
- ▶ Surrounded by:
 - + 12 million oz St Ives Goldfield,
 - + 0.8 million oz Daisy Milano Mine,
 - + 0.4 million oz Salt Creek Mine
- ▶ 43,000 metres drilled (2011 – 2012)
- ▶ **Focus on Burns Cu-Au Prospect**



Burns Prospect

- ▶ Aircore drilling defines:
 - 1 square kilometre area of gold anomalism
 - 2 kilometre long zone of copper anomalism
- ▶ RC drilling only tests 120 metre by 180 metre area
- ▶ **Potential for large deposit**

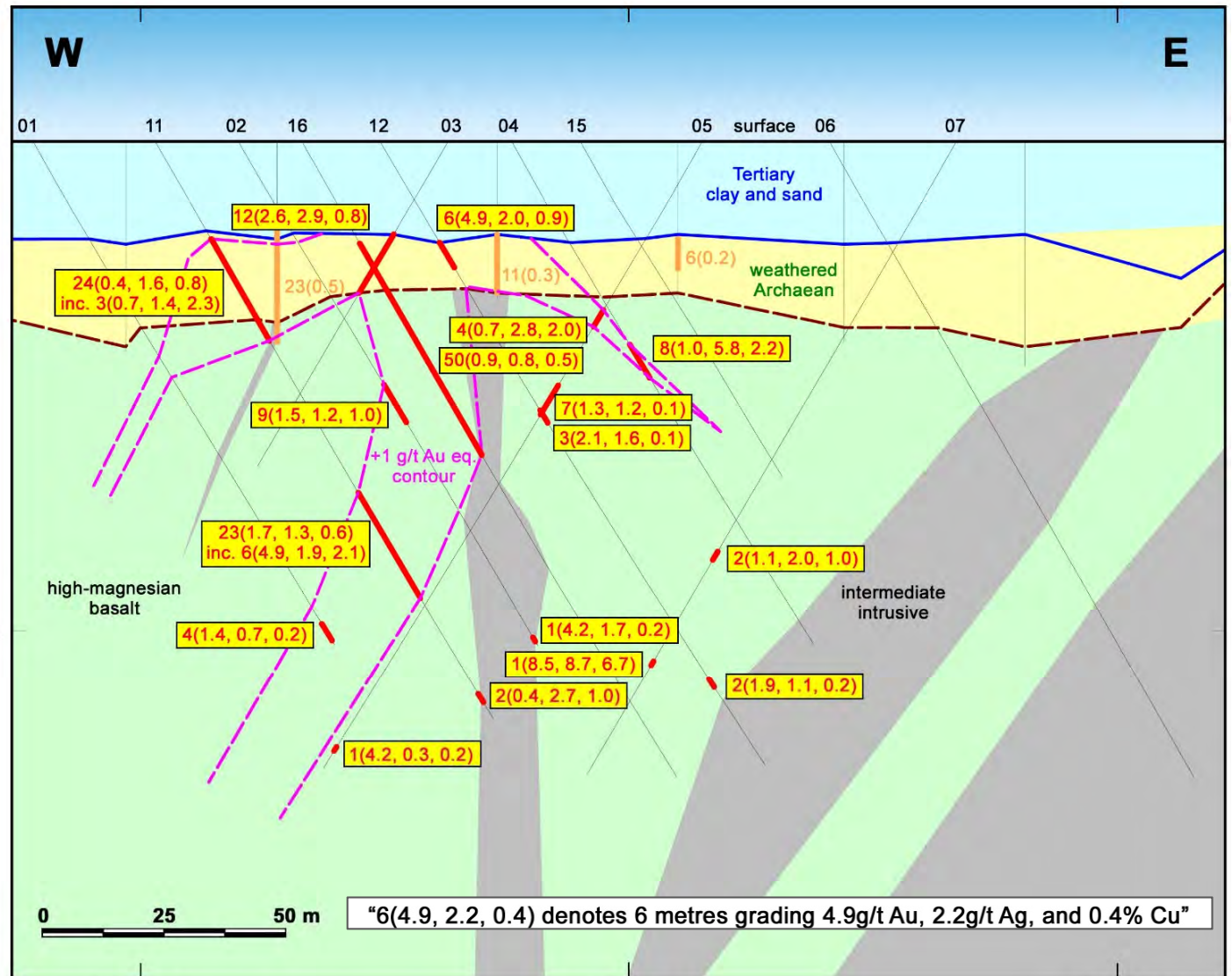


Burns Prospect



► Significant results:

- 9 (1.5, 1.2, 1.0)
- 6 (4.9, 2.2, 0.4)
- 12 (0.8, 4.5, 1.7)**
- 4 (0.7, 2.8, 2.0)
- 1 (8.5, 8.7, 6.7)
- 32 (1.7, 1.3, 0.6)**
inc. 6 (4.9, 2.0, 0.9)
- 50 (0.9, 0.8, 0.5)**
- 12 (1.5, 0.5, 0.5)**
- 9 (1.0, 1.6, 0.7)
- 3 (16.1, 4.5, 0.5)
- 19 (0.5, 3.0, 1.0)**
- 9 (1.0, 3.1, 1.5)
- 12 (1.3, 2.0, 0.8)**



6549690mN Cross-Section

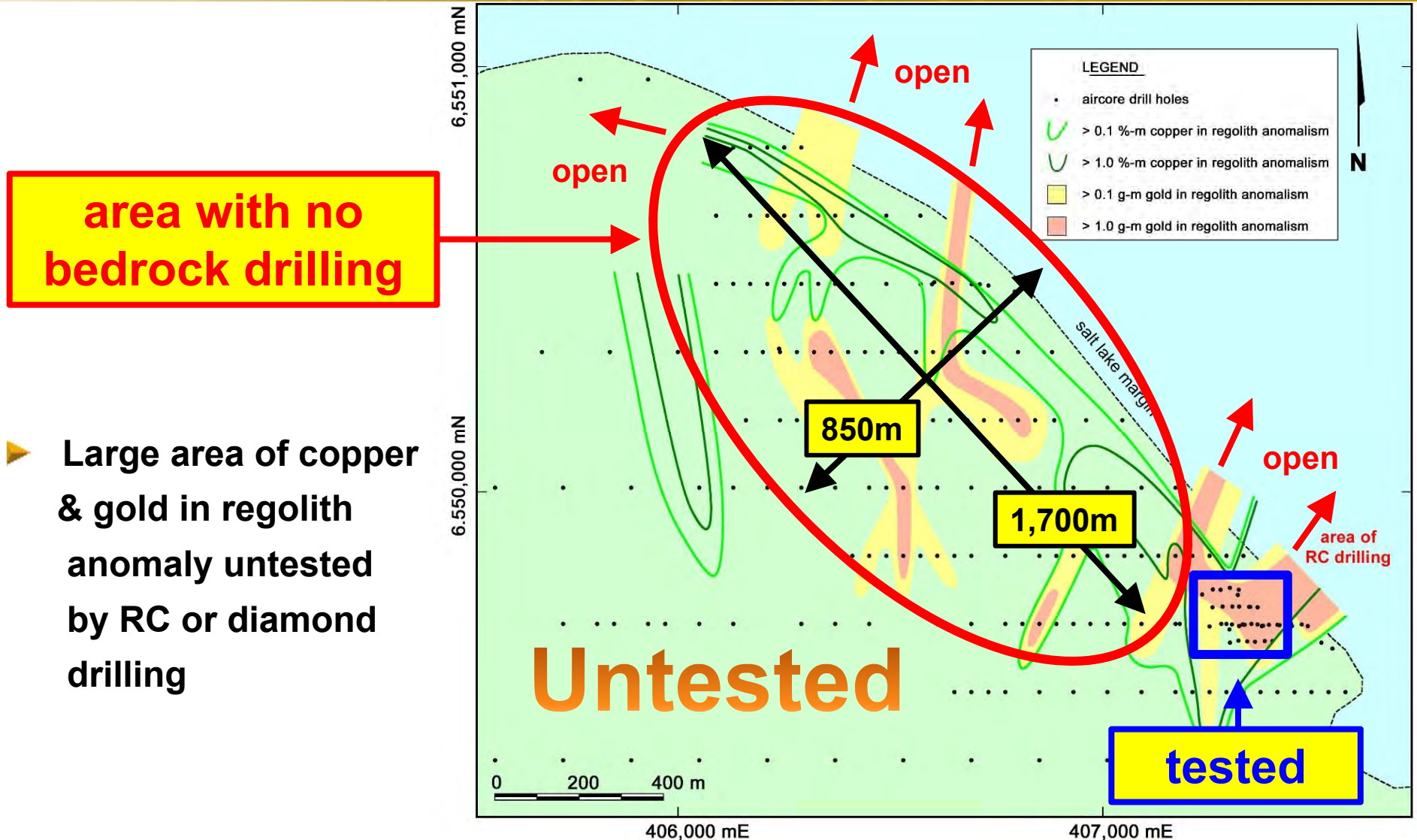
Burns Prospect



**massive magnetite-copper-gold in brecciated “feeder” structure
0.9 metres grading 4.5 g/t Au and 2.6% Cu**

One diamond hole (OBUDD001)

Burns Prospect



area with no bedrock drilling

▶ Large area of copper & gold in regolith anomaly untested by RC or diamond drilling

Investment Summary



Company – structure and funding

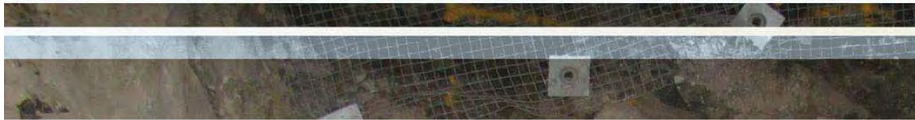
- ▶ 170 m shares on issue, \$1.8 m cash, \$0 m debt (30 Sept. 2014)
- ▶ Non-renounceable rights issue, 170 m shares @ 1.3c to raise up to \$2.2 m
- ▶ Re-capitalised company with no debt and \$4.0 m cash (100% subscription)
- ▶ Funded to develop 1080L Alliance South – process bulk sample / assess economics
- ▶ Enterprise Value (post rights issue): \$2.8 m @ 2.0c
- ▶ 1:1 Options @ 2.0c to raise up to \$3.4 m
- ▶ Options fund construction of vent shaft and ramp up of production mining

Victoria – cash flow

- ▶ +\$35 m sunk capital in 150,000 tpa CIL gold processing plant and 2 kilometre decline to underground deposit
- ▶ Owner operator mining fleet (replacement cost +\$3 m)
- ▶ Underground mining has intersected high-grade gold – now developing 1080 level
- ▶ Targeting 20,000 oz pa low cost high grade gold production

Western Australia – growth

- ▶ Discovered large area of copper and gold
- ▶ Potential for major multi-commodity deposit



Thank you

Photo: Diamond Drilling at Maldon

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