Octagonal Resources Limited

26 JULY 2011
No. of Pages: 20

ASX CODE: ORS
Market Cap.: $15.0 m ($0.15 p/s)
Shares on issue: 100,048,002

BOARD & MANAGEMENT
Ian Gandel, Chairman
Anthony Gray, Managing Director
John Harrison, Director

MAJOR SHAREHOLDERS
Alliance Resources – 22.0%
Abbotsleigh – 15.2%
Newmont – 8.0%

PRINCIPAL OFFICE
Octagonal Resources Limited
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QUARTERLY REPORT - FOR THE PERIOD ENDED 30 JUNE 2011

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 30 June 2011 (14 pages)
- Appendix 5B for the period ending 30 June 2011 (5 pages)

For and on behalf of the Board.

Ian Pamensky

Company Secretary
OCTAGONAL RESOURCES LIMITED

Additional information relating to Octagonal and its various exploration projects can be found on the Company's website:
www.octagonalresources.com.au

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Quarterly Report for the period ended 30 June 2011

Highlights

- **1,463 metre RC drilling program completed at Black Reef (Wehla) in Victoria to define reef structure and gold grade distribution in area of planned 200,000 tonne open pit**
- **9 holes of a 17 hole underground diamond drilling program have been completed at the Alliance South Gold Deposit (Maldon) in Victoria to test for extensions of gold mineralisation near the existing decline**
- **10,544 metre regional aircore drilling programs completed at the Hogan's Project in Western Australia focusing on the Burns Prospect, Salt Creek – Lucky Bay Gravity Trend, and Carlson Prospect**
- **Significant gold anomalism intersected at Burns Prospect including 23 metres @ 0.5 g/t Au, 3 metres @ 12.1 g/t Au, 12 metres @ 0.3 g/t Au, and 3 metres @ 0.9 g/t Au**
- **Greater than 1,300 metre long gold in regolith anomaly identified in southern half of Salt Creek – Lucky Bay Gravity Trend target area**
- **Gravity survey completed at Hogan's Project to generate and refine regional exploration targets.**

Summary

During the June Quarter Octagonal's objective of commencing gold production in Victoria during 2011 was advanced by completing a close spaced reverse circulation (RC) drilling program at Black Reef, near Wehla, in the area where the Company intends to mine an initial 200,000 tonne open pit. A 2,000 metre underground diamond drilling program from the Union Hill decline at Maldon is in progress to test for near-development gold mineralisation at the Alliance South gold deposit. Nine holes, totalling 904.5 metres, were drilled during the Quarter and all intersected the Eaglehawk Reef near the interpreted position of the reef.

Assay results from the Black Reef and Alliance South drilling programs will be released when they become available.

Exploration work undertaken at the Hogan's Project in Western Australia has consisted of wide spaced regional aircore drilling to test areas of the Burns Prospect, Salt Creek – Lucky Bay Gravity Trend, and Carlson Prospect and completion of a regional gravity survey.

Assay results from the Burns Prospect have returned significant gold in regolith (weathered Archaean rock) anomalism including 23 metres @ 0.5 g/t Au, 12 metres @ 0.3 g/t Au, 3 metres @ 0.9 g/t Au, and 2 metres @ 0.6 g/t Au. Drilling at the Salt Creek – Lucky Bay Gravity Trend has defined a 1,300 metre long zone of gold in regolith anomalism.

Work planned for the September 2011 Quarter includes:

- Complete near-development underground diamond drilling at the Alliance South Deposit (Maldon) in Victoria;
- Reverse Circulation drilling at the Specimen Reef (Dunolly East) in Victoria;
- Infill aircore drilling at the Burn's Prospect (Hogan's Project) in Western Australia;
- Interpret regional gravity survey data from the Hogan's Project in Western Australia and refine regional exploration targets.

Safety & Environment

Maldon Gold Operation - Victoria (100% Octagonal)

No medically treated injuries (MTIs) or lost time injuries (LTIs) were recorded during the reporting period.

There were no reportable environmental incidents during the June quarter.

Hogan's Project – Western Australia (Octagonal earning up to 80%)

No MTIs or LTIs were recorded during the reporting period.

There were no reportable environmental incidents during the Quarter.

Hogan's Project - Western Australia (Octagonal earning up to 80%)

Background

In Western Australia Octagonal is earning up to 80% interest in the Hogan's Project by exploring for gold deposits in a highly prospective but underexplored area only 70 kilometres from Kalgoorlie. The gold potential of this emerging gold producing district is demonstrated by the recent exploration and mining success achieved by Silver Lake Resources at the Daisy Milano Mine and Integra Mining at the Salt Creek Mine and Lucky Bay Prospect. Octagonal has identified four high priority exploration target areas with the potential to host a major gold deposit; Burns Prospect, Salt Creek – Lucky Bay Gravity Trend, Sideshow Prospect, and Carlson Prospect.

Exploration

Aircore Drilling

During the Quarter Octagonal drilled 253 aircore holes, for 10,544 metres, using a 160 metre by 640 metre spaced grid to test for gold anomalism in the regolith (weathered Archaean rock).

This drill hole spacing is the widest that can reasonably be drilled in this type of geological environment with the expectation of intersecting low level gold anomalism (greater than 100ppb or 0.1 g/t Au) that may potentially lead to a major gold deposit.

The recent aircore drilling program was designed to test the eastern side of the Burns Prospect, the southern side of the Salt Creek – Lucky Bay Gravity Trend, and south-eastern side of the Carlson Prospect.

Burns Prospect

The Burn's Prospect is characterised by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, ultramafic and meta-sedimentary rocks. The granite has caused doming of the greenstone sequence, creation of dilational jogs associated with northwest trending structures, and localised lithological and structural complexity that forms ideal sites for the deposition of gold. Evidence of intense fluid flow is further supported by a high-magnetic alteration halo that surrounds the granite.

Fifty aircore holes, totalling 3,078 metres, were drilled at the Burns Prospect during the Quarter (Figure 1). All anomalous assay results returned from this drilling program are presented in Table 1 and include:

- **23 metres @ 0.5 g/t Au from 18 metres to the end of hole in OBU022** **(weathered basalt)**
- **3 metres @ 12.1 g/t Au from 82 metres to the end of hole in OBU041** **(Tertiary sand)**
- **12 metres @ 0.3 g/t Au from 68 metres to the end of hole in OBU011** **(weathered basalt)**
- **3 metres @ 0.9 g/t Au from 44 metres in OBU013** **(weathered basalt)**
- **2 metres @ 0.6 g/t Au from 63 metres to the end of hole in OBU019** **(weathered basalt).**

The broad zones of gold anomalism intersected in holes OBU011 and OBU022 are hosted within weathered high-magnesian basalt and occur from just above the base of transported cover through to the end of hole. The thickness and grade on this regolith gold anomalism suggests that these holes are in close proximity to higher grade primary gold mineralisation (Figure 2).

Drill holes OBU019 and OBU041 intersected narrow stripped zones of weathered Archaean rocks beneath transported cover. OBU019 intersected 2 metres of weathered Archaean rocks and returned 2 metres @ 0.6 g/t Au hosted in weathered high-magnesian basalt at the end of hole. OBU041 intersected less than 1 metre of weathered Archaean granite below Tertiary running sands. This drill hole intersected 3 metres @ 12.1 g/t Au to the end of hole and gold mineralisation was initially interpreted to be hosted in the transported Tertiary sands. To determine if the weathered granite was mineralised rock chips of granite were hand sorted from the sand and washed and sent for separate analysis. This sample returned 1.3 g/t gold and revealed that the gold mineralisation is hosted in both the transported sands and the granite basement.

The assay results from holes OBU011, OBU013, OBU019, and OBU022 define two greater than 1,000 metre long zones of gold in regolith anomalism that represent a high priority exploration target area. Furthermore, this gold anomalism is not constrained by drilling to the north and east where it trends onto salt lake and could increase in size with additional drilling.

Octagonal has designed an 80 hole aircore drilling program to infill around these significant assay results, using an 80 metre by 320 metre spaced grid, to better define the distribution of gold in regolith anomalism prior to bedrock drill testing. This drilling program commenced during early July.

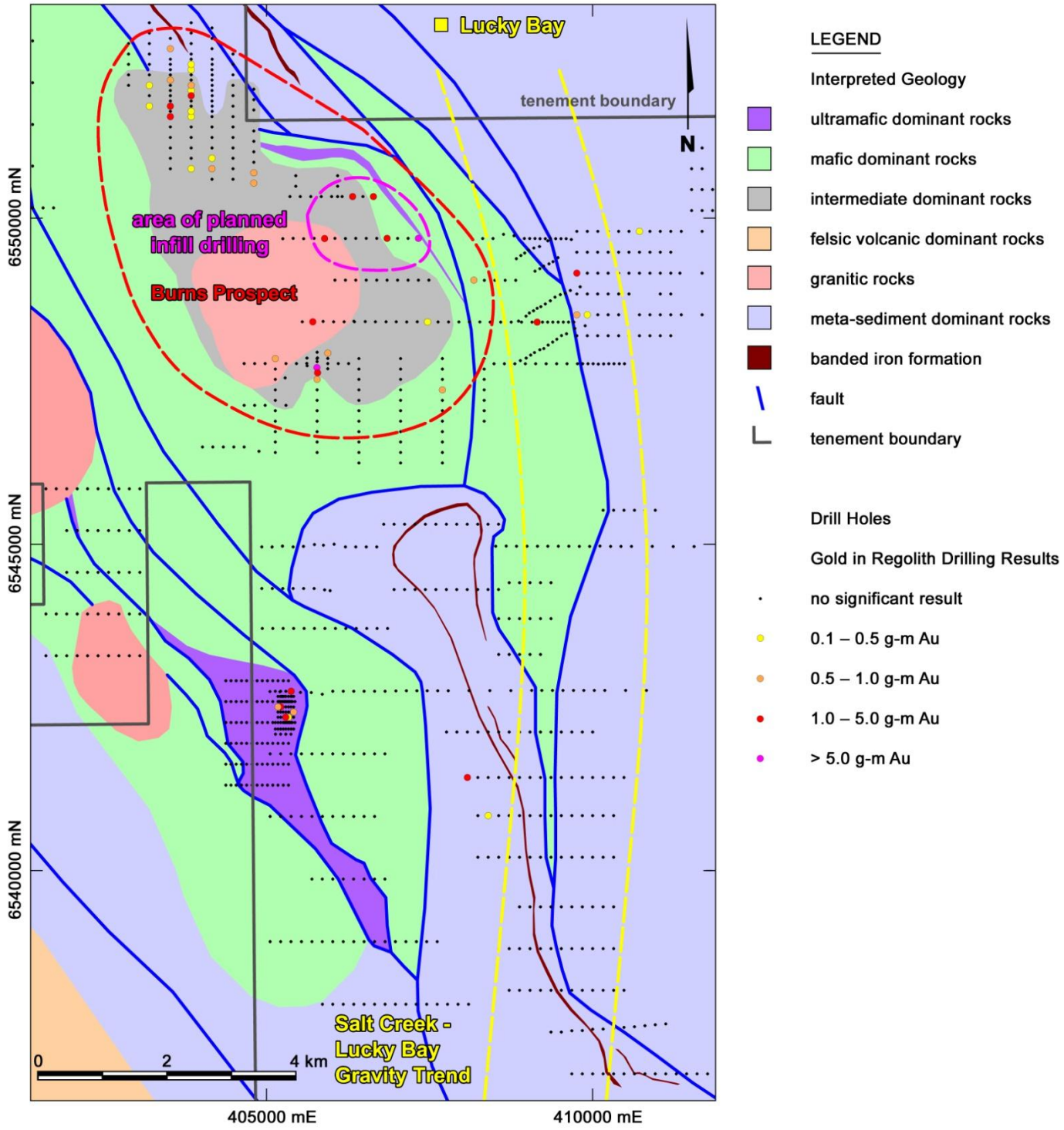


Figure 1: Burns Prospect & Salt Creek – Lucky Bay Gravity Trend:
Drill hole location plan with significant gold in regolith assay results and interpreted geology

Table 1. Hogan's Project Aircore Drilling: Significant Assay Results					
Hole ID	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**	**Comments**
Burns Prospect					
OBU007	5	6	1	0.4	transported Recent clay and sand
	5	**6**	**1**	**0.4**	
OBU011	68	69	1	0.13	transported Tertiary clay
	69	70	1	0.05	transported Tertiary clay
	70	71	1	0.09	transported Tertiary clay
	71	72	1	0.5	weathered high-magnesian basalt
	72	73	1	0.91	weathered high-magnesian basalt
	73	74	1	0.23	weathered high-magnesian basalt
	74	75	1	0.29	weathered high-magnesian basalt
	75	76	1	0.09	weathered high-magnesian basalt
	76	77	1	0.12	weathered high-magnesian basalt
	77	78	1	0.32	weathered high-magnesian basalt
	78	79	1	0.33	weathered high-magnesian basalt
EOH	79	80	1	0.33	weathered high-magnesian basalt
	68	**80**	**12**	**0.28**	
OBU012	40	41	1	0.23	transported Tertiary clay and sand
	40	**41**	**1**	**0.23**	
OBU013	44	45	1	0.11	weathered mafic rock
	45	46	1	2.3	weathered mafic rock
	46	47	1	0.18	weathered mafic rock
	44	**47**	**3**	**0.86**	
OBU019	63	64	1	0.62	weathered high-magnesian basalt
EOH	64	65	1	0.58	weathered high-magnesian basalt
	63	**65**	**2**	**0.6**	
OBU022	18	19	1	0.13	transported Tertiary clay
	19	20	1	0.31	transported Tertiary clay
	20	21	1	0.35	weathered high-magnesian basalt
	21	22	1	1.4	weathered high-magnesian basalt
	22	23	1	0.36	weathered high-magnesian basalt
	23	24	1	0.53	weathered high-magnesian basalt
	24	25	1	1.06	weathered high-magnesian basalt
	25	26	1	0.47	weathered high-magnesian basalt
	26	27	1	0.38	weathered high-magnesian basalt
	27	28	1	0.18	weathered high-magnesian basalt
	28	29	1	0.05	weathered high-magnesian basalt
	29	30	1	0.26	weathered high-magnesian basalt
	30	31	1	0.31	weathered high-magnesian basalt
	31	32	1	0.27	weathered high-magnesian basalt
	32	33	1	0.69	weathered high-magnesian basalt
	33	34	1	0.12	weathered high-magnesian basalt
	34	35	1	3.16	weathered high-magnesian basalt
	35	36	1	0.47	weathered high-magnesian basalt
	36	37	1	0.15	weathered high-magnesian basalt
	37	38	1	0.07	weathered high-magnesian basalt
	38	39	1	0.24	weathered high-magnesian basalt
	39	40	1	0.28	weathered high-magnesian basalt
EOH	40	41	1	0.08	weathered high-magnesian basalt
	18	**41**	**23**	**0.49**	
OBU041	80	81	1	0.11	transported Tertiary sand
	81	82	1	0.41	transported Tertiary sand
	82	83	1	10.18	transported Tertiary sand
	83	84	1	10.81	transported Tertiary sand
EOH	84	85	1	15.19	transported Tertiary sand with granite
	80	**85**	**5**	**7.34**	
inc.	**82**	**85**	**3**	**12.06**	
	84	85	1	1.29	granite rock fragments only
OBU048	73	74	1	0.17	transported Tertiary sand
	74	75	1	0.28	transported Tertiary sand
	75	76	1	0.12	transported Tertiary sand
	73	**76**	**3**	**0.19**	
OBU056	24	25	1	0.24	transported Tertiary clay and sand
	24	**25**	**1**	**0.24**	
Salt Creek - Lucky Bay Gravity Trend					
OSC078	36	37	1	0.11	weathered meta-sediment
	36	**37**	**1**	**0.11**	
OSC091	46	47	1	0.2	weathered meta-sediment
	47	48	1	0.81	weathered meta-sediment
	48	49	1	0.49	weathered meta-sediment
	46	**49**	**3**	**0.5**	

Notes:

1. *All Aircore holes drilled vertically to blade refusal.*
2. *Four metre composite samples routinely collected.*
3. *Composite samples containing greater than 0.1 g/t gold re-sampled and analysed over 1 metre intervals.*
4. *Analysis conducted by Inspectorate KalAssay (Kalgoorlie Laboratory) using a 40 gram Fire Assay Digest with AAS Finish.*
5. *"EOH" denotes "end of hole".*

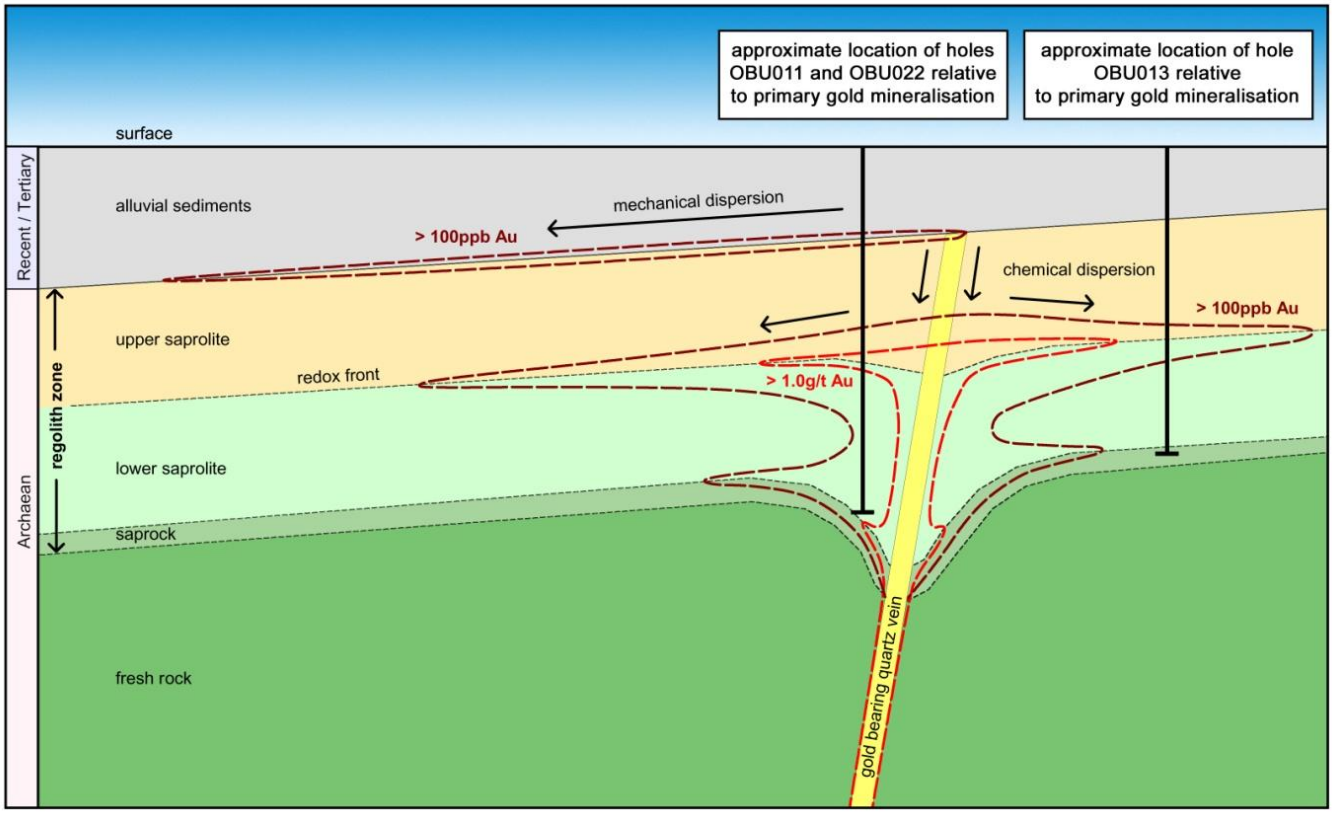


Figure 2: Burns Prospect: Simplified Schematic Regolith Gold Exploration Model
Location of holes OBU011, OBU013 and OBU022 relative to potential primary gold mineralisation

Salt Creek – Luck Bay Gravity Trend

The Salt Creek – Lucky Bay Gravity Trend is characterised by a north trending major fault and adjacent gravity high associated with the Salt Creek Mine and Lucky Bay Prospect. This fault extends for more than 20 kilometres strike length within the Hogan's Project and cuts a complex sequence of Archaean sediments and mafic and intermediate intrusive and volcanic rocks.

The recent drilling program was designed to test the southern part of the target over more than 8 kilometres strike length and consisted of 141 aircore holes, for 4,385 metres, that were drilled on a 160 metre by 640 metre spaced grid.

This area of the target contains highly magnetic banded iron formation that cross-cuts the Salt Creek – Lucky Bay Gravity Trend. These iron-rich rocks are a potentially favourable trap sites for gold mineralisation that may be sourced from the deep seated fault defined in gravity data.

Assay results returned from this drilling program have returned significant gold in regolith results including 1 metre @ 0.1 g/t Au from 36 metres in OSC078 and 3 metres @ 0.5 g/t from 46 metres in OSC091 (Table 1). These assay results define a greater than 1,300 metre long northwest striking mineralised trend that is unconstrained by drilling to the northwest (Figure 1).

Octagonal intends to complete extensional aircore drilling at this target later in the year, while at the same time completing 160 metre by 640 metre spaced drill coverage over several areas in the northern section of the target.

Carlson Prospect

The Carlson Prospect is defined by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, ultramafic and metasedimentary rocks. The granite has caused doming of the greenstone sequence, creation of dilational jogs associated with northwest trending structures, and localised lithological and structural complexity that forms ideal sites for the deposition of gold. No previous exploration has been completed in this target area.

The current drilling program was designed to test approximately 3 square kilometres on the south-eastern side of the target area and consisted of 60 aircore holes, for 3,081 metres, that were drilled on a 160 metre by 640 metre spaced grid.

This drilling program did not return any significant gold in regolith results and no further exploration is planned at this target.

Gravity Survey

During April 2009 the previous managers of the Hogan's Project completed a 648 station regional ground gravity survey over the project area using a combination of 800 metre by 400 metre and 1,600 metre by 400 metre spaced grids.

This survey mapped a major fault associated with the Salt Creek Mine and Lucky Bay Prospect that projects south into the Hogan's Project area. Following the survey this fault was demonstrated to extend over 20 kilometres on the Hogan's Project area and represents the priority Salt Creek – Lucky Bay Gravity Trend target.

During the Quarter Octagonal conducted a 596 station ground gravity survey to complete regional gravity coverage over the entire project area using a 400 metre by 800 metre spaced grid with the aim of better defining gravity gradients and deep penetrating structures to generate and refine regional exploration targets. This data is currently being processed for interpretation.

Gravity surveys are useful for defining regional exploration targets within the Yilgarn Craton of Western Australia as:

- Research has demonstrated that most major gold deposits are associated with gravity gradients; and
- Major gold deposits are known to be associated with second and third order structures adjacent to mantle tapping first order structures. These first order structures are often defined in gravity data by gravity breaks or gravity trends.

Spectral Analysis

Hyperspectral analysis is an analytical technique that can be used to identify alteration minerals, weathered clays, iron oxides, and weathering intensity as well as sample mineralogy including mineral crystallinity and mineral composition. This technique can be used as a cheap exploration tool to help identify alteration mineralogy that may be proximal to gold mineralization, confirmation sample lithology, and interpret the interaction of oxidising and reducing fluids using mica crystallinity (recent studies of major Archaean gold deposits including the Golden Mile, St Ives, and Kanowna Belle has revealed that these deposits are associated with a prolonged interaction of oxidising and reducing fluids with gold deposited near a redox front).

To gain the most information possible from aircore drilling at the Hogan's Project and to assist with exploration targeting, Octagonal has commenced a program to collecting historic end of hole aircore drill samples that will be included with the Company's recent drilling and sent for hyperspectral analysis.

Maldon Gold Operation - Victoria (100% Octagonal)

Background

The Company's Victorian operations are centred at Maldon, the third largest historic primary gold producer in Central Victoria after Bendigo and Ballarat. It is here that Octagonal owns a recently refurbished and operation ready 150,000 tonne per annum CIL gold processing plant, 235,000 ounces of inferred open pit and underground gold resources and a decline that extends to the undeveloped underground resources. Octagonal intends to commence open pit and underground gold mining operations centred at Maldon during 2011.

Operations

Maldon

Underground mining operations at the Union Hill Mine were ceased by the previous owners in November 2008. Dewatering of the mine workings has been maintained so that the 1,900 metre long decline is in good condition.

The Porcupine Flat gold processing plant was refurbished and made operation ready during 2008. Octagonal is maintaining the facility to ensure that it is ready to recommence gold producing operations in the second half of 2011.

Wehla

The Wehla Goldfield is located 60 kilometres from the Company's Porcupine Flat gold processing plant at Maldon and historically produced around 100,000 ounces of gold. Previous drilling in the goldfield has intersected high-grade gold mineralisation; however the structural controls are not well understood.

Octagonal plans to gain a better understanding of the structure by mining a 200,000 tonne open pit at Black Reef in an area where a costean returned 14 metres @ 4.6 g/t Au and drilling intersected 5 metres @ 35.4 g/t Au, 5 metres @ 14.9 g/t Au, 4 metres @ 3.7 g/t Au, 1 metre @ 4.0 g/t Au, and 6 metres @ 1.4 g/t Au.

The Company is well advanced in the regulatory approvals process to undertake mining at Wehla and will commence mining as soon as all approvals are received.

During the Quarter Octagonal drilled 34 reverse circulation (RC) holes, for 1,463 metres, in the area of the planned open pit using a 10 metre by 10 metre spaced grid to accurately locate the reef structure and test the distribution of gold mineralisation prior to mining (Figure 3).

Assay results from this drilling program are expected to be released during July. These results will supplement the current Black Reef mine design and provide detailed drill assay data for reconciliation against open pit grade control data and gold recovered from the mill.

Octagonal anticipates that once the geological controls on the distribution of gold mineralisation at Black Reef are understood this will justify the development of a larger open pit mining operation at Wehla.

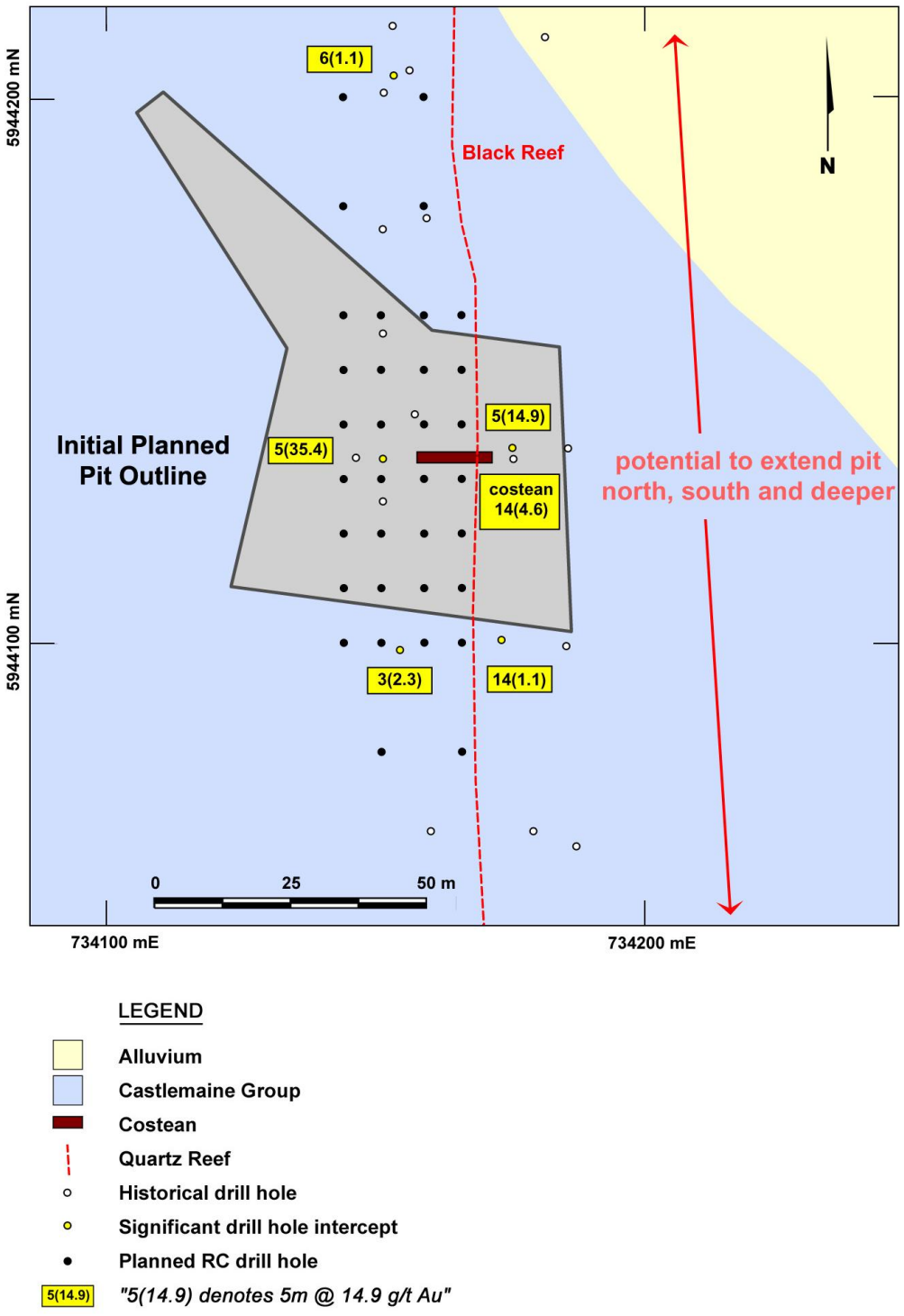


Figure 3: Black Reef - Planned RC drill hole location plan with proposed initial pit outline and historic drilling

Exploration

Maldon

The Alliance South Gold Deposit is accessed from the 1,900 metre long decline at Union Hill. The end of the decline is at 113 mRL (approximately 235 metres vertically below the surface) and a 236 metre long sill drive has been developed on the 125 mRL level. This sill drive directly overlies the central portion of the Alliance South Inferred Mineral Resource of 473,000 tonnes grading 12 g/t Au for 182,000 ounces of gold that was estimated by Mining One Pty Ltd in 2009. The resource location is illustrated in Figure 4 and summarised in Table 2.

Three near-development exploration targets have been identified in the Alliance South area that if mineralised could be quickly and cheaply accessed and mined at the same time as development is advanced south towards the Alliance South Shoot. Two of the targets are in a similar structural position to the Alliance and Alliance South shoots; whereas the third target is located approximately 7 metres above the existing sill drive (Figure 5).

The primary structural controls on the distribution of gold mineralisation at the Alliance and Alliance South deposits are flexures in the Eaglehawk Reef where it crosses the hinge of the German Anticline and the hinge of the German Syncline (Figure 6). These structures plunge moderately to the south and have been well defined by previous drilling.

Deposit	Location	Estimated Gold Resource and Category								
		Measured			Indicated			Inferred		
		'000t	Au g/t	'000oz	'000t	Au g/t	'000oz	'000t	Au g/t	'000oz
Alliance	West Zone							287	12	110
South	East Zone							186	12	72
Total								**473**	**12**	**182**

Table 2: Alliance South Mineral Resource Estimate (October 2009)

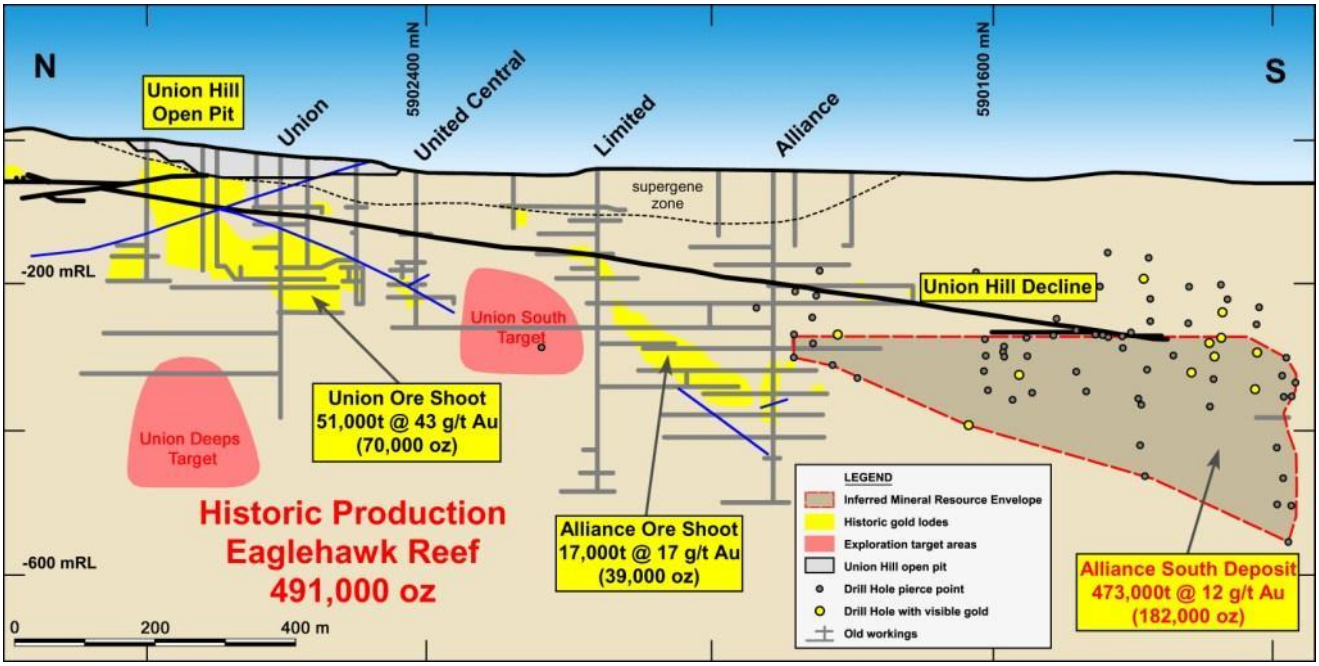


Figure 4: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit.

Target 1 (lower flexure)

The lower flexure target is located below the northern end of the 125 mRL sill drive and at the southern end of the Alliance Mine workings. In this area significant drill intersections including 1.5 metres @ 13.9 g/t Au in DDH 092 with visible gold, 0.65 metres @ 45.5 g/t Au in DDH 170, and 4.5 metres @ 12.8 g/t Au in DDH 163 occur where the Eaglehawk Reef crosses the hinge and east limb of the German Anticline (Figure 5). This target is constrained by drilling to the north, but remains untested by drilling to the south and could potentially extend over 300 metres down plunge.

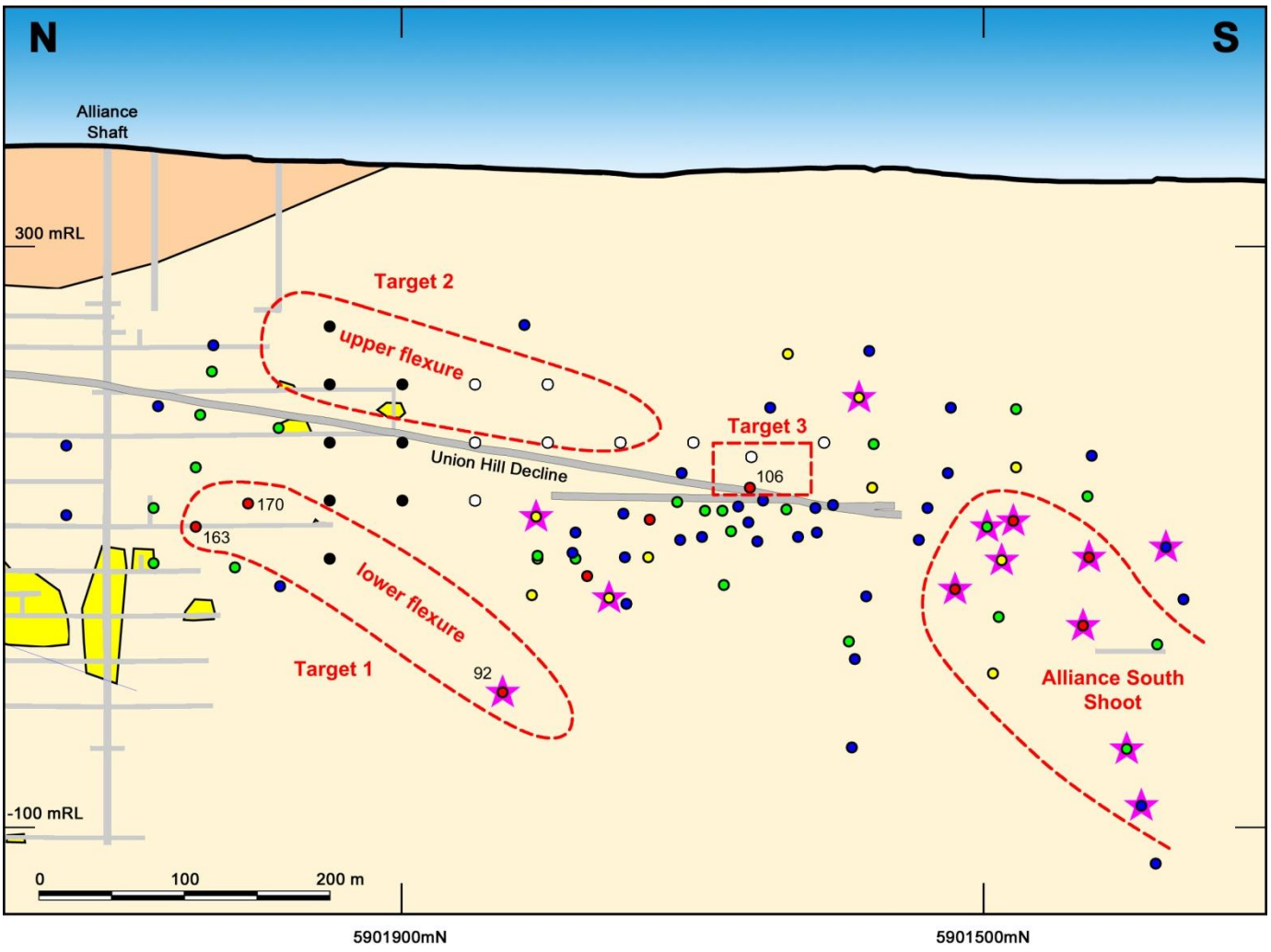
Target 2 (upper flexure)

The upper flexure target is positioned up plunge of the Alliance South Shoot and slightly above the existing decline. The target occurs where the Eaglehawk Reef crosses the hinge and west limb of the German Syncline and is untested by drilling over a 280 metre plunge extent (Figure 5). If ore resources are identified this target area could be accessed for mining from the historic Alliance Mine workings and requires less than 50 metres of cross-cut development from the Union Hill Decline.

Target 3 (sill drive)

Diamond drill hole DDH 106 returned 2.95 metres @ 18.5 g/t Au approximately 7 metres above the existing sill drive (Figure 5). The reef in this area is not wide and it is possible that the gold intersected is associated with a spur vein. Octagonal intends to development a rise from the existing sill drive to intersect DDH 106 and determine the style of gold mineralisation and potential for economic ore. Any ore mined from this rise will be stockpiled for processing when milling operations re-commence at the Company's Porcupine Flat gold plant.

During April Octagonal commenced a 17 hole underground diamond drilling program, totalling 2,000 metres, to test the three exploration targets discussed above (Figure 5). Nine holes (DDH191 – DDH199), totalling 904.5 metres, were drilled during the Quarter and targeted the lower half of Target 2 and Target 3. These holes all intersected the Eaglehawk Reef near the interpreted position of the reef. Assay results are expected to be received during July.



LEGEND

- Recently completed diamond drill holes
- Planned diamond drill holes
- Drill holes with no significant assay results
- Drill holes containing 1 – 5 g-m Au
- Drill holes containing 5 – 10 g-m Au
- Drill holes containing > 10 g-m Au
- Drill holes containing visible gold intersections
- Exploration target areas
- Union Hill Decline
- Historic mine workings on the Eaglehawk Reef
- Historic stopes
- Supergene zone
- 163 Denotes diamond drill hole DDH163

Figure 5: Alliance South Planned Diamond Drilling with Exploration Target Areas

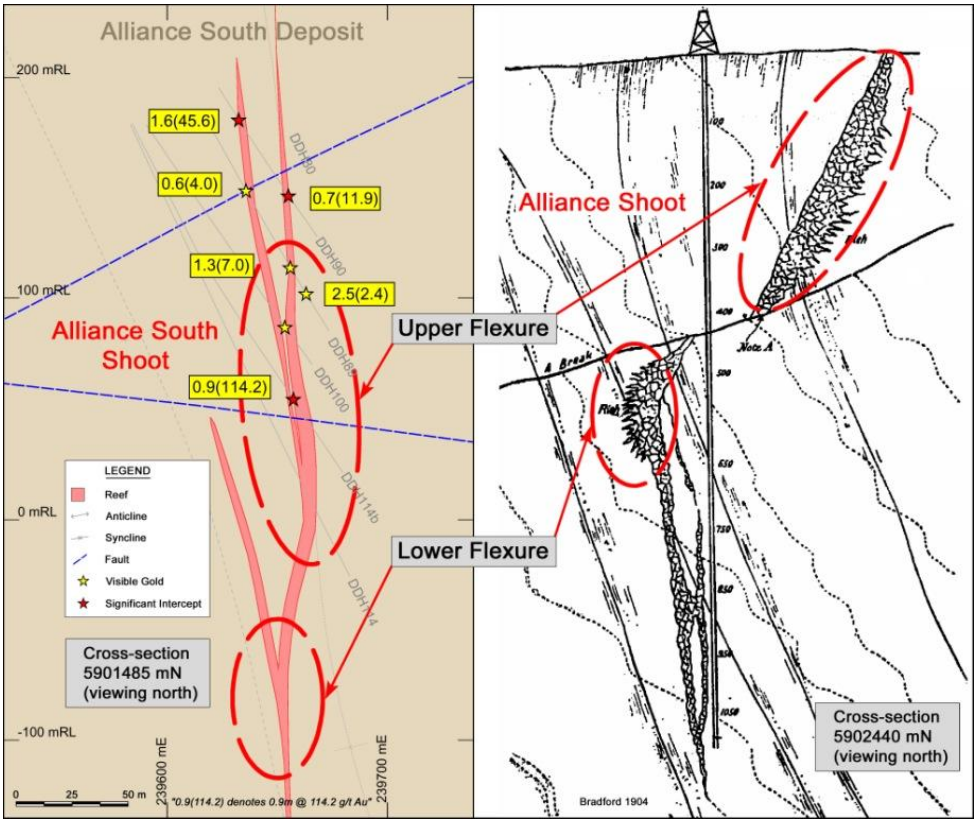


Figure 6: Cross-Sections of the Eaglehawk Reef showing the Alliance and Alliance South shoots with upper and lower flexure target areas

Corporate

Octagonal has cash reserves of $8.71 million (unaudited) at 30 June 2011 and has 100,048,002 ordinary shares on issue.

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:

Anthony Gray (Managing Director) +61 3 9697 9088

The information in this report relating to Mineral Resources for the Alliance South Deposit are based on information evaluated by Mr TG Summons who is a Member of The Australian Institute of Geoscientists (MAIG) and Mr MV McKeown who is a Fellow the Australasian Institute of Mining and Metallurgy (FAusIMM). These people have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and are each qualified to act as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Summons is an associate of Mining One Pty Ltd, and Mr Mc Keown is an employee of Mining One Pty Ltd and they consent to the inclusion in the report of the Mineral Resource in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Anthony Gray. Anthony Gray is a full-time employee of the Company and is a Member of the Australian Institute of Geoscientists (MAIG). Anthony Gray has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

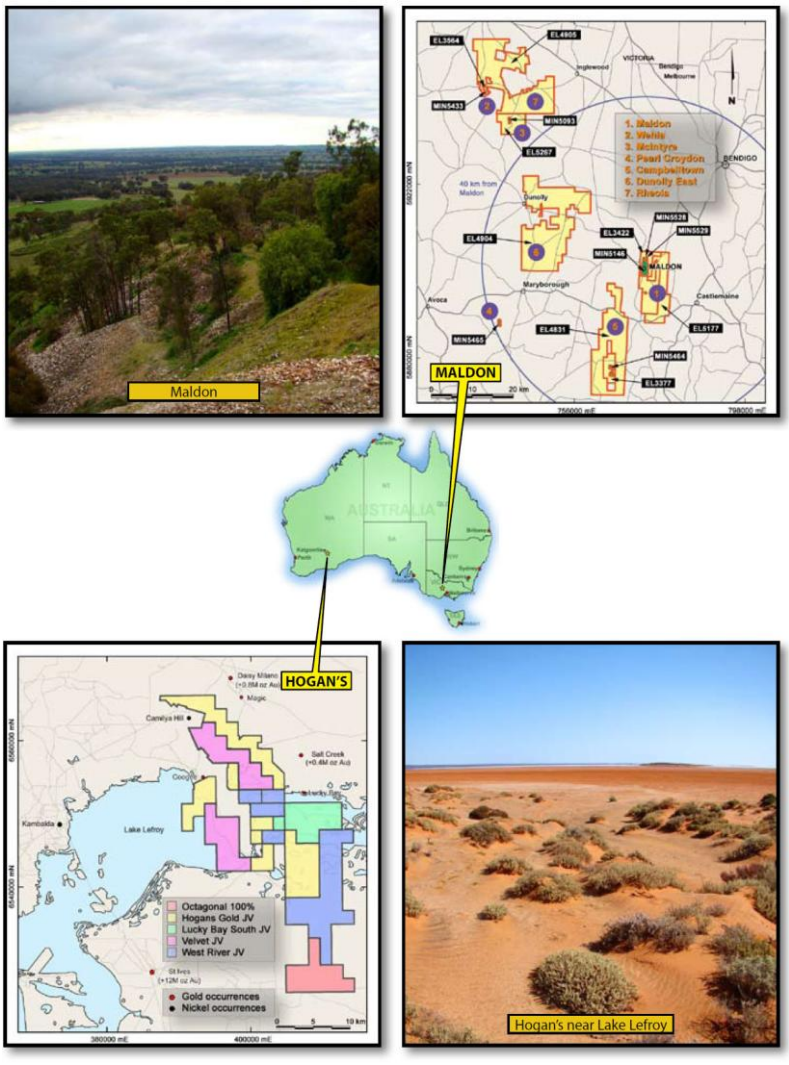
About Octagonal Resources

Octagonal Resources is a gold focused exploration and mining company with projects located in underexplored areas of two of Australia's most significant gold producing regions; the Central Victorian Goldfields and the Eastern Goldfields of Western Australia.

The Company's Victorian operations are centred at Maldon, the third largest historic primary gold producer in Central Victoria after Bendigo and Ballarat. It is here that Octagonal owns a recently refurbished and operation ready CIL gold processing plant, 235,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal intends to commence open pit and underground gold mining operations at Maldon during 2011.

In Western Australia Octagonal is earning an 80% interest in the Hogan's Project by exploring for gold deposits in a highly prospective but underexplored area only 70 kilometres from Kalgoorlie. The gold potential of this emerging gold producing district is demonstrated by the recent exploration and mining success achieved by Silver Lake Resources at the Daisy Milano Mine and Integra Mining at the Salt Creek Mine and Lucky Bay Prospect. Octagonal has identified four high priority exploration target areas with the potential to host a major gold deposit.

Octagonal's corporate strategy is to develop a long term sustainable mining operation in Central Victoria to fund the Company's growth through the discovery and development of major gold deposits.



Octagonal Resources Project Locations

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97,1/7/98,30/9/2001.

Name of entity

OCTAGONAL RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
38 147 300 418	**30 June 2011**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(654)	(900)
	(b) development[(i)]	(19)	(36)
	(c) production[(ii)]	(179)	(439)
	(d) administration	(220)	(601)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	92	186
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST paid/recouped)	261	230
	Net Operating Cash Flows	**(719)**	**(1,560)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:(a) prospects	-	(735)
	(b) equity investments	-	-
	(c) other fixed assets	(80)	(160)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Transfer to deposit)	-	-
	Net investing cash flows	**(80)**	**(895)**
1.13	**Total operating and investing cash flows (carried forward)**	**(799)**	**(2,455)**

+ See chapter 19 for defined terms.

1.13	**Total operating and investing cash flows (brought forward)**	**(799)**	**(2,455)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	12,490
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Cost of Capital Raising/Prospectus)	(35)	(1,357)
	Net financing cash flows	**(35)**	**11,133**
	Net (decrease) increase in cash held	**(834)**	**8,678**
1.20	Cash at beginning of quarter/year to date	**9,547**	**35**
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**8,713**	**8,713**

Notes:

i. Includes payments for maintaining the underground decline in Maldon while on care and maintenance.

ii. Includes payments for the Maldon Processing Plant while on care and maintenance, re-commissioning and general site expenditure.

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	192
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms. These payments represent Director fees, Director consulting fees, re-imbursements of expenses and payments in terms of a management service agreement with a Director related entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	45
4.3	Production	20
4.4	Administration	160
	Total	**825**

Notes:

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	7,876	8,705
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – Term Deposit	837	842
	Total: cash at end of quarter (item 1.22)	**8,713**	**9,547**

Notes:

Changes in interests in mining tenements

		Tenement reference	Nature of interest (Note 2 - Below)	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased		Refer to Note (iii) below		

Notes:

iii. Refer to prospectus dated 24 November 2010 for interests in mining tenements acquired or increased through various Asset Sales Agreements.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	100,048,002	100,048,002	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	***+Convertible debt securities*** *(description)*	N/A			
7.6	*Changes during quarter* (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*	*(Unlisted Options)*		***Exercise price A$***	***Expiry date***
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	**Debentures** *(totals only)*	N/A			
7.12	**Unsecured notes** *(totals only)*	N/A			

Compliance statement

1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 26 July 2011

Company Secretary

Print name: **IAN PAMENSKY**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedents, which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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