

21 June 2012

No. of Pages: 4

ASX CODE: ORS

Market Cap.: \$13.0 m (\$0.13 p/s)

Shares on issue: 100,048,002

Cash: \$3.97 m (31 March 2012)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 19.9%

JP Morgan Nominees – 9.5%

PRINCIPAL OFFICE

Octagonal Resources Limited

ABN 38 147 300 418

Suite 3, 51 – 55 City Road

Southbank VIC 3006

T +61 3 9697 9088

F +61 3 9697 9089

E info@octagonalresources.com.au

W www.octagonalresources.com.au

Octagonal Company Update on Finance News Network

Octagonal Resources Limited Managing Director Anthony Gray discusses an update of the Company with Finance News Network. A copy of the interview can be viewed at this [link](#) or at the web address listed at the end of the transcript on page 3.

Transcription of Finance News Network interview with Octagonal Resources Limited (ASX:ORS) Managing Director, Anthony Gray

Clive Tompkins: Hello Clive Tompkins reporting for the Finance News Network. Joining me from junior gold explorer and developer, Octagonal Resources (ASX:ORS) is Managing Director, Anthony Gray. Anthony welcome back. First up, can you provide an update on your projects in Victoria and WA?

Anthony Gray: Thanks Clive. We're currently in the process of commencing gold producing operations at our Maldon gold operation in Central Victoria, where we intend to generate a cash flow to both fund the sustainability of this operation and exploration in Western Australia, where we are looking at growing our business by exploring for a greater than million ounce gold deposit.

Clive Tompkins: Thanks Anthony. So what's the size and grade of the resource at Maldon?

Anthony Gray: At Maldon we have a resource of 182,000 ounces of gold at an average grade of 12 grams per tonne. And in the general Maldon area, we have a further 60,000 ounces of near surface resources, all within about 40 kilometres of Maldon at an average grade of about 2.9 grams.

Clive Tompkins: And how far away is production?

Anthony Gray: We're currently in the process of developing two near term production sources. One is at Maldon and the other is at Wehla, which is located 60 kilometres from Maldon. We're developing both of these projects in unison and we expect to be producing our first gold bar in three to four months.

Clive Tompkins: Anthony to recap will this be an underground or open pit operation?

Anthony Gray: Mining will be a combination of underground and open pit. The Maldon Gold Operation is an underground mining operation; it's accessed by the 1.9 kilometre long Union Hill decline. Whereas at Wehla we'll be mining near surface resources using open pit mining techniques.

Clive Tompkins: And what about the greater Maldon area, you have a number of exploration licenses. What's taking place?

Anthony Gray: In the greater Maldon area, our focus is on developing open pit ore sources to supplement the Maldon underground mine. Our two most advanced projects are the Pearl Croydon Deposit and the Specimen Reef Deposit. These two deposits contain over 60,000 ounces of near surface gold mineralisation. The Pearl Croydon Deposit is currently overlain by a mining license application that we expect to be granted in the coming months. Whereas at the Specimen Reef Deposit, which we discovered last year, we are currently in the process of applying for a mining license application to allow us to progress with mining activities.

Clive Tompkins: And Anthony now to eastern Victoria and Woods Point. You have an ore processing agreement with soon to list, A1 Consolidated Gold, to process gold at your Maldon mill. What tonnages are involved and what does Octagonal receive under the agreement?

Anthony Gray: Under the A1 processing agreement, we've agreed to process up to 150,000 tonnes of gold over a three year period, which utilises surface mill capacity while we bring our open pit mines online. In consideration for processing their ore, we'll receive an ore processing fee that covers all of the costs associated with processing the ore, as well as 10 per cent of the gold produced.

Clive Tompkins: Good and when does this commence?

Anthony Gray: This will commence in the coming weeks. A1 have already started trucking ore to the Maldon site, we've got about 5,000 tonnes already sitting on the pad and we'll commence processing as soon as A1 list on the ASX.

Clive Tompkins: Now to WA where you're targeting a one million ounce deposit. Can you start with an update of your Hogan's Project?

Anthony Gray: The Hogan's Project is located 70 kilometres southeast of Kalgoorlie and it's surrounded by the greater than 12 million ounce St Ives Goldfield, 800,000 ounce Daisy Milano Mine and 400,000 ounce Salt Creek Mine. Since acquiring this project about 18 months ago, we've completed an aggressive wide spaced aircore drilling program, consisting of almost 1,000 aircore holes for 43,000 metres. The objective of this drilling program was to identify exploration targets for further drilling, and our most advanced target is the Burns Prospect, which is located directly south of Integra Mining's (ASX:IGR) Salt Creek Mine and Lucky Bay Deposit.

Clive Tompkins: Good. And does this have the potential to develop into that one million ounce deposit that you're looking for?

Anthony Gray: We believe that it does have the potential to develop into a substantial deposit. We discovered it in May last year with, as I said, wide spaced aircore drilling. Since that time, we've identified over one square kilometre of gold in weathered rock anomalism that is unconstrained by drilling, where it trends onto the salt lake. And in January this year, we completed our first RC drilling program consisting of 12 holes and intersected, not only gold, but significant potentially economic gold, copper and silver mineralisation. It's early days at this prospect, but we believe that it could develop into a significant multi-commodity deposit.

Clive Tompkins: Anthony now to your financials and strategy. What is your cash position and are you funded for the rest of the year?

Anthony Gray: At the end of March we had \$4 million in the bank. We're just about to start processing ore from the A1 Gold Mine under our processing agreement. And following that, we'll be in a position to bring our open pit and underground mines online. Given our cash position and expected income, we believe that we are funded until the end of the year.

Clive Tompkins: And how far has Octagonal progressed in terms of becoming self-funding?

Anthony Gray: We're essentially on the cusp of self-funding at the moment. We believe that once we are able to bring our open pit and underground mines into production on a sustainable basis, we'll be able to self-fund our exploration and mining activities.

Clive Tompkins: Now to your stock Anthony. Where has it traded over the last 12 months and where is it now?

Anthony Gray: Over the last 12 months, we've traded in a range between 11 cents and 21 cents. We're currently trading at 14 cents, which with 100 million shares on issue and no options, gives us a current market capitalisation of \$14 million.

Clive Tompkins: Last question Anthony. Where would you like to see Octagonal Resources at the end of the year?

Anthony Gray: By the end of the year, I expect that we will be underground and open pit mining in Central Victoria. We'll be starting to improve the cash in our bank and looking to continue exploration at the Burns Prospect in Western Australia, to determine if that prospect does have the potential to develop into a significant deposit.

Clive Tompkins: Anthony Gray, thanks for the update.

Anthony Gray: Thanks Clive.

- ENDS -

Web address for interview:

http://www.finnewsnetwork.com.au/Display.aspx?Site=FNN264&Vs=FNN264&Vc=INTERVIEWS&Vm=Int_OctagonalResources_190612_L.mp4|Int_OctagonalResources_190612_M.mp4|Int_OctagonalResources_190612_H.mp4

Additional information relating to Octagonal and its various mining and 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 that relates to Exploration Results, Mineral Resources and Ore Reserves 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. 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' and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

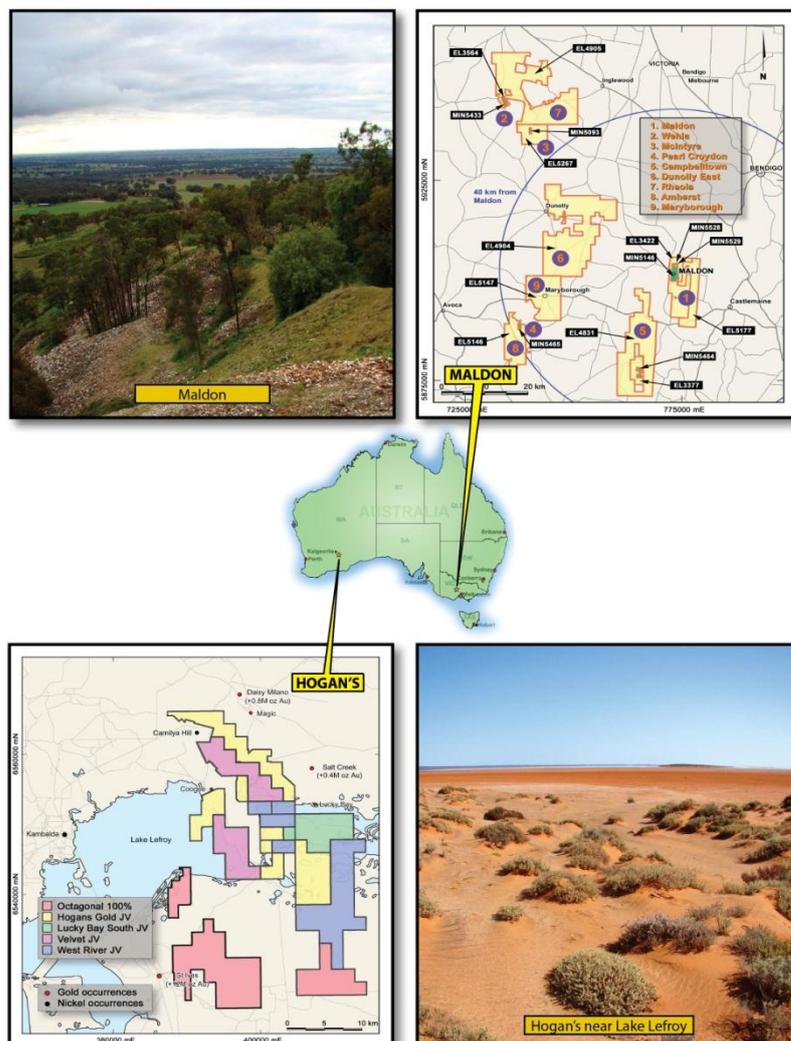
About Octagonal Resources

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, 245,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal commenced underground gold mining operations at Maldon in the fourth quarter of 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