

30 OCTOBER 2012

No. of Pages: 27

ASX CODE: ORS

Market Cap.: \$19.0 m (\$0.19 p/s)

Shares on issue: 100,048,002

Cash: \$2.1 m (30 Sept 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

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QUARTERLY REPORT - FOR THE PERIOD ENDED 30 SEPTEMBER 2012

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 30 September 2012 (21 pages)
- Appendix 5B for the period ending 30 September 2012 (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

30 October 2012

No. of Pages: 21

ASX CODE: ORS

Market Cap.: \$20.0 m (\$0.20 p/s)

Shares on issue: 100,048,002

Cash: \$2.1 m (30 September 2012)

DIRECTORS

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Anthony Gray, Managing Director

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Quarterly Report for the period ended 30 September 2012

Highlights

Victoria

- ▶ Development work continued at the Union Hill Decline to access the Alliance South Gold Deposit (Maldon)
- ▶ Processing of ore from the A1 Gold Mine continued at the Porcupine Flat Gold Processing Plant (Maldon)
- ▶ Processing of tailings from the Kangaroo Flat Gold Mine commenced at Maldon
- ▶ Open pit mining commenced at the Black Reef Gold Deposit (Wehla)
- ▶ Underground mapping and sampling at the Nuggetty Reef Gold Mine indicate the potential for significant remnant ore (Maldon)
- ▶ Heritage Agreement executed to facilitate the grant of mining licence applications overlying the Pearl Croydon and Boson's Reef gold deposits (Amherst and Campbelltown)

Western Australia

- ▶ Reverse circulation drilling completed at the Burns Prospect to test for extensions of gold, copper, and silver mineralisation previously identified at the prospect (Hogan's Project)
- ▶ Two new exploration licences granted at the Hogan's Project next to the +12 million ounce St Ives Goldfield

Summary

During the September quarter Octagonal continued extend the Union Hill Decline at Maldon in Victoria to access the Alliance South Shoot. Development of the decline has required significant ground support due to difficult ground conditions associated with a major east-west oriented structure known as Moon's Cross-course. A second development heading has been established on the 1120N sill drive to develop north towards a potential ore shoot located adjacent to the south of the historic Alliance Mine workings.

At Wehla, the Company commenced open pit mining at the Black Reef. The boundary fence was installed, surface grade control trenching and sampling completed, trees cleared in the pit and waste dump areas, soil and sub-soil removed and stockpiled, surface ore blocks marked up for mining, undisturbed vegetation areas bunded off, and erosion controls installed.

In August Octagonal entered into an agreement with Unity Mining Limited (ASX: UML) ("Unity") to re-process flotation concentrate tailings from the Kangaroo Flat Gold Mine near Bendigo at the Porcupine Flat Gold Processing Plant at Maldon. Under the agreement Octagonal will manage and pay for 50% of the costs associated with the removal and re-processing of tailings and pay to Unity 50% of the revenue from gold produced.

Ore processing continued at the Porcupine Flat Gold Processing Plant in Maldon. 4,178 dry tonnes of third party ore was processed and 76 ounces refined attributable to Octagonal. No gold was sold during the quarter. Additional revenue of \$126,714 was generated from ore processing fees.

Trial processing of Kangaroo Flat tailings performed better than expected with an average recovered gold grade of better than 5 g/t Au. Total cash costs for the removal and reprocessing of tailings has been revised down from \$650 per ounce to below \$500 per ounce.

Sampling of underground workings at the Nuggetty Reef Mine returned a peak result of 0.7 metres grading 48.4 g/t Au, with five meter spaced channel samples collected from the roof of the drive averaging 4.8 g/t Au over 92 metres and the walls of the drive averaging 4.1 g/t Au over 92 metres. These results include 33 metres grading 8.2 g/t Au in the roof of the drive, 20 metres grading 8.9 g/t Au in the east wall of the drive, and 12 metres grading 11.1 g/t Au in the west wall of the drive. The Company is in the process of applying for approval to mine a trial parcel of remnant ore to better determine the grade of this mineralisation.

Surface geological mapping and sampling completed at the Matrix Reef Prospect did not support the potential for ore shoots large enough to warrant open pit or underground mining. The Company is currently evaluating its options to divest these tenements.

Heritage agreements were executed with the Dja Dja Wurrung Native Title Claimant Group that pave the way for the grant of Mining Licence Applications MIN5464 and MIN5465 that overlie the Pearl Croydon and Campbelltown gold deposits.

Exploration at the Hogan's Project in Western Australia consisted of drilling 19 RC holes, for 2,507 metres, at the Burns Prospect to test for extensions of gold, copper, and silver mineralization along strike to the north and south of the one traverse drilled during January 2012. Assay results from this drilling program are expected during the December quarter.

Exploration licence applications E15/1314 and E15/1315 were granted at the Hogan's Project.

Work planned for the December 2012 quarter includes:

- ▶ Continued development of the Union Hill Decline to access the Alliance South Shoot (Maldon) in Victoria;
- ▶ Continue processing third party ore at the Porcupine Flat Gold Processing Plant (Maldon) in Victoria;
- ▶ Complete initial RC drilling at the Frenchman's Reef Prospect (Wehla) in Victoria; and
- ▶ Interpret assay results from the RC drilling program completed at the Burn's Prospect during the September quarter (Hogan's Project) in Western Australia.

Safety & Environment

Maldon Gold Operation - Victoria (100% Octagonal)

One medically treated injury (MTI) occurred during the quarter. This incident had been thoroughly investigated and corrective actions identified and implemented to prevent recurrence. No lost time injuries (LTIs) were recorded during the reporting period.

There were no reportable environmental incidents during the September quarter.

Hogan's Project – Western Australia (Octagonal 70+% equity)

No MTIs or LTIs were recorded during the reporting period.

There were no reportable environmental incidents during the quarter.

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 150,000 tonne per annum CIL gold processing plant, 245,000 ounces of inferred open pit and underground gold resources and a decline that extends to the undeveloped underground resources. Octagonal is currently processing third party ore while the Company brings its own underground and open pit mines into production.

Operations

Union Hill Mine, Maldon (100% Octagonal)

Development of the Union Hill decline to access and mine the Alliance South Gold Deposit continues to be slow, due to difficult ground conditions associated with a major east-west structure known as Moon's Cross-course. To develop through this structure safely Octagonal has had to install spiling bars and rock bolts (metal rods) into the roof of the decline, inject grout into the ground above and ahead of the decline, and install steel mesh and box framework to construct concrete arches with shotcrete. During the quarter the decline was advanced 9.9 metres.

This process is very time consuming as grout and shotcrete must dry before it is safe to work beneath, however Octagonal has mitigated the costs associated with this mining activity by only operating a crew of three underground miners on day shift and utilising spare labour and mining equipment to develop the 1120 level north towards a secondary exploration target positioned at the southern end of the historic Alliance Mine workings as a second development heading. The 1120 level was advanced 18 metres during the quarter.

At present, the Company estimates that it will take between two to three months before normal decline development can re-commence. Once the Company has developed through Moon's Cross-course it will extend the Union Hill Decline 180 metres to the south and develop two levels (1110mRL and 1090mRL) in the upper area of the Alliance South Shoot to determine the reef grade, assess ground conditions, and determine the most appropriate mining technique for an ongoing operation (Figure 1).

The Alliance South Deposit is hosted with the Eaglehawk Reef at the southern end of the Central Maldon Shear Zone. The deposit contains an Inferred Mineral Resources of 473,000 tonnes grading 12 g/t gold for 182,000 ounces of gold (Figure 2 and Table 1).

Table 1.
Alliance South Mineral Resource Estimate (October 2009)

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 South	West Zone							287	12	110
	East Zone							186	12	72
Total								473	12	182

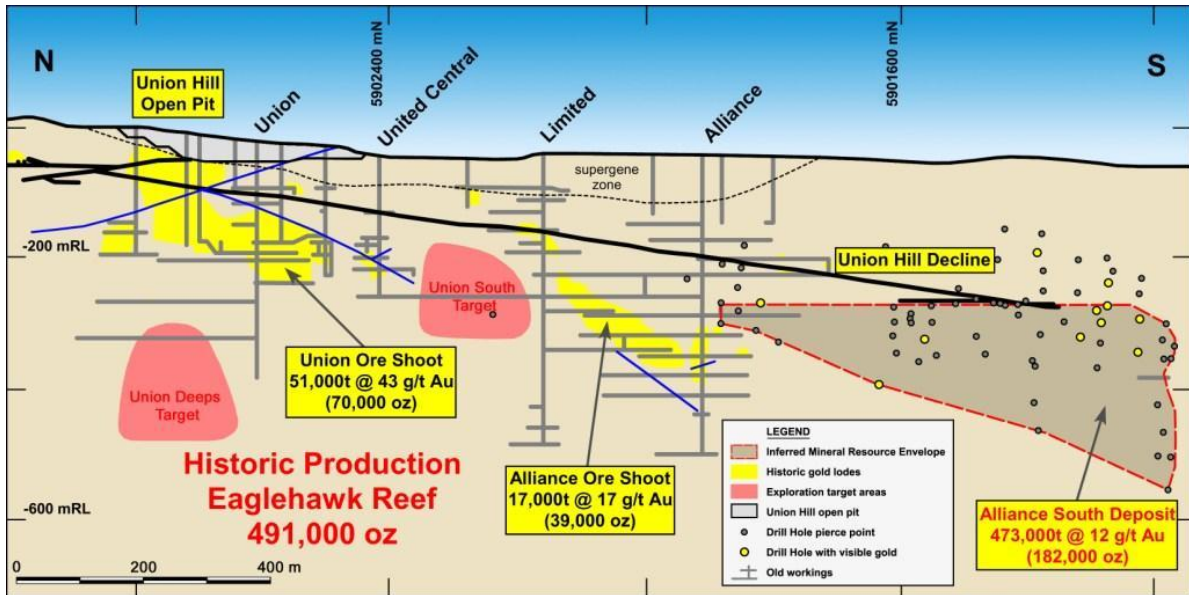


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit

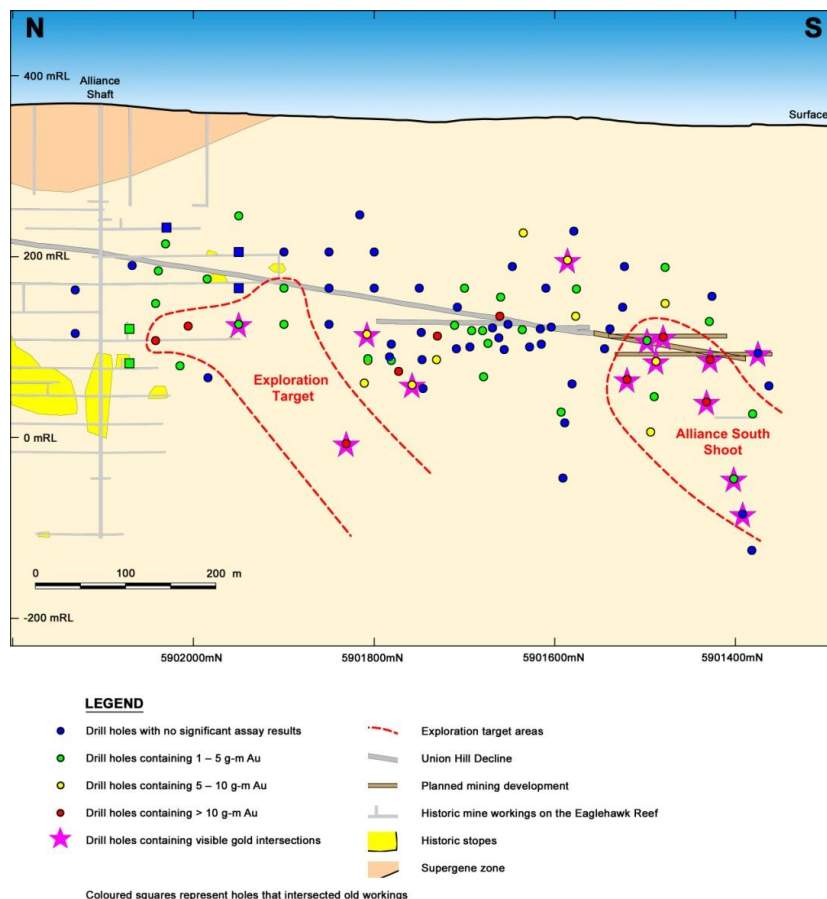


Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill decline relative to the Alliance South Shoot, secondary exploration target, and planned mining development

Black Reef Mine, Wehla (100% Octagonal)

In July 2012 Octagonal received regulatory approval to mine a 200,000 tonne trial open pit at Black Reef, Wehla, in an area where a costean returned 14 metres grading 4.6 g/t gold and drilling intersected 5 metres grading 35.4 g/t gold and 5 metres grading 14.9 g/t gold.

The objective of mining this open pit is to better understand the structural controls and “nugget effect” on the distribution of gold mineralization within the Wehla Goldfield to help with the interpretation of drilling results and hopefully justify a larger open pit mining operation in the area.

Mining activity completed during the quarter has consisted of construction of a boundary fence, surface grade control trenching and sampling, tree clearing in pit and waste dump areas, removal and stockpiling of soil and sub-soil, marking up of surface ore blocks, bunding of undisturbed vegetation areas, and instillation of erosion controls.

Following the execution of the Kangaroo Flat Tailings Agreement (discussed in the following section) Octagonal has slowed development of the Black Reef open pit such that the pit will be mined and all of the ore processed in one parcel following the completion of processing the Kangaroo Flat tailings.



Surface trenching and grade control sampling



Top soil removed, sub-soil being removed, surface ore blocks in foreground



Construction of open pit bund wall



Barrier mesh being installed in mine area to protect vegetation

Kangaroo Flat Tailings, Bendigo (Processing Agreement)

In August Octagonal entered into an agreement with Unity Mining Limited (ASX: UML) (“Unity”) to re-process flotation concentrate tailings from the Kangaroo Flat Gold Mine near Bendigo at the Porcupine Flat Gold Processing Plant at Maldon.

Under the terms of this agreement Octagonal agreed to remove, and re-process all of the flotation concentrate tailings at the Kangaroo Flat Gold Mine subject to satisfactory extraction, transport, and processing of a trial parcel of up to 2,000 tonnes.

In consideration for re-processing the Kangaroo Flat flotation concentrate tailings, Octagonal will:

- ▶ Manage and pay for 50% of all costs associated with the excavation and transport of tailings to Maldon, re-processing of tailings at Maldon, and transportation, refining and sale of gold produced, and
- ▶ Pay to Unity 50% of the gold produced from the re-processing of the tailings.

During the quarter 2,066 tonnes of tailings was removed from the Kangaroo Flat tailings dam using an excavator and trucked to the Porcupine Flat Gold Processing Plant for processing.

Removal, transportation, and processing of the tailings performed to expectation and Octagonal has committed to remove and process all of the tailings in the flotation concentrate tailings dam (estimated to contain between 19,000 tonnes and 40,000 tonnes of tailings).

To accelerate tailings removal and reduce costs, the Company mobilised a dredge to Kangaroo Flat to extract the remainder of the tailings. The dredge arrived on-site on 26 September and removal of tailings commenced before the end of the quarter.



Excavator removing tailings from Kangaroo Flat tailings dam



Tailings delivered to the Porcupine Flat Gold Processing Plant



Dredge in Kangaroo Flat tailings dam



Prepared drying pads for Kangaroo Flat tailings

Porcupine Flat Gold Processing Plant, Maldon (100% Octagonal)

During the quarter Octagonal continued to process third party ore from the A1 Gold Mine and flotation concentrate tailings from the Kangaroo Flat Gold Mine.

A total of 4,178 dry tonnes of third party ore was processed and from current outturns at the end of the quarter, 76 ounces were attributable to Octagonal. No gold was sold during the quarter. Additional revenue of \$126,714 was generated from ore processing fees.

The trial processing of Kangaroo Flat flotation concentrate tailings has performed better than expected with an average recovered gold grade of better than 5 g/t Au. Metallurgical test work completed prior to the commencement of processing suggested that between 3.5 g/t Au and 6.0 g/t Au would be recoverable, with 4.0 g/t Au likely, and total cash costs for the removal, transport, processing and recovery of gold likely to be below \$650 per ounce. Following the success of processing the trial parcel of tailings Octagonal has revised the total estimated cash cost down to below \$500 per ounce.



Kangaroo Flat tailings being delivered to the Porcupine Flat Gold Processing Plant with front end loader feeding the ore chute

Exploration

Nuggetty Reef Gold Mine (100% Octagonal)

The Nuggetty Reef is the northern-most reef in the Maldon Goldfield and is truncated by the Harcourt Granite to the north and at depth (Figure 3). The reef occurs within steep easterly dipping metasediments that have been contact metamorphosed to form hornfels. The Nuggetty Mine workings strike broadly north-south and consist of two near-vertical to steep east-dipping quartz reefs, referred to as the west reef and east reef that are linked at depth by a near-horizontal flat reef (Figure 4).

The Nuggetty Reef was discovered in 1856 and in the following ten years produced 301,000 ounces of gold from 50,000 tonnes of ore at an average grade of 187 g/t Au. During this period the reef was mined over 350 metres strike length by nine companies, with four deep shafts sunk to a maximum depth of 238 metres.

At the time of production mining and treatment costs are estimated to have been between 14.5 g/t Au and 21.5 g/t Au, meaning that the lower cut-off grade for mining was likely to have been between 15 g/t Au and 23 g/t Au. In current terms, this high cut-off grade suggests that there may be the potential for significant moderate grade gold mineralisation surrounding the historic mine workings.

In 1888 the Tarrangower Company “broke and crushed some stone” from the Nuggetty adit level that averaged 7 g/t Au. The remainder of this broken material was processed prior to 1930 and returned similar grades. These observations further support the potential for moderate grade remnant gold mineralisation at the mine.

The Nuggetty Reef Gold Mine was until recently held by prospectors on small mining licences. In 2010 Octagonal acquired granted mining licence MIN5528 that overlies the mine and is positioned adjacent to the north of MIN5146 that overlies the southern extension of the Nuggetty Reef and most of the Central Maldon Goldfield, including Octagonal’s Union Hill Decline, the Alliance South Gold Deposit, and the Porcupine Flat Gold Processing Plant.

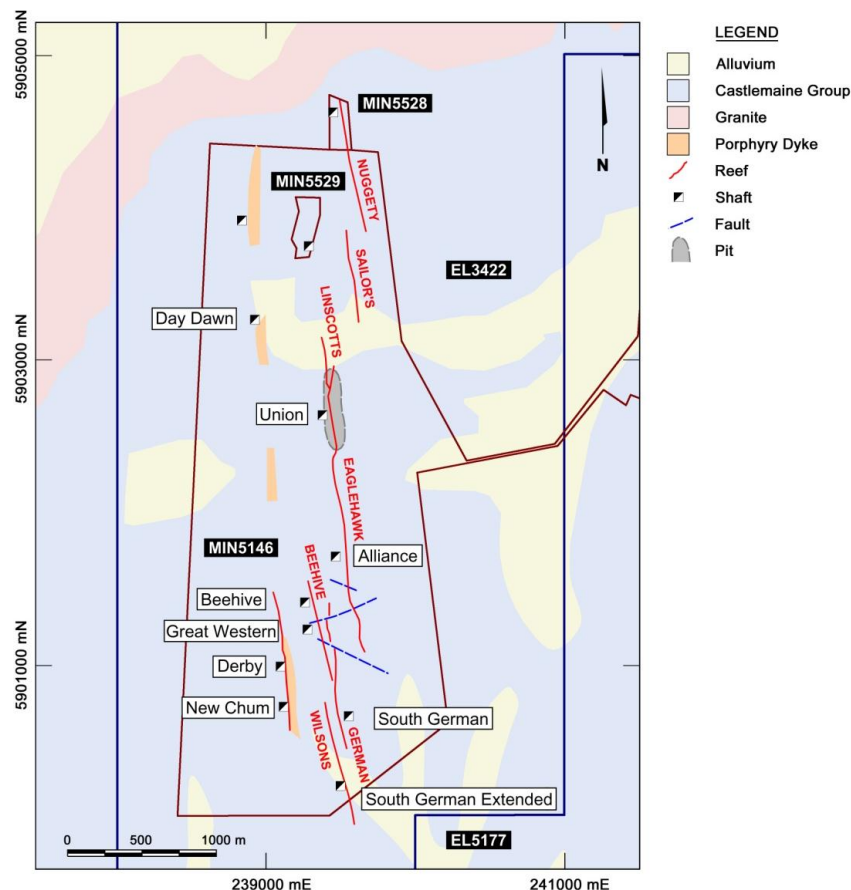


Figure 3. Central Maldon Goldfield with location of Nuggetty Reef Mine adit

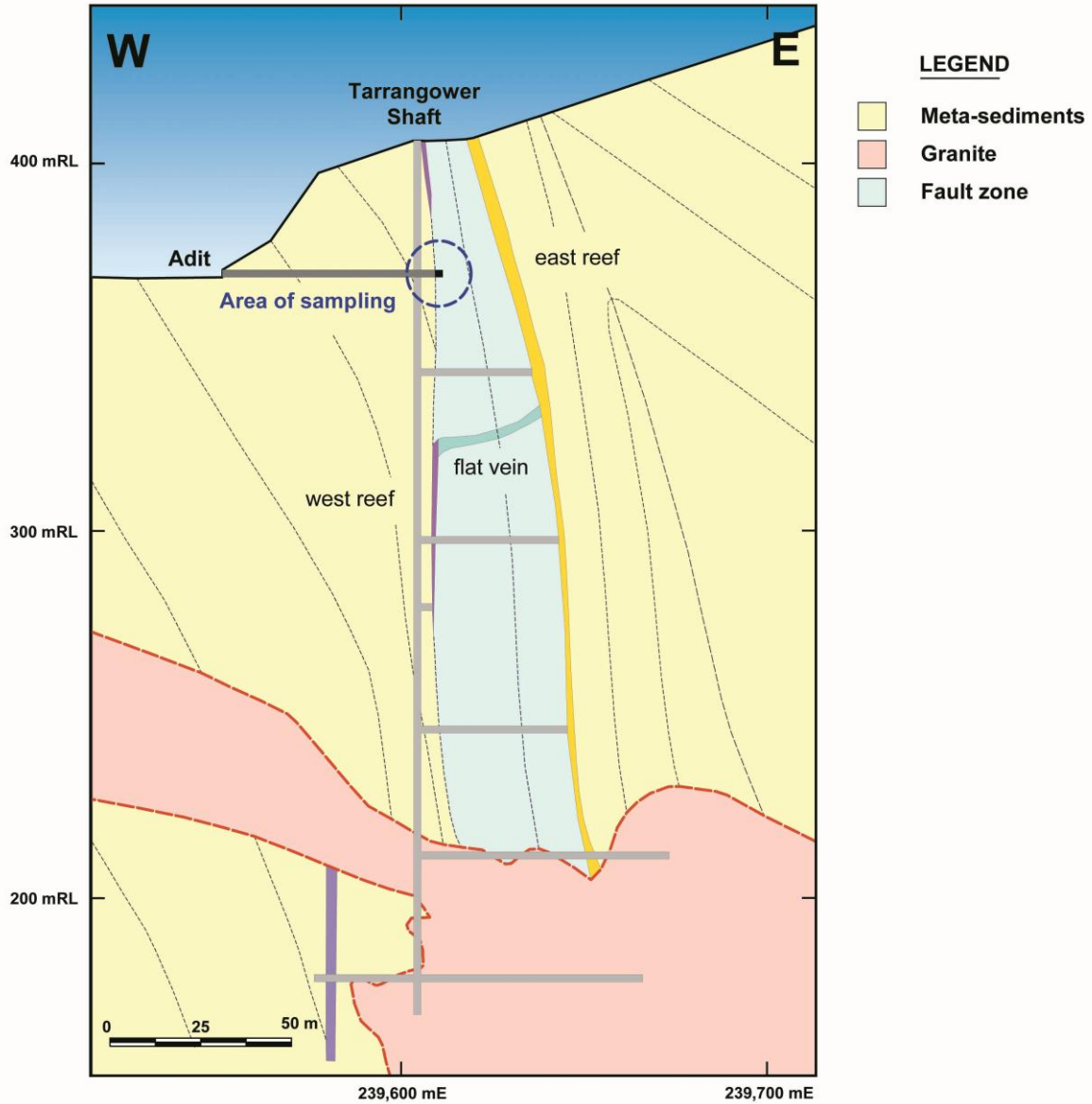


Figure 4. Cross-Section of Nuggetty Reef Mine workings with location of adit to sampled ore drive



Nuggetty Reef Mine workings (adit near vehicle)

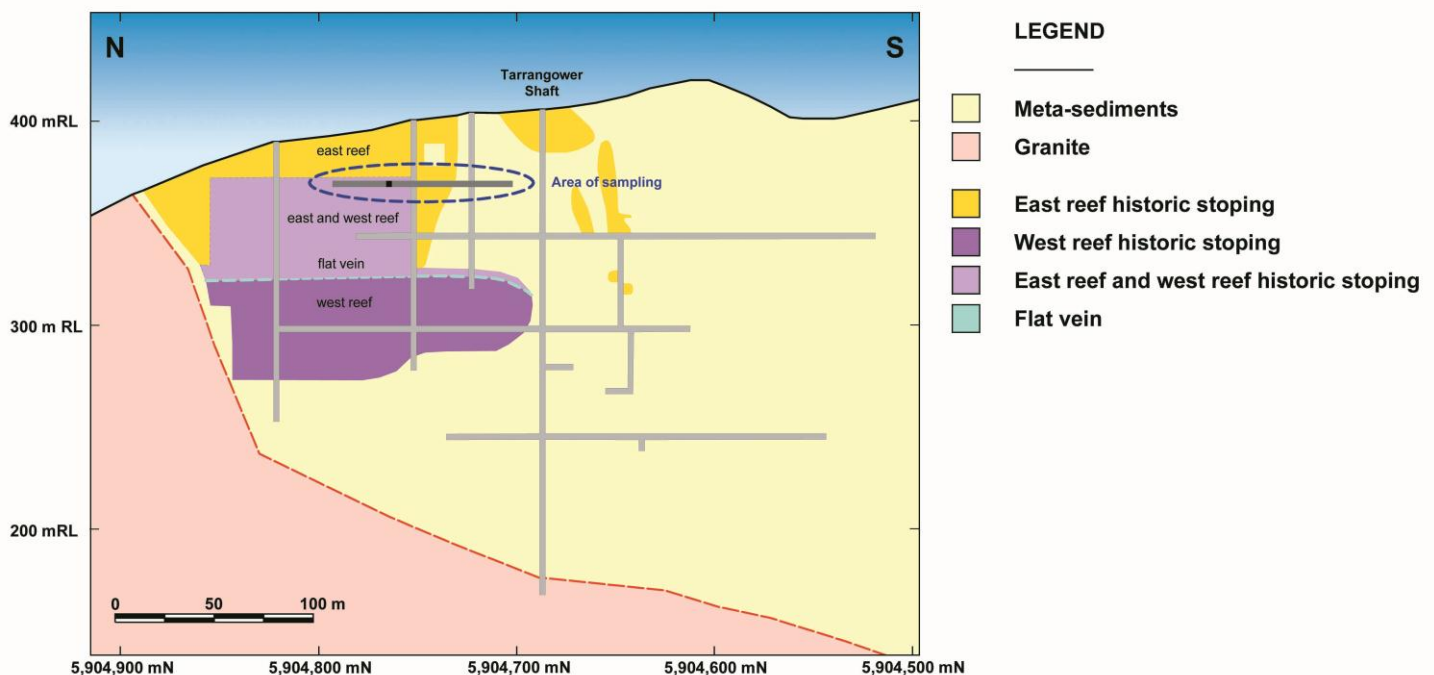


Figure 5. Longsection of Nuggetty Reef Mine workings with location of sampled ore drive

Geological Mapping and Sampling

To test the theory that the Nuggetty Reef Mine workings may contain significant moderate grade gold mineralisation and recognising the very high grade and nuggetty distribution of the historically mined gold, a detailed program of geological mapping and channel sampling was completed on the Nuggetty Reef Mine adit level, which is the only area of historic mine workings currently accessible.

The Nuggetty Reef Mine adit accesses the 370 mRL level of the mine workings and is located 90 metres to the south of the Tarrangower Shaft that is the deepest shaft at the mine (Figure 5). The adit is 1.5 metres wide by 2 metres high and extends 60 metres to the east to intersect the west reef of the Nuggetty Reef mine workings. Development on the west reef on this level is accessible over 16 metres to the north and 76 metres to the south and provides exposure to 92 metres of unmined reef. Two cross-cuts have been developed six metres to the east to intersect the east reef however this reef is not currently accessible for mapping and sampling.

Detailed geological mapping of the west reef on the 370 mRL level reveals that in this area the reef is between 1 and 3 metres thick, and consists of massive quartz, quartz-hornfels and fault breccias, typically with narrow overprinting zones of laminated quartz.

Channel samples were collected from the west reef at approximately five metre spaced intervals over the entire 92 metres of development. Samples were collected from the unmined quartz vein in the roof (backs) of the drive and along the walls of the drive. Assay results from this sampling returned a peak result of 0.7 metres grading 48.4 g/t Au, with the five meter spaced channel samples collected from the roof of the drive averaging 4.8 g/t Au over 92 metres and the walls of the drive averaging 4.1 g/t Au over 92 metres. These results include 33 metres grading 8.2 g/t Au in the roof of the drive, 20 metres grading 8.9 g/t Au in the east wall of the drive, and 12 metres grading 11.1 g/t Au in the west wall of the drive.

Assay results from this sampling program are presented in Table 2 and Figure 6 illustrates a plan view of the 370 mRL level showing the distribution of assay results from samples collected from the roof and walls of the drive.

Table 2.
Nuggetty Reef Mine: 370mRL Level Channel Sampling

Northing (MGA)	Roof (Backs)		West Wall		East Wall	
	Thickness (m)	Au (g/t)	Thickness (m)	Au (g/t)	Thickness (m)	Au (g/t)
5904792mN	1.9	1.0	0.75	0.1	2.0	0.7
5904787mN	2.9	2.7	-	-	1.0	7.6
5904781mN	1.5	1.5	1.5	0.8	1.5	0.8
5904777mN	2.1	7.5	1.0	5.0	1.0	1.8
5904769mN	5.45	6.3	1.2	0.3	2.0	5.7
5904766mN	1.5	3.1	4.1	0.7	4.4	10.1
5904759mN	3.25	8.8	1.3	1.4	2.4	10.2
5904756mN	2.5	15.2	0.45	0.5	1.5	7.9
5904750mN	1.5	8.8	2.0	16.9	2.3	1.3
5904744mN	1.65	3.2	2.2	5.2	1.5	2.5
5904738mN	1.9	1.9	1.1	0.3	2.15	0.4
5904733mN	2.1	3.9	1.2	0.8	2.0	5.0
5904728.5mN	3.9	3.5	1.2	0.5	-	-
5904723mN	1.3	0.8	1.3	2.6	1.25	0.5
5904718mN	1.3	3.4	1.15	1.9	1.15	15.7
5904713mN	1.4	2.3	1.15	0.5	1.15	0.7
5904708mN	1.45	0.9	1.25	1.2	1.25	10.1
5904705.5mN	1.45	0.5	1.3	1.3	1.3	0.5
Average	2.2	4.8	1.4	2.8	1.8	5.2

Notes:

1. Channel samples collected over intervals ranging between 0.3 metres and 1.6 metres length
2. Sample size ranges between 1.5kg and 8.5kg with average weight of 4.1kg
3. Gold analysis conducted by Onsite Laboratory Services (Bendigo Laboratory) using a 40 gram Fire Assay Digest with AAS Finish.

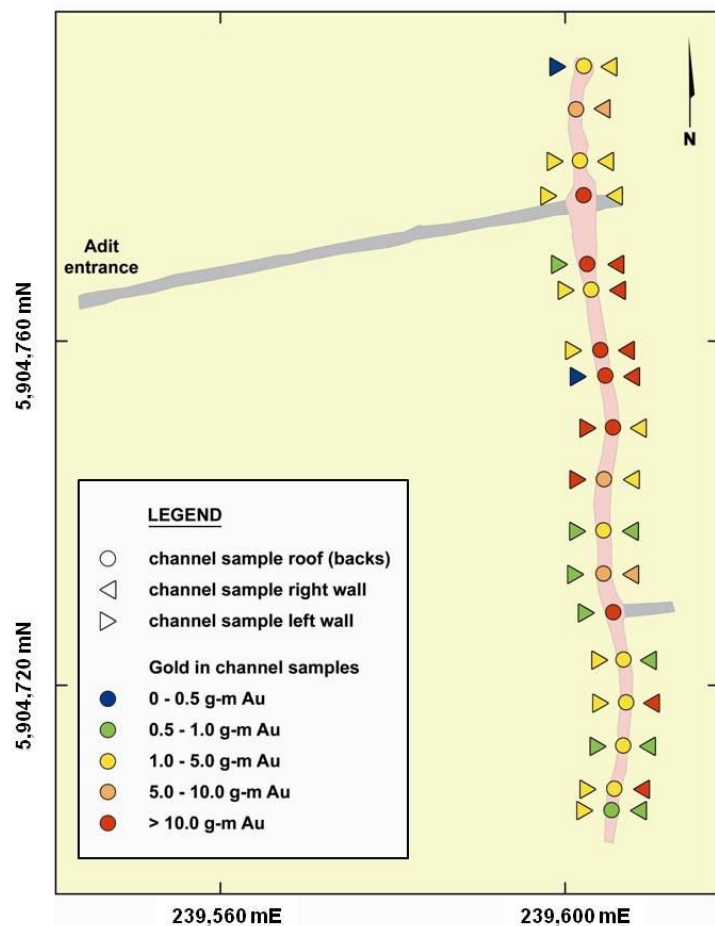


Figure 6. Nuggetty Reef Mine: Plan of 370mRL level with channel sampling assay results

Discussion

Underground sampling completed at the Nuggetty Reef has confirmed historic accounts of the grade of ore developed from the Nuggetty Reef adit and mined from the 370 mRL level ore drive. The average grade of assay results returned, together with the presence of high-grade nuggetty gold, and evidence of remnant gold mineralisation in the walls of the historic workings support the potential for significant moderate grade gold mineralisation surrounding the Nuggetty Reef mine workings.

Figure 5 illustrates a longsection displaying the distribution of gold interpreted to have been mined at the Nuggetty Reef. Based on the area of historic mine workings Octagonal estimates that the potential exists for the Nuggetty Reef Mine to host an Exploration Target¹ of between 15,000 and 40,000 ounces of gold in remnant mine workings averaging better than 4 g/t Au.

As the Nuggetty Reef is located only 2.5 kilometres from the Company's Porcupine Flat Gold Processing Plant and little capital development would be required to access the historic workings Octagonal believes that the Nuggetty Reef mine workings represent a commercially viable underground mining opportunity.

The Company is currently in the process of evaluating possible mining scenarios to develop its second underground mine at Maldon and is in the process of applying for regulatory approval to mine a trial parcel of remnant ore in the area sampled to better determine the grade of this mineralisation.



Entrance to Nuggetty Reef Mine adit



Nuggetty Reef Mine adit



Sampled Nuggetty Reef Mine drive

Matrix Reef Prospect (100% Octagonal)

Detailed surface geological mapping and rock chip sampling was completed at the Matrix Reef Prospect on MIN5093 and EL5267.

Analysis of 33 historic diamond drill core samples and 50 channel samples returned only three assay results greater than 1g/t Au (peak result: 3.74g/t Au). These results suggest that it is unlikely that broad zones of lower grade mineralisation are present in the Matrix Shear Zone.

Surface geological mapping also revealed that while the area historically produced high-grade gold the controlling structural regime is not conducive to the formation of ore shoots large enough to support open pit or underground mining. The Company is currently considering its options to divest these tenements.

Notes

1. The estimated exploration target size is conceptual in nature. Gold grade is estimated based upon detailed underground channel sampling of one ore drive documented in this report and target size is estimated based upon the area of historic mine workings that may contain remnant gold mineralisation. There has been insufficient exploration to define a Mineral Resource at the Nuggetty Reef, and while Octagonal has confidence in this target statement, it is uncertain if further exploration will result in the determination of a Mineral Resource. This statement is made in accordance with the requirements of Clause 18 of the JORC Code 2004.

Native Title

During the quarter Octagonal reached agreement with the Dja Dja Wurrung Native Title Claimant Group (“Dja Dja Wurrung”), which has paved the way for the grant of Mining Licence Applications MIN5464 and MIN5465 that overlie the Pearl Croydon and Campbelltown gold deposits in Central Victoria.

The Pearl Croydon Deposit hosts an Inferred Mineral Resource containing 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold whereas drilling at the Campbelltown Deposit has intersected near-surface, potentially economic, gold mineralisation.

Once the tenements are granted Octagonal will complete infill drilling to better define and upgrade near-surface resources for open pit optimisation studies before mining.

Pearl Croydon Gold Deposit

The Pearl Croydon Gold Deposit is located 40 kilometres southwest of Maldon and overlain by Mining Licence Application MIN5465 (Figure 7).

Between 1997 and 2003 81 RC holes were drilled at the deposit using predominantly 40 metre spaced traverses. This drilling returned significant gold intersections including 10m @ 3.2 g/t Au from 79m in PCRC02, 5m @ 16.8 g/t Au from 21m, 12m @ 4.4 g/t Au from 47m, 8m @ 3.4 g/t Au from 65m in PCRC49, 14m @ 1.6 g/t Au in PCRC01, 3m @ 15.9 g/t Au in PCRC13, 5m @ 7.2 g/t Au in PCRC22, 5m @ 2.9 g/t Au in PCRC38, 2m @ 7.2 g/t Au in PCRC48, and 5m @ 6.1 g/t Au from 64m in PCRC74.

The Pearl Croydon Deposit hosts an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t gold for 53,000 ounces of gold (Table 3).

Table 3.
Pearl Croydon Mineral Resource Estimate (July 2010)

Deposit	Reef	Resource Category	Tonnes	Gold Grade (g/t)	Gold (ounces)
Pearl Croydon North	West Reef	Inferred	142,444	2.3	10,702
	Central Reef	Inferred	293,010	2.4	22,812
	East Reef	Inferred	20,072	4.6	2,949
	Sub Total	Inferred	455,526	2.5	36,463
London Hill	Main Reef	Inferred	49,612	4.4	6,957
	Hanging wall Reef	Inferred	27,515	4.1	3,665
	Sub Total	Inferred	77,128	4.3	10,622
Mullocky	West Reef	Inferred	13,693	2.7	1,188
	East Reef	Inferred	24,212	6.5	5,091
	Sub Total	Inferred	37,905	5.2	6,278
TOTAL	Inferred	570,559	2.9	53,364	

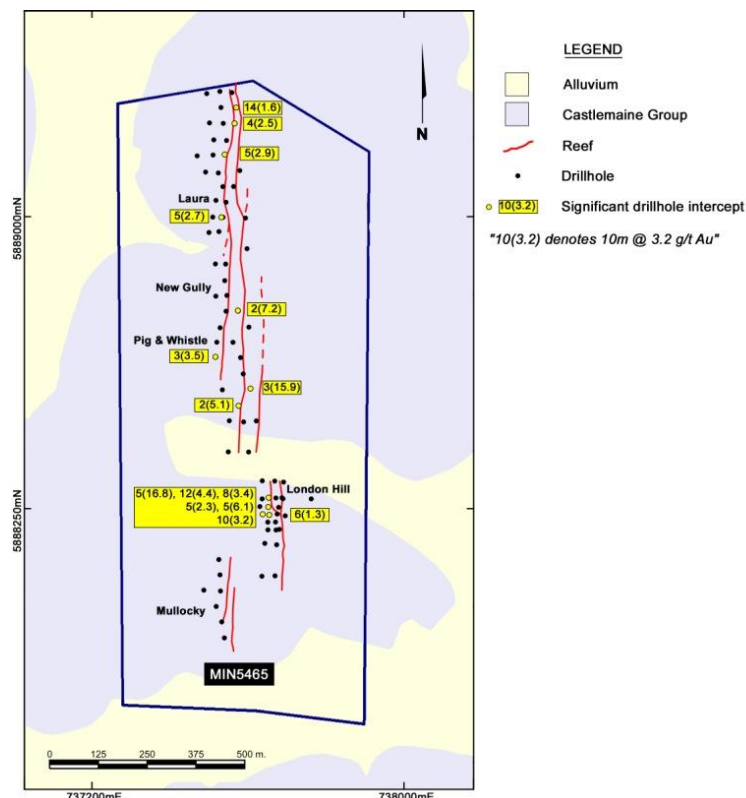


Figure 7. Pearl Croydon: Drill hole location plan

Campbelltown Project

The Campbelltown Project is located 30 kilometres southwest of Maldon. Octagonal has Mining Licence Application MIN5464 centred on the Bosun's Prospect and Exploration Licences EL3377 and EL4831 covering an area of 199km² that collectively includes most of the Campbelltown Goldfield (Figure 8).

The main line of historic gold workings at Campbelltown strike north-south and can be traced over 5 kilometres by a semi-continuous line of shallow workings on ridges, with associated extensive alluvial workings in the gullies.

The Bosun's Prospect is the most advanced exploration target at Campbelltown. Twenty nine RC holes and one diamond hole have been drilled to test the prospect on eight 40 to 130 metre spaced traverses. This drilling has intersected near surface gold mineralisation that may be amenable to open pit mining including 68m @ 1.4 g/t Au from 32m in BORC02 including 25m @ 2.3 g/t Au from 48m and 14m @ 2.1 g/t Au from 85m, 9m @ 1.7 g/t Au from 9m in BORC05, 27m @ 1.1 g/t Au from 28m in BORC23 including 7m @ 2.5 g/t Au from 36m, 11m @ 1.8 g/t Au from 125m in BORC024.

Once mining licence application MIN5464 is granted Octagonal will complete infill drilling to define a near-surface resource for open pit optimisation studies before mining.

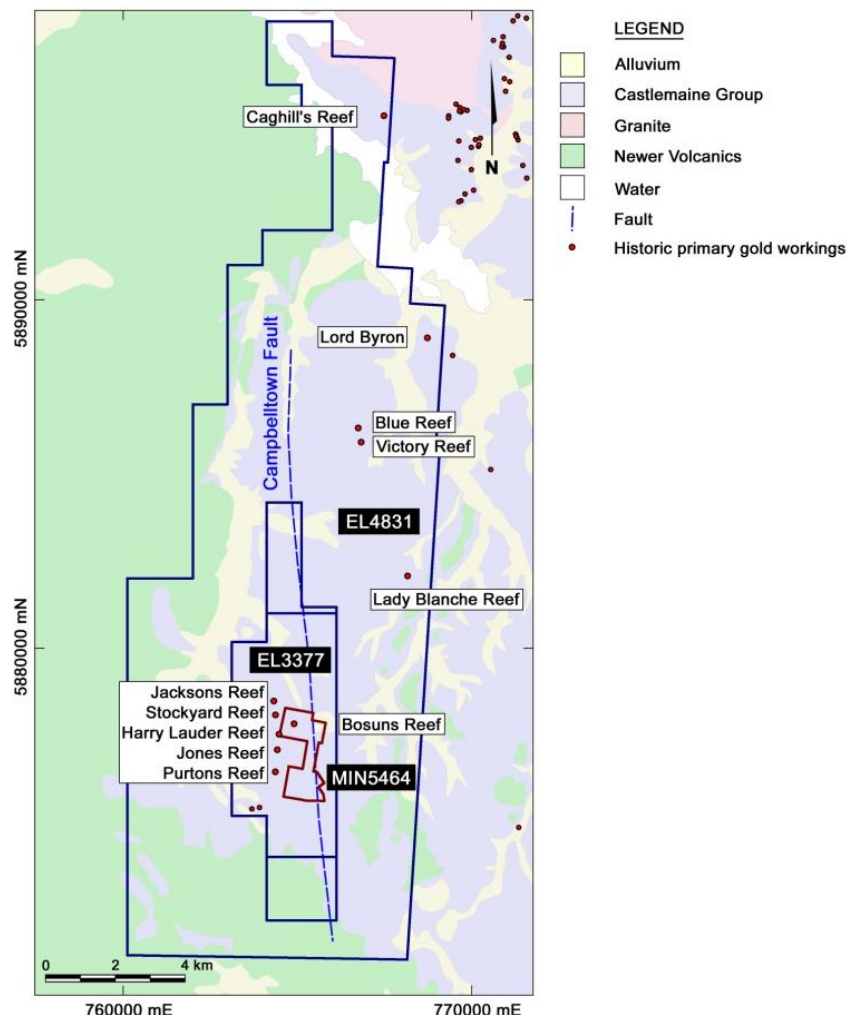


Figure 8. Campbelltown: Tenement and Prospect Location Plan

Hogan's Project - Western Australia (Octagonal 70+% equity)

Background

In Western Australia Octagonal holds a 70+% interest in the Hogan's Project where it is 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 Limited at the Daisy Milano Mine and Integra Mining Limited at the Salt Creek Mine and Lucky Bay Prospect.

Exploration

Reverse Circulation Drilling

During the quarter Octagonal completed a 19 hole RC drilling program, totalling 2,507 metres, at the Burns Prospect to test for extensions of gold, copper, and silver mineralization along strike to the north and south of the one traverse drilled during January 2012.

The Burns Prospect is characterised by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, intermediate 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.

In May 2011 Octagonal discovered significant gold in regolith (weathered Archaean rock) anomalism at the Burns Prospect while completing regional 160 metre by 640 metre spaced aircore drilling.

During the second half of 2011 two further phases of infill and extensional aircore drilling were completed that ultimately defined a one square kilometre area of gold in regolith anomalism using a 40 metre by 160 metre spaced grid (Figure 9). This gold anomalism is unconstrained by drilling where it trends beneath salt lake cover to the north and east.

In January 2012 Octagonal completed an initial twelve hole RC drilling program at the Burns Prospect to test for primary gold mineralisation that is the source of the gold in regolith anomalism defined by aircore drilling. This drilling program was highly successful and intersected significant widths and grades of not only gold, but also silver and copper mineralisation. These results include:

- ▶ **9 metres @ 1.5 g/t Au, 1.2 g/t Ag & 1.0 % Cu from 58 metres in OBURC002 inc. 2 metres @ 1.5 g/t Au, 2.7 g/t Ag & 4.2 % Cu from 65 metres**
- ▶ **6 metres @ 4.9 g/t Au, 2.2 g/t Ag & 0.4 % Cu from 23 metres in OBURC003**
- ▶ **4 metres @ 0.1 g/t Au, 4.7 g/t Ag & 1.5 % Cu from 31 metres in OBURC003**
- ▶ **12 metres @ 0.8 g/t Au, 4.5 g/t Ag & 1.7 % Cu from 48 metres in OBURC004 inc. 3 metres @ 2.1 g/t Au, 11.9 g/t Ag & 4.8 % Cu from 53 metres**
- ▶ **4 metres @ 0.7 g/t Au, 2.8 g/t Ag & 2.0 % Cu from 40 metres in OBURC005**
- ▶ **1 metre @ 8.5 g/t Au, 8.7 g/t Ag & 6.7 % Cu from 123 metres in OBURC007**
- ▶ **32 metres @ 1.7 g/t Au, 1.3 g/t Ag & 0.6 % Cu from 76 metres in OBURC011 inc. 6 metres @ 4.9 g/t Au, 1.9 g/t Ag & 2.1 % Cu from 83 metres**
- ▶ **6 metres @ 4.9 g/t Au, 2.0 g/t Ag & 0.9 % Cu from 24 metres in OBURC012**

This drilling identified a 15 metre wide zone of gold, silver, and copper mineralisation on one traverse that dips steeply to the west and is overlain by a 70 metre wide blanket of oxidised supergene mineralisation (Figure 10). To the east of the steep west dipping mineralisation there are numerous narrower gold and copper intersections, including 1 metre @ 8.5g/t Au, 8.7g/t Ag & 6.7% Cu, whose geometry is not currently defined at this early stage of exploration.

The style of mineralisation intersected at Burns Prospect appears to be unique and not previously recognised in the Eastern Goldfields of Western Australia. The gold, silver, and copper mineralisation is hosted within fractured, but relatively weakly deformed high-magnesian (komatiitic) basalt and minor intermediate intrusive rocks. The mineralisation is not associated with any significant quartz veining or shearing and occurs both spatially associated with magnetite-biotite alteration and at/near lithological (rock boundary) contacts.

Copper mineralisation occurs predominantly as chalcopyrite and except where copper is present there is a notable absence of sulphide minerals. The mineralisation is also not associated with a number of “typical” path finder elements that often occur with gold deposits in the Eastern Goldfields including arsenic, bismuth, cobalt, molybdenum, lead, telluride, tungsten, and zinc.

The association of gold with magnetite alteration is significant at the Burns Prospect in that the drilling traverse that hosts holes OBURC001 to OBURC012 is located at the southern end of a discrete high-magnetic anomaly (Figure 11). This magnetic anomaly strikes northwest and has been modelled as starting at 95 vertical metres depth and being 165 metres long, 70 metres wide, and dipping near-vertically.

The aim of the recently completed RC drilling program was to define the distribution of mineralisation to the north and south of the first RC drilling traverse and to test across the top of the magnetic anomaly located to the north of the initial drilling program (Figure 11).

Assay results from this drilling program are expected during the December quarter.

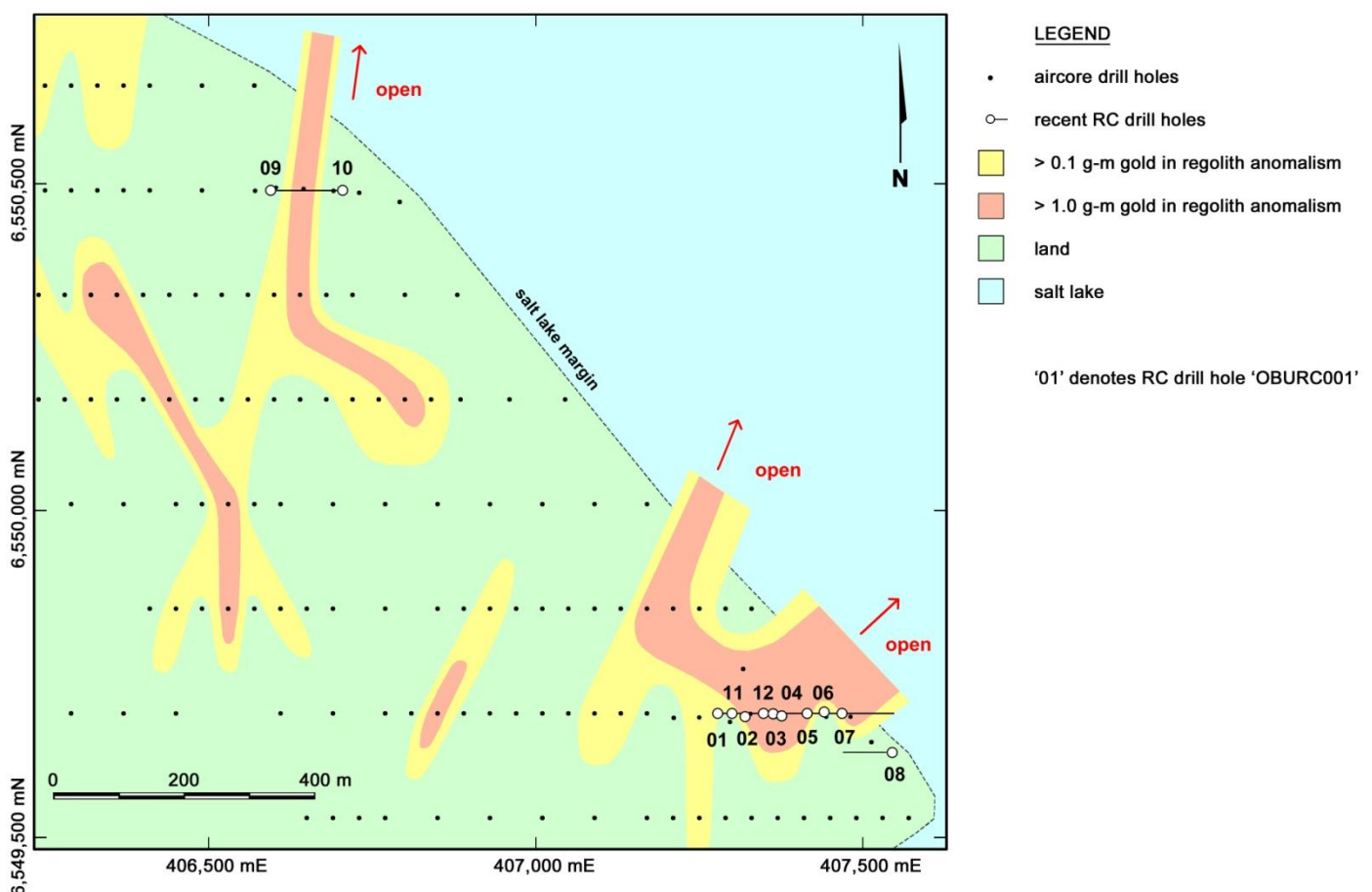
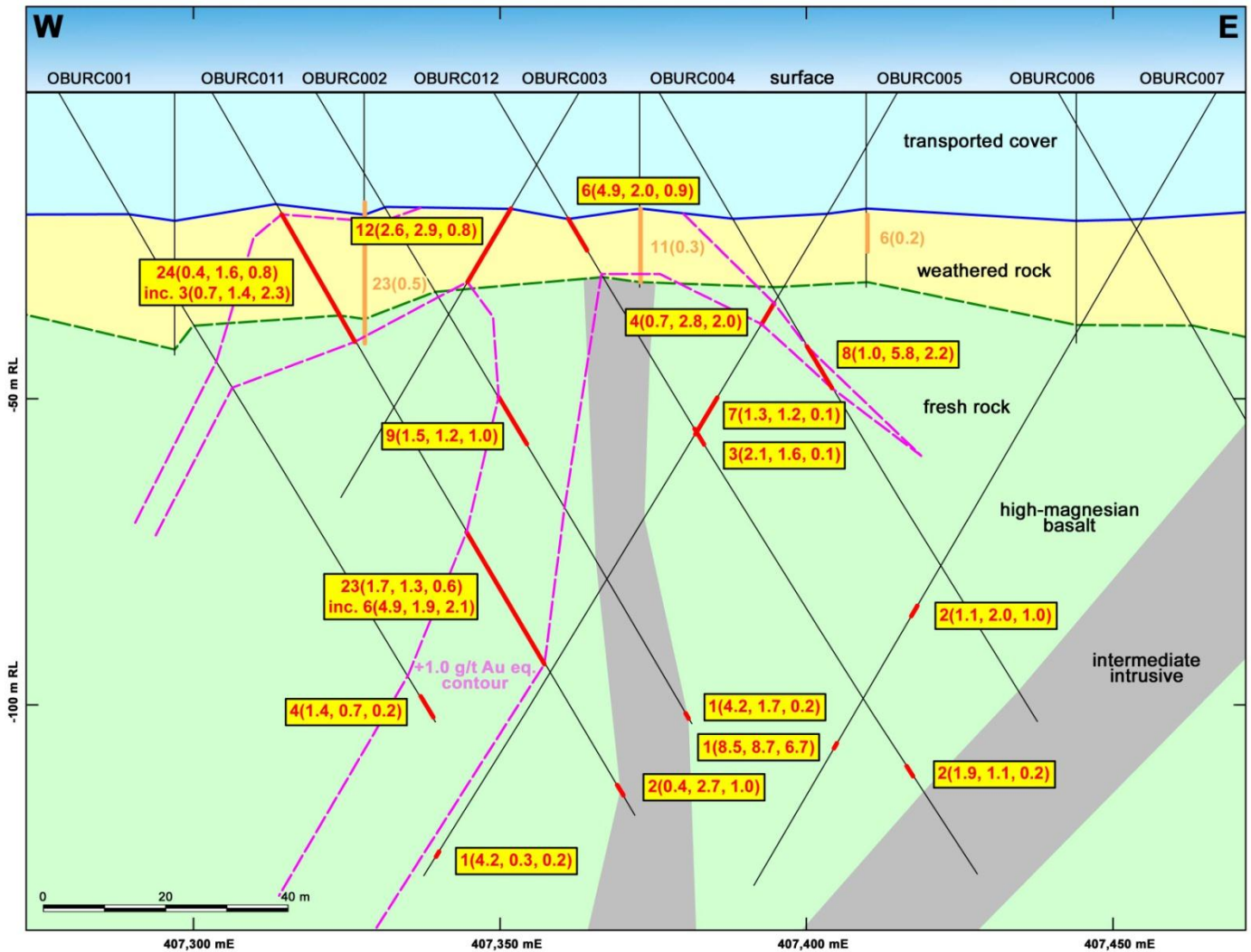


Figure 9. Burns Prospect: RC drill hole location plan with gold in regolith anomalism defined by aircore drilling



LEGEND

- gold & copper rich RC intersections
- gold anomalous aircore intersections
- - - +1 g/t gold equivalent contour

Note: aircore holes were not analysed for silver or copper

"6(4.9, 2.2, 0.4) denotes 6 metres grading 4.9g/t Au, 2.2g/t Ag, and 0.4% Cu"

Figure 10. Burns Prospect: 6549690mN Cross-Section illustrating significant assay results in RC drilling with respect to previous aircore drilling results

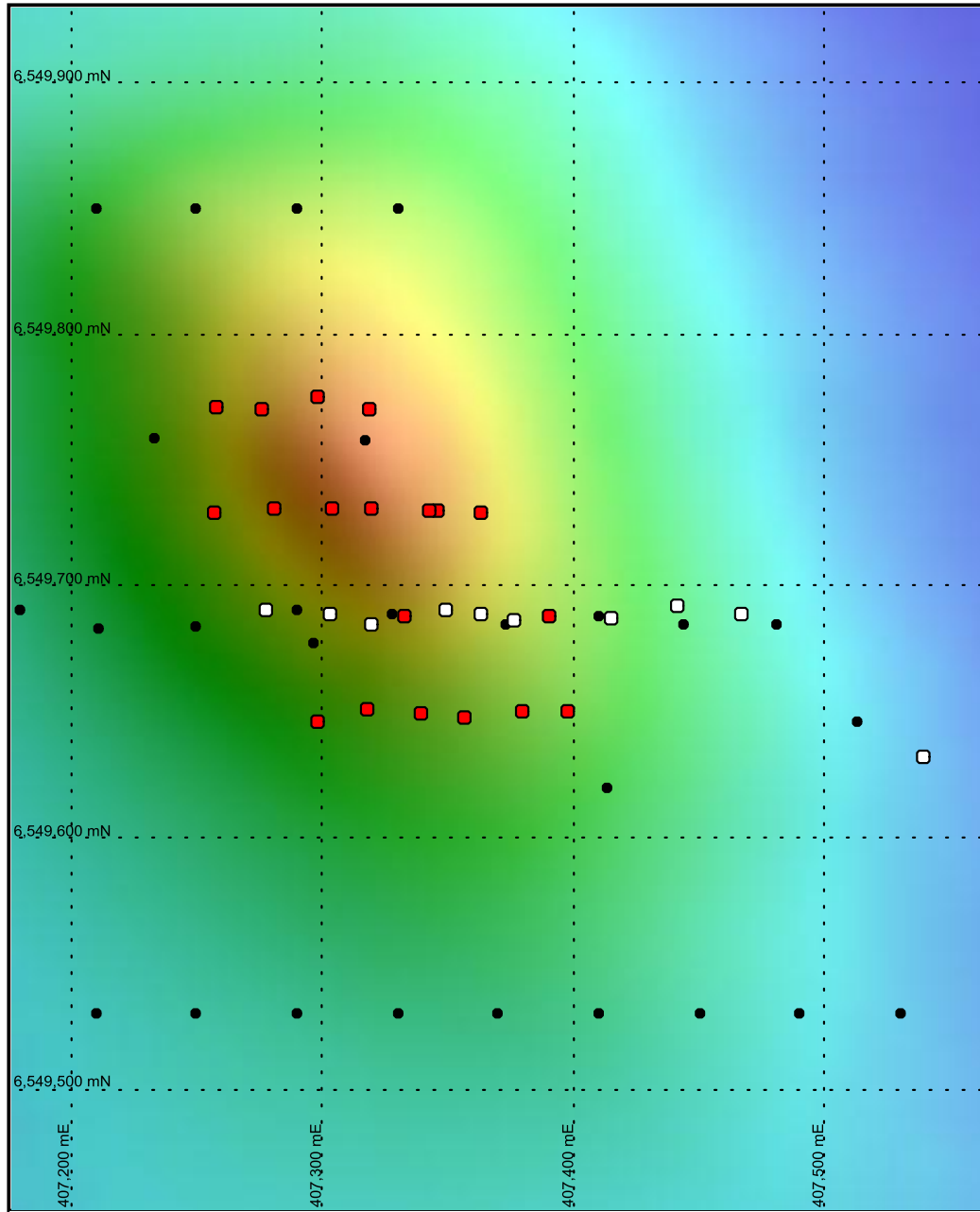


Figure 11. Burns Prospect: RC drill hole location plan on an aeromagnetic image

Legend-

Black dots: aircore drill holes

Red dots: recently completed RC holes

White dots: RC holes drilled during January 2012

Tenements

Exploration licence applications E15/1314 and E15/1315 were granted on 31 July for a period of five years. These exploration licences are located 7 kilometres southwest of the Hogan’s Project and directly east of the plus 12 million ounce St Ives Goldfield. The tenements cover over 110 square kilometres of highly prospective greenstone partially overlying and adjacent to the Boulder - Lefroy Shear Zone.

The Boulder - Lefroy Shear Zone is a regionally significant structural zone that hosts over 100 million ounces of gold, including the St Ives, Hampton - Boulder - Jubilee, Golden Mile, and Paddington - Broad Arrow gold districts.

The granting of these two new exploration licences increases Octagonal’s landholding in the Hogan’s Project area to approximately 530 square kilometres and is inline the Company’s corporate strategy to build its business through organic growth by exploring for a significant gold deposit in this highly prospective, but underexplored region.

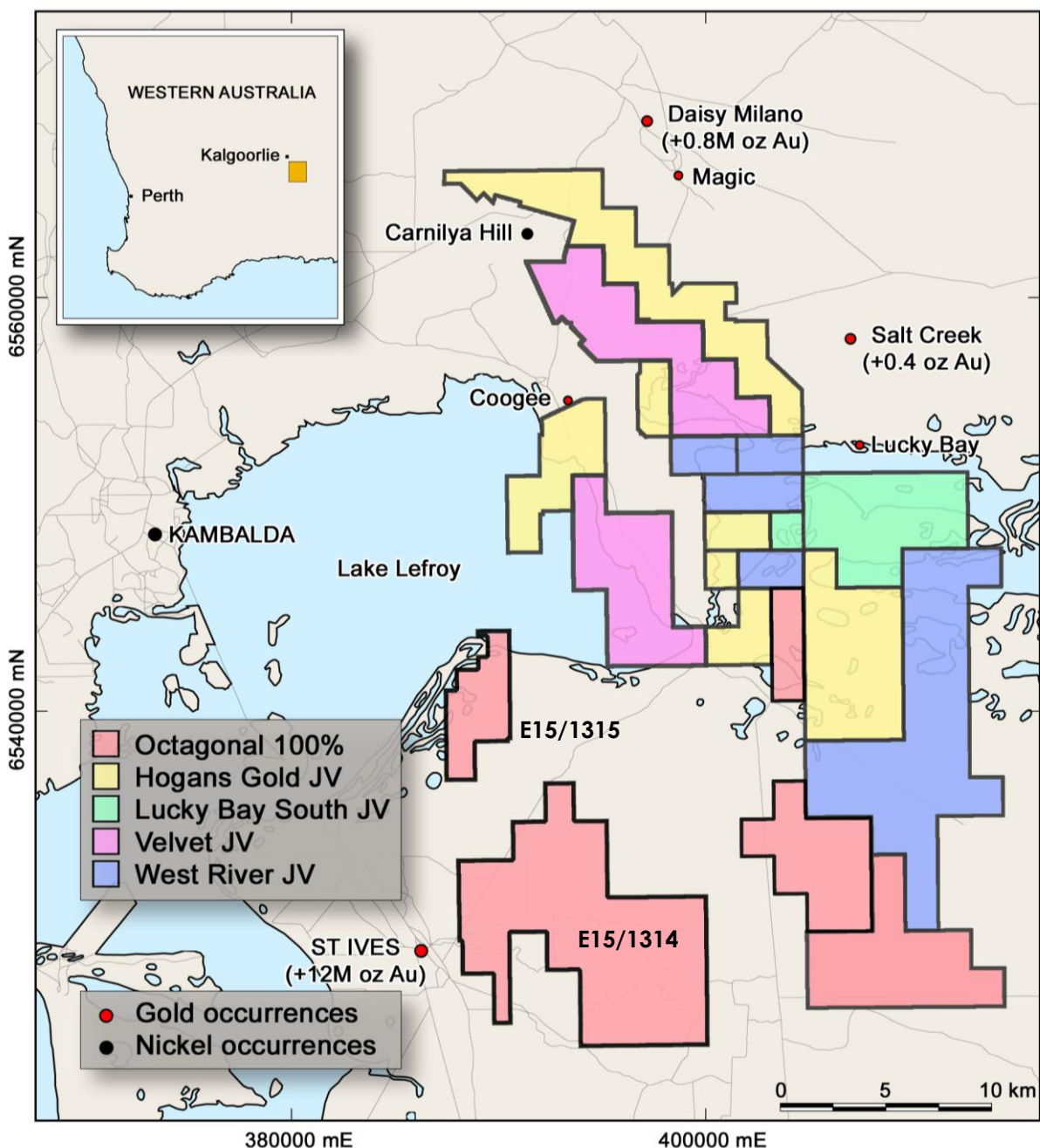


Figure 12. Hogan’s Project: Location of new exploration licences

Corporate

Processing of third party ore produced 76 ounces of refined gold attributable to Octagonal. No gold was sold during the quarter.

Revenue of \$126,714 was generated from ore processing fees.

At 30 September 2012 Octagonal had cash reserves of \$2.1 million (unaudited) and 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



Excavator removing tailings from the Kangaroo Flat flotation concentrate tailings dam

Competent Persons Statements

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 McKeown 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.

All other 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.

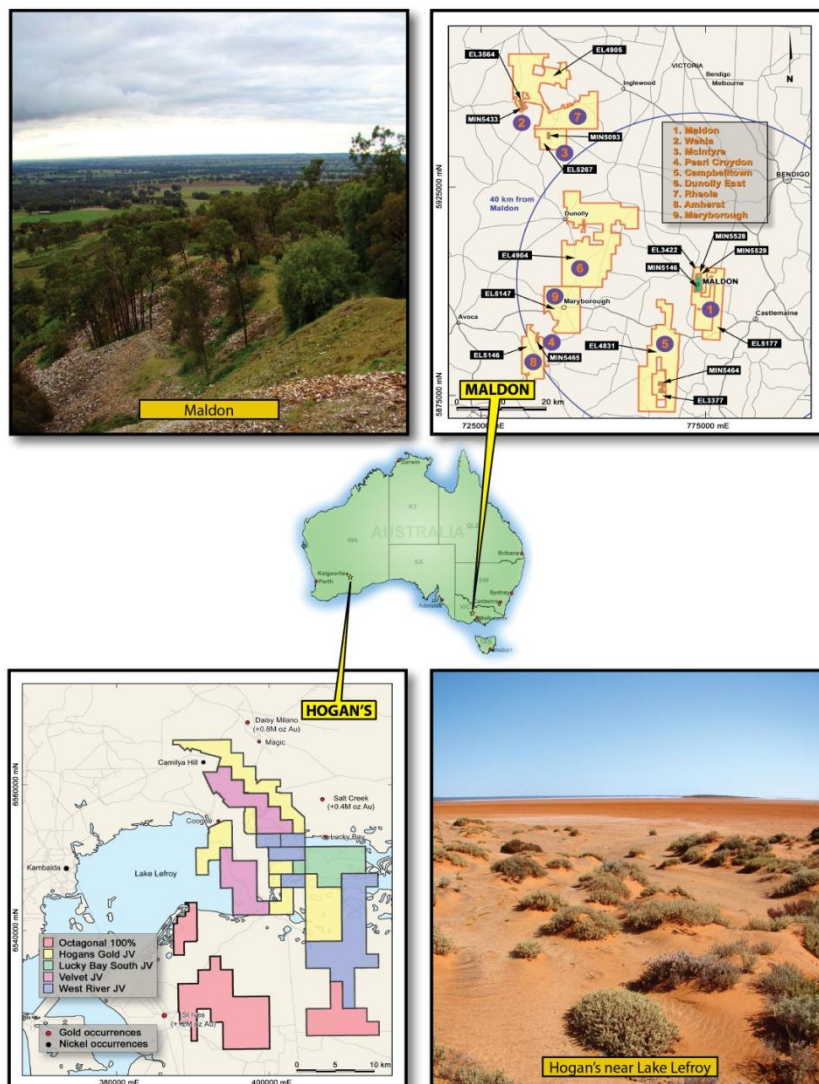
About Octagonal Resources

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 150,000 tpa CIL gold processing plant, 245,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal is currently processing third party ore while it brings its own underground and open pit mines into production.

In Western Australia Octagonal holds a 70+% interest in the Hogan's Project where it is 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 is exploring priority exploration target areas that display 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

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

38 147 300 418

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

	Current quarter	Year to date
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	355	355
1.2 Payments for (a) exploration and evaluation	(381)	(381)
(b) development	(456)	(456)
(c) production ⁽ⁱ⁾	(388)	(388)
(d) administration	(223)	(223)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid/recouped)	83	83
Net Operating Cash Flows	(990)	(990)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(61)	(61)
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 (Security deposit)	(50)	(50)
Net investing cash flows	(111)	(111)
1.13 Total operating and investing cash flows (carried forward)	(1,101)	(1,101)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13 Total operating and investing cash flows (brought forward)		(1,101)	(1,101)
Cash flows related to financing activities			
1.14 Proceeds from issues of shares, options, etc.		-	-
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)		-	-
Net financing cash flows		-	-
Net (decrease) increase in cash held		(1,101)	(1,101)
1.20 Cash at beginning of quarter/year to date		3,166	3,166
1.21 Exchange rate adjustments to item 1.20		-	-
1.22 Cash at end of quarter		2,065	2,065

Notes:

- i. Includes payments for the Maldon Processing Plant 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	157
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-imbursments 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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	333
4.2 Development	559
4.3 Production	1,071
4.4 Administration	272
Total	2,235

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	1,123	2,223
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposit	943	943
Total: cash at end of quarter (item 1.22)	2,066	3,166

Notes:

Appendix 5B
Mining exploration entity quarterly report

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			

Notes:

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 <i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A		
7.2				
7.3	+Ordinary securities Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,048,002	100,048,002	Fully paid
7.4				
7.5	+Convertible debt securities <i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A		
7.6				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	<i>(Unlisted Options)</i>		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 <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	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: 
Company Secretary

Date: 30 October 2012

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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+ See chapter 19 for defined terms.