

**27 September 2012**

No. of Pages: 30

**ASX CODE: ORS**

Market Cap.: \$16.0 m (\$0.16 p/s)

Shares on issue: 100,048,002

**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**

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## **COMPANY PRESENTATION**

Please find attached a copy of a Company presentation to be made by the MD, Mr Anthony Gray at the RIU Melbourne Resource Round-up today.

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](http://www.octagonalresources.com.au)



**Octagonal**  
Resources Limited

ABN: 38 147 300 418

ASX Code: ORS

## RIU Melbourne Resources Round-up, September 2012

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



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

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The information in this presentation that relates to mineral resources and exploration results are based on information compiled by Mr Anthony Gray who is a Member of the Australian Institute of Geoscientists. Any statement herein, direct or implied, as to a potential gold deposit is conceptual in nature and a reference to the targeted gold potential and not to any JORC compliant Mineral Resource. Mr Gray is a full time employee of Octagonal Resources Limited, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Gray has given his consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

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

# Corporate Strategy



**Become a self funding junior Australian gold company by mining underground and open pit resources in Victoria to fund long term growth through the discovery and development of major gold operations in under-explored areas of world class gold producing terrains**



# Investment Highlights



## Advanced portfolio of Victorian gold projects:

Junior Australian gold company with a cash flow

- ▶ Targeting sustained production of ~30,000 oz pa low cost high grade gold
- ▶ 150,000 tpa CIL gold processing plant at Maldon
- ▶ JORC-compliant Inferred Resources totalling 245,000 oz of gold <sup>1</sup>
- ▶ 1,900 metre decline accesses 182,000 oz underground resource <sup>1</sup>
- ▶ Re-processing Kangaroo Flat flotation concentrate tailings
- ▶ Ore processing agreement with A1 Gold Mine

## Emerging Western Australian gold district:

520 km<sup>2</sup> landholding surrounded by +12 million oz St Ives Goldfield, +0.8 million oz Daisy Milano Mine and +0.4 million oz Salt Creek Mine

- ▶ Targeting plus million ounce gold deposits
- ▶ Significant gold, copper, and silver discovered in first RC drilling program



1: Refer to slide 29 – JORC Resource Inventory

# Company Overview



ASX Code: ORS	
ASX Listed	5 January 2011
Ordinary Shares	100.0 million
Options	0
Market Cap. (\$0.16)	\$16 million
Cash	\$3.2 million (30 Jun. 2012)
Debt	\$0
Range (since listing)	\$0.11 - \$0.25
Average Daily Volume	52,000 shares

Directors	
Ian Gandel	Chairman
Anthony Gray	Managing Director
Ian Pamensky	Executive Director

Major Shareholders	Shares	%
Alliance Resources Limited	22 million	22
Abbotsleigh Pty Ltd (Ian Gandel)	19.9 million	19.9
JP Morgan Nominees	9.5 million	9.5
<b>Top 20 Shareholders</b>	<b>66.5 million</b>	<b>66.5</b>
<b>TOTAL SHARES</b>	<b>100,048,002</b>	<b>100</b>



# Company Performance



## Equity Raising

December 2010: \$12 million at \$0.25 per share (IPO)

## Short Term Objectives in Prospectus

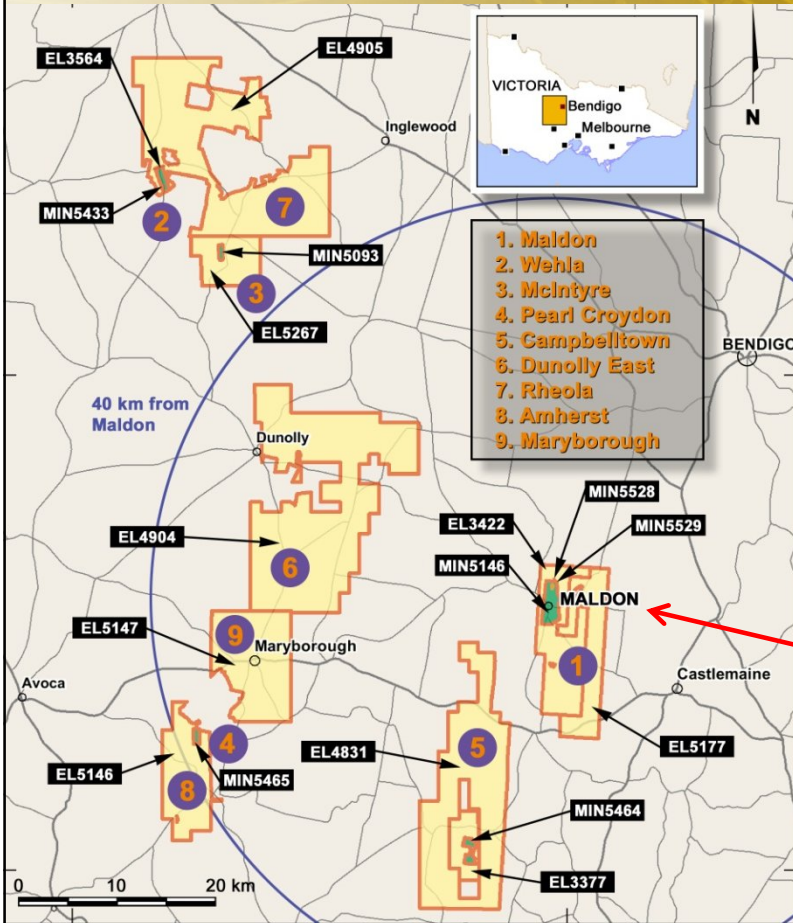
Commence underground mining from the Alliance South Shoot at Maldon

Acquired underground mining fleet → commenced developing as owner operator

- ▶ Mine open pit at Black Reef (Wehla) to determine viability of a larger open pit operation  
Regulatory approvals received → open pit mining commenced
- ▶ Define at least 250,000 tonnes of open pit resources in Central Victoria  
114,000 tonne initial resource defined at Specimen Reef (Dunolly)
- ▶ Undertake aggressive exploration at Hogan's in WA to test for a major gold deposit  
Gravity survey, 43,000m of aircore drilling and 4,750m of RC drilling



# Victorian Gold Operation



1. Maldon
2. Wehla
3. McIntyre
4. Pearl Croydon
5. Campbelltown
6. Dunolly East
7. Rheola
8. Amherst
9. Maryborough

Bendigo Zone  
25M oz primary

## Victorian Primary Gold

Total production: 80M oz  
Primary production: 35M oz

### Maldon

1.75M oz primary Au, av. 28 g/t Au  
0.3M oz alluvial Au





# Victorian Mining Strategy



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

Focus on grade and profit not tonnes and ounces

- ▶ Narrow vein mining – small mining equipment – owner operator
- ▶ Understand the gold distribution and ground conditions of deposit
- ▶ Low cash costs – small multi-skilled professional and experienced team
- ▶ Develop multiple underground and open pit ore sources – strong project pipeline
- ▶ Supplement production profile with third party ore
- ▶ Use existing resources to fund Company growth



# Key Assets

## Maldon Gold Processing Plant

150,000 tpa CIL gold mill

- ▶ Replacement cost +\$15 m
- ▶ Low processing costs
- ▶ No water or power issues



## Union Hill Decline

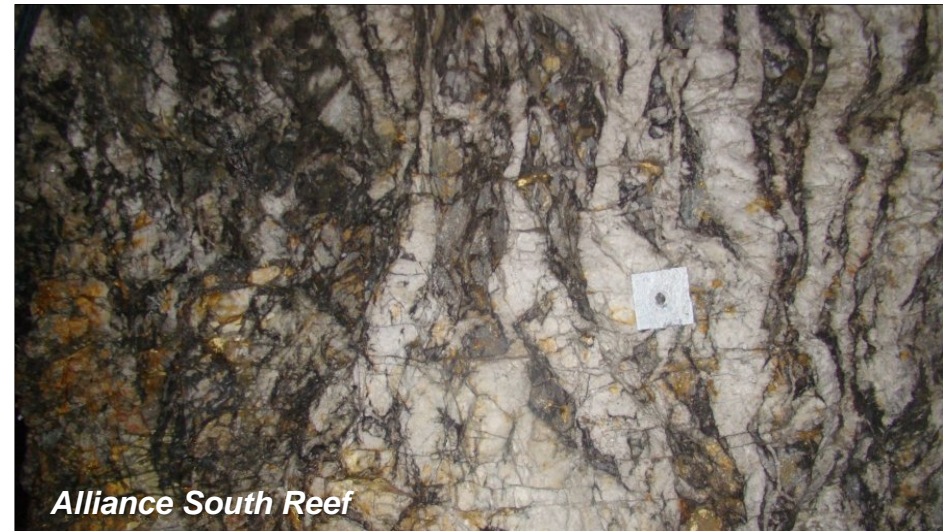
1,900 metre long 4 metre by 4.5 metre decline

- ▶ Construction cost +\$18 m
- ▶ Completely dewatered
- ▶ Less than \$2 m in development costs to commence mining



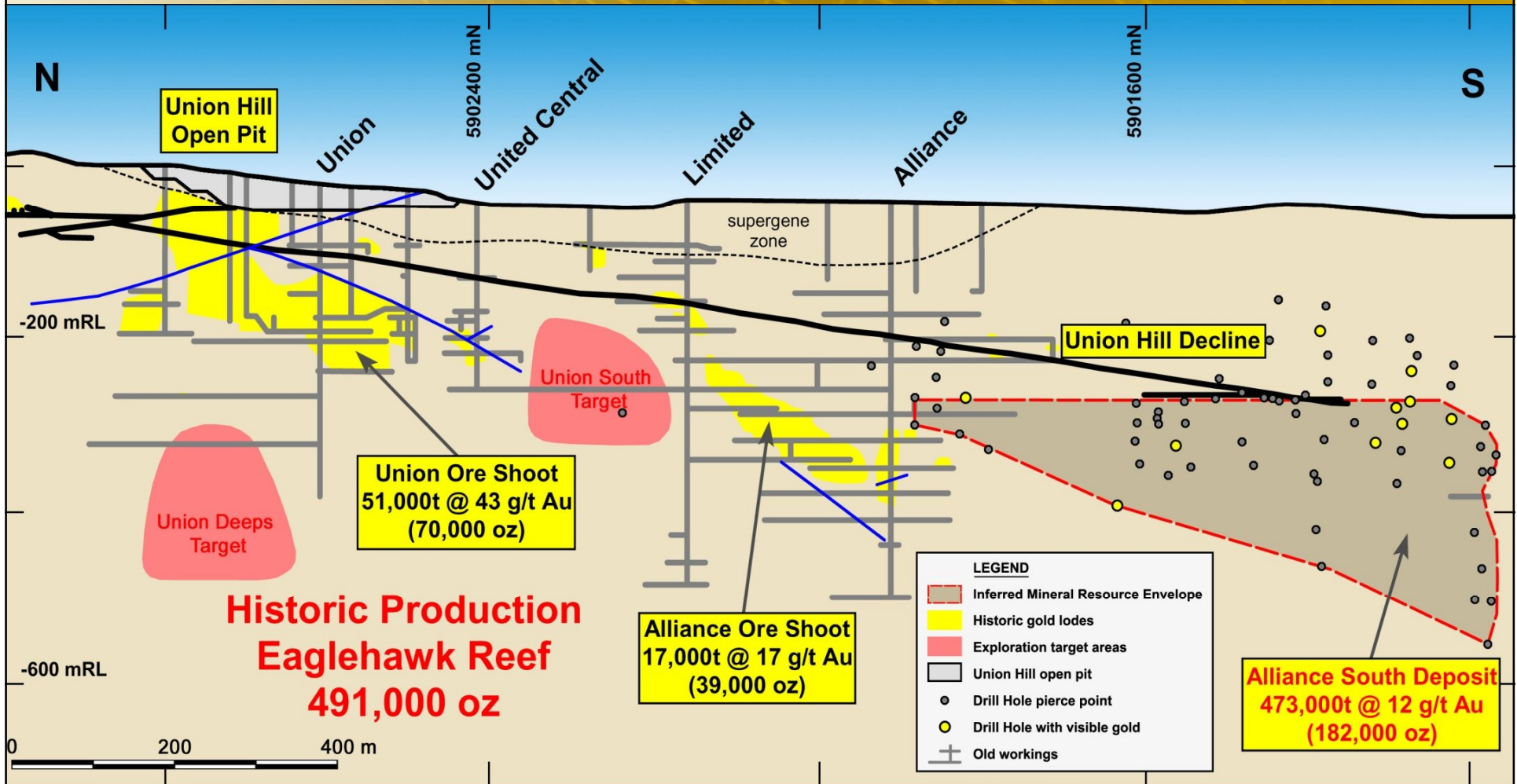
## ALLIANCE SOUTH - MALDON

Inferred Resource: 473,000 tonnes grading 12.0 g/t Au for 182,000 ounces<sup>1</sup>



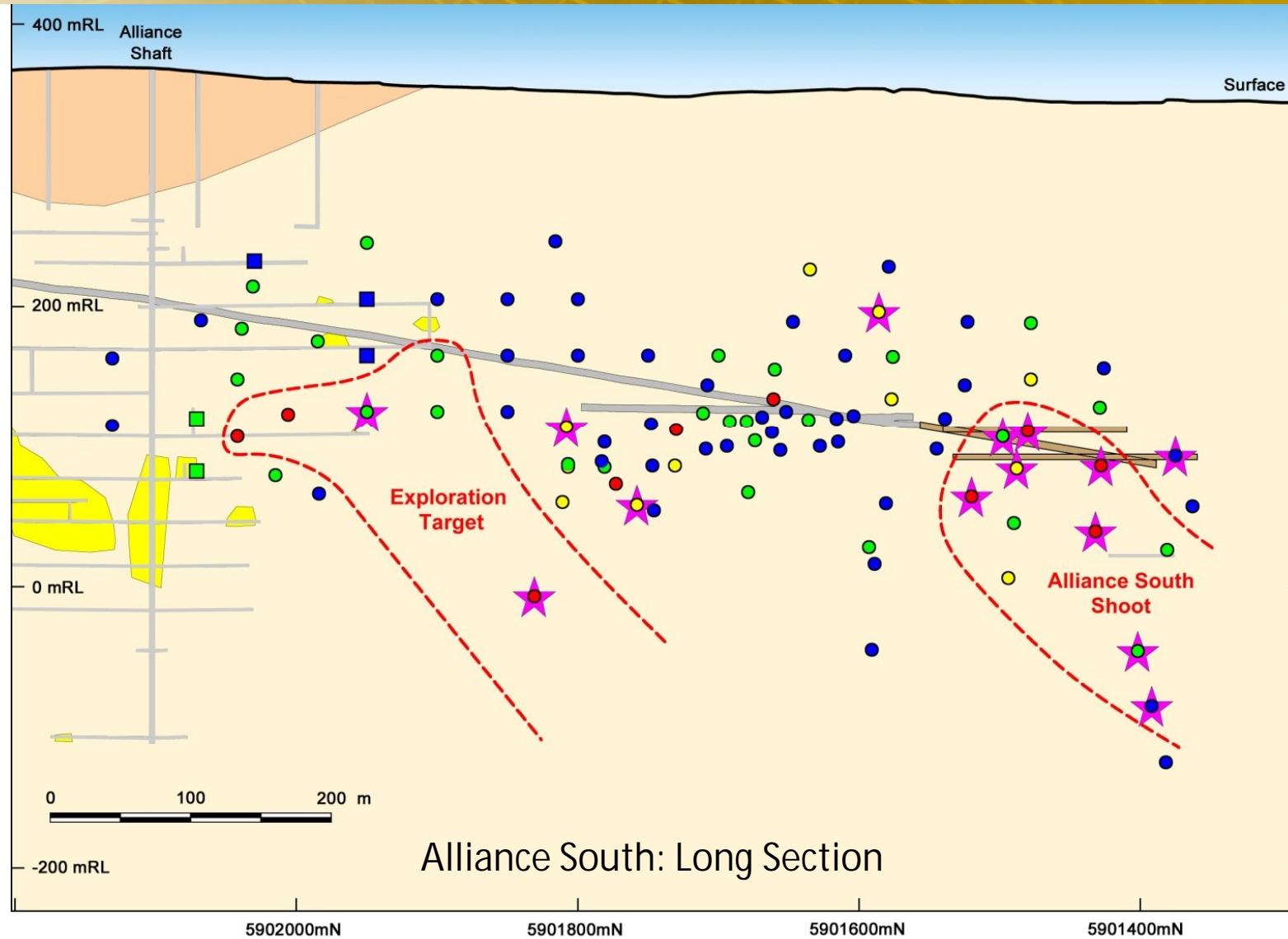
1: Refer to slide 29 – JORC Resource Inventory

# Alliance South Deposit



Eaglehawk Reef: Long Section

# Alliance South Mining



Alliance South: Long Section

# Alliance South Mining



# Central Maldon Shear Zone

## Historic Production 1854 – 1920 1.47 million ounces

Nuggetty Reef: 303,000 oz

▶ Eaglehawk Reef: 491,000 oz

▶ Beehive Reef: 250,000 oz

▶ German Reef: 277,000 oz

▶ Victoria & Derby Reef: 150,000 oz

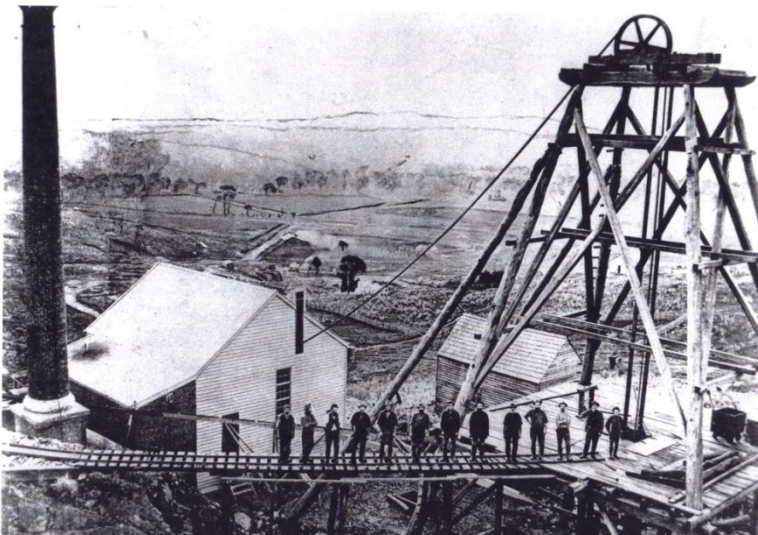
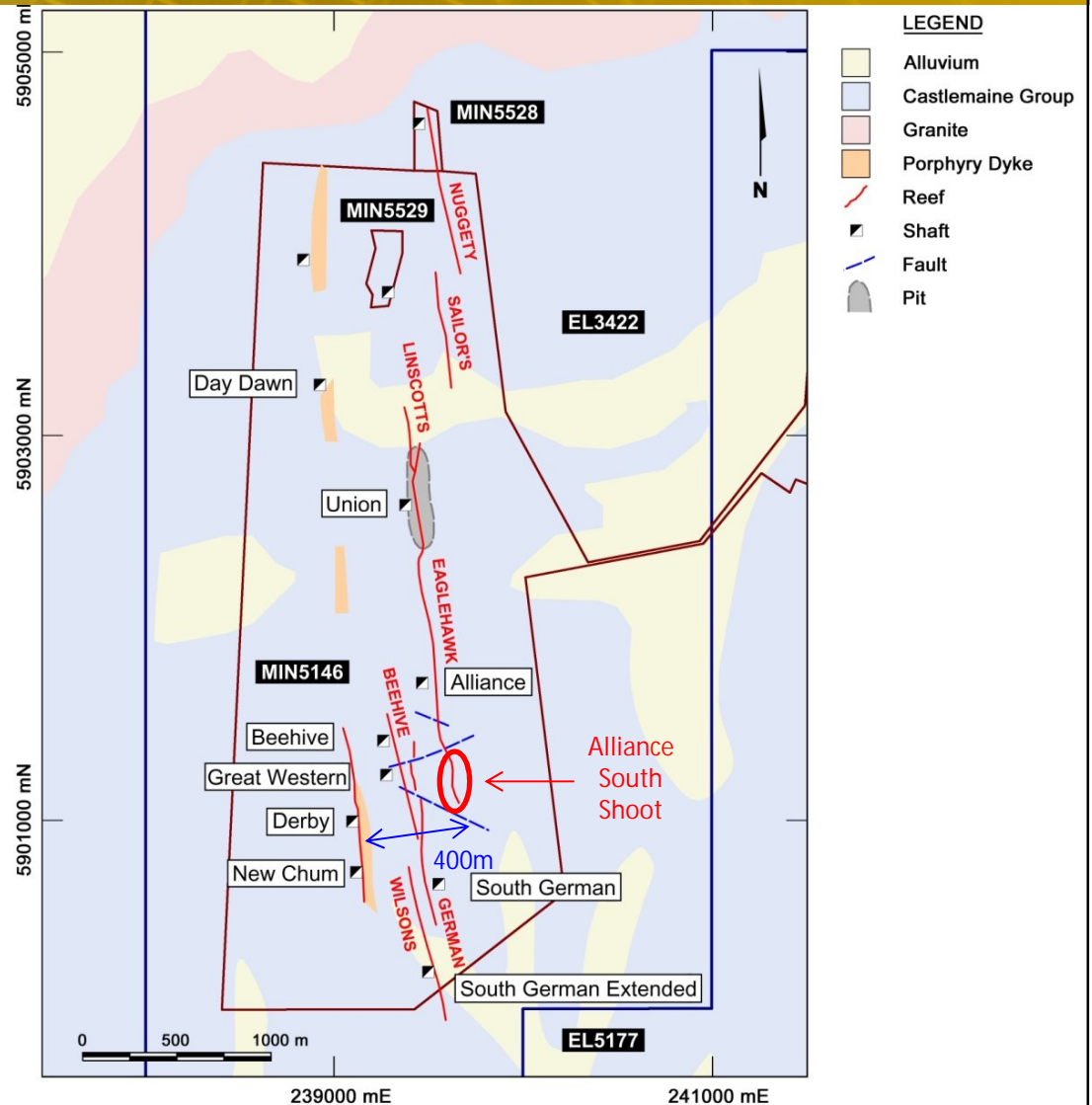


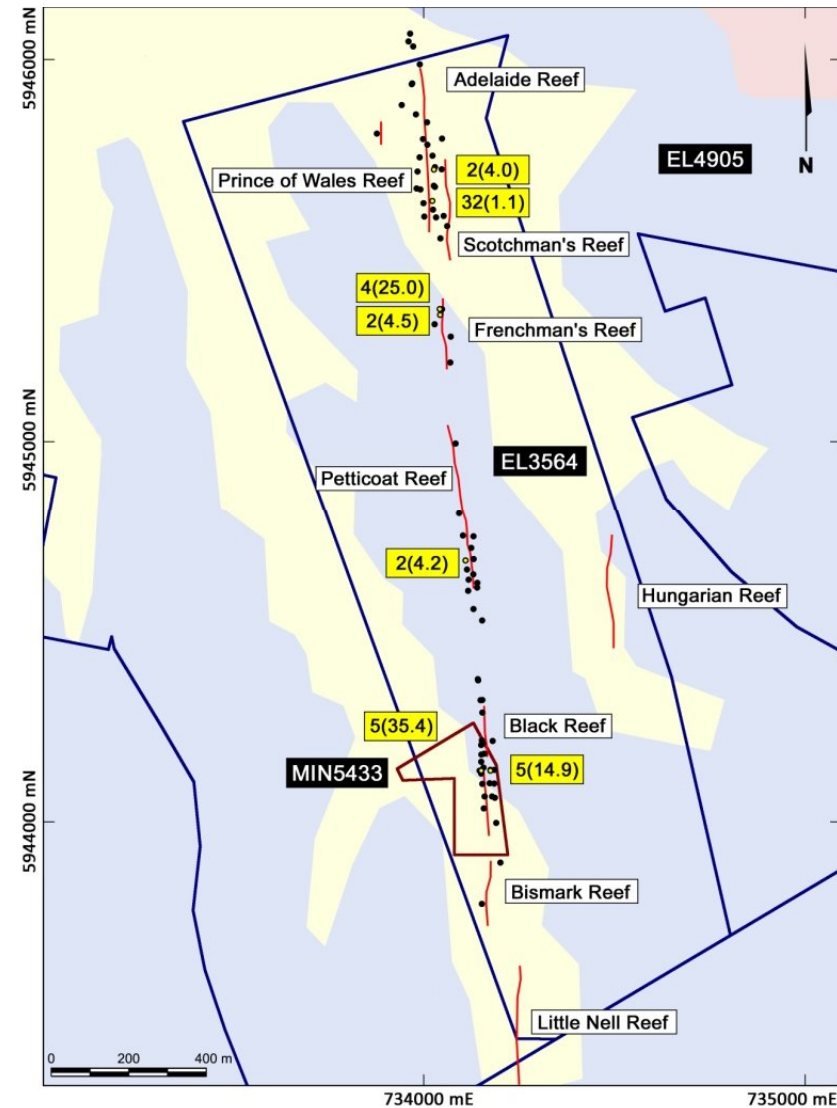
Photo: Nuggetty Alliance Shaft



# Open Pit Mining

## BLACK REEF - WEHLA

- ▶ 60 kilometres from Maldon
- ▶ 2.2 kilometre line of reef
- ▶ Prince of Wales Mine produced +60,000 ounces of high-grade gold
- ▶ Shear zone hosted structural setting
- ▶ Potential for a significant gold deposit





# Black Reef - Wehla

## 30 metre deep pit planned on costean and drill results

Significant drill results:

B3: 5m @ 35.4 g/t Au

W13: 5m @ 14.9 g/t Au

BRRRC02: 5m @ 2.4 g/t Au

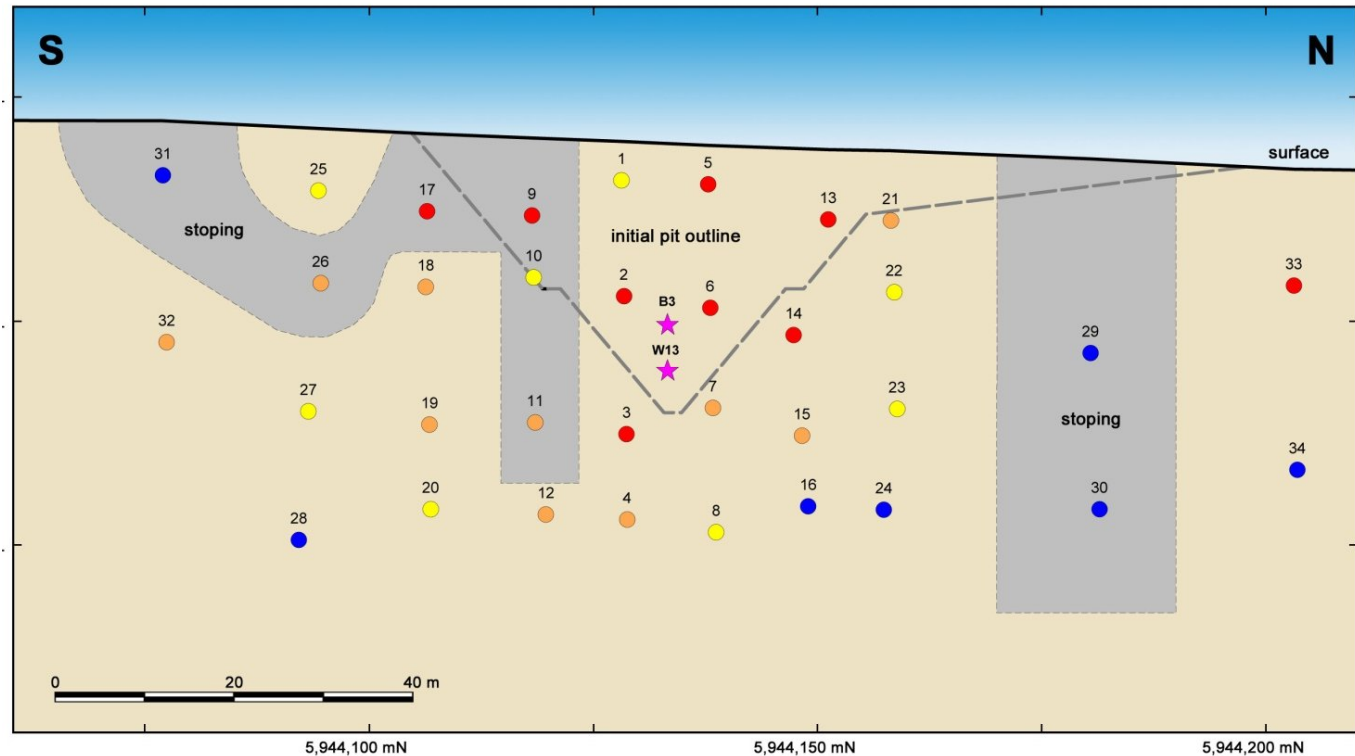
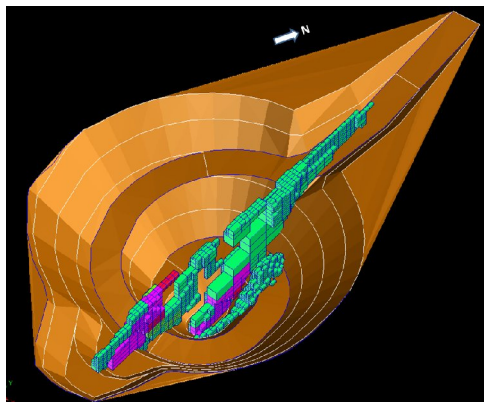
BRRRC03: 7m @ 2.2 g/t Au

BRRRC09: 2m @ 4.5 g/t Au

BRRRC14: 3m @ 3.4 g/t Au

BRRRC17: 1m @ 15.8 g/t Au

BRRRC33: 1m @ 7.7 g/t Au



### LEGEND

Recent RC drilling

- no significant result
- 1 - 5 g-m Au
- 5 - 10 g-m Au
- > 10 g-m Au

historic stope

planned initial pit outline

★ historic high grade drilling intersections

B3 - 5m @ 35.4 g/t Au

W13 - 5m @ 14.9 g/t Au

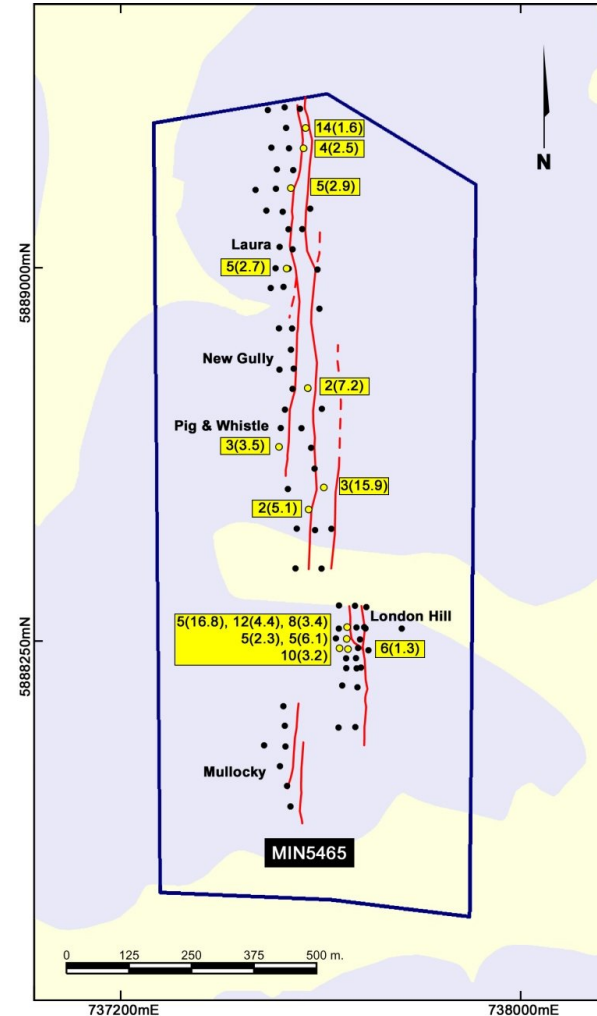
# Black Reef - Wehla



## PEARL CROYDON RESOURCE UPGRADE

**Inferred Resource: 570,000 tonnes  
grading 2.9 g/t Au for 53,000 ounces<sup>1</sup>**

- ▶ 40 kilometres from Maldon
- ▶ 1,600 metre line of reef
- ▶ Broad spaced drilling
- ▶ Short term potential for 200,000 tonnes of near surface open pit ore <sup>2</sup>
- ▶ Significant results:
  - 2m @ 7.2 g/t Au
  - 3m @ 15.9 g/t Au
  - 5m @ 16.8 g/t Au
  - 5m @ 6.1 g/t Au
  - 10m @ 3.2 g/t Au



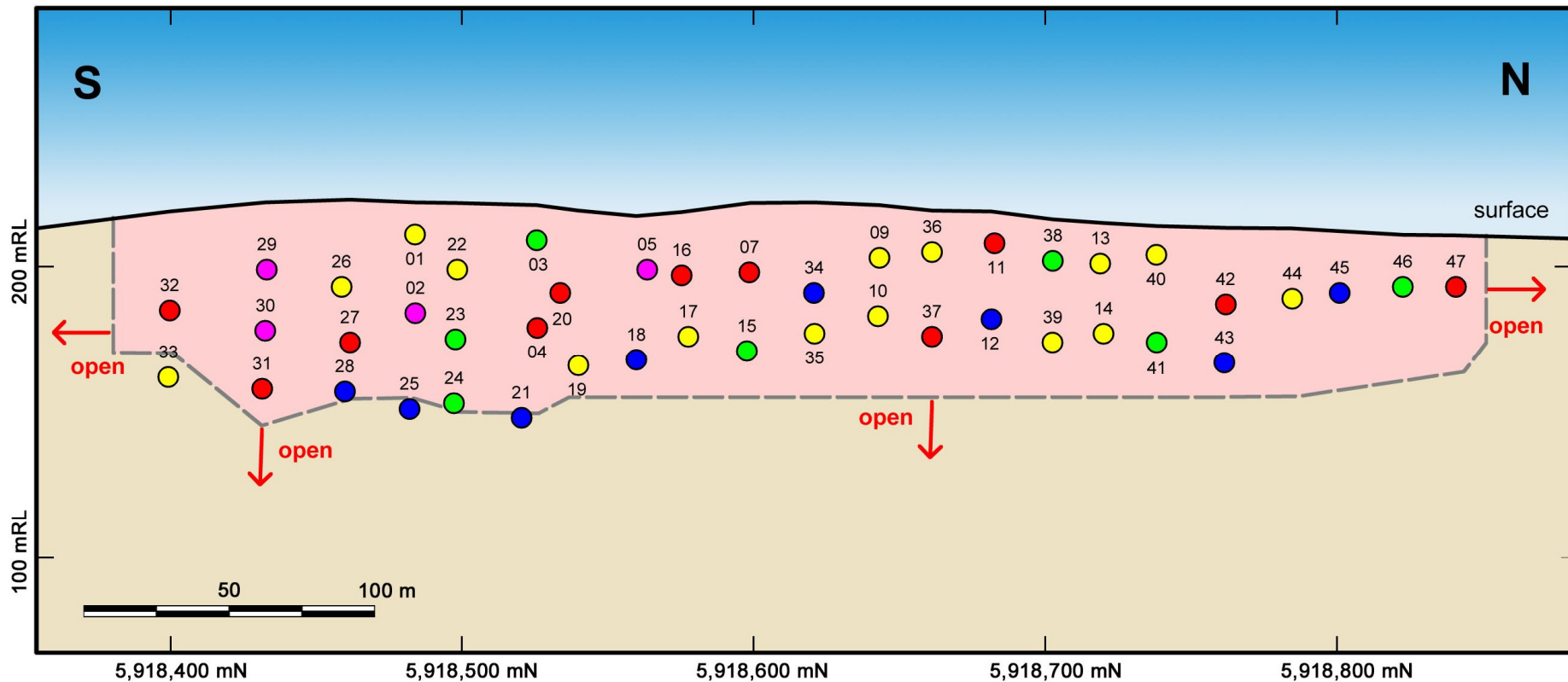
1: Refer to slide 29 – JORC Resource Inventory

2: Refer to slide 2 – Exploration targets

## SPECIMEN REEF - DUNOLLY EAST

- ▶ 30 kilometres from Maldon
- ▶ Greater than 1km line of reef

**Inferred Resource: 114,000 tonnes  
grading 2.9 g/t Au for 10,500 ounces<sup>1</sup>**



Specimen Reef: Long Section

1: Refer to slide 29 – JORC Resource Inventory

# Ore Processing Agreement

## KANGAROO FLAT GOLD MINE – BENDIGO

- ▶ 25 kilometres from Maldon
- ▶ 40,000t flotation concentrate tailings
- ▶ Expected recovery: 3.5 - 6 g/t Au
- ▶ Cash operating cost: < \$650/oz

### Agreement – Unity Mining Ltd (ASX: UML)

- ▶ Tailings to be removed before 31 Dec. 2012
- ▶ Octagonal manage and pay for 50% of all costs
- ▶ Octagonal receive 50% of gold produced



## A1 GOLD MINE – WOODS POINT

- ▶ 200 kilometres from Maldon
- ▶ Historic production: 450,000 oz @ 30 g/t Au
- ▶ Quartz reef & vein stock work in mafic dykes

### Agreement – A1 Consolidated (ASX: AYC)

- ▶ 3 year contract
- ▶ 50,000 tonnes per year
- ▶ Consideration:
  - Processing fee
  - 10% of gold produced



# Production Targets

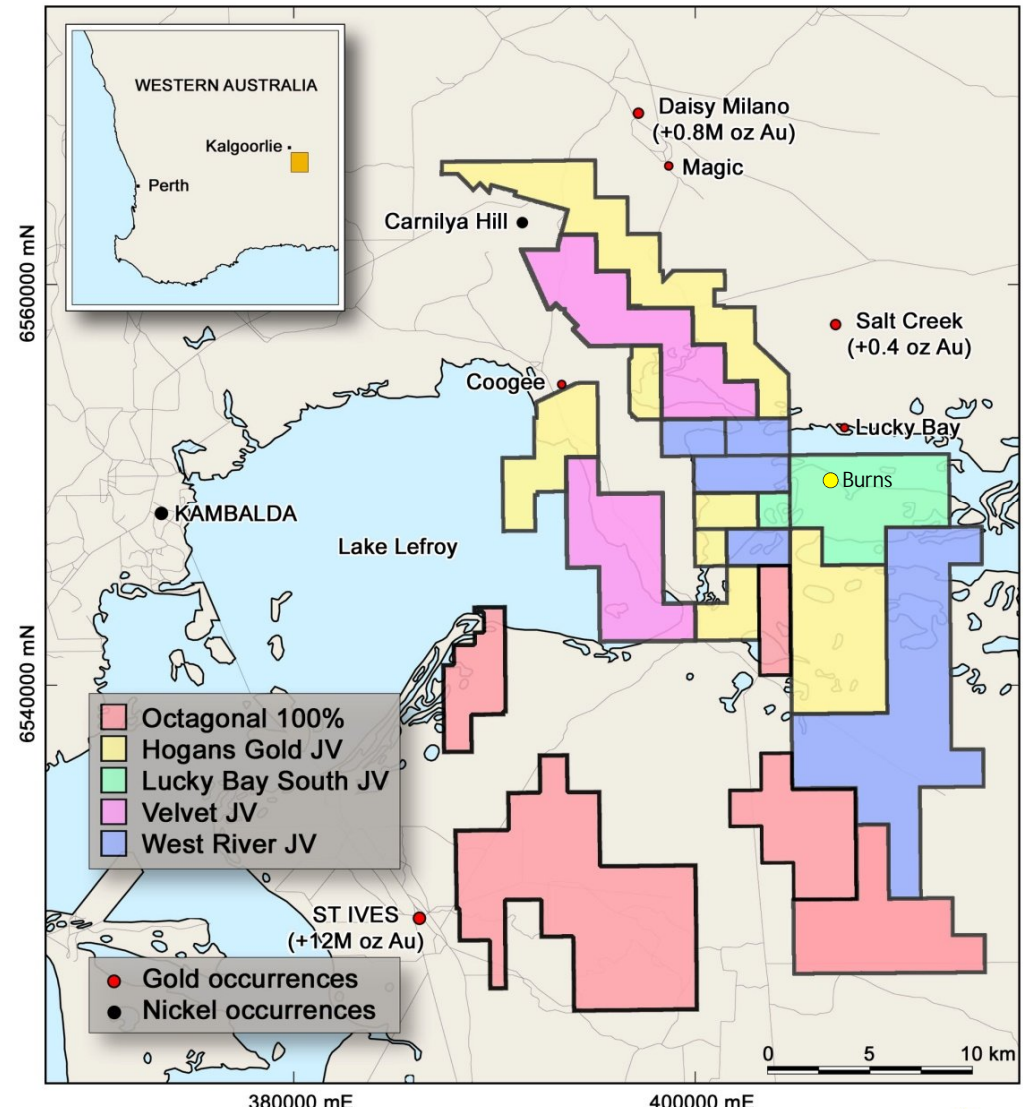
	Sept. Qtr. 12	Dec. Qtr. 12	Mar. Qtr. 13	Jun. Qtr. 13	Sept. Qtr. 13	TOTAL
Tonnes Processed	7,000	12,000	15,000	13,000	14,000	61,000
Gold Produced (oz)	310 - 370	1,510 - 1,980	1,950 - 2,510	1,640 - 2,210	1,750 - 2,570	7,160 - 9,640
ORS Share of Gold Produced (oz)	135 - 165	610 - 770	860 - 1,080	560 - 720	1,200 - 1,880	3,365 - 4,615
ORS Ore Processing Revenue (A\$)	\$350,000	\$380,000	\$440,000	\$485,000	\$205,000	\$1,860,000
ORS TOTAL REVENUE (Au: A\$1,700)	\$0.3M - \$0.6M	\$1.3M - \$1.7M	\$1.8M - \$2.3M	\$1.2M - \$1.7M	\$3.2M - \$3.4M	\$7.9M - \$9.7M

- ▶ Ore sources:
  - Kangaroo Flat tailings
  - A1 Gold Mine
  - Black Reef Trial Open Pit
  - Alliance South 1110 Level
- ▶ 30,000 oz pa target achieved upon start of Pearl Croydon and Specimen Reef open pits in 2014 → current 3 year open pit mine life



# Hogan's Project - WA

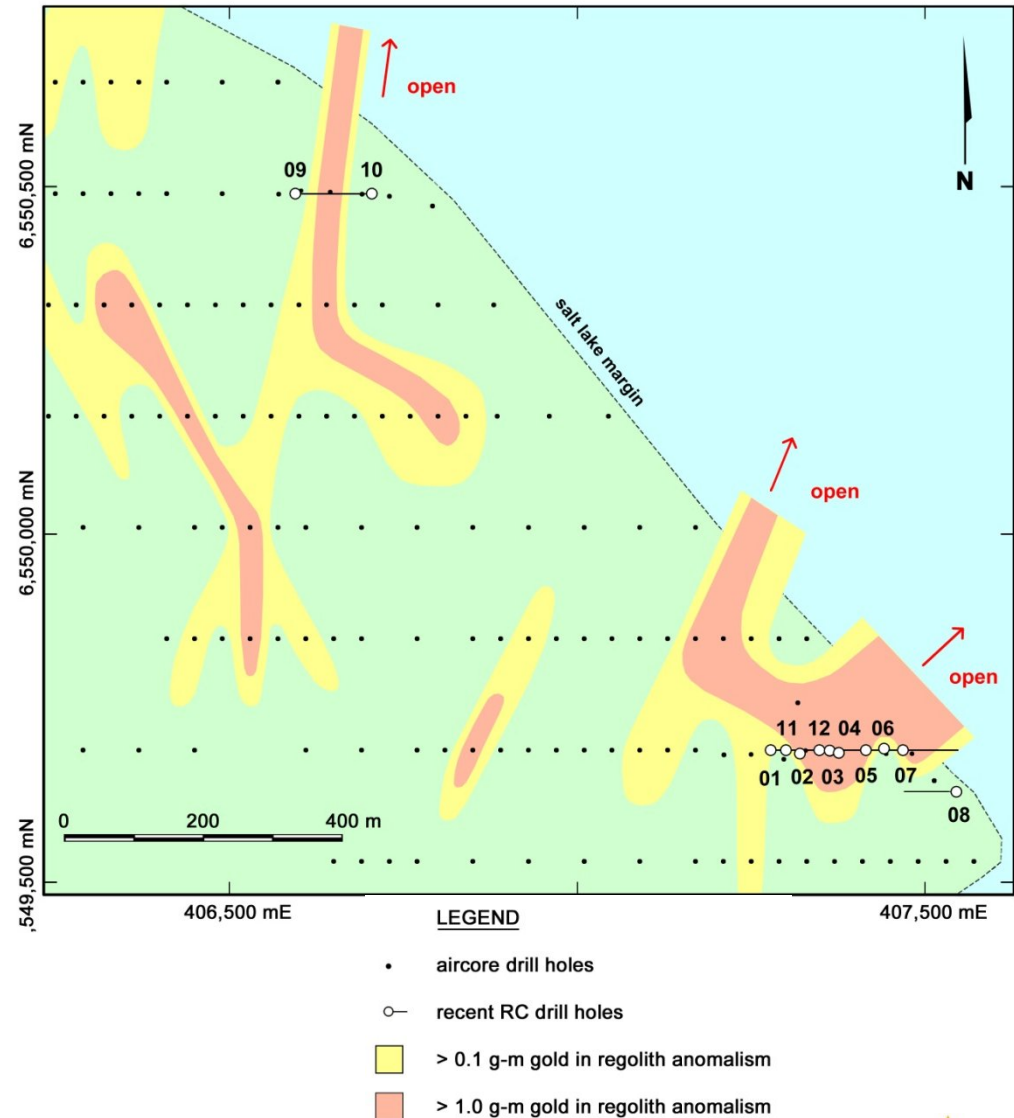
- ▶ Emerging gold producing district
- ▶ Surrounded by:
  - + 12 million oz St Ives Goldfield,
  - + 0.8 million oz Daisy Milano Mine,
  - + 0.4 million oz Salt Creek Mine
- ▶ Historic exploration:
  - 1,115 aircore holes
  - 44 RC holes
  - 1 diamond hole
- ▶ Octagonal exploration (18 months):
  - 957 aircore holes for 43,000 metres
  - 33 RC holes for 4,750 metres
- ▶ Exploration success in first RC drilling program



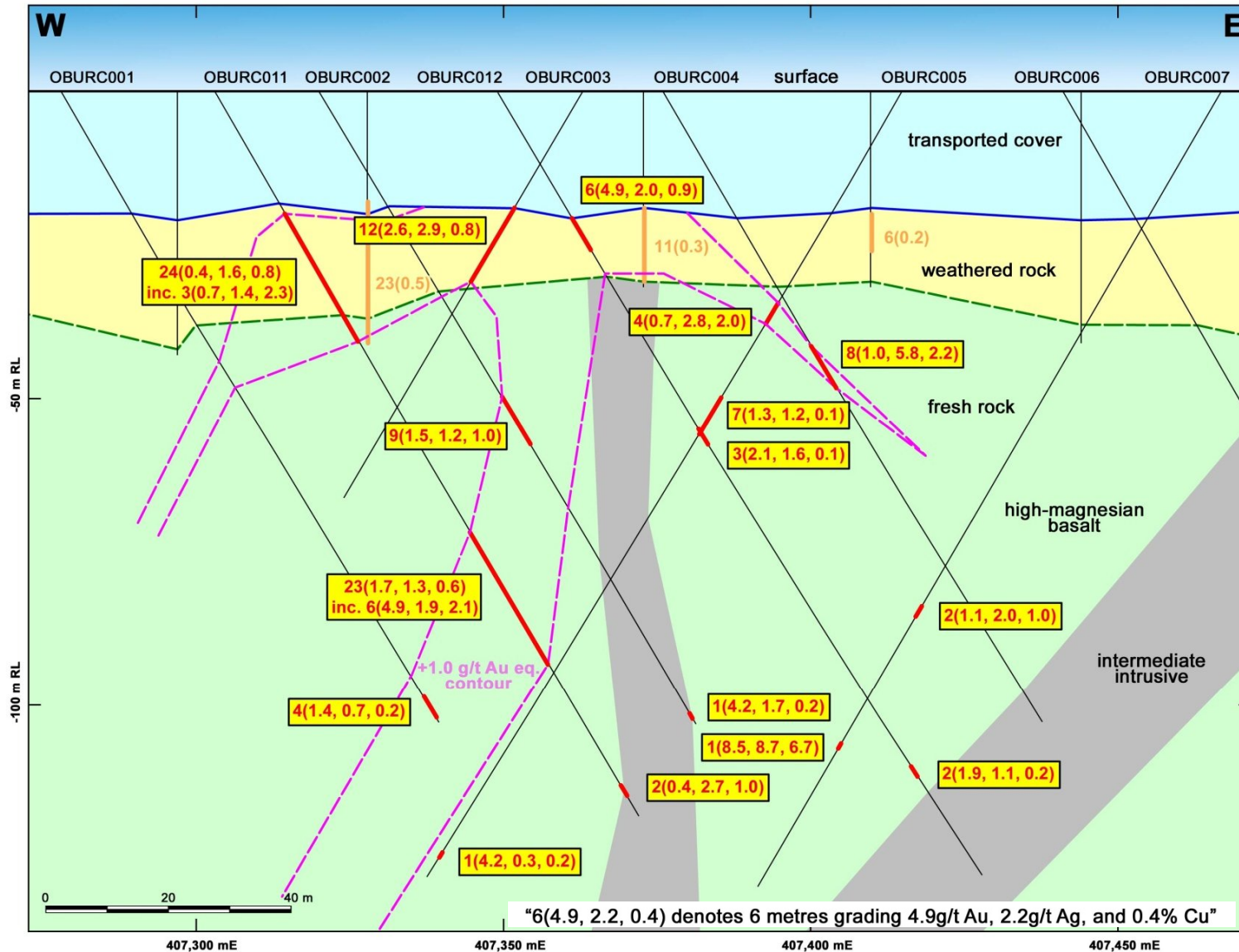


# Burns Prospect

- ▶ Discovery May 2011  
160 metre by 640 metre spaced drilling  
**23 metres @ 0.5 g/t Au from 18 metres**
- ▶ 272 aircore holes for 16,341 metres  
40 metre by 160 metre spaced drilling  
**gold in regolith anomalism defined over one square kilometre**
- ▶ Anomaly unconstrained by drilling beneath salt lake
- ▶ First RC drilling January 2012  
12 RC holes for 1,624 metres  
**significant gold, copper and silver intersected**
- ▶ Unique style of mineralisation  
Gold, copper, silver association  
No significant quartz veining or shearing  
Magnetite-biotite alteration  
Sulphide poor  
No “typical” pathfinder elements

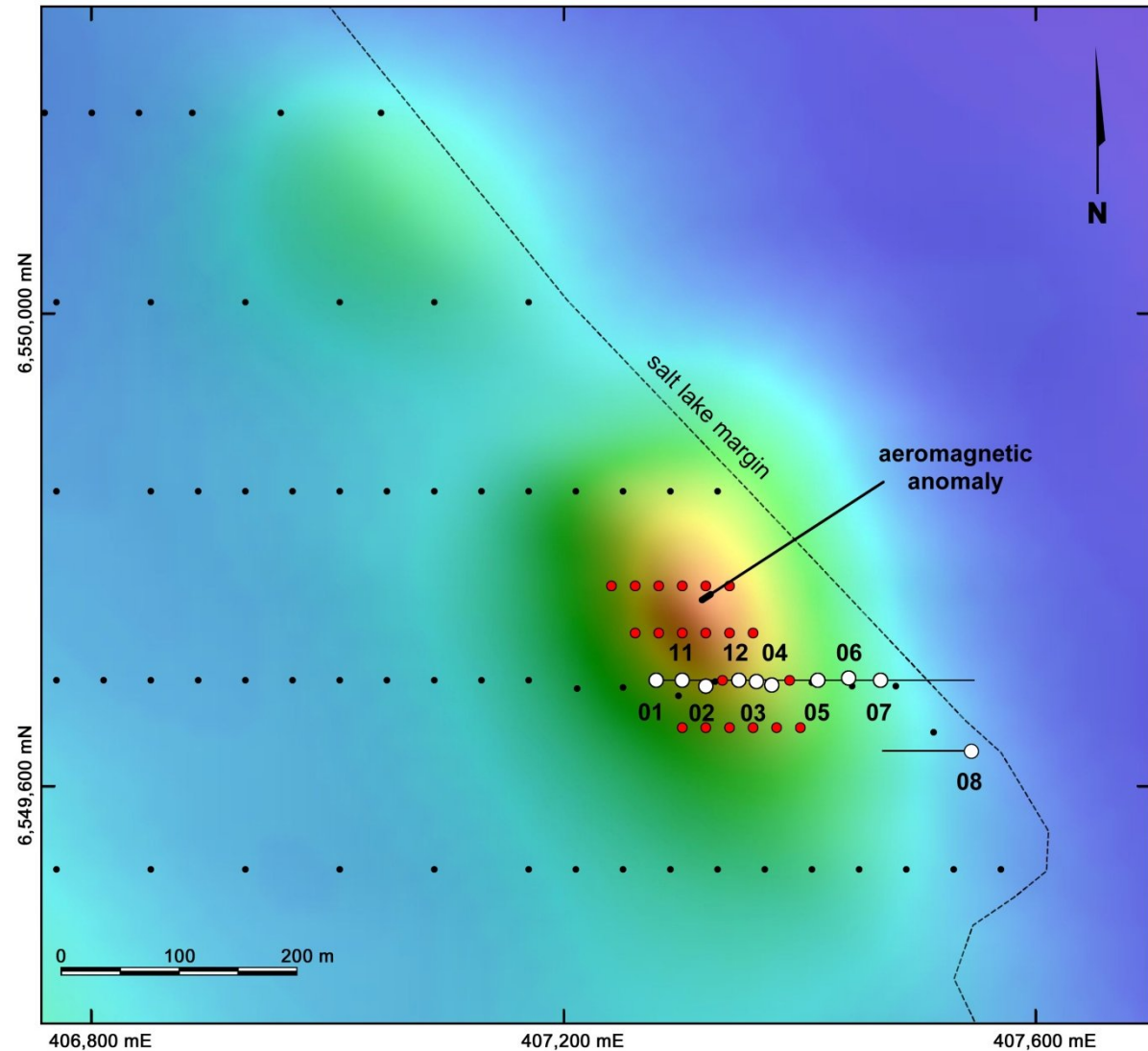


# Burns Prospect



# Burns Prospect

- ▶ Gold – copper – silver associated with magnetite alteration
- ▶ Drilling cuts bottom of discrete magnetic anomaly
- ▶ Anomaly dimensions:  
length: 165 metres  
width: 70 metres wide  
depth to top: 95 metres
- ▶ Priority exploration target



# Summary - Value Proposition



## **Company – structure and experience**

100 m shares on issue, \$3.2 m cash (30 June 2012) (no options)

- ▶ Enterprise Value: \$12.8 m @ 16c
- ▶ Tight shareholding (top 20 shareholders own 66.5% of Company )
- ▶ Experienced board and management

## **Victoria – cash flow**

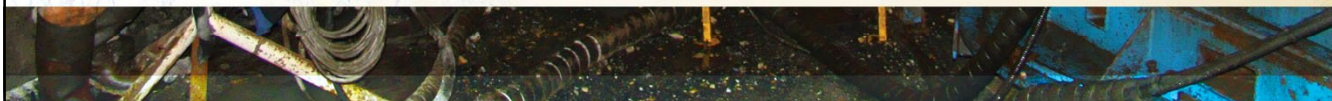
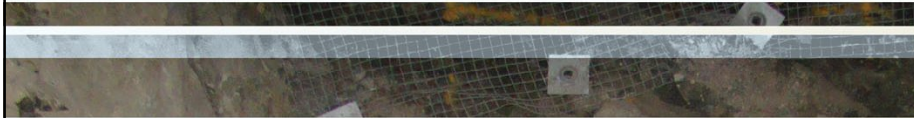
+\$30 m sunk capital in 150,000 tpa CIL gold processing plant and 1,900m decline to underground resource (182,000 oz) <sup>1</sup>

- ▶ JORC-compliant Inferred Resources totalling 245,000 oz of gold <sup>1</sup>
- ▶ Underground and open pit mining – gold production commenced with third party ore
- ▶ Targeting 30,000 oz pa low cost high grade gold production
- ▶ Strong project pipeline

## **Western Australia – growth**

Targeting plus million ounce gold deposits

- ▶ Emerging gold producing district near existing mining infrastructure
- ▶ Burns Prospect: Potential for large multi-commodity deposit



Thank you

***Photo: Diamond Drilling at Maldon***

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ABN 38 147 300 418

# Presentation Appendix



## JORC RESOURCE INVENTORY

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
<b>Total</b>								<b>473</b>	<b>12</b>	<b>182</b>

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
	<b>Sub Total</b>	<b>Inferred</b>	<b>455,526</b>	<b>2.5</b>	<b>36,463</b>
London Hill	Main Reef	Inferred	49,612	4.4	6,957
	Hanging wall Reef	Inferred	27,515	4.1	3,665
	<b>Sub Total</b>	<b>Inferred</b>	<b>77,128</b>	<b>4.3</b>	<b>10,622</b>
Mullocky	West Reef	Inferred	13,693	2.7	1,188
	East Reef	Inferred	24,212	6.5	5,091
	<b>Sub Total</b>	<b>Inferred</b>	<b>37,905</b>	<b>5.2</b>	<b>6,278</b>
<b>TOTAL</b>		<b>Inferred</b>	<b>570,559</b>	<b>2.9</b>	<b>53,364</b>

Specimen Reef Mineral Resource Estimate (March 2012)						
Deposit	Estimated Gold Resource and Category					
	Indicated			Inferred		
	Tonnes	Au g/t	'000oz	Tonnes	Au g/t	Ounces
Specimen Reef				114,000	2.9	10,480
<b>Total</b>				<b>114,000</b>	<b>2.9</b>	<b>10,480</b>