

12 July 2012

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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%

Open Pit Mining to Commence at Black Reef, Wehla, in Central Victoria

- **Regulatory approval has been received to mine a 200,000 tonne open pit on the Black Reef at Wehla in Central Victoria**
- **Trial open pit to determine the grade and structural controls on gold mineralisation in the Wehla Goldfield**
- **Mining expected to justify a larger open pit operation**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that the Company has received regulatory approval to mine a 200,000 tonne open pit on the Black Reef at Wehla in Central Victoria and that mining activities will commence during July, with first gold production expected during September.

The Wehla Goldfield is located 60 kilometres from the Company’s Porcupine Flat gold processing plant at Maldon and historically produced approximately 100,000 ounces of high-grade “nuggetty” gold mineralisation.

Previous drilling in the goldfield has intersected high-grade gold mineralisation however the gold grade distribution and structural controls on this mineralisation are not well understood.

Octagonal intends to resolve these issues by mining a trial open pit at Black Reef 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.

Once the Company has gained a better understanding of the nugget effect and structural controls on the distribution of gold mineralisation in the Wehla Goldfield it is expected that this information will help justify a larger open pit mining operation within the goldfield.

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

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Wehla Project

The Wehla Project is located 60 kilometres northwest of Maldon. Octagonal has Mining Licence MIN5433 centred on the Black Reef and Exploration Licences EL3564 and EL4905 covering an area of 7km² that collectively includes most of the Wehla Goldfield.

The main gold workings consist of a north trending line of reefs; Adelaide, Prince of Wales, Frenchman's, Petticoat, Black, Bismark and Little Nell (Figure 1). Recorded production from the Wehla Goldfield is approximately 100,000 ounces of gold.

The Prince of Wales Mine is the largest in the field and produced more than 60,000 ounces of gold from a series of drives following a large mineralised quartz channel. Quartz spurs project into strata on the footwall and the highest gold concentrations were at the intersection of the quartz spurs and 'indicator' shales.

Seventy holes have previously been drilled in the Wehla Goldfield to an average depth of 50 metres. This drilling has intersected sporadic high-grade gold mineralisation including 5m @ 35.4 g/t Au from 23m in B3, 4m @ 25.0 g/t Au from 16m in MD103, and 5m @ 14.9 g/t Au from 25m in W13 that is interspersed within broad zones of lower grade gold mineralisation including 5m @ 2.5 g/t Au from 15m in W5, 13.75m @ 1.2 g/t Au from surface in W34, 2m @ 4.0 g/t Au from 28m in W37, and 32m @ 1.1 g/t Au from surface in W38.

These drill results indicate the potential for significant near surface gold mineralisation that may be exploited using open pit mining techniques, however the structural controls and "nugget effect" on the distribution of this gold mineralization are not well understood.

Black Reef Mine Plan

Octagonal intends to resolve these issues by mining a 200,000 tonne open pit to 30 metres depth at Black Reef on MIN 5433 in an area where a costean returned 14m @ 4.6 g/t Au and drilling intersected 5m @ 35.4 g/t Au and 5m @ 14.9 g/t Au.

In anticipation of mining 34 RC holes were drilled during May 2011 using a 10 metre by 10 metre spaced grid to accurately locate the reef in the area of the planned open pit, supplement the initial Black Reef mine design, and provide detailed drill assay data for reconciliation against open pit grade control data and gold recovered from the mill.

This drilling intersected wide zones of quartz reef with significant assay results including 5m @ 2.4 g/t Au from 29 metres in BRRC02, 7m @ 2.2 g/t Au from 37 metres in BRRC03, 2m @ 4.5 g/t Au from 12 metres in BRRC09, 3m @ 3.4 g/t Au from 27 metres in BRRC14, 1m @ 15.8 g/t Au from 10 metres in BRRC17, and 1m @ 7.7 g/t Au from 10 metres in BRRC33. Figure 2 illustrates the distribution of these drilling results, the historic high grade drill intersections, and planned open pit.

As the results from this drilling program returned broad zones of moderate grade gold mineralisation and it is uncertain if the lack of higher-grade results is due to "nugget effect", Octagonal intends to mine an initial open pit to 12 metres depth (Figure 4) and will then decide if extending the pit to 30 metres depth (Figure 3) is warranted based upon positive reconciliation of drilling, grade control, and mill data.

It is expected that the understanding of structural controls and nugget effect gained by mining the Black Reef open pit will help interpretation of drilling results elsewhere in the Wehla Goldfield and justify a larger open pit mining operation in the area.

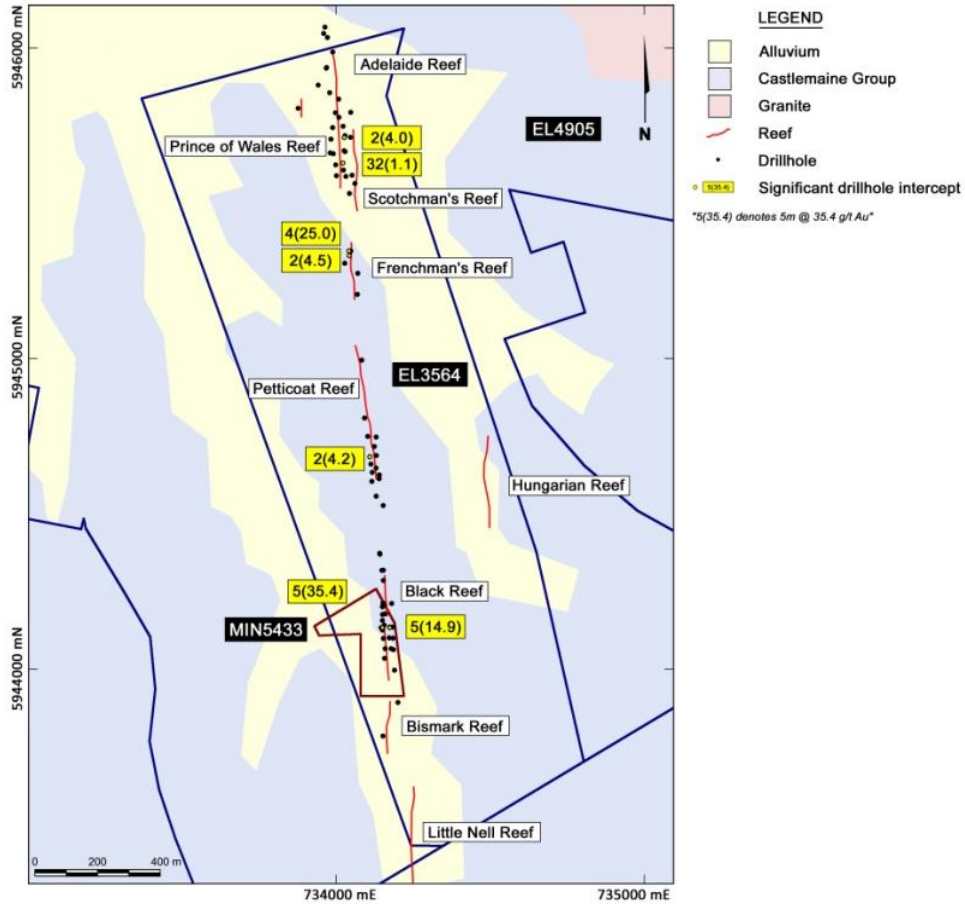


Figure 1. Reefs of the Wehla Goldfield with historic drilling results

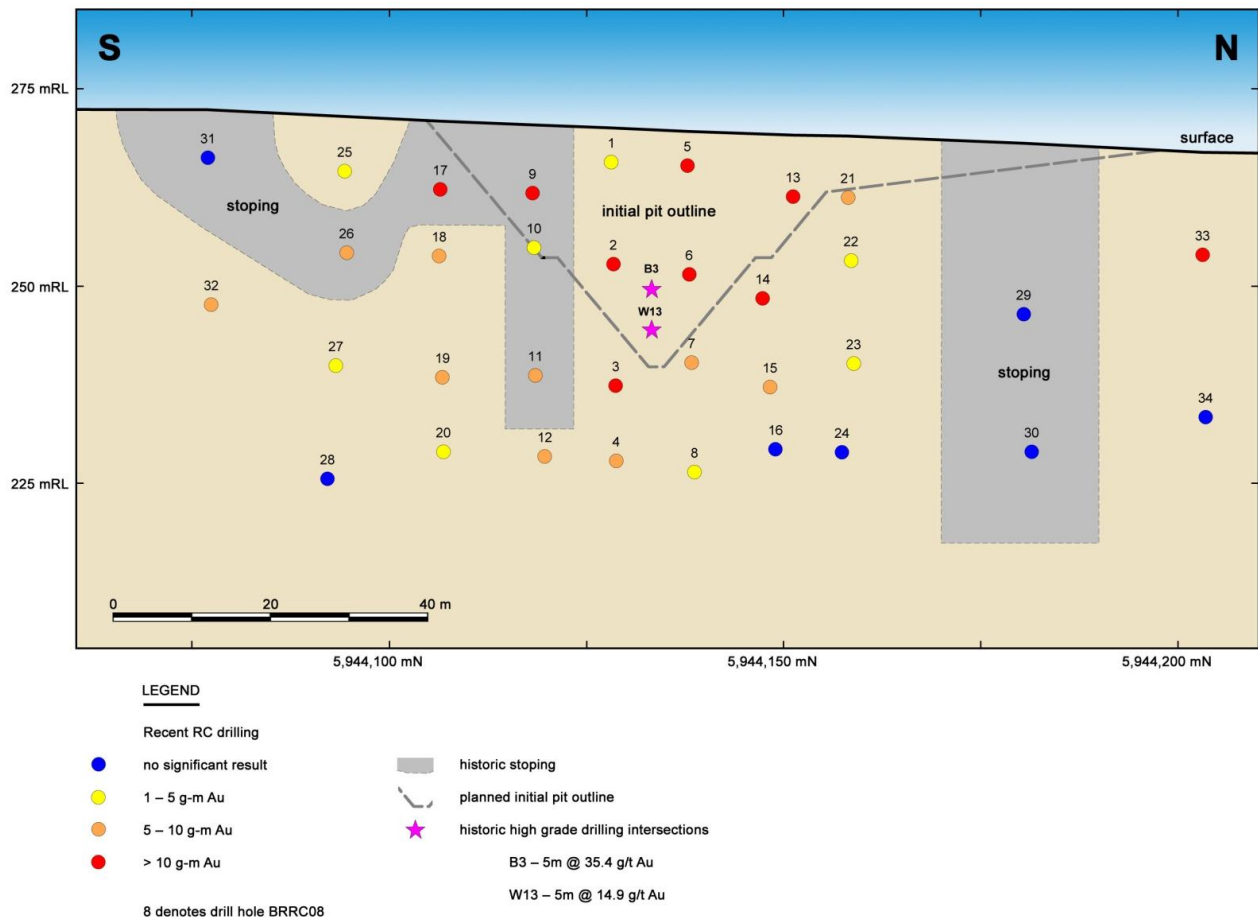


Figure 2. Black Reef: Long-section of RC drilling results with planned open pit and historic high grade drilling

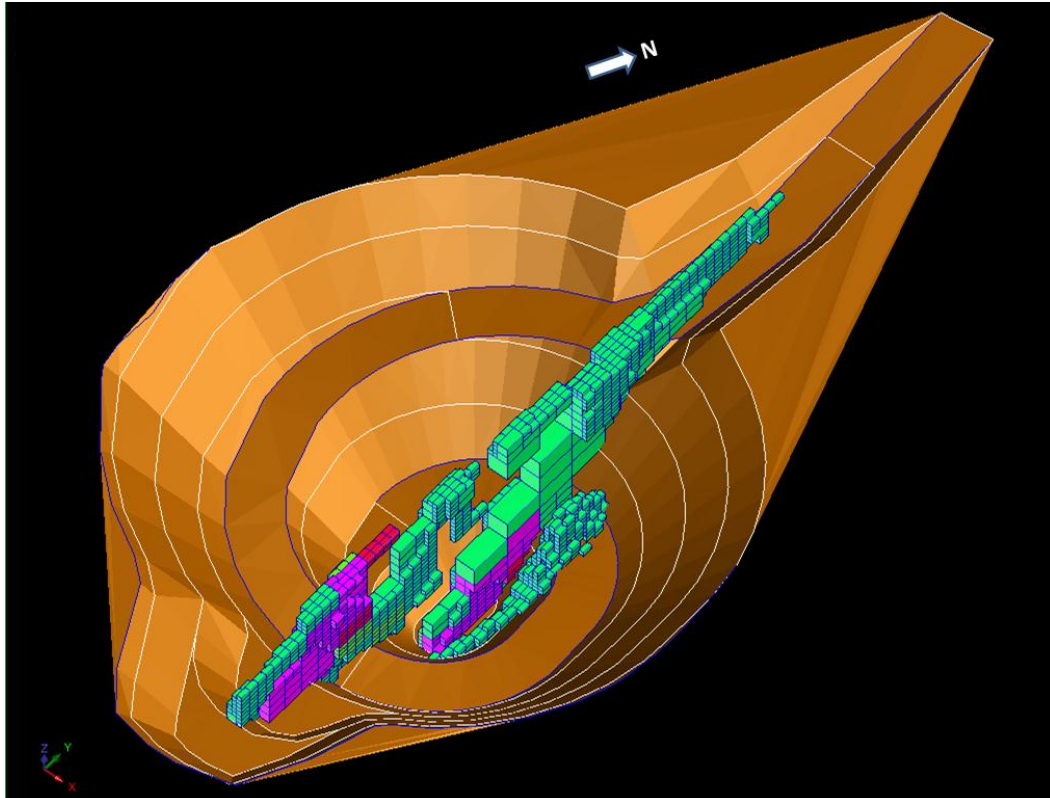


Figure 3. Black Reef: 3D model of 30 metre deep open pit design

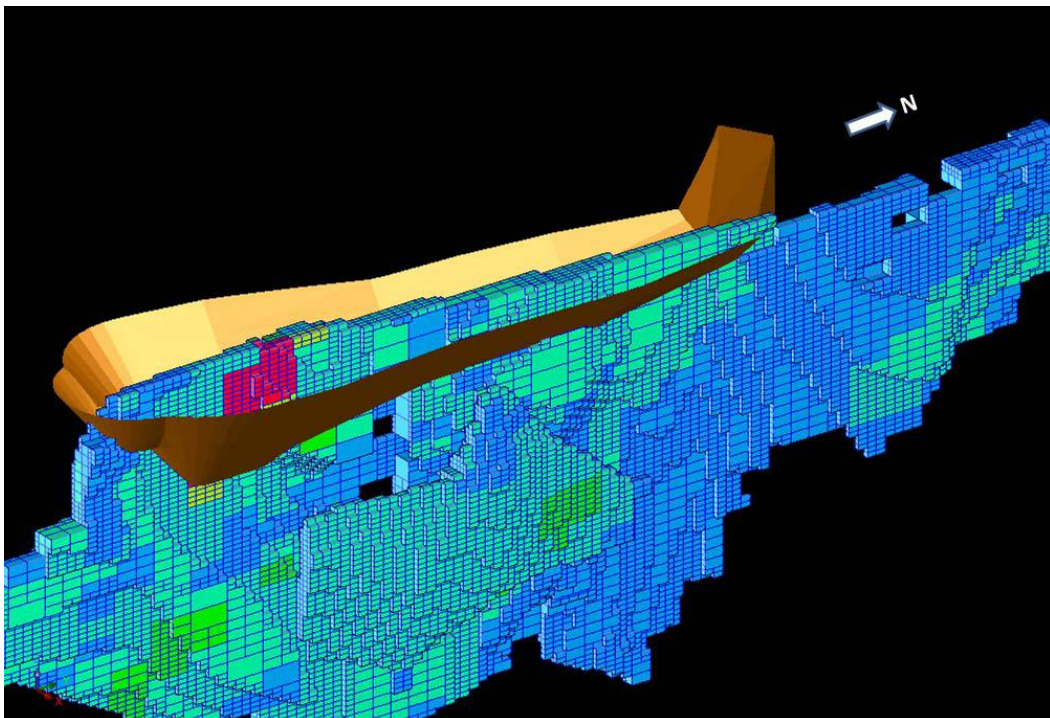


Figure 4. Black Reef: 3D model of 12 metre deep open pit design

Competent Persons Statement

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.

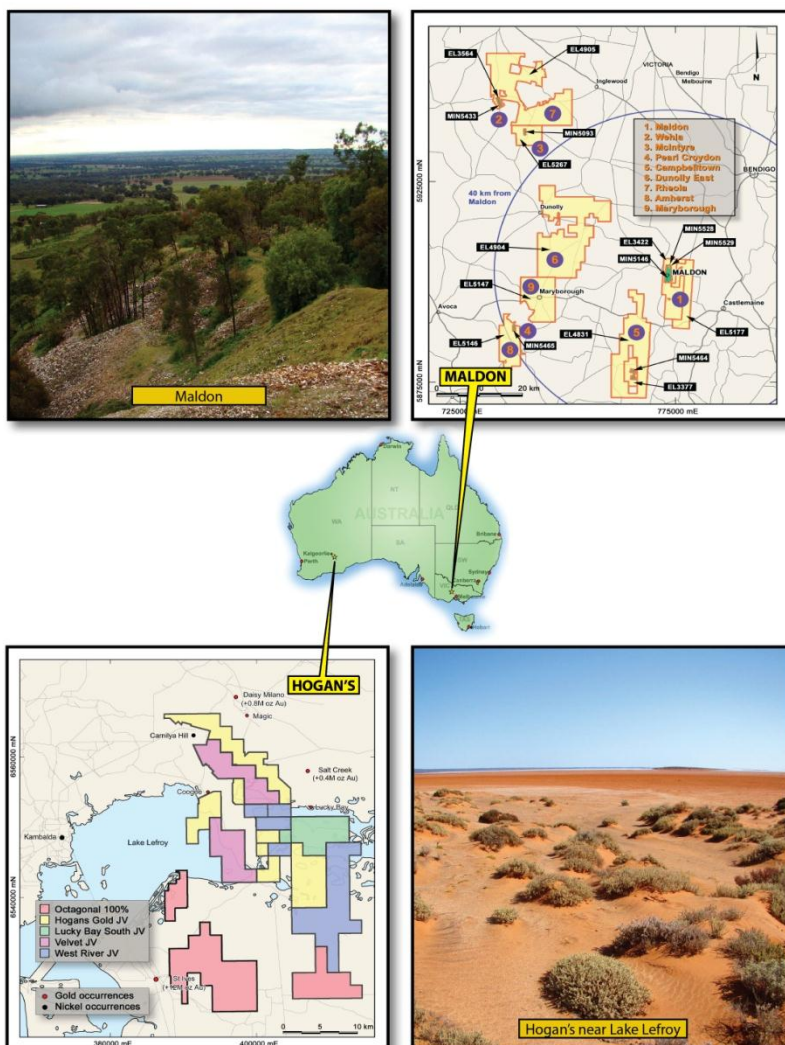
About Octagonal Resources

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 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 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