

30 JULY 2013

No. of Pages: 25

ASX CODE: ORS

Market Cap.: \$10.6m (\$0.10 p/s)

Shares on issue: 106,048,002

Cash: \$2.2m (30 June 2013)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Alliance Resources – 20.8%

Abbotsleigh – 18.7%

JP Morgan Nominees – 8.9%

PRINCIPAL OFFICE

Octagonal Resources Limited

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QUARTERLY REPORT - FOR THE PERIOD ENDED 30 JUNE 2013

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 30 June 2013 (19 pages)
- Appendix 5B for the period ending 30 June 2013 (5 pages)

For and on behalf of the Board.

Bob Tolliday

Company Secretary

OCTAGONAL RESOURCES LIMITED

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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Quarterly Report for the period ended 30 June 2013

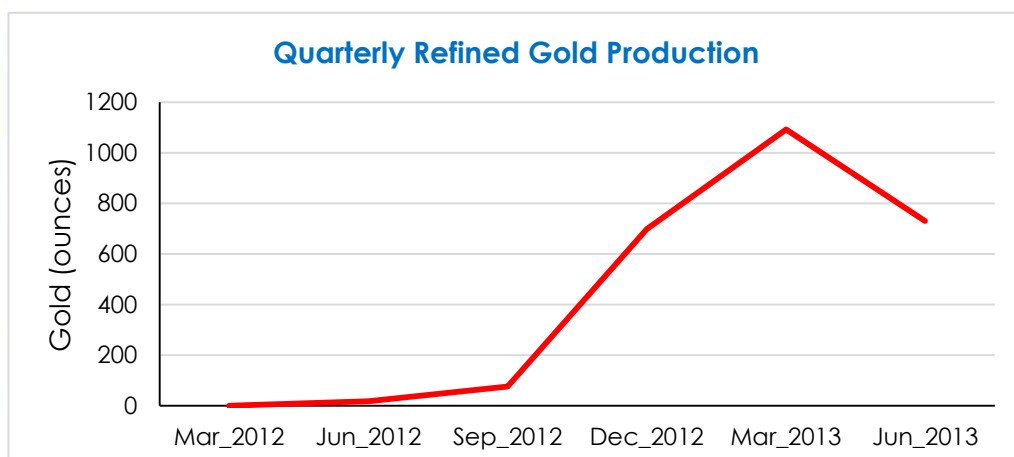
Highlights

Victoria

- ▶ **Processing of tailings from the Kangaroo Flat Gold Mine completed with 5,029 refined ounces of gold produced between September 2012 and May 2013**
- ▶ **Development work at the Union Hill Decline and 1100 level cross-cut to access the Alliance South Gold Deposit (Maldon) advanced 57.2 metres**
- ▶ **Open pit mining at Black Reef (Wehla) re-commenced with 5,000 tonnes of ore mined and grading 2.1 g/t Au**
- ▶ **Application to commence open pit mining of the Pearl Croydon Deposit (Amherst) advanced with completion of site design, a heritage survey, flora and fauna survey, and site meetings with regulators**
- ▶ **RC drilling at Frenchman's Reef (Wehla) intersects high-grade gold including 6 metres grading 24.3 g/t Au**

Western Australia

- ▶ **Ground magnetic survey at the Burns Prospect defines high-magnetic anomalies associated with copper in regolith anomalism (Hogan's Project)**



(gold production attributed to Octagonal)

Summary

During the June quarter Octagonal's activities in Victoria focussed on gold production from processing tailings from the Kangaroo Flat Gold Mine near Bendigo and Black Reef open pit near Wehla while work continued on extending the Union Hill Decline and 1100 level cross-cut at Maldon to access the Alliance South Gold Deposit.

In August 2012 Octagonal entered into an agreement with Unity Mining Limited (ASX: UML) ("Unity") to re-process flotation concentrate tailings from the Kangaroo Flat Gold Mine at the Porcupine Flat Gold Processing Plant at Maldon. Under the agreement Octagonal 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.

During the quarter 5,817 dry tonnes of tailings was processed to recover an average gold grade of 5.5 g/t Au. 1,491 ounces of refined gold was produced and sold achieving an average gold price of A\$1,429/oz.

\$809,500 from the proceeds of gold sales and gold in circuit at the end of the milling campaign was attributed to Unity.

Processing of Kangaroo Flat tailings concluded in mid-May and, following a two week scheduled shut down for maintenance, processing of ore from the Black Reef open pit commenced.

During June 3,681 dry tonnes of Black Reef ore was processed to recover an average gold grade of 2.0 g/t Au. 130 ounces of refined gold was produced and sold achieving an average gold price of A\$1,384/oz.

Mining of the Black Reef open pit commenced in early April and by the end of the quarter 5,000 tonnes of ore and 10,800 tonnes of waste had been removed taking the pit down 6 metres in the initial Stage 1 twelve metre deep pit.

Development of the Union Hill Decline at Maldon continued. The decline was advanced 5 metres before commencing the 1100 level cross-cut. The 1100 cross-cut was advanced 52.2 metres, with a stock pile installed and services extended down the decline to the cross-cut. At the end of the quarter the cross-cut was 22 metres from the Eaglehawk Reef that hosts the Alliance South Gold Deposit.

An application to commence open pit mining at the Pearl Croydon Deposit near Amherst was advanced with completion of mine site design, a heritage survey, flora and fauna survey, and site meetings with regulators. No significant issues have been identified and a Work Plan will be lodged with the State Government once feedback from all regulators has been received.

Assay results from 22 RC holes drilled at Frenchman's Reef near Wehla during March returned high-grade and nuggetty gold including 6 metres grading 24.3 g/t Au and 1 metre grading 20.0 g/t Au.

In Western Australia ground electromagnetic and magnetic surveys were completed at the Burns Prospect to test for conductive and magnetic anomalies indicative of a primary copper sulphide deposit. No conductive anomalies were intersected, however several very discrete magnetic anomalies have been identified that are associated with the copper in regolith (weathered rock) anomalism previously defined by aircore drilling.

Work planned for the September 2013 quarter includes:

- ▶ Continued development of the 1100 level cross-cut from the Union Hill Decline to access and mine the Alliance South Deposit (Maldon) in Victoria;
- ▶ Complete trial open pit mining and processing of ore from the Black Reef Deposit (Wehla) in Victoria; and
- ▶ Continue to work towards obtaining regulatory approval to mine the Pearl Croydon Deposit (Amherst) in Victoria.

Safety & Environment

Maldon Gold Operation - Victoria (100% Octagonal)

No medically treated injuries (MTI) 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 (100% Octagonal)

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 mining and processing ore from a trial open pit at Black Reef, near Wehla, while it brings its larger and more sustainable underground and open pit mines into production.

Operations

Union Hill Mine, Maldon (100% Octagonal)

During the quarter development of the Union Hill Decline ceased as development of the 1100 level cross-cut was commenced to access the Eaglehawk Reef in the upper area of the Alliance South Shoot.

Mine services were extended to the end of the decline and, after establishing a stockpile off the cross-cut, development was reduced in size from 4 metres by 4.5 metres to 3 metres by 3.5 metres. In total 5 metres of decline development and 52.2 metres of cross-cut and stockpile development was achieved during the quarter. Development rates are expected to improve now that the size of the cross-cut has been reduced.

Octagonal is developing the 1100 and 1080 levels 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 2). At the end of the quarter 22 metres of cross-cut development on the 1100 level was required to intersect the Eaglehawk Reef.

Underground mine development will continue on a single shift basis until the grade and ground conditions of the Alliance South Shoot have been determined before deciding if a second mining shift is warranted.

The Alliance South Deposit is hosted within 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 1 and Table 1).

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

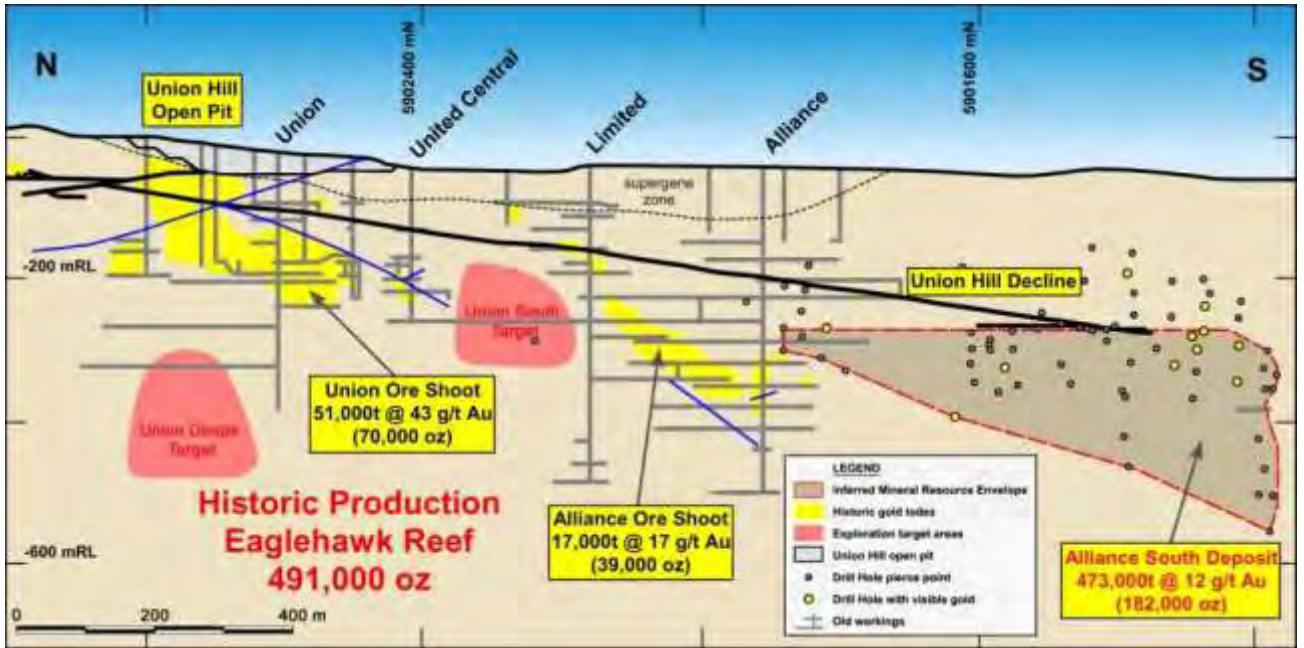


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit

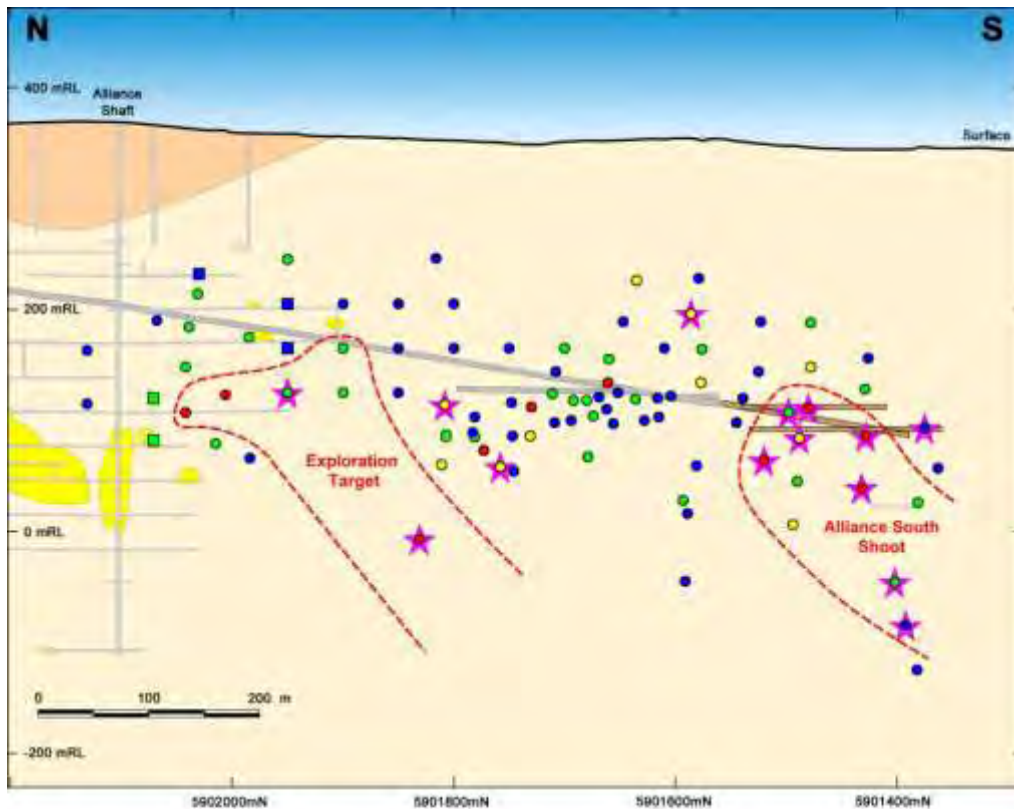


Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill decline relative to the Alliance South Shoot, secondary exploration target, and planned mining development

Black Reef Mine, Wehla (100% Octagonal)

Trial open pit mining commenced at Black Reef, near Wehla, during April 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 this mining is to better understand the structural controls and “nugget effect” on the distribution of gold within the Wehla Goldfield to help with the interpretation of drilling results and hopefully justify a larger open pit mining operation in the area.

During the quarter 5,000 tonnes of ore and 10,800 tonnes of waste was mined from the open pit. The majority of ore mined consisted of stope fill and moderate east-dipping spurry quartz veins as most of the main gold-bearing quartz reef had been removed during historic mining.

The extent of historic mining was not well recognised in reverse circulation (RC) drilling completed in May 2011 because the voids have been back-filled with low-grade material (grading between 1g/t and 2g/t Au). The extent and grade of spurry veins was also not recognised in the drilling because the holes were oriented -60 degrees to the east to target the main steep west-dipping quartz reef and the spurry veins dip sub-parallel to this drilling.

Mining has significantly improved the Company’s understanding of the structural controls on the distribution of gold in the Wehla Goldfield, however as much of the main gold-bearing quartz reef was removed by historic mining there has been little evidence of nuggetty gold, both visually and in the grade control sampling.

3,800 tonnes of ore was transported to Maldon for processing.

Grade control trench sampling completed over one metre intervals on 5 metre spaced traverses and two metre high flitches indicated that the ore mined averaged 2.1 g/t Au and has reconciled very well with milling data that returned an average feed grade of 2.3 g/t Au for the 3,681 tonnes processed.

By the end of June the Stage 1 twelve metre deep open pit was 50% complete and down to 6 vertical metres depth.



Open pit mining at Black Reef

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

Processing of tailings from the Kangaroo Flat Gold Mine concluded in May and milling of ore from the Black Reef open pit commenced in early June following a planned two week shut down for scheduled maintenance.

In August 2012 Octagonal entered into an agreement with Unity Mining Limited (ASX: UML) (“**Unity**”) to re-process tailings from the Kangaroo Flat Gold Mine near Bendigo.

The Kangaroo Flat Gold Mine, which is owned by Unity, produced gold from the Bendigo Goldfield between 2006 and 2011 using a gravity and flotation gold processing plant. The tailings produced from the flotation circuit is composed of quartz, sulphide, and gold, with gold grades varying between 10g/t Au and 18g/t Au. Much of this gold is refractory (gold associated with sulphides and not easily liberated), however metallurgical test work completed by Octagonal on these tailings indicated that the Porcupine Flat gold processing plant (which uses a slightly different process) will be able to recover between 3 g/t Au and 6 g/t Au.

Under the terms of this agreement Octagonal managed the removal and re-processing of tailings and paid 50% of the costs to receive 50% of the gold produced.

During the quarter over \$1.8 million dollars in revenue was generated under this agreement from the sale of refined gold produced and ore processing fees.

5,817 dry tonnes of tailings were processed to recover an average gold grade of 5.5 g/t Au. 1,491 ounces of refined gold was produced and sold achieving an average gold price of A\$1,429/oz.

\$809,500 from the proceeds of gold sales and gold in circuit at the end of the milling campaign was attributed to Unity.

In total, between September 2012 and May 2013 25,329 dry tonnes of Kangaroo Flat tailings were re-processed to recover an average gold grade of 6.2 g/t Au and produce 5,029 ounces of refined gold.

Between 20 May and 3 June the Porcupine Flat gold processing plant was shut down to allow for the completion of planned maintenance. The mill shut down progressed smoothly with no incidents and only a one day delay to the scheduled recommencement of ore processing.

Following the shutdown 3,681 dry tonnes of ore from the Black Reef open pit was processed grading 2.3 g/t Au to recover an average gold grade of 2.0 g/t Au (extraction efficiency: 87.5%). 130 ounces of refined gold was produced and sold achieving an average gold price of A\$1,384/oz.

Ore sources scheduled for processing during the September quarter will consist of Black Reef open pit, Alliance South underground, Union Hill low-grade, and Porcupine Flat historic tailings.

The Company has not been able to confirm when ore from the A1 Gold Mine will be delivered to site for toll treating and is consequently working towards bringing the Pearl Croydon Deposit into production as quickly as possible to supplement underground ore from the Alliance South Deposit. At this stage the Company expects to receive regulatory approval to commence mining at Pearl Croydon in early 2014.



Crushed Black Reef ore at the Porcupine Flat gold processing plant

Pearl Croydon (100% Octagonal)

The Pearl Croydon Gold Deposit is located on a granted mining licence 40 kilometres southwest of the Company's Porcupine Flat gold processing plant at Maldon and contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (Figure 3 and Table 2).

During February 2013 a conceptual open pit optimisation study completed on the deposit revealed that there is the potential to develop up to eight open pits in the area (Figure 4), ranging in depth between 30 and 60 metres to mine between 135,000 and 219,000 tonnes of ore grading between 3.7 and 4.9 g/t Au to produce between 15,100 and 32,300 ounces of gold and a cash surplus of between \$6.9 and \$20.1 million (Table 3).

Table 2.
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

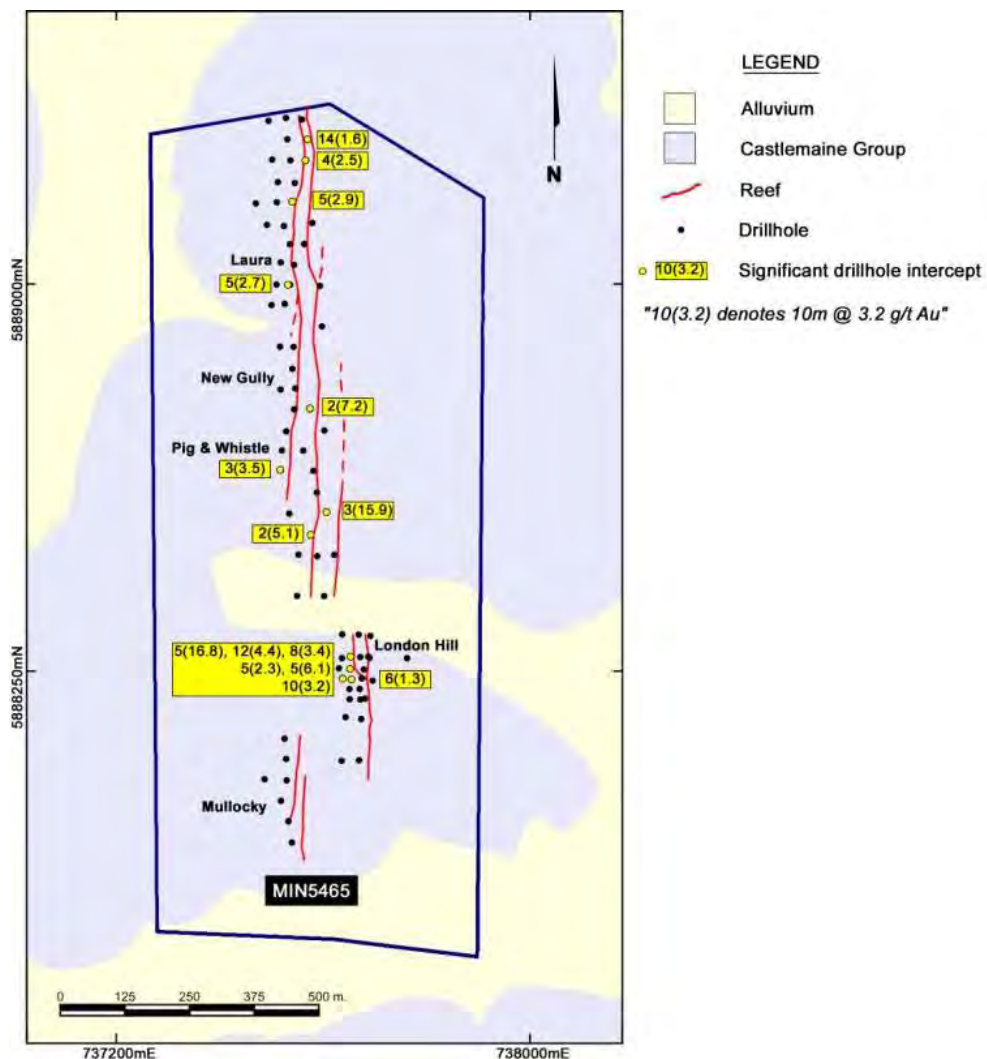


Figure 3. Pearl Croydon: Drill hole location plan

At present most of the Pearl Croydon Deposit has been drilled using 40 metre spaced traverses, however the higher grade London Hill area has already been defined using 20 metre spaced traverses and represents an immediate open pit mining target.

The open pit optimisation study revealed that the London Hill area may contain between 26,500 and 44,500 tonnes of ore grading between 4.7 and 7.1 g/t Au to produce between 4,000 and 9,400 ounces of gold and a cash surplus of between \$2.7 and \$8.0 million (Table 4).

Octagonal's objective is to bring the Pearl Croydon Deposit into production in the shortest possible time frame. To achieve this, the Company is seeking regulatory approval to mine open pits in the London Hill and Pig and Whistle areas and will at the same time complete drilling elsewhere at the deposit to upgrade the resource and calculate mining reserves.

During the quarter the mine site layout and design for the two initial open pits was completed (Figure 5).

An ecological assessment of the proposed mining areas determined that an offset of 2.57 habitat hectares of Medium Conservation Significance Box-Ironbark Forest must be purchased in order to clear the 4.5 hectare area required for open pits, waste dumps, fences, and roads.

An Aboriginal cultural heritage study completed over the proposed mining area determined that it does not affect any areas of cultural heritage sensitivity and preparation of a Cultural Heritage Management Plan is not required.

Initial site meetings have been held with various State and Local government regulators and a formal Work Plan to undertake open pit mining activity will be lodged with the Department of Environment and Primary Industries once final consultation with regulators is complete.

Parameter	Value
Ore Tonnes (t)	135,000 - 219,000
Au grade (g/t)	3.7 - 4.9
Waste Tonnes (t)	1,350,000 - 2,730,000
Strip Ratio	10.0 - 12.7
Gold Produced (oz)	15,100 - 32,300
Mining Cost (\$)	6,733,000 - 13,026,000
Transport & Processing Cost (\$)	9,081,000 - 14,725,000
Gold Revenue @ A\$1,500/oz (\$)	22,712,000 - 48,400,000
Cash Surplus (\$)	6,898,000 - 20,649,000

Parameter	Value
Ore Tonnes (t)	26,500 - 44,500
Au grade (g/t)	4.7 - 7.1
Waste Tonnes (t)	328,000 - 679,000
Strip Ratio	12.4 - 15.5
Gold Produced (oz)	4,000 - 9,400
Mining Cost (\$)	1,569,000 - 3,139,000
Transport & Processing Cost (\$)	1,788,000 - 3,006,000
Gold Revenue @ A\$1,500/oz (\$)	6,060,000 - 14,113,000
Cash Surplus (\$)	2,703,000 - 7,968,000

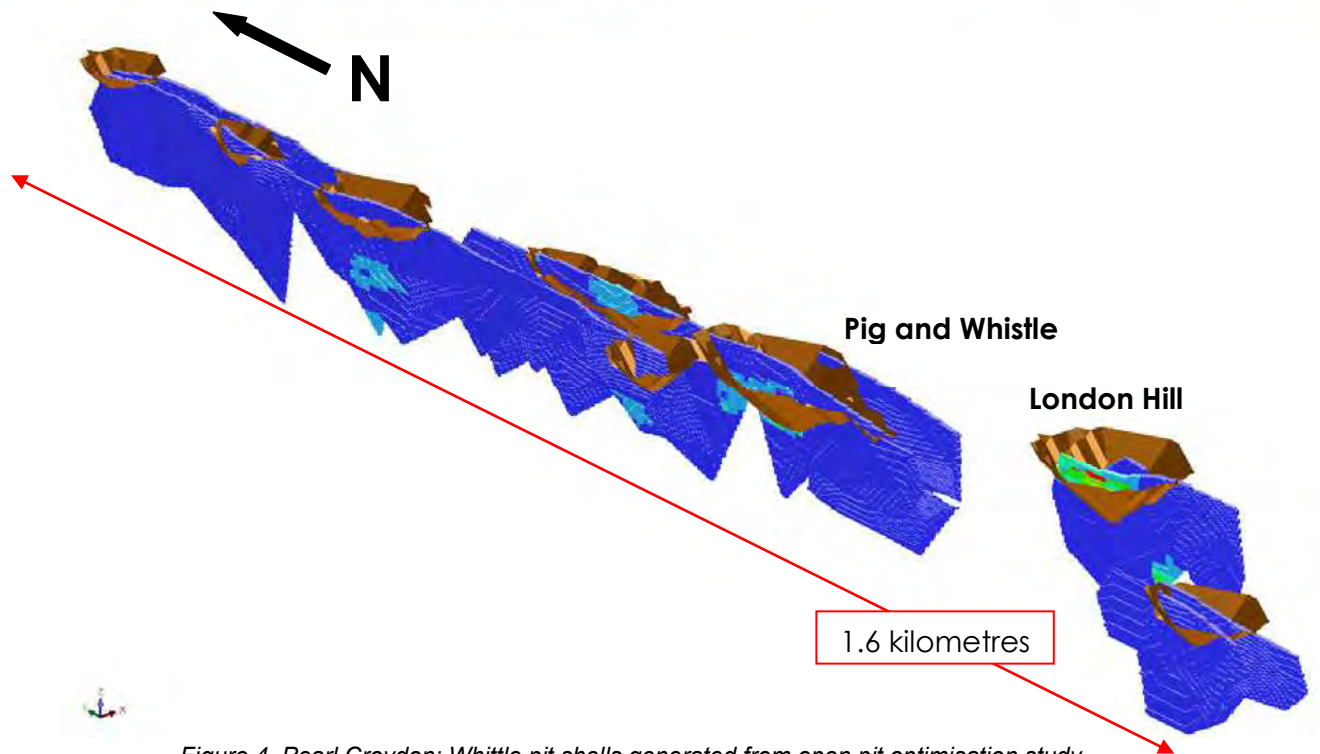


Figure 4. Pearl Croydon: Whittle pit shells generated from open pit optimisation study



Historic workings in the Pearl Croydon mine area

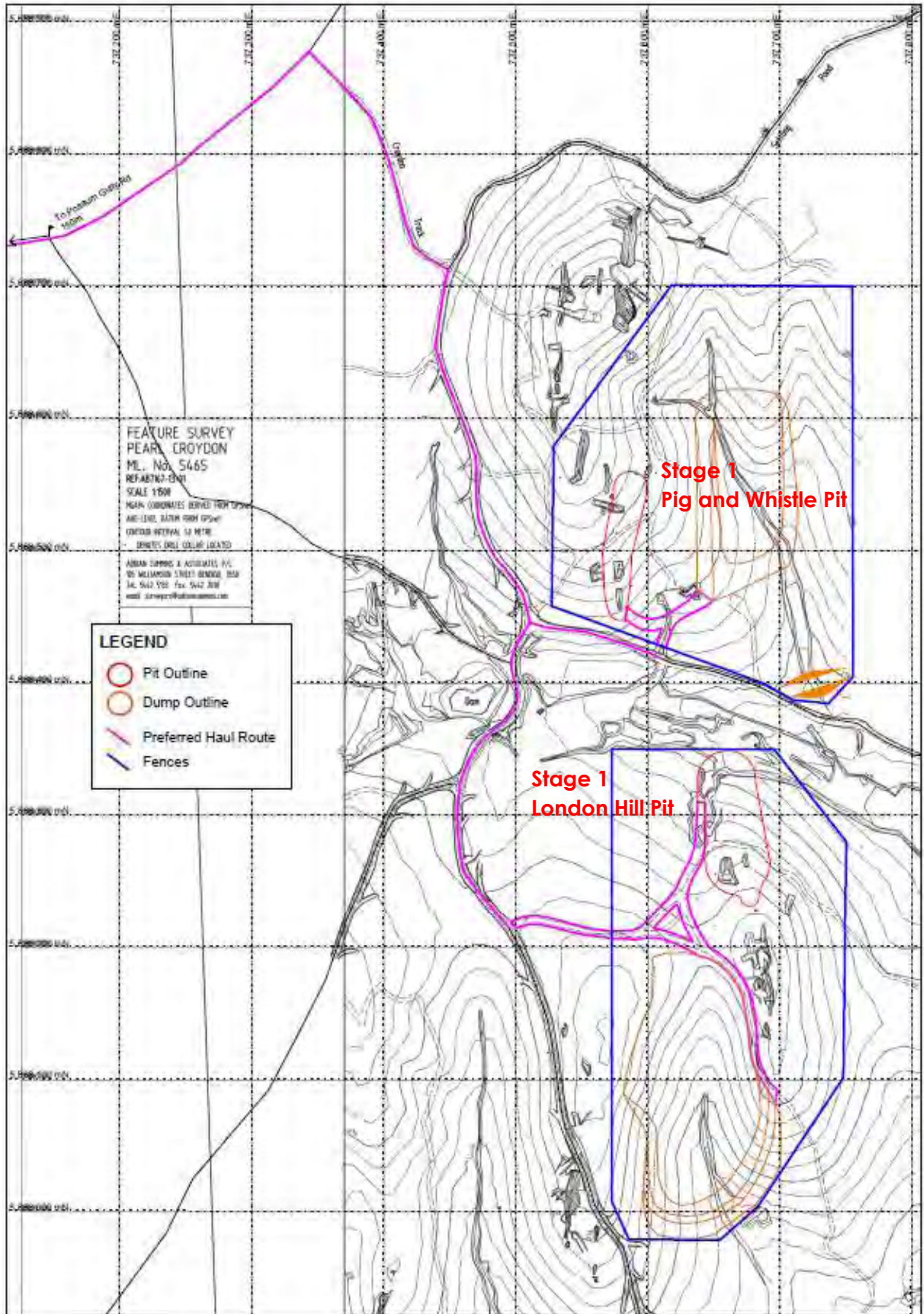


Figure 5. Pearl Croydon: Stage 1 open pit mine site layout

Exploration

Frenchman's Reef Reverse Circulation Drilling (100% Octagonal)

Assay results were received from a 22 hole RC drilling program completed at Frenchman's Reef during March.

Frenchman's Reef is located within the Wehla Goldfield, 60 kilometres northwest of Octagonal's Porcupine Flat gold processing plant at Maldon, and 1,100 metres to the north of the Company's Black Reef open pit.

The Wehla Goldfield historically produced around 100,000 ounces of high-grade gold from a two kilometre long line of reef however the structural controls and nugget effect on the distribution of gold are not well understood.

Octagonal is currently resolving these issues by mining a trial 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 and 5 metres @ 14.9 g/t Au. It is anticipated that the information gained from this mining will help interpret drilling results and justify a larger open pit mining operation in the Wehla Goldfield.

The Frenchman's Reef historic mine workings extend over 200 metres strike length and consists of a 0.5 to 2.5 metre thick quartz reef with spurry veins dominant to the east. The reef dips steeply to the west and is located in the eastern limb of a syncline that plunges moderately to the north.

During 2009 Matrix Gold Pty Ltd drilled three diamond holes at Frenchman's Reef. This drilling returned significant results including 4 metres @ 25.0 g/t Au from 16 metres in MD103 and 2 metres @ 4.5 g/t Au from 30 metres in MD105 (Figure 6 and Figure 7).

The aim of the recent drilling program was to assess the potential of the Frenchman's Reef to host near-surface gold amenable to open pit mining. 22 RC holes, totalling 898 metres, were drilled to intersect the reef over a 210 metre strike length and to 30 vertical metres depth using a 20 metre by 20 metre spaced grid (Figure 7).

This drilling intersected wide zones of quartz reef with nuggetty and high-grade gold surrounded by lower-grade mineralisation. Significant assay results include;

- ▶ **2 metres grading 4.1 g/t Au from 33 metres in FRR02**
- ▶ **6 metres grading 1.2 g/t Au from 30 metres in FRR04**
- ▶ **6 metres grading 24.3 g/t Au from 18 metres in FRR19 inc. 1 metre grading 138.8 g/t Au from 20 metres**
- ▶ **1 metre grading 20.0 g/t Au from 44 metres in FRR22**

All assay results returned from this drilling program are listed in Table 5 and drill hole details are provided in Table 6.

Figure 8 illustrates a long-section displaying the distribution of gold intersected in drilling. Significantly, the higher-grade gold that has been identified is located at the northern end of the drilling program and remains unconstrained by drilling to the north and down dip.

The results from this drilling program confirm the presence of high-grade and nuggetty gold at Frenchman's Reef and support the potential of the area to host near-surface gold amenable to open pit mining. A second phase of RC drilling will be completed later in the year to test for the northern and down plunge extent of gold at this deposit.



Gold tail in gold pan from sample FRR019 20-21 metres (assay result: 138.8 g/t Au)

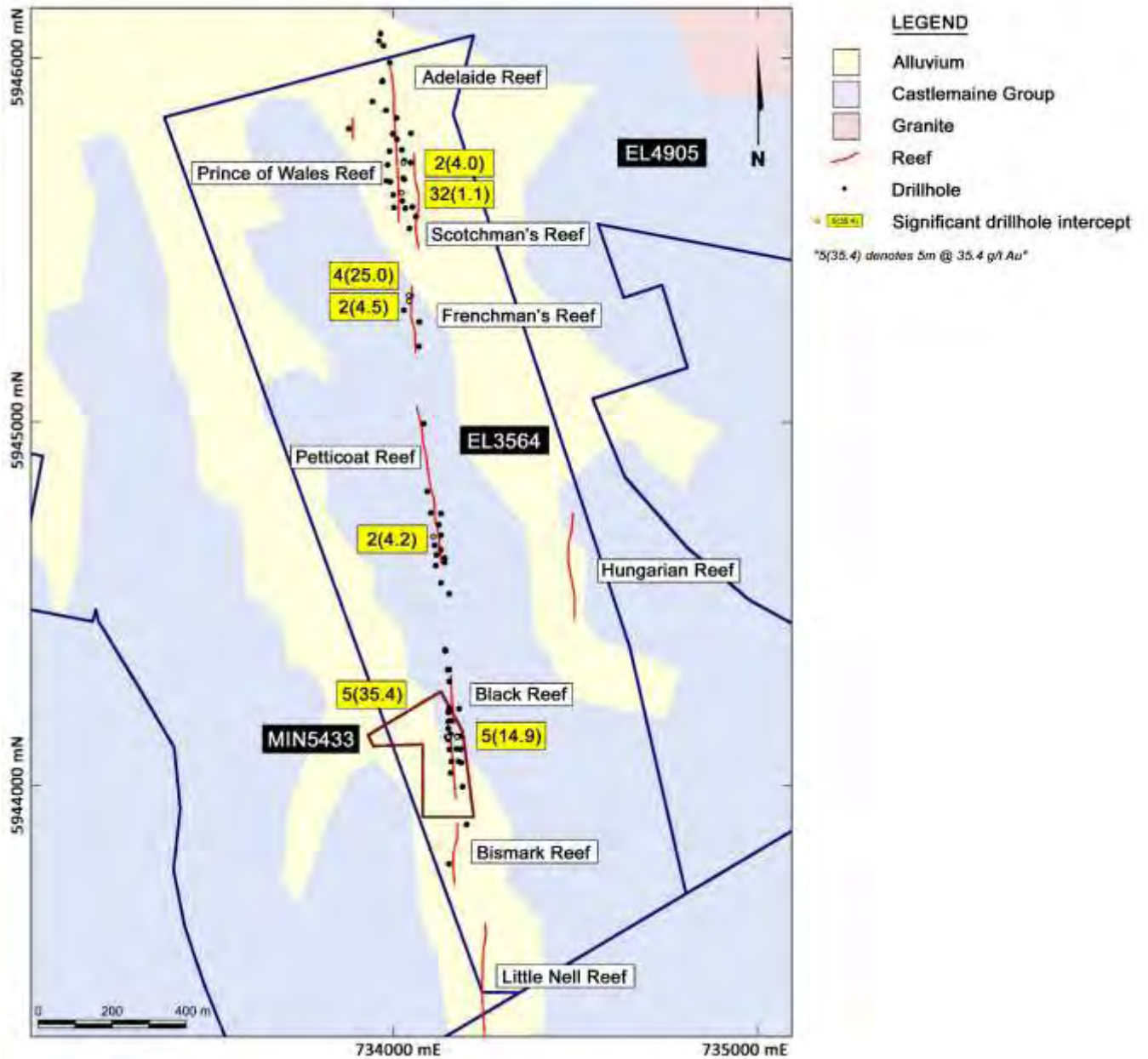


Figure 6. Main Wehla reefs and historic drilling results



Frenchman's Reef RC drilling

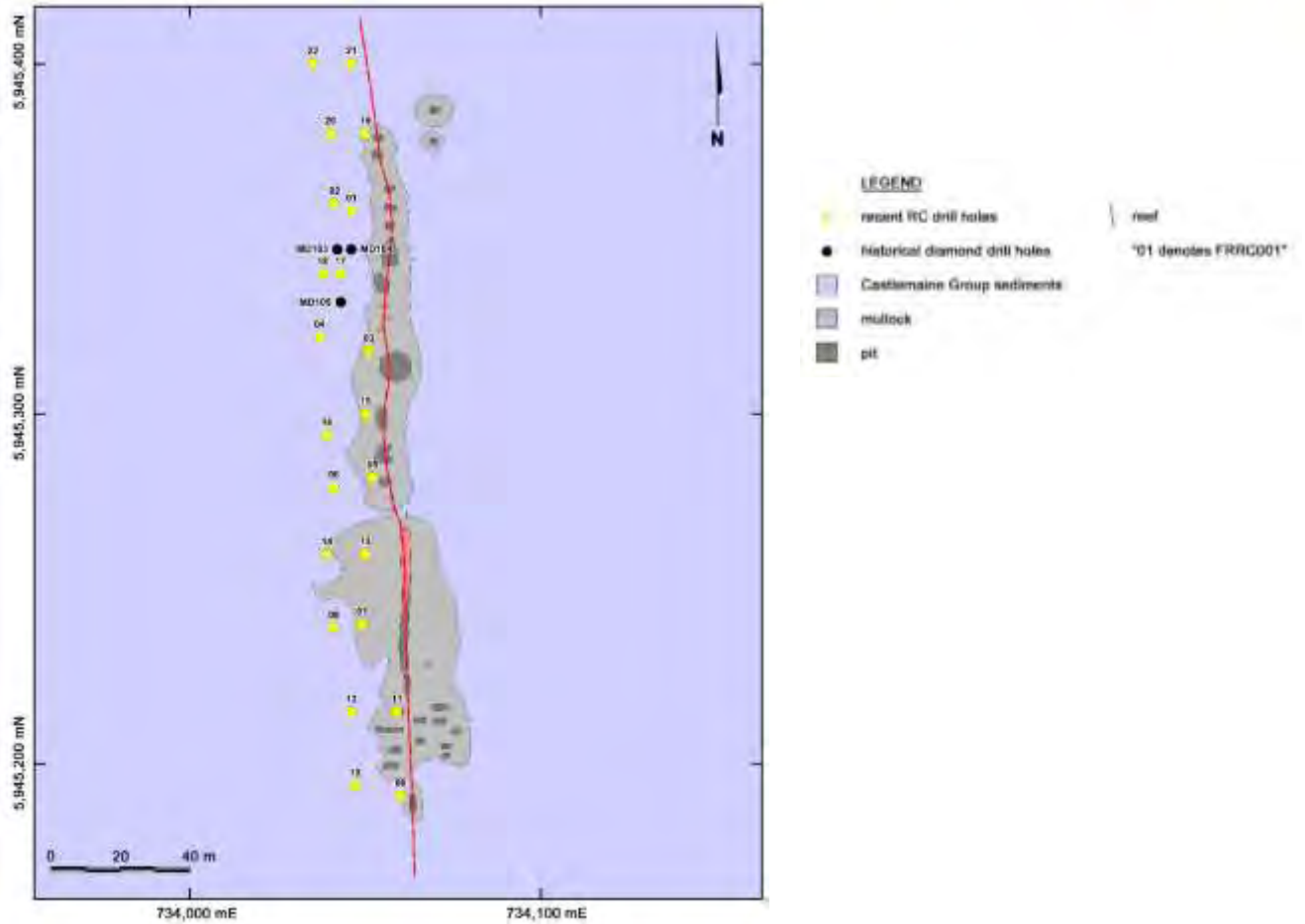


Figure 7. Frenchman's Reef: Reverse circulation drill hole location plan with historic drilling

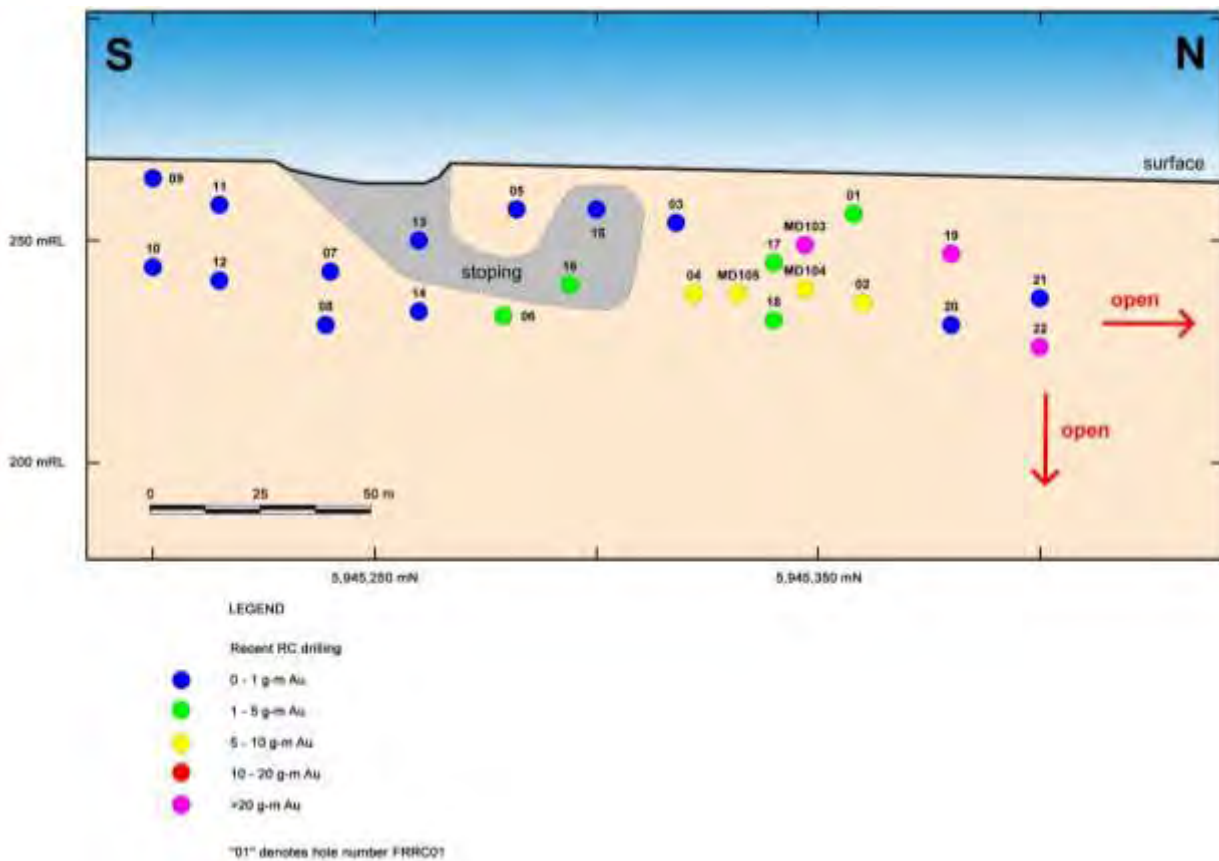


Figure 8. Frenchman's Reef: Long-section of recent RC drilling results with historic drilling

Table 5.
Frenchman's Reef: Significant Assay Results

Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)
FRRC001	9	10	1	1.1
FRRC002	33	35	2	4.1
FRRC004	30	36	6	1.2
FRRC006	38	39	1	1.6
FRRC016	28	30	2	1.8
FRRC017	23	24	1	1.9
	27	28	1	1.6
	34	35	1	2.9
FRRC018	38	39	1	1.8
FRRC019	18	24	6	24.3
FRRC022	44	45	1	20.0
	50	51	1	1.9

Notes:

1. All RC holes drilled -60 degrees to the east.
2. Four metre composite scoop samples routinely collected and analysed for gold.
3. Composite scoop samples containing greater than 0.1 g/t gold split and re-analysed over 1 metre intervals for gold.
4. Gold analysis conducted by Gekko Assay Laboratory (Ballarat Laboratory). Analysis completed using the 2 kg Leachwell technique with determination by AAS. The residue of all samples containing greater than 1 g/t Au was routinely filtered, washed and dried for analysis using the Fire Assay technique with determination by AAS.
5. "NSA" denotes "no significant assay result greater than 0.1 g/t Au" and "inc." denotes "including".

Table 6.
Frenchman's Reef: RC Drill Hole Details

Hole Number	Northing (MGA)	Easting (MGA)	Azimuth (MGA)	Dip	Depth (m)
FRRC001	5945358	734046	90	-60	30
FRRC002	5945360	734041	90	-60	60
FRRC003	5945318	734051	90	-60	30
FRRC004	5945322	734037	90	-60	60
FRRC005	5945282	734052	90	-60	31
FRRC006	5945279	734041	90	-60	55
FRRC007	5945240	734049	90	-60	34
FRRC008	5945239	734041	90	-60	55
FRRC009	5945191	734060	90	-60	28
FRRC010	5945194	734047	90	-60	55
FRRC011	5945215	734059	90	-60	30
FRRC012	5945215	734046	90	-60	52
FRRC013	5945260	734050	90	-60	18
FRRC014	5945260	734039	90	-60	52
FRRC015	5945300	734050	90	-60	9
FRRC016	5945294	734039	90	-60	31
FRRC017	5945340	734043	90	-60	40
FRRC018	5945340	734038	90	-60	60
FRRC019	5945380	734050	90	-60	30
FRRC020	5945380	734040	90	-60	52
FRRC021	5945400	734046	90	-60	34
FRRC022	5945400	734035	90	-60	52

Hogan's Project - Western Australia (100% Octagonal)

Background

In Western Australia Octagonal holds 100% equity in the Hogan's Project where it is exploring for gold and copper 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 and Salt Creek mines and Lucky Bay Prospect.

Exploration

Surface Geophysical Surveys

During the quarter a moving loop surface electromagnetic (EM) survey and ground magnetic survey were completed at the Burns Prospect, which is located 8 kilometres south of the plus 400,000 ounce Salt Creek Mine (Figure 9).

The Prospect was initially identified as a conceptual structural Archaean-style lode-gold target located beneath shallow transported cover and defined by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, intermediate 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.

Between April and December 2011 Octagonal completed three phases of aircore drilling, totalling 272 holes, using a combination of 160 metre by 640 metre, 80 metre by 320 metre, and 40 metre by 160 metre spaced grids to ultimately define a one square kilometre area of gold in regolith (weathered Archaean rock) anomalism that is not constrained by drilling where it trends beneath salt lake cover and a two kilometre long northwest trending copper in regolith anomaly that overlies a high-magnetic trend and gravity gradient and is partially coincident with the gold anomaly.

During 2012 Octagonal completed 33 RC holes, on four 40 metre spaced traverses, at the Burns Prospect in the southeast corner of the target area. This drilling intersected a unique style of gold, copper and silver mineralisation hosted in fractured high-magnesian basalt and intermediate intrusive rocks and associated with magnetite-biotite alteration, no shearing, and little quartz veining.

Significant assay results included:

- ▶ **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**
- ▶ **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**
- ▶ **50 metre @ 0.9 g/t Au, 0.8 g/t Ag & 0.5 % Cu from 24 metres in OBURC016**
- ▶ **12 metres @ 1.5 g/t Au, 0.5 g/t Ag & 0.5 % Cu from 27 metres in OBURC021**
- ▶ **19 metres @ 0.5 g/t Au, 3.0 g/t Ag & 1.0 % Cu from 44 metres in OBURC022**
- ▶ **9 metres @ 1.0 g/t Au, 1.6 g/t Ag & 0.7 % Cu from 28 metres in OBURC025**
- ▶ **3 metres @ 16.1 g/t Au, 4.5 g/t Ag & 0.5 % Cu from 35 metres in OBURC028**
- ▶ **9 metres @ 1.0 g/t Au, 3.1 g/t Ag & 1.5 % Cu from 115 metres in OBURC031**
- ▶ **12 metres @ 1.3 g/t Au, 2.0 g/t Ag & 0.8 % Cu from 163 metre in OBURC032**

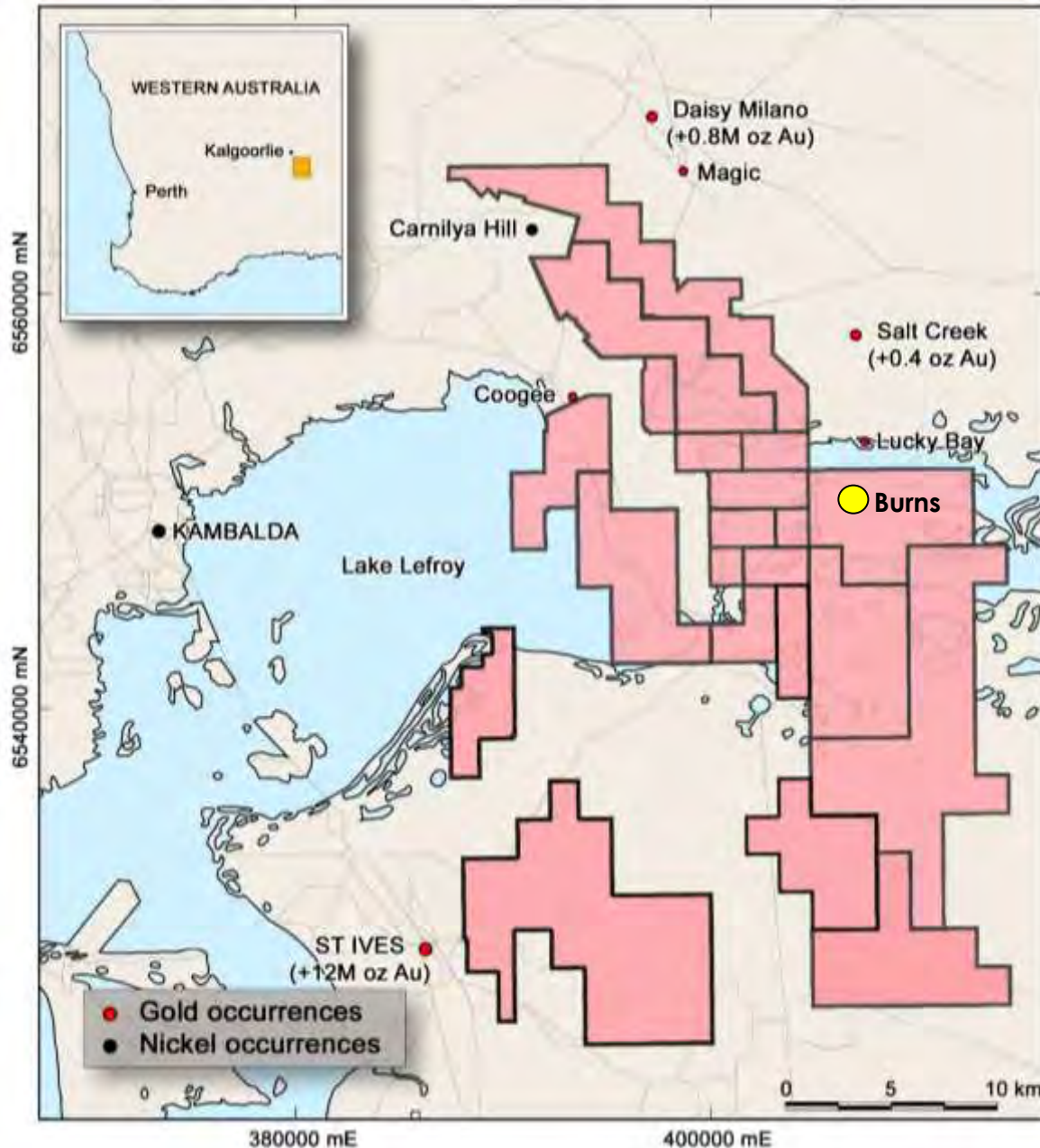


Figure 9. Hogan's Project: Tenement location plan

The moving loop surface EM and ground magnetic surveys completed during the quarter were designed to test beneath the two kilometre long copper in regolith anomaly for conductive anomalies that may be indicative of a massive copper sulphide mineralisation, and to better define the distribution of magnetite alteration associated with the gold, copper, and silver mineralisation intersected in RC drilling (Figure 10).

Results from the ground magnetic survey have defined several high magnetic anomaly that are spatially related with the copper in regolith anomalism and provide discrete targets for further drilling (Figure 11), whereas the results from the moving loop surface EM survey did not identify any relatively shallow moderate to strong conductors potentially indicative of massive copper sulphide mineralisation.

The next phase of exploration to be completed at the Burns Prospect will consist of three dimensional modelling of the ground magnetic data to better understand the geometry of the high-magnetic anomalies associated with copper in regolith anomalism and completion of a ground induced polarisation (IP) survey to test for a disseminated copper sulphide deposit.

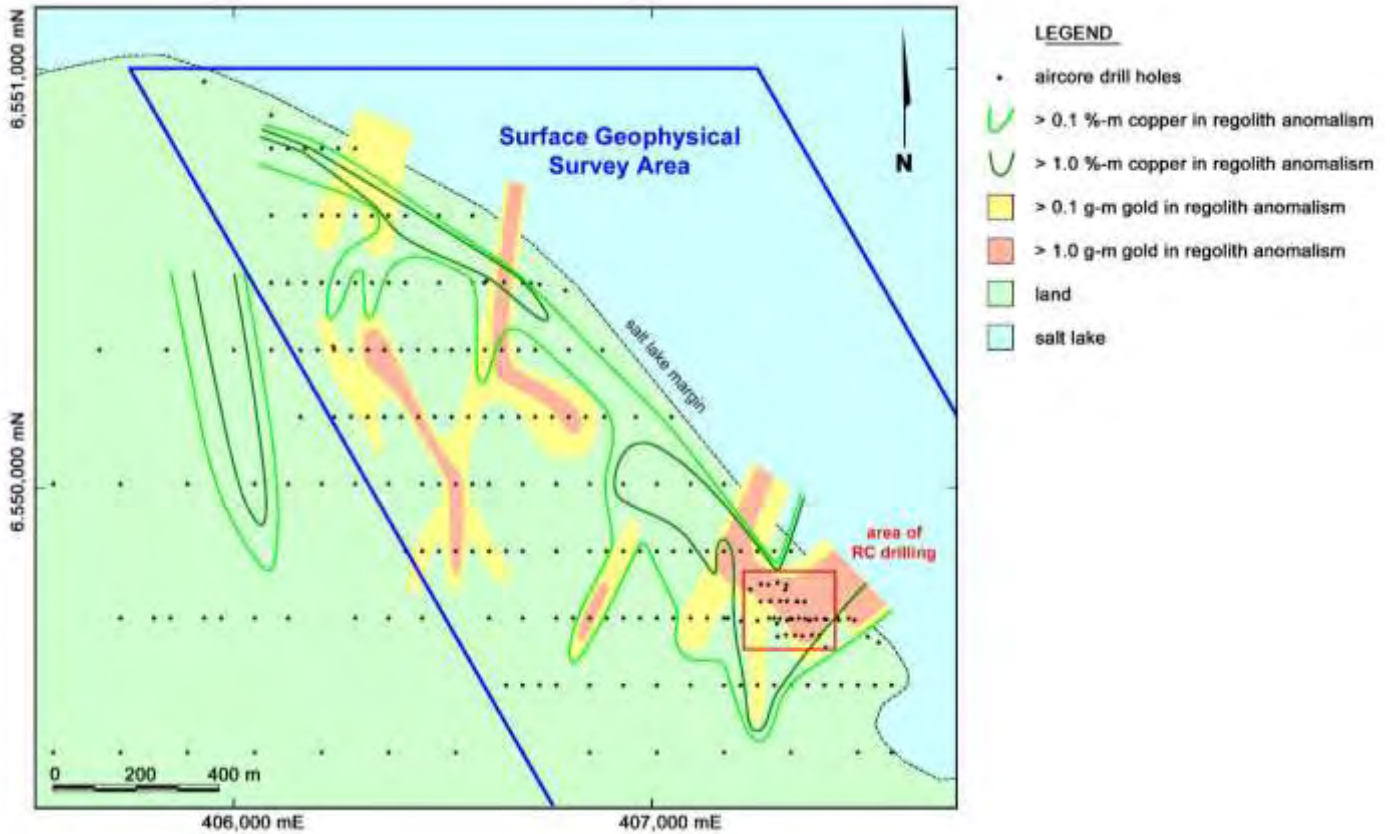


Figure 10. Burns Prospect: Location of surface geophysical survey area with respect to gold and copper anomalism in aircore drilling and RC drilling

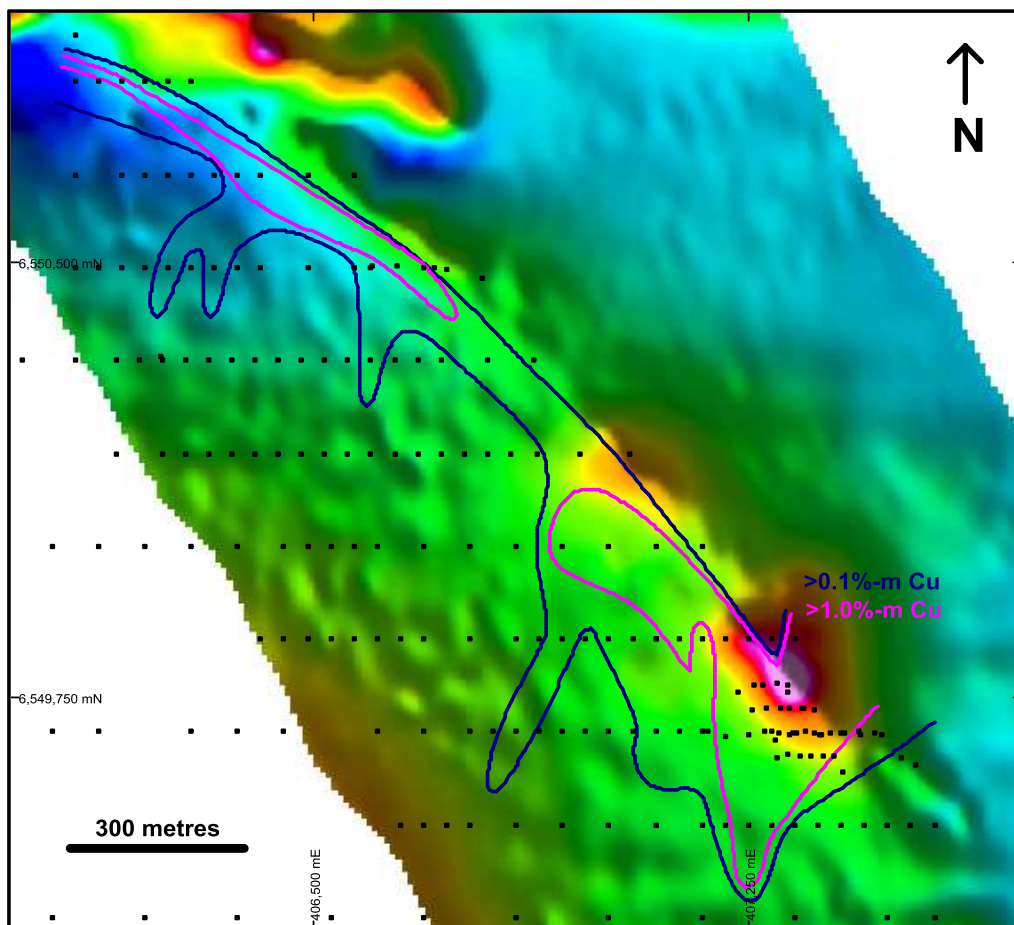


Figure 11. Burns Prospect: Ground magnetic survey data image with copper anomalism in aircore drilling

Corporate

Processing of third party ore produced 600 ounces of refined gold attributable to Octagonal. 686 ounces was sold during the quarter achieving an average gold price of A\$1,429/oz.

Processing of ore from the Black Reef open pit produced 130 ounces of refined gold that was sold achieving an average gold price of A\$1,384/oz.

Revenue of \$1,195,000 was generated from gold sales and ore processing fees.

At 30 June 2013 Octagonal had cash reserves of \$2.2 million (unaudited) and 106,048,002 ordinary shares on issue.

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



Octagonal Resources supports the Maldon Bowling Club along with other sporting clubs and community events in Maldon

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 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.

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.

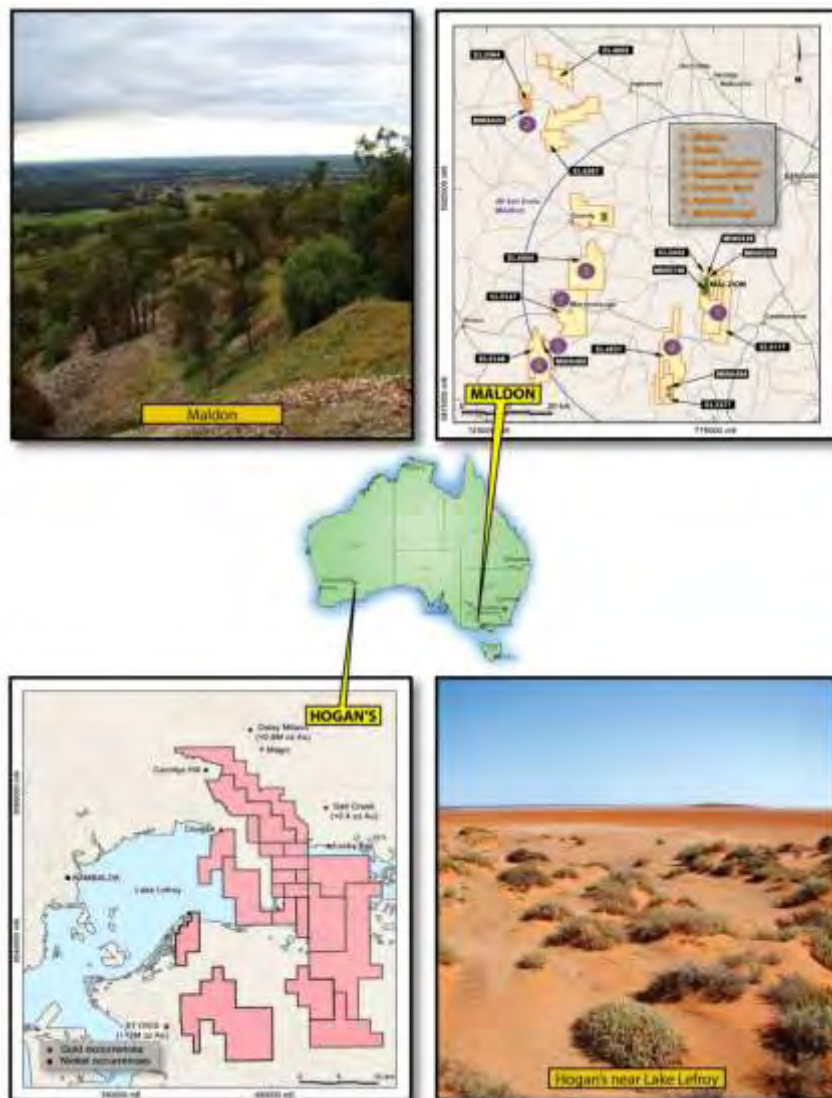
About Octagonal Resources

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 mining and processing ore from a trial open pit, near Wehla, while it brings its larger underground and open pit mines into production.

In Western Australia Octagonal holds 100% interest in the Hogan's Project where it is exploring for gold and copper 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 and Salt Creek mines and Lucky Bay Prospect. Octagonal is exploring priority exploration target areas that display the potential to host a major gold or copper 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 June 2013

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	1,837	5,826
1.2 Payments for (a) exploration and evaluation	(165)	(1,113)
(b) development	(422)	(1,390)
(c) production ⁽ⁱ⁾	(1,067)	(2,987)
(d) administration	(404)	(1,360)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	73
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid/recouped)	26	188
Net Operating Cash Flows	(175)	(763)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(11)	(180)
1.9 Proceeds from sale of: (a) prospects	-	10
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Refund of security deposit)	-	-
Net investing cash flows	(11)	(170)
1.13 Total operating and investing cash flows (carried forward)	(186)	(933)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13 Total operating and investing cash flows (brought forward)		(186)	(933)
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		(186)	(933)
1.20 Cash at beginning of quarter/year to date		2,420	3,167
1.21 Exchange rate adjustments to item 1.20		-	-
1.22 Cash at end of quarter		2,234	2,234

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	239
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-imburements 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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	61
4.2 Development	617
4.3 Production	1,067
4.4 Administration	251
Total	1,996

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	1,291	1,478
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)	2,234	2,420

Notes:

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	E15/1155 E15/1314	Registered holder Registered holder	100% 100%	0% 0%
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>	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	106,048,002	106,048,002	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>	N/A		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

				Exercise price A\$	Expiry date
7.7	Options/ Performance Rights <i>(description and conversion factor)</i>	<i>(Unlisted Performance Rights)</i> 817,190	Nil	Nil	20 December 2013
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 ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:



Date: 30 July 2013

Company Secretary

Print name:

BOB TOLLIDAY

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.