

22 January 2014

No. of Pages: 4

ASX CODE: ORS

Market Cap.: \$7.4 m (\$0.07 p/s)

Shares on issue: 106,048,002

Cash: \$1.2 m (30 September 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 – 8.8%

Karl Sabljak – 5.2%

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Pearl Croydon Open Pit Mining Approved **Amherst, in Central Victoria**

- **Planning Permit received**
- **All approvals now received to commence open pit mining at the Pearl Croydon Gold Deposit**
- **Site works to commence during February**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that all regulatory approvals have been received to commence open pit mining at the Pearl Croydon Gold Deposit near Amherst in Central Victoria.

The Pearl Croydon Deposit contains an **Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold** (Figure 1 and Table 1).

During September 2013 Octagonal received statutory endorsement approval from the Department of Environment and Primary Industries (“DEPI”) for its Work Plan to undertake open pit mining at the Pearl Croydon Deposit.

A Planning Permit has now been issued by the Central Goldfields Shire Council to provide for the commencement of mining. Site works will commence during February.

Octagonal’s Managing Director, Anthony Gray, commented “this is a major milestone for our Company. We have a good working relationship with the Community in Maldon where we have our underground mine and mill, but now that we are branching our activities more broadly we welcome the support and constructive feedback that we have received during the Planning Permit process from the Amherst community, the Central Goldfields Shire Council, and key stakeholders in the Pearl Croydon Mining Operation.”

“We expect that ore delivered from the Pearl Croydon Mining Operation will supplement underground mining at the Alliance South Shoot in Maldon and provide an ongoing feed to the Porcupine Flat gold processing plant for at least the next 12 to 18 months”.

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

Pearl Croydon Project

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 (refer to ASX Announcement dated 20 January 2014) of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (Figure 1 and Table 1).

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 2), 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 2).

As the Pearl Croydon resource is in the Inferred category it must be upgraded to the Indicated resource category before mining Reserves can be estimated. To reflect this underlying geological uncertainty open pit mining targets reported in this announcement are provided in ranges.

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

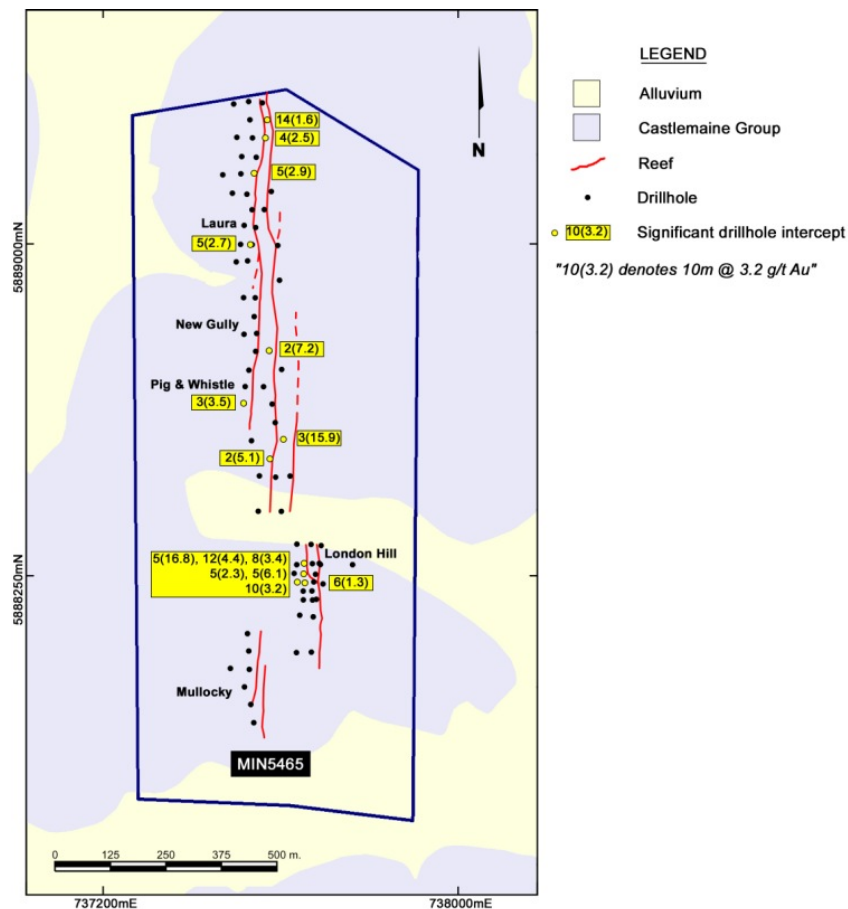


Figure 1. Pearl Croydon: Drill hole location plan

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

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 3).

Now that all regulatory approvals have been received Octagonal will commence site works during February in preparation of mining. The site works will consist of the erection of a boundary fence, site clearing, and upgrade of gravel haulage roads.

The Company expects mining to commence during March with first ore processed in April.

Table 2.	
Pearl Croydon: Open Pit Optimisation Summary	
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

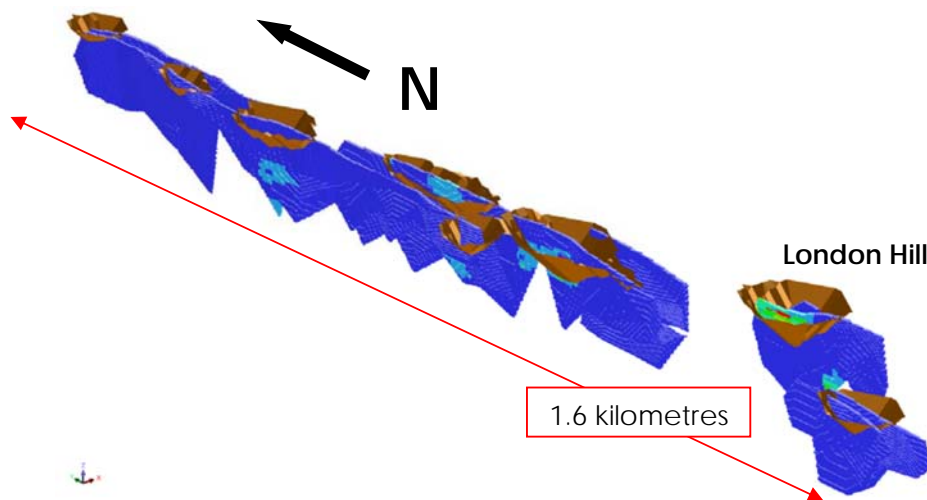


Figure 2. Pearl Croydon: Whittle pit shells generated from open pit optimisation study

Table 3.	
London Hill: Open Pit Optimisation Summary	
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

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Anthony Gray, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Gray is a full-time employee of the company. Mr Gray has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

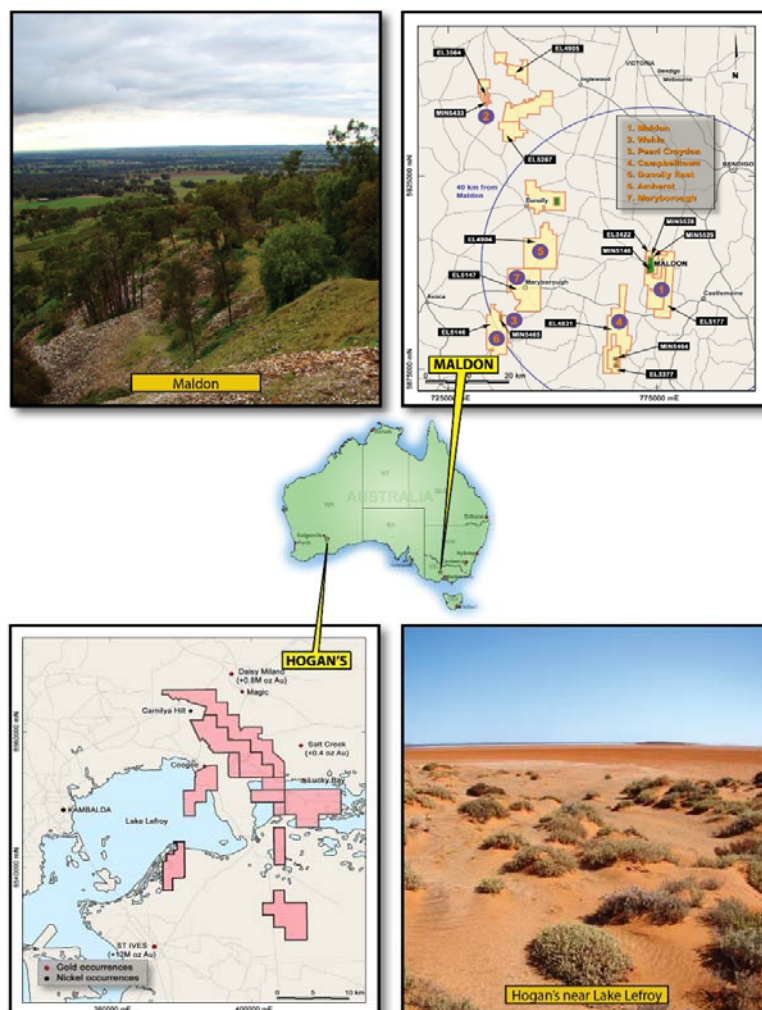
About Octagonal Resources

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 and a decline that extends to the undeveloped Alliance South Deposit. Octagonal is currently underground mining at the Alliance South Deposit and has recently gained regulatory approval to commence open pit mining at the Pearl Croydon Deposit, near Amherst.

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