

31 JANUARY 2013

No. of Pages: 26

ASX CODE: ORS

Market Cap.: \$12.7 m (\$0.12 p/s)

Shares on issue: 106,048,002

Cash: \$2.0m (31 December 2012)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Alliance Resources – 20.7%

Abbotsleigh – 18.9%

JP Morgan Nominees – 9.0%

PRINCIPAL OFFICE

Octagonal Resources Limited

ABN 38 147 300 418

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QUARTERLY REPORT - FOR THE PERIOD ENDED **31 DECEMBER 2012**

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 31 December 2012 (19 pages)
- Appendix 5B for the period ending 31 December 2012 (6 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 31 December 2012

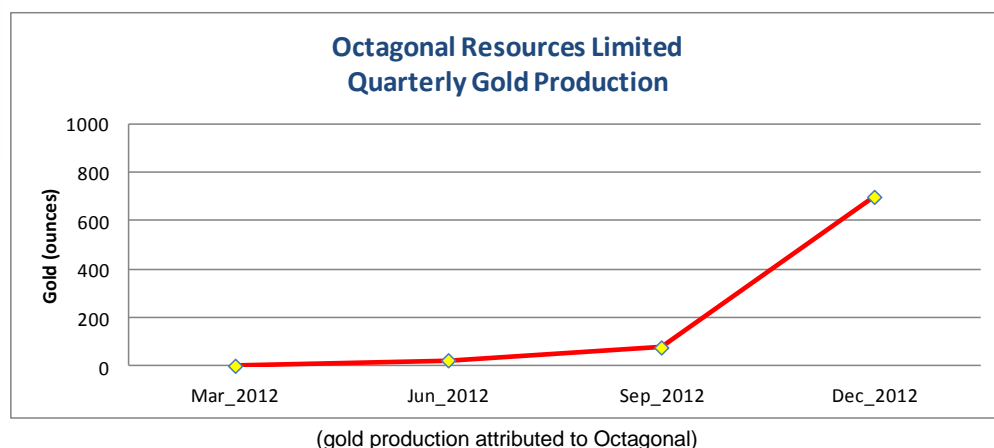
Highlights

Victoria

- ▶ Processing of tailings from the Kangaroo Flat Gold Mine continued with over \$2.1 million in revenue generated from the sale of gold and ore processing fees
- ▶ Average recovered gold grade from tailings of 6.5 g/t Au exceeds expectations
- ▶ Remaining tailings to provide a further six months of ore processing
- ▶ Development work continued at the Union Hill Decline to access the Alliance South Gold Deposit (Maldon)
- ▶ Mining licences granted over the Pearl Croydon and Boson's Reef gold deposits (Amherst and Campbelltown)

Western Australia

- ▶ Widespread gold, copper, and silver intersected in reverse circulation drilling at the Burns Prospect (Hogan's Project)
- ▶ 100% equity acquired in the Hogan's Project Joint Venture tenements including the high-priority Burns Prospect area
- ▶ \$150,000 West Australian government co-funded drilling grant awarded to help pay for the first phase of diamond drilling at the Burns Prospect (Hogan's Project)



Summary

During the December quarter Octagonal's activities in Victoria focussed on developing a cash flow from re-processing tailings from the Kangaroo Flat Gold Mine near Bendigo while it continued work on extending the Union Hill Decline at Maldon to access the Alliance South Shoot.

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 near Bendigo 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 6,430 tonnes of tailings were processed to recover an average gold grade of 6.5 g/t Au. 1,398 ounces of refined gold was produced and 1,176 ounces sold achieving an average gold price of A\$1,638/oz.

\$962,000 from the proceeds of gold sales was attributed to Unity.

A further 222 ounces of gold was produced and unsold at the end of the quarter. 111 ounces of this gold is attributed to each of Octagonal and Unity.

Based on current tailings grades and ore processing rates it is estimated that the remaining tailings at the Kangaroo Flat Gold Mine will provide for a further six months of ore processing.

Development of the Union Hill Decline at Maldon continued with further significant ground support required to develop through the difficult ground conditions associated with Moon's Cross-course. The Company has made significant progress in mining through this structure and expects to advance into more stable ground conditions during the March 2013 quarter.

At Wehla, the Company placed open pit mining at the Black Reef on hold while the Kangaroo Flat tailings are processed. Re-commencement of mining will be timed to ensure that ore is available for processing after the Kangaroo Flat material.

Mining Licence Applications MIN5464 and MIN5465 that overlie the Pearl Croydon and Campbelltown gold deposits were granted during the quarter. 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 Bosun's Reef Deposit has intersected near-surface, potentially economic, gold mineralisation. The granting of these mining licences will allow the Company to complete infill drilling and open pit optimisation studies prior to mining.

In Western Australia assay results were received from 19 RC holes completed at the Burns Prospect (Hogan's Project) during the September 2012 quarter. Assay results from this drilling program returned significant widths and grades of gold, copper, and silver extending over 120 metres strike length and to greater than 150 vertical metres depth that occurs in multiple shoots and is not constrained by drilling in all directions.

100% equity in the Hogan's Project Joint Venture tenements, that includes the Burns Prospect, was acquired through the issue of a total of 6,000,000 ordinary shares to joint venture partners and a \$150,000 West Australian government co-funded drilling grant was received to assist with funding the first diamond drilling program at the Burns Prospect.

Work planned for the March 2013 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 a conceptual open pit optimisation study on the Pearl Croydon Deposit (Amherst) in Victoria; and
- ▶ Complete initial RC drilling at the Frenchman's Reef Prospect (Wehla) 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 December 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 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 15.0 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.

At present, the Company estimates that it will take one to two 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 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 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

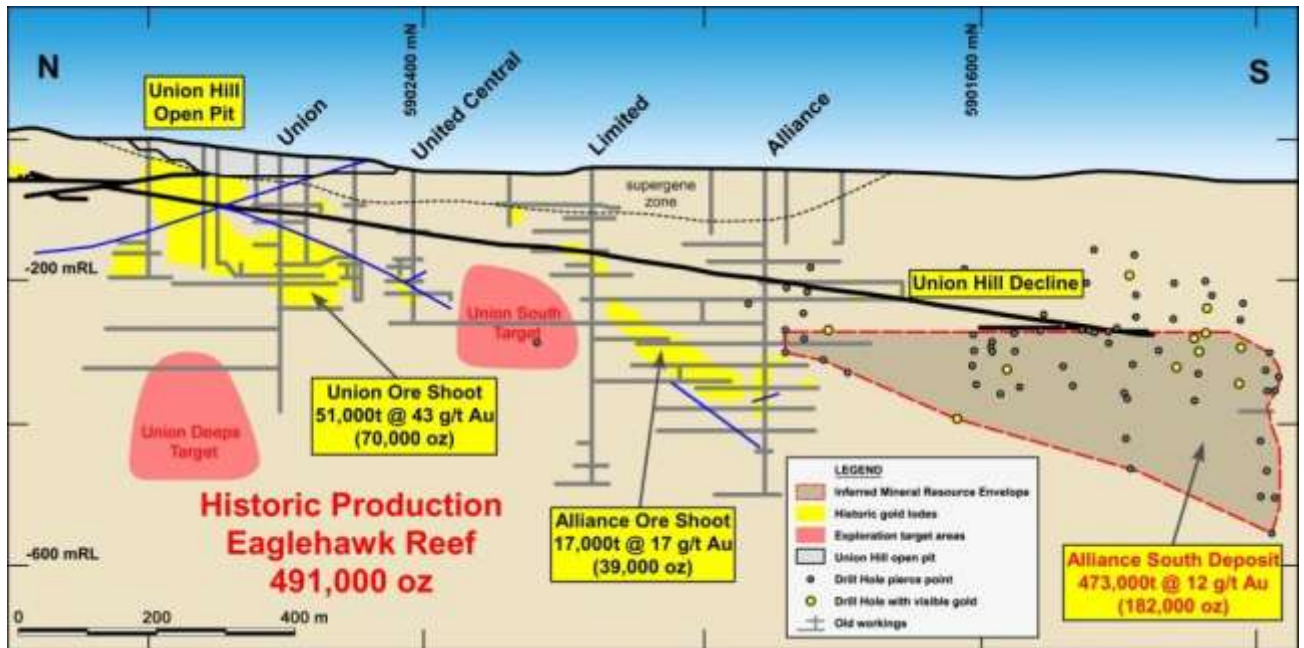


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit

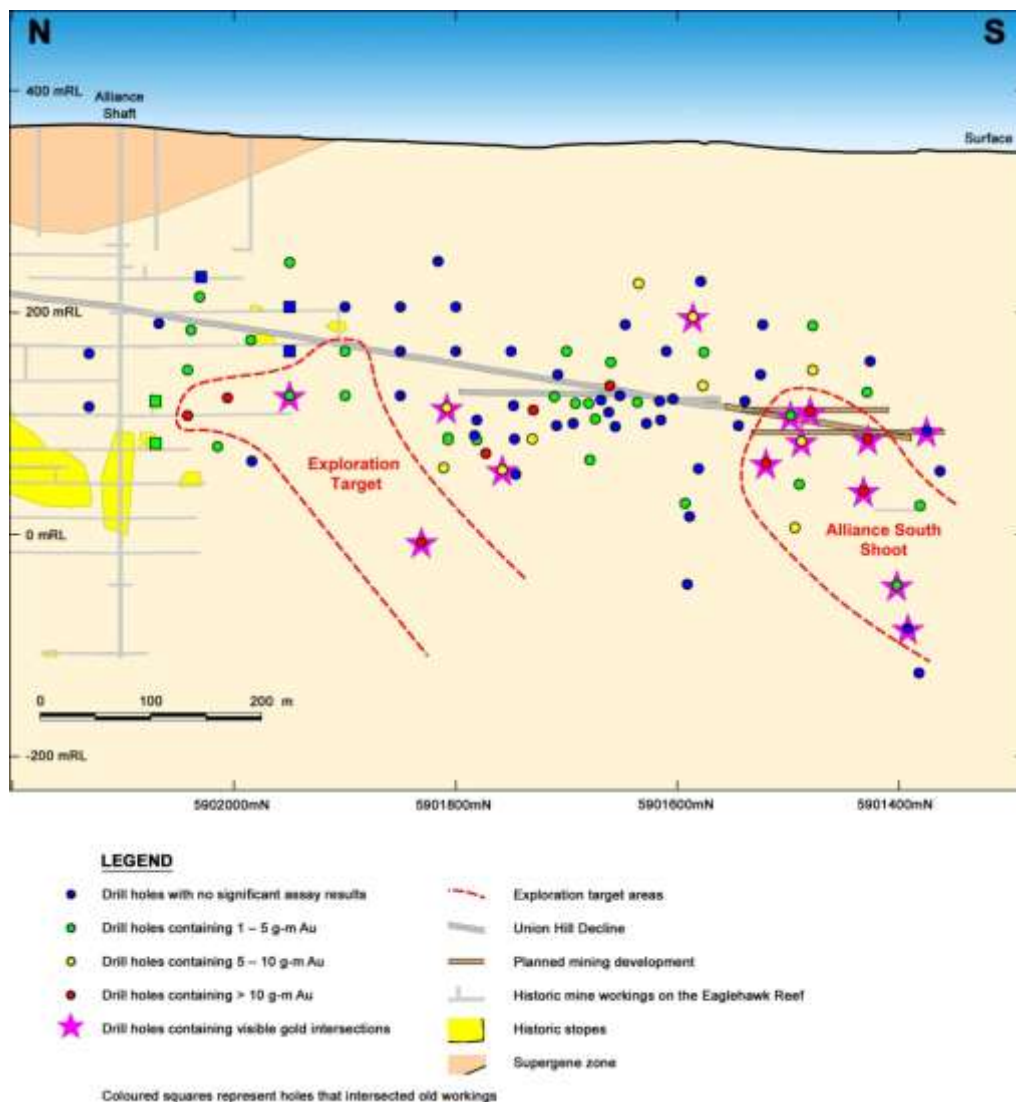


Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill decline relative to the Alliance South Shoot, secondary exploration target, and planned mining development

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 was suspended during the quarter and will be timed to recommence so that ore is available for processing upon the completion of processing Kangaroo Flat tailings.

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

During the quarter Octagonal continued to process third party ore from the Kangaroo Flat Gold Mine.

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 Mining Limited, 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 mineralisation 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 3g/t Au and 6g/t Au.

Under the terms of this agreement Octagonal will remove, and re-process all of the flotation concentrate tailings at the Kangaroo Flat Gold Mine.

In consideration for re-processing the 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 over \$2.1 million dollars in revenue was generated under this agreement from the sale of refined gold produced and ore processing fees.

6,430 tonnes of tailings were processed to recover an average gold grade of 6.5 g/t Au. 1,398 ounces of refined gold was produced and 1,176 ounces sold achieving an average gold price of A\$1,638/oz.

\$962,000 from the proceeds of gold sales was attributed to Unity.

A further 222 ounces of gold was produced and unsold at the end of the quarter. 111 ounces of this gold is attributed to each of Octagonal and Unity.

Gold production was affected in October by delays while the tailings removal process was changed from using an excavator to using a dredge however since mid-November gold pours have occurred on a weekly basis.

Based on current tailings grades and ore processing rates it is estimated that the remaining tailings at the Kangaroo Flat Gold Mine will provide for a further six months of ore processing..

Tenements

Mining Licence Applications MIN5464 and MIN5465 that overlie the Pearl Croydon and Bosun's Reef gold deposits in Central Victoria were granted by the Department of Primary Industries.

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 Bosun's Reef Deposit has intersected near-surface, potentially economic, gold mineralisation.

The granting of these mining licences provides access to the deposits for infill drilling to better define and upgrade near-surface gold resources for open pit optimisation studies and mining.

The Company will complete a conceptual open pit optimisation study on the Pearl Croydon Deposit during the March 2013 quarter to provide commercial input into the planning of infill and extensional drilling.

Pearl Croydon Project (100% Octagonal)

The Pearl Croydon Project is located 40 kilometres southwest of Maldon. Octagonal has Mining Licence MIN5465 centred on the Pearl Croydon Deposit covering an area of 92 hectares.

The Pearl Croydon Deposit lies within a 1,600 metre by 300 metre north trending corridor of fault hosted, steep dipping, quartz reefs that have been historically worked by open pit and underground mining methods (Figure 3).

Between 1997 and 2003 81 RC holes were drilled at the Pearl Croydon 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 2).

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

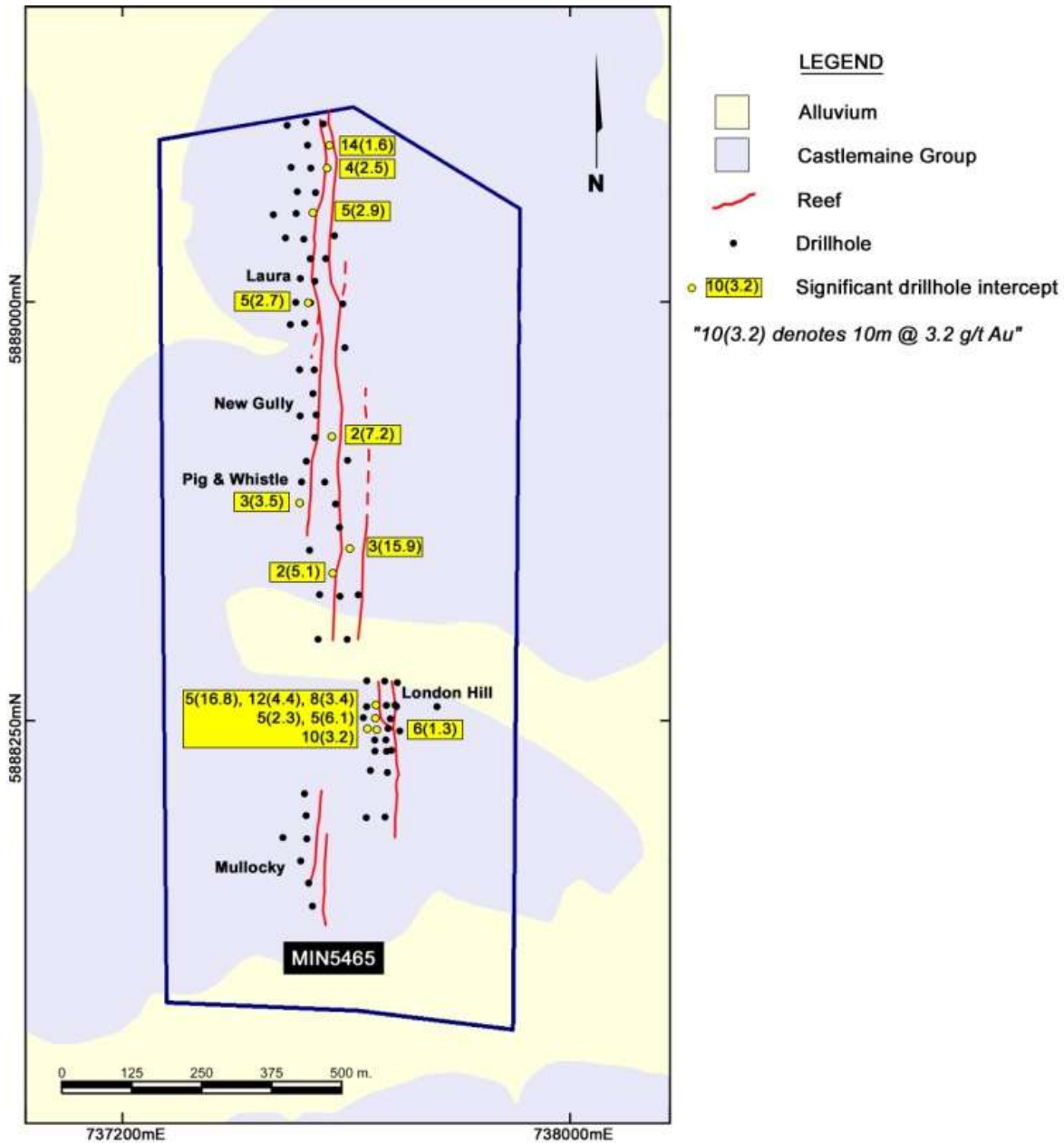


Figure 3. Pearl Croydon: Drill hole location plan

Campbelltown Project (100% Octagonal)

The Campbelltown Project is located 30 kilometres southwest of Maldon. Octagonal has Mining Licence 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 4).

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.

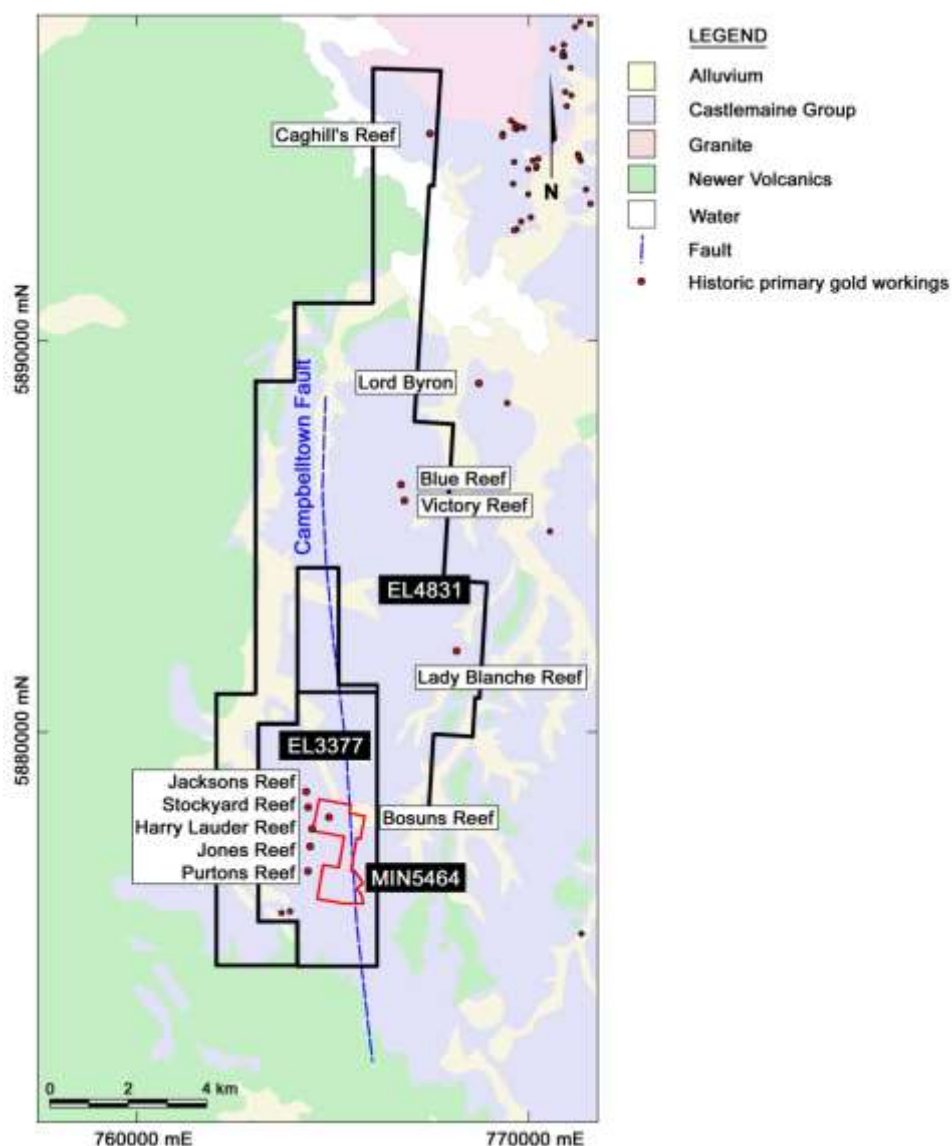


Figure 4. Campbelltown: Tenement and Prospect Location Plan

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 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 assay results were received from a 19 hole RC drilling program, totaling 2,507 metres, that was completed at the Burns Prospect during the September quarter to test for extensions of gold, copper, and silver along strike to the north and south of the one traverse drilled in 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 5). 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**

The aim of the recently completed RC drilling program was to define the distribution of gold, copper, and silver to the north and south of the first RC drilling traverse and to test across the top of a magnetic anomaly located to the north of the initial drilling program (Figure 6).

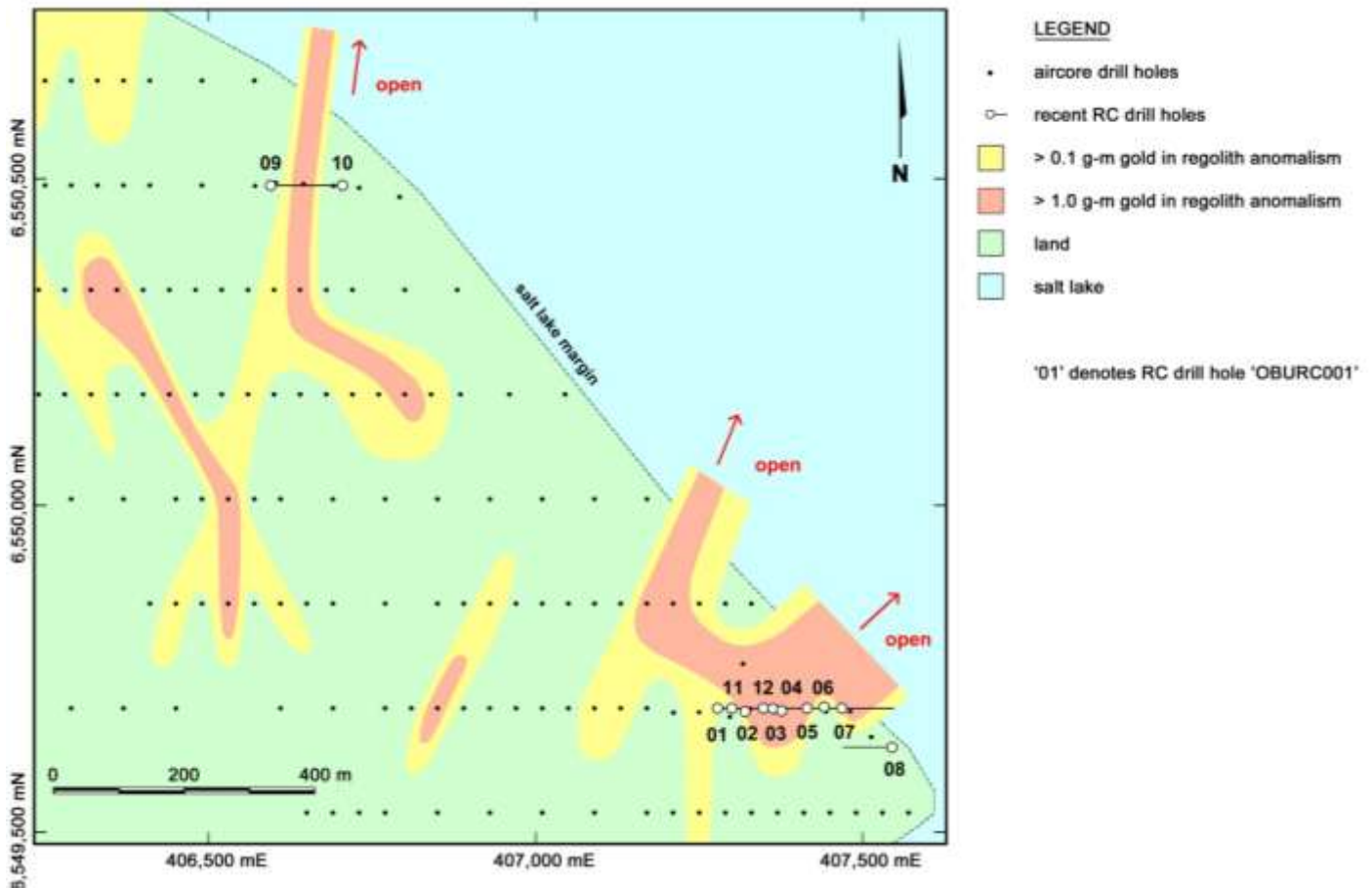


Figure 5. Burns Prospect: Phase 1 RC drill hole location plan with gold in regolith anomaly defined by aircore drilling



RC Drilling at the Burns Prospect

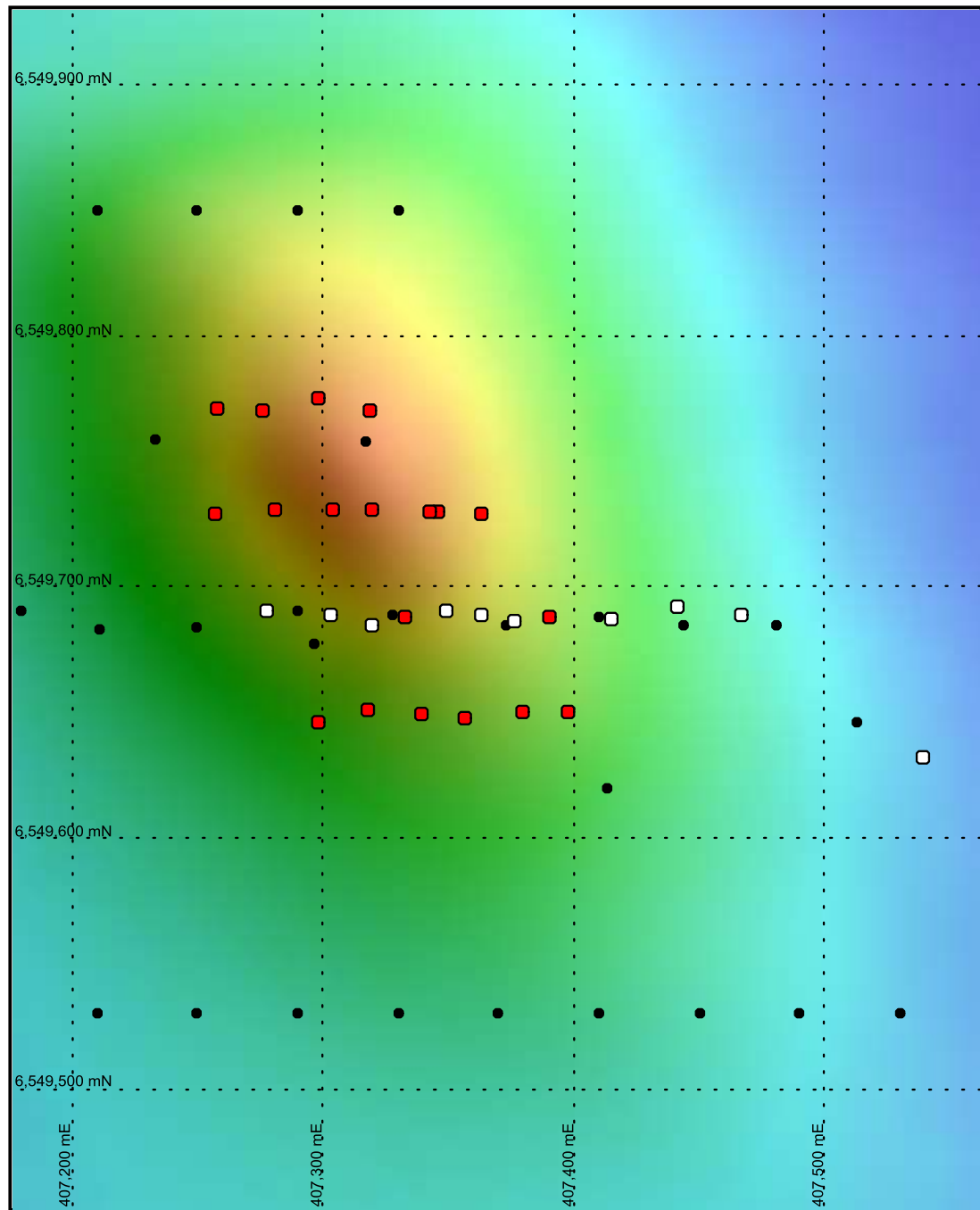


Figure 6. Burns Prospect: RC drill hole location plan on an aeromagnetic image

Legend-

Black dots: aircore drill holes

Red dots: recently completed RC holes

White dots: RC holes drilled during January 2012

Assay results from this drilling program have continued to intersect broad zones of gold, copper and silver hosted within fractured high-magnesian basalt and intermediate intrusive rocks.

These results are listed in Table 3 and include:

- ▶ **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**

This mineralisation is hosted with broader zones of lower grade mineralisation including:

- ▶ **128 metres @ 0.4 g/t Au, 0.6 g/t Ag & 0.3 % Cu from 24 metres in OBURC016**
- ▶ **24 metres @ 0.2 g/t Au, 1.0 g/t Ag & 0.6 % Cu from 26 metres in OBURC020**
- ▶ **56 metres @ 0.5 g/t Au, 0.4 g/t Ag & 0.3 % Cu from 26 metres in OBURC021**
- ▶ **54 metres @ 0.4 g/t Au, 1.6 g/t Ag & 0.7 % Cu from 26 metres in OBURC022**
- ▶ **23 metres @ 0.8 g/t Au, 1.0 g/t Ag & 0.5 % Cu from 27 metres in OBURC025**

All holes were oriented -60 degrees towards the east and all but four of the holes drilled were completed to target depth (Table 4). Holes OBURC018, 026, 027, and 033 failed to reach target depth due to difficult ground conditions associated with clay and sand in the Tertiary cover sequence. Hole OBURC018 was re-drilled with hole OBURC019, while holes OBURC026, 027, and 033 will require completion using a diamond drilling rig.

Figures 7, 8, 9 and 10 illustrate (at the same scale) interpreted cross-sections showing the location of significant assay results intersected in the recent RC drilling program. Interpretation of drilling results at this early stage of exploration is difficult due to a lack of shearing and quartz veining and the inferred potential for multiple oriented ore shoots.

Mineralisation intersected at the Burns Prospect is hosted within fractured, but relatively weakly deformed high-magnesian (komatiitic) basalts and intermediate intrusive rocks. Gold occurs both spatially associated with magnetite-biotite alteration and at/near lithological (rock boundary) contacts. Copper occurs predominantly as chalcocite and chalcopyrite, with minor chrysocolla, and except where copper is present there is a notable absence of sulphide minerals. This is not typical of most gold deposits in the Eastern Goldfields, however sulphide poor gold deposits are known to occur and include the +1.8Moz Redeemer and +0.4Moz Cox-Crusader gold deposits located near Agnew, 300 kilometres north-northwest of Kalgoorlie.

The gold, copper, and silver mineralisation at the Burns Prospect has now been defined over 120 metres strike length, and down to 150 vertical metres depth, and significantly is unconstrained by drilling in all directions.

Octagonal is extremely encouraged by these results and in December 2012 was awarded a \$150,000 Western Australian Government co-funded drilling grant in Round 6 of the Exploration Incentive Scheme Co-funded Drilling Program to help fund the first phase of diamond drilling at the Burns Prospect.

This diamond drilling program will consist of four diamond holes, for 2,000 metres, and is designed to provide lithological, structural, geophysical, and mineralogical data to help understand and better explore this deposit.

Table 3. Burns Prospect: Significant Assay Results								
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Au eq* (g/t)	Comments
OBURC015			NSA					
OBURC016	24	152	128	0.4	0.6	0.3	0.9	to end of hole
inc.	24	74	50	0.9	0.8	0.5	1.7	
inc.	56	58	2	1.5	2.3	1.4	3.7	
inc.	68	74	6	0.6	4.2	1.8	3.5	
inc.	73	74	1	0.4	6.3	6.8	11.1	
inc.	105	108	3	0.4	1.1	1.0	2.0	
OBURC017	33	43	10	0.4	0.8	0.6	1.3	
inc.	33	36	3	0.2	0.9	1.0	1.8	
inc.	42	43	1	2.0	0.7	0.2	2.3	
OBURC018	24	26	2	1.1	0.3	0.3	1.6	
	39	42	3	0.1	3.4	1.0	1.7	
OBURC019	32	41	9	0.1	0.9	1.0	1.7	
OBURC020	26	50	24	0.2	1.0	0.6	1.2	
inc.	26	31	5	0.1	0.5	1.3	2.1	
inc.	45	50	5	0.4	2.1	1.1	2.2	
	59	60	1	1.2	4.4	2.0	4.4	
	88	89	1	0.4	2.8	1.4	2.6	
OBURC021	26	82	56	0.5	0.4	0.3	1.0	
inc.	27	39	12	1.5	0.5	0.5	2.3	
inc.	27	35	8	2.3	0.4	0.5	3.1	
inc.	33	35	2	4.9	0.3	1.1	6.6	
	94	97	3	1.3	6.6	2.3	5.0	
OBURC022	26	80	54	0.4	1.6	0.7	1.5	
inc.	26	34	8	0.3	1.3	1.0	1.9	
inc.	44	63	19	0.5	3.0	1.0	2.1	
inc.	58	62	4	1.2	6.1	2.2	4.7	
inc.	68	71	3	1.2	2.8	0.4	1.9	
	108	109	1	1.2	1.2	0.9	2.6	
OBURC023	71	74	3	0.6	4.7	1.3	2.7	
	130	133	3	1.2	1.7	0.4	1.9	
OBURC024	26	43	17	0.1	0.5	0.7	1.2	
inc.	27	34	7	0.2	0.3	1.1	1.9	
	119	140	21	0.4	1.3	0.4	1.0	
inc.	133	138	5	0.8	1.3	1.1	2.5	
OBURC025	27	50	23	0.8	1.0	0.5	1.6	
inc.	28	37	9	1.0	1.6	0.7	2.1	
inc.	31	35	4	1.0	2.9	1.0	2.6	
	83	86	3	1.0	4.0	1.1	2.8	
	131	142	11	0.1	2.8	0.5	0.9	
inc.	135	139	4	0.1	4.2	1.0	1.7	
OBURC026	28	38	10	0.1	0.8	0.7	1.2	
inc.	29	34	5	0.1	1.0	1.1	1.8	
	66	69	3	0.9	1.8	0.4	1.6	
OBURC027			NSA					
OBURC028	35	38	3	16.1	4.5	0.5	17.0	
	45	46	1	1.4	0.4	0	1.4	
	96	97	1	0.8	4.1	1.5	3.2	
OBURC029	49	50	1	5.2	2.0	0.8	6.5	
	104	107	3	1.6	2.1	2.1	4.9	
	115	117	2	3.3	1.7	1.0	4.9	
	127	128	1	1.5	1.5	0.5	2.3	
OBURC030	70	73	3	1.4	3.0	2.3	5.0	
OBURC031	115	124	9	1.0	3.1	1.5	3.4	
inc.	115	118	3	2.3	5.7	2.8	6.8	
	134	135	1	1.1	5.4	2.6	5.2	

Table 3 cont...							
Burns Prospect: Significant Assay Results							
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Au eq* (g/t)
OBURC032	28	35	7	0.1	1.8	1.3	2.2
	55	56	1	1.3	1.3	0.1	1.5
	67	68	1	0.2	5.0	1.1	2.0
	82	84	2	0.1	2.5	1.4	2.3
	123	124	1	1.3	1	0.3	1.8
	163	175	12	1.3	2.0	0.8	2.6
	inc.	163	165	2	3.9	5.2	7.6
OBURC033	27	32	5	0.3	1.4	1.0	1.9

Notes:

- Four metre composite scoop samples routinely collected.
- Composite samples containing greater than 0.1 g/t gold or greater than 0.1 % copper split and analysed over 1 metre intervals for Au, Ag, As, Cu, Fe, K, Pb, S, Zn.
- Gold analysis conducted by Inspectorate KalAssay (Kalgoorlie Laboratory) using a 40 gram Fire Assay Digest with AAS Finish.
- Multi-element analysis conducted by Inspectorate KalAssay (Kalgoorlie Laboratory) using a Four Acid Digest with ICP-OES Finish.
- "NSA" denotes "no significant assay result greater than 0.1 g/t Au or 0.1 % Cu", "inc." denotes "including", and "AuEq" denotes "gold equivalent grade".
- Gold equivalent grade is provided for indicative purposes only and is based on the following assumptions; gold price: A\$1,600/oz, silver price: A\$30/oz, copper price: A\$8,000/t, 100% metal recovery
(no metallurgical test work has been completed on the Burns Prospect mineralisation)

Table 4.					
Burns Prospect: RC Drill Hole Details					
Hole Number	Northing (MGA)	Easting (MGA)	Azimuth (MGA)	Dip	Depth (m)
OBURC015	6549688	407390	92.5	-60.6	80
OBURC016	6549688	407333	92.9	-60.3	152
OBURC017	6549729	407363	94.4	-60.6	150
OBURC018	6549730	407343	93.0	-60.5	65
OBURC019	6549730	407346	92.3	-60.2	150
OBURC020	6549731	407320	91.6	-60.2	150
OBURC021	6549731	407304	92.1	-60.6	180
OBURC022	6549731	407281	91.9	-60.5	120
OBURC023	6549729	407257	91.7	-60.8	177
OBURC024	6549770	407319	91.8	-60.3	150
OBURC025	6549775	407298	95.1	-60.8	150
OBURC026	6549770	407276	89.6	-60.7	74
OBURC027	6549771	407258	92.5	-60.0	38
OBURC028	6549650	407398	90.0	-60.0	150
OBURC029	6549650	407380	90.0	-60.0	150
OBURC030	6549648	407357	97.9	-60.5	150
OBURC031	6549649	407339	100.0	-60.7	180
OBURC032	6549651	407318	100.0	-60.0	180
OBURC033	6549646	407298	100.0	-60.0	61

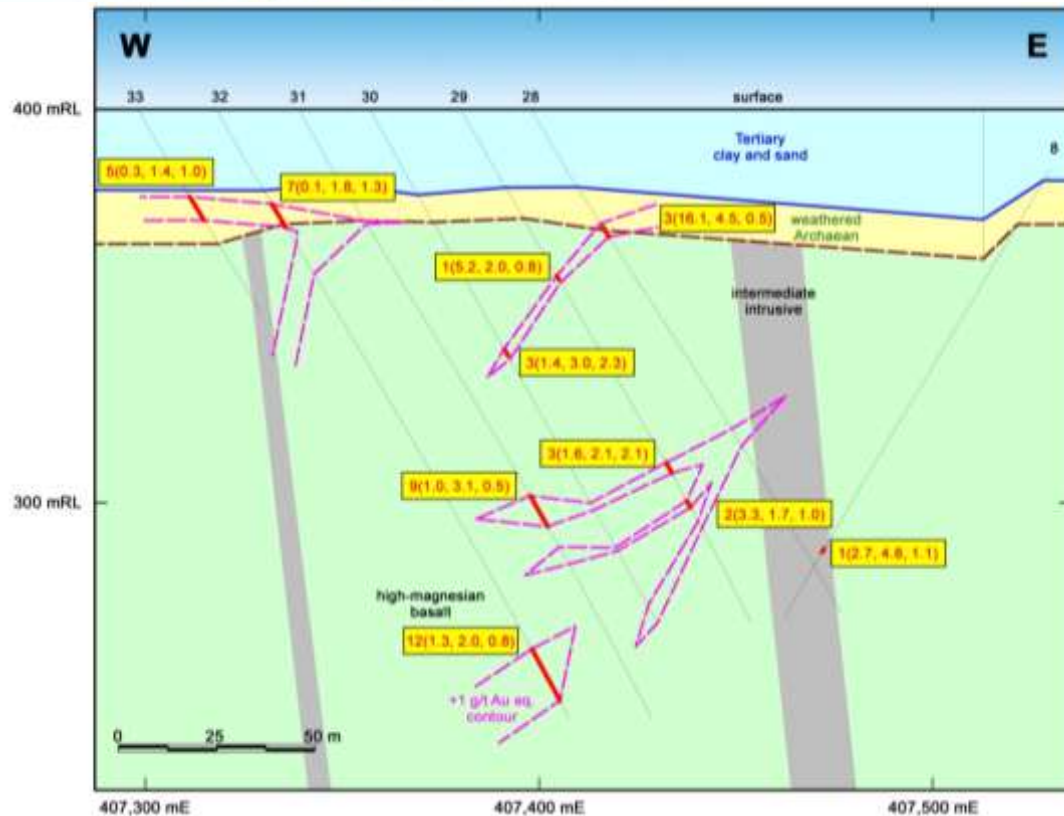


Figure 7. Burns Prospect: 6549650mN Cross-Section

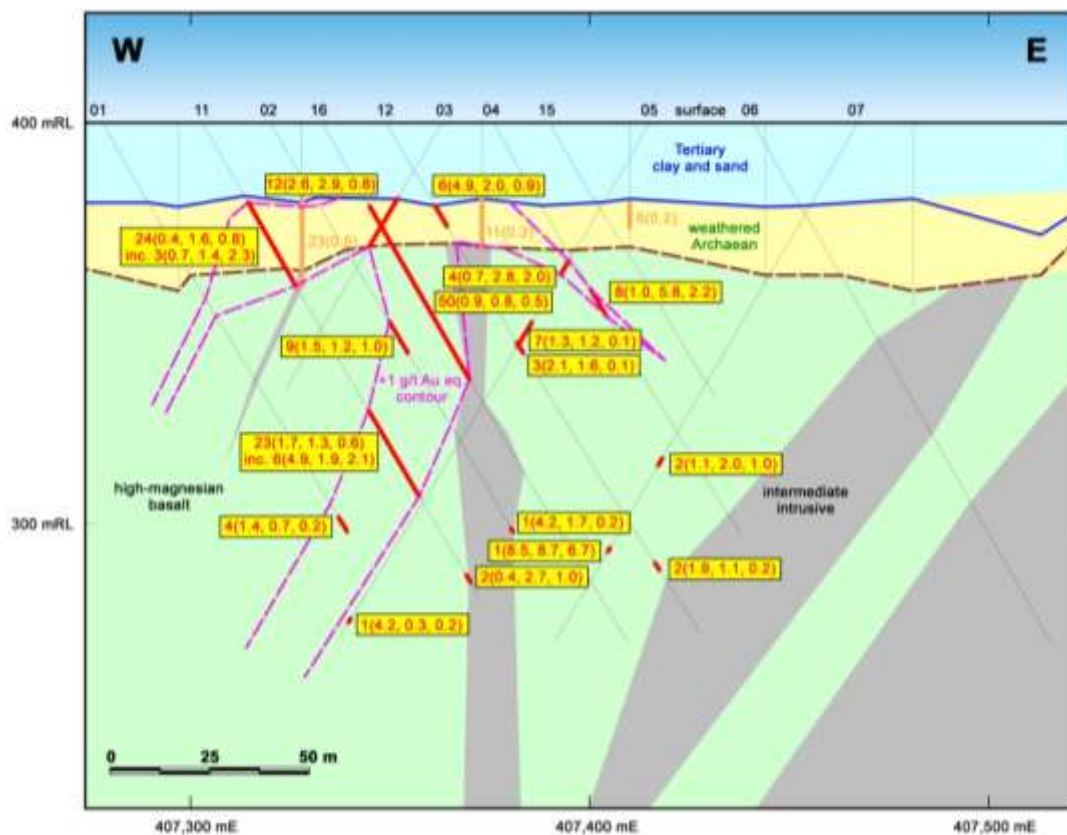


Figure 8. Burns Prospect: 6549690mN Cross-Section

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

Note:

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

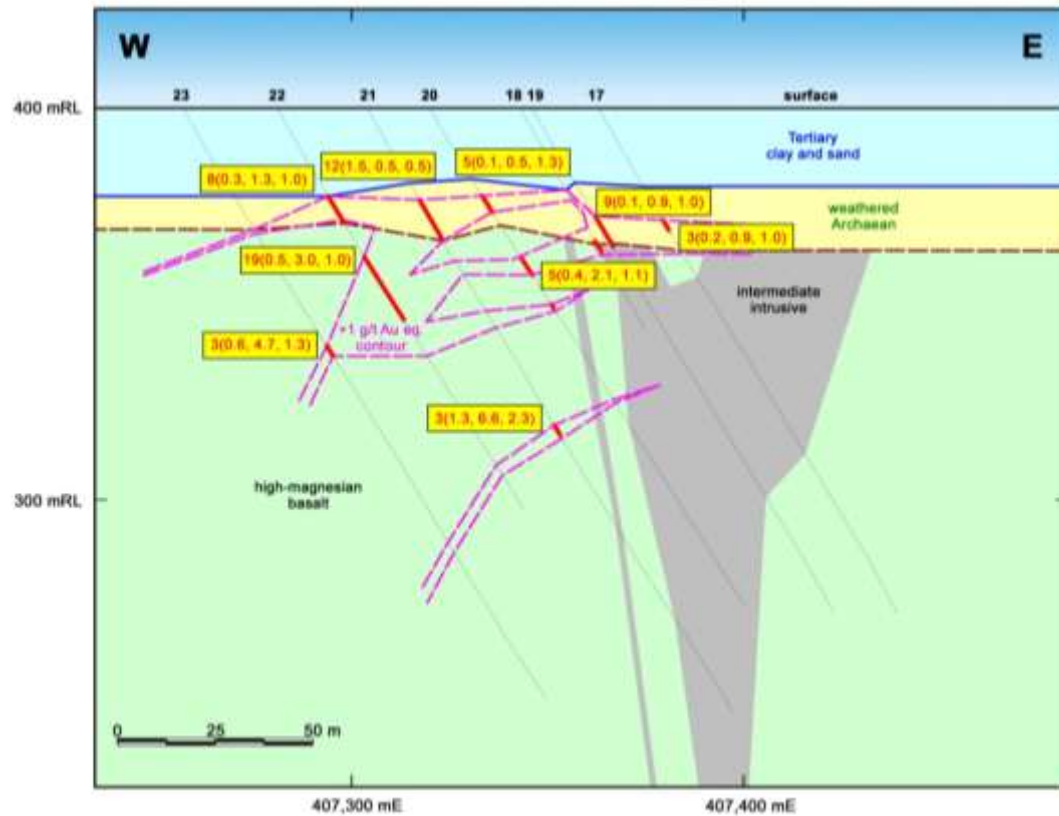


Figure 9. Burns Prospect: 6549730mN Cross-Section

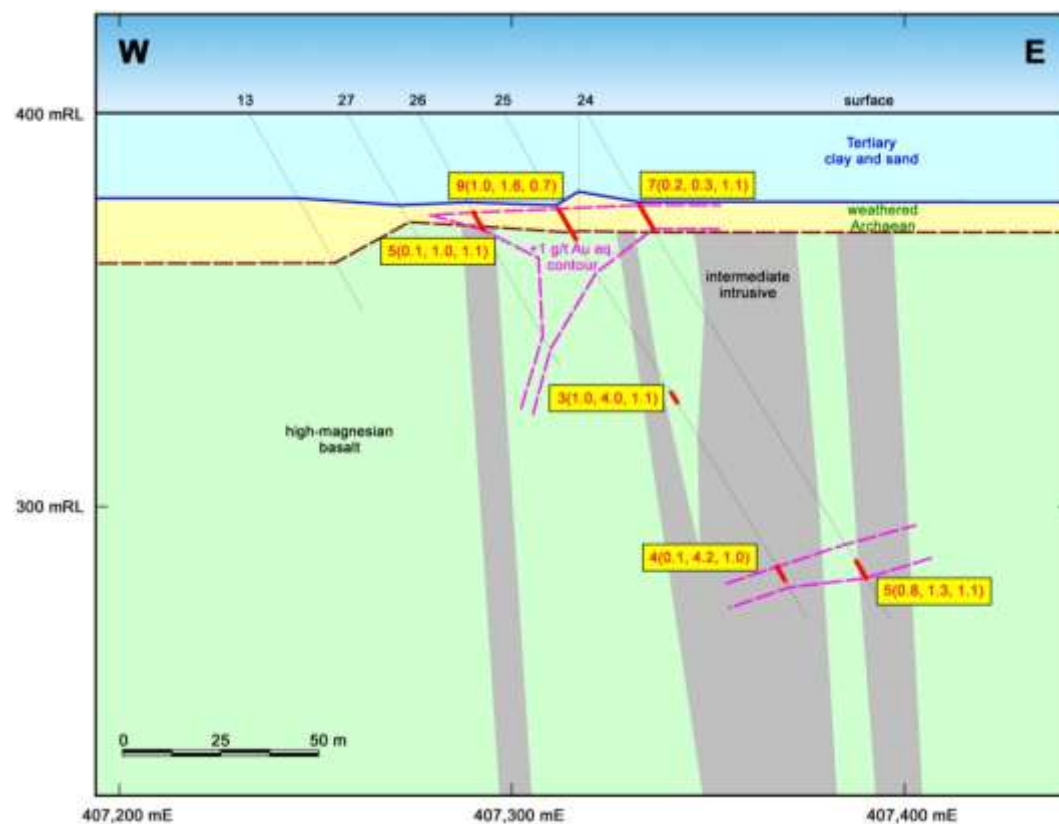


Figure 10. Burns Prospect: 6549770mN Cross-Section

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

Note:

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

Tenements

Octagonal entered into agreements with its four joint venture partners at the Hogan's Project to secure 100% ownership of thirteen joint venture tenements that encompass the Burns Prospect and over 530 square kilometres of highly prospective greenstone belt.

In consideration for acquiring the remaining 20% interest in the Lucky Bay South Joint Venture tenements and 30% equity in the Hogan's Gold, West River, and Velvet Strike joint venture tenements Octagonal issued 1,500,000 ordinary shares each to Gold Attire Pty Ltd, Gladiator Resources Limited, West River Pty Ltd, and Velvet Strike Pty Ltd (total of 6,000,000 ordinary shares).

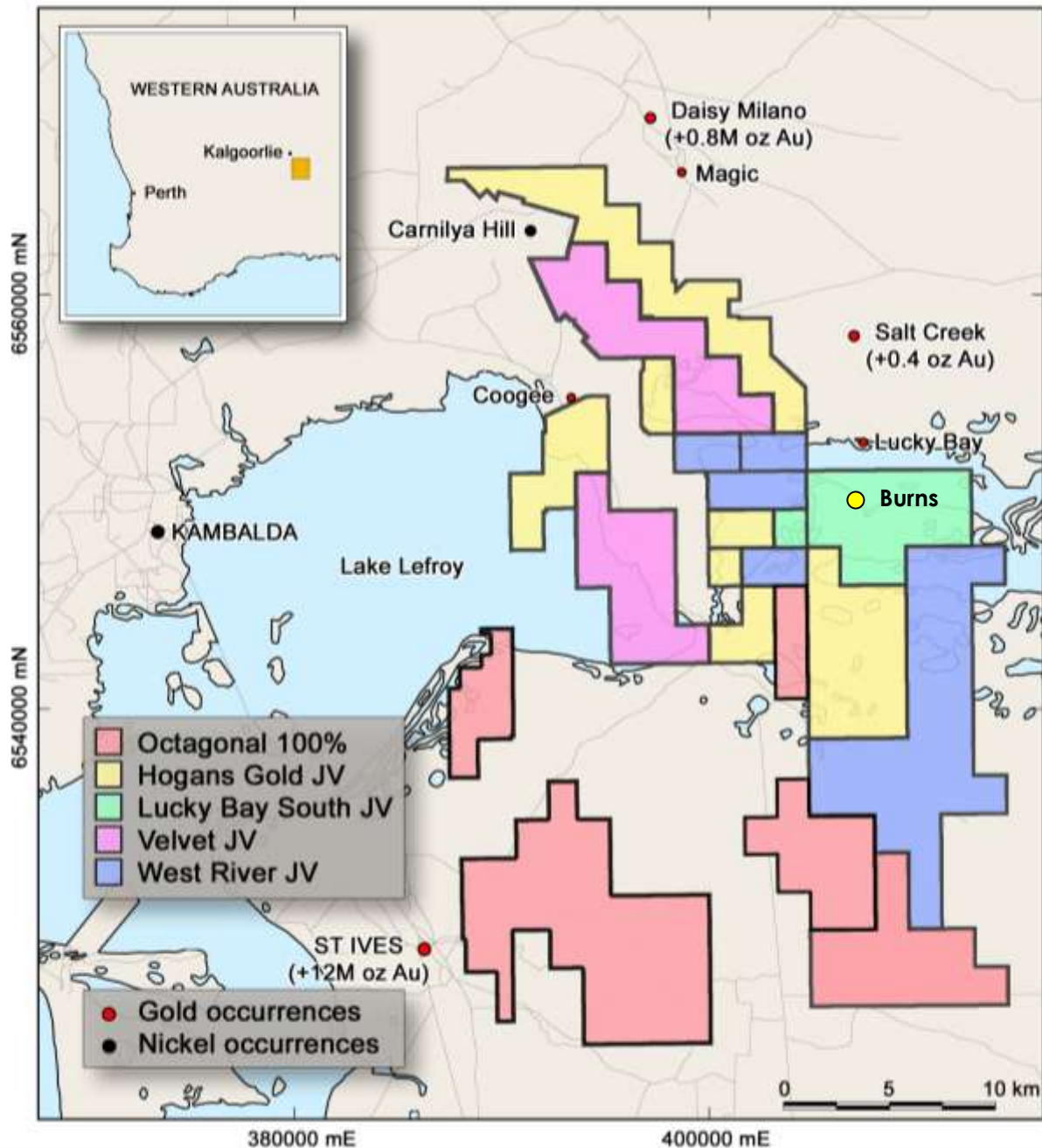


Figure 11. Hogan's Project: Location of acquired joint venture tenements

Corporate

Processing of third party ore produced 699 ounces of refined gold attributable to Octagonal. 588 ounces was sold during the quarter achieving an average gold price of A\$1,638/oz. 111 ounces of gold was unsold at the end of the quarter.

Revenue of \$1,259,000 was generated from gold sales and ore processing fees.

At 31 December 2012 Octagonal had cash reserves of \$2.0 million (unaudited) and 106,048,002 ordinary shares on issue.

6,000,000 ordinary shares were issued to acquire 100% equity in the Hogan's Project joint venture tenements.

Mr Ian Pamensky resigned as Company Secretary on 21 November 2012 and was replaced by Mr Bob Tolliday.

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



Gold furnace at the Porcupine Flat Gold Processing Plant

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.

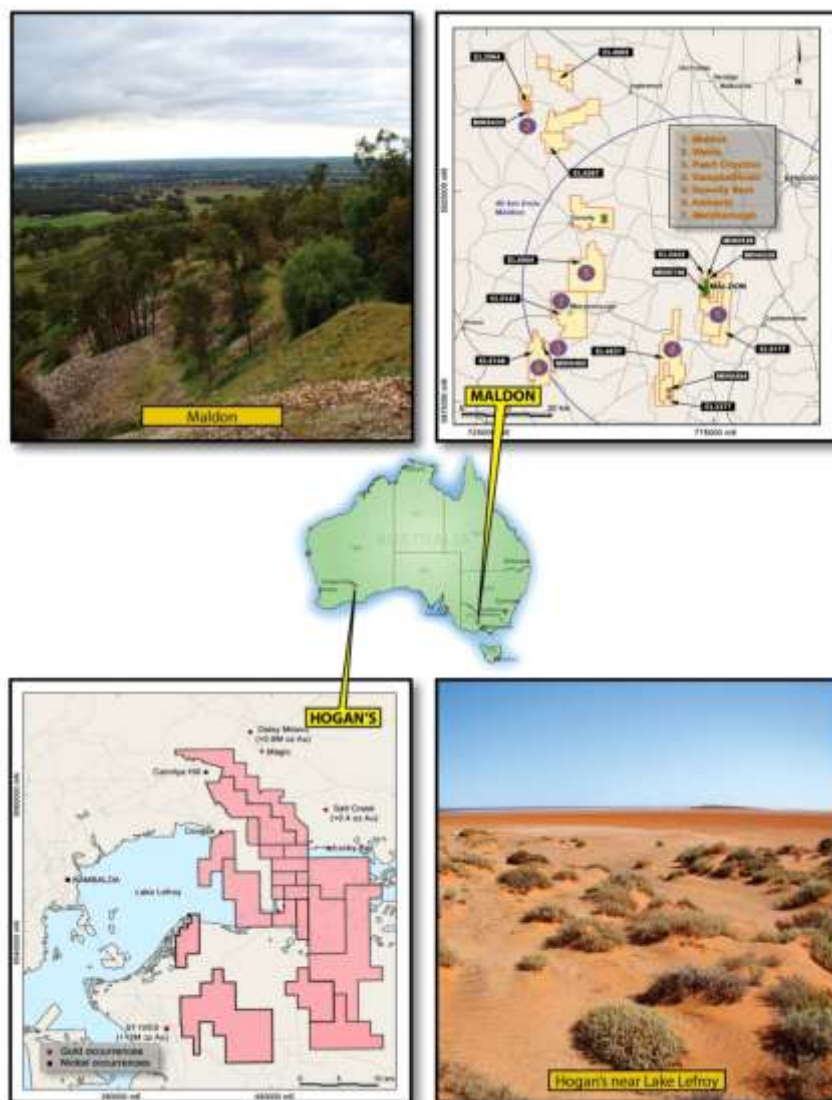
About Octagonal Resources

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 processing third party ore while it brings its own 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 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")

31 December 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	1,259	1,614
1.2	Payments for (a) exploration and evaluation	(173)	(554)
	(b) development	(339)	(794)
	(c) production ⁽ⁱ⁾	(633)	(1,022)
	(d) administration	(311)	(535)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST paid/recouped)	58	142
Net Operating Cash Flows		(124)	(1,114)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(46)	(107)
1.9	Proceeds from sale of: (a) prospects	10	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)	50	0
Net investing cash flows		14	(97)
1.13	Total operating and investing cash flows (carried forward)	(110)	(1,211)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(110)	(1,211)
	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	(110)	(1,211)
1.20	Cash at beginning of quarter/year to date	2,065	3,166
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,955	1,955

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	216
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

+ 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	144
4.2 Development	489
4.3 Production	784
4.4 Administration	256
Total	1,673

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	1,012	1,123
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)	1,955	2,066

Notes:

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	MIN5093	Tenement sale	100%	0%
6.2	Interests in mining tenements acquired or increased	E15/774 E15/803 E15/1044 E26/108 E26/129 E26/137 E25/457 E15/1029 E15/1030 E26/130 E15/1072 E15/1097 E15/1125	Purchase outstanding joint venture interests	70% 70% 70% 70% 70% 70% 70% 70% 70% 70% 70% 80% 80%	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

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 (description)	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	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,000,000	6,000,000	Fully paid	Fully paid

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	*Convertible debt securities (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options/ Performance Rights (description and conversion factor)	(Unlisted Performance Rights) 817,190	Nil	Exercise price A\$ Nil	Expiry date 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 (totals only)	N/A			
7.12	Unsecured notes (totals only)	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: 31 January 2013

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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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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