

15 January 2013

No. of Pages: 3

ASX CODE: ORS

Market Cap.: \$15.0 m (\$0.14 p/s)

Shares on issue: 106,048,002

Cash: \$2.1 m (30 September 2012)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 20.7%

Abbotsleigh – 18.9%

JP Morgan Nominees – 9.0%

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Maldon Gold Operation, Victoria **Ore Processing Update**

- **Octagonal has generated over \$2.1 million in revenue by processing tailings from the Kangaroo Flat Gold Mine during the December Quarter**
- **A further 222 ounces of gold was produced and unsold at the end of the quarter (111 ounces attributed to Octagonal)**
- **6,430 tonnes of tailings processed with an average recovered gold grade of 6.5 g/t Au**
- **1,398 ounces of refined gold produced (699 ounces attributed to Octagonal)**
- **Remaining tailings provide for a further six months of ore processing**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that during the December 2012 Quarter the Company generated over \$2.1 million dollars in revenue by processing tailings from the Kangaroo Flat Gold Mine near Bendigo in Central Victoria.

This revenue was generated from the sale of refined gold produced and ore processing fees under the Kangaroo Flat Tailings Processing Agreement with Unity Mining Limited (ASX: UML) (“**Unity**”).

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.

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.

Octagonal's Managing Director, Anthony Gray, commented "this quarter's gold production is a solid start for Octagonal as a gold producer. The recovered gold grade from the tailings is exceeding our expectations and now that we have resolved our issues with tailings removal and handling we expect regular and ongoing gold production".

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

Background

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 at the Porcupine Flat Gold Processing Plant at Maldon.

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.



Trucks delivering Kangaroo Flat tailings to the Porcupine Flat Gold Processing Facility with the loader feeding the reclaim slot

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Anthony Gray. Anthony Gray is a full-time employee of the Company and is a member of the Australian Institute of Geoscientists. Anthony Gray has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

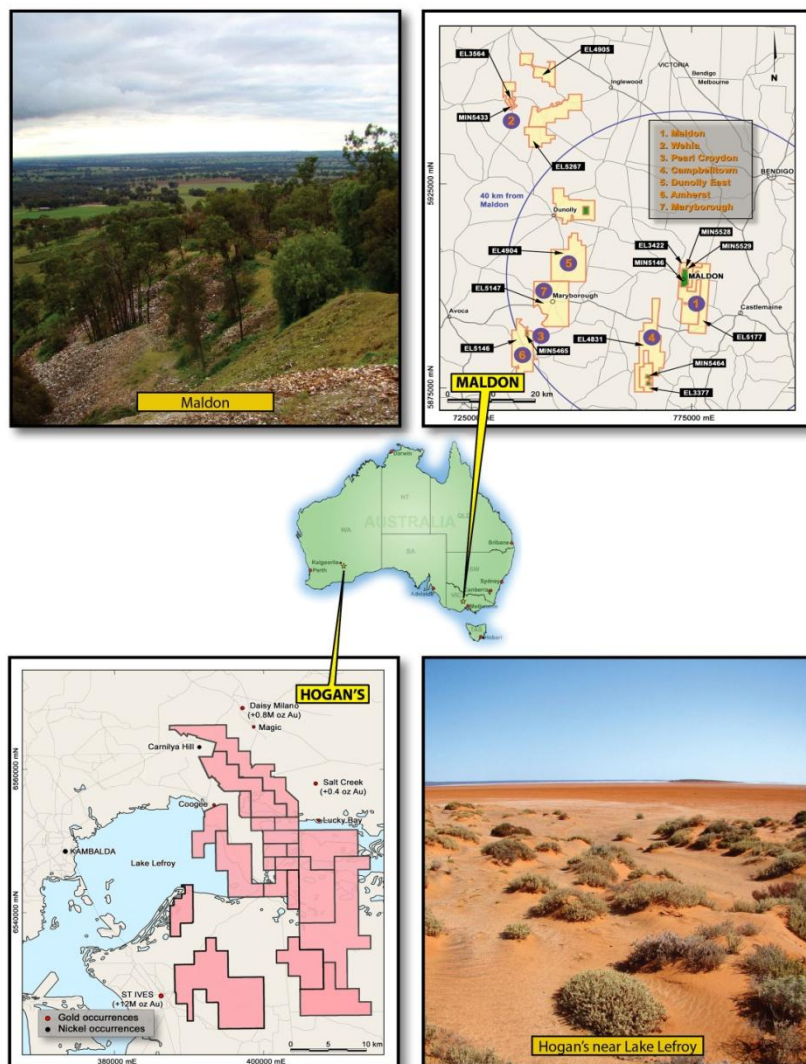
About Octagonal Resources

Octagonal Resources is a gold focused exploration and mining company with projects located in underexplored areas of two of Australia's most significant gold producing regions; the Central Victorian Goldfields and the Eastern Goldfields of Western Australia.

The Company's Victorian operations are centred at Maldon, the third largest historic primary gold producer in Central Victoria after Bendigo and Ballarat. It is here that Octagonal owns a 150,000 tpa CIL gold processing plant, 245,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal is currently processing third party ore while it brings its own underground and open pit mines into production.

In Western Australia Octagonal holds a 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