

20 February 2012

No. of Pages: 4

ASX CODE: ORS

Market Cap.: \$16.0 m (\$0.16 p/s)

Shares on issue: 100,048,002

Cash: \$6.01 m (31 December 2011)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

PRINCIPAL OFFICE

Octagonal Resources Limited

ABN 38 147 300 418

Suite 3, 51 – 55 City Road

Southbank VIC 3006

T +61 3 9697 9088

F +61 3 9697 9089

E info@octagonalresources.com.au

W www.octagonalresources.com.au

Octagonal enters into Ore Processing Agreement for Maldon Plant

- **Octagonal Resources Limited has entered into an ore processing agreement with A1 Consolidated Gold Limited**
- **Porcupine Flat gold processing facility at Maldon to treat up to 50,000 tonnes of ore per year from the A1 Gold Mine over a 3 year period**
- **The A1 Mine has historically produced more than 450,000 ounces of gold at an average grade of 30 g/t Au**
- **The A1 operator has mined ore that will be delivered to Maldon for processing in March 2012**
- **Octagonal to receive a processing fee and 10% of the gold produced from the A1 Gold Mine**
- **Agreement fills gap in ore processing capacity while Octagonal ramps up production underground at Maldon and gains regulatory approval to mine its planned open pits in Central Victoria**
- **Octagonal acquires an interest gold produced from the A1 Gold Mine with no exposure to production related risks**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that the Company has entered into an Ore Processing Agreement with A1 Consolidated Gold Limited (“**A1 Consolidated**”) to process gold bearing ore from the A1 Gold Mine at the Company’s Porcupine Flat gold processing facility at Maldon in Central Victoria.

The A1 Gold Mine is located in the Woods Point District of Eastern Victoria, 200 kilometres east-southeast of Maldon, and 120 kilometres east-northeast of Melbourne (Figure 1).

The mine historically produced more than 450,000 ounces of gold at an average grade of 30 g/t Au and was one of Australia’s longest operating mines having been worked from 1861 through to 1992.

The gold mineralisation at the A1 Mine differs from the typical “slate belt” style of gold mineralisation found a Maldon and is hosted by quartz reefs and quartz vein stock works located within mafic dykes that are between 30 and 60 metres wide.

Terms of Maldon Ore Processing Agreement

The Maldon Ore Processing Agreement concerns the processing of up to 150,000 tonnes of gold bearing ore from the A1 Gold Mine over a three year period at a rate of 50,000 tonnes per year. The ore is to be processed at Octagonal's Porcupine Flat gold processing facility at Maldon and Octagonal may agree to process more than 50,000 tonnes of A1 ore in a contract year.

In return for processing gold bearing ore from the A1 Gold Mine, Octagonal will receive:

1. **An ore processing fee** that will cover all costs associated with the processing of A1 ore including; labour, consumables, mill maintenance, tailings disposal, and administration; and
2. **10% of the gold** produced from the A1 Gold Mine.

Discussion

Octagonal Resources Corporate Strategy is to become a self funding junior Australian gold company by mining open pit and underground resources in Victoria to fund long term growth through the discovery and development of major gold operations in under-explored areas of world class gold producing terrains.

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 the operation ready 150,000 tonne per annum Porcupine Flat CIL gold processing facility, 235,000 ounces of inferred underground and open pit gold resources¹ and a decline that extends to the undeveloped underground resources.

In November 2011 Octagonal recommenced underground development at the Union Hill Mine to access the Alliance South Deposit that contains an Inferred Mineral Resources of 473,000 tonnes grading 12 g/t gold for 182,000 ounces of gold¹.

Octagonal is also well advanced in the regulatory approvals process to undertake open pit mining at Black Reef, near Wehla. This will be the first of several open pit mines that the Company is in the process of developing, including the Pearl Croydon Deposit that contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t gold for 53,000 ounces of gold¹.

While Octagonal ramps up its underground and open pit mining operations in Central Victoria the Porcupine Flat gold processing facility will not be required to operate at full milling capacity. This Ore Processing Agreement will allow Octagonal to take advantage of the excess milling capacity at Maldon by processing ore from the A1 Gold Mine and earning a percentage of the gold produced without capital cost or exposure to production related risks.

A1 Consolidated expects to commence carting ore from the A1 Gold Mine to Maldon for processing during March 2012.

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:

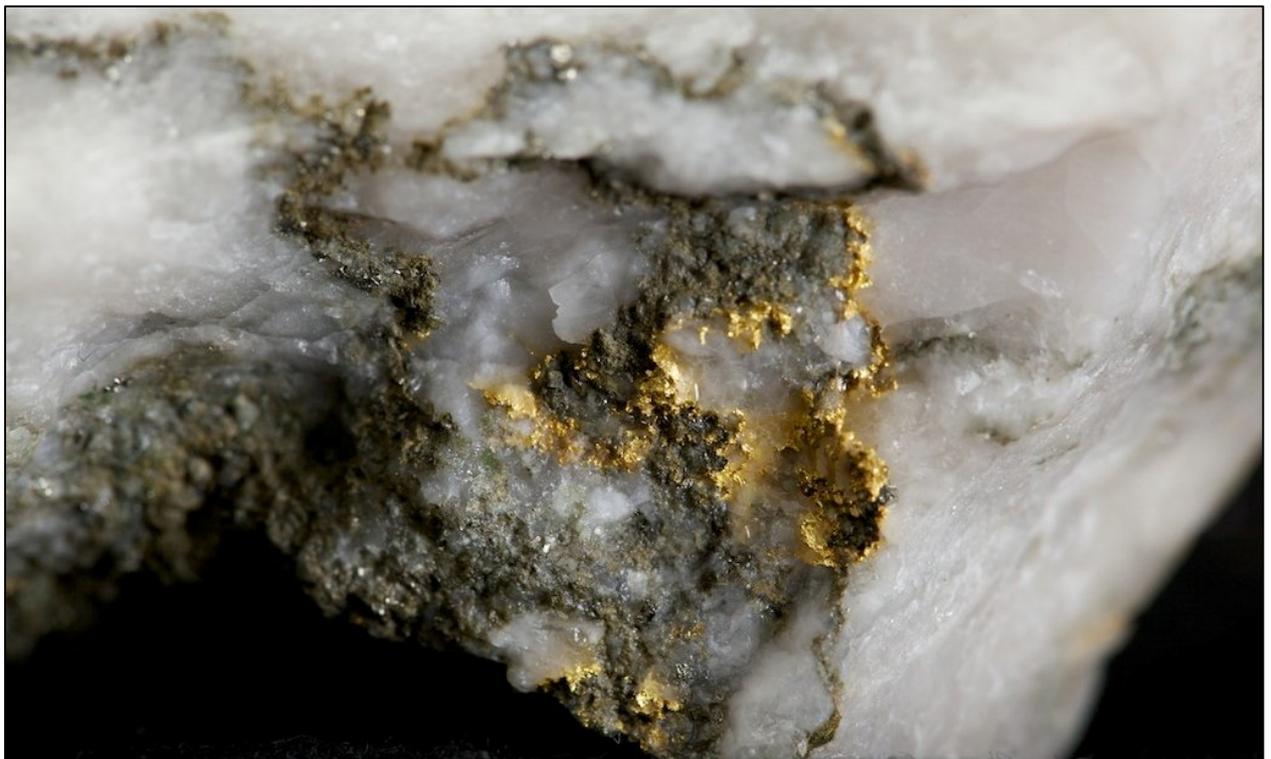
Anthony Gray (Managing Director) +61 3 9697 9088

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.

1. Refer to Octagonal Resources Limited 2011 Annual Report for Alliance South Deposit and Pearl Croydon Deposit Resource Statements



Figure 1. Location of the A1 Gold Mine with respect to Maldon



Recently mined gold-bearing ore from the A1 Gold Mine

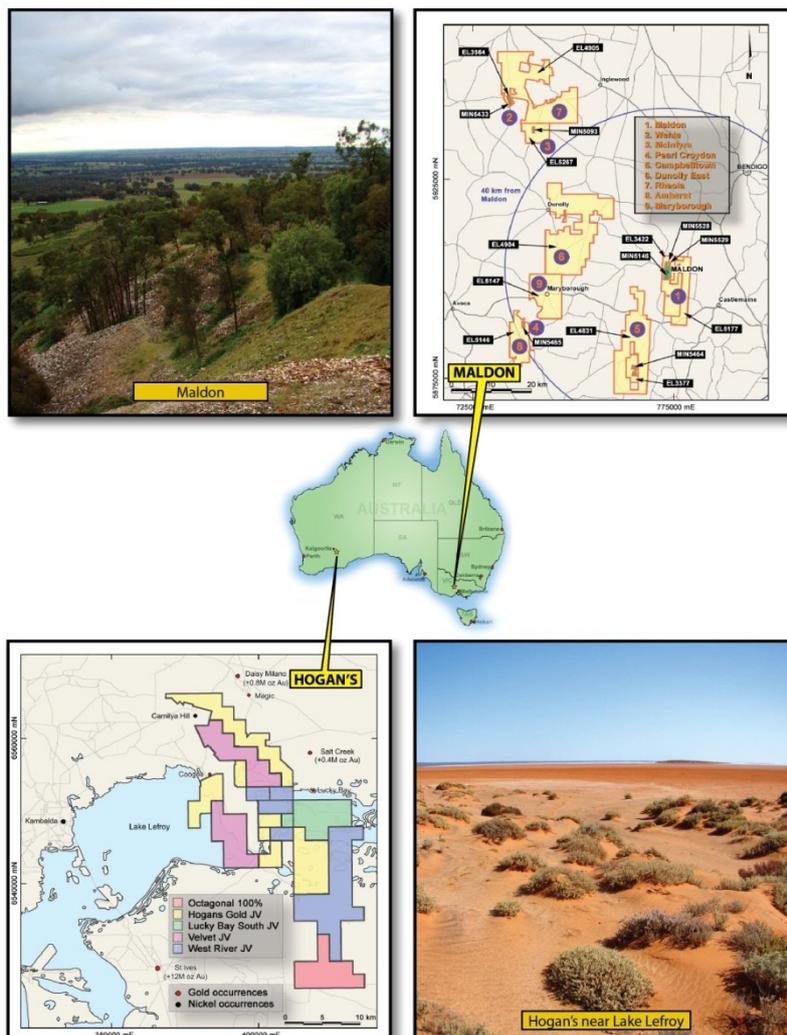
About Octagonal Resources

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 recently refurbished and operation ready CIL gold processing plant, 235,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal commenced underground gold mining operations at Maldon in the fourth quarter of 2011.

In Western Australia Octagonal is earning an 80% interest in the Hogan's Project by exploring for gold deposits in a highly prospective but underexplored area only 70 kilometres from Kalgoorlie. The gold potential of this emerging gold producing district is demonstrated by the recent exploration and mining success achieved by Silver Lake Resources at the Daisy Milano Mine and Integra Mining at the Salt Creek Mine and Lucky Bay Prospect. Octagonal 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