

30 October 2012

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ASX CODE: ORS

Market Cap.: \$20.0 m (\$0.20 p/s)

Shares on issue: 100,048,002

Cash: \$2.1 m (30 September 2012)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 19.9%

JP Morgan Nominees – 9.5%

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Octagonal Company Update on Finance News Network

Octagonal Resources Limited Managing Director Anthony Gray discusses an update of the Company with Finance News Network. A copy of the interview can be viewed at this [link](#) or at the web address listed at the end of the transcript on page 3.

Transcription of Finance News Network Interview with Octagonal Resources Limited (ASX:ORS) Managing Director, Anthony Gray

Lelde Smits: Hello I'm Lelde Smits for the Finance News Network and joining me today from Octagonal Resources (ASX:ORS) is Managing Director, Anthony Gray. Anthony welcome to The Gold Investment Symposium here at Luna Park in Sydney.

Anthony Gray: Thank you.

Lelde Smits: Octagonal Resources is a junior Australian gold company. Where are your projects located and at what stage are they?

Anthony Gray: Octagonal's gold operations are located in the Bendigo region of central Victoria and the Kalgoorlie region of Western Australia. In Victoria we're currently processing third party ore while we work to bring our own underground and open pit mines into production. While in Western Australia, we've discovered a gold, copper, and silver deposit that we're currently evaluating with drilling.

Lelde Smits: Looking closer at your Maldon Gold Operation in Central Victoria, where you've just announced the results from processing a trial parcel of Kangaroo Flat tailings. Now Anthony what were the results, and how did they impact your operations?

Anthony Gray: In August this year, we entered into an agreement with Unity Mining to reprocess 40,000 tonnes of tailings from the Kangaroo Flat Gold Operation near Bendigo. Under the terms of this agreement, we will manage the reprocessing and pay for 50 per cent of the costs and in return, receive 50 per cent of the gold produced. In our metallurgical test work that we completed, we estimated that we would be able to recover between 3.5 and six grams of gold, with four grams likely.

But we wanted to process a 2,000 tonne trial parcel to assess the handling logistics of this material. The trial parcel has performed very well; we were able to recover better than five grams gold. What this means for our business, is that we will have ongoing revenue from a third party source for at least six months, while we work to bring our own underground and open pit mines into production.

Lelde Smits: Now you've also just recently announced results for the Nuggetty Reef Gold Mine in Victoria. What were the most compelling discoveries?

Anthony Gray: The Nuggetty Reef Mine is the second largest and highest grade gold deposit historically, in the Maldon Goldfield. It's produced over 301,000 ounces of gold from 50,000 tonnes of ore at an average grade of over six ounces per tonne. This mining happened in the mid-1850s and at that time, we believed that the lower cut-off grade for mining would have been between 15 and 23 grams gold.

We felt that there might be the potential for significant remnant gold in these workings and have completed sampling of the only currently accessible drive in the mine. And have proven that there is substantial gold there with the entire 92 metre length, averaging better than four grams gold and shorter zones up to 12 metres at 11 grams gold. Given these results, we're currently in the process of applying for approval to mine a bulk sample of this material to justify our second gold mine in the Maldon Goldfield.

Lelde Smits: Octagonal also holds a number of exploration licences across the greater Maldon area. Which are the most advanced projects and what do they contain?

Anthony Gray: Our three most advanced projects are the Black Reef at Wehla, the Pearl Croydon Deposit near Maryborough and the Specimen Reef near Dunolly. At the Black Reef, we're currently mining a trial open pit to help justify a large open pit mining operation in that goldfield. At the Pearl Croydon Deposit, we have a 53,000 ounce near-surface deposit that is overlain by a mining licence application that we expect to be granted shortly. And at the Specimen Reef, we've defined 10,000 ounces of gold that is not constrained by drilling in all directions.

Lelde Smits: And Anthony, how do you expect Pearl Croydon and Specimen Reef will supplement the Maldon underground mine?

Anthony Gray: Octagonal has a production target for the Maldon Gold Operation of 30,000 ounces per annum. Once we're able to bring the Pearl Croydon and Specimen Reef deposits into production, this will supplement the Maldon underground mine for at least three years and allow us to achieve our production target.

Lelde Smits: In Western Australia, you're targeting a one million ounce deposit at the Hogan's Project. What are the latest exploration developments there?

Anthony Gray: The most advanced exploration target at the Hogan's Project is the Burns Prospect. In January this year, we completed our initial RC drilling program at this target and discovered not only gold, but significant potentially economic gold, copper, and silver. We're very excited by the potential of this target to develop into a significant multi-commodity deposit, and have just recently completed our second RC drilling program at this target. We expect to be releasing the results from this drilling program shortly, and we'll plan further exploration based on those results.

Lelde Smits: To your financials now and you have just started production, Anthony when do you expect to become cash flow positive?

Anthony Gray: We expect to be cash flow positive during the current quarter, as we continue to process tailings from the Kangaroo Flat Gold Operation. Our initial metallurgical test work of this material, suggested that we would be able to produce gold at a cash cost of below \$650 an ounce. But following our successful trial processing, we've revised those cash costs down to below \$500 an ounce.

Lelde Smits: Finally Anthony. As Octagonal Resources transitions into a gold producer, what major goals have you set for the Company for next year?

Anthony Gray: Over the next 12 months, we intend to extract the maximum value out of the Kangaroo Flat tailings, as we continue to work towards production in our underground and open pit operations. We will commence maiden gold production from the Alliance South Shoot at Maldon. We will complete mining of the Black Reef open pit and we will work quickly to upgrade the resource at the Pearl Croydon Deposit, to commence the mining approvals process. At Specimen Reef, we will complete drilling to upgrade the resource there. We will mine the bulk sample at the Nuggetty Reef Mine and we will also continue to evaluate the potential of the Burns Prospect to host a significant multi-commodity deposit.

Lelde Smits: Anthony Gray, thank you for the update on Octagonal Resources.

Anthony Gray: Thank you.

- ENDS -

Web address for interview:

http://www.finnewsnetwork.com.au/archives/finance_news_network22041.html

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.

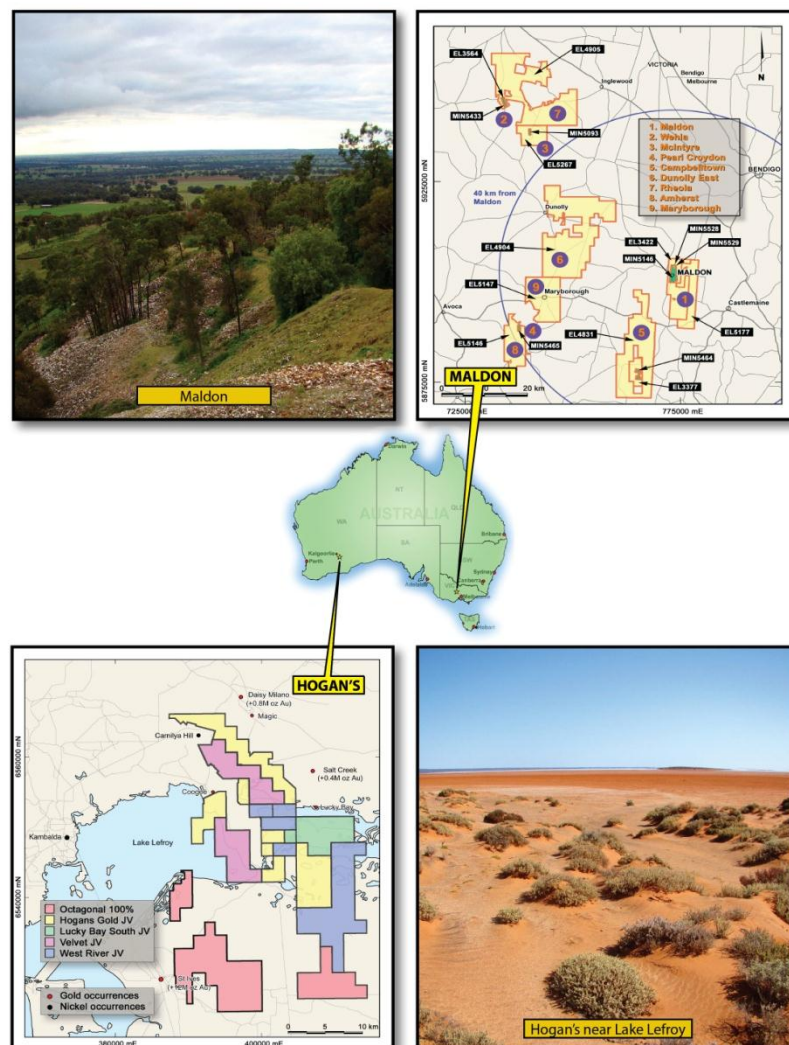
About Octagonal Resources

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 70+% 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