

31 July 2015

No. of Pages: 21

ASX CODE: ORS

Market Cap.: \$2.23 m (\$0.009 p/s)

Shares on issue: 248,331,672

Cash: \$0.2 m (30 June 2015)

Debt: \$1 m (30 June 2015)

ASX Investments

169,672,726 AYC shares

56,557,576 AYCO options

DIRECTORS

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Abbotsleigh – 41.1%

Alliance Resources – 8.9%

PRINCIPAL OFFICE

Octagonal Resources Limited

ABN 38 147 300 418

Suite 3, 51 – 55 City Road

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QUARTERLY REPORT - FOR THE PERIOD ENDED **30 JUNE 2015**

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 30 June 2015 (14 pages)
- Appendix 5B for the period ending 30 June 2015 (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 **30 June 2015**

Highlights

Corporate

- ▶ **Extraordinary General Meeting held on 30 April 2015 approves the sale of the Maldon Gold Operation to A1 Consolidated Gold Limited (ASX: AYC)**
- ▶ **Sale of Maldon Gold Operation completed on 25 June 2015 with Octagonal receiving 169,672,726 AYC shares and 56,557,576 AYCO options**
- ▶ **Octagonal becomes significant shareholder in A1 Gold with 38.0% holding**
- ▶ **A1 Gold securities held by Octagonal currently valued at \$5.94 million (AYC \$0.03 p/s & AYCO \$0.015 p/o)**

Western Australia

- ▶ **\$70,000 West Australian Government co-funded drilling grant received to help fund the next two diamond holes at the Burns copper-gold Prospect**
- ▶ **Infill aircore drilling program planned at Quimby gold Prospect**
- ▶ **Request for heritage survey submitted to the Goldfields Land & Sea Council to complete infill aircore drilling at the Quimby Prospect and regional low impact exploration activities at the Lisa's Dune and Yalca Hill nickel-sulphide prospects**

Summary

During the June quarter Octagonal completed the sale of the Maldon Gold Operation (including all of the Company's Victorian mining, ore processing, and exploration assets) to A1 Consolidated Gold Limited ("A1 Gold") (ASX: AYC).

Shareholder approval for the sale was received at the Extraordinary General Meeting held on 30 April 2015 and completion of the sale occurred on 25 June 2015, with Octagonal receiving 169,672,726 AYC shares and 56,557,576 AYCO options. These A1 Gold securities have a current market value of \$5.94 million (AYC \$0.03 p/s & AYCO \$0.015 p/o). 75% of the securities are subject to a 6 month restriction agreement.

Following this transaction, Octagonal has become the largest shareholder in A1 Gold, with a 38.0% holding, and Mr Anthony Gray has been appointed to the A1 Gold board as a non-executive director and Octagonal's representative.

In February 2015 Octagonal and A1 Gold entered into a Management Agreement and Deed of Variation to the Share Sale Agreement whereby A1 Gold commenced early management control of the Maldon Gold Operation pending completion of the sale. This agreement effectively ended Octagonal's financial obligation to maintain the Maldon Gold Operation prior to settlement. As a result, no mining, ore processing, or exploration activities were undertaken in Victoria by Octagonal during the reporting period.

In Western Australia the Company received a \$70,000 West Australian Government co-funded drilling grant to help fund the next phase of diamond drilling at the Burns copper-gold Prospect. An infill aircore drilling program was planned at the Quimby gold Prospect and two heritage survey requests were submitted to the Goldfields Land & Sea Council to complete infill aircore drilling at the Quimby Prospect and regional low impact exploration activities at the Lisa's Dune and Yalca Hill nickel-sulphide prospects.

Work planned for the September 2015 quarter includes:

- ▶ Review of the Company's corporate strategy, investment opportunities, and funding requirements,
- ▶ Heritage survey at the Quimby, Lisa's Dune, and Yalca Hill prospects; and
- ▶ Continued review of historic exploration data from the Lisa's Dune and Yalca Hill nickel sulphide targets.

Safety & Environment

No medically treated injuries (MTIs) or lost time injuries (LTIs) were recorded during the reporting period. There were no reportable environmental incidents.

Maldon Gold Operation - Victoria (0% Octagonal)

During the quarter Octagonal completed the sale of the Maldon Gold Operation (including all of the Company's Victorian mining, ore processing, and exploration assets) to A1 Gold. Details of the transaction are provided in the Corporate Section of this report.

In February 2015 the two companies entered into a Management Agreement and Deed of Variation to the Share Sale Agreement whereby A1 Gold commenced early management control of the Maldon Gold Operation pending completion of the sale. This agreement effectively ended Octagonal's financial obligation to maintain the Maldon Gold Operation prior to settlement.

As a result, no mining, ore processing, or exploration activities were undertaken in Victoria by Octagonal during the reporting period.

Hogan's Project - Western Australia (100% Octagonal)

Background

In Western Australia Octagonal holds 100% equity in the Hogan's Project where it is exploring beneath transported cover for gold, copper-gold, and nickel sulphide deposits in a highly prospective but underexplored area only 70 kilometres southeast of Kalgoorlie and 20 kilometres east of the world-class St Ives Goldfield (+13M oz Au) and Kambalda Nickel District (+1.4Mt Ni) (Figure 1).

Exploration

During the reporting period Octagonal received a \$70,000 West Australian Government co-funded drilling grant to help fund the next phase of diamond drilling at the Burns copper-gold Prospect, a 53 hole infill aircore drilling program was planned at the Quimby gold Prospect, and two heritage survey requests were submitted to the Goldfields Land & Sea Council to complete infill aircore drilling at the Quimby Prospect and regional low impact exploration activities at the Lisa's Dune and Yalca Hill nickel-sulphide prospects.

Burns Prospect (copper-gold)

The 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 and copper in regolith (weathered Archaean rock) anomalism at the Burns Prospect, with aircore drilling used to define a one square kilometre area of gold anomalism and a two kilometre long copper anomaly using a 40 metre by 160 metre spaced grid (Figure 2). The gold anomalism is unconstrained by drilling where it trends beneath salt lake cover to the north and east.

During 2012 Octagonal completed 33 reverse circulation (RC) holes, on four 40 metre spaced traverses in the southeast corner of the target area. This drilling intersected broad zones of moderate grade gold and copper associated with magnetite-biotite alteration and hosted in fractured high-magnesian basalt and intermediate intrusive rocks (refer to ASX Announcements dated 6/03/2012, 2/05/2012, and 15/11/2012).

Significant assay results included:

- ▶ 9 metres @ 1.5 g/t Au & 1.0 % Cu from 58 metres in OBURC002 inc. 2 metres @ 1.5 g/t Au & 4.2 % Cu from 65 metres
- ▶ 6 metres @ 4.9 g/t Au & 0.4 % Cu from 23 metres in OBURC003
- ▶ 12 metres @ 0.8 g/t Au & 1.7 % Cu from 48 metres in OBURC004 inc. 3 metres @ 2.1 g/t Au & 4.8 % Cu from 53 metres
- ▶ 4 metres @ 0.7 g/t Au & 2.0 % Cu from 40 metres in OBURC005
- ▶ 1 metre @ 8.5 g/t Au & 6.7 % Cu from 123 metres in OBURC007
- ▶ 32 metres @ 1.7 g/t Au & 0.6 % Cu from 76 metres in OBURC011 inc. 6 metres @ 4.9 g/t Au & 2.1 % Cu from 83 metres
- ▶ 6 metres @ 4.9 g/t Au & 0.9 % Cu from 24 metres in OBURC012
- ▶ 50 metres @ 0.9 g/t Au & 0.5 % Cu from 24 metres in OBURC016
- ▶ 12 metres @ 1.5 g/t Au & 0.5 % Cu from 27 metres in OBURC021
- ▶ 19 metres @ 0.5 g/t Au & 1.0 % Cu from 44 metres in OBURC022
- ▶ 9 metres @ 1.0 g/t Au & 0.7 % Cu from 28 metres in OBURC025
- ▶ 3 metres @ 16.1 g/t Au & 0.5 % Cu from 35 metres in OBURC028
- ▶ 9 metres @ 1.0 g/t Au & 1.5 % Cu from 115 metres in OBURC031
- ▶ 12 metres @ 1.3 g/t Au & 0.8 % Cu from 163 metres in OBURC032

The mineralisation style is thought to be unique in the Eastern Goldfields of Western Australia as it is not associated with significant quartz veining or shearing, it is carbonate-poor, it is associated with magnetite-biotite alteration, and it is not associated with any typical pathfinder elements for Archaean greenstone hosted orogenic lode-gold deposits.

In June 2014 Octagonal completed one diamond hole, for 401.5 metres, to test for the source of a strong magnetic anomaly defined by 3D inversion modelling of ground magnetic data (Figures 2 and 3).

This drill hole intersected strongly fractured high-magnesian pillow basalt intruded by feldspar-porphyrific intermediate rocks (Figure 3).

Between 191 and 284 metres depth variably strong magnetic rocks were intersected that correlate with the targeted high-magnetic anomaly. This magnetism occurs within both mafic and intermediate rocks. A 3.6 metre wide zone of very high magnetism from 253.7 to 257.3 metres depth correlates with a mafic-dominant (chlorite-magnetite) breccia zone that contains massive magnetite-chalcopyrite mineralisation which returned 0.9 metres @ 4.5 g/t Au & 2.6 % Cu from 256.4 metres depth (refer to ASX Announcement dated 29/08/2014). This structure strikes north-northwest, dips steeply to the west, and is interpreted to be the main northwest trending magnetic feature observed at the prospect. Further, as it is the only major structure observed in the drill hole it is also interpreted to be the likely “feeder” structure or conduit of copper and gold bearing fluids at the prospect.

Reinterpretation of RC drilling data located the primary feeder structure on all drill traverses and revealed an apparent southerly plunge to the copper and gold mineralisation hosted within the structure coincident with the margin of the magnetic anomaly (Figures 4 and 5).

Significant assay results returned from this structure include:

- ▶ 9 metres @ 1.5 g/t Au & 1.0 % Cu from 58 metres in OBURC002
- ▶ 11 metres @ 2.8 g/t Au & 0.7 % Cu from 24 metres in OBURC012
- ▶ 15 metres @ 1.4 g/t Au & 0.2% Cu from 43 metres in OBURC016
- ▶ 12 metres @ 1.5 g/t Au & 0.5 % Cu from 27 metres in OBURC021
- ▶ 30 metres @ 0.5 g/t Au & 0.8% Cu from 44 metres in OBURC022
- ▶ 19 metres @ 0.9 g/t Au & 0.5% Cu from 28 metres in OBURC025
- ▶ 9 metres @ 1.0 g/t Au & 1.5 % Cu from 115 metres in OBURC030
- ▶ 15 metres @ 1.1 g/t Au & 0.7% Cu from 160 metres in OBURC032

The next phase of exploration planned at the Burns Prospect is designed to systematically test for a massive sulphide copper-gold deposit using down-hole electro-magnetic (EM) techniques, while at the same time testing for other potential controls on the distribution of mineralisation.

Two diamond holes (OBUDD002 and 003), totalling 800 metres, are planned with holes positioned to intersect the targeted structure 200 metres below surface and 200 metres north and south of hole OBUDD001 (Figures 4 and 5).

Hole OBUDD002, totalling 300 metres, is designed to intersect the southern extension of the primary feeder structure down plunge of the interpreted shoot defined by RC drilling and along the margin of the magnetic anomaly, whereas hole OBUDD003, totalling 500 metres, is designed to intersect the northern extension of the primary feeder structure along the northern margin of the magnetic anomaly. This hole will also test beneath significant copper and gold in regolith anomalism.

A budget for the next phase of diamond drilling has been prepared and totals \$240,000, with estimated drilling costs of \$140,000. The total amount payable by Octagonal is reduced to \$170,000 with the receipt of a \$70,000 West Australian Government Co-Funded Drilling Grant (refer to ASX Announcement dated 23/06/2015).

At this stage the drilling program is planned to commence in early 2016.

It should be noted that the area of bedrock (RC and diamond) drilling discussed in this report (including planned drilling) is only 380 metres by 200 metres in size. The greater Burns Prospect area, defined by gold and copper in regolith anomalism, is 2,000 metres by 700 metres in size, meaning that much of the prospect area is still untested by bedrock drilling.

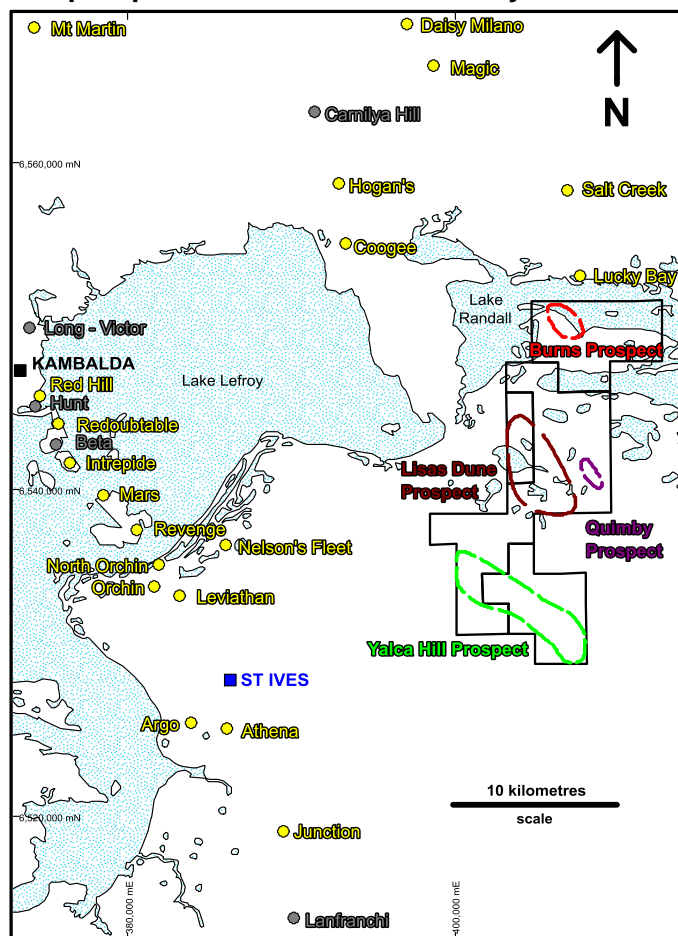


Figure 1: Hogan's Project: Tenement location plan with gold and nickel deposits and Octagonal's exploration target areas

Legend-

Yellow dots: gold deposits

Grey dots: nickel sulphide deposits

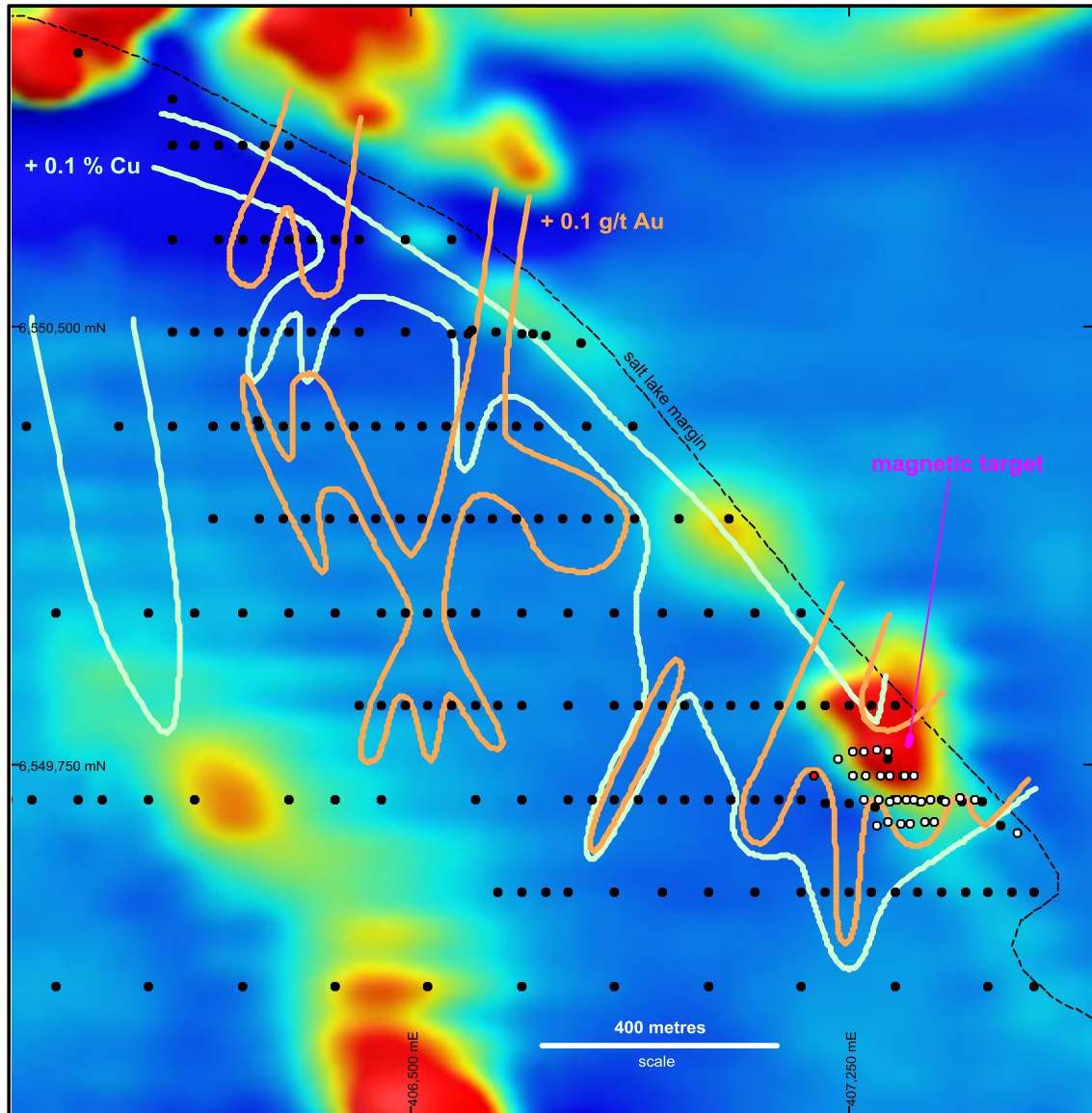


Figure 2: Burns Prospect: Gold and copper in regolith anomalism defined by aircore drilling on an aeromagnetic image with location of diamond hole OBUDD001

Legend-

Light green contour: + 0.1 % copper in regolith anomalism

Orange contour: + 0.1 g/t gold in regolith anomalism

Drill Holes

Black dots: aircore holes

White dots: RC holes

Red dot: location of diamond hole OBUDD001

Black dashed line: salt lake margin

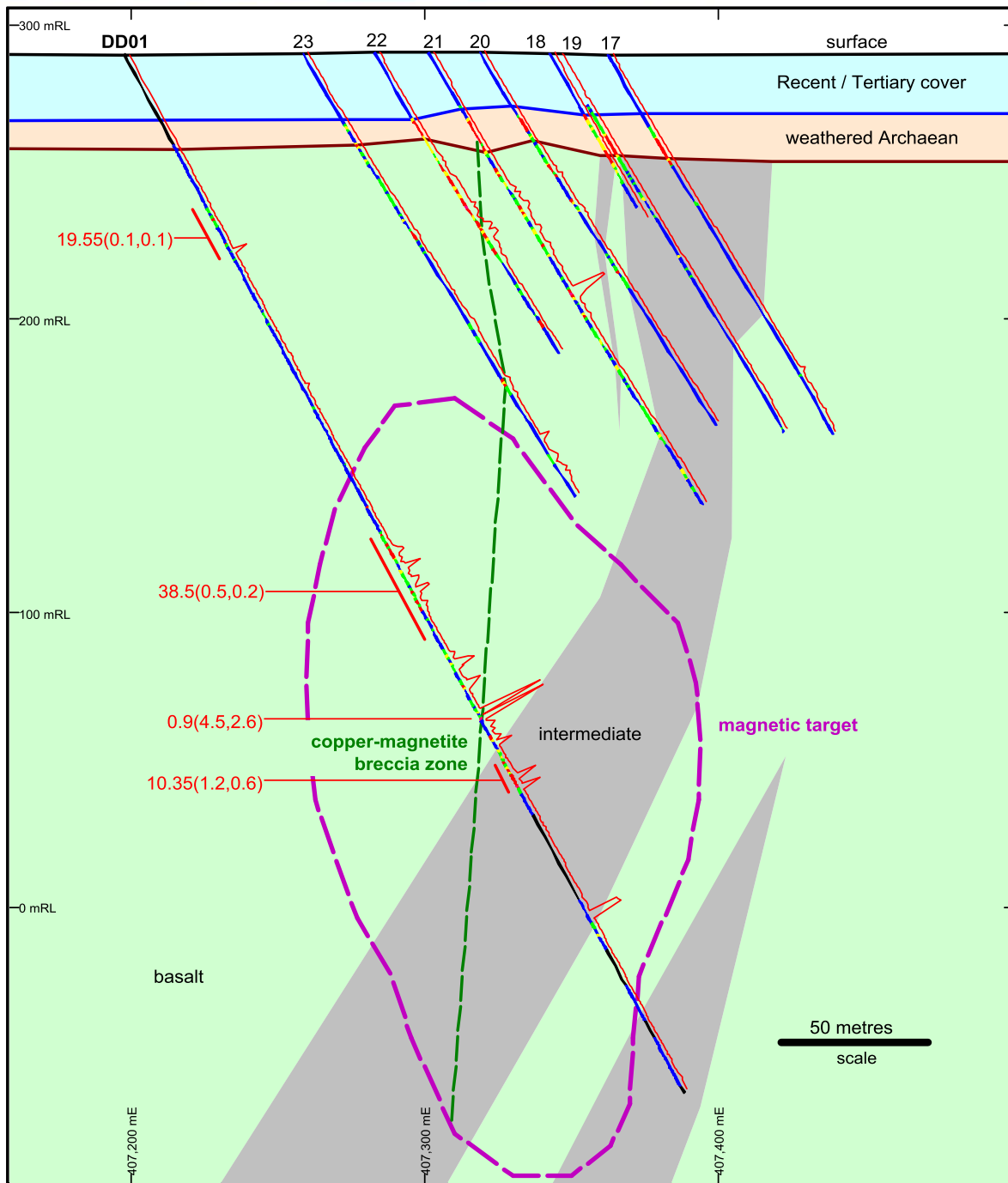


Figure 3. Burns Prospect: 6549730mN Cross-Section

Legend-

Geology

Light green: high-magnesian basalt (Archaean)
 Grey: intermediate intrusive rocks (Archaean)
 Orange: weathered rocks (Archaean)
 Light blue: transported cover sediments (Recent and Tertiary)

Drill Holes

Blue: 0 – 0.1 g/t AuEq
 Green: 0.1 – 0.5 g/t AuEq
 Yellow: 0.5 – 1.0 g/t AuEq
 Red: 1.0 – 5.0 g/t AuEq
 Cyan: > 5.0 g/t AuEq

Purple polygon: high-magnetic target (90×10^{-3} SI isosurface defined by 3D inversion modelling)

Red histogram: down hole magnetic anomalism (peaks to the right indicate very magnetic zones)

Dark green dashed line: interpreted copper-magnetite breccia zone

23 denotes RC hole number OBURC023

DD01 denotes diamond hole number OBUDD001

0.9(4.5, 2.6) denotes 0.9 metres grading 4.5 g/t Au and 2.6 % Cu

AuEq denotes gold equivalent grade - Gold equivalent grade is provided for indicative purposes only and is based on the following assumptions; gold price: A\$1,400/oz, copper price: A\$7,500/t, 100% metal recovery

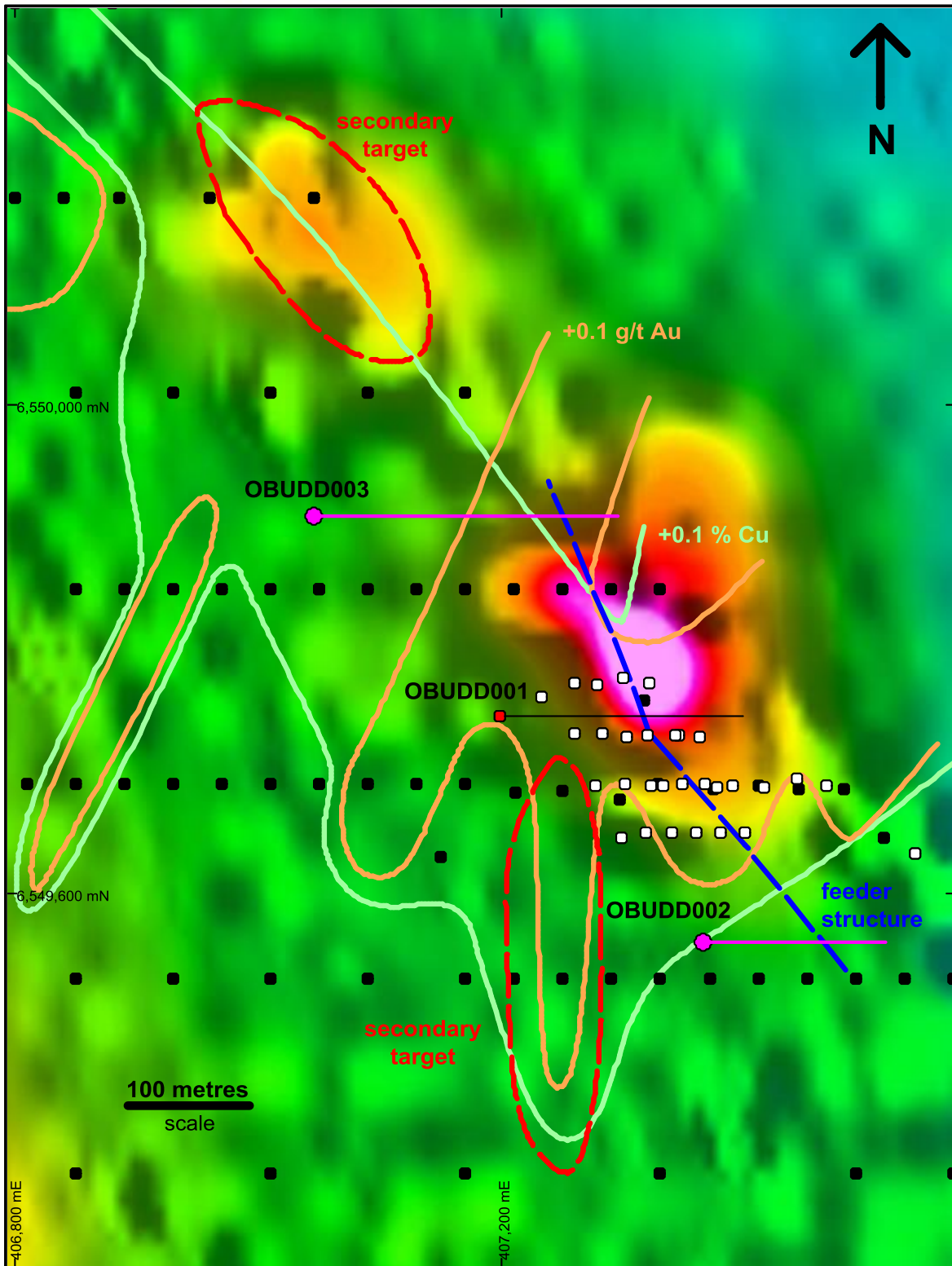


Figure 4. Burns Prospect: Gold and copper in regolith anomalism defined by aircore drilling on an aeromagnetic image with location of RC and diamond holes, interpreted feeder structure, and secondary exploration targets

Legend-

Light green contour: + 0.1 % copper in regolith anomalism

Orange contour: + 0.1 g/t gold in regolith anomalism

Drill Holes

Black dots: aircore holes

White dots: RC holes

Red dot: location of diamond hole OBUDD001

Purple dots: location of planned diamond holes OBUDD002 and OBUDD003

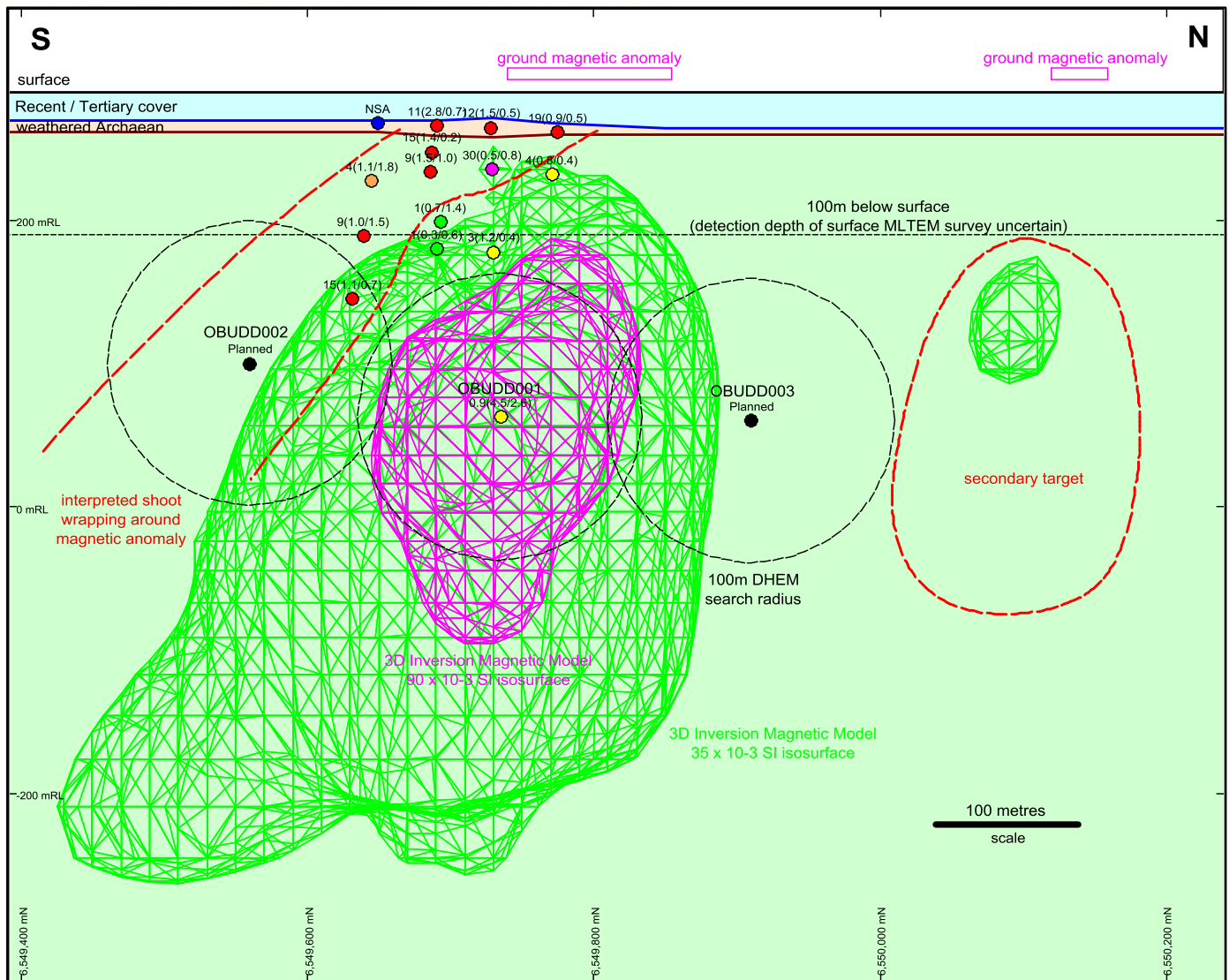


Figure 5. Burns Prospect: Long-section of interpreted “feeder” structure with previous drilling, proposed Phase 2 diamond drilling, location of surface and 3D inversion magnetic anomalies, and interpreted search distances of surface and down hole electromagnetic surveys

Legend-

Drill Holes

Black dots: proposed Phase 2 diamond drill holes

Blue dots: < 1 g-m Aueq

Green dots: 1 – 5 g-m Aueq

Yellow dots: 5 – 10 g-m Aueq

Orange dots: 10 – 20 g-m Aueq

Red dots: 20 – 50 g-m Aueq

Purple dots: > 50 g-m Aueq

0.9(4.5/2.6) denotes 0.9 metres grading 4.5 g/t Au and 2.6% Cu

AuEq denotes gold equivalent grade - Gold equivalent grade is provided for indicative purposes only and is based on the following assumptions; gold price: A\$1,400/oz, copper price: A\$7,500/t, 100% metal recovery

Quimby Prospect (gold)

The Quimby Prospect is an orogenic gold-only exploration target that is defined by 80 metre by 320 metre spaced vertical regional aircore drilling. The prospect is hosted within metasedimentary rocks adjacent to the west of a highly-magnetic banded iron formation unit and consists of a 1.5 kilometre long northwest trending greater than 0.1 g/t gold in regolith anomaly (Figure 6).

Significant gold in regolith results returned from aircore drilling during 2011 and 2012 include 1 metre @ 0.1 g/t Au from 36 metre in OSC078, 3 metres @ 0.5 g/t Au from 46 metres in OSC091, 1 metre @ 0.2 g/t Au from 25 metres in OSC193, and 1 metre @ 0.3 g/t Au from 42 metres in OSC199. These results are further supported by a 5 metre intersection grading 1.1 g/t Au from 38 metre depth in OSC186 hosted within Tertiary sand at the base of a channel adjacent to hole OSC091. This gold is interpreted to be derived from the erosion of a nearby primary gold-bearing quartz reef.

Given the wide spacing of aircore drilling at this target and the iron-poor nature of the metasedimentary host rocks, these assay results are considered to be significant and indicative of a potentially large primary gold deposit.

A 53 hole aircore drilling program has been designed to infill gold in regolith anomalism using a 40 metre by 160 metre spaced grid (Figure 6). The aim of this drilling program is to better define the distribution of gold in regolith anomalism that may be used as a vector towards a primary gold deposit.

A Program of Work to complete the drilling program has been approved by the Department of Mines and Petroleum and a heritage survey request has been submitted with the Goldfields Land & Sea Council to provide heritage clearance for the drilling.

At this stage drilling is planned to be completed towards the end of 2015.

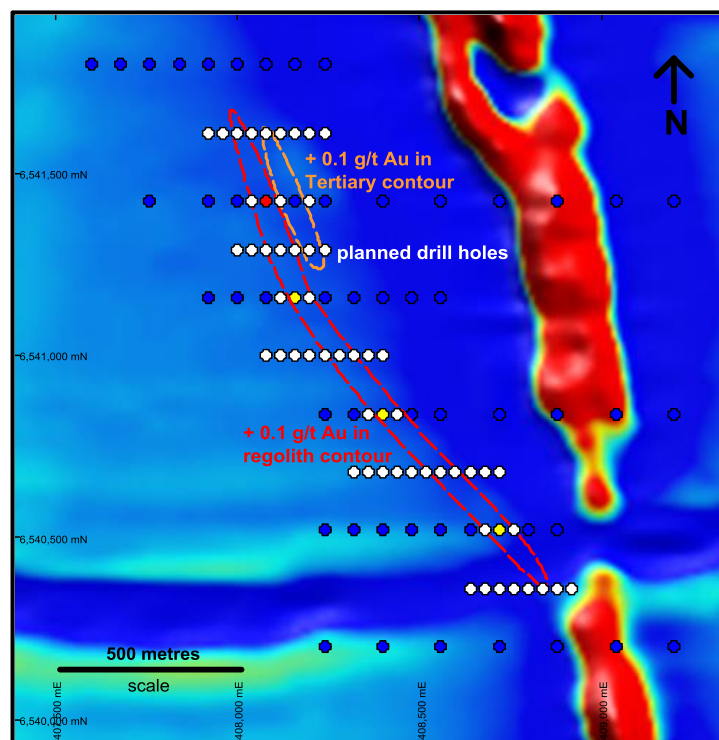


Figure 6. Quimby Prospect: Drill hole location plan with significant gold assay results on an aeromagnetic image

Legend-

Red contour: + 0.1 g/t gold in regolith (weathered Archaean rock) anomalism
 Orange contour: + 0.1 g/t gold in transported cover (Tertiary sediment) anomalism

Drill Holes

Gold in Regolith Results

Blue dots: 0 – 0.1 g-m Au

Yellow dots: 0.1 – 0.5 g-m Au

Orange dots: 0.5 – 1.0 g-m Au

Red dots: > 1.0 g-m Au

White dots: planned aircore drill holes

Lisa's Dune and Yalca Hill prospects (nickel sulphide)

The Lisa's Dune and Yalca Hill prospects are Kambalda-style nickel sulphide targets that were explored by WMC Limited between 1998 and 2000 and by Independence Group NL between 2006 and 2012.

Figure 1 illustrates the regional location of these prospects, whereas Figures 7 and 8 contain images of the individual prospect areas.

Exploration work completed at the prospects has consisted of soil sampling, EM surveys, aircore drilling, RC drilling, and diamond drilling.

This work has confirmed the presence of favourable host rocks for nickel sulphide deposits, with ortho- to mesocumulate ultramafic rocks intersected and containing sulphides interstitial to olivine.

Ground EM surveys have also identified multiple conductors in a challenging environment for surface geophysical techniques (due to the presence of Tertiary cover containing hypersaline groundwater), however not all conductors have been drill tested, with only 16 bedrock holes (11 RC and 5 diamond holes) drilled within the two target areas to test for primary nickel sulphide mineralisation.

Octagonal intends to complete surface geological mapping and a detailed review of all historic surface geophysical and drilling data to determine the next phase of exploration activity at each prospect.

Given the size of the target areas (which have not been fully explored), the presence of significant nickel in regolith anomalism, reliance by previous explorers on surface geophysics as a targeting tool in a hypersaline environment, and confirmation of favourable host rocks containing primary nickel sulphides, Octagonal believes that these prospects remain priority nickel sulphide targets that warrant further exploration.

During the quarter a heritage survey request was submitted to the Goldfields Land & Sea Council to complete regional low impact exploration activities at these prospects, including outcrop mapping and surface geophysical surveys.

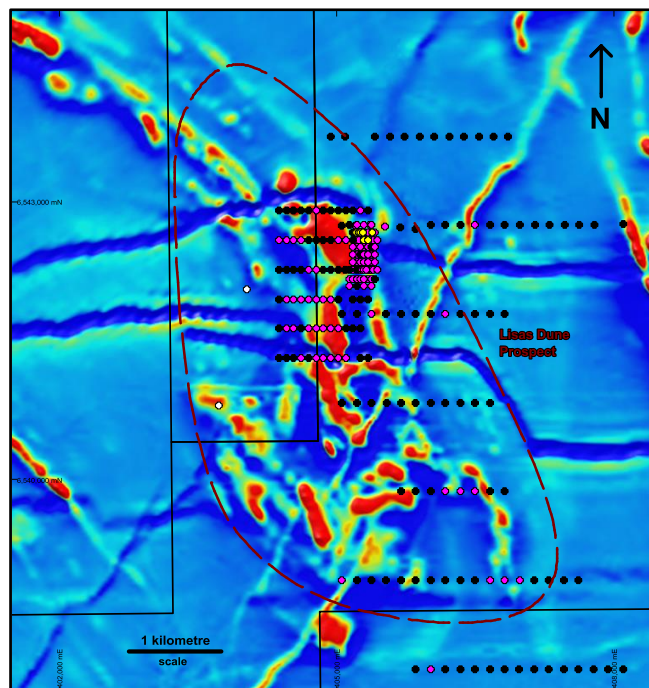


Figure 7: Lisa's Dune Prospect: Nickel in aircore drilling on an aeromagnetic image with RC and diamond drill holes

Legend-

Nickel in Aircore Drilling

Black dots: < 1,000 ppm Ni

Magenta dots: > 1,000 ppm Ni

Yellow dots: location of RC holes

White dots: location of diamond hole

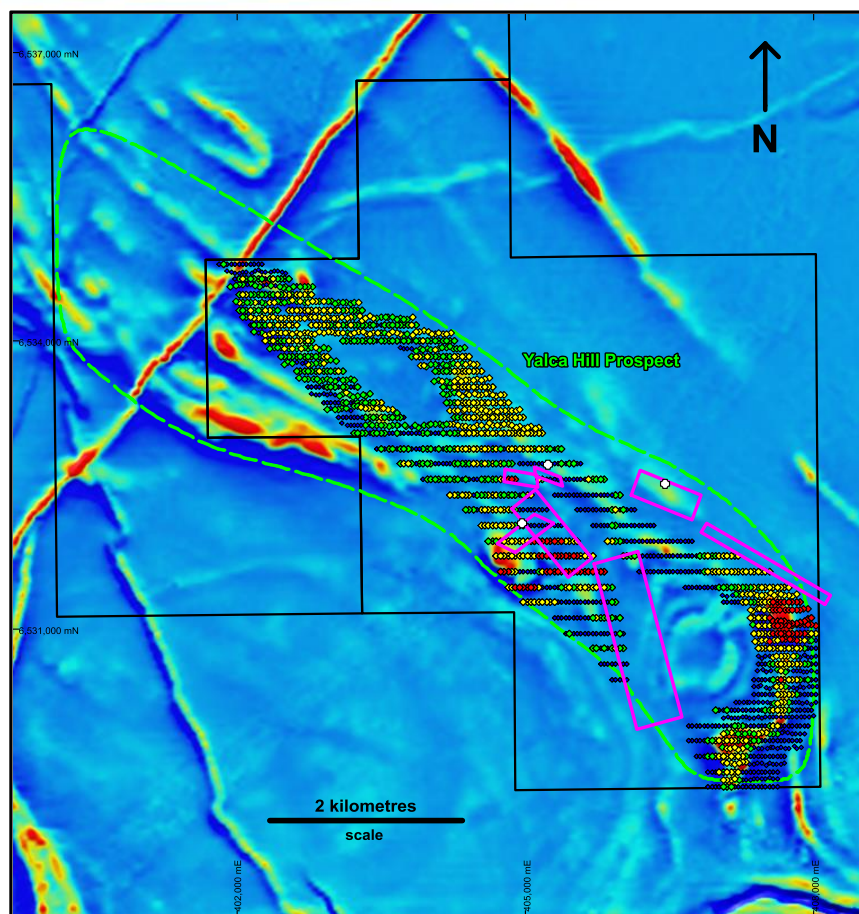


Figure 8: Yalca Hill Prospect: Nickel in soil sampling on an aeromagnetic image with surface electromagnetic conductor planes and diamond drill holes

Legend-

Mag Lag Soil Sampling

Blue diamonds: 0 – 250 ppm Ni (background)

Green diamonds: 250 – 300 ppm Ni (weakly anomalous)

Yellow diamonds: 300 – 550 ppm Ni (anomalous)

Red diamonds: > 550 ppm Ni (highly anomalous)

Magenta polygons: surface electromagnetic conductor planes

White dots: location of diamond holes

Tenements

Octagonal's subsidiary companies Maldon Resources Pty Ltd, Highlake Resources Pty Ltd, and Matrix Gold Pty Ltd, that hold all of the Company's Victorian mining and exploration licences, were sold to A1 Gold. Refer to the Corporate Section of this report

Mining Tenements Held at the End of the Quarter

State	Tenement	Equity	Tenement Name	Status	Area	Holder
HOGAN'S						
WA	E15/1097	100%	Lucky Bay Sth	Granted	12 BL	Octagonal Resources (WA) Pty Ltd
WA	E15/1336	100%	St Ives East	Granted	10 BL	Octagonal Resources (WA) Pty Ltd
WA	E15/1337	100%	St Ives East	Granted	3 BL	Octagonal Resources (WA) Pty Ltd
WA	E15/1414	100%	St Ives East	Granted	24 BL	Octagonal Resources (WA) Pty Ltd

Mining Tenements Acquired During the Quarter

No mining tenements were acquired during the quarter.

Mining Tenements Disposed During the Quarter

State	Tenement	Equity	Tenement Name	Status	Area	Holder
MALDON						
VIC	EL 3422	100%	Maldon	Granted	5,876.9 ha	Maldon Resources Pty Ltd
VIC	EL 5177	100%	Maldon	Granted	2,259.3 ha	Maldon Resources Pty Ltd
VIC	MIN 5146	100%	Maldon	Granted	712.4 ha	Maldon Resources Pty Ltd
VIC	MIN 5528	100%	Nuggetty Reef	Granted	4.5 ha	Maldon Resources Pty Ltd
VIC	MIN 5529	100%	North of England	Granted	5.5 ha	Maldon Resources Pty Ltd
VIC	EL 5499	100%	Maldon West	Application	7,862 ha	Maldon Resources Pty Ltd
WEHLA						
VIC	MIN 5433	100%	Black Reef	Granted	4.8 ha	Matrix Gold Pty Ltd
VIC	MIN 5574	100%	Wehla	Application	163.4 ha	Matrix Gold Pty Ltd
CAMPBELLTOWN						
VIC	EL 4831	100%	Campbelltown North	Surrendered	6,914.2 ha	Highlake Resources Pty Ltd
VIC	MIN 5464	100%	Bosun's Reef	Granted	119.5 ha	Highlake Resources Pty Ltd
AMHERST						
VIC	MIN 5465	100%	Pearl Croydon	Granted	98.5 ha	Highlake Resources Pty Ltd
VIC	EL 5146	100%	Amherst	Surrendered	5,482 ha	Maldon Resources Pty Ltd
DUNOLLY EAST						
VIC	EL 4904	100%	Dunolly East	Surrendered	7,398.7 ha	Highlake Resources Pty Ltd
VIC	MIN 5563	100%	Specimen Reef	Granted	260.0 ha	Highlake Resources Pty Ltd
RHEOLA						
VIC	EL 4905	100%	Rheola	Surrendered	1,332.8 ha	Highlake Resources Pty Ltd
MARYBOROUGH						
VIC	EL 5147	100%	Leviathan	Surrendered	7,893 ha	Maldon Resources Pty Ltd

Octagonal holds 100% equity in all of its exploration and mining licences. The Company has not entered into any farm-in or farm-out agreements.

Corporate

At 30 June 2015 Octagonal had cash reserves of \$0.2 million (unaudited), and \$1 million debt drawn down from a \$1.0 million standby credit facility.

During the quarter Octagonal completed the sale of the Maldon Gold Operation (including all of the Company's Victorian mining, ore processing, and exploration assets) to A1 Gold.

Shareholder approval for the sale was received at the Extraordinary General Meeting held on 30 April 2015 and the sale was completed on 25 June 2015, with Octagonal receiving 169,672,726 AYC shares and 56,557,576 AYCO options. These A1 Gold securities have a current market value of \$5.94 million (AYC \$0.03 p/s & AYCO \$0.015 p/o). 75% of the securities are subject to a 6 month restriction agreement.

Octagonal is now the largest shareholder in A1 Gold, with a 38.0% holding, and Mr Anthony Gray has been appointed to the A1 Gold board as a non-executive director and Octagonal's representative.

Following the sale of the Maldon Gold Operation Octagonal has commenced a review of the Company's corporate strategy, investment opportunities, and funding requirements.

Cost saving initiatives implemented after the sale of the Maldon Gold Operation include:

1. Managing Director Mr Anthony Gray's fee as a non-executive director of A1 Gold of \$40,000pa is being paid directly to Octagonal to partially off-set his salary (already reduced in March 2015 to \$210,000pa + super),
2. The fees of the Gandel Metals Management Service Agreement that provides financial, company secretarial, and administrative services to the Company have been reduced by 50%,
3. Non-executive Chairman Mr Ian Gandel's directors fees have reduced by 50% from \$75,000pa to \$37,500pa, and
4. Non-executive Director Mr Bob Tolliday's directors fees have reduced by 50% from \$40,000pa to \$20,000pa.

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

Caution Regarding Forward Looking Information

This document contains forward looking statements concerning Octagonal Resources Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties, and other factors. Forward looking statements are inherently subject to business, economic, competitive, political, and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Octagonal's beliefs, opinions and estimates of Octagonal's as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

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 styles of mineralisation and types of deposit under consideration and to the activities 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.

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")

30 June 2015

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	5	1,525
1.2	Payments for (a) exploration and evaluation	(58)	(406)
	(b) development	(0)	(1,518)
	(c) production ⁽ⁱ⁾	(5)	(1,649)
	(d) administration	(265)	(1,199)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	39
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (inc GST paid/recouped) ⁽ⁱⁱ⁾	56	340
Net Operating Cash Flows		(260)	(2,868)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(14)
1.9	Proceeds from sale of: (a) prospects	-	-
	(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)	-	-
Net investing cash flows		0	0
1.13	Total operating and investing cash flows (carried forward)	(260)	(2,882)

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(260)	(2,882)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	998
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	410	700
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Cost of Capital Raising / Prospectus / Reduction in rehabilitation bonds)	(895)	(934)
	Net financing cash flows	(485)	764
	Net (decrease) increase in cash held	(745)	(2,118)
1.20	Cash at beginning of quarter/year to date	950	2,323
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	205	205

Notes:

- i. Includes payments for the Maldon Processing Plant and general site expenditure.
- ii. Includes funding payments made by A1 Consolidated Gold Limited to Maldon Resources Pty Ltd..

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	117
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 commercial terms. These payments represent Director fees, Director consulting fees, re-imbursements 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

A draw-down of \$300,000 from the Standby Credit Facility was offset against liabilities owed to Gandel Metals Pty Ltd for amounts due and payable under the Management Services Agreement and re outstanding Directors fees.

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

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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 ⁽ⁱⁱⁱ⁾	1,000	1,000

Notes:

iii On 6 March 2015 a Standby Credit Facility agreement was entered into with Gandel Metals Pty Ltd, a company related with ORS's Chairman Mr Ian Gandel, to secure access to a Bank standby credit facility for up to \$1.0m. Refer ASX announcement 11 March 2015 for further details.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	0
4.3 Production	0
4.4 Administration	160
Total	190

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	205	42
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposit	-	908
Total: cash at end of quarter (item 1.22)	205	950

Notes: All Term Deposits were either recovered by ORS or transferred to A1 Gold under the Share Sale Agreement.

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	MIN5146	Sold to A1 Gold ^(iv)	100%	0%
	MIN5433	Sold to A1 Gold ^(iv)	100%	0%
	MIN5464	Sold to A1 Gold ^(iv)	100%	0%
	MIN5465	Sold to A1 Gold ^(iv)	100%	0%
	MIN5528	Sold to A1 Gold ^(iv)	100%	0%
	MIN5529	Sold to A1 Gold ^(iv)	100%	0%
	MIN5563	Sold to A1 Gold ^(iv)	100%	0%
	MIN5574	Sold to A1 Gold ^(iv)	100%	0%
	EL3422	Sold to A1 Gold ^(iv)	100%	0%
	EL4831	Surrendered	100%	0%
	EL4904	Surrendered	100%	0%
	EL4905	Surrendered	100%	0%
	EL5177	Sold to A1 Gold ^(iv)	100%	0%
	EL5499	Sold to A1 Gold ^(iv)	100%	0%
	EL5146	Surrendered	100%	0%
	EL5147	Surrendered	100%	0%
6.2 Interests in mining tenements acquired or increased				

Notes:

iv On 24 December 2014 Octagonal entered into an agreement with A1 Consolidated Gold Limited (ASX: AYC) to sell all of its interests in its Victorian mining tenements. This transaction settled on 25 June 2015.

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 <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	248,331,672	248,331,672		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options/ Performance Rights (description and conversion factor) <i>Unlisted Options</i>	Total number 78,658,946	Number Quoted Nil	Exercise price A\$ 2 cents each	Expiry date 11 December 2015
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
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:



Date: 31 July 2015

Company Secretary

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.
- 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.

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

- 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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