

5 August 2013

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ASX CODE: ORS

Market Cap.: \$10.6 m (\$0.10 p/s)

Shares on issue: 106,048,002

Cash: \$2.2 m (30 June 2013)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Alliance Resources – 20.8%

Abbotsleigh – 18.7%

JP Morgan Nominees – 8.9%

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Pearl Croydon Open Pit Update **Amherst, in Central Victoria**

- **Site visits and consultation with State and Local government regulators complete**
- **No significant issues identified that could prevent or limit open pit mining activity**
- **Work Plan to undertake open pit mining lodged with the State Government**
- **Community engagement process commenced**
- **All approvals to commence pit mining at Pearl Croydon expected before the end of the year**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to provide an update on the approvals process to commence open pit mining at the Pearl Croydon Gold Deposit near Amherst in Central Victoria.

On 29 July 2013 the Company lodged with the Victorian Department of State Development, Business and Innovation (“DSDBI”) a Work Plan to undertake open pit mining activities at the Pearl Croydon Deposit, which contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (Figure 1 and Table 1).

Octagonal’s Managing Director, Anthony Gray, commented “the lodgement of a Work Plan to commence open pit mining at the Pearl Croydon Deposit follows six months of work completed on mine design and layout, flora and fauna surveys, heritage surveys, and active engagement with State and Local government regulators”.

“The feedback that we have received from all involved has been very positive and did not identify any issues that could prevent the commencement of mining”.

“We believe that with the significant ground work completed to date, our previous experience in working through the approvals process to commence open pit mining in Victoria, and the legislative change to statutory endorsement of Mining Work Plans made by the Victorian Government in 2012, it is realistic to expect all regulatory approvals to commence open pit mining before the end of the year”.

“The Company has commenced discussions with the local community about its proposed mining activities and looks forward to addressing any concerns and identifying areas where our operations can benefit the local economy, be it through employment, training, use of local contractors and suppliers, or other means”.

Pearl Croydon Project

The Pearl Croydon Gold Deposit is located on a granted mining licence 40 kilometres southwest of the Company's Porcupine Flat gold processing plant at Maldon and contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (Figure 1 and Table 1).

During February 2013 a conceptual open pit optimisation study completed on the deposit revealed that there is the potential to develop up to eight open pits in the area (Figure 2), ranging in depth between 30 and 60 metres to mine between 135,000 and 219,000 tonnes of ore grading between 3.7 and 4.9 g/t Au to produce between 15,100 and 32,300 ounces of gold and a cash surplus of between \$6.9 and \$20.1 million (Table 2).

As the Pearl Croydon resource is in the Inferred category it must be upgraded to the Indicated resource category before mining Reserves can be estimated. To reflect this underlying geological uncertainty open pit mining targets reported in this announcement are provided in ranges.

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

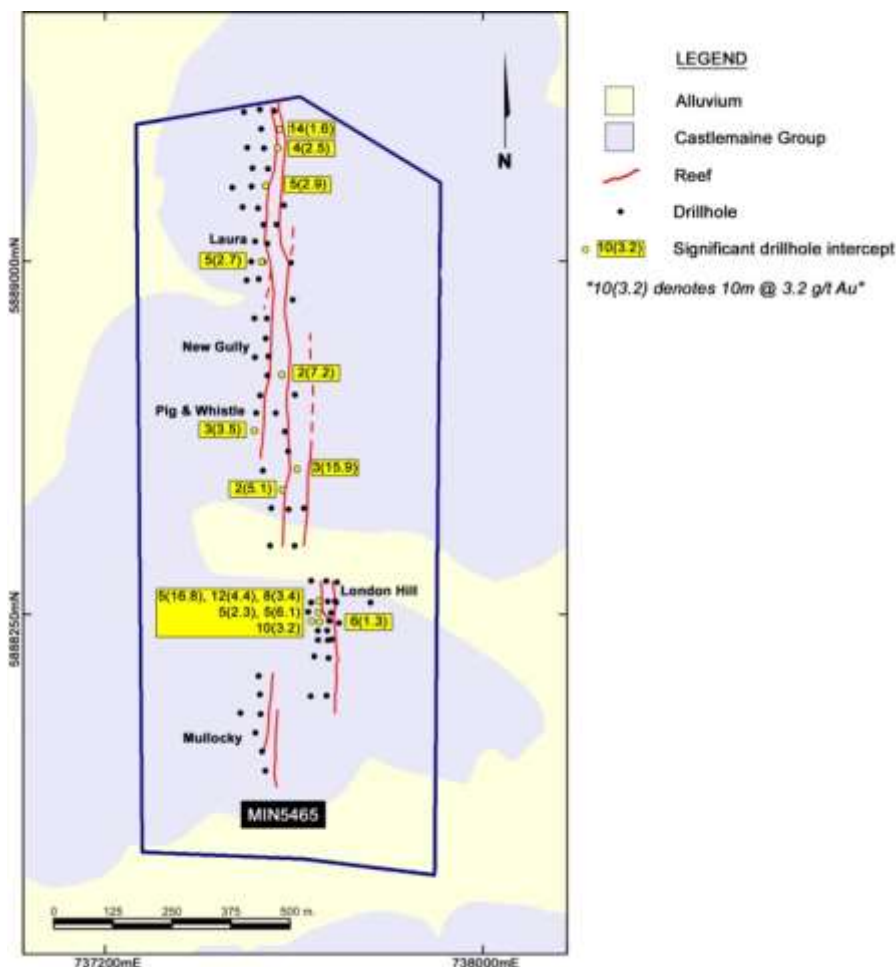


Figure 1. Pearl Croydon: Drill hole location plan

At present most of the Pearl Croydon Deposit has been drilled using 40 metre spaced traverses, however the higher grade London Hill area has already been defined using 20 metre spaced traverses and represents an immediate open pit mining target.

The open pit optimisation study revealed that the London Hill area may contain between 26,500 and 44,500 tonnes of ore grading between 4.7 and 7.1 g/t Au to produce between 4,000 and 9,400 ounces of gold and a cash surplus of between \$2.7 and \$8.0 million (Table 3).

Octagonal's objective is to bring the Pearl Croydon Deposit into production in the shortest possible time frame. To achieve this, the Company is seeking regulatory approval to mine open pits in the London Hill and Pig and Whistle areas and will at the same time complete drilling elsewhere at the deposit to upgrade the resource and calculate mining reserves.

In preparation for lodging a Work Plan to commence open pit mining activities with the State Government the Company completed mine site layout and design (Figure 3), an ecological assessment of the proposed mining area, an Aboriginal cultural heritage study, and site meetings with various State and Local government regulators.

The ecological assessment of the proposed mining area determined that an offset of 2.57 habitat hectares of Medium Conservation Significance Box-Ironbark Forest must be purchased in order to clear the 4.5 hectare area required for open pits, waste dumps, fences, and roads, while the Aboriginal cultural heritage study determined that the proposed mining area does not affect any areas of cultural heritage sensitivity and that preparation of a Cultural Heritage Management Plan is not required.

Three site meetings were also held with representatives of the Department of Environment and Primary Industries ("DEPI"), the Department of State Development, Business and Innovation ("DSDBI"), Heritage Victoria, and the Central Goldfields Shire Council to discuss the Company's proposed mining activities and site layout.

The feedback received from all regulators was very positive and based on this feedback the Mining Work Plan was modified, prior to submission, to address any areas of concern and to ensure that Octagonal meets all of its legal, social, and environmental responsibilities.

On 29 July 2013 the Company lodged with the DSDBI a Work Plan to undertake open pit mining activities at the Pearl Croydon Deposit. Given Octagonal's previous experience in working through the approvals process to commence open pit mining in Victoria, the significant work and consultation undertaken prior to lodging the Mining Work Plan, and the legislative change to statutory endorsement of Mining Work Plans implemented by the Victorian Government in 2012, the Company expects to receive all regulatory approvals to commence open pit mining before the end of the year.

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

Table 2.	
Pearl Croydon: Open Pit Optimisation Summary	
Parameter	Value
Ore Tonnes (t)	135,000 - 219,000
Au grade (g/t)	3.7 - 4.9
Waste Tonnes (t)	1,350,000 - 2,730,000
Strip Ratio	10.0 - 12.7
Gold Produced (oz)	15,100 - 32,300
Mining Cost (\$)	6,733,000 - 13,026,000
Transport & Processing Cost (\$)	9,081,000 - 14,725,000
Gold Revenue @ A\$1,500/oz (\$)	22,712,000 - 48,400,000
Cash Surplus (\$)	6,898,000 - 20,649,000

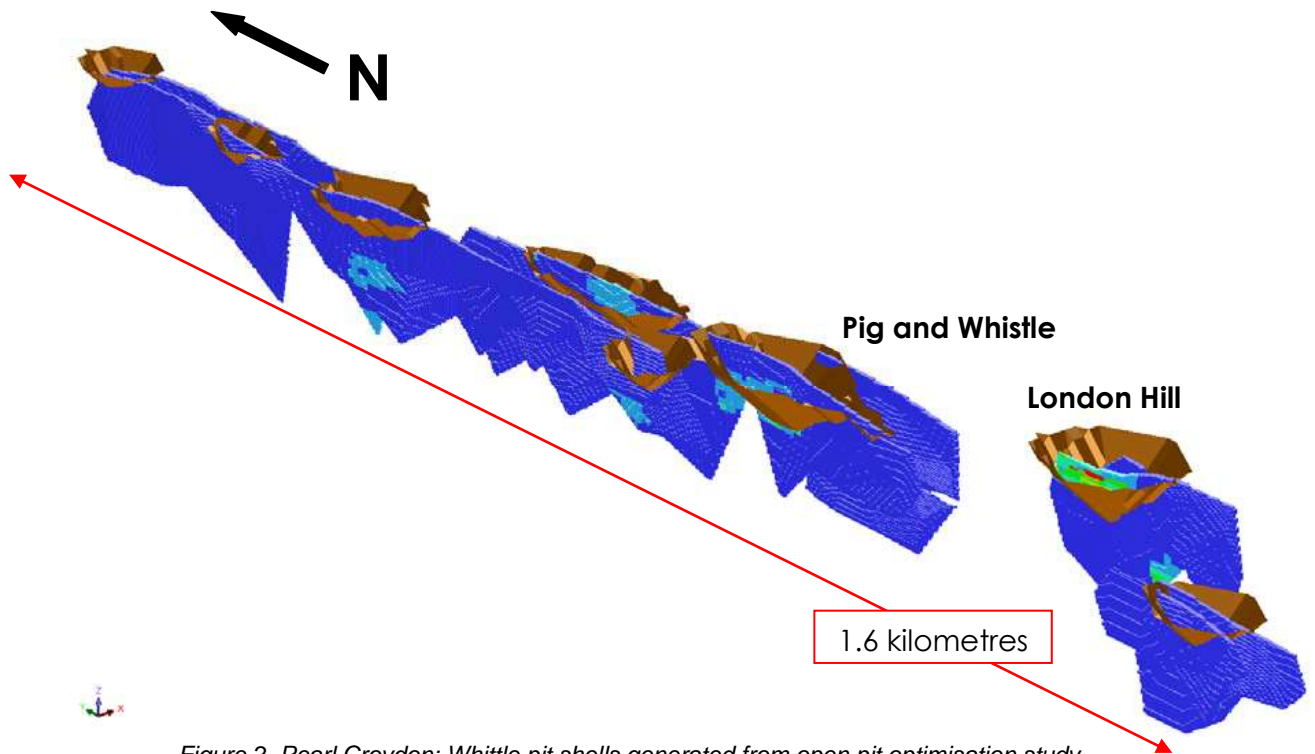


Figure 2. Pearl Croydon: Whittle pit shells generated from open pit optimisation study

Table 3.	
London Hill: Open Pit Optimisation Summary	
Parameter	Value
Ore Tonnes (t)	26,500 - 44,500
Au grade (g/t)	4.7 - 7.1
Waste Tonnes (t)	328,000 - 679,000
Strip Ratio	12.4 - 15.5
Gold Produced (oz)	4,000 - 9,400
Mining Cost (\$)	1,569,000 - 3,139,000
Transport & Processing Cost (\$)	1,788,000 - 3,006,000
Gold Revenue @ A\$1,500/oz (\$)	6,060,000 - 14,113,000
Cash Surplus (\$)	2,703,000 - 7,968,000



Historic workings in the Pearl Croydon mine area

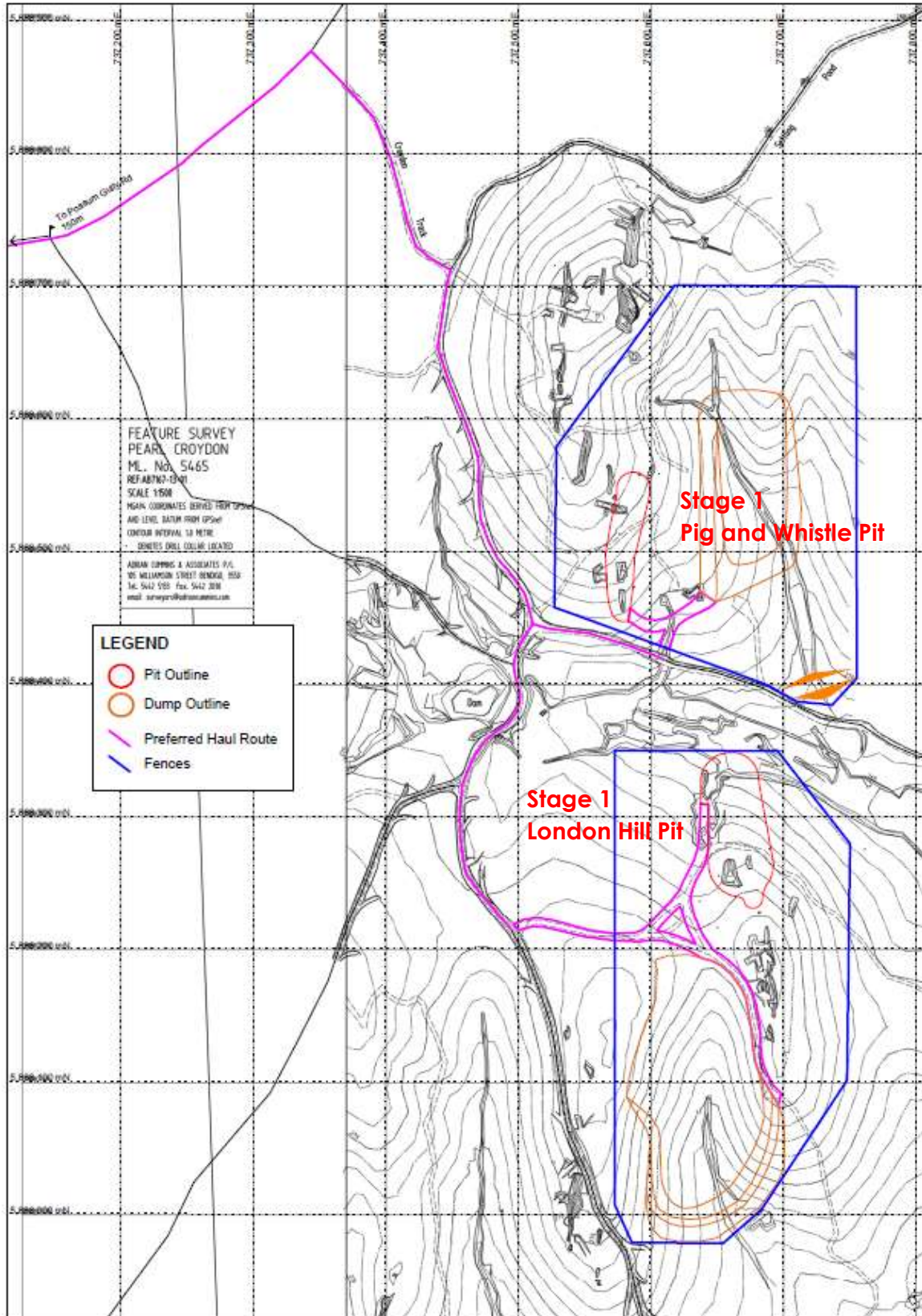


Figure 3. Pearl Croydon: Stage 1 open pit mine site layout

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.

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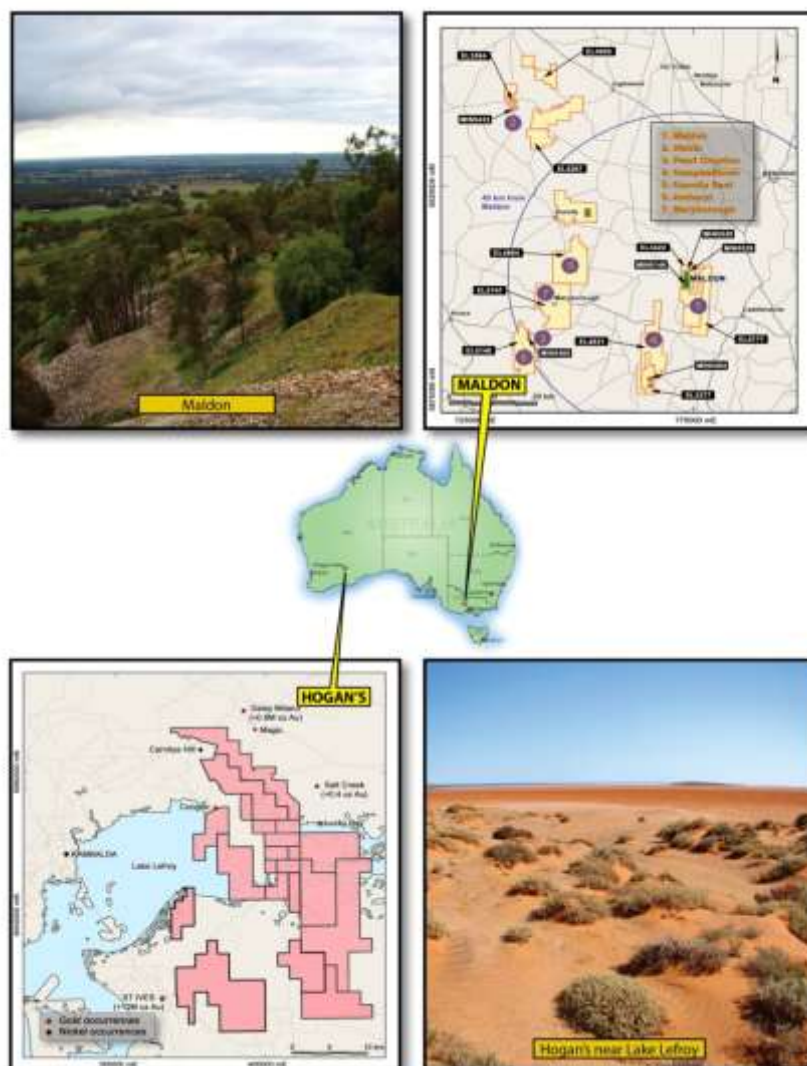
About Octagonal Resources

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 mining and processing ore from a trial open pit, near Wehla, while it brings its larger 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 and copper 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 and Salt Creek mines and Lucky Bay Prospect. Octagonal is exploring priority exploration target areas that display the potential to host a major gold or copper 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