

11 June 2014

No. of Pages: 8

ASX CODE: ORS

Market Cap.: \$8.5 m (\$0.05 p/s)

Shares on issue: 169,672,726

Cash: \$3.0 m (31 March 2014)

Debt: \$0.0 m (31 March 2014)

DIRECTORS

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Abbotsleigh – 19.5%

Alliance Resources – 13.5%

Karl Sabljak – 5.5%

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

RC Drilling Commences in the Pig & Whistle area of the Pearl Croydon Deposit near Amherst in Victoria

- **Drilling has commenced in the Pig and Whistle area of the Pearl Croydon Deposit near Amherst in Central Victoria**
- **Reverse circulation drilling program to test reef structure over 140 metres strike length and to 30 metres depth**
- **Historic drilling in the Pig and Whistle area has intersected:**
 - ▶ **10 metres @ 5.5 g/t Au from 30 metres**
 - ▶ **3 metres @ 5.9 g/t Au from 74 metres**
- **14 hole drilling program, totalling 550 metres, to test reef with 20 metre by 20 metre spaced grid**
- **Drilling to be completed within area already approved for open pit mining**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that Reverse Circulation (“RC”) drilling has commenced in the Pig and Whistle area of the Pearl Croydon Deposit in Central Victoria.

The Pearl Croydon Deposit is located 40 kilometres southwest of the Company’s Porcupine Flat gold processing facility at Maldon and contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (refer to ASX Announcement dated 20 January 2014).

This drilling program will consist of 14 holes, totalling 550 metres, and is designed to test for near surface gold in an area that is already approved for open pit mining and where previous drilling has intersected 10 metres grading 5.5 g/t Au from 30 metres depth and 3 metres grading 5.9 g/t Au from 74 metres depth.

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.

Pearl Croydon Deposit

The Pearl Croydon Gold Deposit is located on a granted mining licence 40 kilometres southwest of the Company's Porcupine Flat gold processing facility at Maldon and contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (refer to ASX Announcement dated 20 January 2014).

Octagonal has received regulatory approval to commence open pit mining in the London Hill and Pig and Whistle areas of the deposit, however the Company has delayed the commencement of mining for a period of 6 to 12 months to focus capital expenditure on the development of the Alliance South Deposit in Maldon.

The Pig and Whistle area of the Pearl Croydon Deposit is characterised by several north-south trending and steep west-dipping quartz reefs separated by approximately 75 metres. Historic drilling completed on 40 metre spaced traverses has returned significant assay results including:

- **10 metres @ 5.5 g/t Au from 30 metres in PCRC13, and**
- **3 metres @ 5.9 g/t Au from 74 metres in PCRC69.**

The current drilling program will consist of 14 holes, totalling 550 metres, and is designed to infill the previous drilling over 140 metres strike length and to 30 vertical metres depth using a 20 metre by 20 metre spaced grid in preparation for open pit mining (Figures 1 and 2).

Table 1 contains all significant assay results (>1 g/t Au) returned from previous drilling in the target area, whereas Table 2 lists the drill hole collar locations.

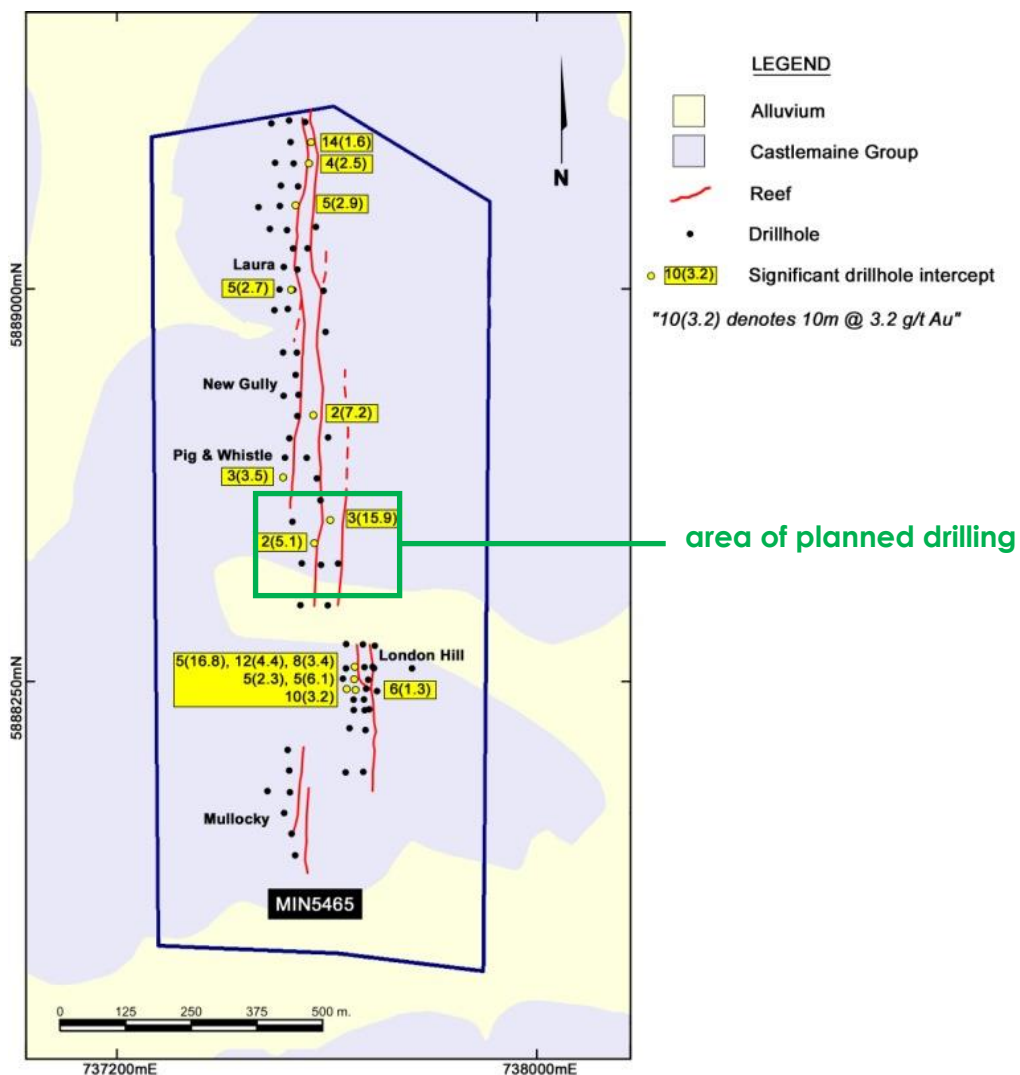


Figure 1: Pearl Croydon: Drill hole location plan with area of planned RC drilling

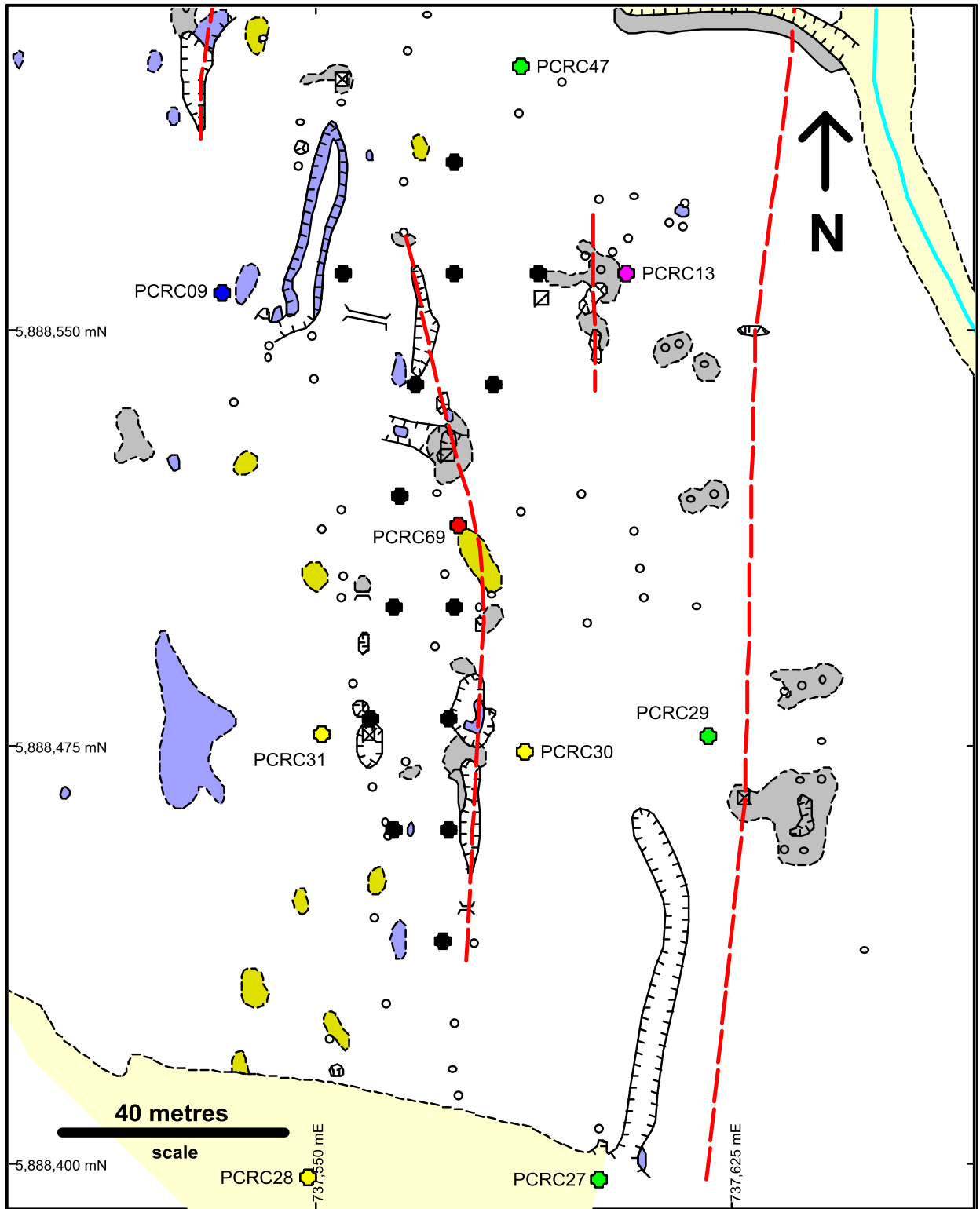


Figure 2: Pig & Whistle Area: Location of planned RC drilling with respect to previous drilling on surface geology

Legend-

RC Drill Holes

- Black dots: planned holes
- Blue dots: No significant assay result
- Green dots: 1 – 5 g-m Au
- Yellow dots: 5 – 10 g-m Au
- Red dots: 10 – 50 g-m Au
- Purple dots: > 50 g-m Au

Surface Geology

- Yellow: sandstone / siltstone
- Blue: mudstone / shale
- White: colluvium
- Light yellow: alluvium
- Grey: mullock
- Red dashed lines: interpreted quartz reefs

Table 1.					
Pig & Whistle Area: Historic Significant RC Drilling Results					
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	
PCRC09				NSA*	
PCRC13	13	14	1	1.3	
	14	15	1	1.9	
	13	15	2	1.6	
	30	31	1	1.2	
	31	32	1	0.3	
	32	33	1	4.9	
	33	34	1	0.6	
	34	35	1	0.1	
	35	36	1	0.0	
	36	37	1	0.4	
	37	38	1	19.3	
	38	39	1	27.0	
	39	40	1	1.4	
inc.	30	40	10	5.5	
	37	40	3	15.9	
	47	48	1	2.6	
	48	49	1	8.9	
	47	49	2	5.8	
PCRC27	31	32	1	1.2	
	31	32	1	1.2	
PCRC28	36	37	1	1.9	
	36	37	1	1.9	
	71	72	1	3.2	
	72	73	1	0.7	
	73	74	1	2.5	
	71	74	3	2.1	
PCRC29	15	16	1	1.1	
	15	16	1	1.1	
PCRC30	39	40	1	1.0	
	40	41	1	7.8	
	41	42	1	1.0	
		39	42	3	3.3
	54	55	1	1.1	
	54	55	1	1.1	
PCRC31	48	49	1	1.4	
	49	50	1	2.7	
	50	51	1	0.2	
	51	52	1	1.3	
		48	52	4	1.4
	76	77	1	1.2	
		76	77	1	1.2
	103	104	1	1.0	
	103	104	1	1.0	
PCRC47	4	5	1	1.4	
	4	5	1	1.4	
	39	40	1	3.3	
	39	40	1	3.3	
PCRC69	9	10	1	4.7	
	10	11	1	5.5	
		9	22	2	5.1
	74	75	1	1.5	
	75	76	1	1.9	
	76	77	1	14.4	
	74	77	3	5.9	

* "NSA" denotes "no significant assay result"

Table 2.						
Pig & Whistle Area: Historic RC Drill Hole Collar Locations						
Hole ID	Northing (MGA)	Easting (MGA)	RL (m)	Azimuth (MGA)	Dip	Depth (m)
PCRC09	5888556.45	737533.34	282.81	90	-60	126
PCRC13	5888559.95	737606.01	279.81	270	-60	138
PCRC27	5888397.08	737600.84	270.06	90	-60	120
PCRC28	5888397.46	737548.74	271.54	90	-60	120
PCRC29	5888476.79	737620.58	275.34	90	-60	114
PCRC30	5888474.16	737587.73	276.89	90	-60	108
PCRC31	5888477.02	737551.08	278.41	90	-60	150
PCRC47	5888597.30	737586.93	280.49	90	-60	120
PCRC69	5888514.84	737575.83	279.60	90	-60	120



RC Drilling at the Pearl Croydon Deposit

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 style of mineralisation and type of deposit under consideration and to the activity 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.

JORC Code, 2012 Edition – Table 1 Report: Pig & Whistle Area Historic Drilling Results

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<p>Drill chip samples were collected via a cyclone over one metre intervals in plastic bags. A riffle splitter was used to produce sub-samples of generally 3.0-5.5 kilograms. Wet samples not amenable to riffle splitting were grab sampled. Samples assayed for gold using 50 gram Fire Assay technique with an AAS finish or using a 3.0 kg BLEG analysis as follows:</p> <ol style="list-style-type: none"> 1. PCRC01-PCRC20: All samples initially sent for Fire Assay. Significant intercepts were later re-split and submitted for BLEG analysis. 2. PCRC21-PCRC69: All quartz intercepts sent for 3.0 kg BLEG analysis. Remaining samples sent for 50 gram Fire Assay analysis. Particularly barren zones (i.e. devoid of quartz and alteration) were 2 metre composited. Significant Fire Assay intercepts were later re-split and submitted for BLEG analysis.
<i>Drilling techniques</i>	Reverse circulation drilling using a face sampling hammer (bit diameter between 5.25 and 5.5 inches).
<i>Drill sample recovery</i>	Oversized shrouds used to maximise sample recovery. All 1 metre samples weighed and recoveries calculated. Average recovery of 75% estimated for all holes.
<i>Logging</i>	All drill holes logged visually by qualified geologists. Geological logs qualitative in nature.
<i>Sub-sampling techniques and sample preparation</i>	<p>A riffle splitter was used to produce sub-samples of generally 3.0-5.5 kilograms. Wet samples not amenable to riffle splitting were grab sampled. Sub-samples collected in calico bags and sent to assay laboratory for analysis. No routine duplicate sampling other than repeat sampling discussed in <i>Sampling techniques</i> above.</p>
<i>Quality of assay data and laboratory tests</i>	<p>3.0 kg BLEG assay data collected for mineral resource estimate. BLEG sample size is larger and more representative for a potentially nuggetty gold deposit than the Fire Assay technique. BLEG samples may underestimate total gold content if a complete leach is not achieved.</p>
<i>Verification of sampling and assaying</i>	<p>Comparative study of BLEG vs Fire Assay results has shown that BLEG result mean was 33% higher than the averaged Fire Assay mean or 35% greater than the mean for the first-reported Fire Assay result.</p> <p>Significant intersections routinely re-split and re-analysed.</p> <p>No drill holes have been twinned. It is unlikely that twinned holes will repeat analysis in a narrow vein nuggetty gold environment.</p> <p>Hard copy and digital copies of drilling data available. Digital data validated against hard copy and backed up off-site.</p> <p>Fire Assay data discarded and only 3.0 kg BLEG analysis used for reporting.</p> <p>No original laboratory assay result reports are available for the drilling data.</p>
<i>Location of data points</i>	<p>Drill hole collar location of holes were surveyed by a qualified surveying contractor and reported in AGD84, AMG Zone 54 coordinates and are considered to have an accuracy of less than 10 centimetres. The data was converted to GDA94, MGA Zone 54 coordinates using Micromine prior to resource estimation.</p> <p>Down hole surveys completed using a single shot Eastman camera, usually at 30 metre intervals. Estimates of azimuth entered into database for a few readings taken in the rods.</p>
<i>Data spacing and distribution</i>	<p>The area has been tested with 40 metre by 40 metre spaced drilling. No compositing has been applied to samples.</p>

Criteria	Commentary
<i>Orientation of data in relation to geological structure</i>	The reefs in the Pig and Whistle area strike broadly north-south and dip steeply to the west at approximately -80°, although there is some localised rolling over of the reef to dip steep east. 89% of drill holes are oriented -60° towards 090 to intersect the steep west dipping reef. 11% of holes are oriented -60° towards 270 in areas where the reef is interpreted to roll over. All drill holes are considered to provide unbiased sampling of structures.
<i>Sample security</i>	Reverse circulation drilling was completed in 1997. Samples have deteriorated and been disposed.
<i>Audits or reviews</i>	Comparative study of BLEG vs Fire Assay results has shown that BLEG result mean was 33% higher than the averaged Fire Assay mean or 35% greater than the mean for the first-reported Fire Assay result. The digital drilling database was validated against hard copy data in 2010 before the calculation of a mineral resource estimate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	The Pearl Croydon Deposit is located on mining licence MIN5465 that is owned 100% by Highlake Resources Pty Ltd, a wholly owned subsidiary of Octagonal Resources Limited. MIN5465 overlies Crown Land within the Maryborough State Forest. The tenement is current and in good standing.
<i>Exploration done by other parties</i>	Highlake Resources Pty Ltd (under previous owners) completed three phases of reverse circulation drilling at the Pearl Croydon Deposit, totalling 81 holes for 8,098 metres. During 1997 Highlake completed 69 reverse circulation holes (PCRC01 to PCRC69) in two phases of drilling to test the mineralized system with 40 metre spaced traverses over 1,360 metres strike length. This drilling focussed on three distinct areas of historic workings; the Laura, New Gully, and Pig and Whistle lines of reef, the London Hill workings, and the Mullocky lines of reef. During 2003 Highlake completed an additional 12 reverse circulation holes (PCRC70 to PCRC81) at London Hill to infill around several significant gold intersections. Drilling was completed over 120 metres strike length using a 20 metre by 20 metre grid with all holes oriented -60° towards the east. Prior to 2010 the area was subject to two separate mineral resource estimates. The first resource estimate was completed for the entire deposit during 1998 based on 69 RC holes drilled on 40 metre spaced traverses, whereas the second resource estimate was undertaken during 2004 on the London Hill area only, where infill drilling had been completed on 20 metre spaced traverses. The 1998 mineral resource estimate was not completed to JORC reporting standards, whereas the 2004 mineral resource estimate was reported to comply with the 1999 Edition of the JORC Code. In July 2010 a mineral resource estimate was calculated for the entire deposit and reported to comply with the 2004 Edition of the JORC Code and in January 2014 (as no additional drilling had been completed at the deposit) this mineral resource estimate was reviewed and reported to comply with the 2012 Edition of the JORC Code.

Criteria	Commentary
<i>Geology</i>	<p>The Pearl Croydon Gold Deposit is a narrow vein orogenic Ordovician slate belt hosted gold deposit located within the Bendigo Zone of the Western Lachlan Orogen in Central Victoria.</p> <p>The deposit is located within a 1,600 metre by 300 metre north trending corridor of fault hosted, steeply dipping, quartz reefs that have been historically worked by open pit and underground mining methods.</p> <p>The stratigraphy of the project area consists of thin turbidites dominated by siltstone and shale with lesser fine grained sandstone.</p> <p>Gold mineralisation is predominantly developed in several steep westerly dipping quartz reefs that are developed along reverse faults.</p> <p>Surface geological mapping has defined seven quartz reefs exposed in historic workings and referred to as; Pearl Croydon North West, Pearl Croydon North Central, Pearl Croydon North East, London Hill, London Hill Hangingwall, Mullocky West, and Mullocky East.</p> <p>Continuity of the quartz reefs has been demonstrated by mapping and drilling both along strike and down dip, however gold mineralisation is variable along the strike of any individual reef. Drill cross sections at London Hill indicate high grade mineralisation to have a southerly plunge. This is also supported by the southerly plunge of a stope observed in the London Hill open pit. The thickness of individual reefs is also variable along strike and ranges between 2 and 5 metre width.</p>
<i>Drill hole Information</i>	See Table 2.
<i>Data aggregation methods</i>	<p>All reported grades have been length weighted.</p> <p>Samples returning greater than 1.0 g/t Au have been composited for reporting (internal dilution of samples containing less than 1.0 g/t Au are included within mineralised zones).</p> <p>Metal equivalents have not been used for reporting exploration results.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	Down hole lengths are reported as the true width is not known.
<i>Diagrams</i>	See Figures 1 and 2.
<i>Balanced reporting</i>	Significant assay results are provided in Table 1 for all historic drill holes located in the area of interest.
<i>Other substantive exploration data</i>	No other substantive exploration data.
<i>Further work</i>	The current reverse circulation drilling program is designed to infill existing drilling data using a 20 metre by 20 metre spaced grid in anticipation of grade modelling and open pit design.