

**30 June 2014**

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**ASX CODE: ORS**

Market Cap.: \$11.0 m (\$0.065 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%

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## **Diamond Drilling Commences at the Burns Prospect in Western Australia**

- **Diamond drilling has commenced at the Burns Prospect in Western Australia**
- **450 metre deep diamond hole to test for copper and gold potentially related to a strong magnetic anomaly defined by a ground magnetic survey and 3D inversion modelling**
- **Previous reverse circulation drilling has returned significant copper and gold results including:**
  - ▶ **9 metres @ 1.5 g/t Au & 1.0 % Cu from 58 metres**
  - ▶ **6 metres @ 4.9 g/t Au & 0.4 % Cu from 23 metres**
  - ▶ **12 metres @ 0.8 g/t Au & 1.7 % Cu from 48 metres**
  - ▶ **32 metres @ 1.7 g/t Au & 0.6 % Cu from 76 metres**
  - ▶ **6 metres @ 4.9 g/t Au & 0.9 % Cu from 24 metres**
  - ▶ **50 metre @ 0.9 g/t Au & 0.5 % Cu from 24 metres**
  - ▶ **12 metres @ 1.5 g/t Au & 0.5 % Cu from 27 metres**
  - ▶ **19 metres @ 0.5 g/t Au & 1.0 % Cu from 44 metres**
  - ▶ **3 metres @ 16.1 g/t Au & 0.5 % Cu from 35 metres**
  - ▶ **9 metres @ 1.0 g/t Au & 1.5 % Cu from 115 metres**
  - ▶ **12 metres @ 1.3 g/t Au & 0.8 % Cu from 163 metres**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce the commencement of diamond drilling at the Burns copper-gold prospect in Western Australia.

The Burns Prospect is located 70 kilometres southeast of Kalgoorlie and 30 kilometres northeast of the +13 million ounce St Ives Goldfield (Figure 1).

Reverse circulation (“RC”) drilling completed during 2012 identified broad zones of moderate grade copper and gold, with all very magnetic samples (+250 x 10<sup>-3</sup> SI units) also returning greater than 1.5 g/t Au and 2.5 % Cu.

3D inversion modelling of ground magnetic data has revealed that the RC drilling did not test the targeted strong magnetic anomaly and that it is positioned beneath the previous drilling (refer to ASX Announcement dated 23 May 2014).

The aim of the current drilling program is to test for the source of the strong magnetic anomaly with one 450 metre deep diamond hole to determine if the magnetism is associated with economic grades of copper and gold.

Additional information relating to Octagonal and its various mining and exploration projects can be found on the Company’s website: [www.octagonalresources.com.au](http://www.octagonalresources.com.au)

**For further enquiries, please contact:**

**Anthony Gray (Managing Director) +61 3 9697 9088.**

## Burns Prospect

The Burns 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 RC holes, on four 40 metre spaced traverses in the southeast corner of the target area. This drilling intersected broad zones of gold and copper associated with magnetite-biotite alteration and hosted in fractured high-magnesian basalt and intermediate intrusive rocks.

Significant assay results include:

- ▶ 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 metre @ 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

Analysis of drilling data for samples collected in fresh rock or saprock (below 100 metres down hole depth) reveals that while there is no direct correlation between copper and gold, all very magnetic samples (returning greater than  $250 \times 10^{-3}$  SI units) also contain greater than 1.5 g/t Au and 2.5 % Cu (refer to ASX Announcement dated 23 May 2014).

This correlation between magnetite alteration and copper and gold suggests that magnetism could be used as an exploration tool for targeting mineralisation and during April and May 2014 Southern Geoscience Consultants completed 3D inversion modelling of ground magnetic data collected in 2013 to better understand the geometry of the strong magnetic anomaly and its spatial relationship with the previous RC drilling.

The inversion modelling suggested that the magnetic anomaly strikes northwest, dips steeply to the west, and plunges steeply to the southeast, with the highest magnetic part of the anomaly being approximately 190 metres long and 120 metres wide using a  $90 \times 10^{-3}$  SI isosurface (Figure 3).

*It should be noted:*

1. *The inversion model uses a 20 metre by 20 metre mesh size and the actual magnetic target may be smaller and of higher magnetic intensity;*
2. *Even though the geometry of the modelled magnetic body is ovoid, the actual magnetic body could be composed of multiple and varying oriented magnetic units / structures; and*
3. *Even though the modelled magnetic body is illustrated to be constrained at depth it is actually unconstrained because ground magnetic surveys can only detect near-surface magnetism (usually up to 200 metres depth).*

These results also revealed that the highest magnetic part of the Burns magnetic anomaly has not been tested by RC drilling, with the magnetic body starting at 100 vertical metres depth and positioned to the west and below the existing drilling (Figures 3 and 5).

**The modelling suggests that the copper and gold intersected in RC drilling may be derived from the leakage of mineralisation from a larger, higher grade, and deeper source.**

Octagonal has planned one diamond hole to intersect the centre to the modelled high-magnetic anomaly to determine the source of the magnetism and its association with copper and gold mineralisation (Figures 4 and 5). This hole will be drilled to approximately 450 metres depth and take 2.5 weeks to complete.

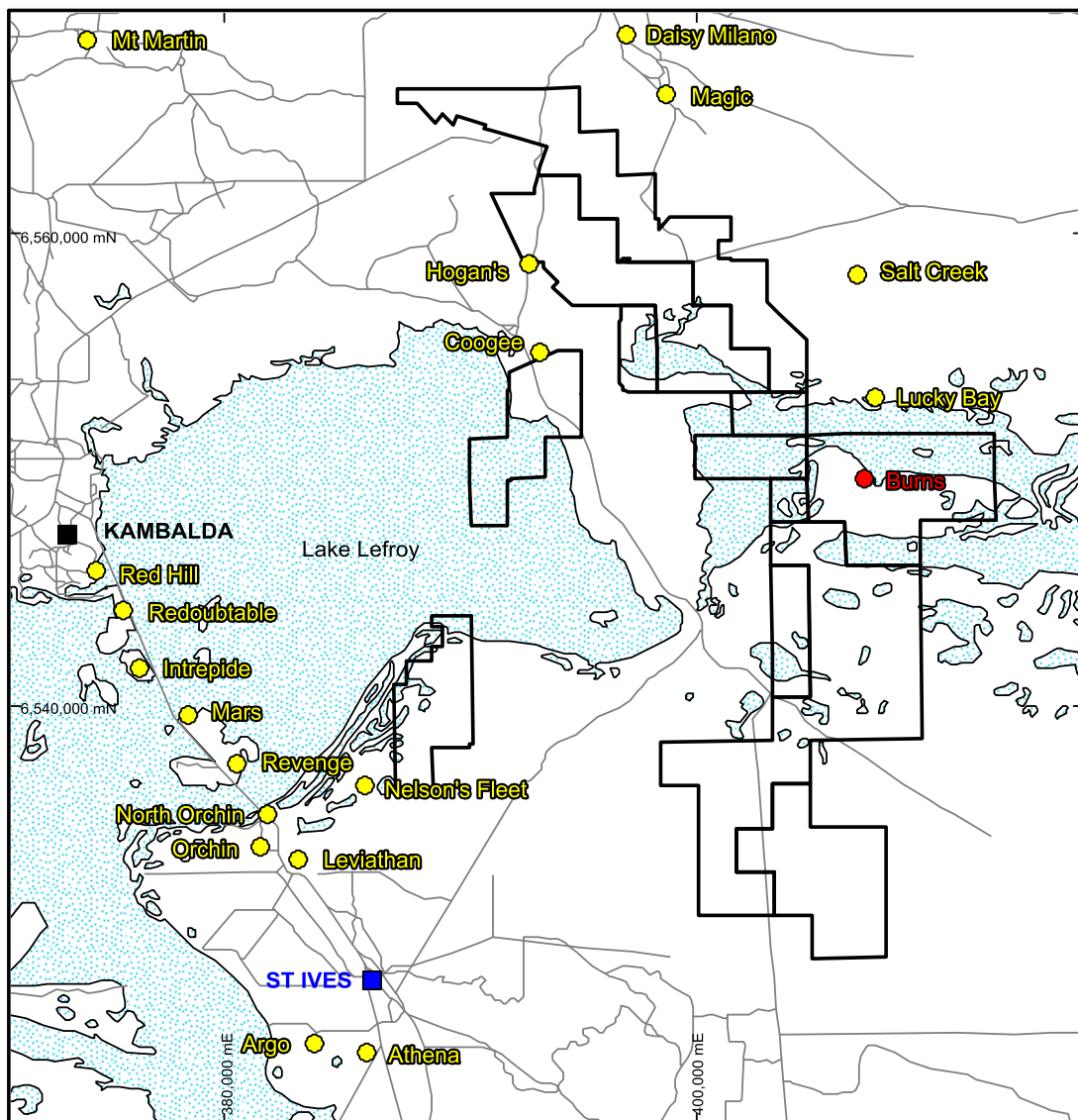


Figure 1: Hogan's Project: Tenement Location Plan

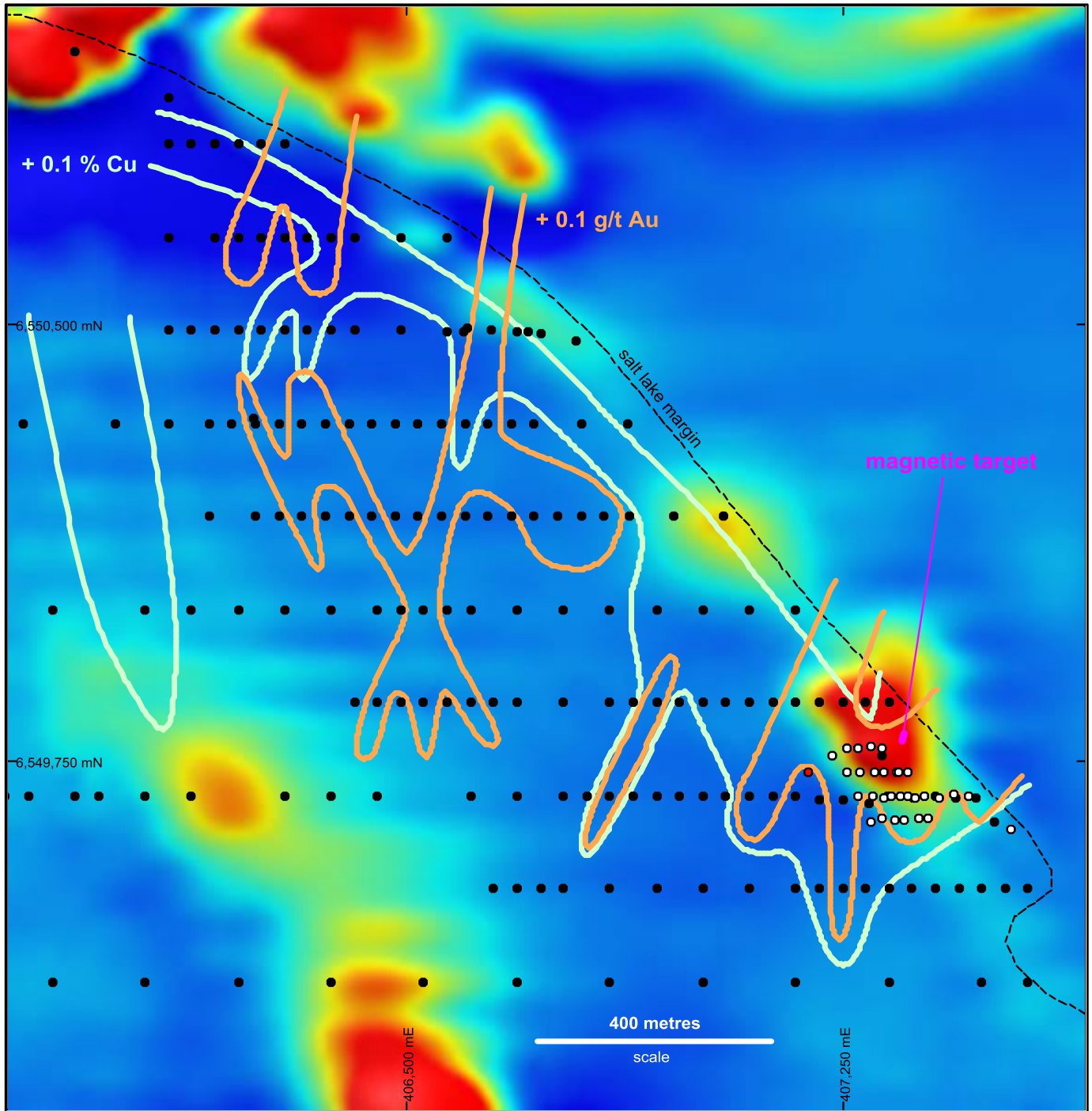


Figure 2: Burns Prospect: Gold and copper in regolith anomalism defined by aircore drilling on an aeromagnetic image

*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: planned diamond hole*

*Black dashed line: salt lake margin*

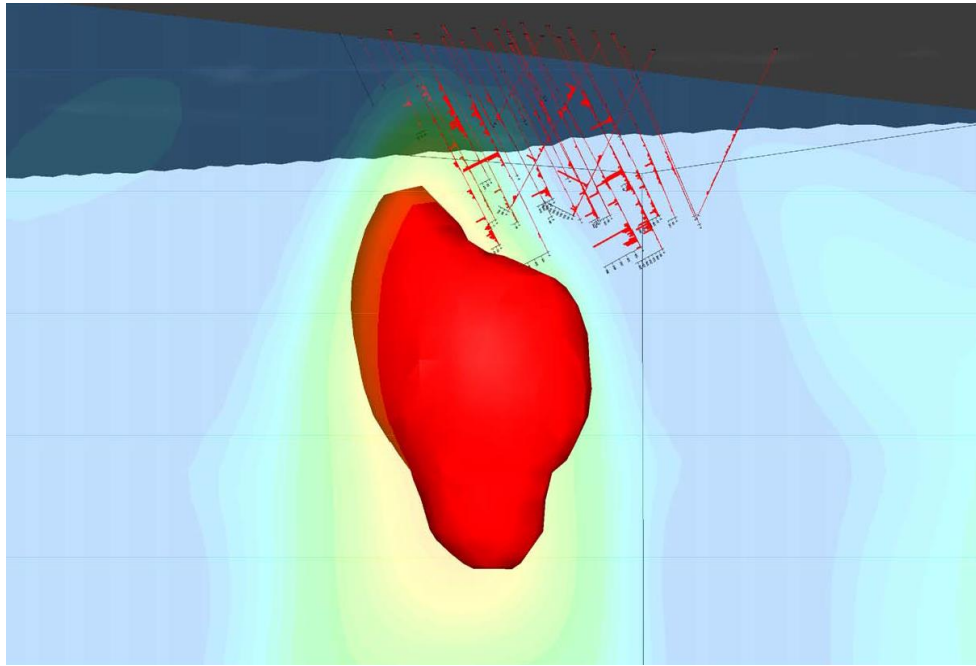


Figure 3: Burns Prospect: 3D Inversion Model of ground magnetic data (red shape:  $90 \times 10^{-3}$  SI isosurface) with RC drilling (view from below surface and to the northeast)

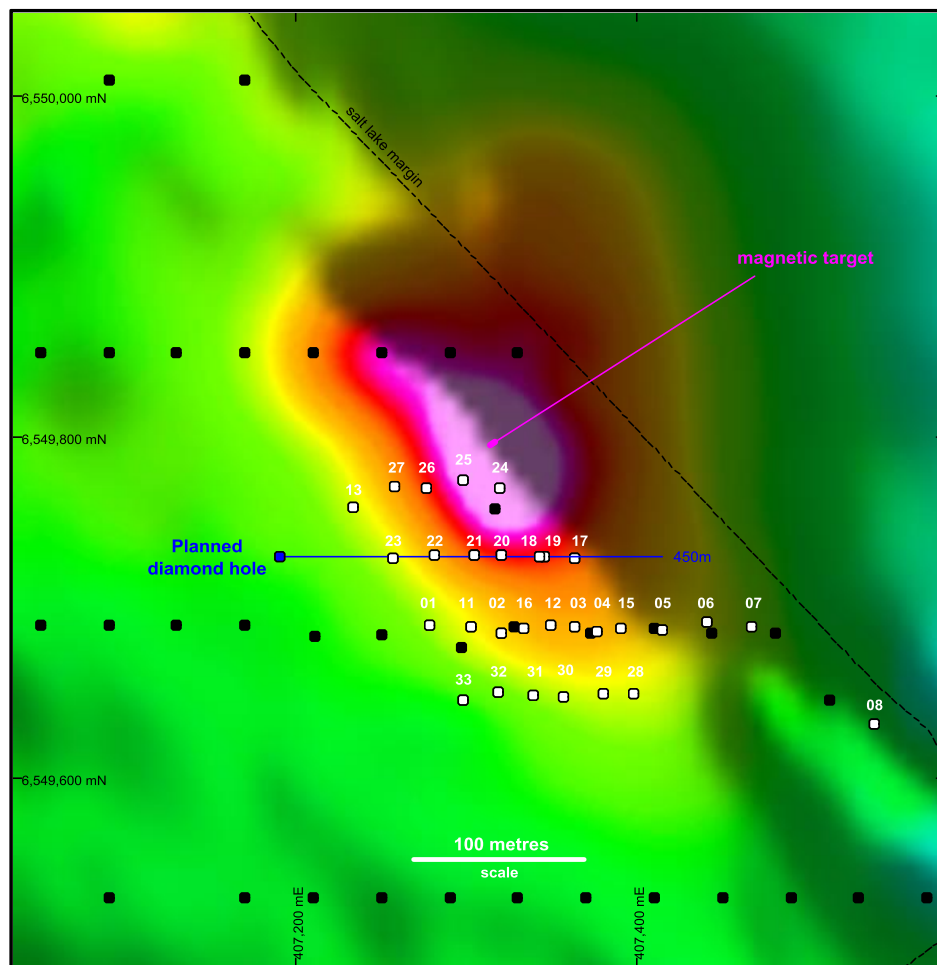


Figure 4: Burns Prospect: Planned diamond hole on a ground magnetic image with previous drilling

Legend-

Blue dot: planned diamond hole  
 Black dots: aircore holes  
 White dots: RC holes

Black dashed line: salt lake margin  
 23 denotes hole number OBURC023

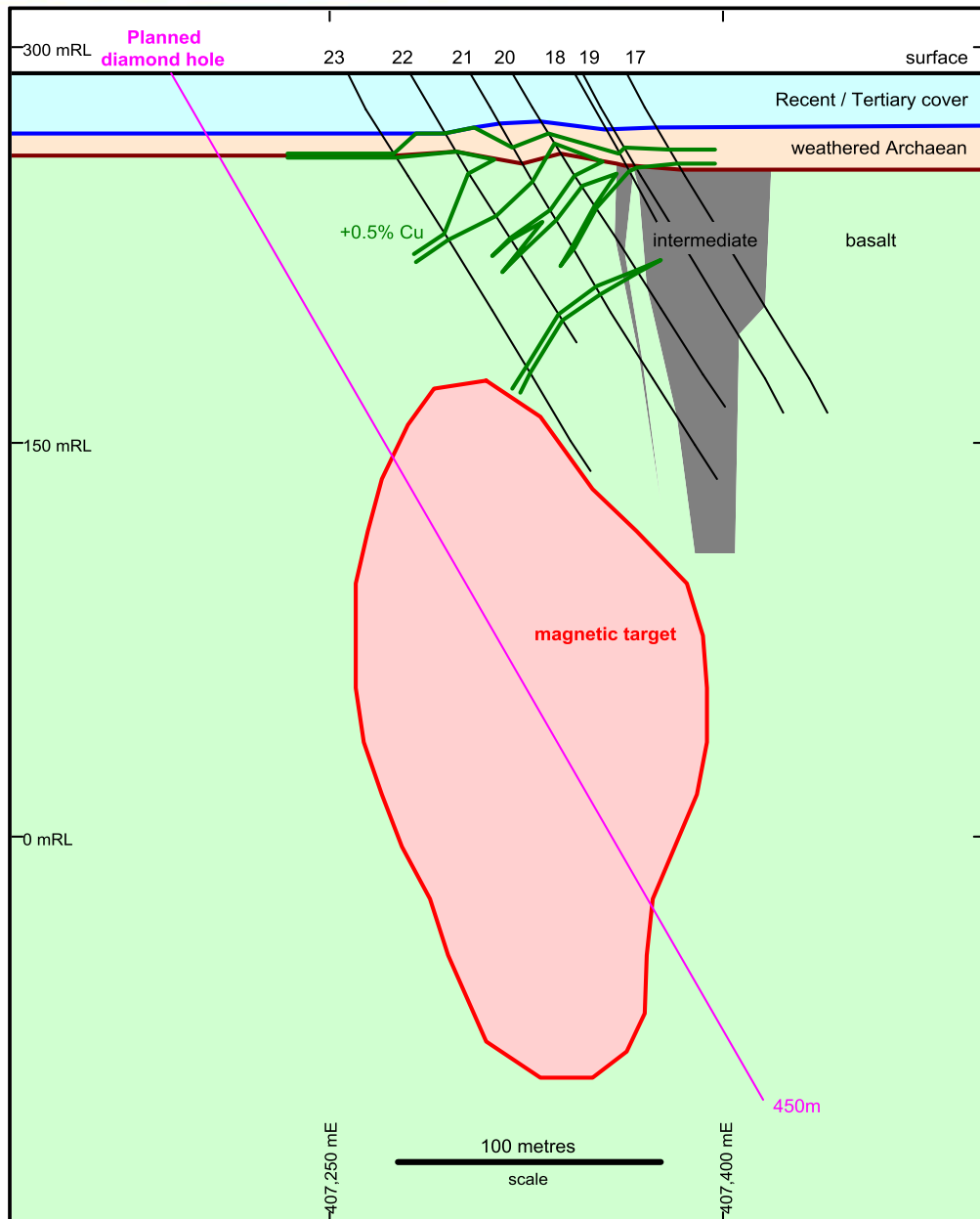


Figure 5: Burns Prospect 6549730mN Section: Location of planned diamond hole

**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)

Pink polygon: high-magnetic target ( $90 \times 10^{-3}$  SI isosurface defined by 3D inversion modelling)  
 Dark green contours: +0.5% copper in RC drilling

Drill Holes

Cyan line: planned diamond hole  
 Black lines: previous RC holes

23 denotes hole number OBURC023

**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.