

**23 June 2015**  
No. of Pages: 10

**ASX CODE: ORS**

Market Cap.: \$1.99 m (\$0.008 p/s)  
Shares on issue: 248,331,672  
Cash: \$0.95 m (31 March 2015)  
Debt: \$0.29 m (31 March 2015)

**BOARD & MANAGEMENT**

Ian Gandel, Chairman  
Anthony Gray, Managing Director  
Bob Tolliday, Director

**MAJOR SHAREHOLDERS**

Abbotsleigh – 41.1%  
Alliance Resources – 8.9%

## **Octagonal Awarded West Australian Government Co-Funded Drilling Grant for Diamond Drilling at the Burns Prospect, in Western Australia**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that the Company has received a Western Australian Government co-funded drilling grant in Round 11 of the Exploration Incentive Scheme Co-funded Drilling Program to help fund the second phase of diamond drilling at the Burns copper-gold Prospect at the Hogan’s Project in Western Australia.

The Company has been offered \$70,000 in government funding, being the full amount applied for, to pay for up to 50 per cent of direct drilling costs for a multi-hole project.

Octagonal’s Managing Director, Anthony Gray, commented “we are pleased to accept the Western Australian Government’s assistance with funding our continued exploration of the Burns copper-gold Prospect”.

“The submission process to obtain these drilling grants requires the applicant to provide high quality, technically and economically sound proposals that promote new exploration concepts and new exploration technologies, with the proposal assessed by an expert panel of officers in the Department of Mines and Petroleum and moderated by independent industry representatives nominated by the Director General, Department of Mines and Petroleum”.

“This grant will help fund the drilling of two diamond holes at the Burns Prospect, where we continue systematic testing for a massive sulphide copper-gold deposit using down-hole electromagnetic techniques, while at the same time testing for other potential controls on the distribution of copper and gold”.

At this stage drilling is budgeted to commence in early 2016.

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**

**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](mailto:info@octagonalresources.com.au)

**W** [www.octagonalresources.com.au](http://www.octagonalresources.com.au)

## **Hogan's Project**

The Hogan's Project is located within the Eastern Goldfields of Western Australia. The project is situated 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). In this highly prospective area Octagonal is exploring beneath transported cover for gold, copper-gold, and nickel sulphide deposits.

## ***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 thirty three reverse circulation (RC) holes were drilled, 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 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, 3 and 4).

This drill hole intersected strongly fractured high-magnesian pillow basalt intruded by feldspar-porphyrific intermediate rocks (Figure 4).

Between 191 and 284 metres depth variably strong magnetic rocks were observed that are interpreted to 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 intermediate intrusive clasts and a zone of massive magnetite-chalcopyrite mineralisation at the footwall contact that returned 0.9 metres @ 4.5 g/t Au & 2.6 % Cu from 256.4 metres depth (Photo 1) (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.

The only other structures observed in the drill hole are discrete zones of moderate to strong biotite-chlorite shearing in mafic rocks (with minor chalcopyrite) located at the contact with intermediate intrusive rocks. Most of these contacts and shears also strike northwest and dip steeply to the west.

Other zones of mineralisation intersected in the drill hole (also associated with magnetite alteration) include 38.5 metres @ 0.5 g/t Au and 0.2 % Cu from 184.5 metres depth and 55.95 metres @ 0.5 g/t Au and 0.2 % Cu from 229.85 metres depth, including 10.35 metres @ 1.2 g/t Au and 0.6 % Cu from 273.3 metres depth (refer to ASX Announcement dated 29/08/2014).

A down-hole electromagnetic (EM) survey completed in the drill hole to test for off-hole conductors associated with copper and magnetite mineralisation identified six localised EM sources ranging in areal size from ~10m x 10m to ~25m x 25m with moderate conductance levels. These conductive sources are situated between 200 and 340 metres down hole depth and clearly correlate with magnetite and/or sulphide bearing units. The conductive sources appear to be sub-vertical and correlate with the structural measurements recorded from the feeder structure.

It should be noted that hole OBUIDD001 was designed to test the most magnetic area of the Burns Prospect and higher grade mineralisation is likely to be less magnetic because copper bearing minerals will displace magnetite.

The feeder structure presents a two kilometre long discrete planar structure for future drill testing.

Reinterpretation of RC drilling data, having recognised the geometry of the primary feeder structure, located this structure on all four traverses (Figures 5 and 6) and revealed an apparent southerly plunge to the copper and gold mineralisation hosted within this structure coincident with the margin of the  $35 \times 10^{-3}$  SI magnetic isosurface.

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

A number of potential exploration targets have been identified in the immediate vicinity of the previous RC and diamond drilling completed at the Burns Prospect, however due to the size of the target area and the limited funds available for exploration, target prioritisation is focused on testing for the largest and greatest value deposit styles first.

The greatest value exploration target possible at the Burns Prospect is a massive sulphide copper-gold deposit. This style of mineralisation is able to be detected using electromagnetic techniques.

In 2013 a moving loop surface EM survey completed at the prospect failed to identify any significant conductors potentially related to massive copper-sulphide mineralisation, however the highly conductive nature of the transported cover and regolith may have impacted on the effectiveness and depth penetration of this survey.

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 EM techniques, while at the same time testing for other potential controls on the distribution of mineralisation.

A two hole diamond drilling program (OBUDD002 and 003), totalling 800 metres, is planned with holes positioned to intersect the targeted structure 200 metres below surface and 200 metres north and south of hole OBUDD001 (Figures 5 and 6).

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  $35 \times 10^{-3}$  isosurface, whereas hole OBUDD003, totalling 500 metres, is designed to intersect the northern extension of the primary feeder structure along the margin of the  $35 \times 10^{-3}$  isosurface (a similar magnetic and structural position to OBUDD002). This hole will also test beneath significant copper and gold in regolith anomalism.

A budget for the next phase of diamond drilling at the Burns Prospect 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 today's announced West Australian Government Co-Funded Drilling Grant of \$70,000.

At this stage the drilling program is budgeted 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.**

#### **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.

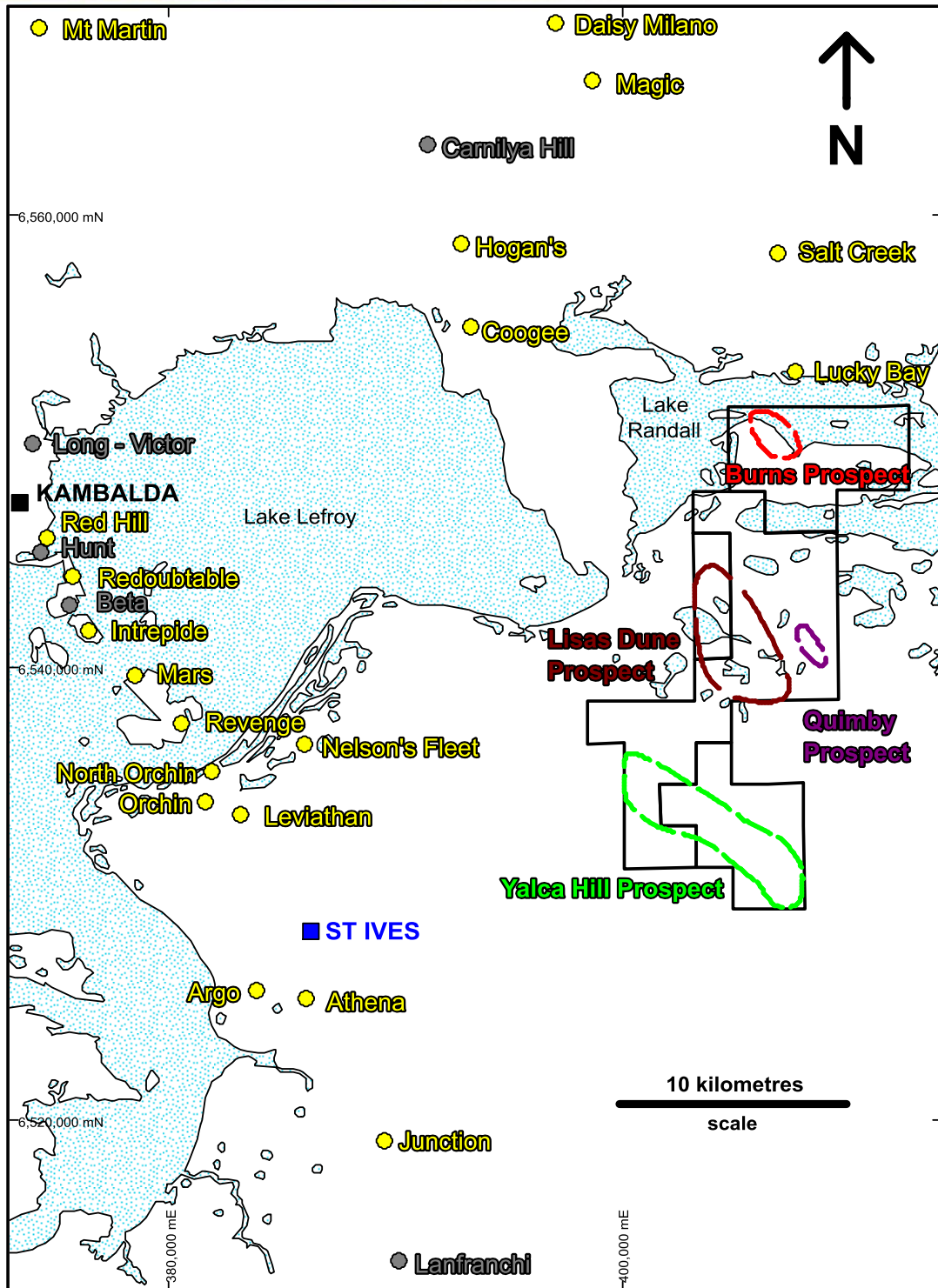


Figure 1: Hogan's Project: Tenement location plan with gold and nickel deposits and Octagonal's exploration target areas

Legend-  
 Yellow dots: gold deposits  
 Grey dots: nickel sulphide deposits

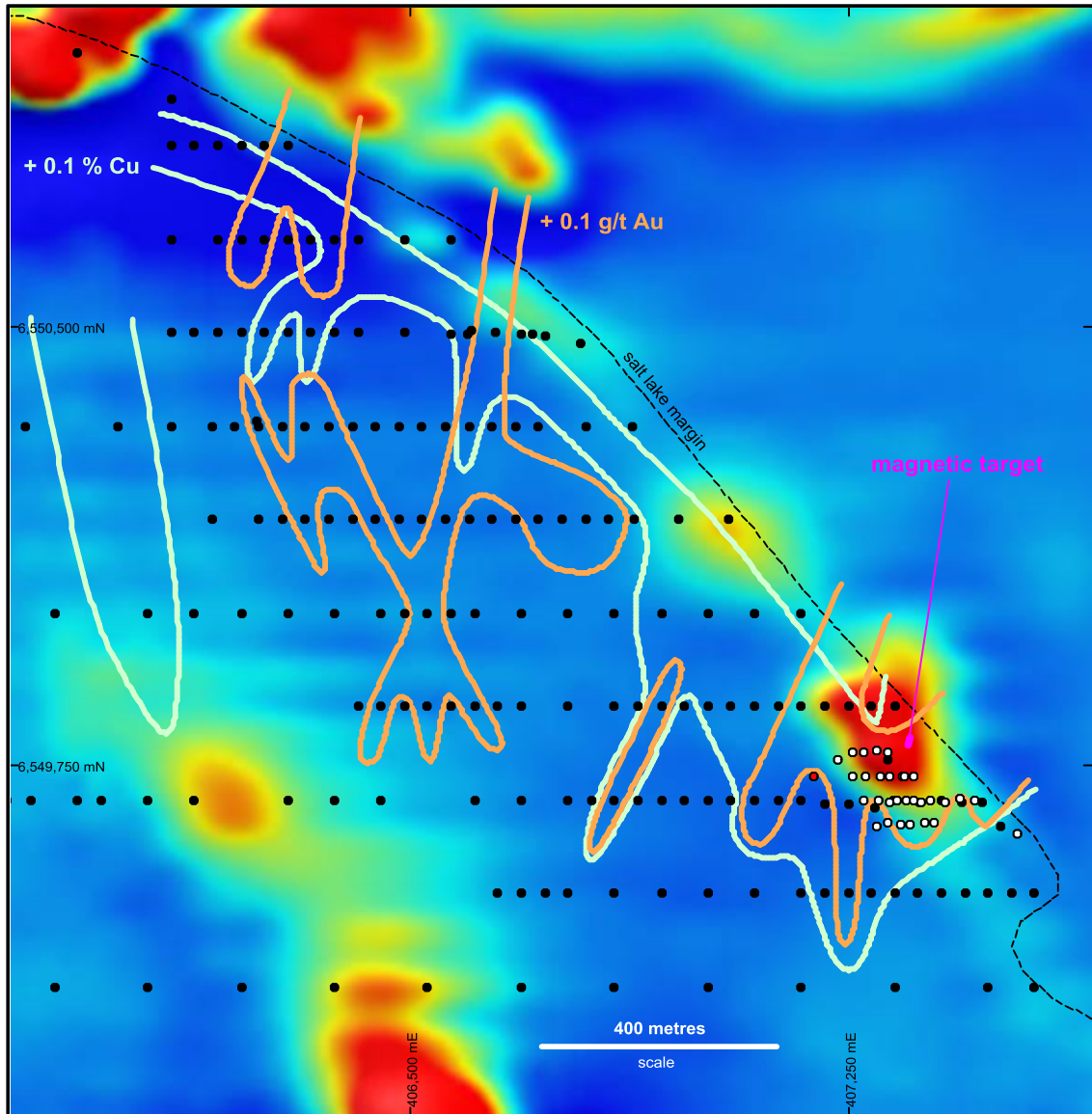


Figure 2: Burns Prospect: Gold and copper in regolith anomalism defined by aircore drilling on an aeromagnetic image with location of diamond hole OBUDD001

*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*

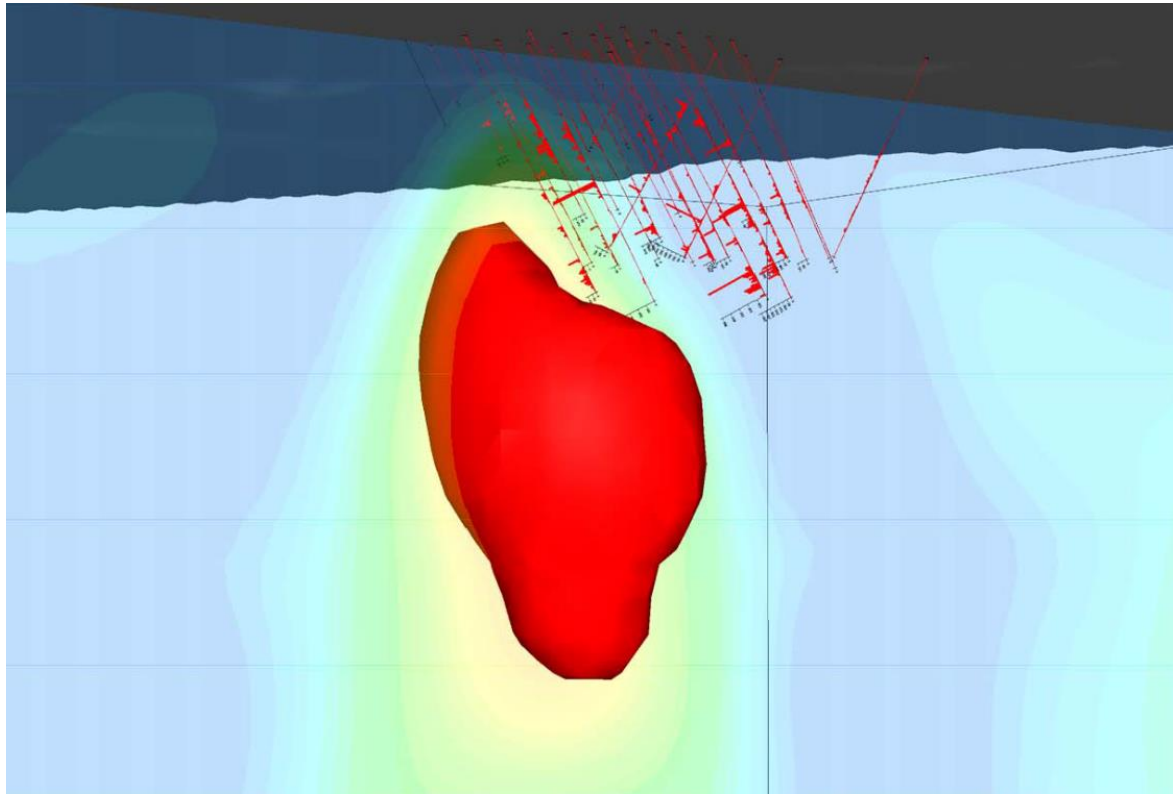


Figure 3. Burns Prospect: 3D Inversion Model of ground magnetic data (red shape:  $90 \times 10^{-3}$  SI isosurface) with RC drilling (view from below surface and to the northeast)



Photo 1. OBUDD001: Massive magnetite-chalcopyrite at base of feeder structure (0.9 metres @ 4.5 g/t Au & 2.6 % Cu from 256.4 metres depth)

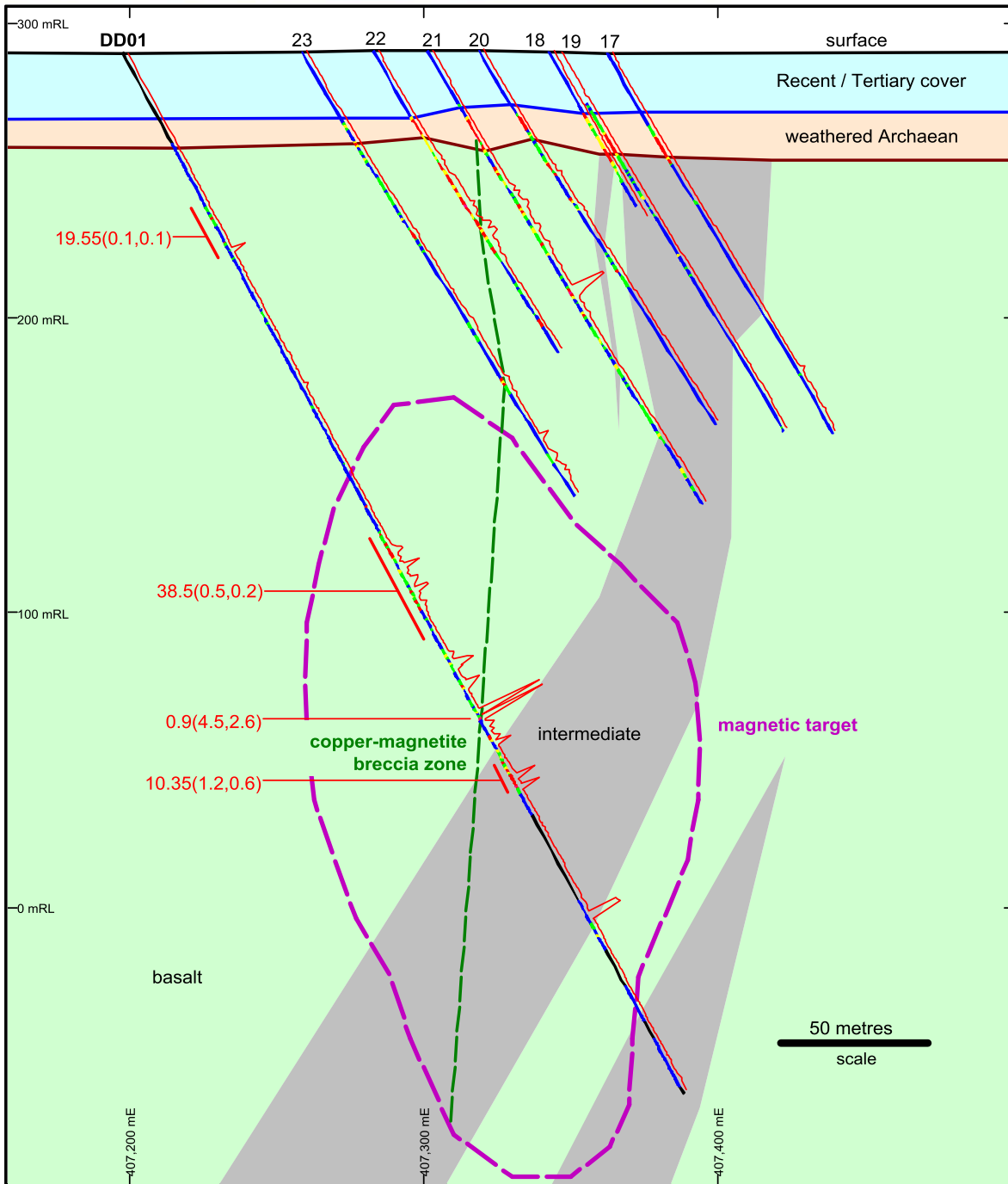


Figure 4. Burns Prospect: 6549730mN Cross-Section

**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 x 10<sup>-3</sup> 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



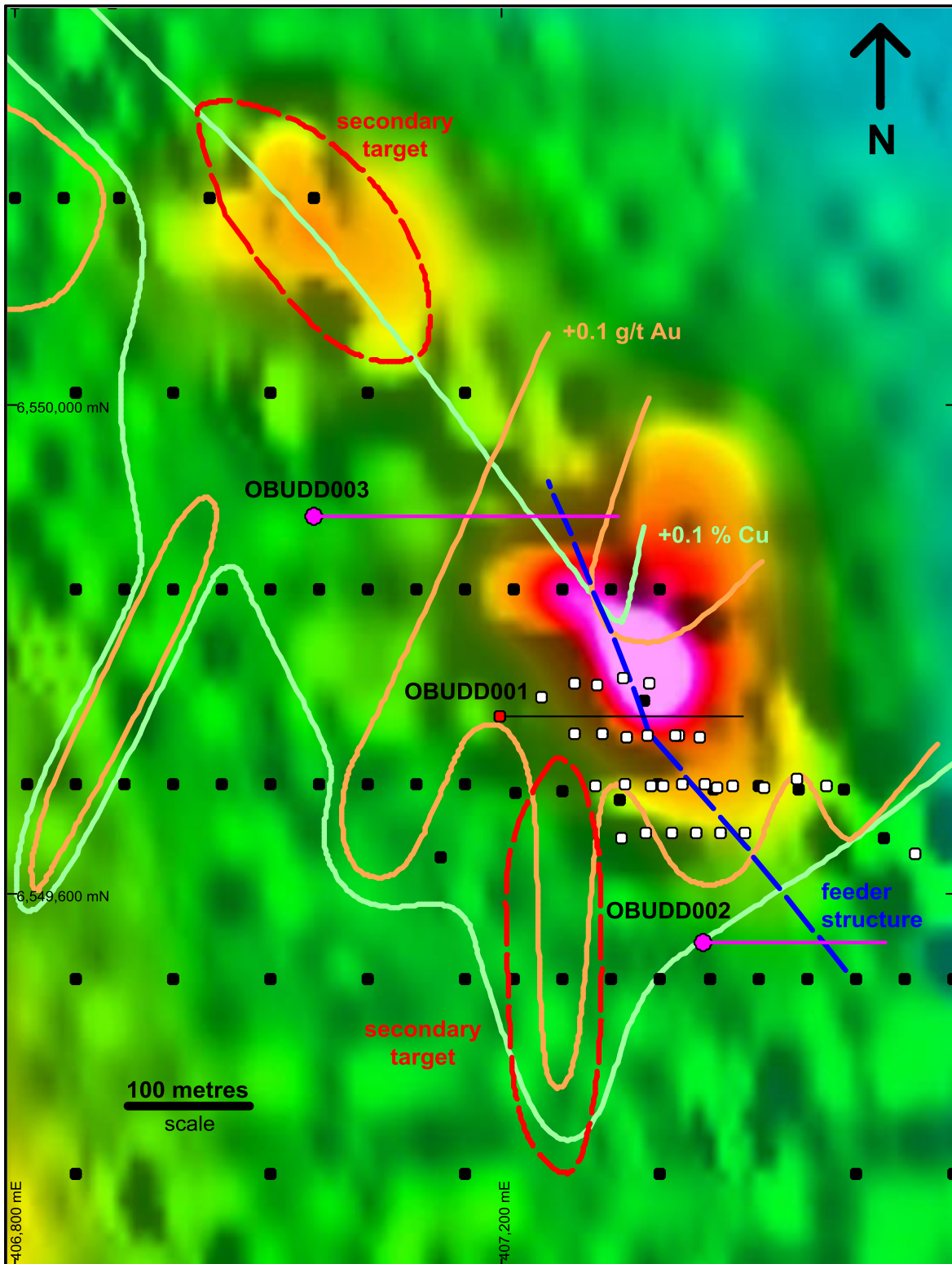


Figure 5. Burns Prospect: Gold and copper in regolith anomalism defined by aircore drilling on an aeromagnetic image with location of RC and diamond holes, interpreted feeder structure, and secondary exploration targets

**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

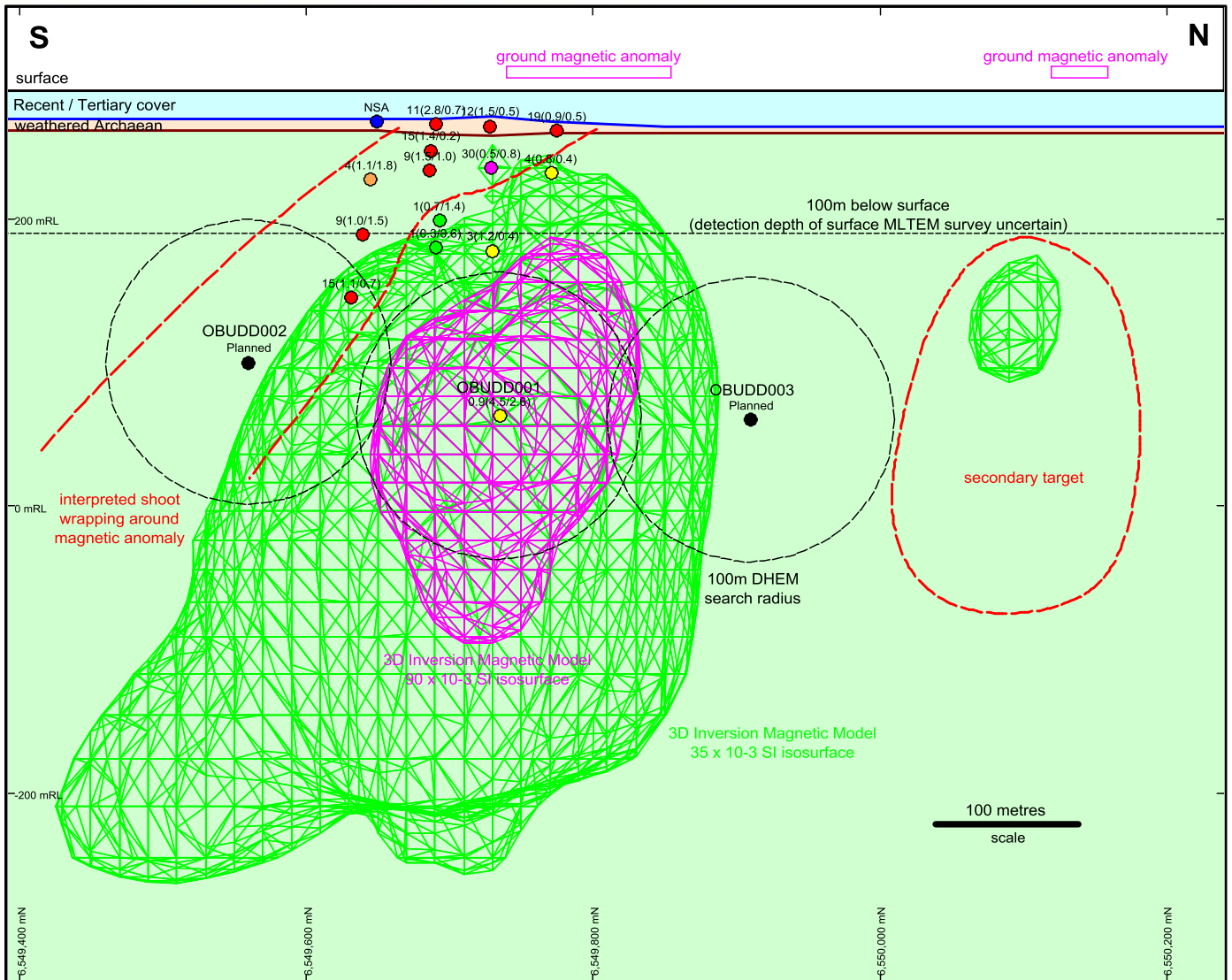


Figure 6. Burns Prospect: Long-section of interpreted “feeder” structure with previous drilling, planned Phase 2 diamond drilling, location of surface and 3D inversion magnetic anomalies, and interpreted search distances of surface and down hole electromagnetic surveys

**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