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Market Cap.: \$16.0 m (\$0.16 p/s)

Shares on issue: 100,048,002

Cash: \$9.55 m (31 March 2011)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

John Harrison, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

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

Hogan's Project (Western Australia) **Exploration Update**

- **Final assay results from the recent 10,544 metre regional aircore drilling program confirm the Burns Prospect as a priority exploration target area**
- **Significant assay results include:**
 - ▶ **23 metres @ 0.49 g/t Au from 18 metres to end of hole (weathered Archaean high-magnesian basalt)**
 - ▶ **3 metres @ 12.06 g/t Au from 82 metres to end of hole (transported Tertiary sand)**
 - ▶ **12 metres @ 0.28 g/t Au from 68 metres to end of hole (weathered Archaean high-magnesian basalt)**
 - ▶ **3 metres @ 0.86 g/t Au from 44 metres (weathered Archaean mafic)**
- **Closer spaced aircore drilling planned to commence at Burns Prospect during early July**
- **Greater than 1,300 metre long gold in regolith anomaly identified in southern half of Salt Creek – Lucky Bay Gravity Trend target area**
- **Regional gravity survey has commenced to assist with target identification and prioritization**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to provide an update on recent and planned exploration activity at the Hogan’s Project in Western Australia.

Octagonal is earning up to 80% equity in the Hogan’s Project that is located 70 kilometres southeast of Kalgoorlie and 30 kilometres northeast of the 12 million ounce St Ives Goldfield.

The Project overlies 380 km² of highly prospective Archaean greenstone and is located within an emerging gold producing district, being situated adjacent to the south of the Daisy Milano Mine and Magic Prospect, owned by Silver Lake Resources, and the Salt Creek Mine and Lucky Bay Prospect, discovered by Integra Mining.

Historic exploration in the Hogan’s area was restricted by widespread shallow alluvial cover, however the weathered profile of the area makes it amenable to exploration techniques developed and successfully applied during the 1990’s to explore for gold deposits in this type of environment.

Octagonal is systematically exploring the potential of the Hogan’s Project to host a major gold deposit and has budgeted to spend \$2,000,000 on exploration over a two year period.

Aircore Drilling

During April and May 2011 Octagonal drilled 253 aircore holes, for 10,544 metres, using a 160 metre by 640 metre spaced grid to test for gold anomalism in the regolith (weathered Archaean rock) that can be used to lead towards a primary gold deposit.

This drill hole spacing is the widest that can reasonably be drilled in this type of geological environment with the expectation of intersecting low level gold anomalism (greater than 100ppb or 0.1 g/t Au) that may potentially lead to a major gold deposit.

The recent aircore drilling program was designed to test the eastern side of the Burns Prospect, the southern side of the Salt Creek – Lucky Bay Gravity Trend, and south-eastern side of the Carlson Prospect.

Burns Prospect

The Burn's Prospect is characterised by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, ultramafic 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.

On 10 May 2011 Octagonal released to the ASX the assay results for 40 of 50 aircore holes completed at the Burns Prospect. These results contained significant intersections including **23 metres @ 0.49 g/t Au from 18 metres to the end of hole in OBU022, 3 metres @ 12.06 g/t Au from 82 metres to the end of hole in OBU041, 3 metres @ 0.86 g/t Au from 44 metres in OBU013, and 2 metres @ 0.60 g/t Au from 63 metres to the end of hole in OBU019.** All assay results have now been received from this drilling program (Figure 1 and Table 1) and include an additional significant intersection of **12 metres @ 0.28 g/t Au from 68 metres to the end of hole in OBU011.**

The broad zones of gold anomalism intersected in holes OBU011 and OBU022 are hosted within weathered high-magnesian basalt and occur from just above the base of transported cover through to the end of hole. The thickness and grade on this regolith gold anomalism suggests that these holes are in close proximity to higher grade primary gold mineralisation (Figure 2).

Drill holes OBU019 and OBU041 intersected narrow stripped zones of weathered Archaean rocks beneath transported cover. OBU019 only intersected 2 metres of weathered Archaean rocks and returned 2 metres @ 0.60 g/t Au hosted in weathered high-magnesian basalt at the end of hole. OBU041 intersected less than 1 metre of weathered Archaean granite below Tertiary running sands. This drill hole intersected 3 metres @ 12.06 g/t Au to the end of hole and gold mineralisation was initially interpreted to be hosted in the transported Tertiary sands. To determine if the weathered granite was mineralised rock chips of granite were hand sorted from the sand and washed and sent for separate analysis. This sample returned 1.29 g/t gold and revealed that the gold mineralisation is hosted in both the transported sands and the granite basement.

The assay results from holes OBU011, OBU013, OBU019, and OBU022 define two greater than 1,000 metre long zones of gold in regolith anomalism that represent a high priority exploration target area. Furthermore, this gold anomalism is not constrained by drilling to the north and east where it trends onto salt lake and could increase in size with additional drilling.

Octagonal has designed an 80 hole aircore drilling program to infill around these significant assay results, using an 80 metre by 320 metre spaced grid, to better define the distribution of gold in regolith anomalism prior to bedrock drill testing. This drilling program is expected to commence during July.

In order to gain access to the salt lake for drilling to the north and east of the recent significant gold intersections, Octagonal has engaged a consultant anthropologist to facilitate a heritage survey of the target area with the registered Native Title claimant groups. This survey is planned to be completed during late June.

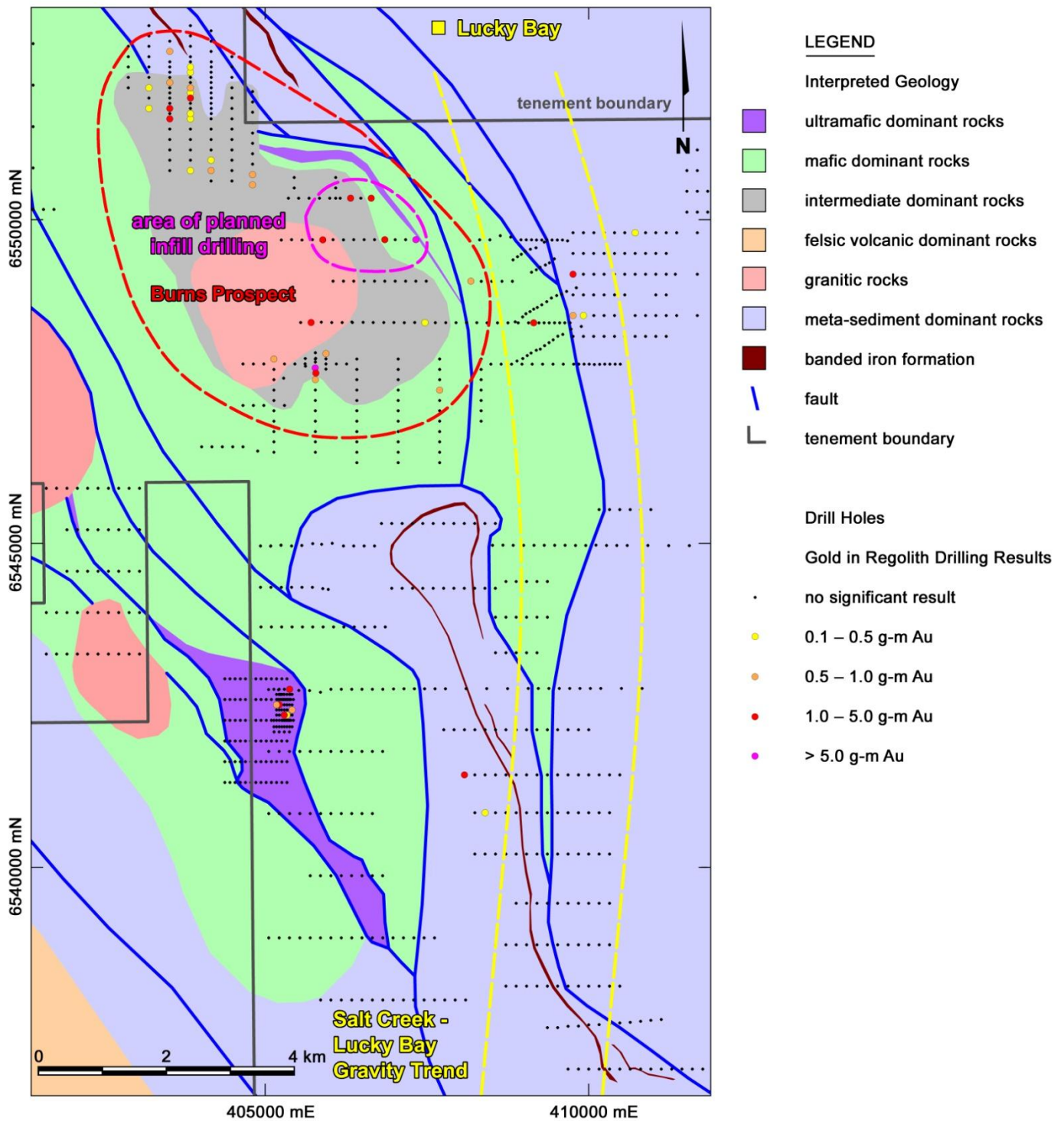


Figure 1. Burns Prospect & Salt Creek – Lucky Bay Gravity Trend:

Drill hole location plan with significant gold in regolith assay results and interpreted geology

Table 1.					
Hogan's Project Aircore Drilling: Significant Assay Results					
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
Burns Prospect					
OBU007	5 5	6 6	1 1	0.4 0.4	transported Recent clay and sand
OBU011	68 69 70 71 72 73 74 75 76 77 78 79 68	69 70 71 72 73 74 75 76 77 78 79 80 80	1 1 1 1 1 1 1 1 1 1 1 1 12	0.13 0.05 0.09 0.5 0.91 0.23 0.29 0.09 0.12 0.32 0.33 0.33 0.28	transported Tertiary clay transported Tertiary clay transported Tertiary clay weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt weathered high-magnesian basalt
OBU012	40 40	41 41	1 1	0.23 0.23	transported Tertiary clay and sand
OBU013	44 45 46 44	45 46 47 47	1 1 1 3	0.11 2.3 0.18 0.86	weathered mafic rock weathered mafic rock weathered mafic rock
OBU019 EOH	63 64 63	64 65 65	1 1 2	0.62 0.58 0.6	weathered high-magnesian basalt weathered high-magnesian basalt
OBU022	18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 18	19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 41	1 23	0.13 0.31 0.35 1.4 0.36 0.53 1.06 0.47 0.38 0.18 0.05 0.26 0.31 0.27 0.69 0.12 3.16 0.47 0.15 0.07 0.24 0.28 0.08 0.49	transported Tertiary clay transported Tertiary clay weathered high-magnesian basalt
OBU041 EOH inc.	80 81 82 83 84 80 82 84	81 82 83 84 85 85 85 85	1 1 1 1 1 5 3 1	0.11 0.41 10.18 10.81 15.19 7.34 12.06 1.29	transported Tertiary sand transported Tertiary sand transported Tertiary sand transported Tertiary sand transported Tertiary sand with granite granite rock fragments only
OBU048	73 74 75 73	74 75 76 76	1 1 1 3	0.17 0.28 0.12 0.19	transported Tertiary sand transported Tertiary sand transported Tertiary sand
OBU056	24 24	25 25	1 1	0.24 0.24	transported Tertiary clay and sand
Salt Creek - Lucky Bay Gravity Trend					
OSC078	36 36	37 37	1 1	0.11 0.11	weathered meta-sediment
OSC091	46 47 48 46	47 48 49 49	1 1 1 3	0.2 0.81 0.49 0.5	weathered meta-sediment weathered meta-sediment weathered meta-sediment

Notes:

1. All Aircore holes drilled vertically to blade refusal.
2. Four metre composite samples routinely collected.
3. Composite samples containing greater than 0.1 g/t gold re-sampled and analysed over 1 metre intervals.
4. Analysis conducted by Inspectorate KalAssay (Kalgoorlie Laboratory) using a 40 gram Fire Assay Digest with AAS Finish.
5. "EOH" denotes "end of hole".

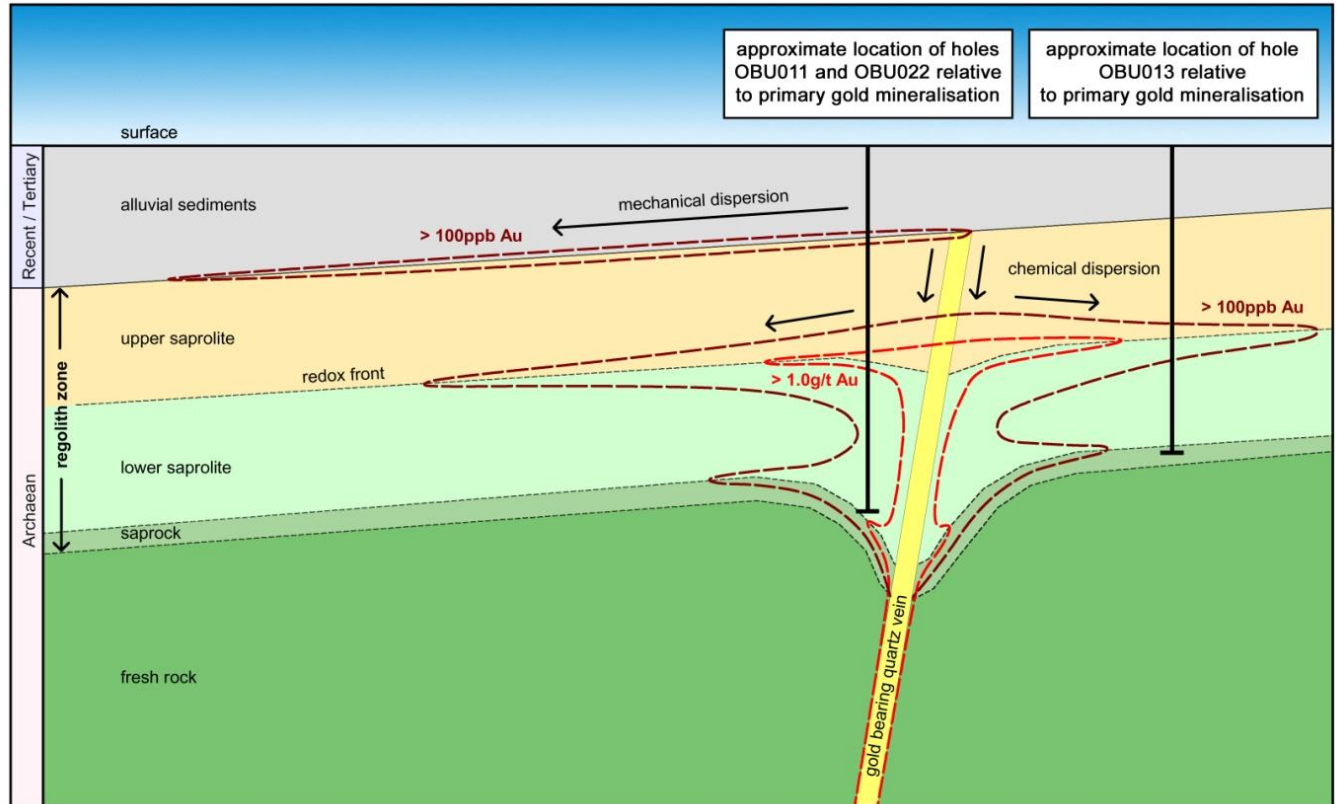


Figure 2. Burns Prospect: Location of holes OBU011, OBU013 and OBU022
 Relative to a Simplified Schematic Regolith Gold Exploration Model

Salt Creek – Luck Bay Gravity Trend

The Salt Creek – Lucky Bay Gravity Trend is characterised by a north trending major fault and adjacent gravity high associated with the Salt Creek Mine and Lucky Bay Prospect. This fault extends for more than 20 kilometres strike length within the Hogan's Project and cuts a complex sequence of Archaean sediments and mafic and intermediate intrusive and volcanic rocks.

The recent drilling program was designed to test the southern part of the target over more than 8 kilometres strike length and consisted of 141 aircore holes, for 4,385 metres, that were drilled on a 160 metre by 640 metre spaced grid.

This area of the target contains highly magnetic banded iron formation that cross-cuts the Salt Creek – Lucky Bay Gravity Trend. These iron-rich rocks are a potentially favourable trap sites for gold mineralisation that may be sourced from the deep seated fault defined in gravity data.

Assay results returned from this drilling program have returned significant gold in regolith results including 1 metre @ 0.11 g/t Au from 36 metres in OSC078 and 3 metres @ 0.5 g/t from 46 metres in OSC091 (Table 1). These assay results define a greater than 1,300 metre long northwest striking mineralised trend that is unconstrained by drilling to the northwest (Figure 1).

Octagonal intends to complete extensional aircore drilling at this target later in the year, while at the same time completing 160 metre by 640 metre spaced drill coverage over several areas in the northern section of the target.

Carlson Prospect

The Carlson Prospect is defined by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, ultramafic and metasedimentary 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. No previous exploration has been completed in this target area.

The current drilling program was designed to test over 3 square kilometres on the south-eastern side of the target area and consisted of 60 aircore holes, for 3,081 metres, that were drilled on a 160 metre by 640 metre spaced grid.

This drilling program did not return any significant gold in regolith results and not further exploration is planned at this target.

Gravity Survey

During April 2009 the previous managers of the Hogan's Project completed a 648 station regional ground gravity survey over the project area using a combination of 800 metre by 400 metre and 1,600 metre by 400 metre spaced grids.

The main reason for this survey was to map a major fault associated with the Salt Creek Mine and Lucky Bay Prospect that projects south into the Hogan's Project area. Following the survey this fault was demonstrated to extend over 20 kilometres on the Hogan's Project area and represents the priority Salt Creek – Lucky Bay Gravity Trend target.

Gravity surveys are useful for defining regional exploration targets within the Yilgarn Craton of Western Australia as:

- Research has demonstrated that most major gold deposits are associated with gravity gradients; and
- Major gold deposits are known to be associated with second and third order structures adjacent to mantle tapping first order structures. These first order structures are often defined in gravity data by gravity breaks or gravity trends.

Octagonal has recently commenced a 500 station ground gravity survey to complete regional gravity coverage over the entire project area using a 400 metre by 800 metre spaced grid with the aim of better defining gravity gradients and deep penetrating structures to generate and refine regional exploration targets.

Spectral Analysis

Hyperspectral analysis is an analytical technique that can be used to identify alteration minerals, weathered clays, iron oxides, and weathering intensity as well as sample mineralogy including mineral crystallinity and mineral composition. This technique can be used as a cheap exploration tool to help identify alteration mineralogy that may be proximal to gold mineralization, confirmation sample lithology, and interpret the interaction of oxidising and reducing fluids using mica crystallinity (recent studies of major Archaean gold deposits including the Golden Mile, St Ives, and Kanowna Belle has revealed that these deposits are associated with a prolonged interaction of oxidising and reducing fluids with gold deposited near a redox front).

To gain the most information possible from aircore drilling at the Hogan's Project and to assist with exploration targeting, Octagonal has commenced a program to collecting historic end of hole aircore drill samples that will be included with Octagonal's recent drilling and sent for hyperspectral analysis.

Discussion

Since listing on the ASX on 5 January 2011 Octagonal has drilled 372 regional aircore holes, totalling 14,989 metres, at the Hogan's Project to rapidly, systematically, and cost effectively test the potential of four priority target areas to host a major gold deposit.

This work has already identified a high priority exploration target at Burns Prospect that the Company will infill aircore drill next month with the objective of better defining gold in regolith anomalism prior to bedrock drill testing. Aircore drilling at the Sideshow Prospect (announced on 1 April 2011) has identified three mineralised trends associated with second and third order structures related to the Mount Monger Fault and drilling at the Salt Creek – Lucky Bay Gravity Trend has identified a greater than 1,300 metre long mineralised trend that is unconstrained by drilling to the northwest.

The drilling completed by Octagonal this year has only tested parts of the four priority exploration target areas that overlie land. The Company intends to complete regional testing of the remainder of these target areas that overlie salt lake later this year once heritage clearance to drill on salt lakes is obtained and an appropriate lake aircore drilling rig secured. A heritage survey of the Hogan's Project area is planned to be completed during late June.

To supplement Octagonal's aircore drilling data and to help refine regional exploration target areas the Company has recently commenced a regional ground gravity survey to complete 400 metre by 800 metre spaced gravity coverage over the entire Project area and is collecting historic end of hole aircore drill samples to be submitted with recent drill samples for hyperspectral analysis.

Octagonal is extremely encouraged by the results of regional exploration achieved at the Hogan's Project since listing on the ASX only six months ago and intends to continue to rapidly assess the potential of the Project to host a major gold deposit.

Additional information relating to Octagonal and its various 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

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.

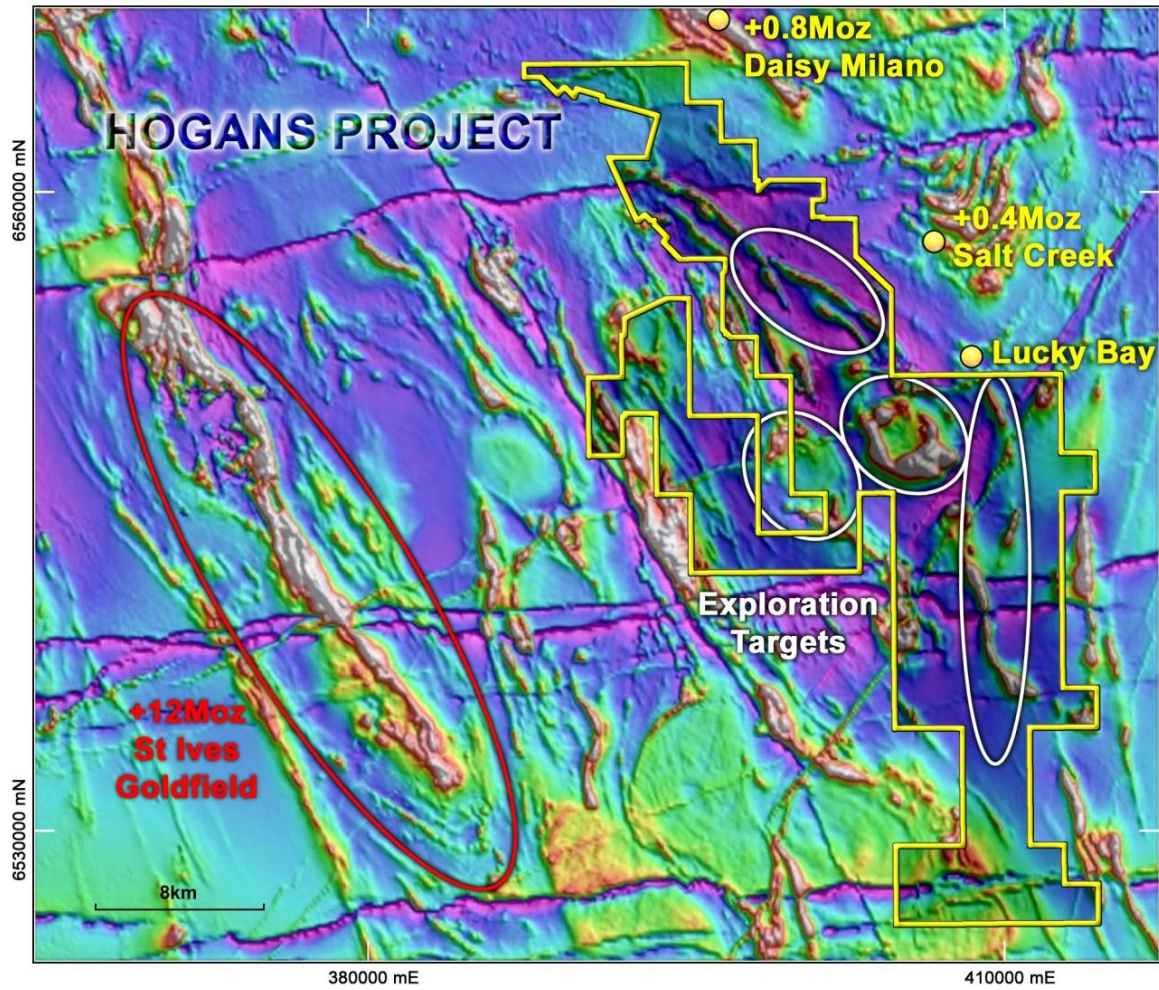


Figure 4. Hogan's Project: Priority exploration target areas on an aeromagnetic image



Figure 5. Burns Prospect Landscape

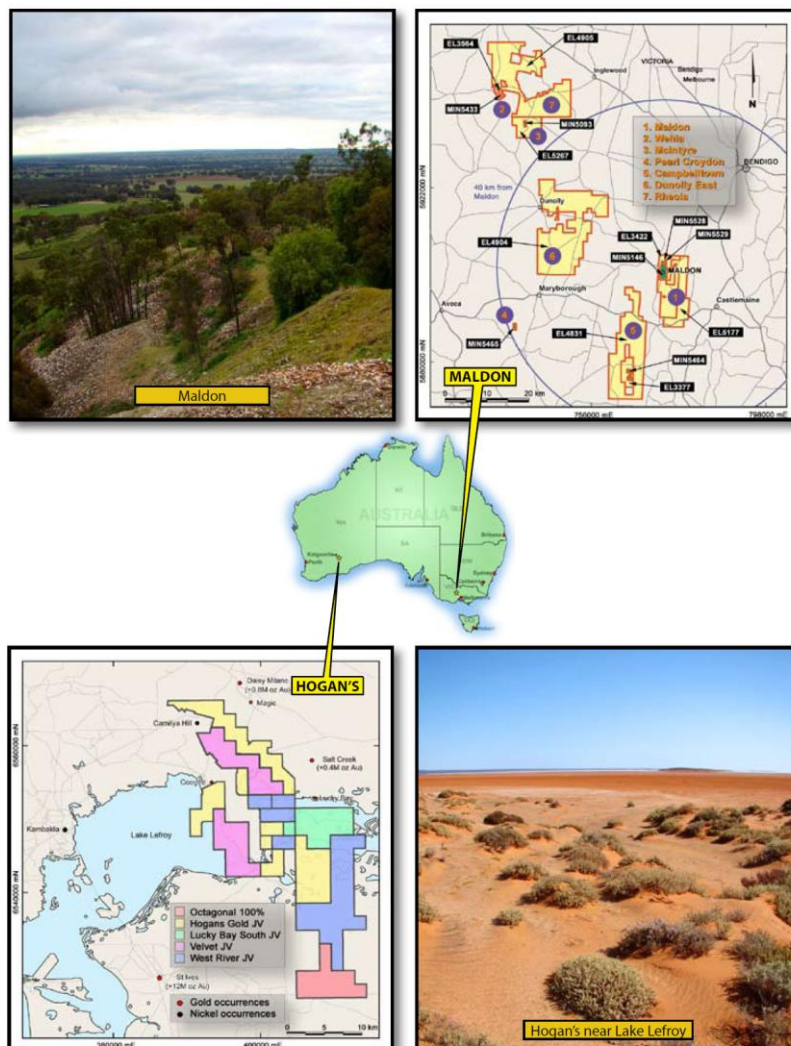
About Octagonal Resources

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 recently refurbished and operation ready CIL gold processing plant, 235,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal intends to commence open pit and underground gold mining operations at Maldon during 2011.

In Western Australia Octagonal is earning an 80% interest in the Hogan's Project by exploring for gold 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 Mine and Integra Mining at the Salt Creek Mine and Lucky Bay Prospect. Octagonal has identified four high priority exploration target areas with the potential to host a major gold 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