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Anthony Gray, Managing Director

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MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

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Newmont – 8.0%

Underground Diamond Drilling Commences at the Alliance South Deposit, Union Hill Mine, Maldon, Central Victoria

- **Underground drilling has commenced at the Alliance South Gold Deposit at Maldon in Central Victoria**
- **2,000 metre diamond drilling program designed to test the potential for gold mineralisation near the existing decline and sill drive**
- **Three target areas identified for testing**
- **Results to be used for mine design and planning purposes**
- **Mining expected to commence during the second half of 2011**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that an 2,000 metre underground diamond drilling program has commenced at the Alliance South Gold Deposit in the Union Hill mine located at Maldon in Central Victoria.

The Alliance South Gold Deposit hosts a JORC compliant Inferred Mineral Resources of 473,000 tonnes grading 12 g/t Au for 182,000 ounces of gold (Figure 1). The resource was calculated by Mining One Pty Ltd in 2009 and is summarised in Table 1.

The current diamond drilling program will consist of approximately 17 holes designed to test three exploration target areas in the Eaglehawk Reef (that hosts the Alliance South Gold Deposit) in areas adjacent to the existing decline and sill drive (Figure 2).

Octagonal intends to commence gold mining activities at the Alliance South Gold Deposit during the second half of 2011. The aim of this drilling program is to identify near-development gold mineralisation that can be quickly and cheaply accessed and mined at the same time as development is advanced south towards the Alliance South Shoot.

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Targeting Rationale

The Alliance South Gold Deposit is accessed from the 1,900 metre long decline in the Union Hill mine. The end of the decline is at 113 mRL (approximately 235 metres vertically below the surface) and a 236 metre long sill drive has been developed on the 125 mRL level. This sill drive directly overlies the central portion of the Alliance South Inferred Mineral Resource of 473,000 tonnes grading 12 g/t Au for 182,000 ounces of gold that was estimated by Mining One Pty Ltd in 2009.

A review of all historic drilling data and sectional interpretation from the Alliance South area, south of the Alliance Shaft, has identified three near development exploration targets. Two of the targets are in a similar structural position to the Alliance and Alliance South shoots, whereas the third target is located approximately 7 metres above the existing sill drive.

The primary structural controls on the distribution of gold mineralisation at the Alliance and Alliance South deposits are flexures in the Eaglehawk Reef where it crosses the hinge of the German Anticline and the hinge of the German Syncline (Figure 3). These structures have been well defined by previous drilling and plunge moderately to the south.

Target 1 (lower flexure)

The lower flexure target is located below the northern end of the 125 mRL sill drive and at the southern end of the Alliance Mine workings. In this area significant drill intersections including 1.5 metres @ 13.9 g/t Au in DDH 092 with visible gold, 0.65 metres @ 45.5 g/t Au in DDH 170, and 4.5 metres @ 12.8 g/t Au in DDH 163 occur where the Eaglehawk Reef crosses the hinge and east limb of the German Anticline (Figure 2). This target is constrained by drilling to the north, but remains untested by drilling to the south and could potentially extend over 300 metres down plunge. This target will be tested by one hole immediately down plunge of the ore grade intersections in holes DDH 163 and DDH 170 due to difficult drilling angles available from the existing decline.

Target 2 (upper flexure)

The upper flexure target is positioned up plunge of the Alliance South Shoot and slightly above the existing decline. The target occurs where the Eaglehawk Reef crosses the hinge and west limb of the German Syncline and is untested by drilling over a 280 metre plunge extent (Figure 2). Seven diamond holes have been planned to test this target area using a 40 metre by 50 metre spaced grid. If mineralised this target area could be accessed for mining from the historic Alliance Mine workings and requiring less than 50 metres of cross-cut development from the Union Hill Decline.

Target 3 (sill drive)

Diamond drill hole DDH 106 returned 2.95 metres @ 18.5 g/t Au approximately 7 metres above the existing sill drive (Figure 2). The reef in this area is not wide and it is possible that the gold intersected is associated with a spur vein. Octagonal intends to development a rise from the existing sill drive to intersect DDH 106 and determine the style of gold mineralisation and potential for economic ore. Any ore mined from this rise will be stockpiled for processing when milling operations re-commence at the Company's Porcupine Flat gold plant. Three diamond holes have been planned to intersect the Eaglehawk Reef in this area to give an indication of the extent of gold mineralisation.

Octagonal has commenced the current underground diamond drilling program at Alliance South in anticipation of the commencement of gold mining activity during the second half of 2011. Results from this drilling program have the potential to improve the economics of the gold mining operation and will help determine the scheduling of mining activities. The drilling program is expected to take eight weeks to complete and drilling results will be announced at the earliest possible opportunity.

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:

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The information in this report relating to Mineral Resources for the Alliance South Deposit are based on information evaluated by Mr TG Summons who is a Member of The Australian Institute of Geoscientists (MAIG) and Mr MV McKeown who is a Fellow the Australasian Institute of Mining and Metallurgy (FAusMM). These people have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and are each qualified to act as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Summons is an associate of Mining One Pty Ltd, and Mr Mc Keown is an employee of Mining One Pty Ltd and they consent to the inclusion in the report of the Mineral Resource in the form and context in which it appears.

The information in this report that relates to Exploration Results 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 (MAIG). 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' (the "JORC Code") and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

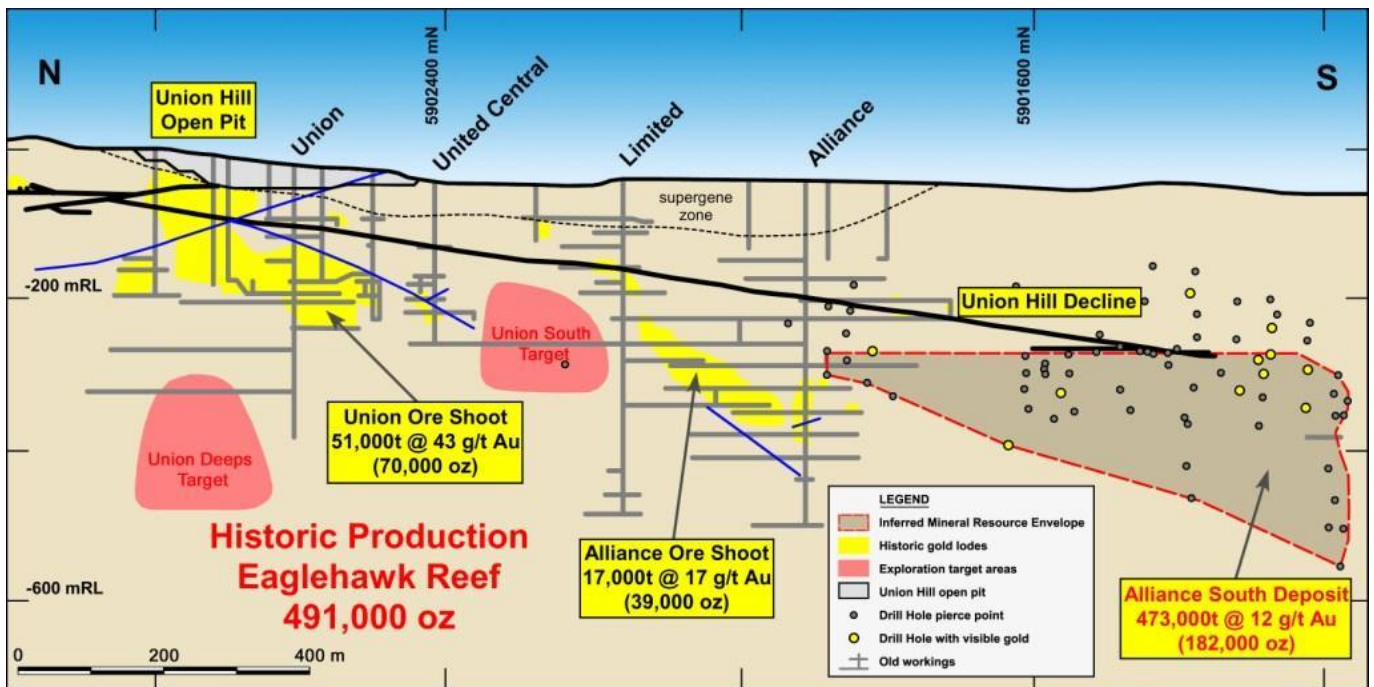
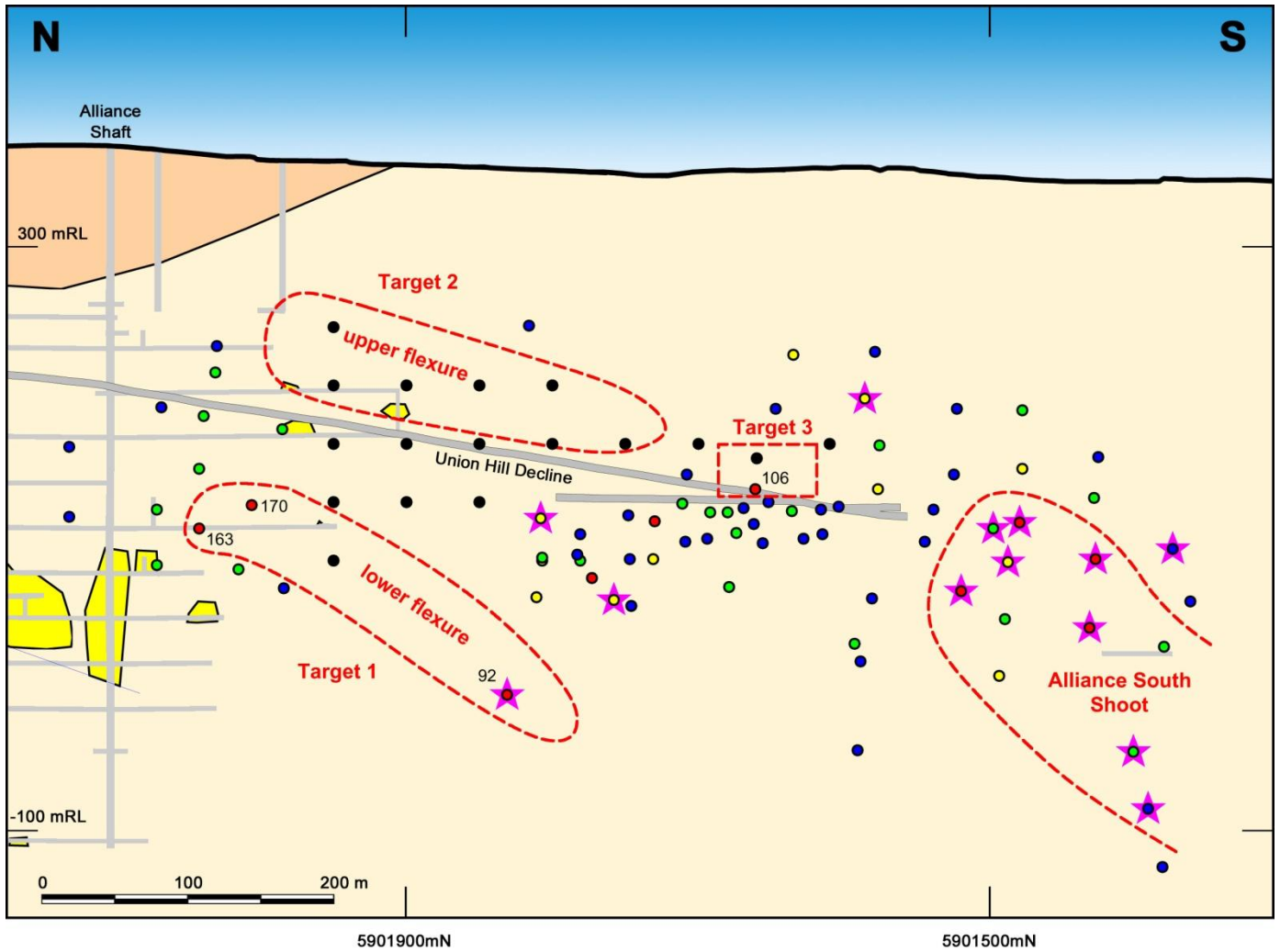


Figure 1. Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit.

Deposit	Location	Estimated Gold Resource and Category								
		Measured			Indicated			Inferred		
		'000t	Au g/t	'000oz	'000t	Au g/t	'000oz	'000t	Au g/t	'000oz
Alliance South	West Zone							287	12	110
	East Zone							186	12	72
Total								473	12	182

Table 1. Alliance South Mineral Resource Estimate (October 2009)



LEGEND

- | | |
|---|--|
| ● Planned diamond drill holes | - - - Exploration target areas |
| ● Drill holes with no significant assay results | — Union Hill Decline |
| ● Drill holes containing 1 – 5 g-m Au | — Historic mine workings on the Eaglehawk Reef |
| ● Drill holes containing 5 – 10 g-m Au | ■ Historic stopes |
| ● Drill holes containing > 10 g-m Au | ■ Supergene zone |
| ★ Drill holes containing visible gold intersections | 163 Denotes diamond drill hole DDH163 |

Figure 2. Alliance South Planned Diamond Drilling with Exploration Target Areas

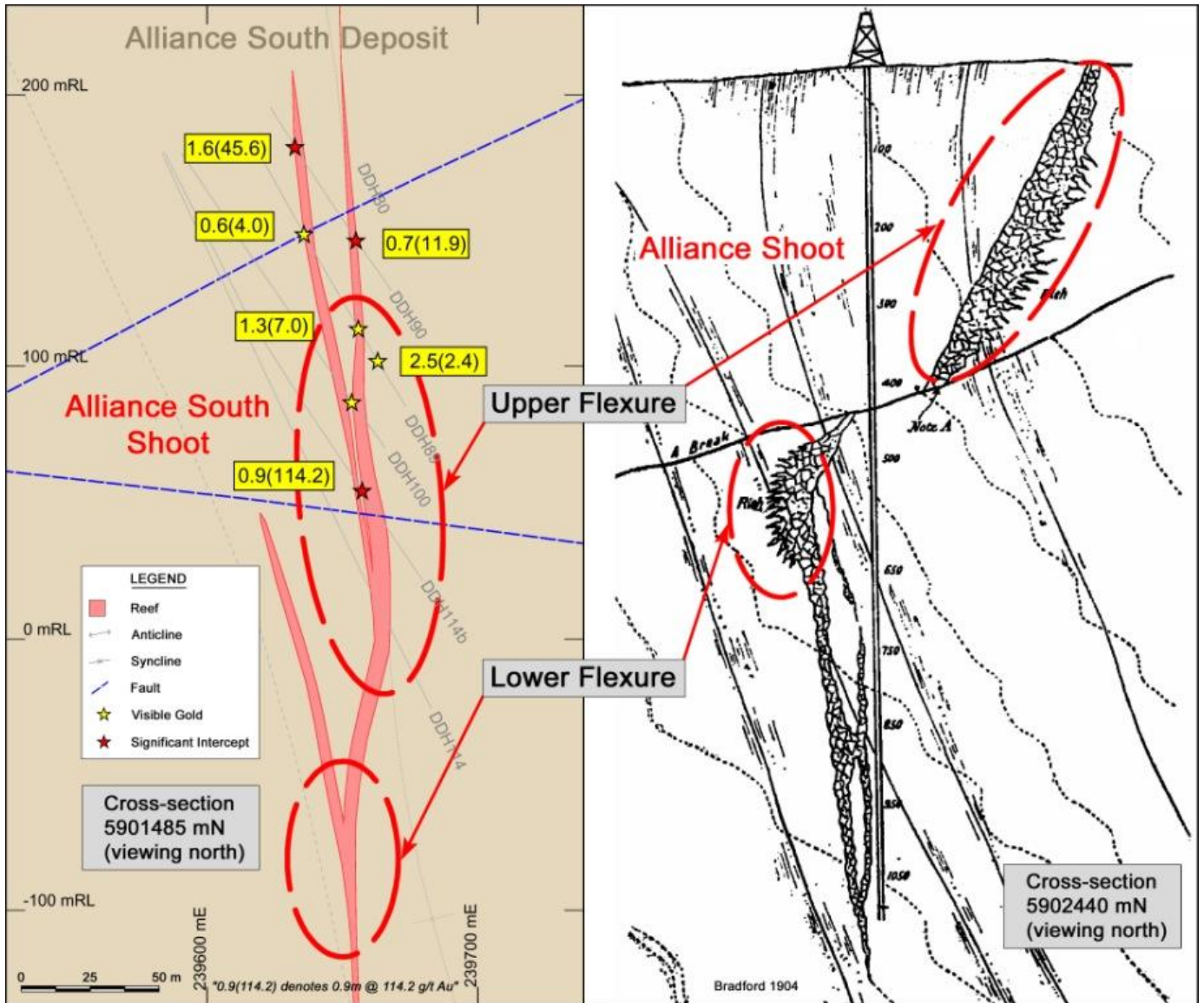


Figure 3. Cross-Sections of the Eaglehawk Reef showing the Alliance and Alliance South shoots with upper and lower flexure target areas

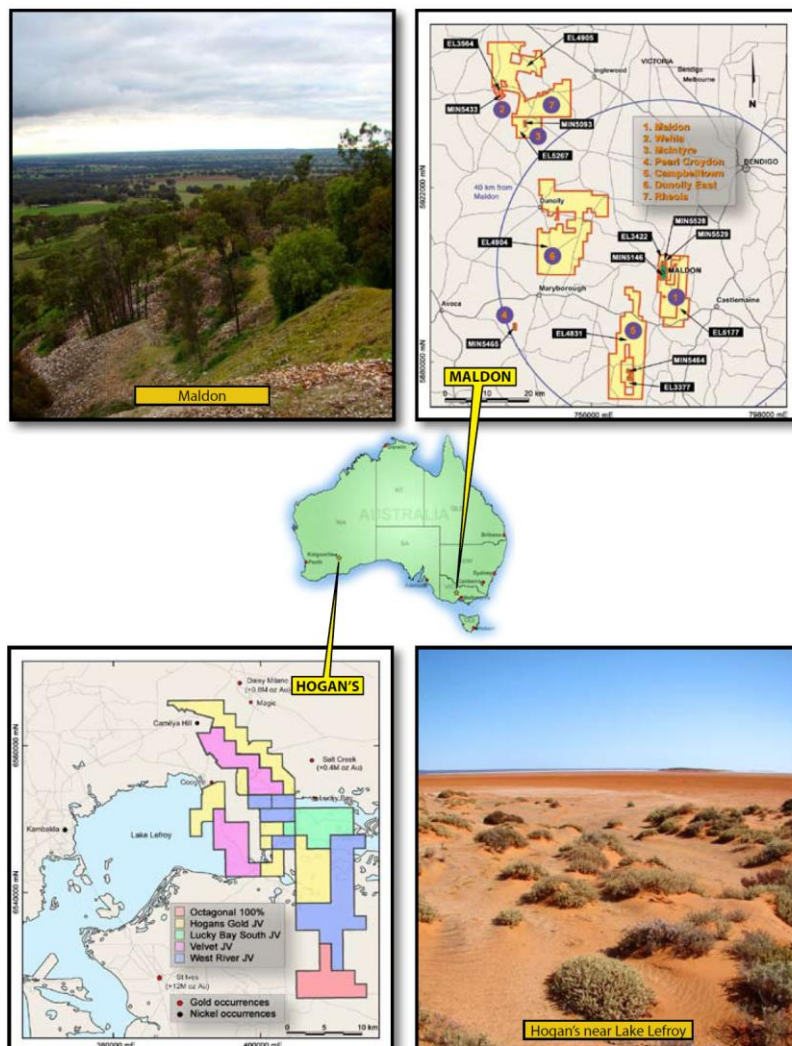
About Octagonal Resources

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