

17 October 2011

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ASX CODE: ORS

Market Cap.: \$14.0 m (\$0.14 p/s)

Shares on issue: 100,048,002

Cash: \$8.71 m (30 June 2011)

DIRECTORSIan Gandel, Chairman
Anthony Gray, Managing Director
Ian Pamensky, Director**MAJOR SHAREHOLDERS**

Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

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Maldon Underground Diamond Drilling Results, Victoria

- **17 hole diamond drilling program, totalling 1,931.2 metres, completed from the Union Hill Decline at Maldon in Central Victoria**
- **Designed to test for gold mineralisation near the existing decline and sill drive**
- **Priority target area identified next to historic Alliance Mine workings**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce the results of underground diamond drilling completed from the Union Hill Decline at Maldon, in Central Victoria.

The Union Hill Decline is 1.9 kilometres long and runs adjacent to the west of the Eaglehawk Reef which hosts the Union Shoot (historic production: 51,000 tonnes @ 43 g/t Au for 70,000 ounces of gold) and Alliance Shoot (historic production: 17,000 tonnes @ 17 g/t Au for 39,000 ounces of gold), and accesses the Alliance South Deposit that 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 aim of this recent drilling program was to test for near-development gold mineralisation hosted within the Eaglehawk Reef between the Alliance South Gold Deposit and the historic Alliance Shaft.

Seventeen diamond holes (DDH191 to DDH207), totalling 1,931.2 metres, were drilled to test the target area using a 40 metre by 50 metre spaced grid. This is the same drill spacing that discovered the Alliance South Shoot.

All holes intersected the Eaglehawk Reef, with the exception of DDH201, DDH202 and DDH203. Hole DDH201 is interpreted to have passed through a cross-course displaced zone of the Eaglehawk Reef, whereas DDH202 and DDH203 intersected old stopes.

Assay results from this drilling program are presented in Table 2.

The Maldon Goldfield has historically produced more than 1.7 million ounces of primary reef-hosted gold. This gold mineralisation is erratically distributed within the quartz reef and has a high nugget or clustering effect.

When interpreting the mineralised or gold-bearing potential of quartz reefs at Maldon using drilling data a number of features are considered to be important, in addition to assay results, because the nuggetty nature of the gold mineralisation does not allow for accurate estimation of gold content. The four main features considered are assay result (gold mineralisation in the main quartz reef), reef morphology (gold mineralisation occurs in “laminated” or “seamy” grey quartz veins as opposed to “massive” or “bucky” white quartz veins), visible gold mineralisation, and abundance of arsenopyrite (heavy sulphidation of arsenopyrite associated with quartz veining often occurs with gold mineralisation).

In the recent drilling program hole DDH200 intersected grey seamy quartz containing visible gold and holes DDH205 and DDH206 both intersected grey seamy quartz with considerable arsenopyrite mineralisation.

These three drill holes are located adjacent to the south of DDH163 (4.5m @ 12.8 g/t Au) and DDH170 (0.6m @ 45.5 g/t Au) and define a 150 metre long mineralised zone that is only 100 metres to the north of the existing development on the 125mRL sill drive (Figure 2) and presents a priority exploration target area.

Octagonal recently announced the decision to recommence underground mine development at the Union Hill Mine to access the Alliance South Deposit. The Company will extend the Union Hill Decline 180 metres to the south and develop two levels in the upper area of the Alliance South Shoot to determine the reef grade, assess ground conditions, and determine the most appropriate mining technique for an ongoing operation.

The results from this recent drilling program will be pursued during 2012 with additional drilling to better define the size and geometry of the mineralised structure.

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.

The information in this report that relates 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 (FAusIMM). 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.

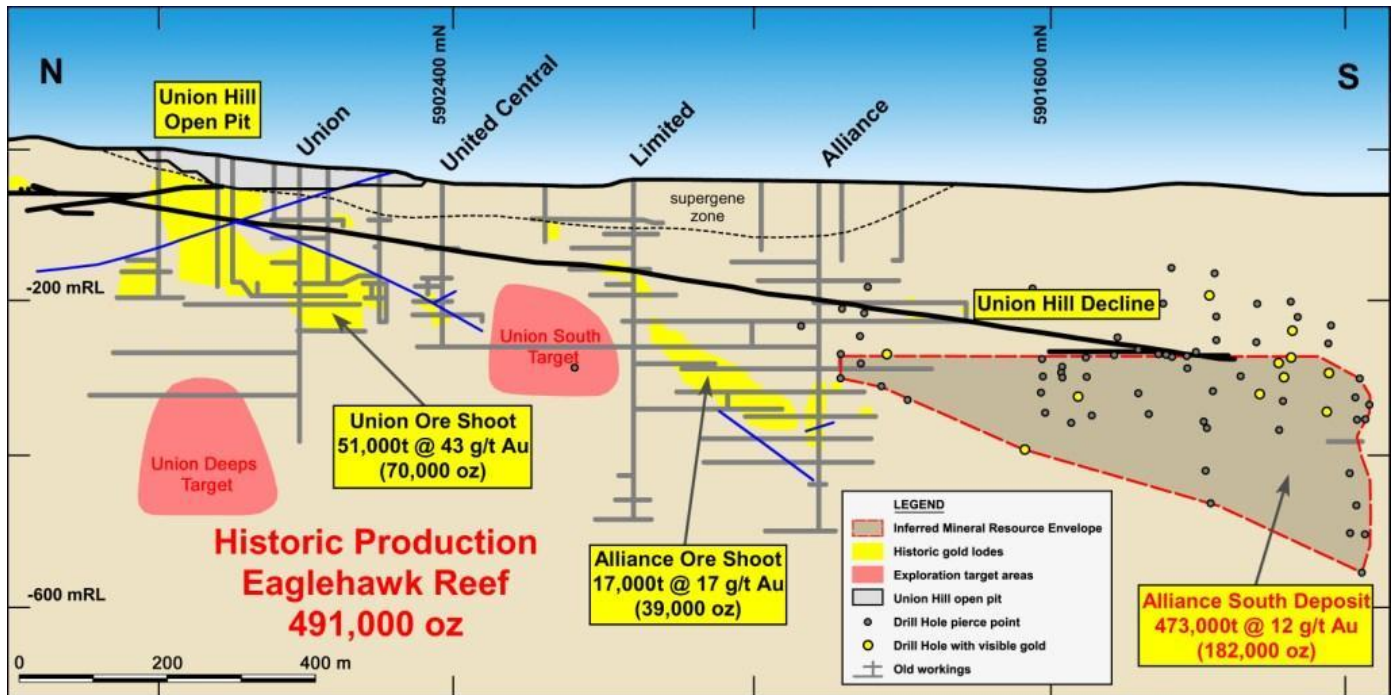


Figure 1. Eaglehawk Reef: Longsection with the Union and Alliance shoots and the Alliance South Deposit

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

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

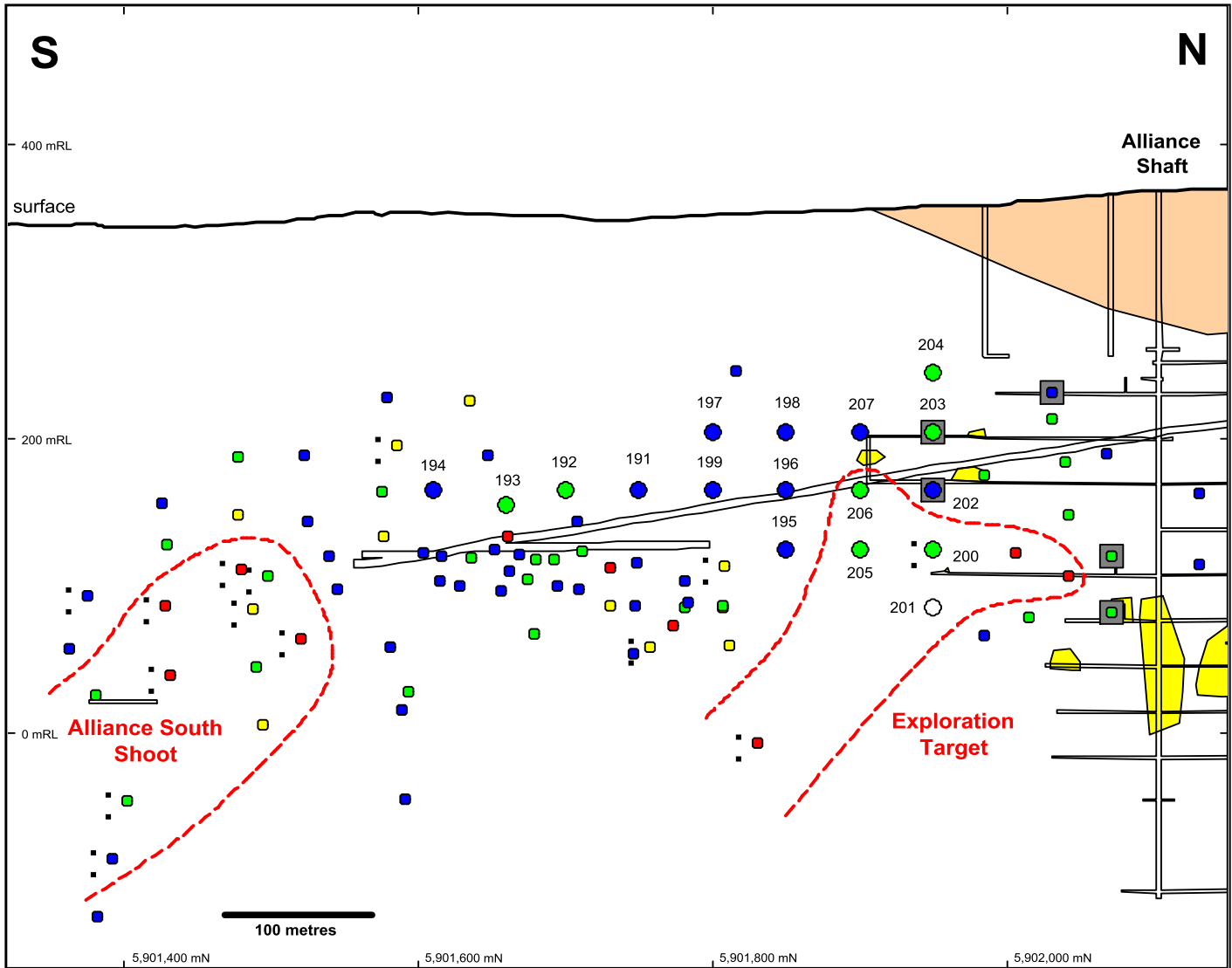


Figure 2. Eaglehawk Reef Long-Section: Diamond Drilling Results with Alliance South Shoot and New Exploration Target

Drill Holes Legend-

- White dots: Eaglehawk Reef not intersected
- Blue dots: no significant assay result
- Green dots: 1 – 5 g-m Au
- Yellow dots: 5 – 10 g-m Au
- Red dots: > 10 g-m Au
- Black stars: drill holes containing visible gold
- Grey Squares: drill holes intersecting historic workings
- "200" denoted drill hole "DDH 200"

Table 2.					
Eaglehawk Reef: Significant Assay Results					
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
DDH191				NSA	
DDH192	77.90	81.20	3.30	1.28	hanging wall to Eaglehawk Reef
	88.50	90.30	1.80	1.13	Eaglehawk Reef
DDH193	65.40	67.00	1.60	3.51	Eaglehawk Reef
DDH194	54.80	55.85	1.05	2.55	hanging wall to Eaglehawk Reef
DDH195	61.00	62.00	1.00	3.82	hanging wall to Eaglehawk Reef
DDH196				NSA	
DDH197	90.00	90.90	0.90	3.63	hanging wall to Eaglehawk Reef
DDH198	52.95	54.00	1.05	1.29	hanging wall to Eaglehawk Reef
DDH199				NSA	
DDH200	104.7	105.6	0.9	3.2	Eaglehawk Reef – seamy quartz with visible gold
	110.35	111.5	1.15	1.02	Eaglehawk Reef
DDH201	120.5	121.5	1	1.53	anticline hinge, did not intersect reef
DDH202				NSA	stope on Eaglehawk Reef
DDH203	101.9	102.9	1	2.39	adjacent to stope on Eaglehawk Reef
DDH204	135.5	135.95	0.45	5.22	Eaglehawk Reef
DDH205	107.6	108.5	0.9	1.53	Eaglehawk Reef – seamy quartz + arsenopyrite
	113.5	114.25	0.75	1.65	Eaglehawk Reef – seamy quartz + arsenopyrite
DDH206	98.65	99.5	0.85	2.54	hanging wall to Eaglehawk Reef – seamy quartz + arsenopyrite
DDH207				NSA	

Notes:

1. Analysis for holes DDH191 - 193 conducted by Ultra Trace (Perth Laboratory). Total sample dried and crushed before splitting. Analysis completed using the 1 kg BLEG technique with determination by ICP. The residue of all samples containing greater than 5 g/t Au was routinely filtered, washed and dried for analysis using the Fire Assay technique with determination by ICP.
2. Analysis for holes DDH194 - 207 conducted by Gekko Assay Laboratory (Ballarat Laboratory). Analysis completed using the 2 kg Leachwell technique with determination by AAS. The residue of all samples containing greater than 5 g/t Au was routinely filtered, washed and dried for analysis using the Fire Assay technique with determination by AAS.
3. "NSA" denotes "no significant assay result".

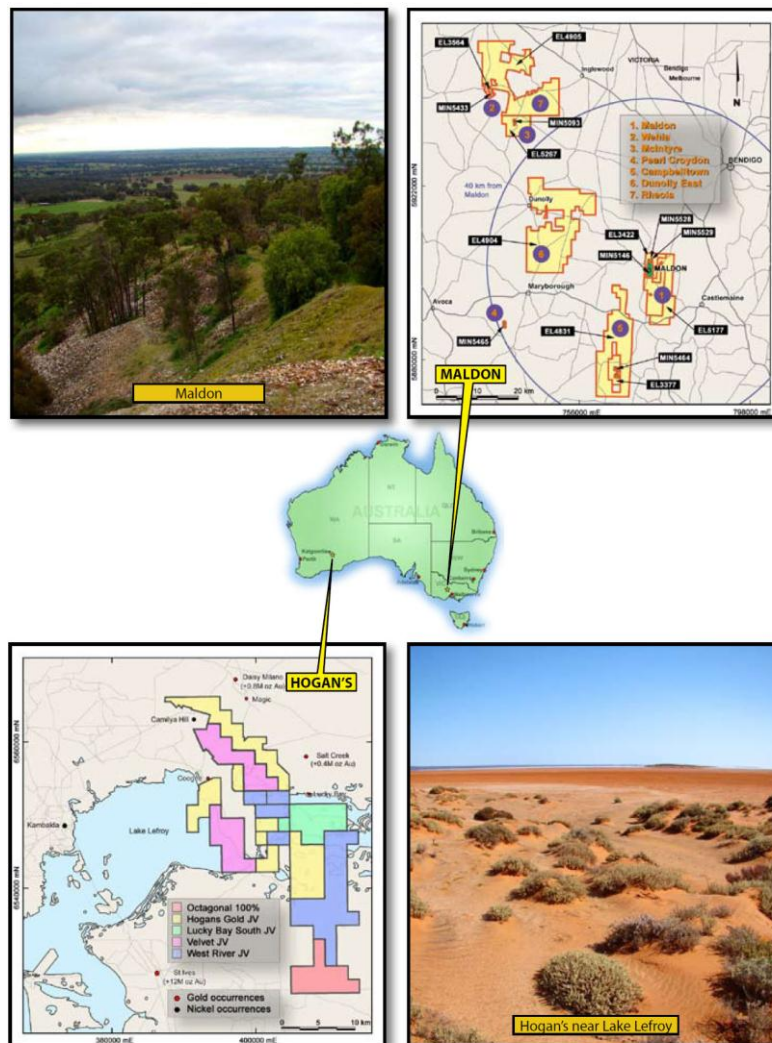
About Octagonal Resources

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