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Anthony Gray, Managing Director

John Harrison, Director

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Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

Aircore Drilling Intersects Significant Gold Mineralisation at the Burns Prospect, Hogan's Project in Western Australia

- **Wide spaced aircore drilling has intersected significant gold mineralisation at the Burns Prospect in Western Australia**
- **Assay results returned from 160 metre by 640 metre spaced drilling 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)**
 - ▶ **3 metres @ 0.86 g/t Au from 44 metres (weathered Archaean mafic)**
 - ▶ **1 metre @ 1.29 g/t Au from 84 metres to end of hole (weathered Archaean granite)**
 - ▶ **2 metres @ 0.60 g/t Au from 63 metres to end of hole (weathered Archaean high-magnesian basalt)**
- **Widespread and broad zones of gold anomalism suggest the potential for large gold deposit**
- **Closer spaced aircore drilling planned to better define targets before bedrock testing**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce initial assay results from the 10,000 metre aircore drilling program recently completed at the Hogan’s Project in Western Australia.

The aircore drilling program was designed to test the potential of the southern side of the Salt Creek – Lucky Bay Gravity Trend, eastern side of the Burns Prospect, and south-eastern side of the Carlson Prospect, to host a major gold deposit using very broad spaced drilling.

Drilling at the Burns Prospect, completed using a 160 metre by 640 metre spaced grid, has intersected significant gold mineralisation in weathered Archaean rocks including 23 metres @ 0.49 g/t Au from 18 metres to the end of hole in OBU022, 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 and transported Tertiary sedimentary rocks in hole OBU041 with 3 metres @ 12.06 g/t Au from 82 metres to the end of hole.

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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 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. Evidence of intense fluid flow is further supported by a high-magnetic alteration halo that surrounds the granite.

The current drilling program was designed to test over six square kilometres on the eastern side of the target area and consisted of 50 aircore holes, totalling 3,078 metres (Figure 1).

The aim of this drilling program was to test the potential of the Burns Prospect to host a major gold deposit by using broad 160 metre by 640 metre spaced drilling to test for gold in regolith (weathered Archaean bedrock) anomalism that can lead towards a primary gold deposit.

Assay results have now been received for 40 of the 50 holes drilled at Burns Prospect. **Significant results include 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.** The gold anomalism intersected in holes OBU022 and OBU013 is not constrained by drilling to the north and east and gold mineralisation intersected in hole OBU041 is not constrained by drilling to the north and west. All significant assay results received from the Burns Prospect are listed in Table 1.

Interpretation of assay results when using broad spaced drilling requires a comprehensive understanding of gold mobility within the weathering profile. Even though the mineralisation style and host rocks targeted at the Burns Prospect differ from the nearby + 400,000 ounce Salt Creek Deposit, the significance of the Burns Prospect drilling results are best placed into context by comparing them to the discovery history of the Salt Creek Deposit since gold dispersion within the regolith is likely to be similar.

Drilling at the **Burns Prospect** has utilised a **160 metre by 640 metre spaced grid**. Regolith drilling at the **Salt Creek Deposit** which eventually led to its discovery used a **50 metre by 200 metre spaced grid** and intersected 3m @ 0.39 g/t Au, 5m @ 0.23 g/t Au, 4m @ 0.11 g/t Au, and 8m @ 0.52 g/t Au. This drilling defined a 600 metre long greater than 0.1 g/t gold in regolith anomaly (Figure 2).

The broad zone of gold anomalism intersected in hole OBU022 (23 metres @ 0.49 g/t Au) is hosted within weathered high-magnesian basalt and occurs from just above the base of transported cover through to the end of hole. The thickness and grade on this regolith anomalism suggests that the hole is in close proximity to higher grade primary gold mineralisation.

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.

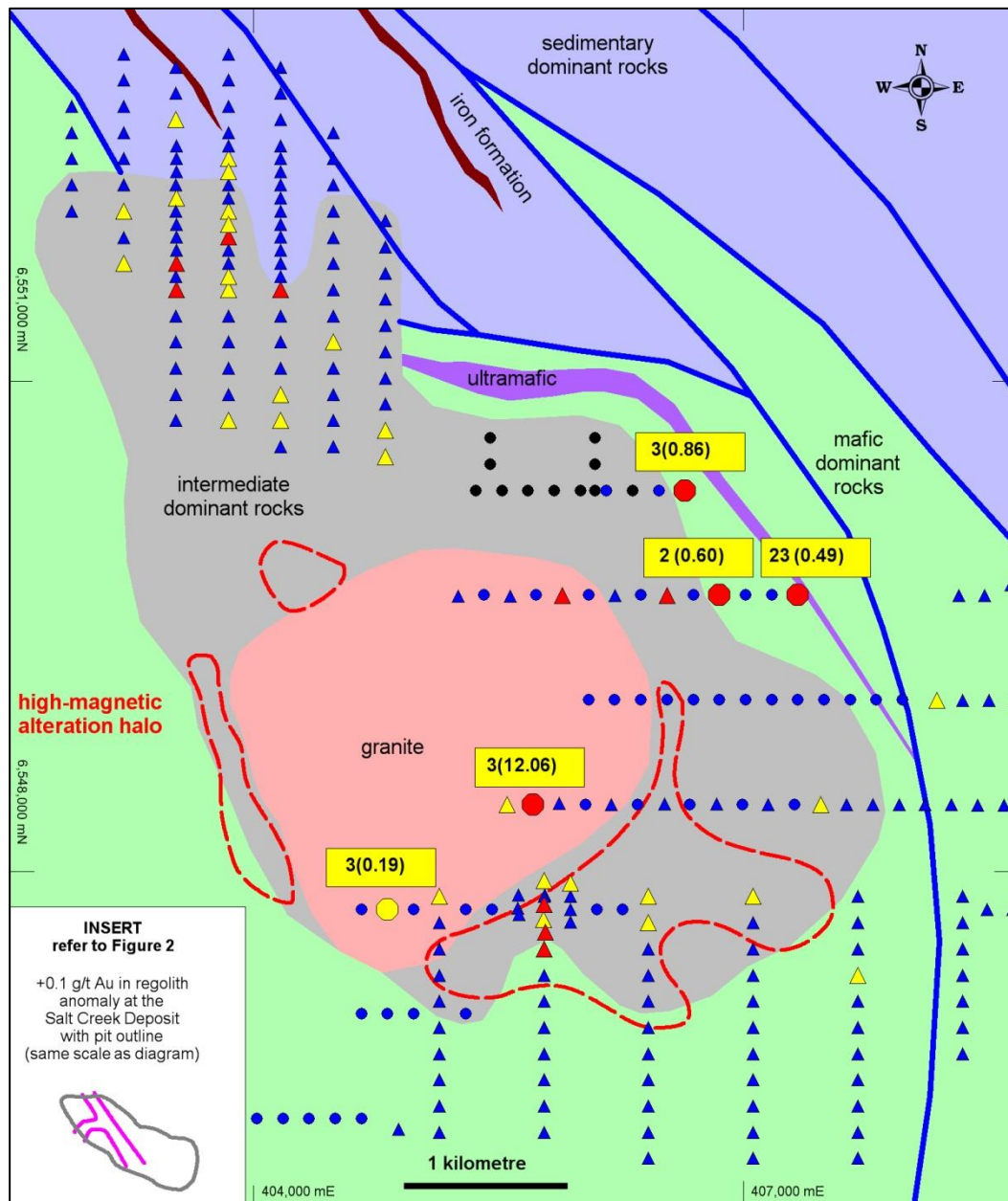


Figure 1. Burns Prospect: Drill hole location plan with significant assay results and interpreted geology

LEGEND:

- Blue dots: recent drilling containing no significant results
 - Yellow dots: recent drilling containing 0.1 – 1.0 g-m Au
 - Red dots: recent drilling containing greater than 1.0 g-m Au
 - Black dots: assay results not yet received from recent drilling
 - Blue triangles: historic drilling containing no significant results
 - Yellow triangles: historic drilling containing 0.1 – 1.0 g-m Au
 - Red triangles: historic drilling containing greater than 1.0 g-m Au
- “23(0.49) denotes 23 metres @ 0.49 g/t Au”

Table 1.						
Burns Prospect: Significant Assay Results						
Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Comments	
OBU013	44	45	1	0.11	weathered mafic rock	
	45	46	1	2.30	weathered mafic rock	
	46	47	1	0.18	weathered mafic rock	
	44	47	3	0.86		
OBU019 EOH	63	64	1	0.62	weathered high-magnesian basalt	
	64	65	1	0.58	weathered high-magnesian basalt	
	63	65	2	0.60		
OBU022	18	19	1	0.13	transported Tertiary clay	
	19	20	1	0.31	transported Tertiary clay	
	20	21	1	0.35	weathered high-magnesian basalt	
	21	22	1	1.40	weathered high-magnesian basalt	
	22	23	1	0.36	weathered high-magnesian basalt	
	23	24	1	0.53	weathered high-magnesian basalt	
	24	25	1	1.06	weathered high-magnesian basalt	
	25	26	1	0.47	weathered high-magnesian basalt	
	26	27	1	0.38	weathered high-magnesian basalt	
	27	28	1	0.18	weathered high-magnesian basalt	
	28	29	1	0.05	weathered high-magnesian basalt	
	29	30	1	0.26	weathered high-magnesian basalt	
	30	31	1	0.31	weathered high-magnesian basalt	
	31	32	1	0.27	weathered high-magnesian basalt	
	32	33	1	0.69	weathered high-magnesian basalt	
	33	34	1	0.12	weathered high-magnesian basalt	
	34	35	1	3.16	weathered high-magnesian basalt	
	35	36	1	0.47	weathered high-magnesian basalt	
	36	37	1	0.15	weathered high-magnesian basalt	
	37	38	1	0.07	weathered high-magnesian basalt	
	38	39	1	0.24	weathered high-magnesian basalt	
	39	40	1	0.28	weathered high-magnesian basalt	
	EOH	40	41	1	0.08	weathered high-magnesian basalt
	18	41	23	0.49		
OBU041	80	81	1	0.11	transported Tertiary sand	
	81	82	1	0.41	transported Tertiary sand	
	82	83	1	10.18	transported Tertiary sand	
	83	84	1	10.81	transported Tertiary sand	
	EOH	84	85	1	15.19	transported Tertiary sand with granite
		80	85	5	7.34	
	inc.	82	85	3	12.06	
	84	85	1	1.29	granite rock fragments only	
OBU048	73	74	1	0.17	transported Tertiary sand	
	74	75	1	0.28	transported Tertiary sand	
	75	76	1	0.12	transported Tertiary sand	
		73	76	3	0.19	

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".

Previous exploration at the Burns Prospect has targeted the northwest and southeast areas of the prospect. WMC completed broad spaced aircore drilling using a combination of 160 metre by 320 metre and 160 metre by 640 metre spaced grids and intersected significant anomalous gold results including 2m @ 0.42 g/t Au from 20m in SAL908, 4m @ 0.24 g/t Au from 74m in SAL1080, 3m @ 0.58 g/t Au from 84m in SAL1088, 14m @ 1.21 g/t Au from 82m in SAL1089, and 2m @ 0.48 g/t Au from 32m in SAL1120.

Newmont subsequently followed up the significant gold result in hole SAL1089 by drilling eleven 80 metre by 160 metre spaced aircore holes and one diamond hole for 161.6 metres. This drilling intersected altered diorite with abundant and pervasive epidote – chlorite – biotite alteration and weak to moderate carbonate alteration and veining, and a very fine dusting of pyrite and arsenopyrite was also observed in most holes.

Even though Newmont concluded that the gold mineralisation intersected in SAL1089 was derived from transported gravel at the base of the Tertiary channel, the extent and style of alteration intersected in drilling combined with the presence of gold anomalism in basement rocks suggests that this area is highly prospective for a significant gold deposit and warrants systematic drill testing.

The current drilling program does not infill previous drilling, but extends the area tested on the eastern side of the target to the north.

The Company is extremely encouraged by these initial results and intends to complete a closer spaced aircore drilling program later this year to better define the distribution of gold mineralisation and further assess the potential for this target to host a major gold deposit.

Octagonal is earning up to 80% equity in the Burn's Prospect target area subject to farm in and joint venture agreements with Gladiator Resources Limited (ASX: GLA) Gold Attire Pty Ltd and West River Pty Ltd.

Octagonal's exploration strategy at Hogan's is to rapidly assess the potential of the Project to host a major gold deposit by completing systematic broad spaced regional aircore drilling across the four high priority exploration target areas identified by the Company (Figure 4) before re-ranking targets using empirical data and then focussing funds on exploring and developing the highest ranking target areas.

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.

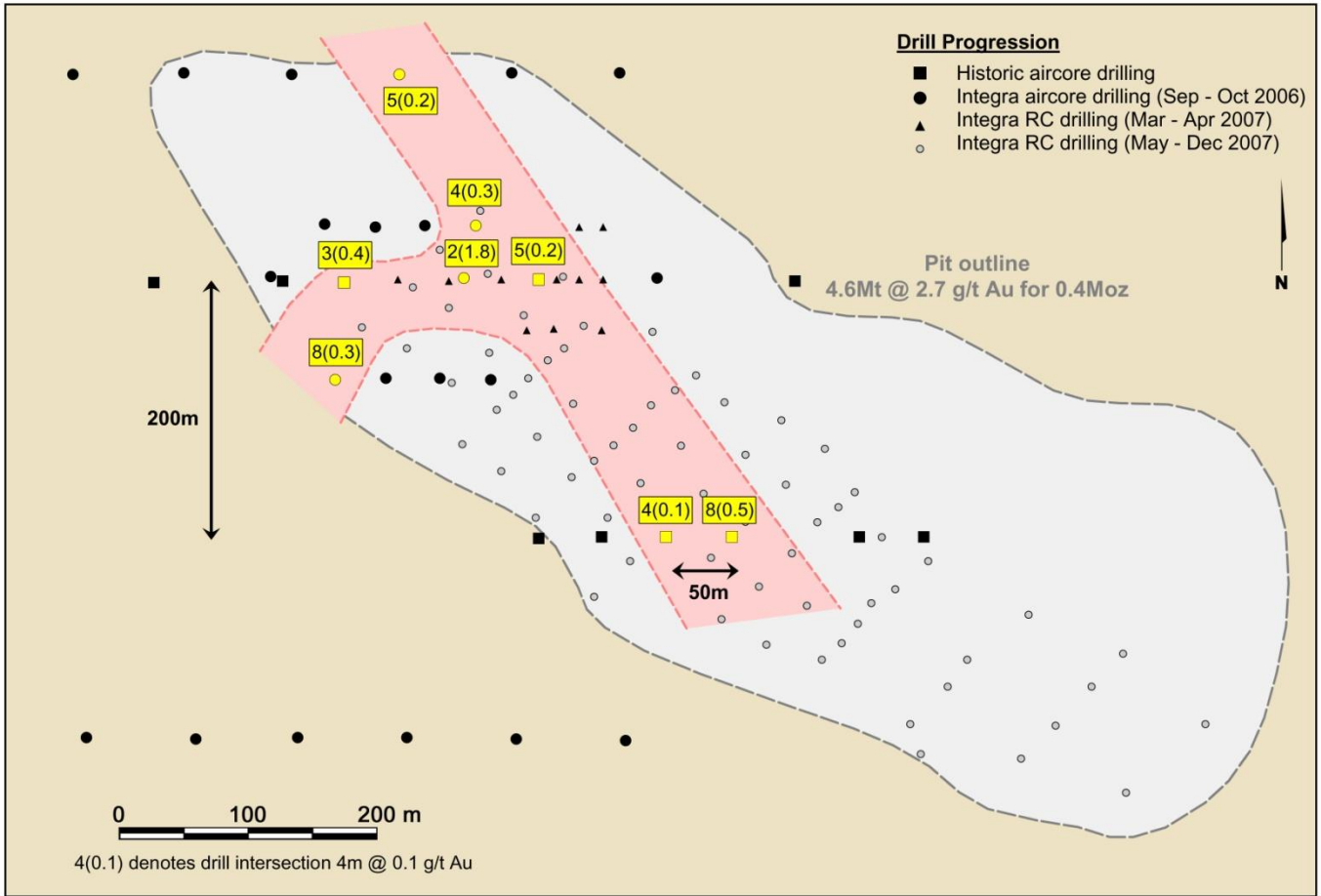


Figure 2. Salt Creek Deposit: Drilling progression from discovery to resource (insert to Figure 1)

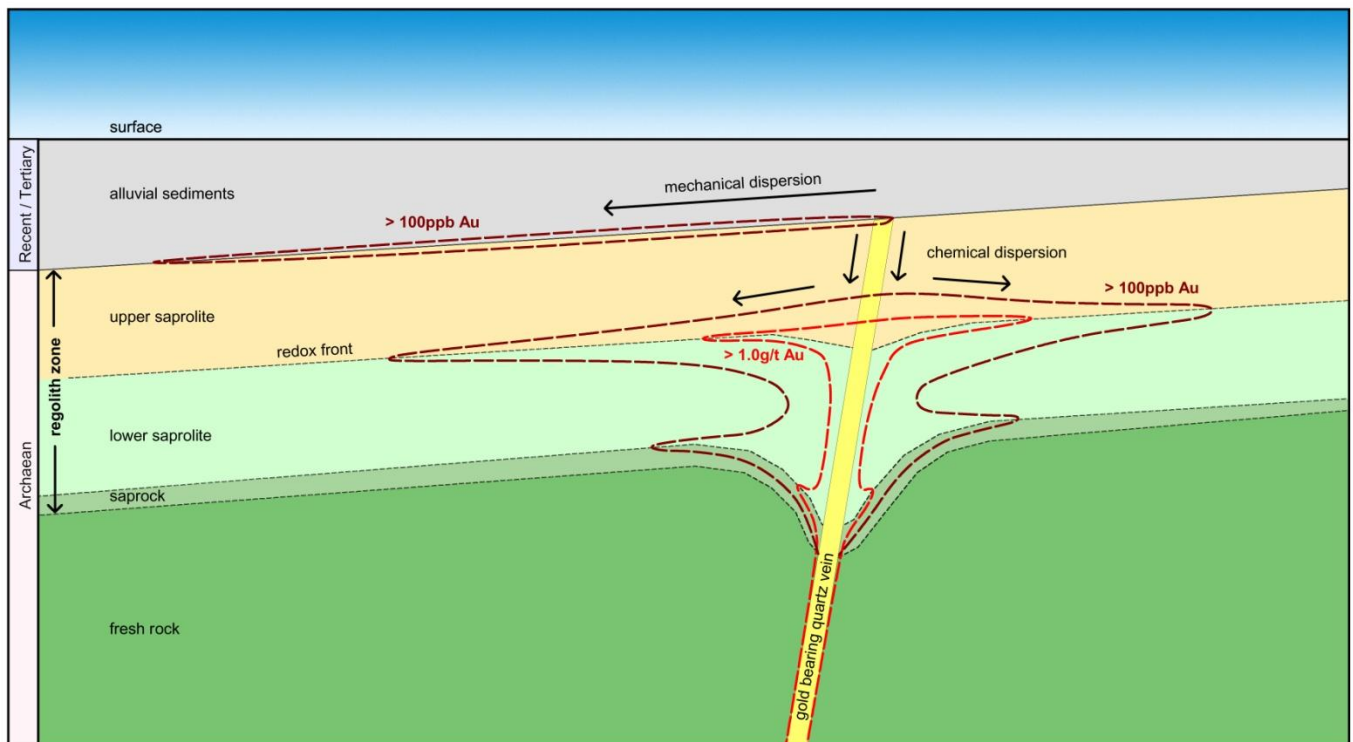


Figure 3. Simplified Schematic Regolith Gold Exploration Model

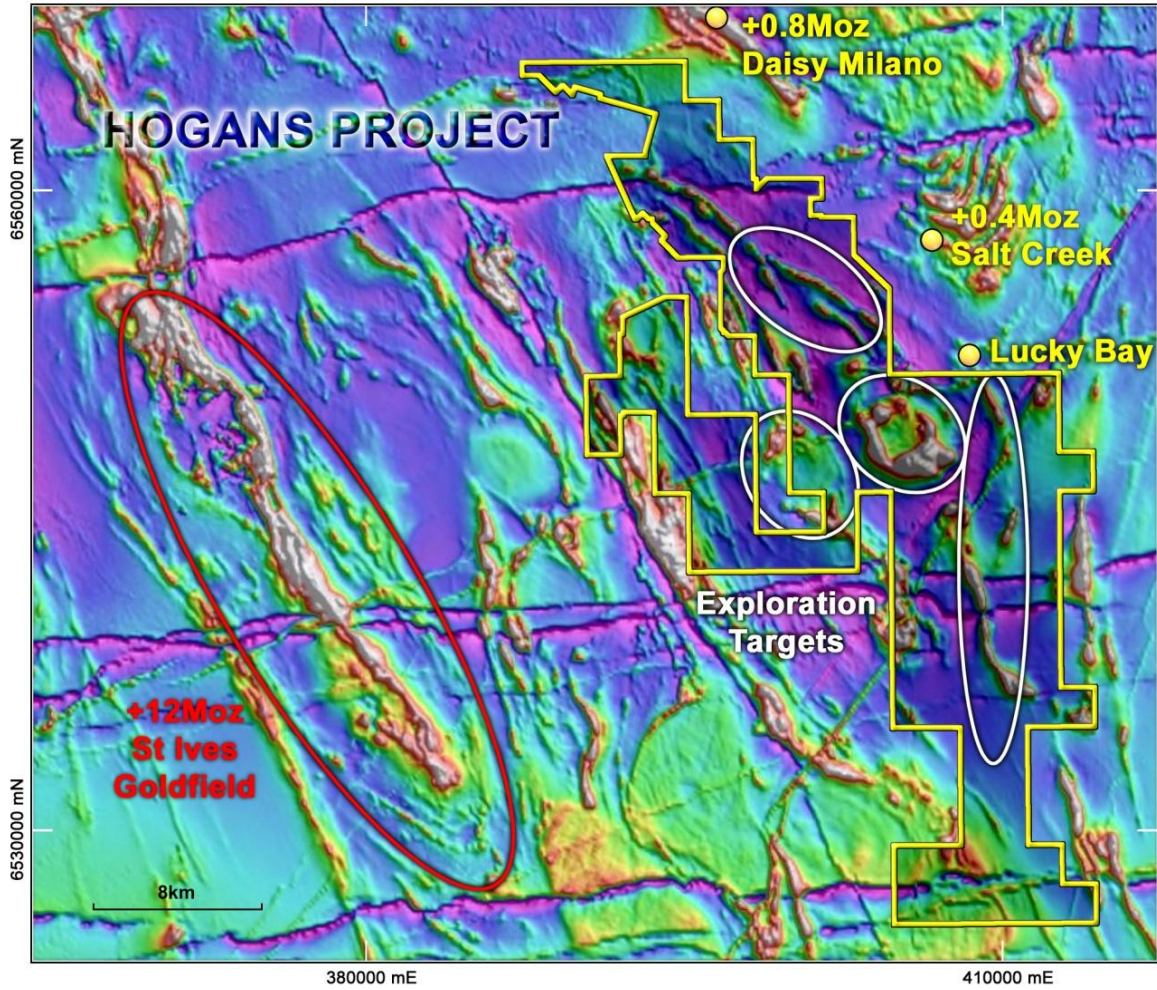


Figure 4. Hogan's Project: High priority exploration target areas on an aeromagnetic image



Figure 5. Burns Prospect: Aircore drilling

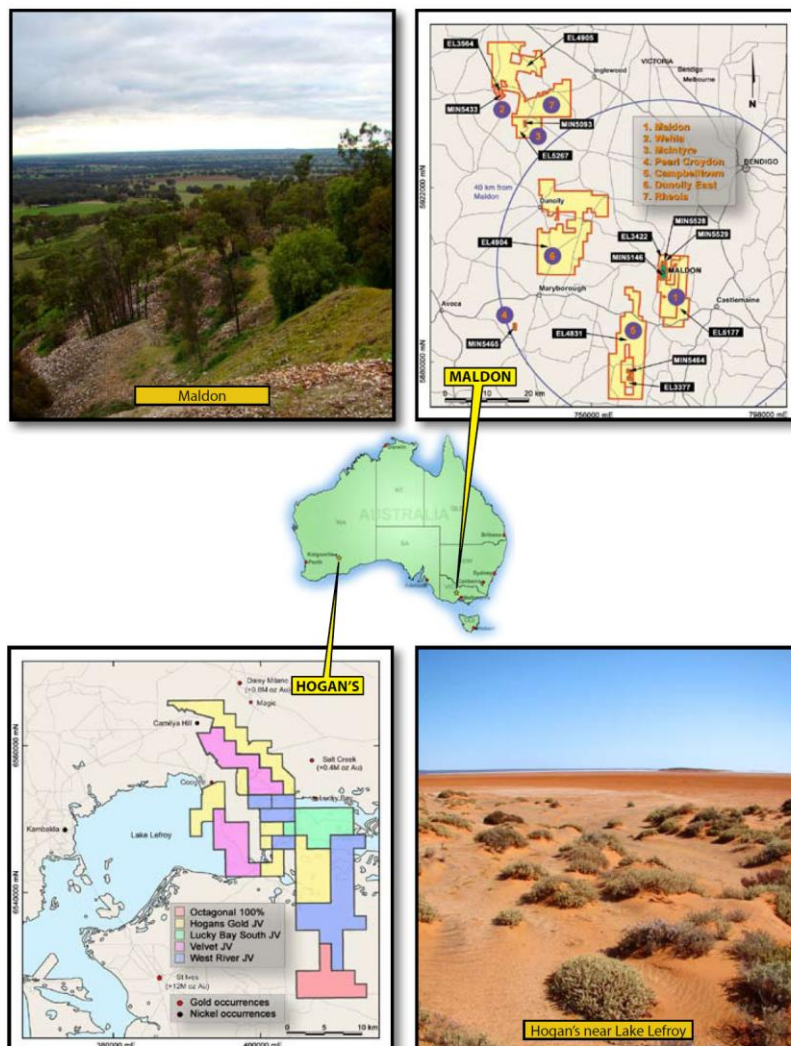
About Octagonal Resources

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