

14 March 2013

No. of Pages: 5

ASX CODE: ORS

Market Cap.: \$12.2 m (\$0.115 p/s)

Shares on issue: 106,048,002

Cash: \$2.0 m (31 December 2012)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Bob Tolliday, Director

MAJOR SHAREHOLDERS

Alliance Resources – 20.8%

Abbotsleigh – 18.7%

JP Morgan Nominees – 8.9%

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Union Hill Mine Update

- **Union Hill Decline advanced through Moon's Cross-Course**
- **Normal drilling, blasting, and decline development activities have commenced**
- **20 metres of decline development and 70 metres of drive development required to access the Alliance South Shoot**
- **Alliance South Shoot expected to be intersected during June**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to provide an update on underground mining activity in the Union Hill Decline at Maldon to access and mine the Alliance South Shoot.

During February development of the Union Hill Decline was advanced through the difficult ground conditions associated with a cross-cutting fault known as Moon's Cross-Course and normal decline development has recommenced.

Development of the decline is now within 90 metres of the Alliance South Shoot. Underground mine development will continue on a single shift basis until the grade and ground conditions of the Alliance South Shoot have been determined and the Company currently anticipates intersecting the Alliance South Shoot during June.

Octagonal's Managing Director, Anthony Gray, commented “development of the Union Hill Decline through Moon's Cross-Course is a significant milestone for the Company. This difficult ground has delayed our advance of the decline for over 12 months, but we are now in the position for a clear run to the Alliance South Shoot”.

“We have installed significant ground support and dedicated considerable time and funding to safely work through this structure and I wish to congratulate our mining team for their hard work, patience, and persistence to achieve this outcome without any accidents or injuries”.

Additional information relating to Octagonal and its various mining and 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

Union Hill Decline

In March 2012 Octagonal re-commenced development of the Union Hill Decline (that had been on care and maintenance since November 2008) to access and mine the Alliance South Deposit. The Company's initial mining target was a cluster of visible gold intersections identified in drilling at the southern end of the deposit and referred to as the Alliance South Shoot (Figures 1 and 2).

Immediately after re-commencing development of the Union Hill Decline the Company intersected difficult ground conditions associated with a major east-west oriented structure known as Moon's Cross-Course. Development of the decline was delayed while a ground control management plan was established and additional mining equipment and ground support consumables acquired.

Between May 2012 and February 2013 the Company advanced through Moon's Cross-Course and in the process installed 20 concrete arches, injected 52m³ of grout, sprayed 172m³ of shotcrete, and installed 873 linear metres of spiling bars. During this period, to conserve funds and provide time for grout and shotcrete to cure, the mine has operated on a day shift only using a three man mining crew. Octagonal also commenced development of a secondary heading on the 1120N level to develop north towards a secondary mining target and entered into two third party ore processing agreements to provide income.

Now that Octagonal has developed through Moon's Cross-Course it 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 (Figure 2). At present 20 metres of decline development and 70 metres of drive development are required to intersect the Alliance South Shoot.

Octagonal intends to continue underground mine development on a single shift basis until the grade and ground conditions of the Alliance South Shoot have been determined before deciding if a second mining shift is warranted. The Company currently expects to intersect the Alliance South Shoot during June.

The Alliance South Deposit is hosted by the Eaglehawk Reef at the southern end of the Central Maldon Shear Zone. The deposit contains an Inferred Mineral Resources of 473,000 tonnes grading 12 g/t gold for 182,000 ounces of gold (Figure 1 and Table 1).

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

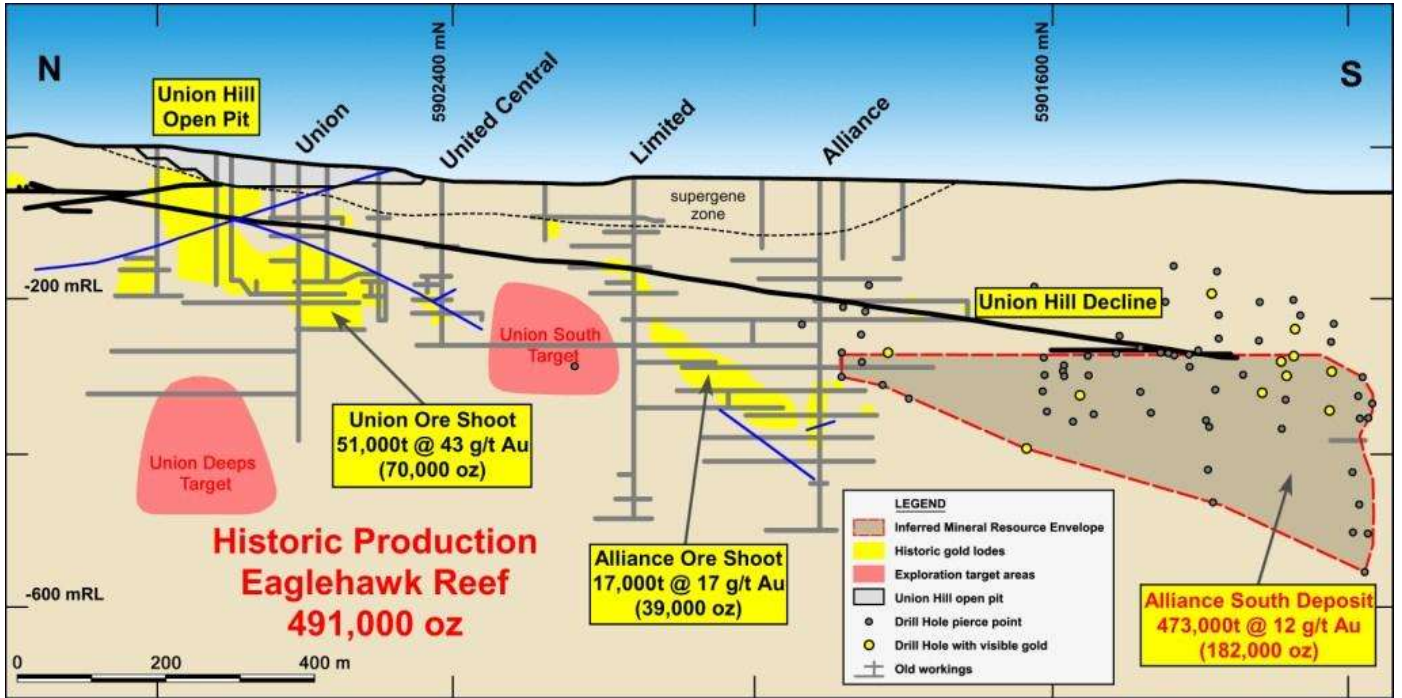


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit



Face of Union Hill Decline 13 March 2013

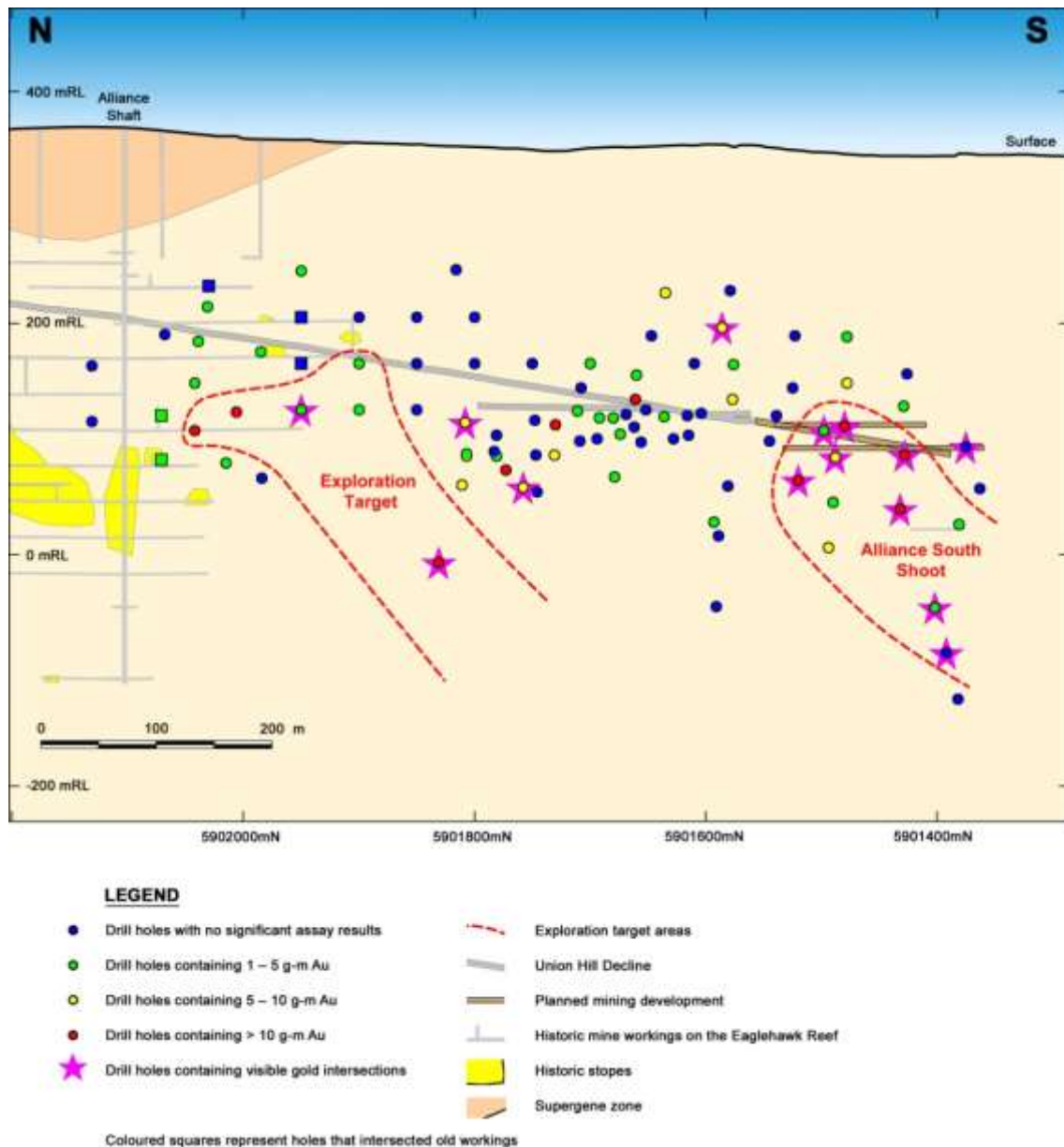


Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill Decline relative to the Alliance South Shoot and planned mining development

Competent Persons Statement

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.

All other 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.

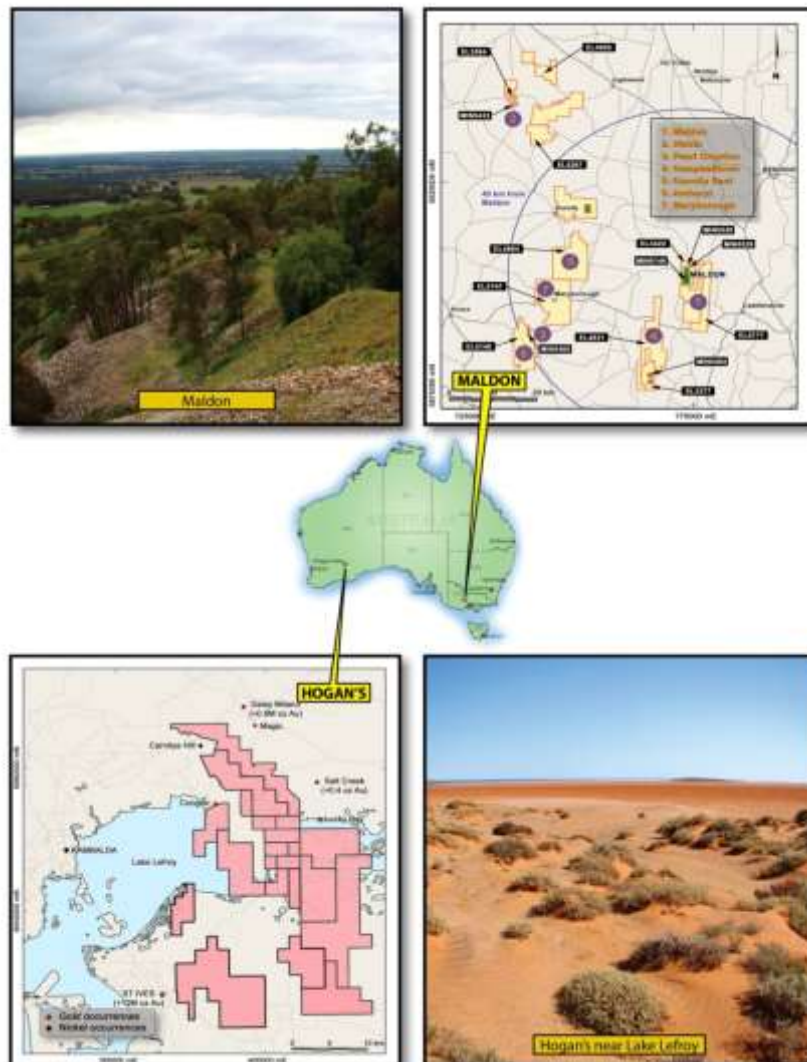
About Octagonal Resources

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 150,000 tpa CIL gold processing plant, 245,000 ounces of inferred gold resources and a decline that extends to the undeveloped underground resources. Octagonal is currently processing third party ore while it brings its own underground and open pit mines into production.

In Western Australia Octagonal holds a 100% interest in the Hogan's Project where it is exploring for gold and copper 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 is exploring priority exploration target areas that display the potential to host a major gold or copper 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