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**ASX CODE: ORS**

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Shares on issue: 106,048,002  
Cash: \$1.3 m (31 December 2013)  
Debt: \$1.0 m (31 December 2013)

**BOARD & MANAGEMENT**

Ian Gandel, Chairman  
Anthony Gray, Managing Director  
Bob Tolliday, Director

**MAJOR SHAREHOLDERS**

Alliance Resources – 20.8%  
Abbotsleigh – 18.7%  
JP Morgan Nominees – 8.8%  
Karl Sabljak – 5.2%

**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](mailto:info@octagonalresources.com.au)

W [www.octagonalresources.com.au](http://www.octagonalresources.com.au)

**Alliance South Shoot Doubles in Length to  
38 m @ 18.8 g/t Au across 3.7 m face,  
Maldon in Central Victoria**

- **Mine development at the Alliance South Deposit has continued to intersect high-grade gold**
- **Ore shoot doubles in length to 38 metres of reef grading 18.8 g/t Au over 3.7 metres width**
- **Length, grade, and width of ore shoot similar to historic gold producing mines at Maldon**
- **Mine development continuing to south to determine length of ore shoot**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that underground mine development on the 1100 level of the Alliance South Deposit has continued to intersect high-grade gold in the Eaglehawk Reef at the Alliance South Shoot.

Underground mine development has doubled the length of the high-grade gold shoot previously announced on 29 January 2014 to 38 metres strike length of reef averaging 18.8 g/t Au over 3.7 metres width.

This gold is located at the southern end of planned mine development on the 1100 level in an area where there is no exploration drilling to the south.

Octagonal’s Managing Director, Anthony Gray, commented “we are clearly in the favourable structural position of a syncline and every day we become more confident that we are onto a high-grade gold shoot similar to those previously mined at Maldon.”

“What’s even more encouraging is that the gold is located consistently in the main reef and adjacent western spurry veins, with the reef breaking well to a solid east wall. These characteristics will be a great benefit for when we come to stoping out the deposit.”

“Our plan has always been to develop the 1100 level, then extend the decline down to the 1080 level. Now, with this strike length of high-grade reef we are considering what might be above us. Is this the top of the ore shoot or does it extend closer to surface?”

“At this stage we are looking to determine how long the ore shoot continues on this level and then we will decide on the best plan for mine development.”

Additional information relating to Octagonal and its various mining and exploration projects can be found on the Company’s website: [www.octagonalresources.com.au](http://www.octagonalresources.com.au)

**For further enquiries, please contact:**

**Anthony Gray (Managing Director) +61 3 9697 9088.**

## Alliance South Deposit

The Alliance South Deposit is located on the Eaglehawk Reef at the southern end of the Central Maldon Shear Zone. The deposit was discovered by Alliance Resources Limited in 2004 and is associated with a flexure in the Eaglehawk Reef, where it passes from the east limb of the German anticline into the hinge zone of the German syncline

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, with the Company's initial mining target being a cluster of visible gold intersections identified in drilling at the southern end of the deposit, referred to as the Alliance South Shoot (Figures 1 and 2).

The Eaglehawk Reef was intersected on the 1100 level in July 2013 and since this time mining has focussed on developing the reef to the south to determine the grade of the Alliance South Shoot, assess ground conditions, and determine the most appropriate mining technique for an ongoing operation.

In January 2014 Octagonal intersected high-grade gold on the 1100 level at the Alliance South Shoot, with the initial 18.5 metres of mine development averaging 21.4 g/t Au over a 3.5 metre wide face (refer to ASX Announcement dated 29 January 2014).

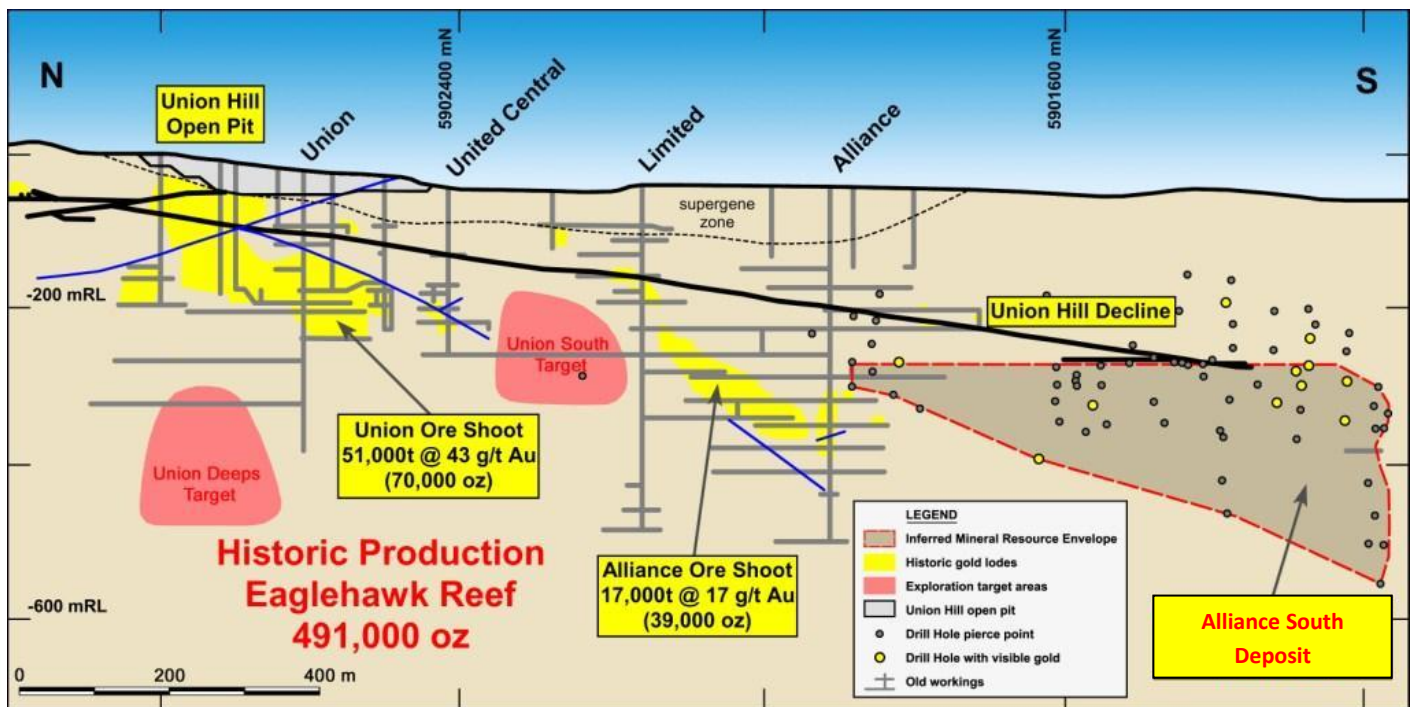
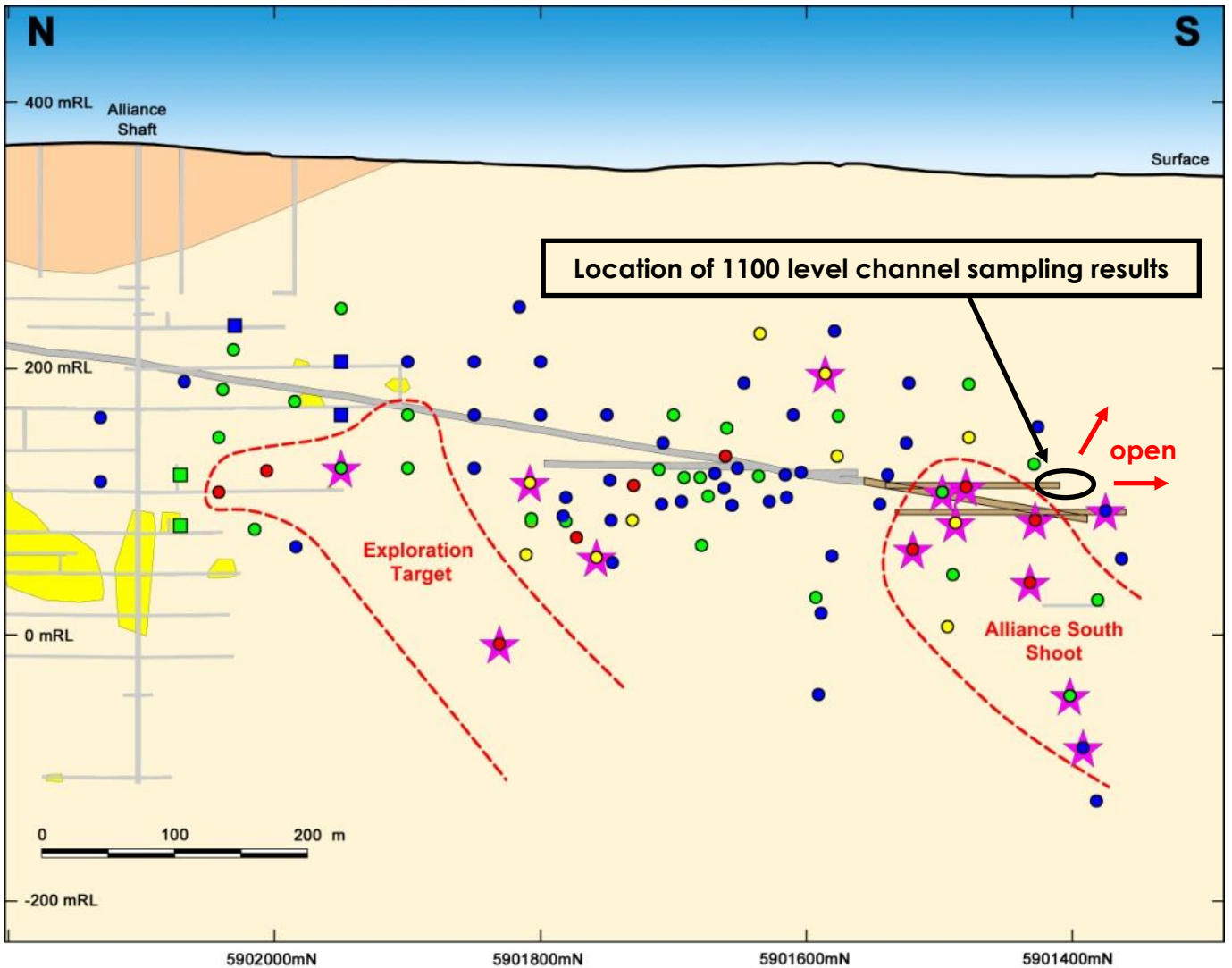


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit



### LEGEND

- Drill holes with no significant assay results
- Drill holes containing 1 – 5 g-m Au
- Drill holes containing 5 – 10 g-m Au
- Drill holes containing > 10 g-m Au
- ★ Drill holes containing visible gold intersections
- Coloured squares represent holes that intersected old workings
- - - Exploration target areas
- Union Hill Decline
- Planned mining development
- Historic mine workings on the Eaglehawk Reef
- Historic stopes
- Supergene zone

Coloured squares represent holes that intersected old workings

Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill Decline relative to the Alliance South Shoot, planned mine development, and location of 1100 face channel sampling results

Reef System	Gold Production	Deepest Workings	Period Mined
Nuggetty Reef	303,000 oz	750' (230m) level	1856 - 1900
Eaglehawk Reef	491,000 oz	1,550' (470m) level	1854 - 1912
Beehive Reef	250,000 oz	1,300' (400m) level	1854 - 1918
German Reef	277,000 oz	2,200' (670m) level	1855 - 1920
Victoria & Derby Reef	150,000 oz	1,250' (380m) level	1855 - 1909
North British Reef	242,000 oz	1,650' (500m) level	1856 - 1926

### **1100 Level Mine Development Face Channel Sampling**

As mining has progressed on the 1100 level channel samples are routinely collected from every mine development face. Horizontal channel samples are collected from across the face. Samples are collected to geological boundaries and range in length from 0.2 to 1.5 metres. Approximately 3 kilogram samples are collected and analysed for gold using the Fire Assay technique to determine the estimated grade of each ore block. Figure 3 illustrates the estimated grade of the reef along the 1100 level to 13 February 2014 (most recent assay result).

Since the ASX Announcement dated 29 January 2014 mine development has continued to intersect high grade gold bearing reef, with **38 metres of development now returning an average grade of 18.8 g/t Au over 3.7 metres width** (Figure 3). These results include the previously reported results of 18.5 metres of mine development at an average grade of 21.4 g/t Au over 3.5 metres width from six mining cuts. The current announcement includes the results for an additional nine mining cuts.

All face channel sample assay results from the nine most recent mining cuts are presented in Table 2 and channel sample locations presented in Table 3.

The assay results are interpreted to represent a high-grade gold-bearing ore shoot that is located at the southern end of planned mine development on the 1100 level (Figure 2). In this area the Eaglehawk Reef is located near the hinge zone of the German syncline, with bedding faulted and near-vertical to the east and flat and east-dipping to the west. This is a favourable structural position for the formation of gold deposits in the Maldon Goldfield.

The gold distribution observed in mine development is nuggetty (inhomogeneous; high grade gold interspersed with low grade results) which is typical at Maldon, however when the assay results are averaged across, and along, the length of reef they demonstrate a high-grade gold shoot. The high-grade gold is located consistently within the main Eaglehawk Reef and immediately adjacent western spurry vein zone to produce a 3.7 metre wide ore zone.

The eastern margin of the Eaglehawk Reef is bounded by a narrow near-vertical chloritic shear zone that beaks cleanly to solid hornfelds metasediment to the east, whereas the western boundary of mineralised spurry veins is between 1 and 5 metres wide. The mineralised spurry veins are typically hosted in fractured metasediment, whereas the un-mineralised spurry veins are generally in more competent hornfelds metasediment. These characteristics are favourable for stoping between mine levels as the ore will break cleanly to the chloritic shear on the eastern margin, with blast hole control to the west, resulting in minimal mining dilution.

Mine development is currently progressing towards the southern extent of exploration drilling at the Alliance South Deposit. The geometry and size of the ore shoot is at this stage unknown and will be resolved with further mining.

The Maldon Goldfield has produced over 1.7 million ounces of reef hosted gold at an average grade of 28 g/t Au, with six reefs producing over 100,000 ounces of gold (Table 1). Each of these major gold producing reefs typically contain several 40,000 to 80,000 ounce high-grade shoots that make up the total deposit. The Eaglehawk Reef, which hosts the Alliance South Deposit, is the largest gold-producing reef in the field. Historic production from the Eaglehawk Reef also includes the 70,000 ounce Union Shoot (average grade: 43 g/t Au) and the 39,000 ounce Alliance Shoot (average grade: 17 g/t Au) (Figure 1).

The deposits of the Maldon Goldfield are historically very high grade, with a nuggetty gold grade distribution. The assay results returned from face channel sampling on the 1100 level of the Alliance South Shoot are in line with historic gold production grades at Maldon. At present these results have been returned from 38 metres strike length of reef. The Alliance Shoot, which is in a similar structural position to the Alliance South Deposit, was between 35 and 60 metres wide and extended over 230 metres down plunge. It is possible that the Alliance South Shoot could be of similar dimensions.

Octagonal will continue to explore the potential of the Alliance South Shoot with mine development extended to the south to assess the strike length of the shoot, before deciding on the best course of action for mine development.

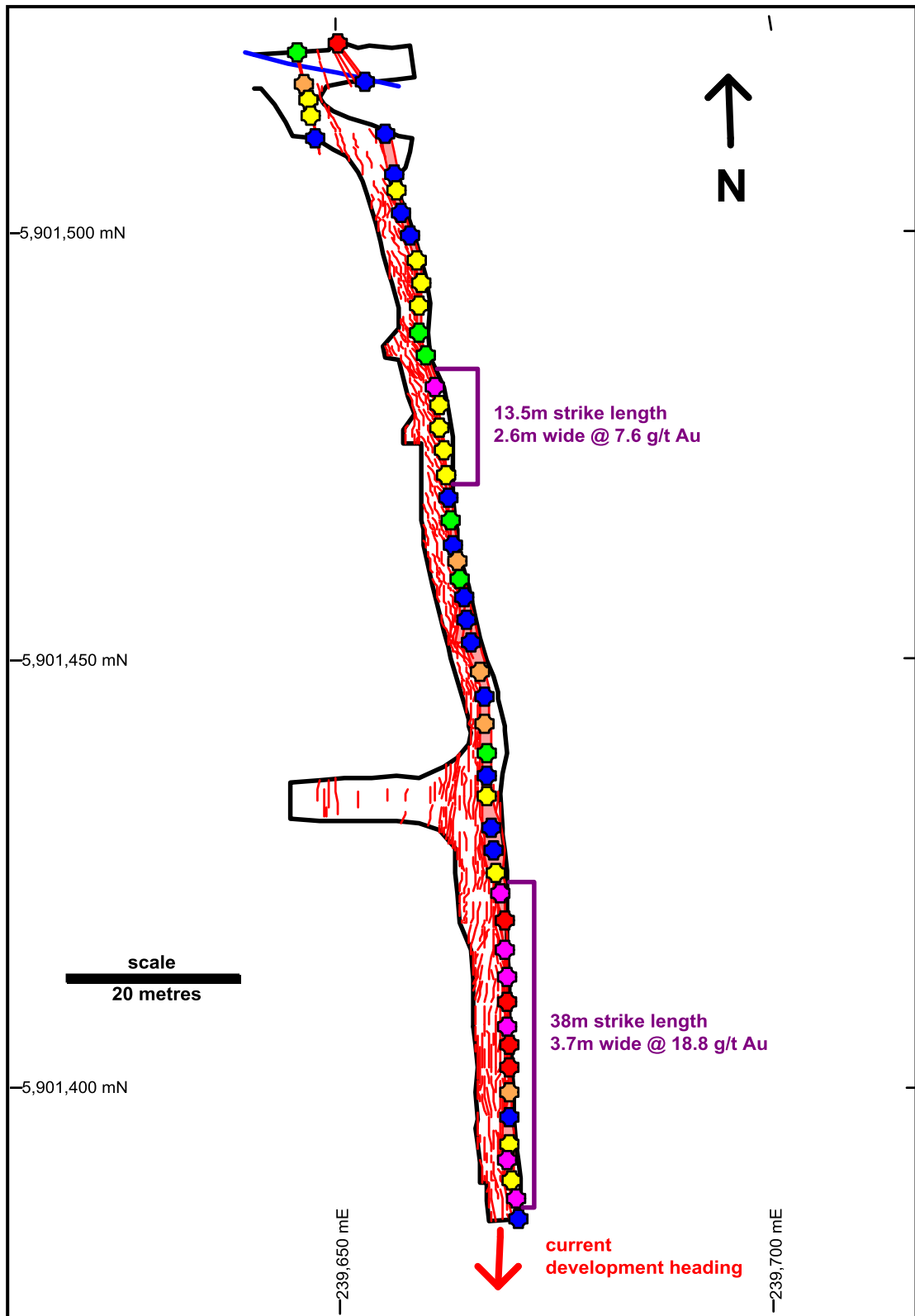


Figure 3: Plan of 1100 level cross-cut and reef development with undiluted face channel sample assay results

**Legend-**

- Blue dots: no significant assay result
- Green dots: 1 – 5 g-m Au
- Yellow dots: 5 – 10 g-m Au
- Orange dots: 10 – 20 g-m Au
- Red dots: 20 – 50 g-m Au
- Purple dots: > 50 g-m Au

Red lines: quartz reef and spurry veins

Table 2.							
Alliance South Deposit: 1100 Level Recent Mine Development Face Channel Sample Assay Results							
Ore Block	From (m)	To (m)	Interval (m)	Au (g/t) Original	Au (g/t) Lab. Dup.	Au (g/t) Average	Comments
1100S_5901405.0N	0.0	1.0	1.0	1.2	1.2	1.2	east wall of reef
	1.0	2.0	1.0	2.5		2.5	
	2.0	3.0	1.0	25.5		25.5	
	3.0	4.1	1.1	0.3		0.3	
<b>Result</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>			<b>9.7</b>	
1100S_5901402.5N	0.0	1.0	1.0	22.0		22.0	east wall of reef
	1.0	2.0	1.0	6.6		6.6	
	2.0	3.1	1.1	0.9		0.9	
	3.1	4.1	1.1	0.6		0.6	
<b>Result</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>			<b>14.3</b>	
1100S_5901399.5N	0.0	1.0	1.0	1.0	10.2	1.0	east wall of reef
	1.0	2.1	1.1	0.0		0.0	
	2.1	3.2	1.1	10.8		10.5	
	3.2	4.3	1.1	2.3		2.3	
<b>Result</b>	<b>0.0</b>	<b>4.3</b>	<b>4.3</b>			<b>3.6</b>	Full mined width
1100S_5901396.5N	0.0	0.9	0.9	0.4		0.4	east wall of reef
	0.9	1.7	0.9	0.1		0.1	
	1.7	2.7	1.0	1.5		1.5	
	2.7	3.7	1.0	1.0		1.0	
3.7	4.7	1.0	0.2	0.2			
<b>Result</b>	<b>0.0</b>	<b>3.7</b>	<b>3.7</b>			<b>0.8</b>	
1100S_5901393.0N	0.0	0.8	0.8	0.5		0.5	east wall of reef
	0.8	1.5	0.8	3.2		3.2	
	1.5	2.6	1.1	0.3		0.3	
	2.6	3.8	1.2	1.4		1.4	
3.8	5.0	1.2	3.1	3.1			
<b>Result</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>			<b>1.7</b>	Full mined width
1100S_5901390.5N	0.0	1.0	1.0	115.3	5.2	115.3	east wall of reef
	1.0	1.9	0.9	13.7		13.7	
	1.9	2.9	1.0	0.9		0.9	
	2.9	3.9	1.0	4.7		5.0	
3.9	4.9	1.0	118.1	102.8	110.5		
<b>Result</b>	<b>0.0</b>	<b>4.9</b>	<b>4.9</b>			<b>50.2</b>	Full mined width
1100S_5901389.0N	0.0	1.1	1.1	0.9		0.9	east wall of reef
	1.1	2.2	1.1	0.5		0.5	
	2.2	3.4	1.2	1.9		1.9	
	3.4	4.7	1.3	4.2		4.2	
<b>Result</b>	<b>0.0</b>	<b>4.7</b>	<b>4.7</b>			<b>2.0</b>	Full mined width
1100S_5901387.0N	0.0	0.9	0.9	70.5		70.5	east wall of reef
	0.9	1.9	1.0	27.0		27.0	
	1.9	2.9	1.0	1.0		1.0	
	2.9	3.9	1.0	0.8		0.8	
<b>Result</b>	<b>0.0</b>	<b>2.9</b>	<b>2.9</b>			<b>31.5</b>	
1100S_5901384.5N	0.0	0.4	0.4	0.8		0.8	east wall of reef
	0.4	1.2	0.8	0.4		0.4	
	1.2	2.0	0.8	0.7		0.7	
	2.0	2.9	0.9	0.4		0.4	
2.9	3.9	1.0	1.0	1.0			
<b>Result</b>	<b>0.0</b>	<b>3.9</b>	<b>3.9</b>			<b>0.6</b>	Full mined width

*Table 3.*

*Alliance South Deposit: 1100 Level Mine Development Face Channel Sample Locations*

<i>Channel ID</i>	<i>Northing_MGA</i>	<i>Easting_MGA</i>	<i>RL</i>	<i>Azimuth</i>	<i>Dip</i>	<i>Length (m)</i>
1100S_5901405.0N	5901404.9	239669.7	111.5	270	0	4.1
1100S_5901402.5N	5901402.3	239669.9	111.5	270	0	4.1
1100S_5901399.5N	5901399.5	239670.0	111.5	270	0	4.3
1100S_5901396.5N	5901396.5	239670.2	111.5	270	0	4.7
1100S_5901393.0N	5901393.4	239670.4	111.5	270	0	5.0
1100S_5901390.5N	5901391.5	239670.6	111.5	270	0	4.9
1100S_5901389.0N	5901389.3	239670.7	111.5	270	0	4.7
1100S_5901387.0N	5901387.1	239670.9	111.5	270	0	3.9
1100S_5901384.5N	5901384.6	239671.1	111.5	270	0	3.9



*Jumbo drilling 1100S\_5901405.0N face that returned 3.0m grading 9.7 g/t Au (view south)  
 [often where the main eastern reef narrows (left of photo) the best grades present]*

### **Competent Persons Statement**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Anthony Gray, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Gray is a full-time employee of the company. Mr Gray has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## JORC Code, 2012 Edition – Table 1 Report: Alliance South Channel Sampling Results

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<p>Rock chip channel samples collected from the mine development face. Approximately 3 kilogram samples collected from chest height over channel intervals ranging between 0.4 – 1.5 metres length.</p> <p>Samples routinely analysed for gold using the 40 gram Fire Assay Digest technique with an AAS finish.</p> <p>Many samples re-analysed using a 2.0 kg BLEG analysis with an AAS finish for QAQC and to determine leachable gold.</p>
<i>Drilling techniques</i>	Not applicable – drilling results not reported.
<i>Drill sample recovery</i>	Not applicable – drilling results not reported
<i>Logging</i>	All mine development faces routinely photographed. Quartz content (visual estimate) and style recorded for all samples on a sample logging sheet.
<i>Sub-sampling techniques and sample preparation</i>	<p>Approximately 3 kilogram samples collected in calico bags and sent to assay laboratory for analysis.</p> <p>Whole sample pulverised at laboratory to produce a 40 gram charge for Fire Assay.</p> <p>2.0 kg sub-sample collected for BLEG analysis.</p> <p>No routine duplicate sampling other than repeat sampling discussed in <i>Sampling techniques</i> above.</p>
<i>Quality of assay data and laboratory tests</i>	<p>Samples routinely analysed for gold using the 40 gram Fire Assay Digest technique with an AAS finish.</p> <p>Fire Assay technique is considered to be a near total digest.</p> <p>Samples re-analysed using a 2.0 kg BLEG analysis with an AAS finish for QAQC and to determine leachable gold.</p> <p>BLEG technique is a partial digest that determines cyanide leachable gold.</p>
<i>Verification of sampling and assaying</i>	<p>The results have been reviewed by alternative company personnel and no errors identified.</p> <p>Sampling data is recorded in hard copy format and entered into a digital database. Digital assay data and hard copy data provided by the laboratory is matched against sample numbers in the digital database.</p>
<i>Location of data points</i>	<p>Mine development is surveyed monthly by a qualified surveying contractor. The location of channel sample start points are measured from a known survey point with a tape measure. Adjustments are made to the channel sample start points following the completion of the monthly survey. All channel sample start points are reported in GDA94, MGA Zone 55 coordinates.</p> <p>Channel samples are assumed to be horizontal and oriented towards 270°. The orientation may vary by up to 5°, depending on the strike of the reef and drive, but as the maximum channel length is less than 6 meters this is not considered to be significant.</p>
<i>Data spacing and distribution</i>	<p>Channel samples collected from mine development faces that are between 2.7 to 3.4 m apart.</p> <p>Face channel sample results are composited to report the estimated grade over the strike length of development on the reef.</p>
<i>Orientation of data in relation to geological structure</i>	<p>In the area of mine development that is being sampled the Eaglehawk Reef is near-vertical. The horizontal samples collected are considered to be perpendicular to the reef and close to true width.</p> <p>There is no known bias in the orientation of this sampling.</p>
<i>Sample security</i>	Sample pulps are stored at the laboratory for 30 days prior to disposal. This is appropriate for mine development sampling.
<i>Audits or reviews</i>	<p>There have been no audits of the mine development face channel sampling program.</p> <p>The sampling data has been reviewed by Anthony Gray who is the Competent Person that compiled the information for this report.</p>



## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	The Alliance South Deposit is located on mining licence MIN5146 that is owned 100% by Maldon Resources Pty Ltd, a wholly owned subsidiary of Octagonal Resources Limited. The tenement is current and in good standing.
<i>Exploration done by other parties</i>	Modern exploration in the Maldon Goldfield has been completed by Carpentaria Exploration Company Pty Ltd, Lone Star Exploration NL, Triad Minerals NL, Alliance Gold Mines NL, MPI Gold Pty Ltd, and Alliance Resources Limited. The Alliance South Deposit was discovered by Alliance Resources Limited during 2004.
<i>Geology</i>	The Alliance South Gold Deposit is a narrow vein orogenic Ordovician slate belt hosted gold deposit located within the Bendigo Zone of the Western Lachlan Orogen in Central Victoria. The deposit is located at the southern end of the Eaglehawk Reef in the Central Maldon Shear Zone. Host rocks are tightly folded Ordovician (Lancefieldian) turbiditic sedimentary rocks of the Castlemaine Supergroup that have been intruded and metamorphosed by the Late Devonian Harcourt Granodiorite. Mineralisation is associated with a flexure in the Eaglehawk Reef, where it passes from the east limb of the German anticline into the hinge zone of the German syncline.
<i>Drill hole Information</i>	See Table 3.
<i>Data aggregation methods</i>	All channel sample grades have been length weighted. All assay results from channel sampling are provided. Samples returning greater than 1.0 g/t Au have been composited for reporting (internal dilution of samples containing less than 1.0 g/t Au are included within mineralised zones). Metal equivalents have not been used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	Results reported are considered to be close to true width.
<i>Diagrams</i>	See Figures 2 and 3.
<i>Balanced reporting</i>	Assay results are provided for all recent mine development face channel samples discussed in this report. A summary of all weighted average assay results from mine development face channel samples collected on the 1100 level is provided in Figure 3.
<i>Other substantive exploration data</i>	No other substantive exploration data.
<i>Further work</i>	Ore is being stockpiled. Leach kinetics of the ore is currently being determined. The ore will be processed following this work. Mine development will continue to the south on the 1100 level until the reef becomes uneconomic to mine. The best course for mine development will be determine based on the strike length of ore defined.