

29 January 2014

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ASX CODE: ORS

Market Cap.: \$8.5 m (\$0.08 p/s)
Shares on issue: 106,048,002
Cash: \$1.2 m (30 September 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%

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**Mining intersects 18.5 m @ 21.4 g/t Au
across 3.5 m face at Alliance South,
Maldon in Central Victoria**

- Mine development at the Alliance South Deposit intersects 18.5 metres of reef grading 21.4 g/t Au over 3.5 metres width
- Individual face channel samples return grades up to 186.3 g/t Au
- Includes a higher grade zone 9.5 metres long grading 32.1 g/t Au over 3.2 metres width
- Ore shoot open to the south with mine development continuing
- High grade potential of the Alliance South Shoot confirmed

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

Underground mine development has intersected 18.5 metres strike length of reef averaging 21.4 g/t Au over 3.5 metres width, including a high grade zone of 9.5 metres of reef averaging 32.1 g/t Au over 3.2 metres width, and individual face channel sample assay results up to 186.3 g/t Au.

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.

Mine development is currently on high-grade ore and will continue to the south to explore the extent of the shoot.

Octagonal’s Managing Director, Anthony Gray, commented “these bonanza results on the Eaglehawk Reef have confirmed our belief in the high grade potential of the Alliance South Shoot. The historic ore shoots at Maldon were generally 40,000 to 80,000 ounces in size and averaged 28 g/t Au. We think that we’re onto one of these, but we can’t be certain until we have completed more mine development.”

“These results vindicate the significant time and funds that we have invested into developing the Alliance South Deposit. It was always logical to assume the potential for a high grade shoot from the cluster of visible gold intersections in exploration drilling, but it’s fantastic to have confirmation from high grade mining faces.”

“We will continue mine development to the south to assess the length of this ore shoot, before commencing stoping, and extending the decline down to the 1080 level”.

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.

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 of 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.

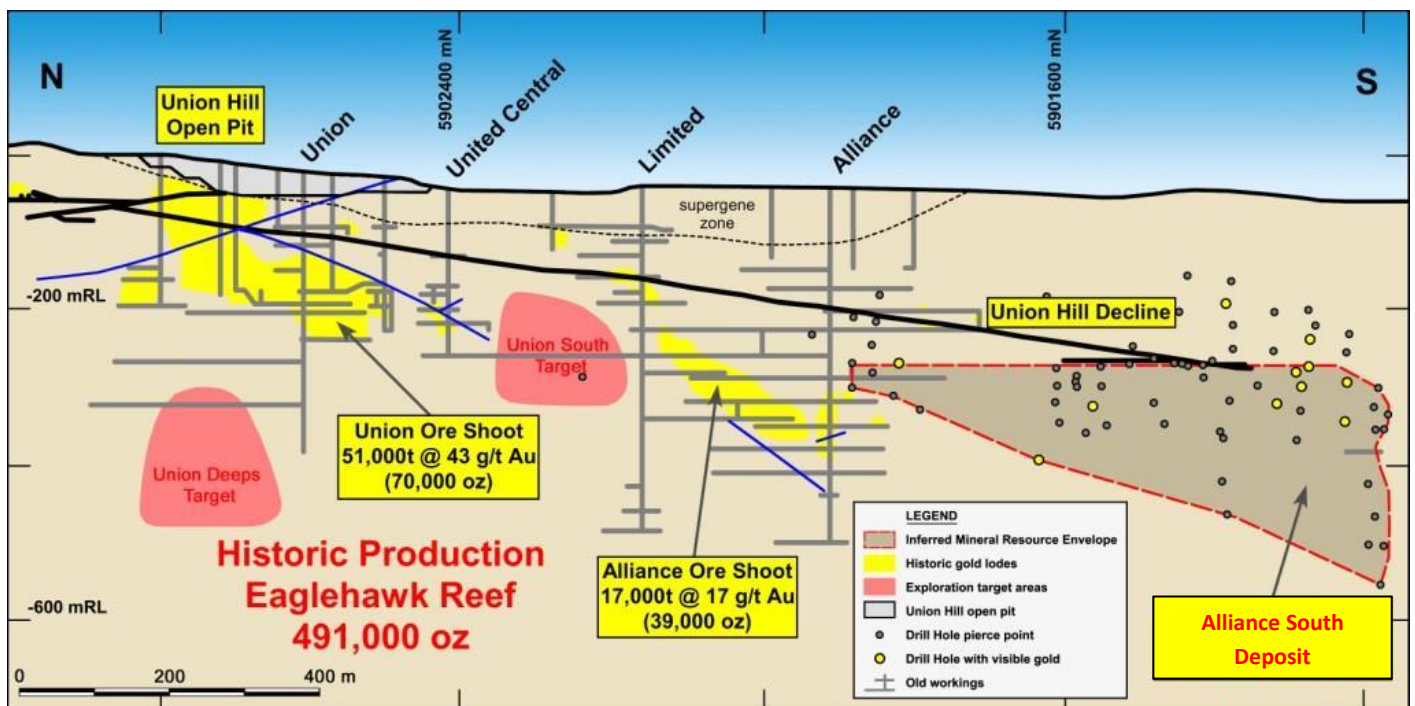
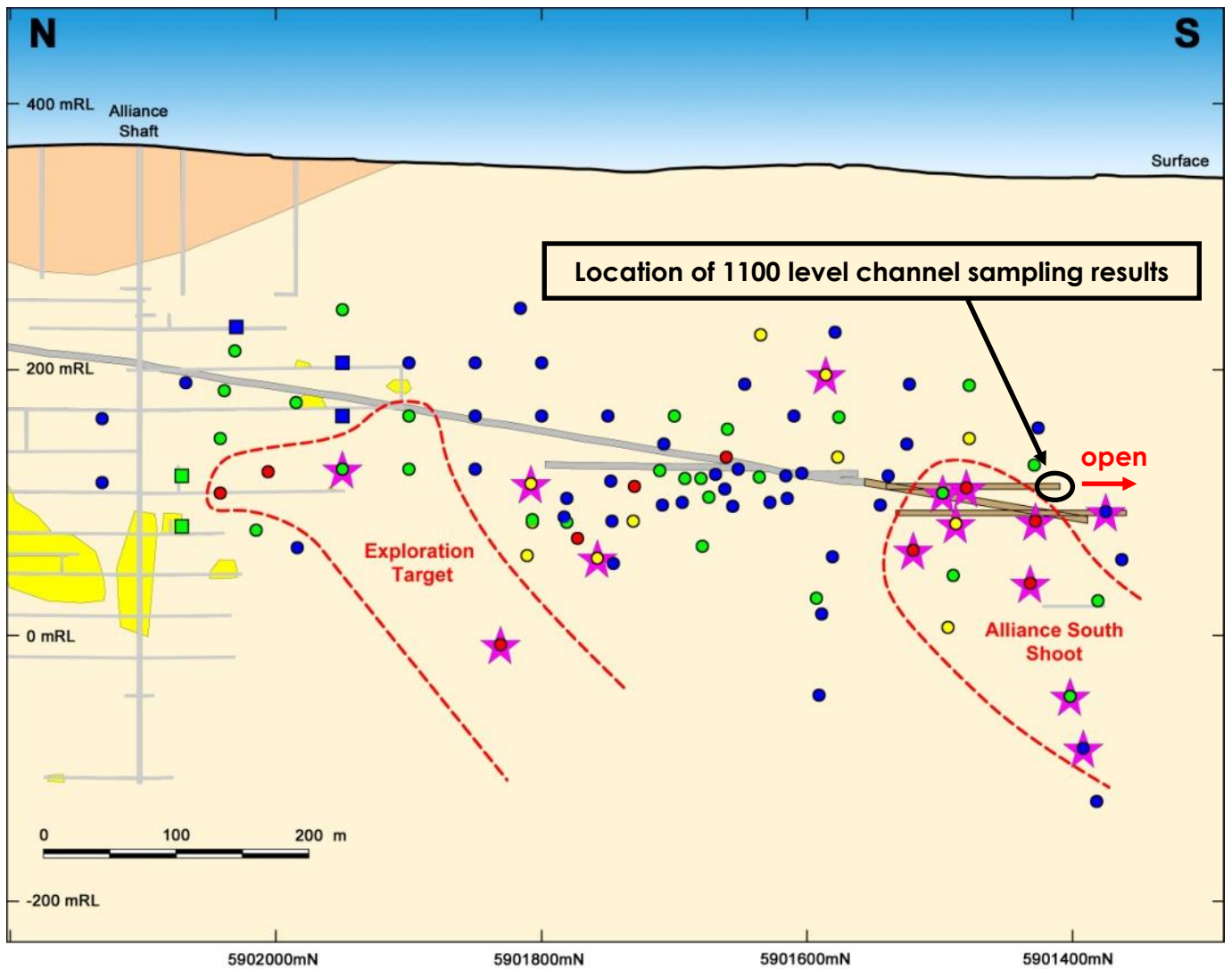


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit



Underground mine development face marked up for channel sampling (pink lines) and blast hole pattern (yellow lines)



LEGEND

- | | |
|--|--|
| ● Drill holes with no significant assay results | - - - Exploration target areas |
| ● Drill holes containing 1 – 5 g-m Au | — Union Hill Decline |
| ● Drill holes containing 5 – 10 g-m Au | — Planned mining development |
| ● Drill holes containing > 10 g-m Au | — Historic mine workings on the Eaglehawk Reef |
| ★ Drill holes containing visible gold intersections | ■ 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

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 23 January 2014 (most recent assay result).

In the last six cuts the mine development has intersected the highest grade gold bearing reef observed to date, with the 18.5 metres of development returning an average grade of 21.4 g/t Au over 3.5 metres width (Figure 3). This includes a high grade zone of 9.5 metres of reef averaging 32.1 g/t Au over 3.2 metres width, and a peak face channel sample assay result of 186.3 g/t Au (6 oz/t Au) that is the highest grade assay result ever returned from drilling and mine development at the deposit.

All face channel sample assay results are presented in Table 2 and channel sample locations presented in Table 3.

This ore shoot is located at the southern end of planned mine development on the 1100 level (Figure 2). The mine development is still on high grade gold-bearing reef and progressing towards the southern extent of exploration drilling at the deposit. The geometry and size of the ore shoot is at this stage unknown and will be resolved with further mining.

The deposits of the Maldon Goldfield are historically very high grade, with a nuggetty (inhomogeneous) gold grade distribution. It is significant that the high grade assay results being reported have been derived from six consecutive mining cuts, which provides confidence to the interpretation of a high grade shoot.

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 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 18.5 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, before commencing stoping, and extending the decline down to the 1080 level of the deposit.

Table 1.
Maldon Goldfield: Major Gold Producing Reefs

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

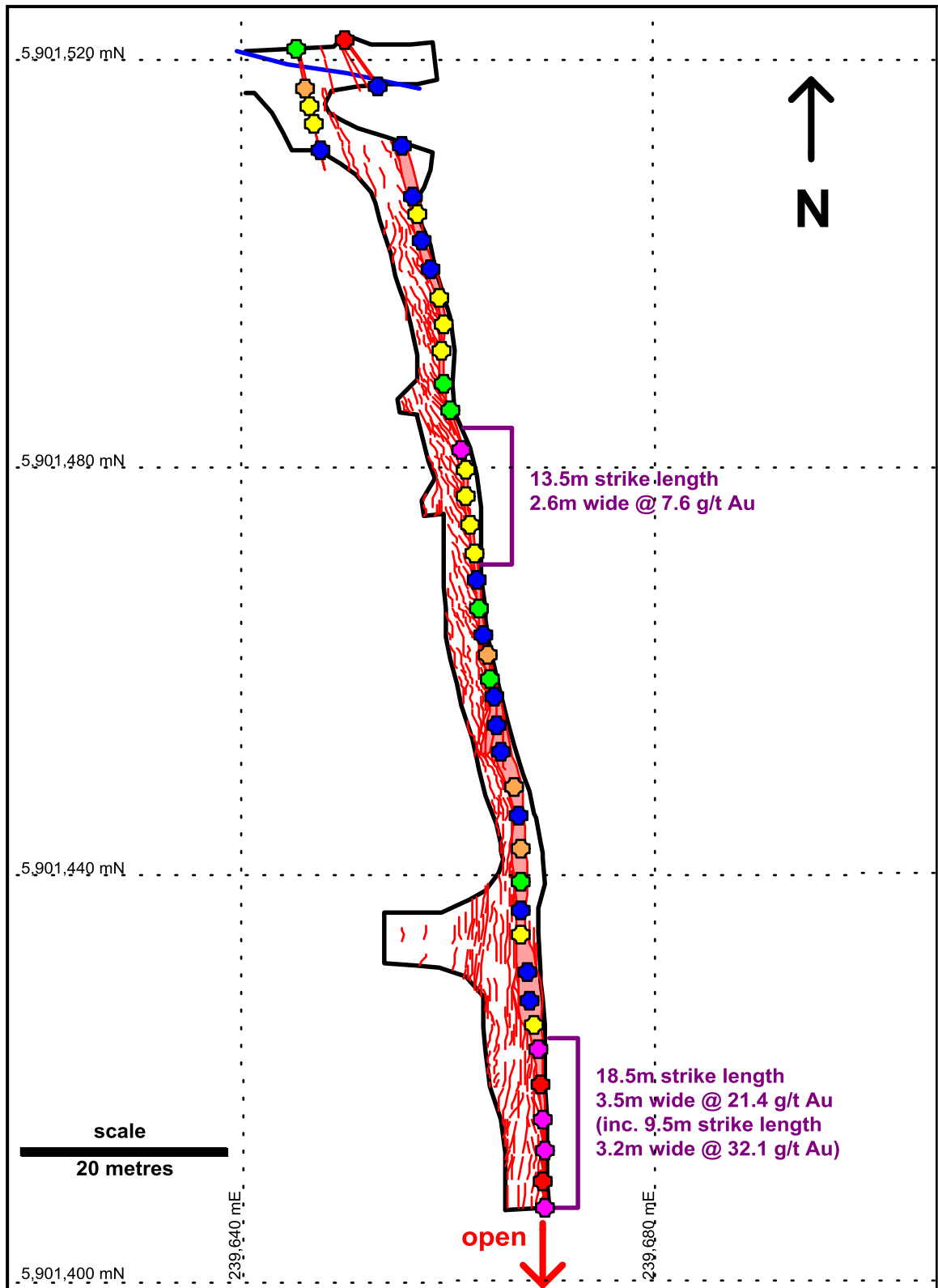


Figure 3: Plan of 1100 level cross-cut and reef development with undiluted face channel sample assay results

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 Significant Mine Development Face Channel Sample Assay Results

Ore Block ID	From (m)	To (m)	Interval (m)	Au (g/t) original	Au (g/t) Lab. Dup.	Au (g/t) Average	Comments
1100S_5901422.5N	0.0	0.4	0.4	11.5	11.9	11.7	east wall of reef
	0.4	1.3	0.9	72.6	69.4	71.0	
	1.3	2.3	1.0	0.6		0.6	
	2.3	3.4	1.1	0.7		0.7	
	3.4	4.5	1.1	0.4		0.4	
	4.5	5.7	1.2	0.1		0.1	
Significant Result	0.0	1.3	1.3			52.8	
1100S_5901420.0N	0.0	0.9	0.9	3.9		3.9	east wall of reef
	0.9	2.0	1.1	2.3		2.3	
	2.0	3.1	1.1	33.0		33.0	
	3.1	4.2	1.1	3.6		3.6	
	4.2	5.3	1.1	0.3		0.3	
	Significant Result	0.0	4.2	4.2			
1100S_5901416.0N	0.0	0.7	0.7	3.0		3.0	east wall of reef
	0.7	1.7	1.0	182.0	190.6	186.3	
	1.7	2.7	1.0	0.5		0.5	
	2.7	3.5	0.8	8.2		8.2	
	3.5	4.2	0.8	2.0		2.0	
	Significant Result	0.0	4.2	4.2			
1100S_5901412.5N	0.0	1.0	1.0	35.6		35.6	east wall of reef
	1.0	2.0	1.0	7.3		7.3	
	2.0	3.0	1.0	19.9		19.9	
	3.0	3.9	0.9	0.9		0.9	
	Significant Result	0.0	3.0	3.0			
1100S_5901410.0N	0.0	0.5	0.5	4.1		4.1	east wall of reef
	0.5	1.4	0.9	6.6		6.6	
	1.4	2.4	1.0	3.9		3.9	
	2.4	3.3	0.9	12.8		12.8	
	3.3	4.2	0.9	1.1		1.1	
	Significant Result	0.0	4.2	4.2			
1100S_5901407.5N	0.0	1.0	1.0	24.7		24.7	east wall of reef
	1.0	2.0	1.0	6.7		6.7	
	2.0	3.1	1.1	0.7		0.7	
	3.1	4.1	1.1	17.4		17.4	
	Significant Result	0.0	4.1	4.1			

Table 3.
Alliance South Deposit: 1100 Level Mine Development Face Channel Sample Locations

Channel ID	Northing_MGA	Easting_MGA	RL	Azimuth	Dip	Length (m)
1100S_5901422.5N	5901422.8	239669.3	111.5	270	0	5.7
1100S_5901420.0N	5901419.4	239669.3	111.5	270	0	5.3
1100S_5901416.0N	5901416.0	239669.5	111.5	270	0	4.2
1100S_5901412.5N	5901412.8	239669.5	111.5	270	0	3.9
1100S_5901410.0N	5901409.9	239669.6	111.5	270	0	4.2
1100S_5901407.5N	5901407.2	239669.7	111.5	270	0	4.1

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 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>	Processing of ore from the area reported has commenced as a blend with low-grade tailings. Mine development will continue to the south on the 1100 level until the reef becomes uneconomic to mine. The decline will then be extended down to the 1080 level to confirm down plunge geometry of mineralisation.