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Market Cap.: \$8.9 m (\$0.055 p/s)
Shares on issue: 162,552,726
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

Abbotsleigh – 19.5%
Alliance Resources – 13.5%
Karl Sabljak – 5.5%

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29.5 metres grading 1.6 g/t Au in channel sampling of south wall of Union Hill Pit, Maldon in Central Victoria

- **Channel sampling of the south wall of the Union Hill open pit returns 29.5 metres (true width) grading 1.6 g/t Au**
- **Potential to extend the Union Hill pit up to 100 metres to the south**
- **Ore width and grade in channel sampling similar to historic pit production of 1,000,000 tonnes grading 1.7 g/t Au**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that channel sampling along the southeast wall of the Union Hill open pit at Maldon has returned 29.5 metres true width of ore grading 1.6 g/t Au.

The Union Hill open pit was mined between 1988 and 1992 and produced 55,000 ounces of gold from 1,000,000 tonnes of ore grading 1.7 g/t Au.

These channel sampling results suggest that it may be commercially viable to extend the Union Hill open pit to the south and an initial Exploration Target of between 48,000 and 103,000 tonnes of ore has been identified for testing using reverse circulation drilling (for Exploration Target details refer to the *Discussion* section on pages 2 and 3 of this report).

Octagonal’s Managing Director, Anthony Gray, commented “the width and grade of ore returned from channel sampling is similar to that previously mined from the Union Hill open pit and processed in Maldon.”

“There is sufficient room to extend the Union Hill open pit up to 100 metres to the south however, being in the township of Maldon and close to existing infrastructure, we are mindful of key stakeholders.”

“Our immediate focus is to develop the Pearl Croydon and Specimen Reef open pits over the next couple of years, however with positive drill results and community support, we could add an extension to Union Hill to our open pit mining portfolio.”

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 Open Pit

The Union Hill open pit overlies the Eaglehawk and Linscotts reefs near the northern end of the Central Maldon Shear Zone. The pit was mined by Triad Minerals NL between 1988 and 1992 and produced 55,000 ounces of gold grading 1.7 g/t Au from 1,000,000 tonnes of ore derived from remnant reef, stope fill, and spur vein arrays. The Porcupine Flat gold processing plant, that is now owned by Octagonal, was purpose built for this gold mining operation in 1987.

The Union Hill open pit is located 3.5 kilometres from the Porcupine Flat gold processing plant and is currently used to access the portal of the Union Hill decline in the north end of the pit. The Union Hill decline extends 2 kilometres to the south along the Central Maldon Shear Zone and provides access to the Alliance South Deposit, where the Company is currently developing and mining the high-grade Alliance South Shoot.

Pit Wall Channel Sampling

During February and March 43 channel samples were collected from the southeast wall of the Union Hill open pit to determine if the gold-bearing ore zone previously mined extends into the pit wall. Channel samples were collected over 1.5 to 2.0 metre long intervals with approximately 3 kilogram samples sent for gold analysis using the Fire Assay technique.

The location of channel sampling is illustrated in Figures 1 and 2, while all assay results are listed in Table 1 and channel sample locations in Table 2.

Two channels of samples were collected from the wall of the open pit, labelled Channel A-B and Channel C-D. Channel A-B returned 11.5 metres (true width) grading 2.1 g/t Au, including 6.5 metres (true width) grading 3.2 g/t Au, while Channel C-D returned 18.0 metres (true width) grading 1.3 g/t Au, including 9.5 metres (true width) grading 1.6 g/t Au. The combined results from these two channels returned 29.5 metres (true width) grading 1.6 g/t Au.

These results have confirmed that the ore zone previously mined in the Union Hill open pit does extend into the southeast wall and a cut back to the open pit may be commercially viable, if supported by positive step-out reverse circulation (RC) drilling results.

Historic Exploration Drilling

Three percussion holes (UHP16, 17, and 64) have previously been drilled in the area of recent pit wall sampling (Figure 2), while two percussion holes (EP13 and 14) have been drilled between 90 and 100 metres to the south (Figure 1).

All significant assay results returned from this drilling are presented in Table 3 and drill hole details are provided in Table 4 (The quality of this drilling data is uncertain as the holes were drilled during the 1980's and 1990's and original geological logs, assay reports, and survey reports cannot be located).

The assay results from these holes returned broad zones of moderate grade gold in the area of recent pit wall sampling, with UHP16 and UHP 17 intersecting 33.5m @ 1.0 g/t Au from surface and 25.9m @ 1.3 g/t Au from surface, respectively, while EP14 that is located 90 metres to the south of the pit returned 9m @ 13.4 g/t Au from 15m, including 3m @ 38.7 g/t Au from 15m, and provides support for the along strike potential of the ore zone.

No drilling has been completed between the pit wall and hole EP14.

Discussion

The recent channel sampling results combined with historic percussion drilling results support the potential for a cut-back to the south wall of the Union Hill open pit, however as the open pit is located near the north end of the Maldon town site and is close to existing infrastructure, the potential impacts of a cut-back on key stakeholders will need to be addressed.

The exploration target zone extending south of the Union Hill open pit lies on vacant crown land that is overgrown by gorse, blackberries and other weeds. The target area is cut by a residential road (Reef

Street) and adjacent power line, while Lowther Street, which is a heavy vehicle truck route, forms the southern boundary of the exploration target zone. Octagonal has commenced discussions with key stakeholders to determine if a cut back to the Union Hill open pit is viable and will continue exploration based on this feedback.

The Company has an initial Exploration Target of between 48,000 and 103,000 tonnes of ore to 30 vertical metres depth at similar grades to those previously mined in the Union Hill open pit. This target is supported by the recent and historic exploration and mining results discussed in this report and is based on an 80 to 100 metre long ore zone averaging between 10 and 15 metres width, and an assumed specific gravity of between 2.0 and 2.3 to calculate tonnage. The quantity and grade of this Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

RC drilling is required to test the Exploration Target and define a Mineral Resource.

An Exploration Target of this size could provide six to twelve months feed to the Porcupine Flat gold processing plant (depending on processing rate and other ore sources) and, if developed into a Mineral Resource, could follow planned open pit mining at the Pearl Croydon and Specimen Reef deposits.

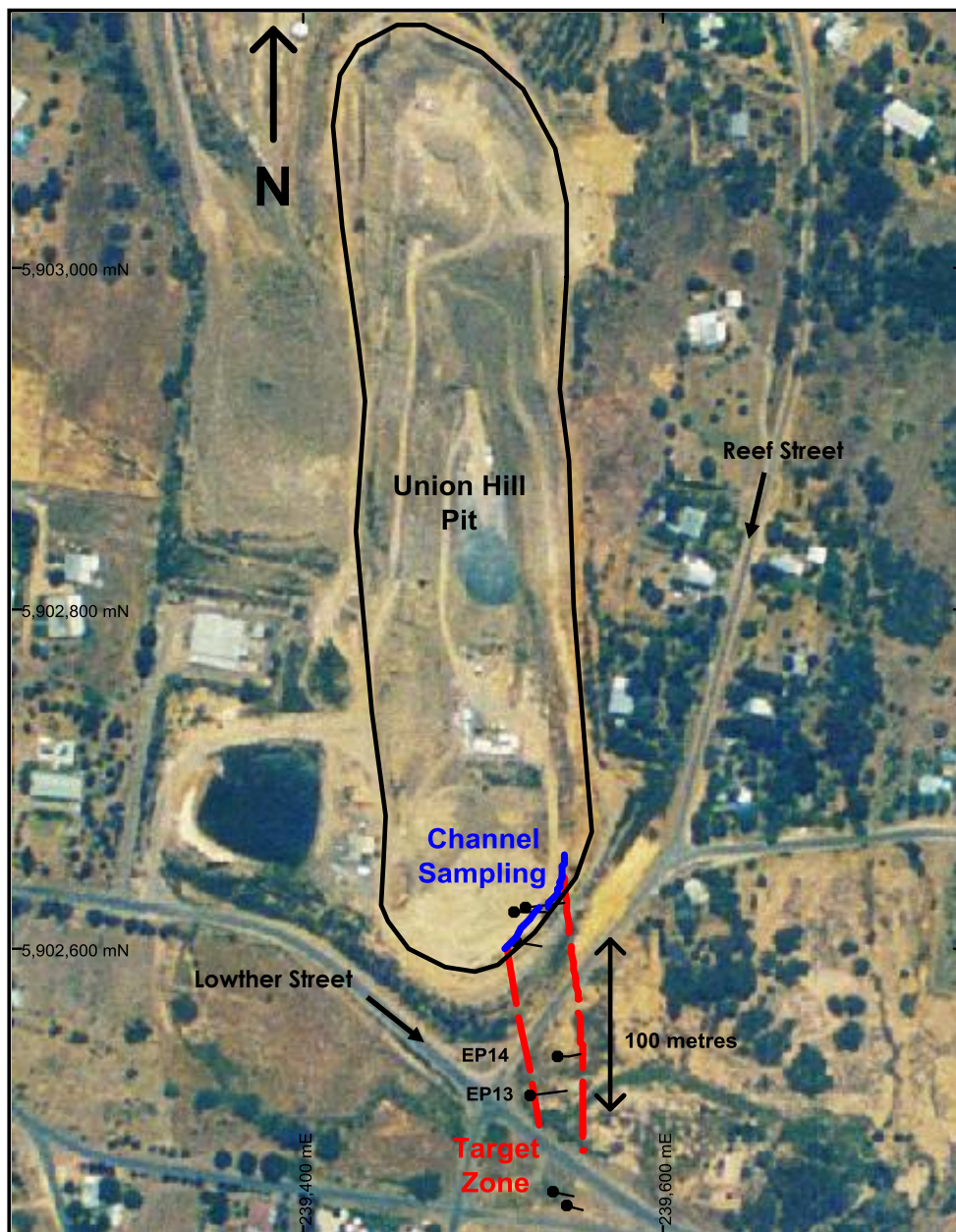


Figure 1: Union Hill open pit with location of pit wall sampling, historic drilling, and exploration target zone

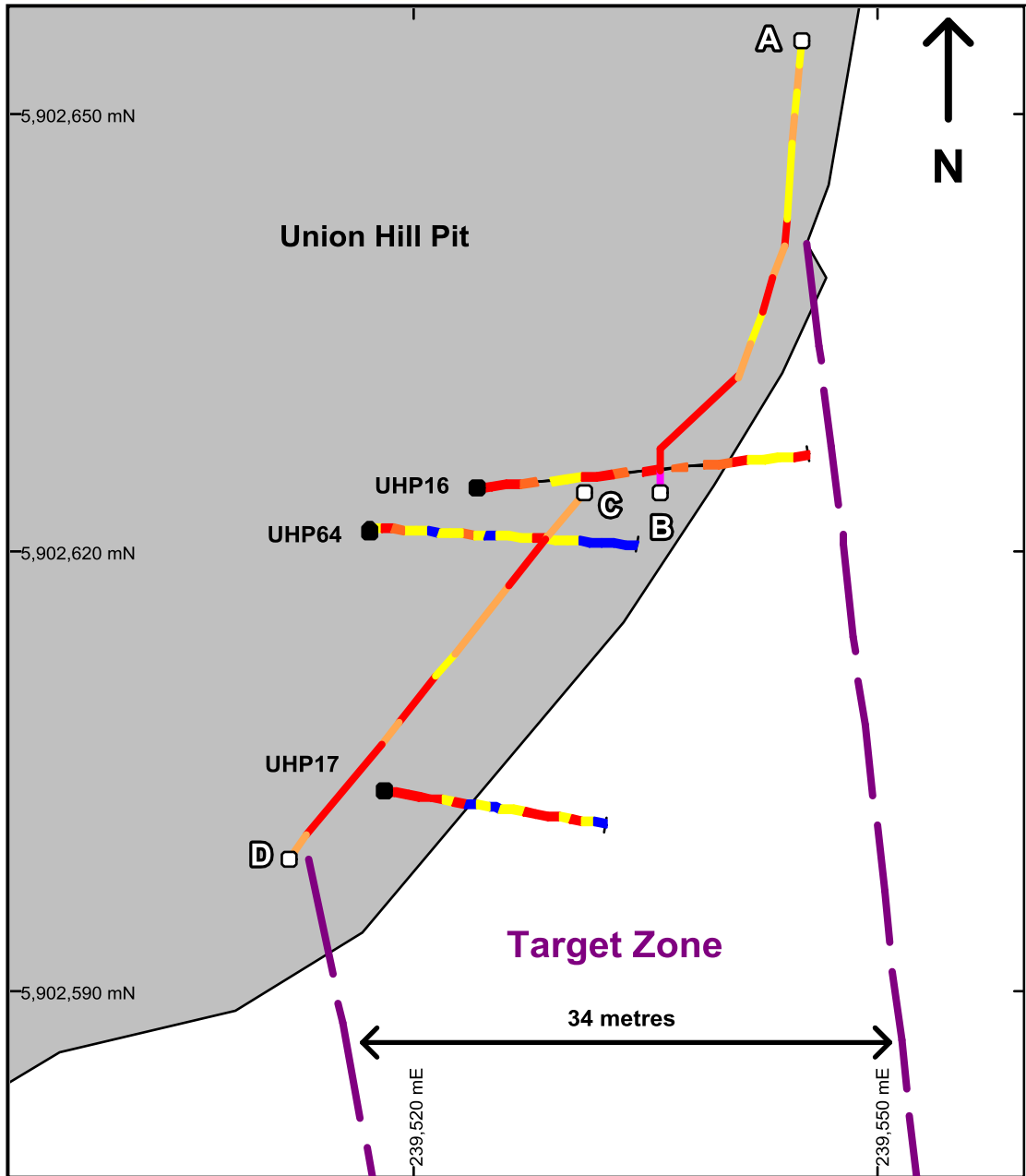


Figure 2: Union Hill open pit: Pit wall channel sampling results with historic drilling results and exploration target zone

- Legend-
- Blue lines: no significant assay result
 - Yellow lines: 0.1 – 0.5 g/t Au
 - Orange lines: 0.5 – 1.0 g/t Au
 - Red lines: 1.0 – 5.0 g/t Au
 - Cyan lines: > 5.0 g/t Au
 - Purple lines: exploration target zone

Table 1.					
Union Hill Open Pit: Channel Sample Assay Results					
Channel_ID	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
Channel A-B	0.0	2.0	2.0	0.2	Location A
	2.0	4.0	2.0	0.5	
	4.0	6.0	2.0	0.4	
	6.0	8.0	2.0	0.6	
	8.0	10.0	2.0	0.3	
	10.0	12.0	2.0	0.3	
	12.0	14.0	2.0	0.3	
	14.0	16.0	2.0	1.5	Location A1
	16.0	18.0	2.0	0.7	
	18.0	20.0	2.0	1.1	Location A2
	20.0	22.0	2.0	0.4	
	22.0	24.0	2.0	0.8	
	24.0	26.0	2.0	1.1	
	26.0	28.0	2.0	1.5	Location A3
	28.0	30.0	2.0	2.8	
	30.0	31.5	1.5	2.8	
	31.5	33.5	2.0	3.0	Location B
	33.5	35.5	2.0	7.9	
Significant Result inc.	14.0	35.5	21.5	2.1	~11.5m true width
	24.0	35.5	11.5	3.2	~6.5m true width
Channel C-D	0.0	2.0	2.0	0.8	Location C
	2.0	4.0	2.0	0.8	
	4.0	6.0	2.0	1.5	
	6.0	8.0	2.0	1.0	
	8.0	10.0	2.0	1.0	
	10.0	12.0	2.0	0.7	
	12.0	14.0	2.0	0.6	
	14.0	16.0	2.0	0.4	
	16.0	18.0	2.0	1.2	
	18.0	20.0	2.0	2.1	
	20.0	22.0	2.0	0.8	
	22.0	24.0	2.0	1.0	
	24.0	26.0	2.0	4.1	
	26.0	28.0	2.0	1.2	
	28.0	30.0	2.0	1.1	
		30.0	32.0	2.0	0.5
Significant Result inc.	4.0	30.0	26.0	1.3	~18.0m true width
	16.0	30.0	14.0	1.6	~9.5m true width

Table 2.					
Union Hill Open Pit: Channel Sample Locations					
Location	Northing_MGA	Easting_MGA	RL	Dip	Comments
Location A	5902655	239545	362	0	Start Channel A-B
Location A1	5902641	239544	362	0	
Location A2	5902632	239541	362	0	
Location A3	5902627	239536	362	0	
Location B	5902624	239536	362	0	End Channel A-B
Location C	5902624	239531	362	0	Start Channel C-D
Location D	5902599	239512	362	0	End Channel C-D

Table 3.					
Union Hill South: Historic Percussion Drilling Assay Results					
Hole_ID	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
EP13				NSA	
EP14	0.0	1.0	1.0	1.3	
	6.0	7.0	1.0	2.7	
	15.0	24.0	9.0	13.4	
inc.	15.0	18.0	3.0	38.7	
UHP16	0.0	33.5	33.5	1.0	All of hole
UHP17	0.0	25.9	25.9	1.3	
inc.	0.0	10.7	10.7	1.8	
UHP64	1.5	4.5	3.0	1.3	
	21.0	22.5	1.5	1.1	

Note - Results reported are down hole lengths as the true width is not known.

Table 4.						
Union Hill South: Historic Percussion Drill Hole Locations						
Hole_ID	Northing_MGA	Easting_MGA	RL	Azi_MGA	Dip	Depth
EP13	5902513.6	239526.6	356.0	85.4	-60.0	39.0
EP14	5902535.4	239541.9	355.6	81.4	-60.0	25.0
UHP16	5902624.4	239524.1	365.0	83.9	-50.0	33.5
UHP17	5902603.6	239518.1	362.7	98.9	-60.0	29.0
UHP64	5902621.7	239517.2	367.5	93.9	-60.0	34.5



Southeast wall of the Union Hill open pit (view south) [the current pit floor is back filled from underground mining]

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: Union Hill Open Pit 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 open pit mine wall. Approximately 3 kilogram samples collected from chest height over channel intervals ranging between 1.5 – 2.0 metres length.</p> <p>Samples routinely analysed for gold using the 40 gram Fire Assay Digest technique with an AAS finish.</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>	No geological logging completed.
<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>No routine duplicate sampling.</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>
<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>Channel sample start and end points were surveyed using a hand held GPS with accuracy of +/- 3 metres. The location of individual channel samples were measured from the start point using a tape measure. Channel have been plotted as straight lines, even though they were collected from a curved wall face, and a weighted correction factor applied based on start and end points, sample interval, and total tape measure length sampled.</p> <p>All channel sample locations are reported in GDA94, MGA Zone 55 coordinates.</p>
<i>Data spacing and distribution</i>	<p>One level of the pit wall was sampled over 1.5 to 2.0 metre intervals.</p> <p>Channel sample results are composited to report the estimated grade over the length sampled.</p>
<i>Orientation of data in relation to geological structure</i>	<p>The channel sampling was completed at an angle to the known strike of the reef zone. Consequently, the true width of individual samples is less than the sampled length. The estimated true width for significant assay results are reported in Table 1 and in the text of the report.</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 this type of sampling.
<i>Audits or reviews</i>	<p>There have been no audits of the 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 Union Hill open pit 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 Union Hill open pit was mined by Triad Minerals NL between 1988 and 1992.
<i>Geology</i>	The Union Hill open pit exploited near-surface gold associated with the Eaglehawk and Linscotts reefs in the Central Maldon Shear Zone. The gold-bearing reefs of the Central Maldon Shear Zone are narrow vein orogenic Ordovician slate belt hosted gold deposits located within the Bendigo Zone of the Western Lachlan Orogen in Central Victoria. 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.
<i>Drill hole Information</i>	For sample location information see Table 2.
<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>	The channel sampling was completed at an angle to the known strike of the reef zone. Consequently, the true width of individual samples is less than the sampled length. The estimated true width for significant assay results are reported in Table 1 and in the text of the report.
<i>Diagrams</i>	See Figures 1 and 2.
<i>Balanced reporting</i>	Assay results are provided for all open pit wall channel samples discussed in this report. A summary of all assay results from channel samples collected is provided in Figure 2.
<i>Other substantive exploration data</i>	Refer to historic percussion drilling results Table 1 Report following.
<i>Further work</i>	Reverse circulation drilling is required to test the southern extent of near-surface gold potentially amenable to open pit mining. See Figures 1 and 2.

JORC Code, 2012 Edition – Table 1 Report: Union Hill South Historic Drilling Results

Section 1 Sampling Techniques and Data

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

Criteria	Commentary
<i>Sampling techniques</i>	Percussion drilling chips. Sample collection technique is unknown.
<i>Drilling techniques</i>	Percussion drilling. It is unknown if a cross-over sub was used or if the holes were drilled open hole.
<i>Drill sample recovery</i>	Unknown.
<i>Logging</i>	All drilling chips geologically logged for lithology and quartz style and content. Quartz content is a visual estimate.
<i>Sub-sampling techniques and sample preparation</i>	Unknown.
<i>Quality of assay data and laboratory tests</i>	Samples are thought to have been analysed using the Fire Assay Digest technique with an AAS finish. Original laboratory assay results cannot be located to confirm this.
<i>Verification of sampling and assaying</i>	Unknown. The data was located in the Company's digital drilling database.
<i>Location of data points</i>	It is believed that the drill holes were located using a qualified surveyor, however original survey reports cannot be located. The data would have been collected in AMG84, Zone 55 coordinates. These coordinates have been converted to GDA94, MGA Zone 55 coordinates. No down-hole surveys appear to have been completed.
<i>Data spacing and distribution</i>	The data was located in the Company's digital drilling database. Reports relating to the historic drilling cannot be located. As such, the data is not of sufficient quality for resource estimation. Drill hole assay results are composited to report the down hole length weighted average grade.
<i>Orientation of data in relation to geological structure</i>	The drill holes dip between -50 and -60 degrees towards the east and are oriented close to perpendicular to the mineralised zone that is near-vertical to steep west-dipping. There is no known bias in the orientation of this sampling.
<i>Sample security</i>	Unknown.
<i>Audits or reviews</i>	There have been no known audits of the drill hole data reported. The data has been reviewed by Anthony Gray who is the Competent Person that compiled the information for this report.

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 Union Hill open pit 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 Union Hill open pit was mined by Triad Minerals NL between 1988 and 1992.
<i>Geology</i>	The Union Hill open pit exploited near-surface gold associated with the Eaglehawk and Linscotts reefs in the Central Maldon Shear Zone. The gold-bearing reefs of the Central Maldon Shear Zone are narrow vein orogenic Ordovician slate belt hosted gold deposits located within the Bendigo Zone of the Western Lachlan Orogen in Central Victoria. 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.
<i>Drill hole Information</i>	See Table 4.
<i>Data aggregation methods</i>	All reported grades have been length weighted. 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>	Down hole lengths are reported as the true width is not known.
<i>Diagrams</i>	See Figures 1 and 2.
<i>Balanced reporting</i>	Significant assay results are provided in Table 3 for all historic drill holes located in the area of interest.
<i>Other substantive exploration data</i>	No other substantive exploration data.
<i>Further work</i>	Reports relating to the historic drilling cannot be located. As such, the data is not of sufficient quality for resource estimation. Reverse circulation drilling is required to test the southern extent of near-surface gold potentially amenable to open pit mining. See Figures 1 and 2.