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ASX CODE: ORS

Market Cap.: \$20.0 m (\$0.20 p/s)

Shares on issue: 100,048,002

Cash: \$6.01 m (31 December 2011)

DIRECTORS

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

Specimen Reef RC Drilling Results, Dunolly East, Victoria

- **33 hole RC drilling program, totalling 2,076 metres, completed at Specimen Reef in Central Victoria**
- **Define gold mineralisation in area where previous drilling intersected 3 metres grading 22.8 g/t Au from 41 metres, 7 metres grading 4.8 g/t Au from 24 metres, 4 metres grading 2.9 g/t Au from 46 metres, 5 metres grading 2.3 g/t Au from 23 metres, and 9 metres grading 2.1 g/t Au from 6 metres**
- **Drilling program intersects gold mineralisation over 440 metres strike length and to 60 vertical metres depth**
- **Significant assay results include:**
 - ▶ **4 metres grading 5.1 g/t Au from 22 metres**
 - ▶ **2 metres grading 10.3 g/t Au from 49 metres**
 - ▶ **5 metres grading 3.9 g/t Au from 48 metres**
 - ▶ **2 metres grading 8.6 g/t Au from 73 metres**
 - ▶ **1 metre grading 13.0 g/t Au from 31 metres**
 - ▶ **3 metres grading 5.4 g/t Au from 29 metres**
 - ▶ **1 metre grading 12.3 g/t Au from 54 metres**
 - ▶ **5 metres grading 2.2 g/t Au from 18 metres**
- **Gold mineralisation unconstrained by drilling to the north, south, and down dip**
- **Interim mineral resource estimate to be calculated to allow for the application of a Mining Licence**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce the results of an infill and extensional Reverse Circulation (“RC”) drilling program recently completed at the Specimen Reef, Dunolly East, in Central Victoria.

The purpose of this drilling program was to assess the extent of near-surface gold mineralisation in the area where drilling in July 2011 intersected 3 metres grading 22.8 g/t Au from 41 metres, 7 metres grading 4.8 g/t Au from 24 metres, 4 metres grading 2.9 g/t Au from 46 metres, 5 metres grading 2.3 g/t Au from 23 metres, and 9 metres grading 2.1 g/t Au from 6 metres and provide sufficient drilling data to support a mining licence application.

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Specimen Reef

The Specimen Reef is located within the Dunolly East Project, 30 kilometres to the west of the Company's Porcupine Flat gold processing plant at Maldon.

The target area consists of two parallel quartz reefs (Specimen Reef and Doctor's Reef) that can be traced over greater than 1,000 metres strike length. Both reefs strike north-south and occur as discrete medium to wide quartz veins with associated stock work stringer vein zone envelopes. The Specimen Reef dips steeply both to the east and west. The reef is characterised by a strongly developed stringer zone up to 7 metres wide with massive veins greater than 0.5 metres wide.

In July 2011 Octagonal completed a 14 hole RC drilling program (SRRC01 to SRRC14), totalling 573 metres, to test for near surface gold mineralisation that could potentially provide short term feed to the Porcupine Flat gold processing plant.

This drilling program intersected wide zones of quartz reef with significant assay results extending over 240 metres strike length and to 30 metres depth including **3 metres grading 22.8 g/t Au from 41 metres in SRRC02, 4 metres grading 2.9 g/t Au from 46 metres in SRRC04, 7 metres grading 4.8 g/t Au from 24 metres in SRRC05, 5 metres grading 2.3 g/t Au from 23 metres in SRRC07, and 9 metres grading 2.1 g/t Au from 6 metres in SRRC11.**

The aim of the recent drilling program was to assess the extent of near-surface gold mineralisation in the area of previous drilling and to provide sufficient drilling data to support a mining licence application.

33 RC holes (SRRC15 to SRRC47), totalling 2,076 metres, were drilled to infill and extend the previous drilling over 440 metres strike length and to a depth of 60 vertical metres using a 20 metre by 20 metre spaced grid (Figure 1).

This drilling has continued to intersect wide zones of quartz reef with significant assay results including;

- ▶ **1 metre grading 13.0 g/t Au from 31 metres in SRRC20**
- ▶ **1 metre grading 12.3 g/t Au from 54 metres in SRRC27**
- ▶ **4 metres grading 5.1 g/t Au from 22 metres in SRRC29**
- ▶ **2 metres grading 10.3 g/t Au from 49 metres in SRRC30**
- ▶ **2 metres grading 8.6 g/t Au from 73 metres in SRRC31**
- ▶ **5 metres grading 3.9 g/t Au from 48 metres in SRRC37**
- ▶ **3 metres grading 5.4 g/t Au from 29 metres in SRRC42**
- ▶ **5 metres grading 2.2 g/t Au from 18 metres in SRRC47**

All assay results returned from this drilling program are listed in Table 1 and drill hole details are provided in Table 2.

Figure 2 illustrates a long-section displaying the distribution of gold mineralisation intersected in all RC drilling completed at the Specimen Reef. Significantly, gold mineralisation has been identified over the full 440 metre strike length tested and remains unconstrained by drilling to the north, south, and down dip.

The results from this drilling program confirm the potential for the Specimen Reef to host near surface gold mineralisation amenable to open pit mining and the Company has commenced an interim mineral resource estimate to support a mining licence application before continuing further extensional drilling.

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

Competent Persons Statement

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.

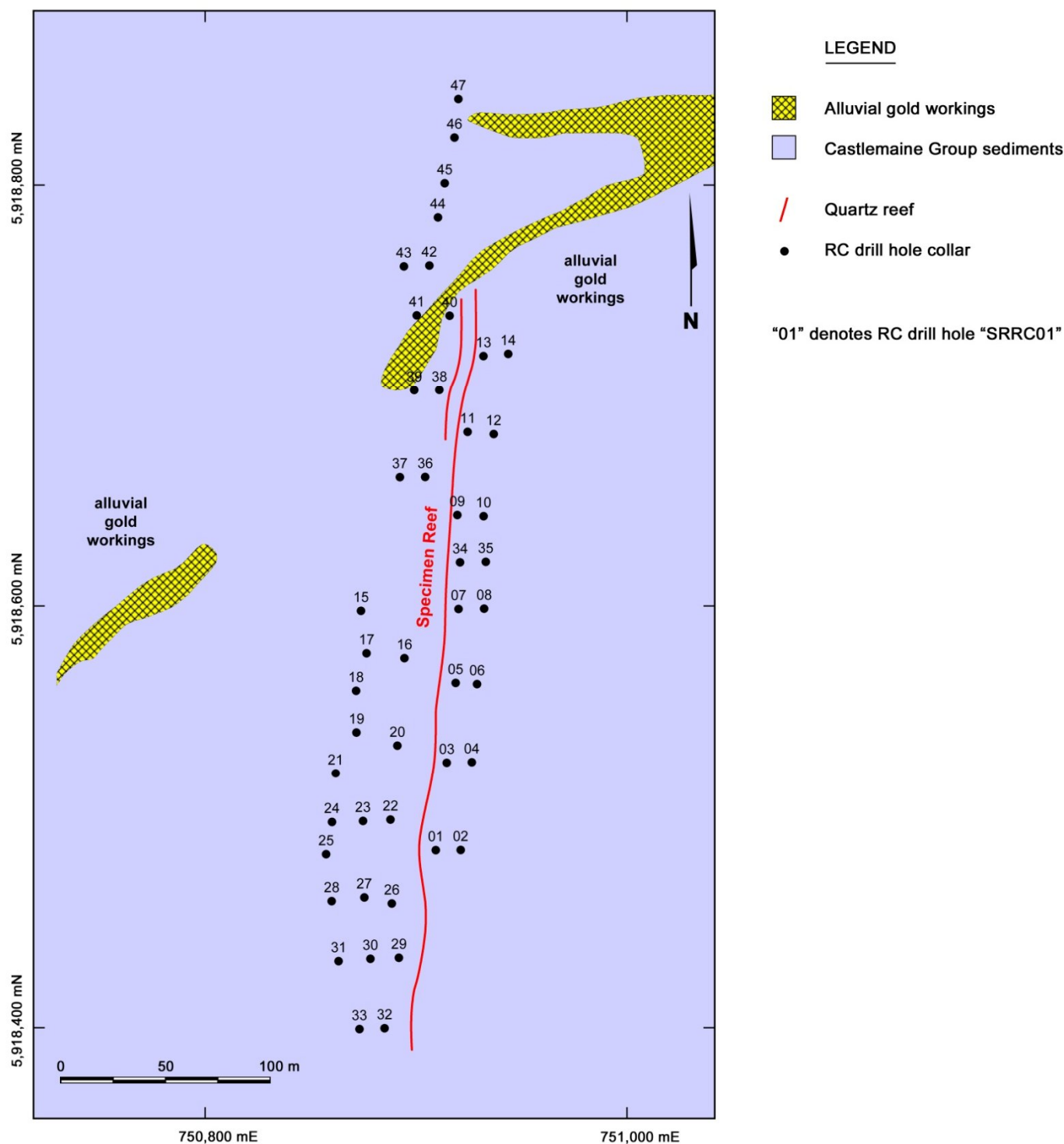


Figure 1. Specimen Reef: Reverse circulation drill hole location plan

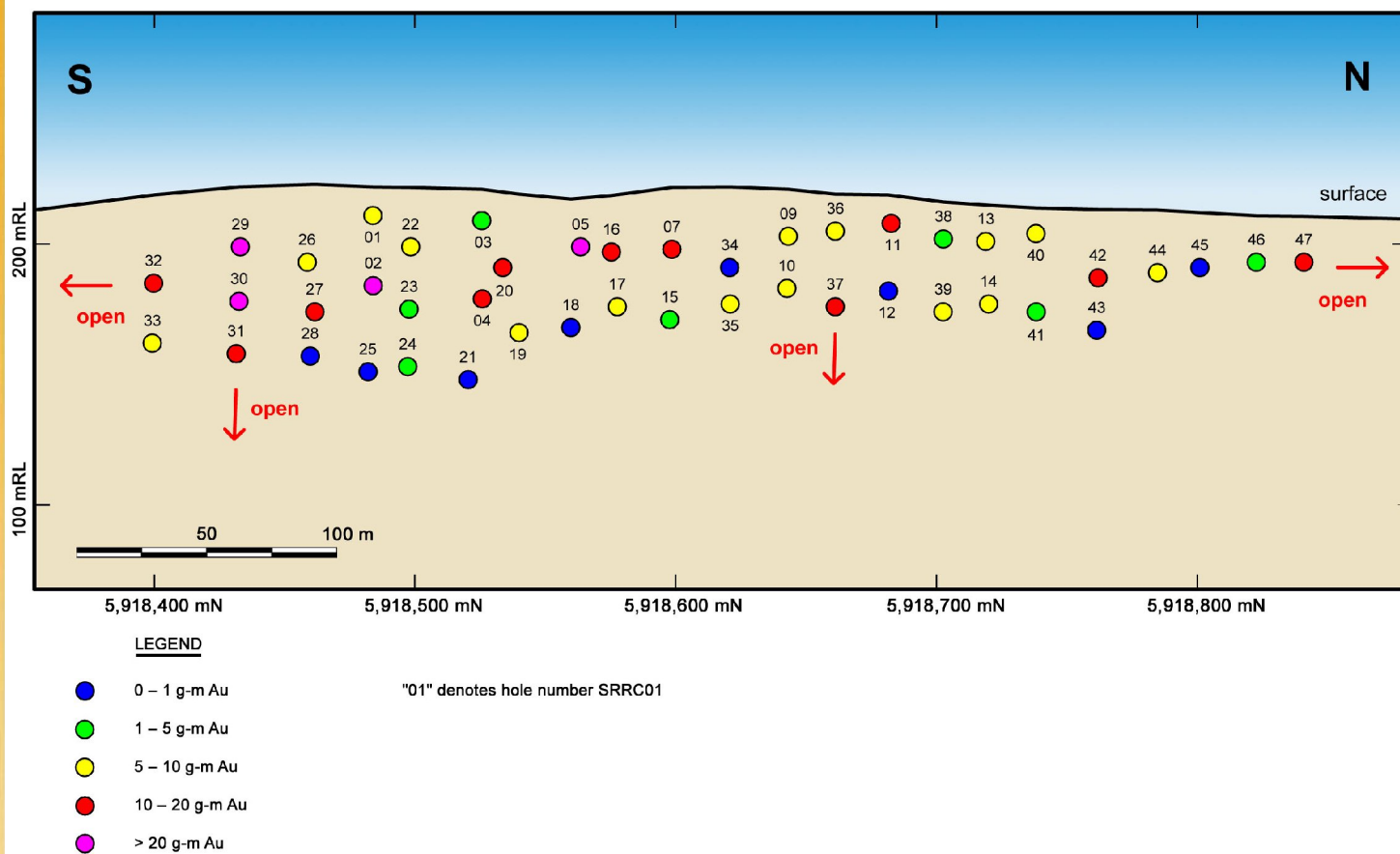


Figure 2. Specimen Reef: Long-section of reverse circulation drilling results



Reverse circulation drilling at the Specimen Reef

Table 1. Specimen Reef: Significant Assay Results				
Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
SRRC015	52	53	1.0	1.4
SRRC016	23	33	10.0	1.2
inc.	23	25	2.0	4.3
SRRC017	43	49	6.0	1.6
SRRC018				NSA
SRRC019	59	62	3.0	1.8
SRRC020	31	32	1.0	13.0
SRRC021	10	11	1.0	1.1
SRRC022	25	26	1.0	5.0
SRRC023	51	55	4.0	1.2
SRRC024	78	79	1.0	2.0
SRRC025				NSA
SRRC026	31	32	1.0	6.7
SRRC027	54	55	1.0	12.3
SRRC028				NSA
SRRC029	22	26	4.0	5.1
SRRC030	49	51	2.0	10.3
SRRC031	73	75	2.0	8.6
SRRC032	38	40	2.0	5.5
SRRC033	65	66	1.0	5.3
SRRC034	1	2	1.0	1.3
SRRC035	50	57	7.0	1.3
SRRC036	15	17	2.0	4.0
SRRC037	48	53	5.0	3.9
SRRC038	15	17	2.0	2.0
	22	24	2.0	1.1
SRRC039	46	52	6.0	1.1
SRRC040	9	13	4.0	2.3
SRRC041	35	36	1.0	1.2
	44	46	2.0	1.1
	65	66	1.0	1.8
SRRC042	29	32	3.0	5.4
SRRC043				NSA
SRRC044	26	29	3.0	1.9
SRRC045				NSA
SRRC046	20	21	1.0	2.9
SRRC047	0	1	1.0	1.3
	18	23	5.0	2.2

Notes:

1. Every metre drilled routinely split.
2. Every second metre analysed for gold over 1 metre intervals.
3. Samples containing greater than 0.1 g/t gold infill sampled and analysed over 1 metre intervals to complete 1 metre sampling over anomalous zones.
4. Analysis conducted by Gekko Assay Laboratory (Ballarat Laboratory). Analysis completed using the 2 kg Leachwell technique with determination by AAS. The residue of all samples containing greater than 1 g/t Au was routinely filtered, washed and dried for analysis using the Fire Assay technique with determination by AAS.
5. "inc." denotes "including", "NSA" denotes "no significant assay result greater than 1.0 g/t Au"

Table 2. Specimen Reef: Reverse Circulation Drill Hole Details						
Hole No.	Northing (MGA)	Easting (MGA)	mRL	Azimuth (MGA)	Dip	Depth (m)
SRRC001	5918484	750909	222	268	-59	30
SRRC002	5918484	750921	221	268	-62	54
SRRC003	5918526	750915	221	266	-61	30
SRRC004	5918526	750926	221	271	-63	50
SRRC005	5918563	750919	221	273	-61	33
SRRC006	5918563	750929	221	273	-64	51
SRRC007	5918599	750920	222	267	-61	33
SRRC008	5918599	750932	222	270	-63	50
SRRC009	5918643	750920	221	270	-62	28
SRRC010	5918643	750932	221	268	-62	51
SRRC011	5918683	750925	219	273	-60	30
SRRC012	5918682	750937	219	275	-64	50
SRRC013	5918719	750932	215	259	-60	30
SRRC014	5918720	750944	215	263	-62	54
SRRC015	5918598	750874	218	87	-62	62
SRRC016	5918575	750895	219	91	-62	40
SRRC017	5918578	750877	217	97	-63	65
SRRC018	5918560	750872	217	91	-62	71
SRRC019	5918540	750872	219	101	-61	65
SRRC020	5918534	750891	219	97	-64	40
SRRC021	5918520	750862	221	90	-66	90
SRRC022	5918498	750888	222	87	-63	46
SRRC023	5918498	750875	222	95	-62	65
SRRC024	5918497	750860	222	87	-64	92
SRRC025	5918482	750857	223	87	-63	92
SRRC026	5918459	750889	221	93	-64	41
SRRC027	5918462	750876	223	90	-66	62
SRRC028	5918460	750860	223	90	-62	92
SRRC029	5918433	750892	220	91	-64	40
SRRC030	5918433	750878	222	94	-64	62
SRRC031	5918432	750863	222	91	-63	92
SRRC032	5918400	750885	219	88	-62	47
SRRC033	5918399	750873	219	95	-60	68
SRRC034	5918621	750921	222	266	-63	56
SRRC035	5918621	750933	221	270	-62	71
SRRC036	5918661	750904	219	91	-61	50
SRRC037	5918661	750892	218	90	-62	65
SRRC038	5918703	750911	216	90	-59	47
SRRC039	5918702	750899	215	87	-62	71
SRRC040	5918738	750916	213	92	-63	47
SRRC041	5918738	750900	214	91	-62	80
SRRC042	5918762	750906	213	91	-62	42
SRRC043	5918761	750894	215	89	-61	60
SRRC044	5918785	750910	213	91	-62	65
SRRC045	5918801	750914	212	94	-61	68
SRRC046	5918823	750918	211	90	-60	62
SRRC047	5918841	750920	211	91	-62	60

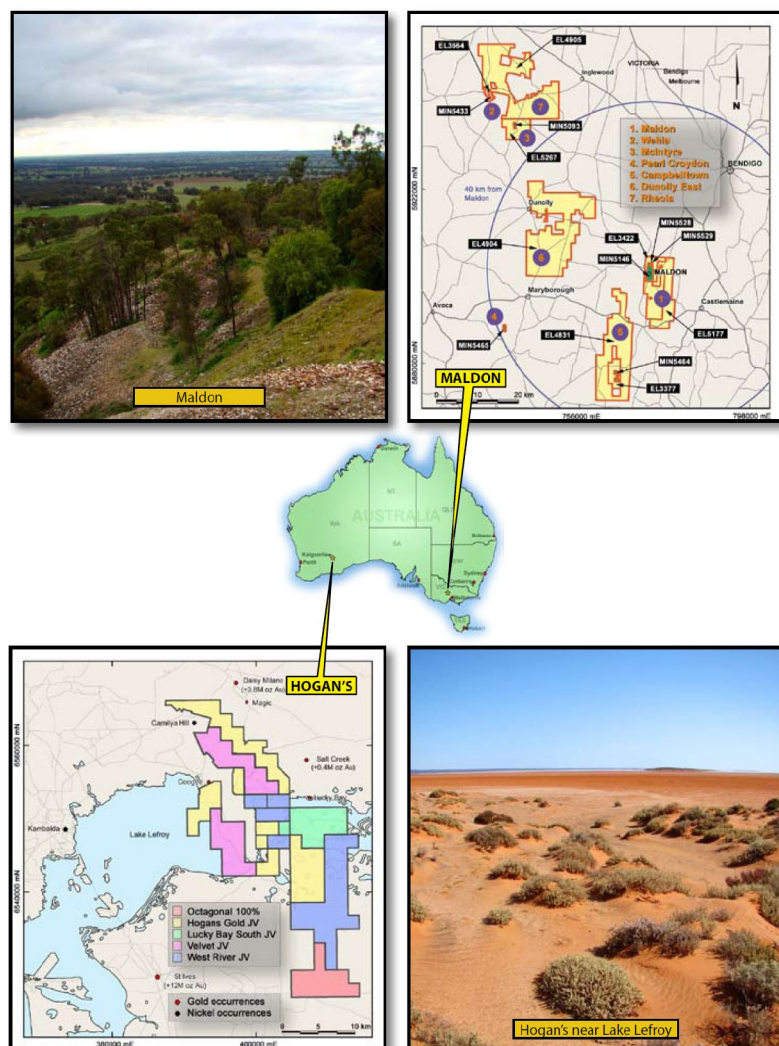
About Octagonal Resources

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 commenced underground gold mining operations at Maldon in the fourth quarter of 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