

19 January 2012

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Market Cap.: \$13.0 m (\$0.13 p/s)

Shares on issue: 100,048,002

Cash: \$7.56 m (30 September 2011)

BOARD & MANAGEMENT

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

MAJOR SHAREHOLDERS

Alliance Resources – 22.0%

Abbotsleigh – 15.2%

Newmont – 8.0%

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Aircore Drilling Re-commences at the Hogan's Project, Western Australia

- **Aircore drilling has re-commenced at the Hogan's Project in Western Australia**
- **4,000 metre drilling program to better define gold in regolith anomalism at the Sideshow and Quimby prospects**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that a 4,000 metre infill aircore drilling program has commenced at the Sideshow and Quimby prospects, located within the Hogan's Project, in Western Australia.

The Hogan's Project is located 70 kilometres southeast of Kalgoorlie and directly east of the 12 million ounce St Ives Goldfield.

Octagonal is earning up to 80% equity in the project which overlies 490 km² of highly prospective Archaean greenstone and is located within an emerging gold producing district, being situated adjacent to the south of the Daisy Milano Mine and Magic Prospect, owned by Silver Lake Resources, and the Salt Creek Mine and Lucky Bay Prospect, discovered by Integra Mining (Figure 1).

The weathered profile of the Hogan's area makes it amenable to exploration techniques developed and successfully applied during the 1990's to explore for gold deposits in areas with widespread shallow alluvial cover.

The current aircore drilling program is designed to better define gold in regolith (weathered Archaean rock) anomalism intersected by aircore drilling during 2011 by using an 80 metre by 320 metre spaced grid.

Sideshow Prospect

The Sideshow Prospect is defined by a series of northwest trending thrust repeated banded iron formation units (that display a high magnetic signature) with west-northwest orientated dilational flexures located adjacent to the Mt Monger Fault. The exploration target in this area is gold mineralisation associated with the sulphidation of iron formation units similar to Hill 50 and the nearby Randalls Mining Centre. This exploration target model is supported by aeromagnetic data in which magnetite depletion of iron formation units corresponds with the intersection of cross-cutting structures.

Wide spaced aircore drilling, using a combination of 160 metre by 640 metre and 160 metre by 320 metre spaced grids, has identified three significant gold anomalous trends in weathered Archaean rocks that correlate with second and third order structures related to the Mt Monger Fault. Two anomalies strike west-northwest whereas the third strikes east-west. The largest anomaly is semi-continuous over 2.5 kilometres.

Seventy aircore holes, totalling 2,900 metres, will be drilled at the Sideshow Prospect to better define all three gold anomalous trends over a 3.7 kilometre strike length (Figure 2).

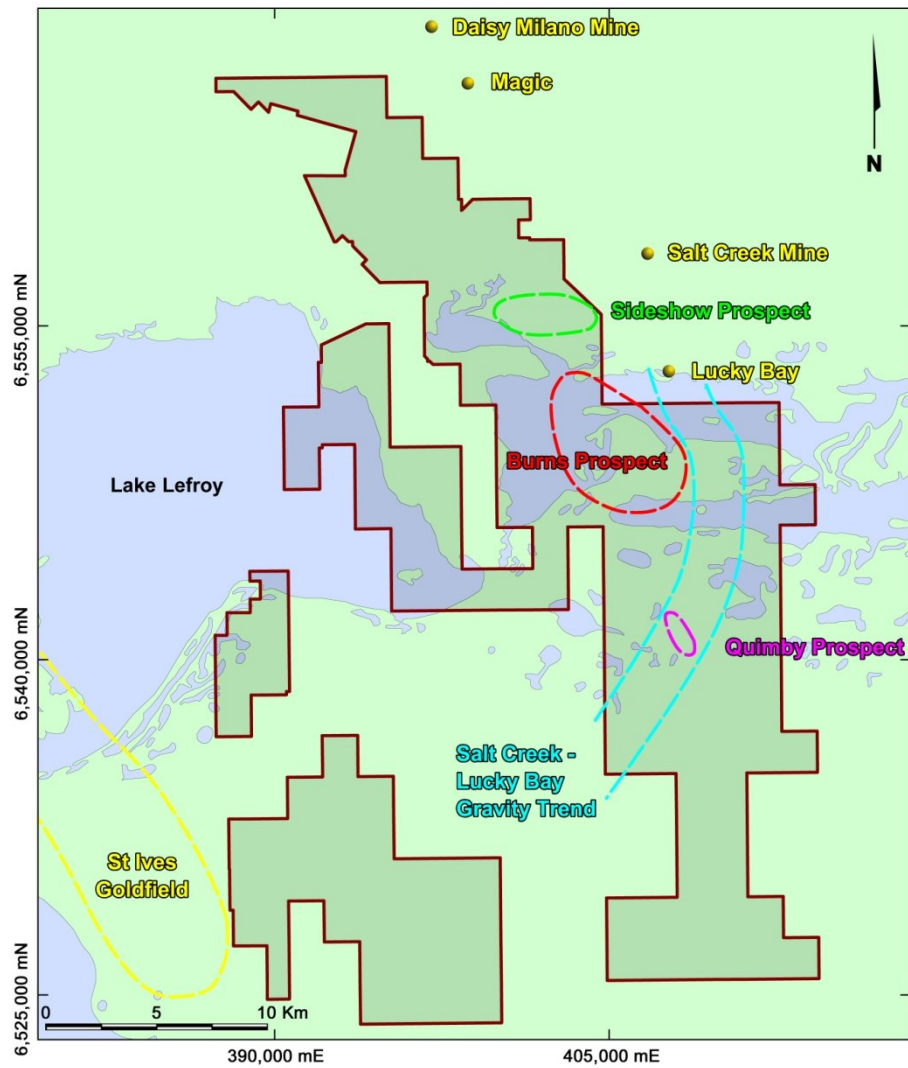


Figure 1. Hogan's Project: Exploration target location plan

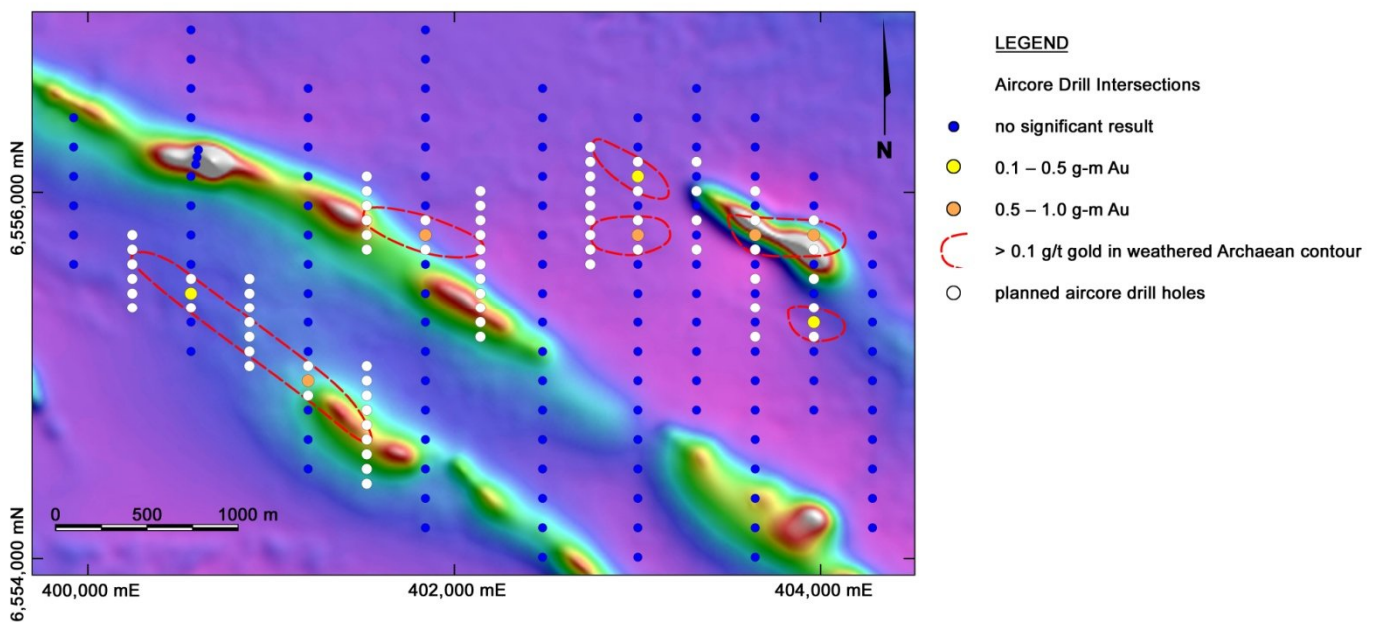


Figure 2. Sideshow Prospect: Planned aircore drill hole location plan with gold in regolith anomalism on an aeromagnetic image

Quimby Prospect

The Quimby Prospect was identified by 160 metre by 640 metre spaced regional aircore drilling during 2011 while testing along the Salt Creek - Lucky Bay Gravity Trend. This prospect is hosted within meta-sedimentary rocks adjacent to the west of a highly-magnetic banded iron formation unit and is defined by two aircore holes that returned anomalous gold in regolith results that strike northwest and extend over 1.3 kilometres.

Thirty aircore holes, totalling 1,100 metres, will be drilled at the Quimby Prospect to better define this gold in regolith anomaly (Figure 3).

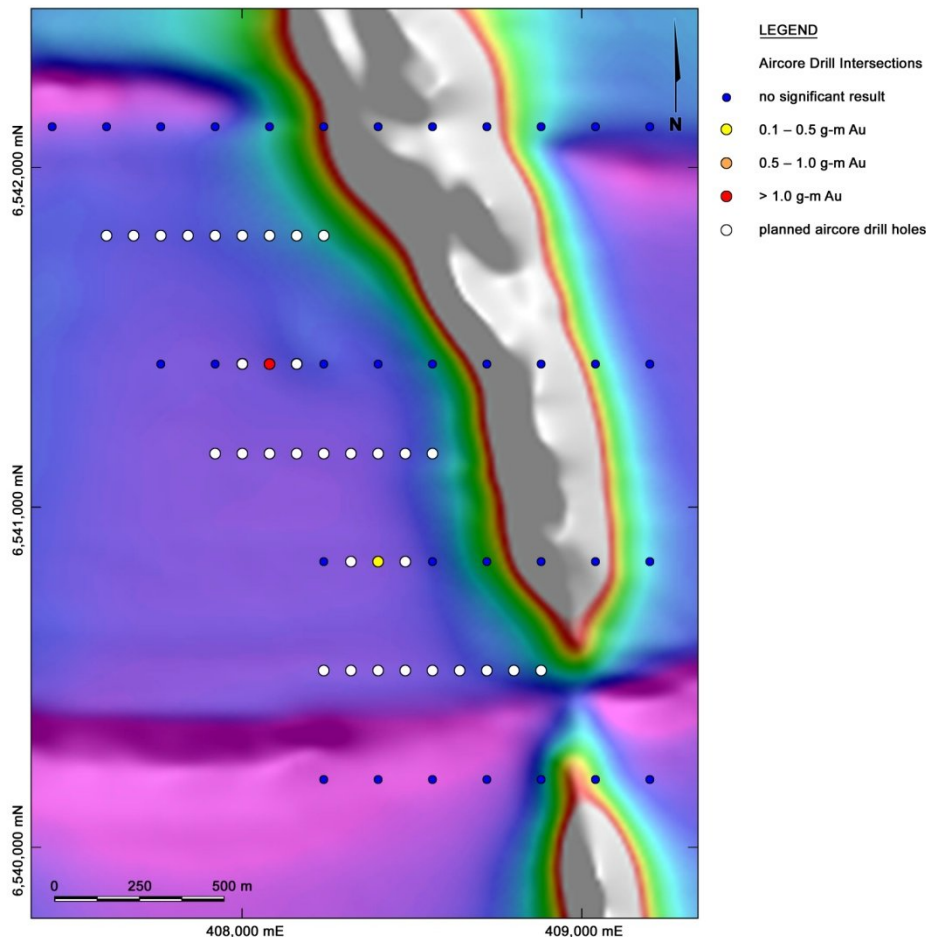


Figure 3. Quimby Prospect: Planned aircore drill hole location plan with gold in regolith anomalism on an aeromagnetic image

Drilling results from the Sideshow and Quimby prospects will be announced at the earliest possible opportunity.

Additional information relating to Octagonal and its various 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

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.

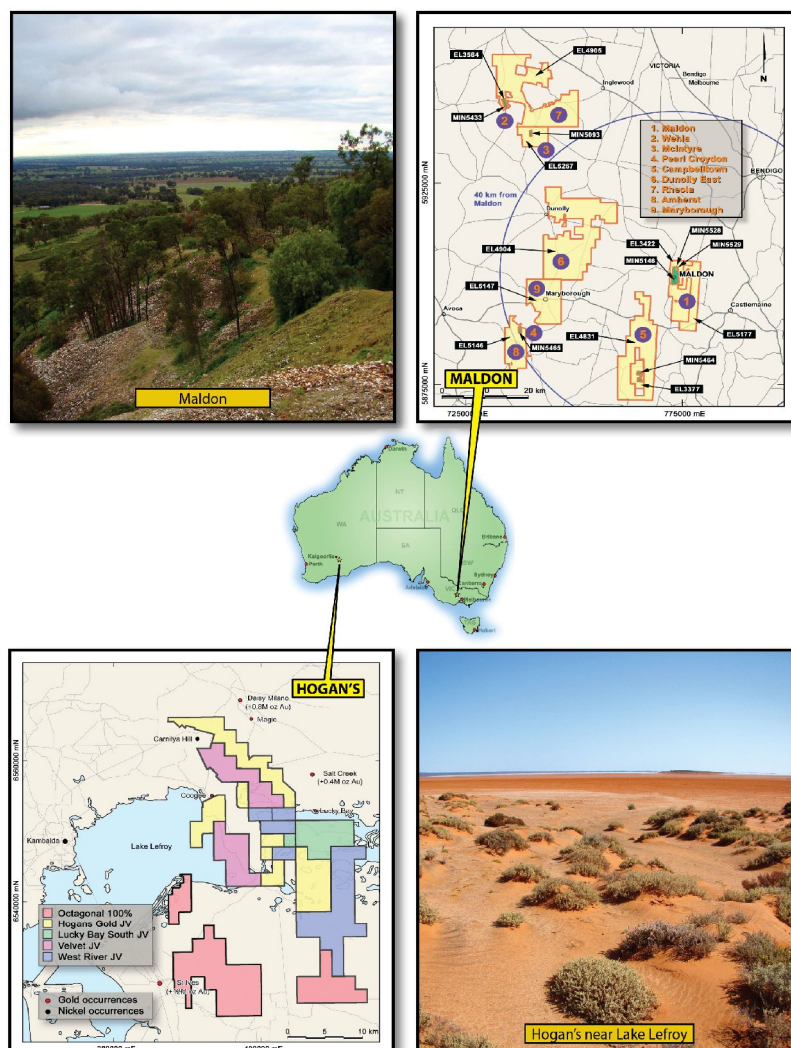
About Octagonal Resources

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 is exploring priority exploration target areas that display 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