

**3 October 2014**

No. of Pages: 4

**ASX CODE: ORS**

Market Cap.: \$4.4 m (\$0.026 p/s)  
Shares on issue: 169,672,726  
Cash: \$2.3 m (30 June 2014)  
Debt: \$0.0 m (30 June 2014)

**DIRECTORS**

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

**MAJOR SHAREHOLDERS**

Abbotsleigh – 18.7%  
Alliance Resources – 13.0%  
Denman Income – 5.9%  
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 Deposit Intersected on 1080 Level, Maldon in Central Victoria**

- **Eaglehawk Reef intersected by cross-cut on 1080 level of the Alliance South Deposit**
- **Strike driving commenced to develop high-grade gold shoots on the Eaglehawk and Western reefs**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that the Eaglehawk Reef has been intersected by mine development on the 1080 level of the Alliance South Deposit at Maldon in Central Victoria.

Mine development has intersected the Eaglehawk Reef in an area where diamond drill hole DDH107 returned 3.05 metres grading 6.6 g/t Au associated with visible gold (Figure 1).

The Company has commenced strike driving to the north and south of the cross-cut to develop high-grade gold shoots on the Eaglehawk and Western reefs and will report face channel sampling and truck sampling results as they become available.

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.**

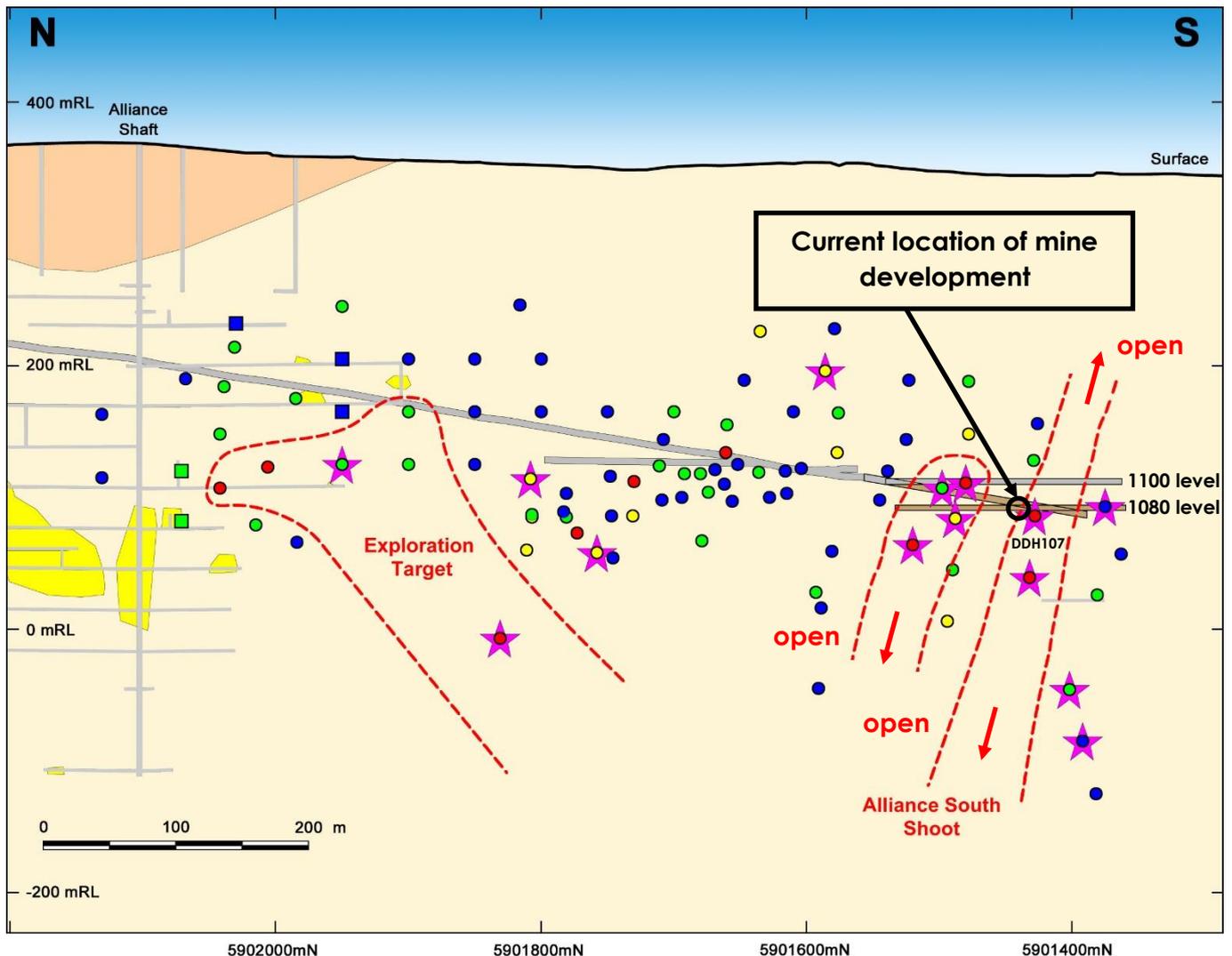


*Eaglehawk Reef: 1080 level cross-cut (view north)*

## Alliance South Deposit

The Alliance South Deposit is located on the Eaglehawk Reef at the southern end of the Central Maldon Shear Zone (Figure 1). 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.

During 2014 reef development on the 1100 level of the deposit identified two high-grade gold shoots (Figure 2). Face channel sampling defined a 38 metre long by 3.7 metre wide shoot grading 18.8 g/t Au on the Eaglehawk Reef (refer to ASX Announcement dated 17 February 2014) and a 30 metre long by 3.2 metre wide shoot grading 20.2 g/t Au on a parallel reef positioned 11 metres to the west of the Eaglehawk Reef and referred to as the Western Reef (refer to ASX Announcement dated 30 July 2014).



### LEGEND

- |  |  |
|--|--|
| <span style="color: blue;">●</span> Drill holes with no significant assay results        | <span style="color: red;">- - -</span> Exploration target areas                  |
| <span style="color: green;">●</span> Drill holes containing 1 – 5 g-m Au                 | <span style="color: grey;">—</span> Union Hill Decline                           |
| <span style="color: yellow;">●</span> Drill holes containing 5 – 10 g-m Au               | <span style="color: grey;">—</span> Planned mining development                   |
| <span style="color: red;">●</span> Drill holes containing > 10 g-m Au                    | <span style="color: grey;">—</span> Historic mine workings on the Eaglehawk Reef |
| <span style="color: magenta;">★</span> Drill holes containing visible gold intersections | <span style="color: yellow;">■</span> Historic stopes                            |
|  | <span style="color: orange;">■</span> Supergene zone                             |

Coloured squares represent holes that intersected old workings

Figure 1: Eaglehawk Reef: Longsection showing position of Union Hill decline relative to the Alliance South Shoot, planned mine development, and interpreted ore shoots

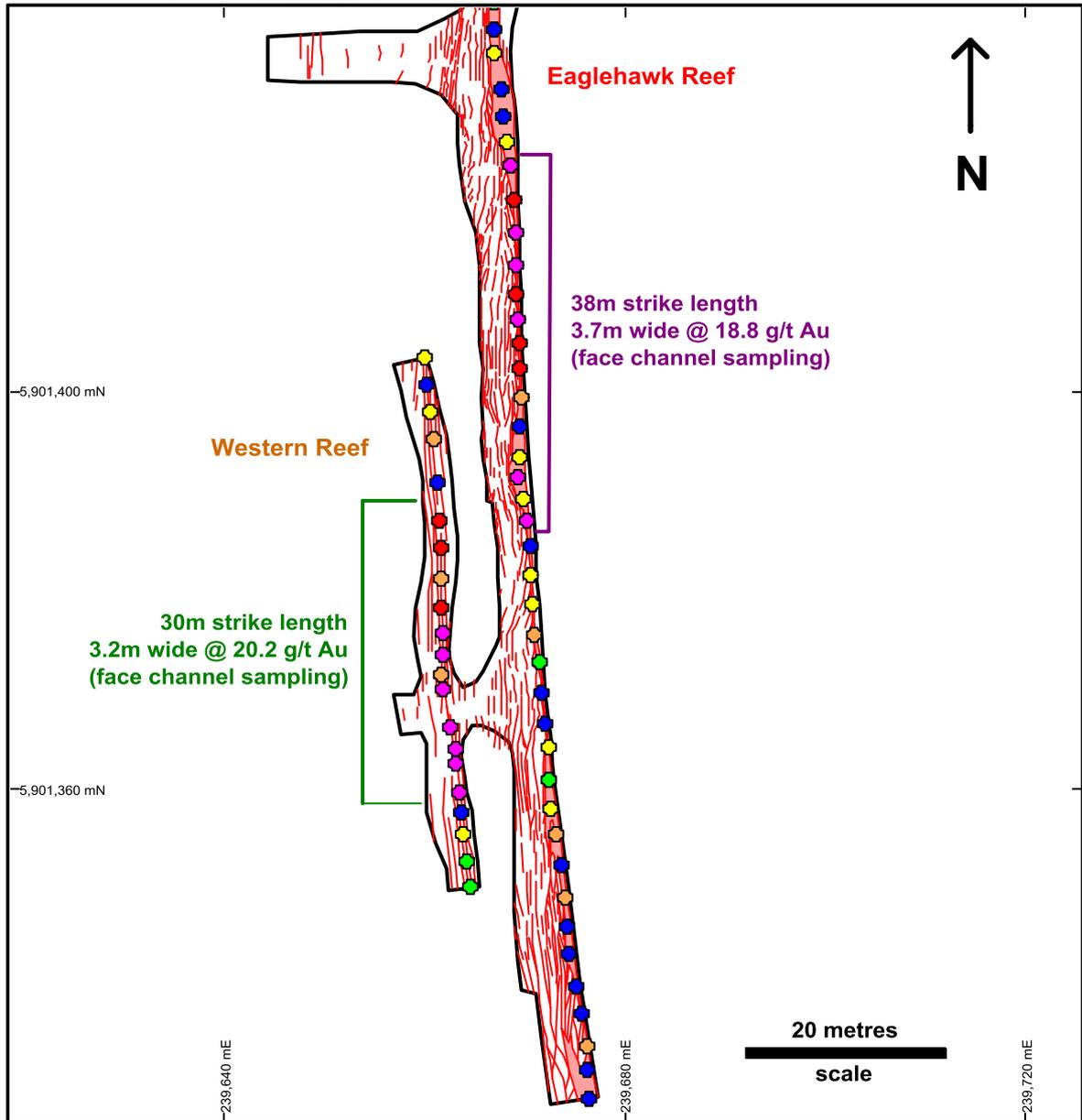


Figure 2: Plan of 1100 level reef development with undiluted face channel sample assay results

**Legend-**  
 Dots: face channel samples  
 Horizontal lines: sludge holes  
 Blue: no significant assay result  
 Green: 1 – 5 g-m Au  
 Yellow: 5 – 10 g-m Au  
 Orange: 10 – 20 g-m Au  
 Red: 20 – 50 g-m Au  
 Purple: > 50 g-m Au  
 Red lines: quartz reef and spurry veins

During the June quarter a 3,920 tonne bulk sample of underground ore from the 1100 level was processed at the Company's Porcupine Flat gold processing plant. This bulk sample reconciled poorly against face channel sampling results with an estimated feed grade of 3.0 g/t Au compared to an estimated grade of 10.9 g/t Au (uncut) or 5.5 g/t Au (20 g/t upper cut) determined by face channel sampling results (refer to ASX Announcement dated 30 July 2014).

In August an independent audit of the Company's metallurgical sampling and accounting practices confirmed that the poor reconciliation between mine and mill data could not be explained by incorrect metallurgical accounting or incorrect sampling of process streams (refer to ASX Announcement dated 3 September 2014) and Octagonal has since focussed its efforts on extending the Union Hill Decline to access the 1080 level of the deposit to collect a second bulk sample for processing and grade reconciliation.

The Eaglehawk Reef was intersected on the 1080 level of the Alliance South Deposit at the end of September (Figures 1 and 3) in an area where diamond drill hole DDH107 returned 3.05 metres grading 6.6 g/t Au associated with visible gold. The Western Reef was not identified in the cross-cut and is expected to be positioned to the south of the current development.

Strike driving to the north and south of the cross-cut on the Eaglehawk Reef has commenced using a minimum mining width, to reduce dilution, and sludge hole drilling will be used to test for the position of the Western Reef and other near-development mining opportunities.

The Company will complete detailed geological and structural mapping of the mine development to help interpret ore shoot geometry and collect both face channel samples and truck samples to determine the best grade estimation technique for comparison against processing of a bulk sample that is expected to commence during late November.

Face channel sampling and truck sampling results will be reported as they become available.

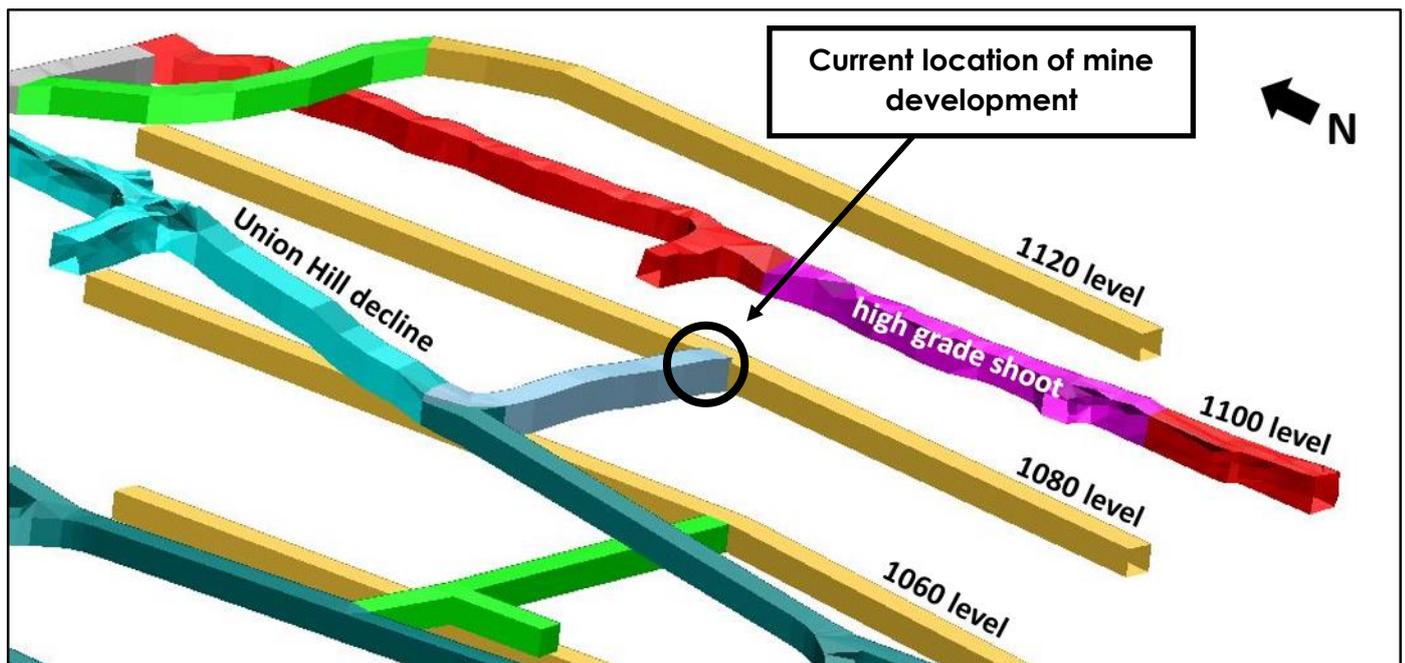


Figure 3: 3D Model of Alliance South mine development

**Legend-**

- Light blue polygons: existing decline
- Grey polygons: existing 1100 level cross-cut and planned 1080 level cross-cut
- Red polygons: low-grade 1100 level reef development on Eaglehawk Reef
- Purple polygons: high-grade 1100 level reef development on Eaglehawk Reef
- Teal blue polygons: planned decline
- Green polygons: planned cross-cuts
- Orange polygons: planned level development on Eaglehawk Reef

**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.