

15 May 2012

No. of Pages: 4

**ASX CODE: ORS**

Market Cap.: \$14.0 m (\$0.14 p/s)

Shares on issue: 100,048,002

Cash: \$3.97 m (31 March 2012)

**BOARD & MANAGEMENT**

Ian Gandel, Chairman

Anthony Gray, Managing Director

Ian Pamensky, Director

**MAJOR SHAREHOLDERS**

Alliance Resources – 22.0%

Abbotsleigh – 19.9%

JP Morgan Nominees – 9.5%

**PRINCIPAL OFFICE**

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## Specimen Reef Initial Resource Estimate Dunolly East, Victoria

- **Specimen Reef initial Inferred Mineral Resource estimated at 114,000 tonnes grading 2.9 g/t Au for 10,480 ounces of gold**
- **Deposit remains open along strike to the north, south, and down plunge**
- **Significant scope to increase size of the resource**
- **Initial estimate calculated to support mining licence application**
- **Deposit only 40 kilometres from the Company's Porcupine Flat gold processing facility at Maldon**

The Directors of Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) are pleased to announce that following two phases of reverse circulation drilling, totalling 47 holes for 2,650 metres, at the Specimen Reef located near Dunolly in Central Victoria an inaugural near-surface Inferred Mineral Resource for the deposit has been estimated at:

**114,000 tonnes grading 2.9 g/t Au for 10,480 ounces of gold**

This Mineral Resource estimate has been calculated within 10 months of the discovery of the deposit in July 2011 and was produced to allow for the application of a mining licence. The resource has been calculated over 440 metres strike length and to 60 vertical metres depth (Figure 1).

There is substantial scope to increase the size of the resource with additional drilling as gold mineralisation remains unconstrained by drilling along strike to the north, south, and down plunge.

Octagonal intends to complete further drilling at the Specimen Reef during the second half of 2012 while it awaits the approval of a mining licence application. This drilling will focus on identifying near-surface gold mineralisation that can be exploited using open pit mining techniques and transported to Maldon for processing at the Company's Porcupine Flat gold processing facility.

Significantly, the volume of ore already defined at Specimen Reef, if economically viable to mine, represents over 9 months full time feed for the Company's Porcupine Flat gold processing facility and would supplement ore produced from the Union Hill mine at Maldon that is currently being developed to access the Alliance South deposit.

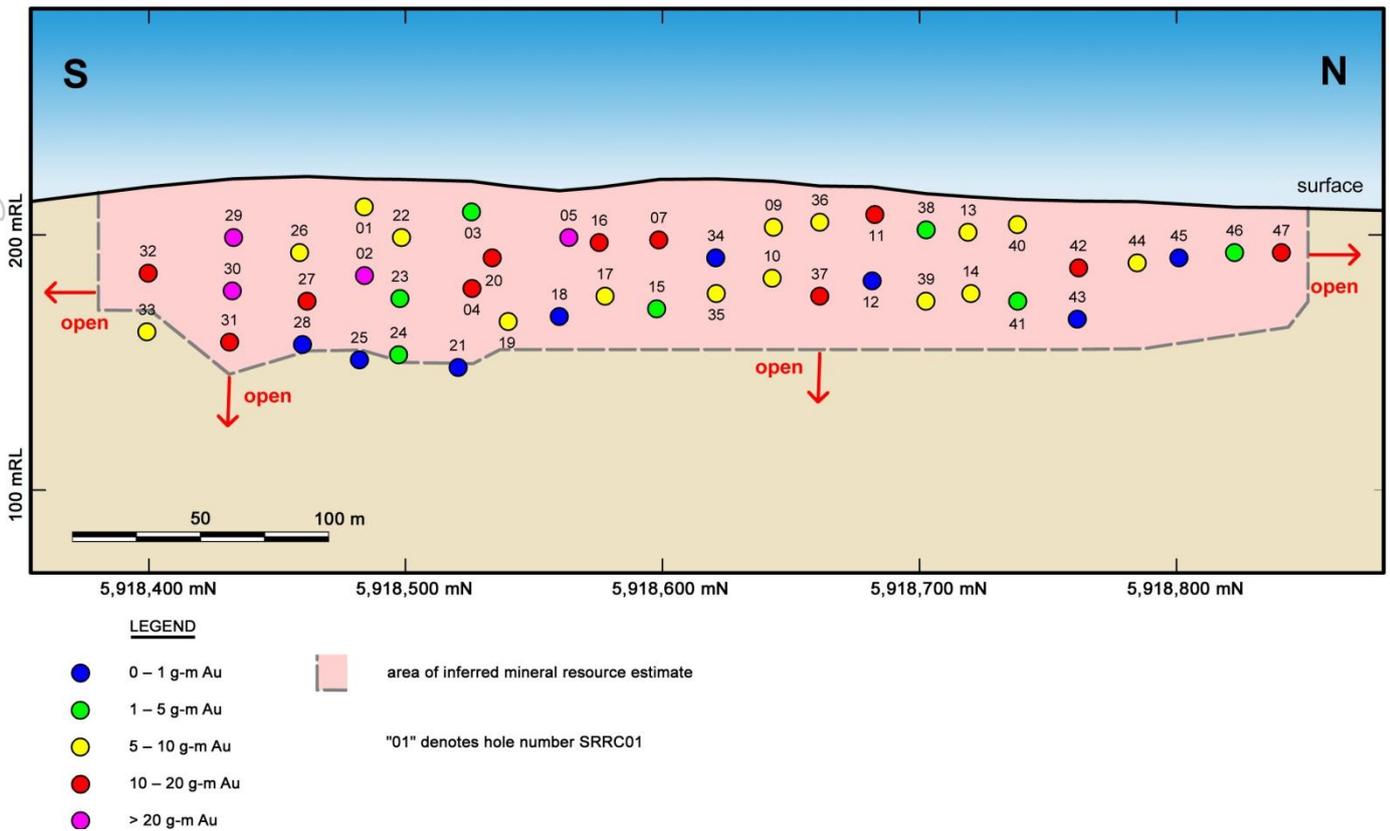


Figure 1. Specimen Reef: Long-section of reverse circulation drilling results with resource outline

Table 1.						
Specimen Reef Mineral Resource Estimate (March 2012)						
Deposit	Estimated Gold Resource and Category					
	Indicated			Inferred		
	Tonnes	Au g/t	'000oz	Tonnes	Au g/t	Ounces
Specimen Reef				114,000	2.9	10,480
<b>Total</b>				<b>114,000</b>	<b>2.9</b>	<b>10,480</b>

### Resource Estimation Summary

The Specimen Reef Mineral Resource Estimate was calculated by Mr Geoff Turner, who is Principal Geologist for Exploration Management Services Pty Ltd.

This resource estimate is based on 47 reverse circulation drill holes, totalling 2,650 metres, completed by Octagonal at the Specimen Reef during 2011 and 2012.

Drill holes were designed to intersect the Specimen Reef at 20 metre intervals on 20 metre spaced sections. All drilling has been geologically logged, with drill samples collected over 1 metre intervals and split using a riffle splitter to produce approximately 2 kilogram sub-samples for analysis. Samples were submitted to Gekko Assay Laboratory (Ballarat Laboratory) for analysis using the 2 kilogram 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. All sample analysis was required to comply with Octagonal and Exploration Management Services QA/QC guidelines as well as internal laboratory QA/QC guidelines. All holes were located using licenced surveyors and down hole surveyed at 30 metre intervals using a single shot down-hole survey camera.

Even though several mineralised structures were intersected in the drilling, only one grade domain has been interpreted from the geological and assay data relating to the Specimen Reef. Gold mineralisation intersected outside of the Specimen Reef has been excluded from the resource estimate due to a lack of geological confidence. A minimum down-hole length of 1 metre was interpreted and wireframes constructed using a 0.5 g/t Au lower cut. Some sections showed discontinuity in dip, suggesting possible faulting, however this was not modelled with wireframes projected through these zones.

As most of the drill intersections occur within the zone of complete oxidation and no diamond drilling has been completed to determine rock density a specific gravity value estimate of 2.3 was applied to the entire resource for estimating tonnage.

Resource modelling was completed using the Inverse Distance Squared Weighting (IDW) method to interpolate block grades using a block size of 0.5m x 2m x 1m (x,y,z). Search parameters utilised an ellipse with geometry; strike axis 012° grid and search radius 90 metres, dip axis 84° to 282° and search radius 20 metres, and width axis normal to dip and search radius 20 metres. As the peak assay result used in the resource estimate is 24.2 g/t Au, no top cut was applied to the assay data. The block model was validated by visual inspection of the block model fill against the raw assay data and grade-tonnage curves.

While the shape, physical characteristics, grade and mineral content of the estimated resource are understood with a good degree of confidence no data has been collected to determine rock density and consequently in accordance with the JORC Code 2004 the resource is classified as an Inferred Mineral Resource.

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**



*Reverse circulation drilling at Specimen Reef*

#### **Competent Persons Statement**

The information in this report that relates to Exploration Results 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.

The information in this report that relates to Mineral Resources for the Specimen Reef Deposit are based on information evaluated by Mr Geoff Turner who is a member of the Australian Institute of Geoscientists, has more than ten years experience in the estimation, assessment, and evaluation of mineral resources and ore reserves, and has more than 20 years experience in exploration for the relevant style of mineralisation that is being reported. In these regards, Geoff Turner qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Geoff Turner is contracted to Octagonal Resources through his company Exploration Management Services Pty Ltd, and consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.

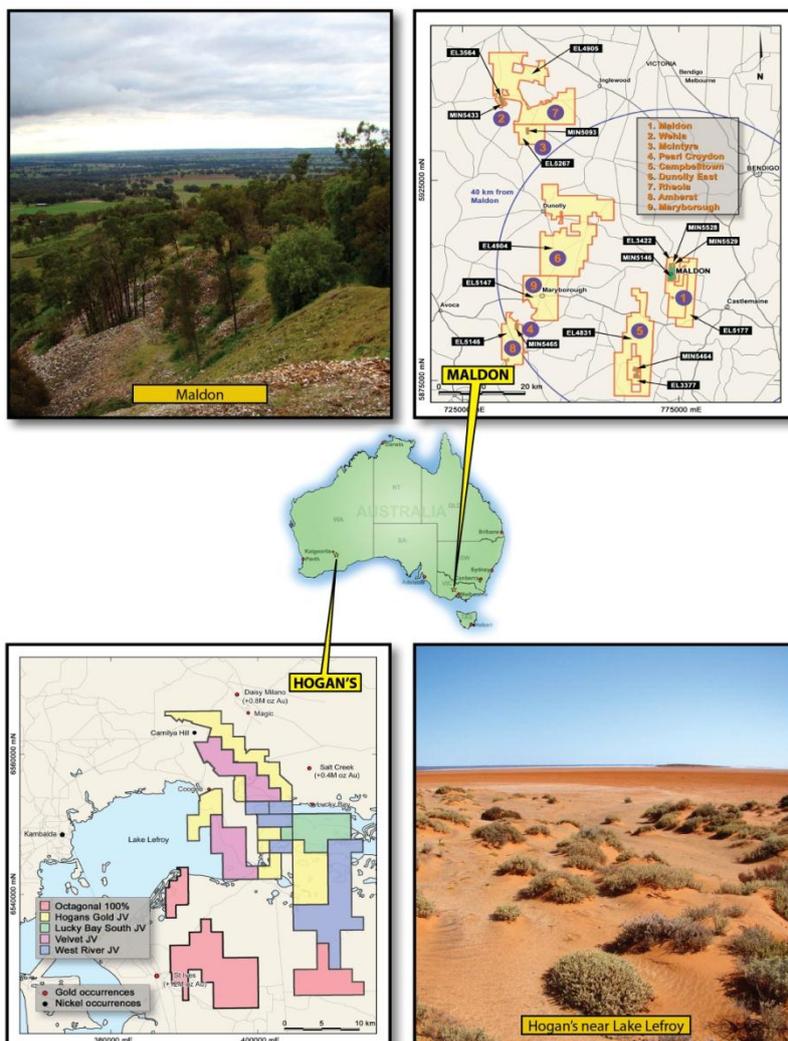
## About Octagonal Resources

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 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