

10 February 2014

No. of Pages: 9

ASX CODE: ORS

Market Cap.: \$9.8 m (\$0.092 p/s)
Shares on issue: 106,048,002
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

Alliance Resources – 20.8%
Abbotsleigh – 18.7%
JP Morgan Nominees – 8.8%
Karl Sabljak – 5.2%

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Non-renounceable Rights Issue **to raise up to \$3.2 million**

INVESTMENT HIGHLIGHTS

- **Underground mine development at Alliance South intersects 18.5m @ 21.4g/t Au over 3.5m width**
- **Pearl Croydon open pit mining approved**
- **Specimen Reef mining licence granted**
- **Infill drilling to define open pit resources in Victoria**
- **Exploration drilling to test size of Burns copper-gold deposit in Western Australia**
- **Dedicated management**
- **Board to fully participate in Rights Issue**
- **Shareholders eligible to apply for additional shares in excess of their entitlement**

Octagonal Resources Limited (ASX: ORS) (“**Octagonal**” or “**Company**”) today announced that, in conjunction with Lead Manager Patersons Securities Limited, it will conduct a non-renounceable rights issue to shareholders on the basis of 3 new shares for every 5 shares held at the record date at \$0.05 each to raise approximately \$3.2 million (before costs) (“**Rights Issue**”). The Rights Issue is not underwritten.

The Rights Issue price represents a discount of approximately 46% to the closing price of Octagonal shares last traded on ASX on 6 February 2014 (9.2 cents) and a discount of approximately 50% to the 15 day volume weighted average of Octagonal shares traded on ASX (10.1 cents).

Eligible shareholders may, in addition to accepting their full entitlement, apply for Shortfall Shares that may arise under the Rights Issue.

The funds raised under the Rights Issue will primarily be used for the development of the Maldon Gold Operation in Victoria and the Hogan’s Project in Western Australia, and specifically:

- Development and production mining of the Alliance South Gold Deposit (Victoria);
- Development and production mining of the Pearl Croydon Gold Deposit (Victoria);
- Exploration of the Burns copper-gold deposit (Western Australia); and
- General working capital, debt repayment purposes, and business development opportunities.

The Rights Issue is expected to close on or before 11 March 2014. Other key dates for the Rights Issue are set out below. The dates are indicative only and the Company reserves the right to vary them in consultation with the Lead Manager and in accordance with the requirements of the ASX Listing Rules.

Managing Director Anthony Gray commented “in the last month we have achieved two major milestones that place us well for future growth. Firstly we have demonstrated that the Alliance South Deposit does contain high grade gold that we believe will develop into a sizeable ore shoot and secondly we have gained all regulatory approvals to commence mining at the Pearl Croydon Deposit.”

“The funds raised from this rights issue will be used for underground mining in the area of high-grade gold at Alliance South, open pit mining at Pearl Croydon, and for drilling at the Burns Prospect in Western Australia where our previous exploration has indicated the potential for a significant copper-gold deposit”.

“We believe that the rights issue is well-priced for the benefit of our shareholders and the funds raised will add significant value to our business and position us well to achieve our growth objectives”.

Rights Issue Key Dates

<i>Event</i>	<i>Date</i>
Announcement of Issue	10 February 2014
Lodgement Date (Appendix 3B and Section 708AA(2)(f) Notice with ASX)	10 February 2014
Notice of Issue sent to Shareholders	11 February 2014
“Ex” Date	12 February 2014
Record Date	18 February 2014
Opening Date (Dispatch of Offer Document to Shareholders)	24 February 2014
Closing Date	11 March 2014
Securities quoted on a deferred settlement basis	12 March 2014
Notify ASX of under subscriptions	14 March 2014
Issue of New Shares and dispatch of shareholding statements	19 March 2014
Share Trading Date	20 March 2014

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:

Bob Tolliday (Company Secretary)

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Alliance South Gold Deposit (Victoria) Octagonal 100%

The Alliance South Deposit is located on the Eaglehawk Reef at the southern end of the Central Maldon Shear Zone in Central Victoria. 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.

In March 2012 Octagonal re-commenced development of the Union Hill Decline (that had been on care and maintenance since November 2008) to access and mine the Alliance South Deposit, with the Company's initial mining target being a cluster of visible gold intersections identified in drilling at the southern end of the deposit, referred to as the Alliance South Shoot (Figures 1 and 2).

The Eaglehawk Reef was intersected on the 1100 level in July 2013 and since this time mining has focussed on developing the reef to the south to determine the grade of the Alliance South Shoot, assess ground conditions, and determine the most appropriate mining technique for an ongoing operation.

On 29 January 2014 Octagonal announced to the ASX that mine development on the 1100 level, in the upper area of the deposit (Figures 2 and 3), had intersected 18.5 metres of reef grading of 21.4 g/t Au over 3.5 metres width, including a high grade zone of 9.5 metres of reef grading 32.1 g/t Au over 3.2 metres width, and a peak face channel sample assay result of 186.3 g/t Au (6 oz/t Au) that is the highest grade assay result ever returned from drilling and mine development at the deposit.

These results are interpreted by the Company to be indicative of a high-grade ore shoot. Funding is required to continue mine development of the Alliance South Deposit to explore the potential of this shoot.

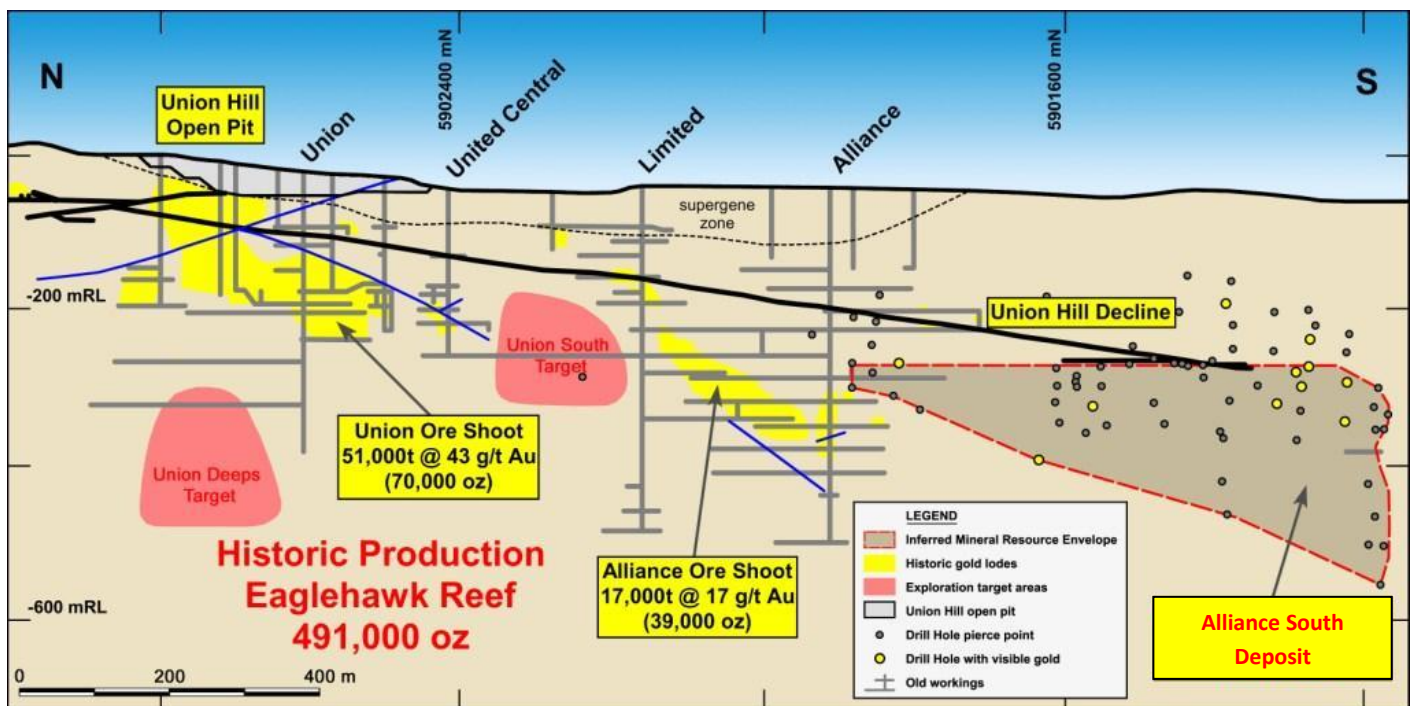
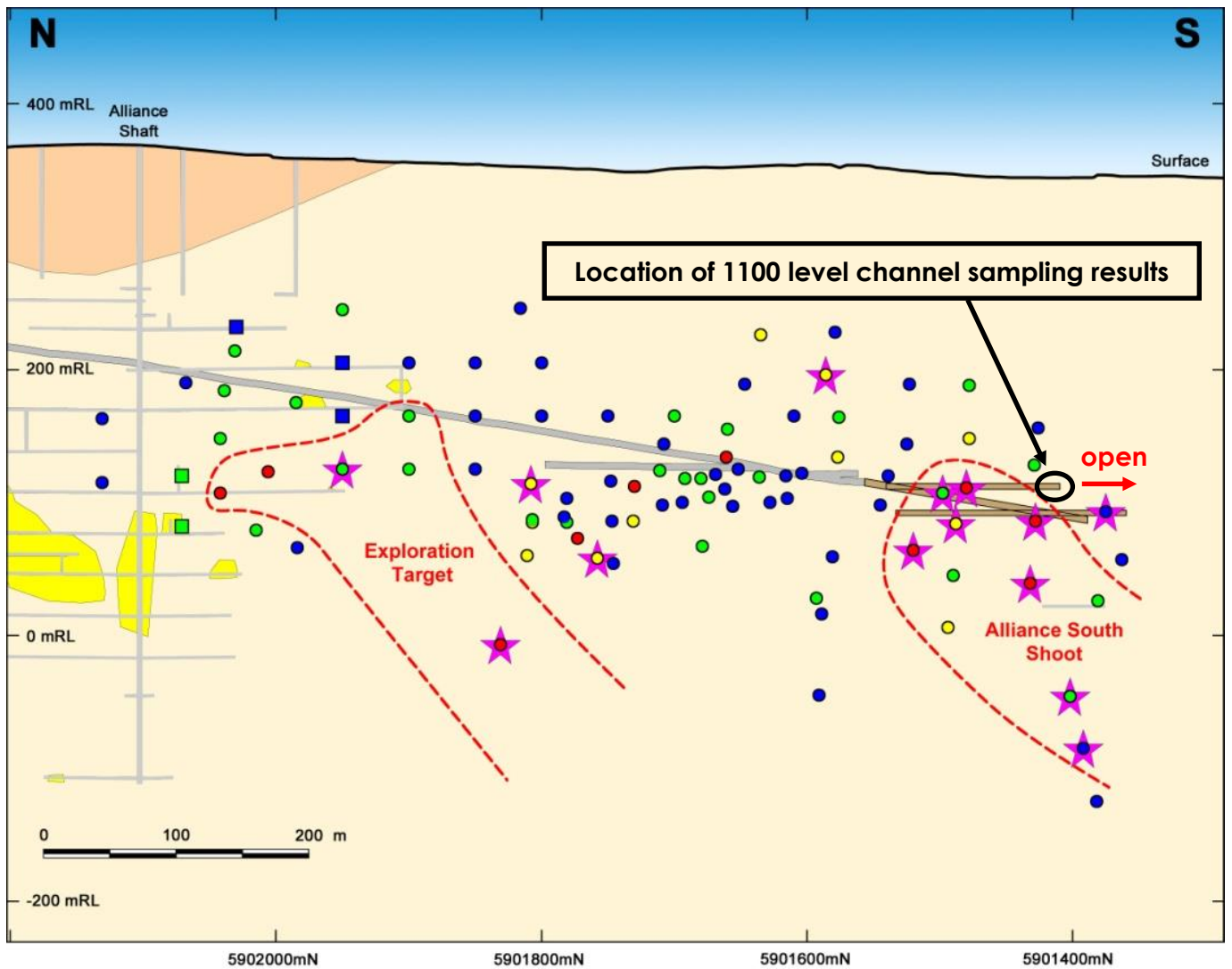


Figure 1: Eaglehawk Reef with the Union and Alliance shoots and the Alliance South Deposit



LEGEND

- | | |
|--|--|
| ● Drill holes with no significant assay results | - - - Exploration target areas |
| ● Drill holes containing 1 – 5 g-m Au | — Union Hill Decline |
| ● Drill holes containing 5 – 10 g-m Au | — Planned mining development |
| ● Drill holes containing > 10 g-m Au | T Historic mine workings on the Eaglehawk Reef |
| ★ Drill holes containing visible gold intersections | ■ Historic stopes |
| | ■ Supergene zone |

Coloured squares represent holes that intersected old workings

Figure 2: Eaglehawk Reef: Longsection showing position of Union Hill Decline relative to the Alliance South Shoot, planned mine development, and location of 1100 face channel sampling results

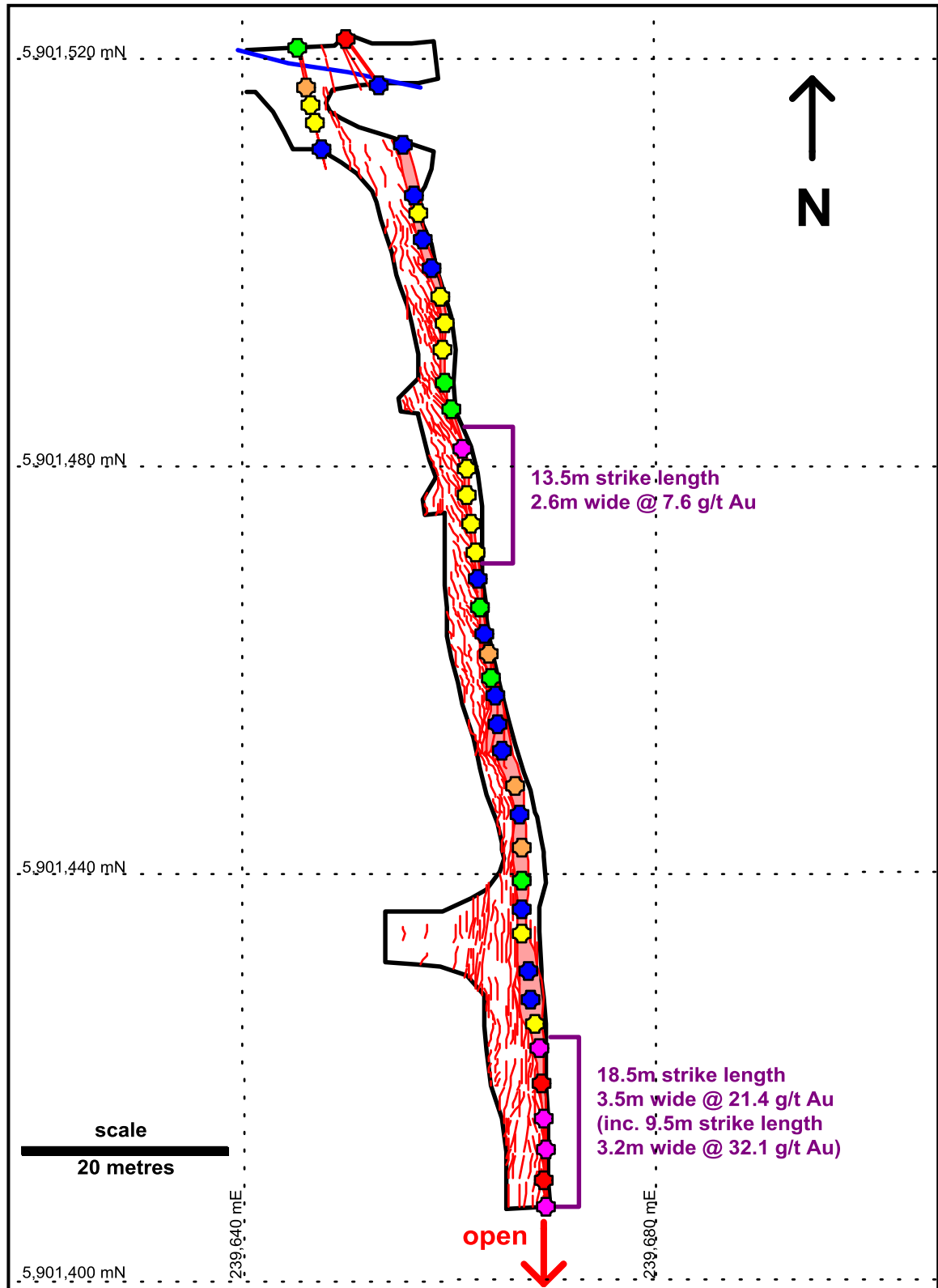


Figure 3: Plan of 1100 level cross-cut and reef development with undiluted face channel sample assay results

Legend-

Blue dots: no significant assay result

Green dots: 1 – 5 g-m Au

Yellow dots: 5 – 10 g-m Au

Orange dots: 10 – 20 g-m Au

Red dots: 20 – 50 g-m Au

Purple dots: > 50 g-m Au

Red lines: quartz reef and spurry veins

Pearl Croydon Gold Deposit (Victoria) Octagonal 100%

The Pearl Croydon Gold Deposit is located on a granted mining licence 40 kilometres southwest of the Company's Porcupine Flat gold processing plant at Maldon and contains an Inferred Mineral Resource of 570,000 tonnes grading 2.9 g/t Au for 53,000 ounces of gold (refer to ASX Announcement dated 20 January 2014).

At present most of the Pearl Croydon Deposit has been drilled using 40 metre spaced traverses, however the higher grade London Hill area has already been defined using 20 metre spaced traverses and represents an immediate open pit mining target.

During January Octagonal received a Planning Permit from the Central Goldfields Shire Council that is the final regulatory approval required to commence open pit mining at the Pearl Croydon Deposit.

Now that all regulatory approvals have been received Octagonal will commence site works during February 2014 in preparation of mining. The site works will consist of the erection of a boundary fence, site clearing, and upgrade of gravel haulage roads.

The Company expects mining to commence during March with first ore processed in April.

Funding is required to provide for the commencement of open pit mining at the Pearl Croydon Deposit.

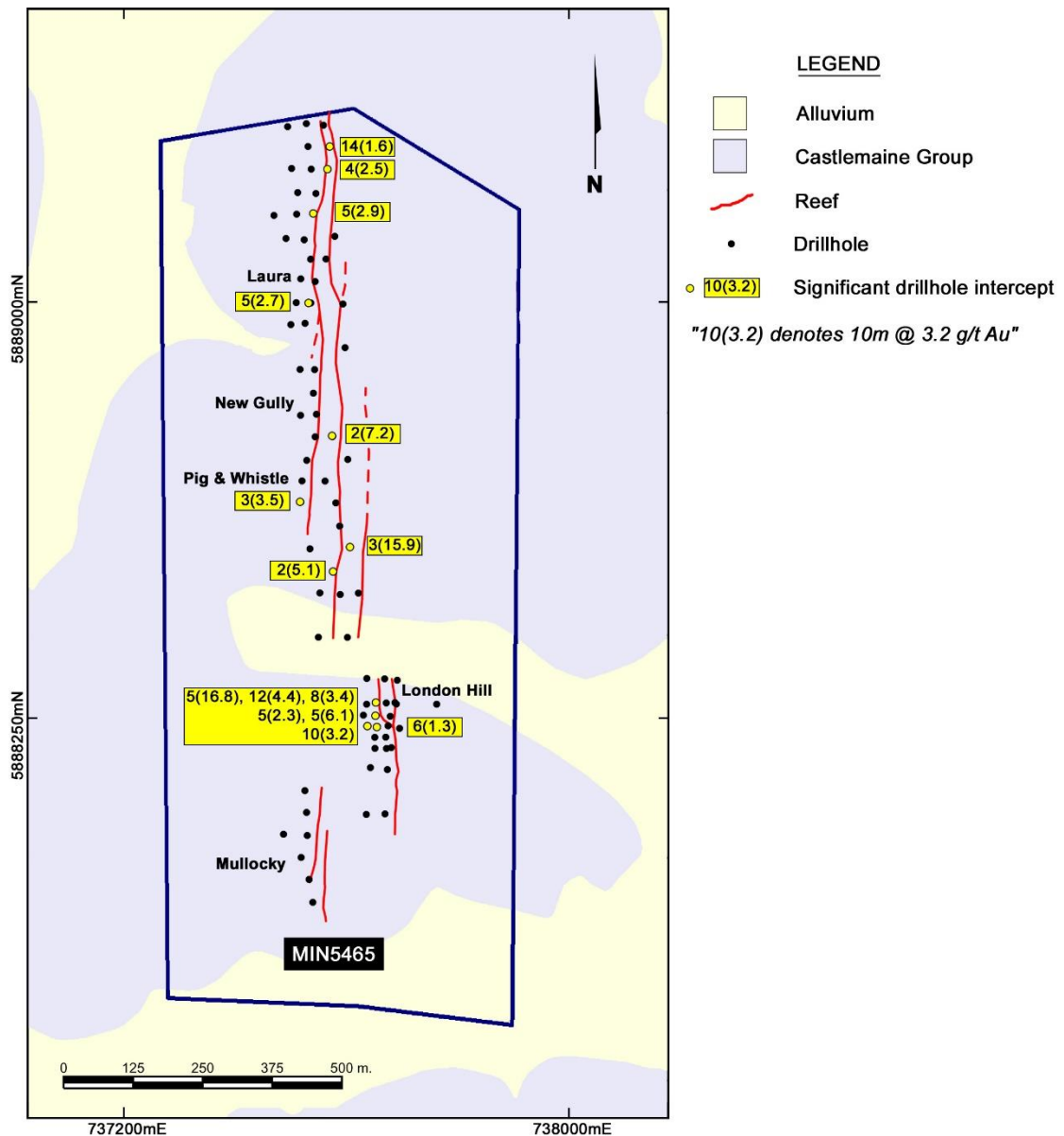


Figure 4. Pearl Croydon: Mining licence with gold-bearing reefs and drill holes

Burns Prospect (Western Australia) Octagonal 100%

The Burns Prospect is located 70 kilometres southeast of Kalgoorlie in Western Australia. The deposit is characterised by a discrete granite intrusive with associated low magnetic and gravity signatures that intrudes a thrust package of mafic, intermediate and meta-sedimentary rocks. The granite has caused doming of the greenstone sequence, creation of dilational jogs associated with northwest trending structures, and localised lithological and structural complexity that forms ideal sites for the deposition of gold. Evidence of intense fluid flow is further supported by a high-magnetic alteration halo that surrounds the granite.

In May 2011 Octagonal discovered significant gold and copper in regolith (weathered Archaean rock) anomalism at the Burns Prospect, with aircore drilling used to define a one square kilometre area of gold anomalism and a two kilometre long copper anomaly using a 40 metre by 160 metre spaced grid (Figure 5). The gold anomalism is unconstrained by drilling where it trends beneath salt lake cover to the north and east.

During 2012 Octagonal completed 33 RC holes, on four 40 metre spaced traverses in the southeast corner of the target area. This drilling intersected broad zones of gold and copper hosted in fractured high-magnesian basalt and intermediate intrusive rocks.

Significant assay results include:

- 9 metres @ 1.5 g/t Au & 1.0 % Cu from 58 metres in OBURC002 inc. 2 metres @ 1.5 g/t Au & 4.2 % Cu from 65 metres
- 6 metres @ 4.9 g/t Au & 0.4 % Cu from 23 metres in OBURC003
- 12 metres @ 0.8 g/t Au & 1.7 % Cu from 48 metres in OBURC004 inc. 3 metres @ 2.1 g/t Au & 4.8 % Cu from 53 metres
- 4 metres @ 0.7 g/t Au & 2.0 % Cu from 40 metres in OBURC005
- 1 metre @ 8.5 g/t Au & 6.7 % Cu from 123 metres in OBURC007
- 32 metres @ 1.7 g/t Au & 0.6 % Cu from 76 metres in OBURC011 inc. 6 metres @ 4.9 g/t Au & 2.1 % Cu from 83 metres
- 6 metres @ 4.9 g/t Au & 0.9 % Cu from 24 metres in OBURC012
- 50 metre @ 0.9 g/t Au & 0.5 % Cu from 24 metres in OBURC016
- 12 metres @ 1.5 g/t Au & 0.5 % Cu from 27 metres in OBURC021
- 19 metres @ 0.5 g/t Au & 1.0 % Cu from 44 metres in OBURC022
- 9 metres @ 1.0 g/t Au & 0.7 % Cu from 28 metres in OBURC025
- 3 metres @ 16.1 g/t Au & 0.5 % Cu from 35 metres in OBURC028
- 9 metres @ 1.0 g/t Au & 1.5 % Cu from 115 metres in OBURC031
- 12 metres @ 1.3 g/t Au & 0.8 % Cu from 163 metre in OBURC032.

Exploration at the Burns Prospect is at an early stage, but these assay results, combined with the large area of gold and copper anomalism intersected in aircore drilling, indicate the potential for a significant multi-commodity deposit.

Additional funds are required to drill test both the size potential of this deposit and to define an initial mineral resource.

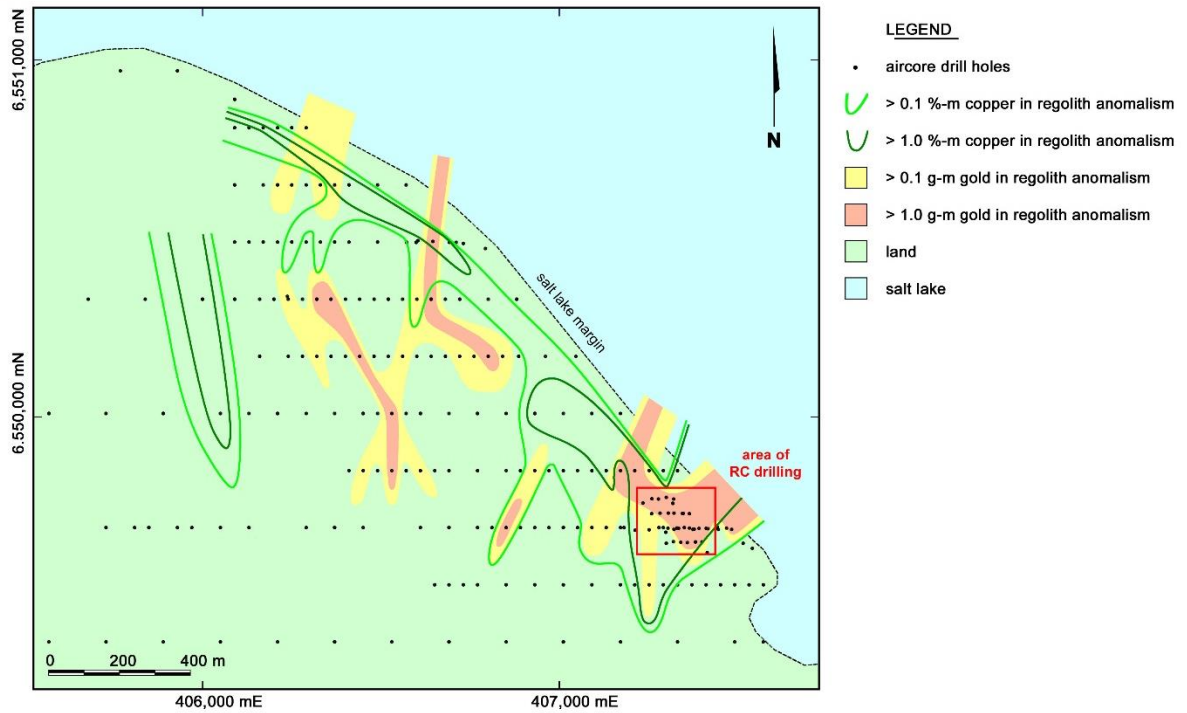
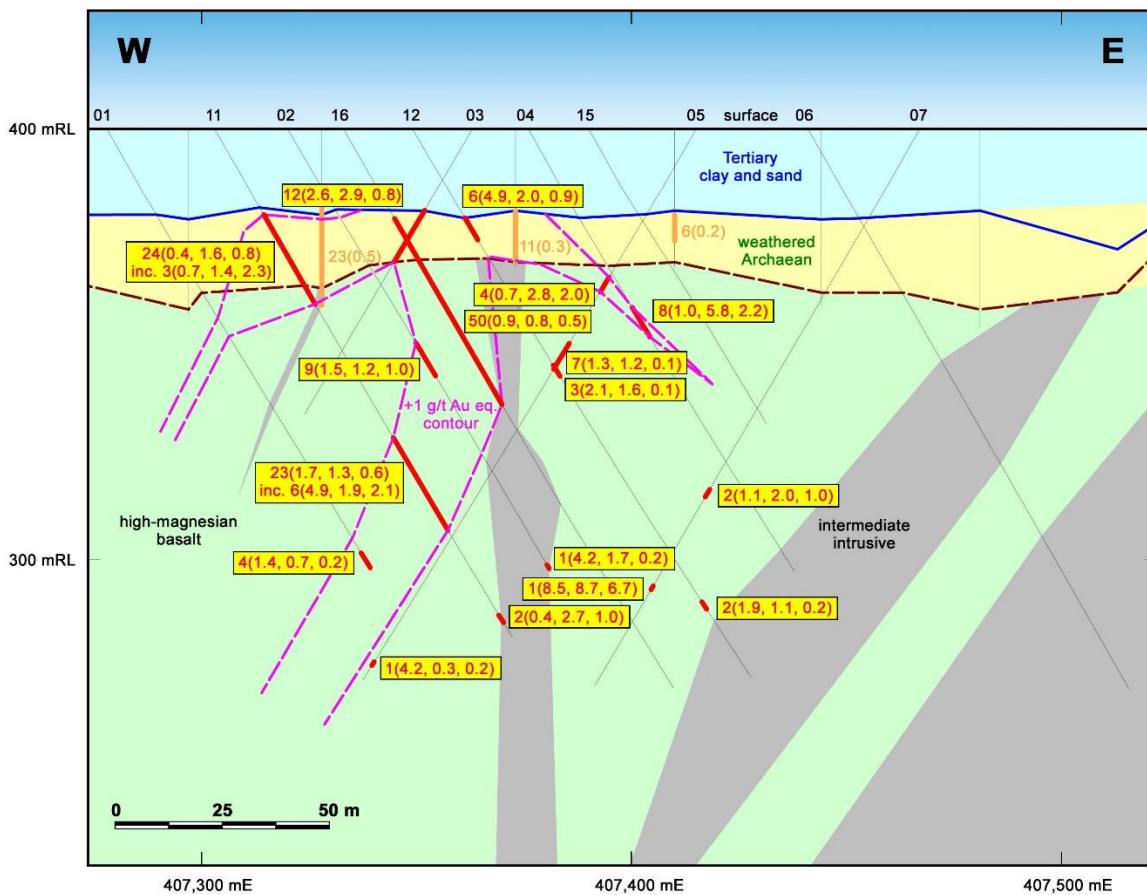


Figure 5. Burns Prospect: Drill hole location plan with gold and copper in regolith anomalism



- LEGEND**
- gold & copper rich RC intersections
 - gold anomalous aircore intersections
 - +1 g/t gold equivalent contour

Note:

"6(4.9, 2.2, 0.4) denotes 6 metres grading 4.9g/t Au, 2.2g/t Ag, and 0.4% Cu"

Figure 6. Burns Prospect: 6549690mN Cross-Section illustrating significant assay results

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.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs, production costs and other operating results, growth prospects and the outlook of Octagonal Resources Limited's operations contain or comprise certain forward looking statements regarding Octagonal Resources Limited's exploration and development operations, economic performance and financial condition. Although Octagonal Resources Limited believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, mine development and operating risks, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, discrepancies between actual and estimated production, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Octagonal Resources Limited undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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 150,000 tpa CIL gold processing plant and a decline that extends to the undeveloped Alliance South Deposit. Octagonal is currently underground mining at the Alliance South Deposit and recently received regulatory approval to commence open pit mining at the Pearl Croydon Deposit, near Amherst.

In Western Australia Octagonal holds 100% interest in the Hogan's Project where it is exploring for gold and copper 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 and Salt Creek mines and Lucky Bay Prospect. Octagonal is exploring priority exploration target areas that display the potential to host a major gold or copper 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.