

15 December 2010

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(3 pages by email)

Dear Madam,

Augur Resources Enters into Memorandum of Understanding to Acquire up to 80% of the Wonogiri Project in Indonesia

Augur Resources Ltd is pleased to advise that its subsidiary Augur Investments Pty Ltd ("Augur") has entered into a Memorandum of Understanding (MOU) agreement with PT Oxindo Exploration ("Oxindo") and PT Alexis Perdana Mineral (APM) where Augur can earn a majority interest of up to 80% in the Wonogiri project in central Java, Indonesia.

The Wonogiri project consists of two Izin Usaha Pertambangans (IUP's) or Mining Business Licences covering a total area of approximately 3928 hectares. The IUP's cover areas considered prospective for epithermal gold and porphyry copper-gold mineralisation.

Oxindo is a subsidiary of Minerals and Metals Group (MMG). APM is a private Indonesian company.

WONOGIRI PROJECT

The Wonogiri project is located approximately 30 kilometres to the south of the provincial city of Solo in central Java. The project lies within the Sunda-Banda arc.

Recent exploration has targeted copper porphyry mineralisation within the northern portion of the IUP's. Historically, a total of five diamond holes have been drilled within the IUP's. Two of the diamond holes intercepting significant gold intervals including Hole DHH1 which intersected 40 metres at 1.12 g/t gold and 0.29% copper from 92 metres depth and a further 15 metres at 1.61 g/t gold and 0.20% copper from 137 metres. Hole DHH2 returned 37 metres at 1.77 g/t gold and 0.24% copper from 458 metres.



Geological mapping by Oxindo identified a number of mineralised veins systems at surface. Rock chip sampling by Augur has confirmed the presence of gold and copper with a total of 18 samples from 52 rock chip samples returning greater than 1 g/t gold with six samples returning greater than 7 g/t gold. Maximum copper results from the rock chip sampling returned 2.89% copper.

Detailed geological mapping and sampling of the more prospective areas is being planned. An initial drill program is expected to commence in the first half of 2011.

Deal Structure

Augur will hold a 51% interest in the project after the expenditure of US\$1.5 million within 12 months from the date of the MOU and can hold an 80% interest in the project with the expenditure of a further US\$2.0 million with 24 months from the date of the MOU.

Oxindo has an option to buy back a 65% interest in the project in the event of the discovery of a significant copper resource of greater than 100 million tonnes at a cut-off of 0.5% copper is identified within 4 years for 2.5 times Augur's project expenditure. Augur will retain an 80% interest in any discrete gold resource or gold prospect in the event the buy back is exercised.

For further information, please contact:

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The geochemical and geological information in this ASX announcement dated 15/12/2010, referring to Augur Resources Enters into Memorandum of Understanding to Acquire up to 80% of the Wonogiri Project, Indonesia is based on information compiled by Oxindo and Augur staff and contractors and approved by Mr Grant Kensington, who is a Member of the AusIMM.

Mr Kensington is an employee of Augur Resources Ltd and has had sufficient experience relevant to the styles of mineralisation and the type of deposit 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. Mr Kensington consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

HOLE	Easting	Northing	Azimuth	Inclination	Depth (m)
<i>DDH1</i>	<i>486250</i>	<i>9138220</i>	<i>180</i>	<i>-70</i>	<i>340.9</i>
<i>DDH2</i>	<i>486517</i>	<i>9138020</i>	<i>302</i>	<i>-60</i>	<i>537.7</i>
<i>DDH3</i>	<i>486517</i>	<i>9138020</i>	<i>122</i>	<i>-45</i>	<i>273.2</i>
<i>DDH4</i>	<i>486250</i>	<i>9137828</i>	<i>262</i>	<i>-71</i>	<i>546.4</i>
<i>DDH5</i>	<i>486533</i>	<i>9137227</i>	<i>353</i>	<i>-60</i>	<i>298.3</i>

Historical drill hole location data, Wonogiri project, Java, Indonesia.