

11 March 2014

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(10 pages by email)

Dear Madam,

Positive Scoping Study Results for Randu Kuning Deposit

Highlights:

(Note cautionary statements on the following page)

- Scoping study results show Randu Kuning deposit generating a life of project positive net cash flow of **US\$143M** undiscounted, or **US\$102M** when a 5% discount factor is applied (*excluding contingency*) for relatively **low capital** expenditure.
- Open cut mine delivering approximately 9 years of production at 1.74 to 2.0 Mtpa at 0.61 g/t Au and 0.16% Cu.
- Life of mine production of **283,000 ounces of gold** and **236,000 tonnes of copper** in concentrate, or **426,000 ounces gold equivalent** ('AuEq')¹ at an average C1 cash cost² of **US\$786** per ounce AuEq using US\$1,250 per ounce Au and US\$7,900 per tonne Cu.
- Low preliminary capital expenditure estimate of **US\$56M** (*excluding contingency*) to build a second hand plant and associated infrastructure costs due to excellent infrastructure and good access.
- Low strip ratio of **1.79 : 1.00**.
- Total current Randu Kuning resource estimate is 90.9 million tonnes at 0.35 g/t Au and 0.10% Cu.
- Randu Kuning deposit remains open at depth and to the east, south and west with significant opportunity to expand the current resource and test other regional targets.

The Directors of Augur Resources Ltd ('Augur' or 'the Company') are pleased to report results from a scoping study on its Randu Kuning deposit located within the Wonogiri project, Central Java, Indonesia.

The scoping study was undertaken by Australian Mine Design and Development Pty Ltd ('AMDAD') with input on the mineralisation, metallurgy and costings from a number of Australian and Indonesian companies as well as in-house Augur personnel.

Scoping Study Cautionary Statements

The Company cautions that production and cash flow estimates presented in the scoping study are indicative only. The following should be considered:

- Although the Randu Kuning Measured and Indicated resource categories exceed the scoping study production target, the mill feed schedule includes a proportion of Inferred category material which has a low level of geological confidence and no certainty that further exploration work will result in the determination of Indicated resources or that the production target will be realised.
- The mining loss and dilution estimates have not been assessed in detail against the deposit geometry.
- Pit optimisations and designs use assumed pit wall slopes. No geotechnical analyses have yet been undertaken.
- Process recoveries are extrapolated from limited test work results.
- The available metallurgical test work was done on a small composite with grades well in excess of the likely mill head grades for the project.
- Mining costs have not been developed in detail, although they have been reviewed by Leighton Contractors Indonesia.
- Process operating costs are based on a USA cost database. While adjustments have been made for local conditions, AMDAD is a mining engineering consultancy and cannot accept responsibility for their accuracy.

Scoping Study Summary

The scoping study result indicates potential for an economic deposit which is driven by a low stripping ratio, good metallurgical recoveries and excellent access to infrastructure giving the potential to generate substantial cash flow for relatively low capital outlay.

The study focused on a open pit mining operation with material treated by flotation which produced a gold-copper concentrate.

AMDAD used a Whittle pit optimisation on the Randu Kuning gold-copper deposit constrained by geotechnical, processing and commercial assumptions agreed with Augur.

Consultant	Study input
Computer Aided Geoscience Pty Ltd	Mineral Resource
Rofee Pty Ltd	Metallurgical testwork
Leighton Contractors Indonesia	Mining costs
Archipelago Resources plc	Operating costs (staff)

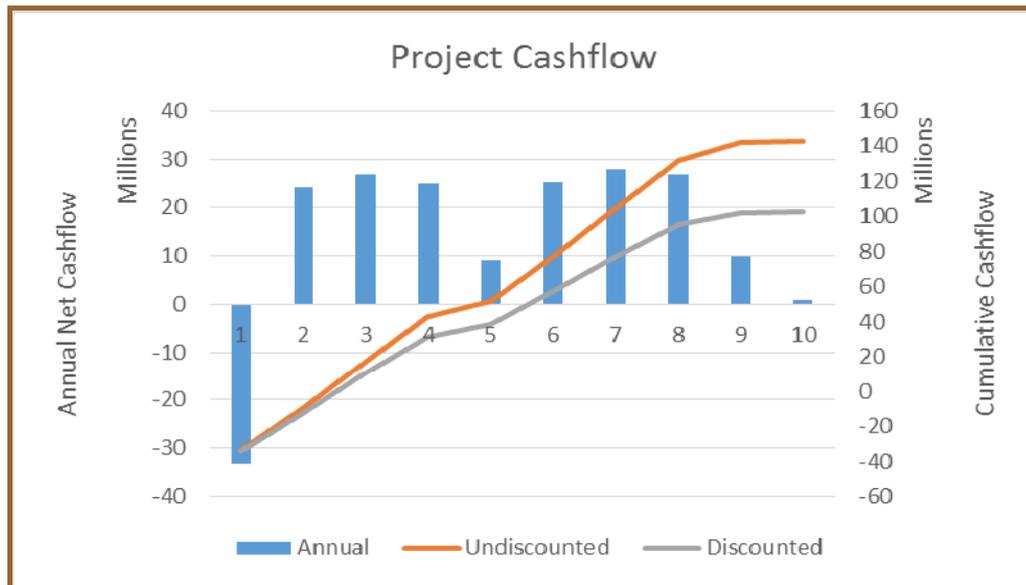
The gold price and copper prices used were US\$1,250 per ounce and US\$7,900 per tonne respectively.

The pit optimisation results were used to guide design of a two stage practical pit which was then scheduled over a 10 year project life. The average strip ratio for the proposed open pit is 1.79 : 1.00.

Operating costs were estimated at a preliminary level based on local benchmarked costs and a mining industry cost database. Capital costs to develop the project were estimated based on an mining industry cost database with allowances for second hand equipment and local costs. No contingency was used in the capital cost estimates.

Average annual production following ramp-up for the project is estimated at 2.0 Mtpa with an annual AuEq production of 50,000 ounces.

The project is anticipated to generate average net cash flows (after sustaining capital and royalties) of US\$143M based on a gold price of US\$1,250 per ounce and a copper price of US\$7,900 per tonne. The C1 cash cost is estimated at US\$786 per ounce AuEq.



Mineral Resource and Mining Inventory

The scoping study is based on the Randu Kuning JORC Resource Estimate announced on 10 July 2012.

Details of the resource estimate for Randu Kuning are as follows:

JORC Resource Category	Resource (Mt)	AuEq (g/t)	Gold Grade (g/t)	Copper Grade (%)	AuEq (Moz)	Gold (Moz)	Copper (Million Pounds)	Cut-off Grade (AuEq g/t) ³
Measured	8.3	1.45	1.07	0.21	0.389	0.287	39.4	1.0
	20.4	1.03	0.72	0.17	0.673	0.473	85.1	0.5
	28.3	0.84	0.56	0.15	0.765	0.513	132.7	0.2
Indicated	0.6	1.33	1.02	0.17	0.027	0.021	2.5	1.0
	3.5	0.81	0.59	0.12	0.092	0.067	17.5	0.5
	5.3	0.66	0.45	0.11	0.113	0.078	42.8	0.2
Measured and Indicated	9.0	1.44	1.07	0.21	0.416	0.308	41.9	1.0
	24.0	0.99	0.70	0.16	0.765	0.540	102.6	0.5
	33.7	0.81	0.55	0.15	0.878	0.591	175.4	0.2
Inferred	0.3	1.38	1.20	0.10	0.014	0.012	0.2	1.0
	9.2	0.66	0.45	0.11	0.196	0.135	6.4	0.5
	57.1	0.36	0.23	0.07	0.660	0.423	22.9	0.2
Total	9.3	1.44	1.07	0.21	0.430	0.319	42.1	1.0
	33.2	0.90	0.63	0.15	0.962	0.675	109.2	0.5
	90.9	0.53	0.35	0.10	1.538	1.014	199.6	0.2

Resource estimate of the Randu Kuning deposit within the Wonogiri project.

All figures are rounded and summation differences in totals are due to rounding.

The current Randu Kuning deposit is open at depth and to the east, south and west and, with further drilling, offers potential to expand the current resource estimate.

Augur is preparing a drilling program to test current extensions to the Randu Kuning deposit and peripheral gold-silver epithermal targets.

Metallurgy

Augur has previously reported on the metallurgical testing of the Randu Kuning deposit.

Metallurgical testing has been highly favourable with recoveries of over 89.0% of gold and 95.0% of copper. Concentrates of up to 90.6 g/t gold and 21.2% copper have been achieved during initial concentrate optimisation studies. Selected assays of concentrates have shown low arsenic and other deleterious elements.

The scoping study used a recovery model assuming a constant concentrate copper grade of 20% and a gold grade of between 60 g/t and 90 g/t, resulting in average gold production of 33,000 ounces per year and average copper production of 2,680 tonnes per year.

Augur is considering further additional metallurgical testing which will focus on optimising gold recovery and suppression of pyrite in the concentrate.

Pit Optimisation

The following key inputs were used for the pit optimisation:

Variable	Value used
Pit wall slope	50 degrees
Mining loss allowance	5%
Process dilution allowance	5%
Annual throughput	2.0 Mtpa

No geotechnical analysis has been undertaken on the pit slope design.

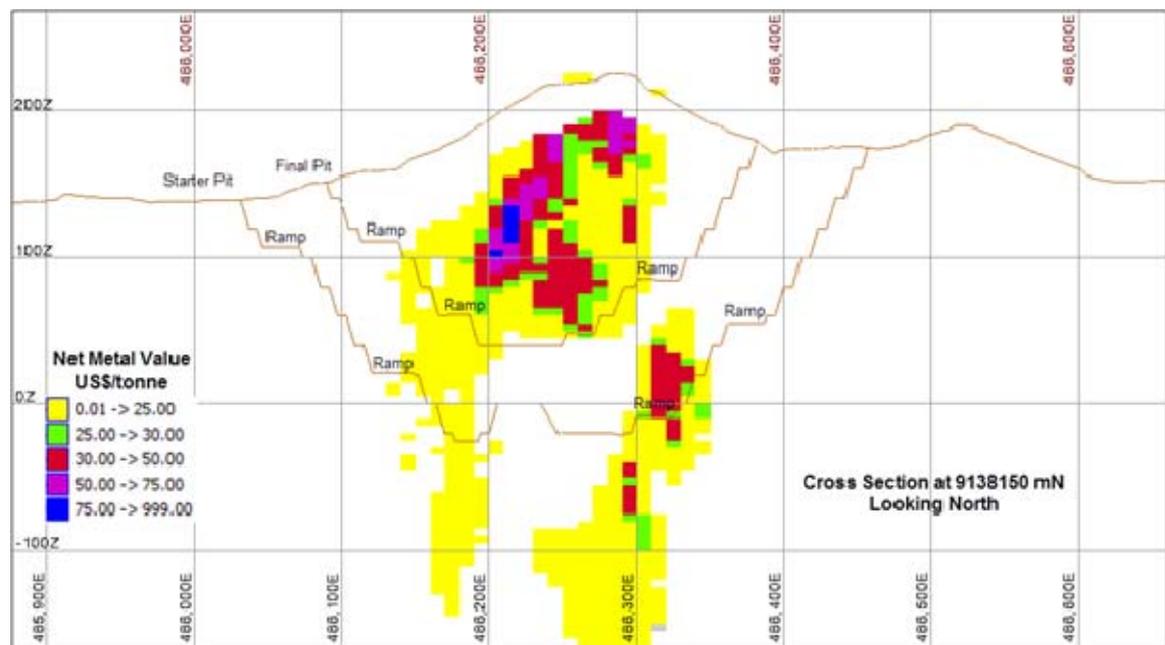
Mining and Processing Costs

No detailed estimation of mining costs has yet been undertaken. Indicative mining costs were provided by Leighton's mining based on experience on similar scale gold projects worked on in recent years in northern and western areas of Indonesia.

The average mining and haulage cost used was US\$2.20 per tonne mined. Model mining costs were variable and adjusted for access restrictions and pit depths.

Processing costs were estimated using benchmarked 2013 North American costs of similar size operations adjusted for local labour and electricity costs. The average cost used was US\$9.20 per tonne of material treated.

Estimated site administration costs are US\$3 million per year, or US\$1.50 per tonne of material.



Optimised pit cross section showing mineralisation and pit outline.

Realisation Costs

The realisation costs assumed for the scoping study include:

Variable	Value used
Transportation of concentrate	US\$55.50 per wet metric ton
Smelter treatment charge	US\$65.00 per dry metric ton
Copper refining charge	US\$0.065 per pound
Gold payable	98%
Copper payable	The lower of 1% grade deduction or 95%
Gold royalty	3.75%
Copper royalty	4.00%

Capital Costs - Processing

Capital costs for the processing facility (crushing, grinding, flotation, thickening, concentrate handling and tailings disposal) were estimated against the benchmarked costs for a 5,000 tpd single product concentrator. Adjustments were made for a 2.0 Mtpa plant (5,556 tpd) and local cost inputs to estimate the capital cost of a new facility. Estimates were then made for the savings on some components such as the grinding mills on the assumption that used items could be sourced.

Processing Facility Capital Cost Estimate

Process plant	Wonogiri 5,556 tpd New Plant US\$M	Wonogiri 5,556 tpd Used Plant US\$M
Equipment	15.0	9.0
Installation labour	7.7	5.8
Concrete	1.3	1.3
Piping	4.0	4.0
Structural steel	1.4	1.1
Instrumentation	0.9	0.9
Insulation	0.5	0.5
Electrical	1.9	1.8
Coatings and sealants	0.2	0.2
Mill building	3.3	1.7
Tailings embankment	9.6	5.8
EPCM	6.9	4.8
Working capital	3.8	2.6
Total process plant	56.5	39.8

Note that capital estimates are indicative only and adjustments made for local conditions and second hand equipment are entirely assumed.

Capital Costs - Infrastructure

AMDAD prepared a list of infrastructure items which will be required in addition to the processing facility. The costs allowed for this are mostly assumed without formal back up, although Augur were able to provide some guidance on the costs of the power line and connection to the electricity grid.

Infrastructure Capital Cost Estimate

Infrastructure	US\$M
Power supply connection	5.0
Power line	1.0
Wonogiri switch yard	0.5
Water supply	0.8
Offices	0.3
Mine and plant workshops	0.8
Haul roads	0.6
Other mine facilities	0.3
Road upgrades	1.0
Concentrate facilities	0.1
Land and building compensation	1.3
Community relations	2.0
Temporary facilities	0.8
Owners' costs	1.5
Total infrastructure costs	16.0

Metal Prices Impact

Some initial scenario analysis was undertaken on gold price impacts. Additional models were undertaken using gold prices of US\$1,350 per ounce and US\$1,650 per ounce. A copper price of US\$7,900 per tonne was retained. All costs were kept constant, however, pit design was optimised to the particular gold price used.

The gold price has shown to have a significant impact on economics of the project. A gold price of US\$1,350 per ounce resulted in an estimated net present value (discounted at 5%) of **US\$124.2M**, while a gold price of US\$1,650 per ounce resulted in a net present value (discounted at 5%) of **US\$196M**.

Underground Mining Potential

Several zones of higher grade mineralisation occur below the final pit floor. To assess the potential for mining these by underground methods stope targets were defined by Net Metal Value ('NMV'). Less than 1.0 million tonnes with NMV greater than US\$25 per tonne was identified below the final pit floor. The scoping study concluded that more high grade mineralisation would need to be identified for underground mining to be commercially viable for the Randu Kuning deposit.

2014 Work Program

Based on the results of the positive scoping study Augur plans to continue with its exploration activities on Wonogiri to define further economic mineralisation at Randu Kuning and surrounding epithermal targets. Augur has commenced an active exploration program and will commence a drill program targeting extensions of the known mineralisation and more regional areas.

For further information, please contact Peter Nightingale on +61 2 9300 3310.

Yours sincerely



Peter J. Nightingale
Director

pjn7671

Statement of Compliance

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Augur staff and contractors and approved by Grant Kensington, geoscientist, who is a Member of the Australasian Institute of Mining and Metallurgy. Grant Kensington is a director of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Grant Kensington has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Mineralisation cut-off used for the Wonogiri project is 0.2 g/t gold and/or 0.2% copper with a maximum contiguous dilution interval of 4.0 metres. Sample intervals are generally either 1.0 metre or 2.0 metres. Assaying has been completed by PT Intertek Utama Services, a subsidiary of Intertek Group Inc. Blanks and/or independent standards are used in each sample batch at approximately each 10 sample interval.

This information was prepared and first disclosed under the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. It has not been updated since to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that the information has not materially changed since it was last reported.

1 Gold Equivalent Calculation relating to the Scoping Study

Where reported in relation to the Wonogiri scoping study, Gold Equivalent results are calculated using a gold price of US\$1,250/oz and a copper price of US\$7,900/t. Silver is excluded from the gold equivalent calculation as no metallurgical testing of the recovery properties of silver from this project has occurred. In calculating Gold Equivalents for the drill results in the table above, gold and copper recoveries are assumed to be 100%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 82.5% for gold and 94% for copper. It is the Company's opinion that all metals used in the equivalent calculation have a reasonable potential to be recovered in the event that material from the Wonogiri project was to undergo processing.

The gold equivalent calculation used is $AuEq (g/t) = Au (g/t) + ((Cu (\%)*7,900)/40.19)$

(i.e.: 1.0% Cu = 1.97 g/t Au)

2 C1 cash costs

The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.

3 Gold Equivalent Calculation relating to the Wonogiri Resource

Where reported in relation to the Wonogiri mineral resource estimate, Gold Equivalent results are calculated using a gold price of US\$1,198/oz and a copper price of US\$6,945/t. Silver is excluded from the gold equivalent calculation as no metallurgical testing of the recovery properties of silver from this project has occurred. In calculating Gold Equivalents for the drill results in the table above, gold and copper recoveries are assumed to be 100%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 82.5% for gold and 94% for copper. It is the Company's opinion that all metals used in the equivalent calculation have a reasonable potential to be recovered in the event that material from the Wonogiri project was to undergo processing.

The gold equivalent calculation used is $AuEq (g/t) = Au (g/t) + ((Cu (\%)*6,945)/38.51)$

(i.e.: 1.0% Cu = 1.80 g/t Au)