

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
30 September 2012  
(ASX: AUK)**

25 October 2012

**HIGHLIGHTS**

- Augur completed the earn-in of 80% of the Wonogiri project in Indonesia, which includes the 1.54 million ounce ('Moz') gold equivalent<sup>1</sup> ('AuEq') JORC compliant resource defined at Randu Kuning, comprising:
  - **1.01 million ounces gold and 200 million pounds copper.**
- Augur completed the process and received approval for direct majority ownership of the Wonogiri licence.
- Preliminary metallurgical testing of the Homeville nickel and cobalt deposit by Metals Finance Limited has been completed with results indicating potential for recovery of 85% for nickel and 90% for cobalt.
- Drilling by Goodrich Resources Limited at the Yeoval prospect returned 44.5 metres at 0.46% copper and 0.5 g/t gold.
- A total of \$1,123,750 was raised by way of a Security Purchase Plan and placement during the quarter.

## **KEY PROJECTS**

Augur Resources Ltd ('Augur' or 'the Company') is a resource development company, with a focus on the Wonogiri gold and copper project in Indonesia. Augur also has interests in a number of exploration projects in central New South Wales.

The Company's Wonogiri project is located in central Java. Detailed exploration by the Company has defined the Randu Kuning gold-copper porphyry deposit. The resource consists of 1.54 Moz AuEq and remains open at depth and to the east and south. A number of additional advanced targets have also been identified at Wonogiri.

### **Wonogiri Project (Augur 80%)**

Augur holds an 80% interest in the Wonogiri project with PT Oxindo (a subsidiary of MMG Limited) holding 10% and four individual shareholders controlling the remaining 10%.

Wonogiri is one of the latest major discoveries in the highly mineralised Indonesian achipalego. Between 2009 and 2012, modern exploration techniques have been applied to define a major gold-copper deposit at Randu Kuning. In July 2012, Augur announced the maiden JORC compliant resource of 90.9 million tonnes ('Mt') at 0.53 g/t AuEq (0.35 g/t gold and 0.10% copper) using a cut-off of 0.2 g/t AuEq (see ASX release dated 10 July 2012). The resource estimate includes oxide, transition and sulphide components of the deposit. The sulphide component accounts for 95.7% of the estimated resource tonnes and this has been the focus of much of the ongoing metallurgical studies.

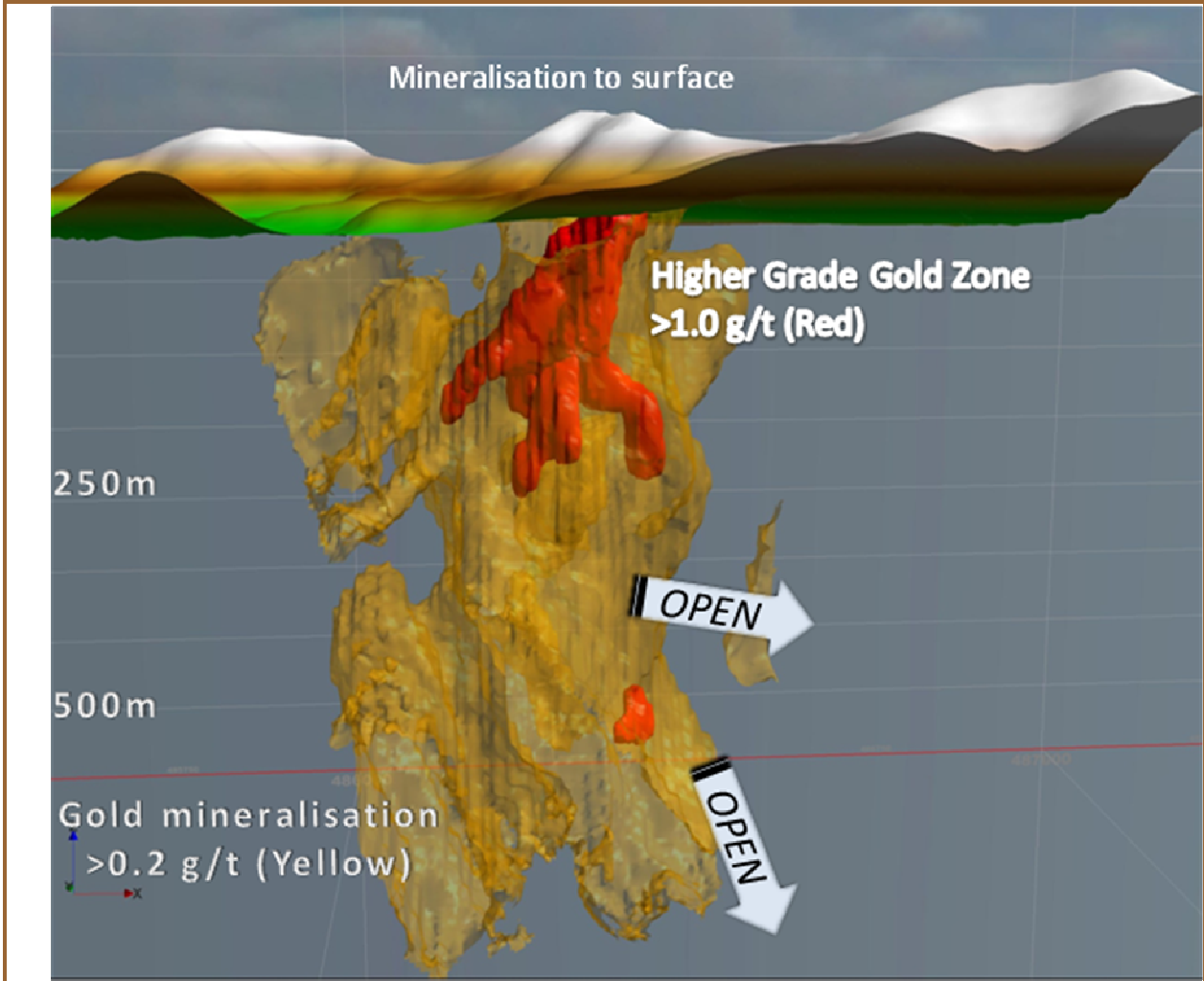
Metallurgical testing has been highly favourable with recoveries of up to 89.0% of gold and 96.1% of copper. Concentrates of up to 90.6 g/t gold and 21.2% copper have been achieved during initial concentrate optimisation studies.

Randu Kuning is only one of a number of prospects at Wonogiri.

During the quarter, the required expenditure threshold for the Wonogiri project was met, resulting in Augur achieving 80% ownership of PT Alexis Perdana Mineral, the holder of the Wonogiri licence. This key milestone is a significant achievement for the Company as the Wonogiri project has shown that it is a quality project with a significant resource and significant potential for additional resources to be defined.

Also during the quarter, approval was received for the conversion of PT Alexis Perdana Mineral to an official foreign owned company (locally known in Indonesia as a 'Penanaman Modal Asing' or 'PMA'). Augur's wholly owned subsidiary, Wonogiri Pty Ltd, is now the registered holder of 90% of PT Alexis Perdana Mineral (10% of which is held beneficially for MMG's PT Oxindo), thereby ensuring that Augur's ownership of its interest in the Wonogiri licence is secure.

The surface area above the Randu Kuning deposit has no forestry restrictions.



**The Randu Kuning mineralised zone in 3D, showing the near surface high grade zone. Mineralisation occurs from surface to over 500 metres below surface.**

The Randu Kuning prospect contains a highly altered wall rock porphyry. Mineralisation is associated with quartz stock working and as disseminated mineralisation within a series of micro-diorite to medium grained diorite intrusives. Essentially, the mineralisation is a coherent near vertical deposit which has been identified to a depth of at least 500 metres and remains open at depth, to the east and to the south.

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

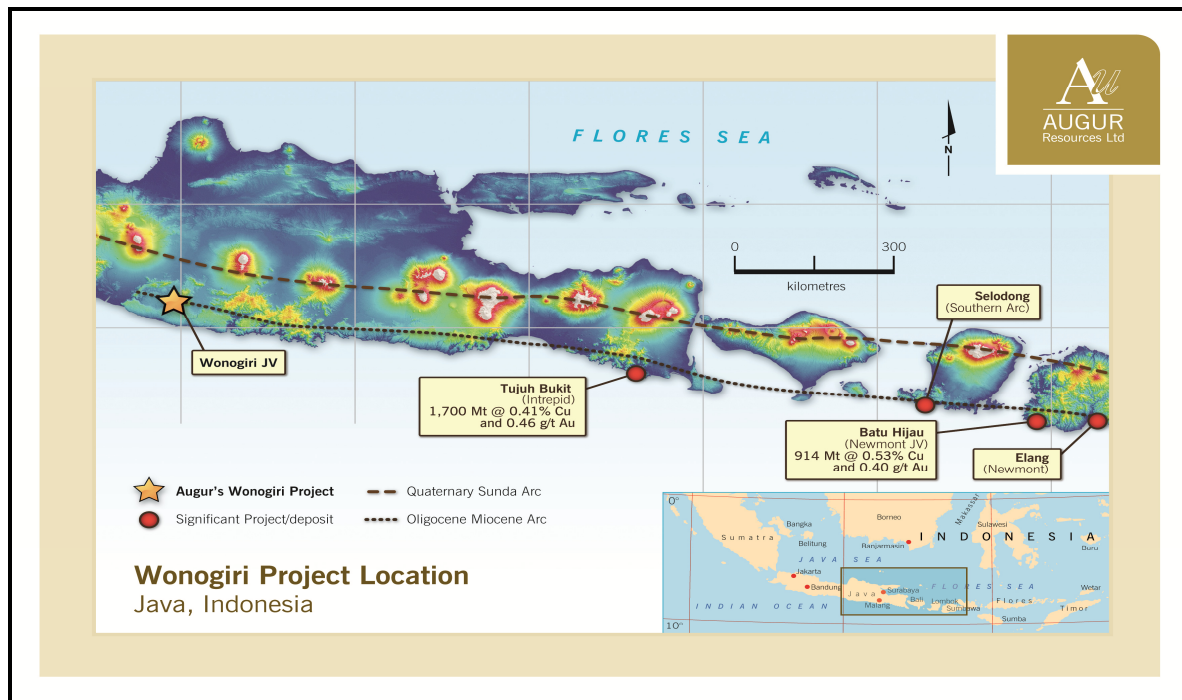
JORC Resource Category	Resource (Mt)	AuEq (g/t)	Gold Grade (g/t)	Copper Grade (%)	AuEq (Moz)	Gold (Moz)	Copper (Million Pounds)	Cut-off Grade (AuEq g/t) <sup>1</sup>
Measured	8.3	1.45	1.07	0.21	0.389	0.287	39.4	1.0
	20.4	1.03	0.72	0.17	0.673	0.473	85.1	0.5
	<b>28.3</b>	<b>0.84</b>	<b>0.56</b>	<b>0.15</b>	<b>0.765</b>	<b>0.513</b>	<b>132.7</b>	<b>0.2</b>
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
	<b>5.3</b>	<b>0.66</b>	<b>0.45</b>	<b>0.11</b>	<b>0.113</b>	<b>0.078</b>	<b>42.8</b>	<b>0.2</b>
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
	<b>33.7</b>	<b>0.81</b>	<b>0.55</b>	<b>0.15</b>	<b>0.878</b>	<b>0.591</b>	<b>175.4</b>	<b>0.2</b>
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
	<b>90.9</b>	<b>0.53</b>	<b>0.35</b>	<b>0.10</b>	<b>1.538</b>	<b>1.014</b>	<b>199.6</b>	<b>0.2</b>

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

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

Ground geophysical surveys at Wonogiri have identified a number of targets in addition to that of Randu Kuning. Systematic follow up of these targets continues.

The Wonogiri project has quality infrastructure supporting the project with it located approximately 30 kilometres to the south of the provincial city of Solo and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on sealed roads. The surrounding area has grid power, a large dam and numerous river and stream systems. Altitude of the Randu Kuning deposit is at approximately 200 metres above sea level.



**Wonogiri project location.**

## AUSTRALIAN PROJECTS

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and Northparkes deposits. Augur has completed JORC compliant resource estimates for deposits at the Collerina project (total resource estimate of 16.3 Mt at 0.93% nickel and 0.05% cobalt comprising of 4.4 Mt at 0.99% nickel and 0.06% cobalt of Indicated Resource and 11.9 Mt at 0.91% nickel and 0.05% cobalt of Inferred Resource using a 0.7% nickel cut-off) and at the Yeoval project (Inferred Resource estimate 12.9 million tonnes at 0.38% copper, 0.14 g/t gold, 120ppm molybdenum and 2.2 g/t silver using a 0.2% copper cut-off).

### Collerina (Optioned to Metals Finance Limited)

The Collerina project is located 40 kilometres south of Nyngan in central NSW, covering an area of 300 km<sup>2</sup> within the Fifeild Platinum Province. The tenement contains the Homeville nickel-cobalt deposit, which was discovered by Augur in 2008.

During the quarter, Augur's partner in the project, Metals Finance Australia Pty Ltd ('Metals Finance'), a subsidiary of Metals Finance Limited (ASX Code: MFC), completed the first pass of preliminary metallurgical testing on mineralised material from the Homeville nickel and cobalt deposit. Results indicated that potentially 85% of the nickel and 90% of the cobalt can be recovered. The results of Metals Finance are similar to those previously achieved by Augur.

Metals Finance can earn 51% of the Collerina project by conducting and funding a definitive feasibility study over an 18 month period (commencing February 2012). If development proceeds, funding will be in accordance with each partner's equity interest.

#### **Yeoval (EL 6311 and ML 811 - 25% Augur)**

Goodrich Resources Limited ('Goodrich') reported the results of a drill hole targeting the eastern extent of the Sovereign Porphyry zone at Yeoval. The hole intersected 44.5 metres at 0.46% copper and 0.50 g/t gold including 6.1 metres at 1.28% copper and 1.33 g/t gold and 19.1 metres at 0.60% copper and 0.66 g/t gold.

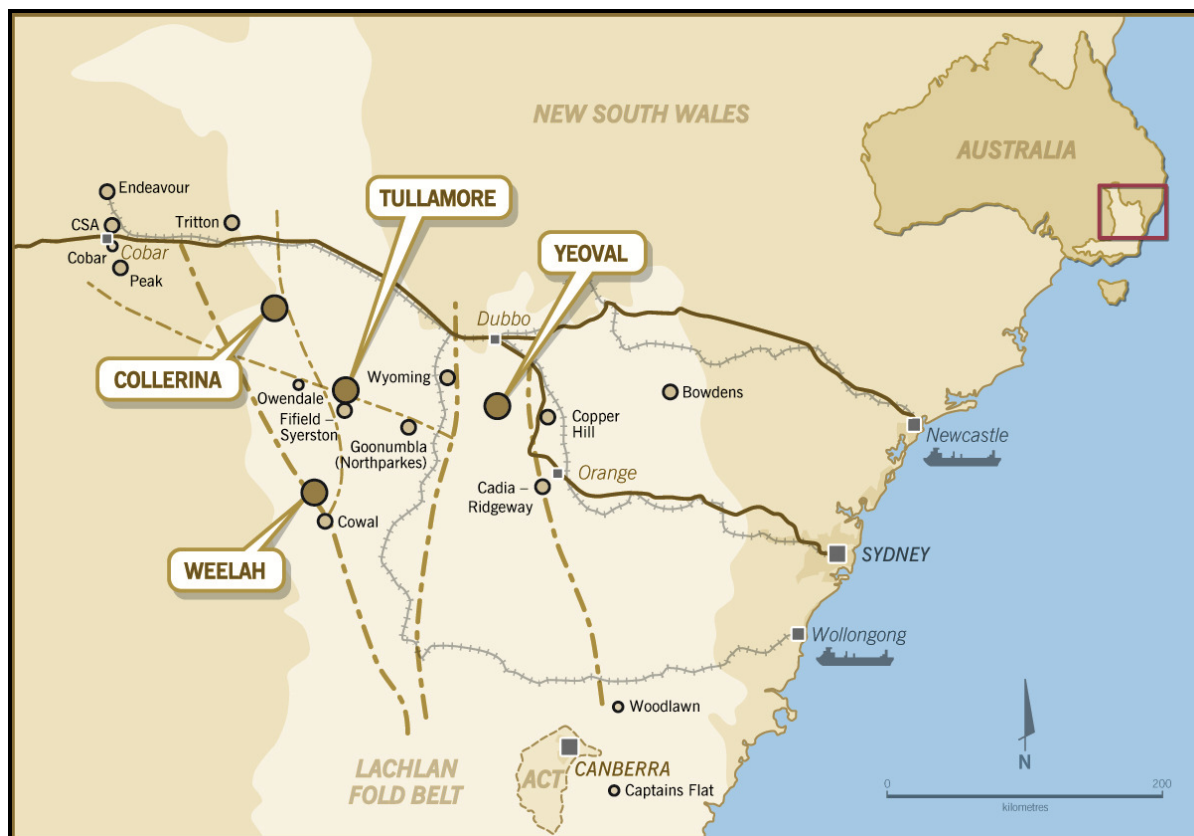
Goodrich suggests that the results indicate potential for a significant copper-gold deposit associated with the porphyry intrusion.

Augur is free carried on the Yeoval project until May 2014.

#### **Weelah (EL 6309 - 20% Augur)**

The Weelah tenement covers a Joint Venture between Augur and Meridien Resources Ltd ('Meridien'). Augur has an interest of 20% in the project. Meridien are operators of the project. No significant work was undertaken on the project during the quarter.

Augur is free carried on the Weelah project to feasibility.



**Australian project locations**

## **CORPORATE**

### **Capital Raisings**

A Security Purchase Plan ('SPP') was offered to shareholders based in Australia and New Zealand on 3 August 2012 and closed on 5 September 2012. The issue price was \$0.04, representing a discount of approximately 17% to the weighted average share price for the five trading days preceding the date of the announcement. Shareholders subscribed for 10,500,000 shares under the SPP, raising \$420,000.

In conjunction with the SPP, on 12 September 2012 the Company issued 17,593,750 new shares for a total consideration of \$703,750, to a range of Australian and overseas investors.

For further information, please contact Grant Kensington on +61 2 9300 3310.

Yours sincerely



**Grant Kensington**  
**Managing Director**

### **Statement of Compliance**

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Augur staff and contractors and approved by Mr Grant Kensington, geoscientist, who is a Member of the Australasian Institute of Mining and Metallurgy. Grant Kensington is a full-time employee 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 2004 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.

### **<sup>1</sup> Gold Equivalent Calculation**

Where reported, 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  $AuEq (g/t) = Au (g/t) + ((Cu (\%)*6945)/38.51)$

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

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