

31 January 2017

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(7 pages by email)

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED
31 DECEMBER 2016
(ASX: AUK)**

HIGHLIGHTS

- Submission of Indonesian-compliant feasibility study for development of the Randu Kuning deposit at Wonogiri.
- Requested moratorium on exploration licence granted for a period of one year to allow for completion of AMDAL (environmental impact study) and reclamation plan, which must be completed within 6 months.
- Continued metallurgical testwork to optimise processing parameters for a gravity + flotation processing flowsheet to produce a Cu-Au concentrate from Randu Kuning. Remaining work involving locked-cycle flotation tests to better determine actual processing parameters is expected to be completed before end of the March 2017 quarter.
- Continuation of the process to obtain an IUP Production permit to begin development of a stand-alone aggregate quarry adjacent to the proposed Randu Kuning gold-copper mine open-pit.
- Commencement of baseline environmental studies (UKL-UPL) in support of the permit change to IUP Production for aggregate delayed due to consultant availability and expected to commence during the March 2017 quarter.
- Incorporated a subsidiary company to undertake exploration of one property in southern Chile and eight properties under exclusive option in southern Argentina.

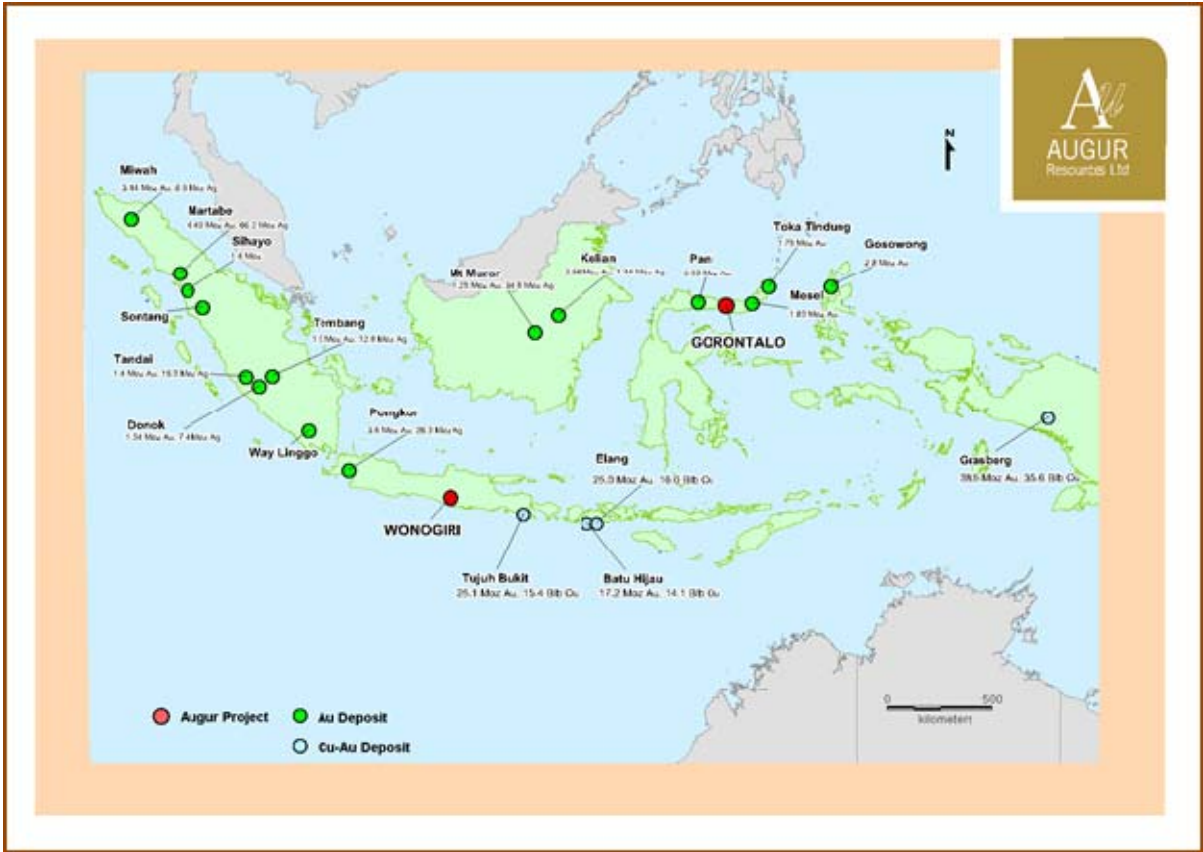
PROJECTS

Augur Resources Ltd ('Augur' or the 'Company') is a minerals exploration and development company with projects in Indonesia, New South Wales and is party to agreements to earn an interest in projects in Chile and Argentina.

INDONESIAN PROJECTS

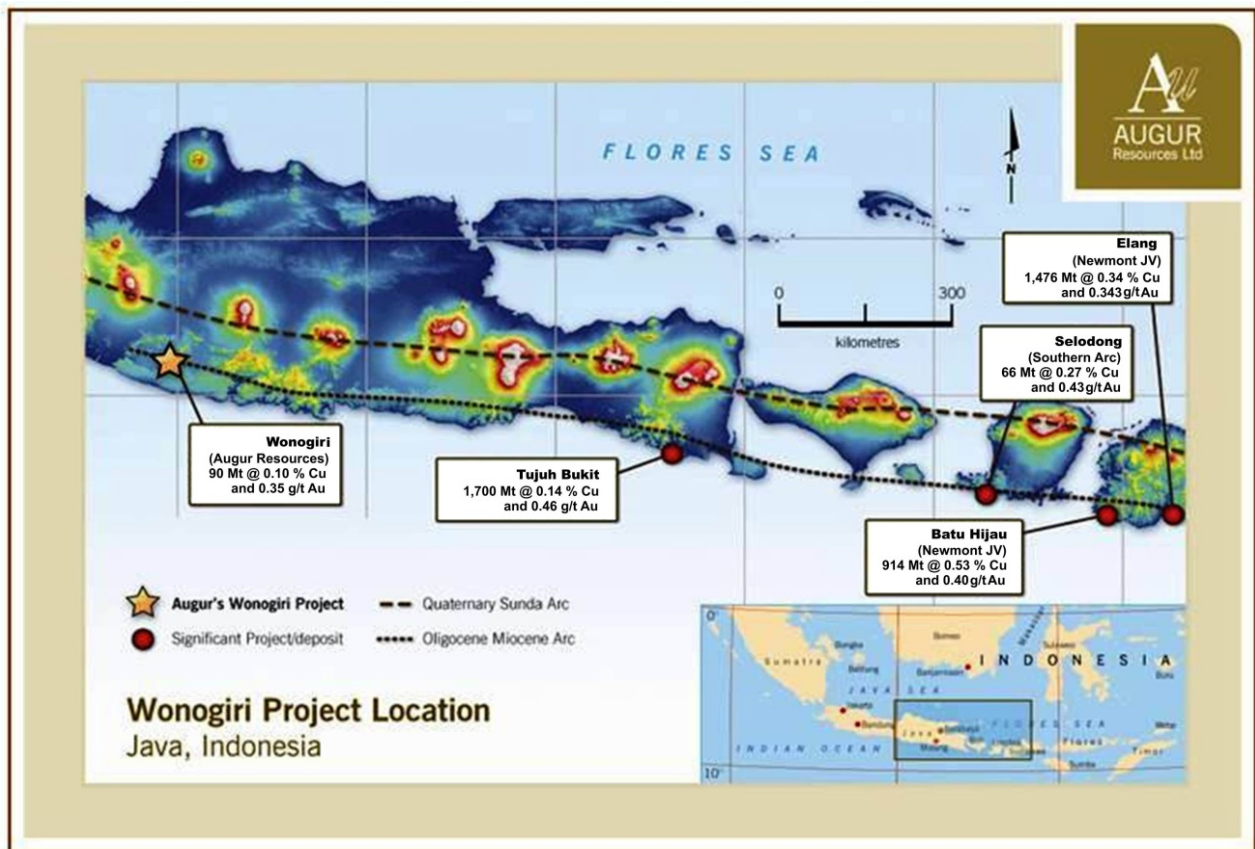
Wonogiri Project (Augur - 45%)

At the Wonogiri project, which is located in central Java, Augur is advancing the Randu Kuning gold-copper porphyry deposit.



Location map of the Company's Indonesian projects.

The 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 approximately 200 metres above sea level.



Wonogiri project location and major porphyry deposits on the Oligocene-Miocene Arc.

Indonesian Feasibility Studies

Together with JV partner Rajawali and Indonesian consulting group Geomine, the Company submitted a feasibility report as required by the Indonesian Ministry of Mines & Energy. The report provided detailed information for a proposed gold-only operation involving open-pit mining to produce gold bullion via gravity and CIL processing of ore. Under this scenario no by-product copper would be recovered.

However, it is the intention of the Company, pending completion of ongoing metallurgical tests, to determine the feasibility of production of a copper-gold concentrate via a gravity + flotation process flowsheet. This will also take into account pending revisions to the current Indonesian mining law regulations.

Wonogiri Metallurgical Studies

Additional testwork was started in mid-September 2016 to optimise recoveries of copper and gold via combined gravity and flotation processing to produce a gold-rich, copper concentrate. The current testing has established a baseline flowsheet and remaining work will involve locked cycle flotation tests. This work will indicate what recoveries and concentrate grades might be expected under actual operating conditions. The work is being completed at PT. Geoservices in Cikarang, West Java under the supervision of consultant Dr. Mark Steemson.

The Company is also assessing the availability and suitability of second-hand processing plants for use at the Wonogiri project. Under the current Indonesian Mining Law, the export of less than 99.99% copper is not permitted unless direct approval from the Indonesian Government is obtained and export tariffs paid. As such, the Company is in discussions with several groups in regards to offtake of Wonogiri concentrate.

Aggregate Evaluation

The Central Java Provincial Government recently issued an exploration IUP for aggregate to the Joint Venture company. The area of the IUP covers both the Randu Kuning gold-copper deposit area and an area identified for a stand-alone quarry development adjacent to the deposit. The next step is to obtain an IUP Production permit to allow for quarry development. This requires completion of a base-line environmental study and a feasibility study, both of which will commence during the March 2017 quarter. The Company is also in discussions with aggregate users regarding potential offtake agreements.

Gorontalo Properties (Augur - 80%)

No exploration activities were completed on the Toluludu and Tapadaa IUPs during the December 2016 quarter. The Company has provided property data to third parties considering a potential joint venture.

AUSTRALIAN PROJECTS

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and Northparkes deposits.

Homeville (Augur - 100% subject to farm-out agreement)

Initial counter-current atmospheric leach testwork at the Homeville deposit returned excellent overall recoveries of 90% nickel and 96% cobalt with a low overall acid consumption of 710 kg/tonne ore.

Augur is currently undertaking a scoping study for a 5,000 tonnes per annum nickel plant producing a mixed nickel-cobalt precipitate ('MSP') at 59% nickel content, although no further work has been undertaken on the study during the quarter.

SOUTH AMERICA EXPLORATION PROJECTS

As detailed in the ASX announcement of 25 January 2017, the Company has incorporated a new wholly-owned subsidiary company, Carlin Resources Pty Ltd ('Carlin'), to undertake exploration of properties in Chile and Argentina. The properties were selected after evaluation of numerous mineral properties in Chile, Argentina and Peru. Exploration of the Chile project (Becker) has commenced.

Becker Project - Talca District, Region VII Chile

The 2,000 hectare Becker property covers 2 zones of intermediate to low sulphidation epithermal gold-silver veining that were discovered in 1995. The two zones extend over a strike length of approximately 3.0 kilometres. No geophysics or drilling have been completed.

Previous exploration of the main Veta Lajuelas prospect in late 1995 by Arauco returned anomalous gold values along the entire trend, with maximum values ranging from 23.5 g/t Au to 79.0 g/t Au. Follow-up geological mapping and geochemistry at the time encountered a total of 11 individual, steeply-dipping, massive, drusy and bladed textured, quartz veins over a total strike length of 350 metres and widths varying from 0.5 to 7.5 metres, with associated quart-sericite-carbonate replacement of andesitic wall rocks. Extensive hand pitting and backhoe trenching across the veins along strike returned 12.2 g/t Au over 3.0 metres, 9.6 g/t Au over 7.5 metres and 4.5 g/t Au over 2.5 metres.

Carlin has signed a binding Memorandum of Understanding with the owners to enter into a Joint Venture Agreement (JVA) for the Becker property in Region VII of Chile. The JVA is to be finalised on or before 31 March 2017 and will allow Carlin to conduct mineral exploration and resource delineation under an agreed earn-in schedule.

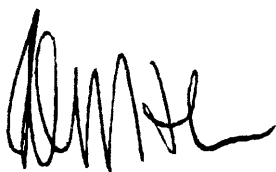
Tres Cerros Properties – Patagonia Region, Argentina

Carlin has also entered into an exclusive option to 31 March 2017 to complete evaluation of eight mineral properties in the Patagonia region of southern Argentina - four properties totalling 54,500 hectares in Rio Negro Province and four properties totalling 23,500 hectares in Santa Cruz Province. Subsequent to the option period, Carlin will have 15 days to finalise individual Joint Venture Agreements for selected properties.

The Patagonia region was targeted by Carlin due to the region's large gold-silver mineral endowment hosted within Jurassic-aged volcanic rocks of the Deseado and Somuncura Massifs. The Deseado Massif in Santa Cruz Province in particular is a world-class gold-silver region hosting several operating and developing gold-silver mines, and advanced projects. These include; Goldcorp's Cerro Negro mine, AngloGold-Ashanti's Cerro Vanguardia mine, Pan American Silver's Manantial Espejo mine, the Cerro Moro (Yamana), Don Nicolas (CIMINAS), mine developments, and Coeur Mining's Joaquin silver advanced project.

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

Yours sincerely



Peter J. Nightingale

Director

Statement of Compliance

The information in this report that relates to Exploration Results is based on information compiled by Augur staff and contractors and approved by Mr Michael Corey, PGeo., who is a Member of the Association of Professional Geoscientists of Ontario (APGO) in Canada. Mr Corey is employed by the Company and 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'. Mr Corey has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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