



**AUGUR RESOURCES LTD**  
ABN 79 106 879 690

**Emerging Gold and Copper Producer  
AGM Presentation 2016**

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# 2016 Highlights



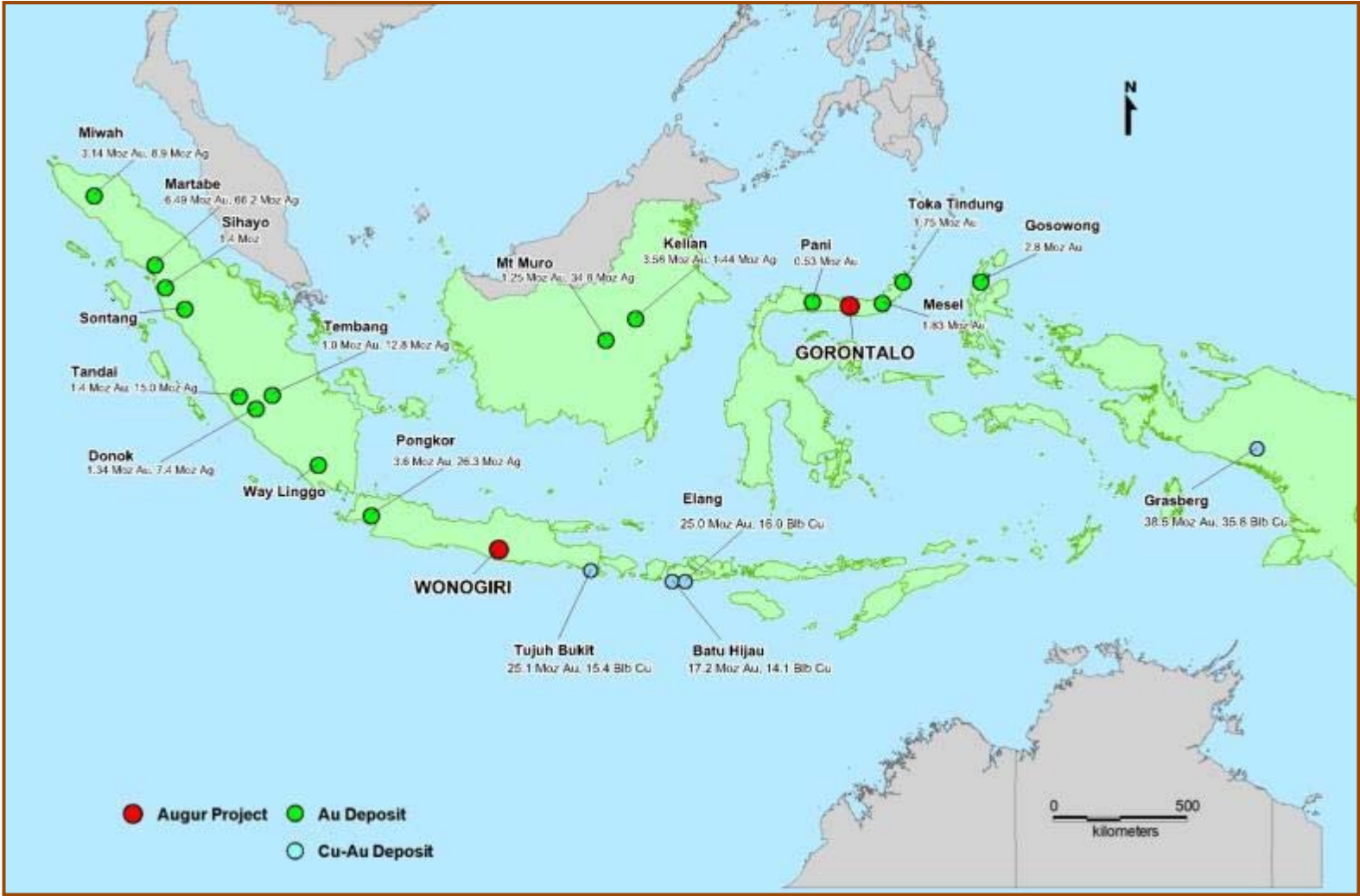
- ❖ Finalising Wonogiri flow sheet, previous metallurgical testing (2012) on a high-grade composite sample reported up to **89.0%** recovery of gold and **94%** recovery of copper via flotation. Potential for up to **55%** recovery of gold by **gravity** prior to flotation .
- ❖ Updated JORC 2012 compliant mineral resource estimate (ASX announcement 9 September 2016) for Randu Kuning deposit delivering: **1.15 Moz gold equivalent<sup>1</sup>** :
  - 996,521 ounces of gold (53% measured and indicated category)
  - 190 million pounds of copper (43% measured & indicated category).
- ❖ Updated Internal Scoping study (ASX announcement 30 August 2016) on Randu Kuning deposit delivered positive results and confirmed the potential for the development of the deposit.
- ❖ Commenced conversion of Wonogiri IUP to **20 year production operation IUP** (with a further 10 year extension possible).
- ❖ Signed LOI with Sumitomo for offtake of Wonogiri concentrate (subject to export permit).
- ❖ Review of a number of second hand plants suitable for use at Wonogiri.

# 2016 Highlights



- ❖ Issue of Aggregate licence covering 99 hectares within Wonogiri IUP to Rajawali subsidiary PT Anugerah Agung Perdana.
- ❖ Feasibility study completed on aggregate and currently converting to initial 5 year operation production licence (4 X 5 year extensions) with Aggregate mining planned to commence first half 2017.
- ❖ Review of a number of additional prospective Indonesian and global precious metal projects.
- ❖ Joint venture discussions with a number of interested parties for the Tapadaa and Tololudu projects.

# Indonesian Project Locations

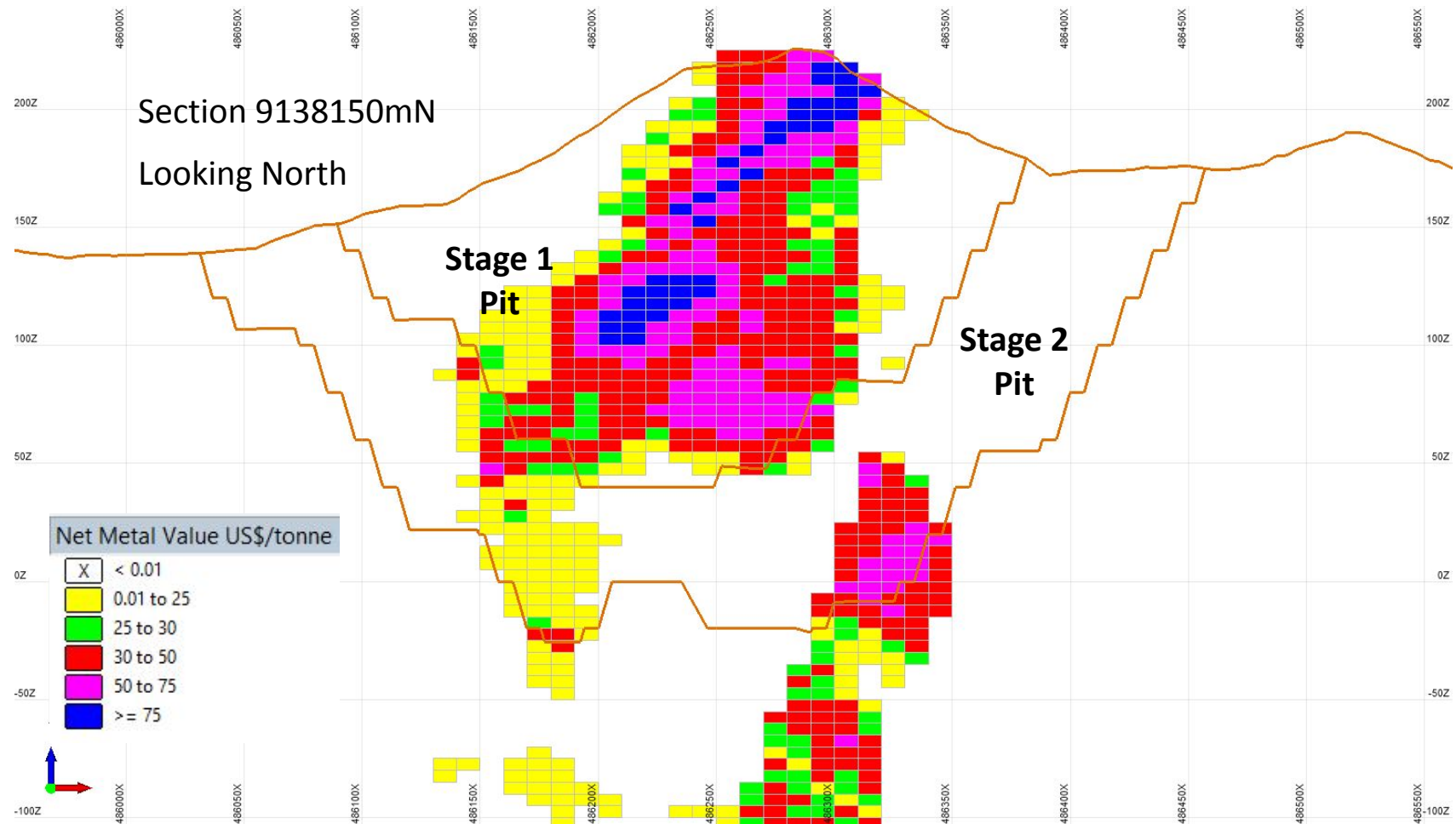


# Wonogiri - Updated Internal Scoping Study



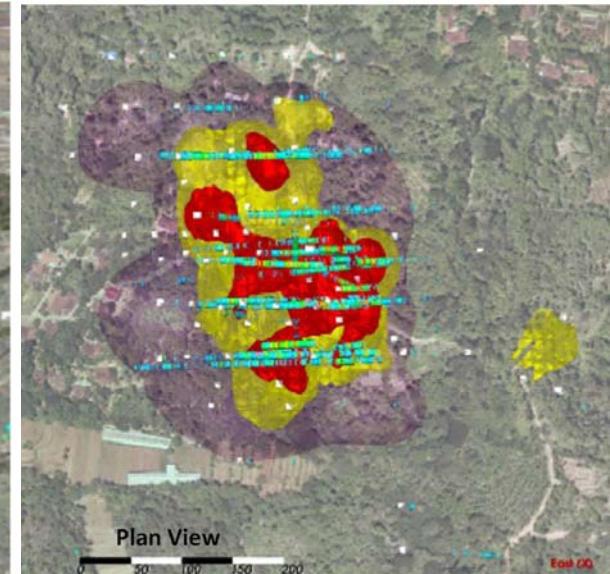
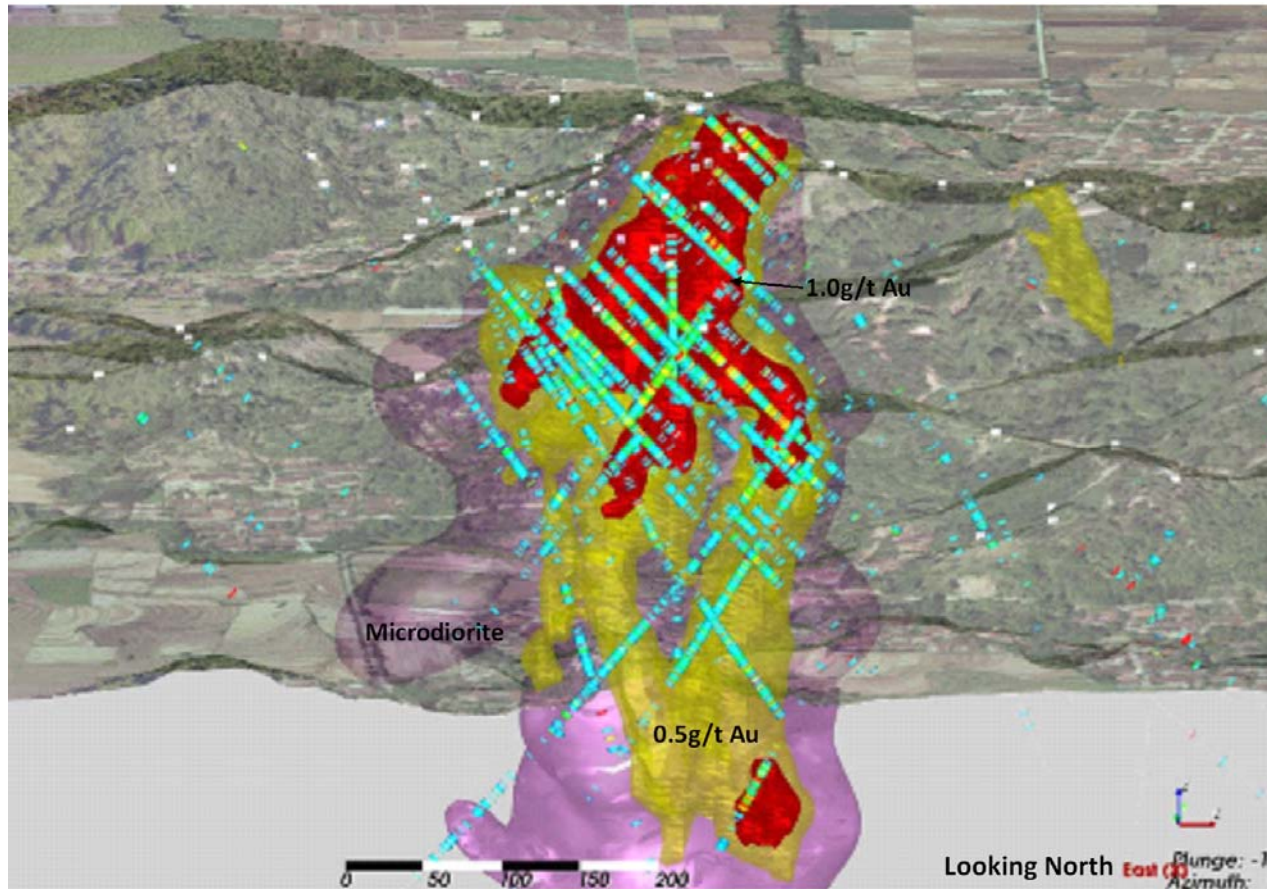
- ❖ Updated internal scoping study announced 30 August 2016 (previous study released 11 March 2014) evaluated an open cut mine with material treated by gravity concentration to produce a gold (+ silver) rich gravity concentrate and a copper (+gold, silver bearing) concentrate and 50% of waste rock sold as aggregate.
- ❖ Previous study update to include the significantly enhance project economics resulting from the aggregate potential of the project (ASX announcement dated 6 July 2015), metallurgical studies (ASX announcements dated 28 October 2015 and 29 April 2016) and current costings for fuel and development.
- ❖ Project is supported by a low strip ratio, good metallurgical recoveries, excellent access to infrastructure and national grid power.
- ❖ Positive results and confirmed the potential for the development of the deposit.

# Wonogiri – Open Pit Design



Randu Kuning deposit cross section showing contained metal value above base case C1 operating cost using \$1,350 per ounce gold and \$5,500 per tonne copper. Stage 1 pit contains 60% of total in-pit gold and copper.

# Wonogiri – Resource Model



Higher grade Au occurs close to surface and captured in Stage 1 pit with a strip ratio of **1.4:1**. Combined Stage 1 and 2 pits have a total 3:1 strip ratio.  
Deposit remains **open at depth** with drillhole IWG 02 returning **37 metres** of **1.77 g/t Au** and **0.23% Cu** from **458 metres** downhole (including 1m at 6 g/t Au).



# Wonogiri – Regional Prospects

## JANGGLENGAN PROSPECT AREA

- ❖ Located about 1.0 kilometre south of Randu Kuning.
- ❖ Initial scout hole WDD56 intersected:
  - **3.0 metres** at **7.79 g/t Au**, 9.0 g/t Ag, 0.29% Cu and 0.38% Zn from 70.0 metres including **1.0 metre** of **15.90 g/t Au** and **20.7 g/t Ag**.
  - **7.0 metres** at **2.64 g/t Au** and 1.7 g/t Ag from 120.0 metres, including **1.0 metre** of **14.8 g/t Au** and 4.0 g/t Ag.
- ❖ Follow-up drillhole WDD67 intersected **0.8 metres** of **20.40 g/t Au** and **13.0 g/t Ag** at 187.7 metres.
- ❖ Not fully drill tested.

## KEPIL PROSPECT AREA

- ❖ Located about 500 metres south west of Randu Kuning.
- ❖ Scout hole WDD58 intersected **36.0 metres** at **0.28% Cu** from 25.0 metres.
- ❖ WDD59 intersected 6.0 metres of 0.83 g/t Au from 36.0 metres, includes **2.0 metres** of **1.10 g/t Au** from 38 metres.
- ❖ Bottom 2 metres (148 - 150) of last hole (WDD72) contained **3.75g/t Au** and **24.2 g/t Ag**.
- ❖ Not fully drill tested.

# Wonogiri – Metallurgy Finalising Flowsheet



Currently testing sulphide composite at run-of-mine average grades to further evaluate gravity recoverable gold (GRG) and flotation recovery of Cu (Au-Ag) with leach tests of gravity concentrate and flotation tails.

Results from current testing have returned:

- ❖ **55%** recovery of gold by gravity only.
- ❖ **88%** recovery of copper by gravity and flotation (most Cu floats within **5 minutes**).
- ❖ **87%** recovery of gold by gravity and flotation.

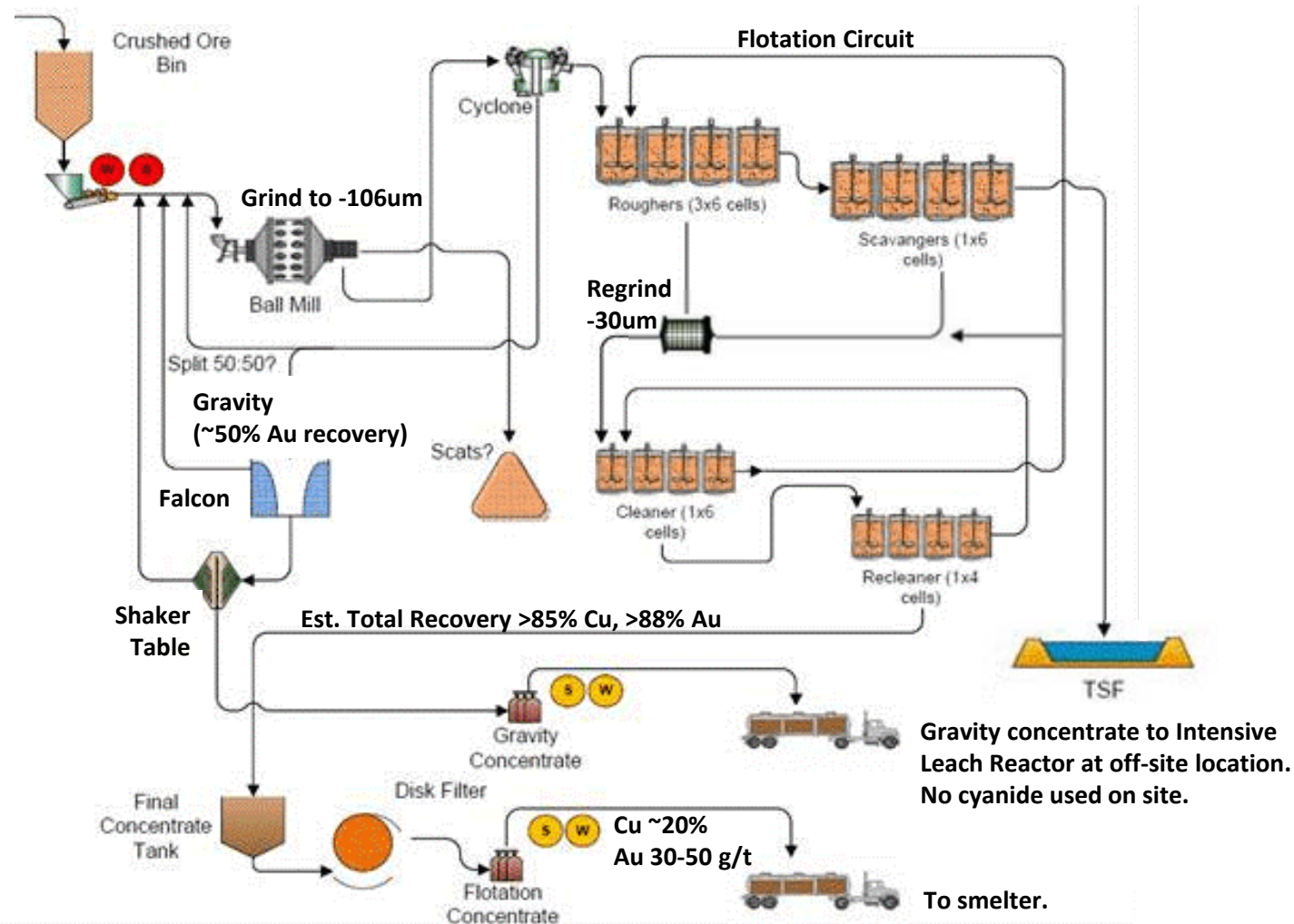
**Very clean concentrate:** little arsenic, lead or zinc.

Process flowsheet continues to be optimised to improve Au and Cu recoveries and also evaluate pyrite suppression methods to boost Cu% in concentrate. Current work to conclude in lock-cycle flotation tests to simulate actual operating conditions.

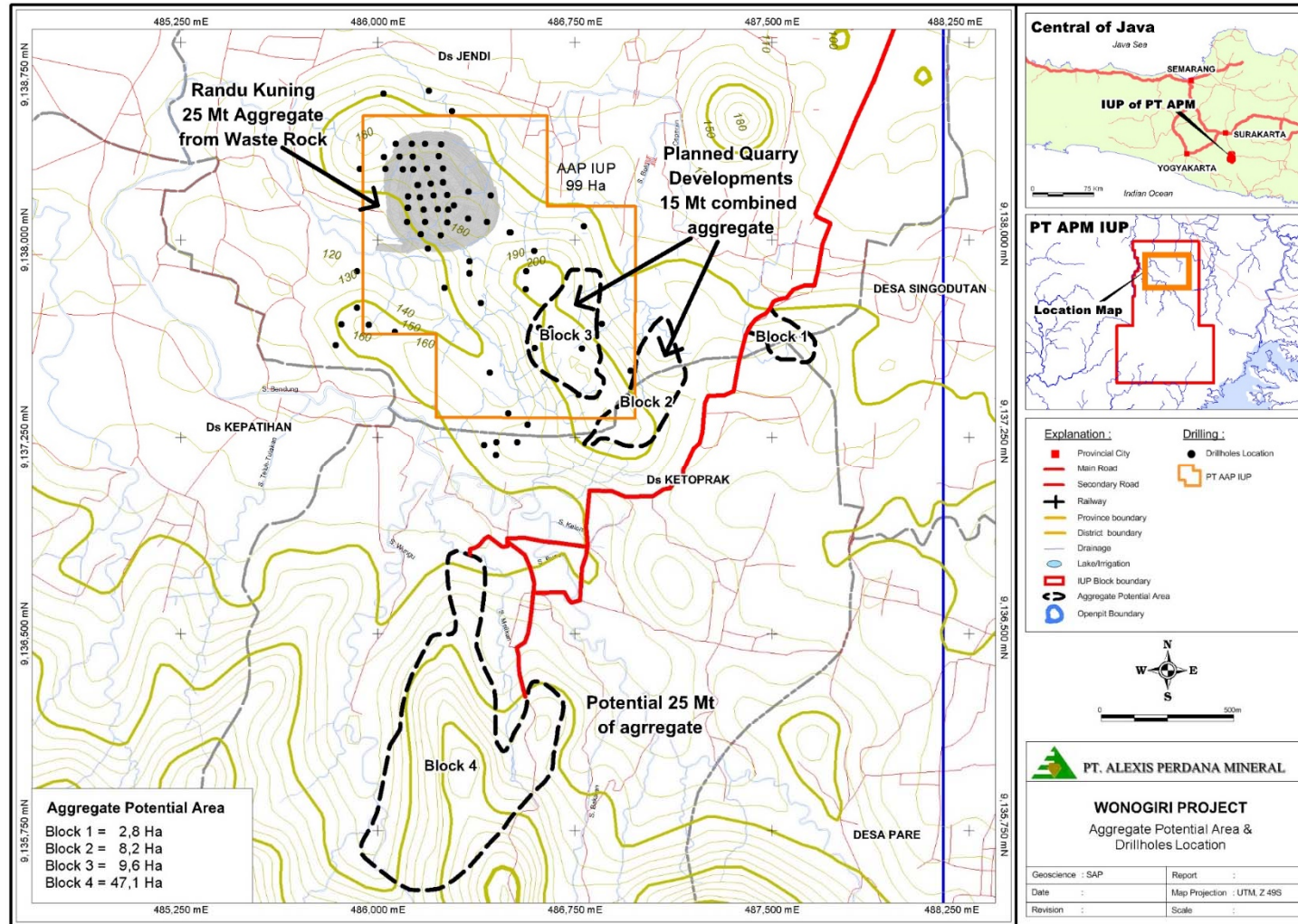
Final results expected before end 2016, will form the final process flowsheet for feasibility studies.

# Wonogiri – Conceptual Flowsheet

ROM sulphide ore  
0.9 g/t Au, 0.19% Cu &  
(1 ppm Ag)

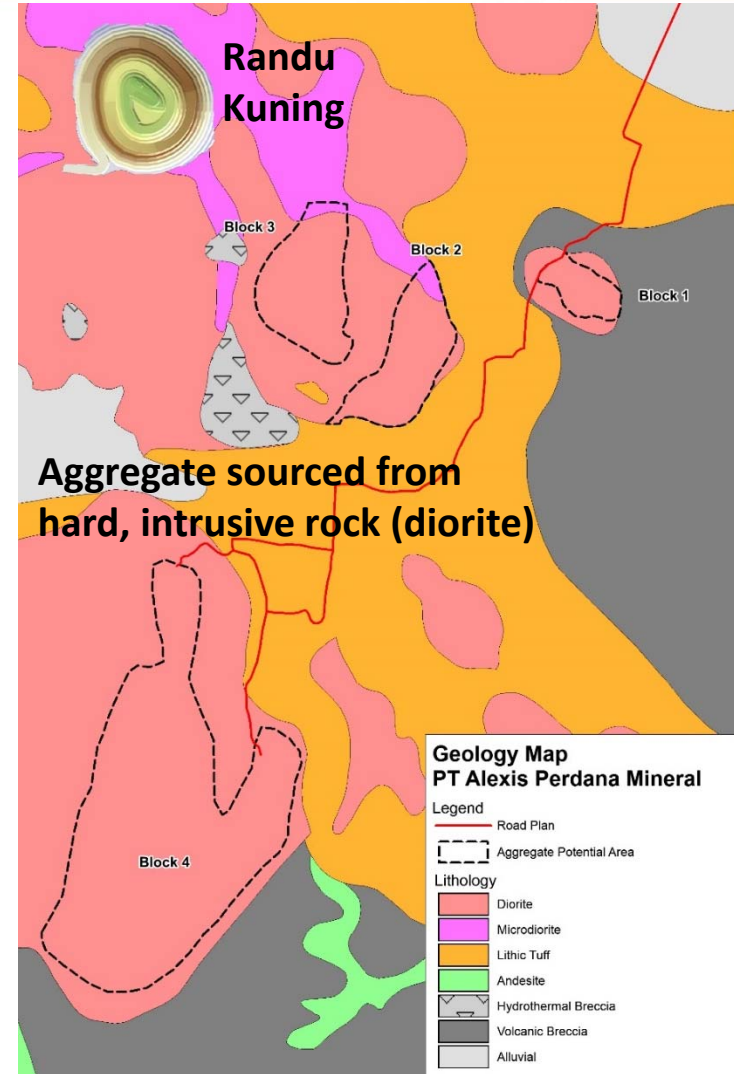
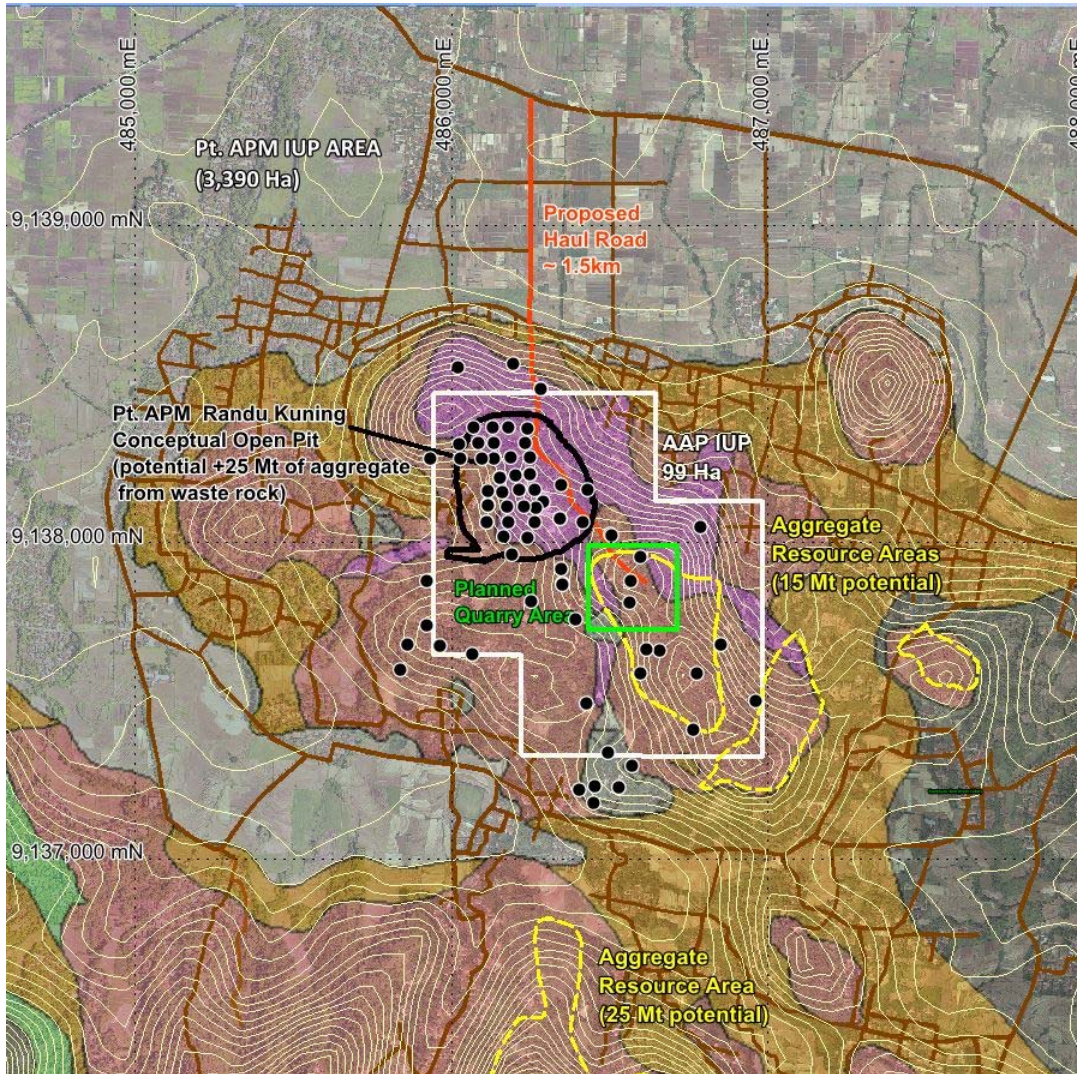


# Wonogiri – Aggregate Potential



**67.7 hectares** outside Randu Kuning pit, potential **50+ million tonnes** of high quality aggregate.

# Wonogiri – Aggregate Potential

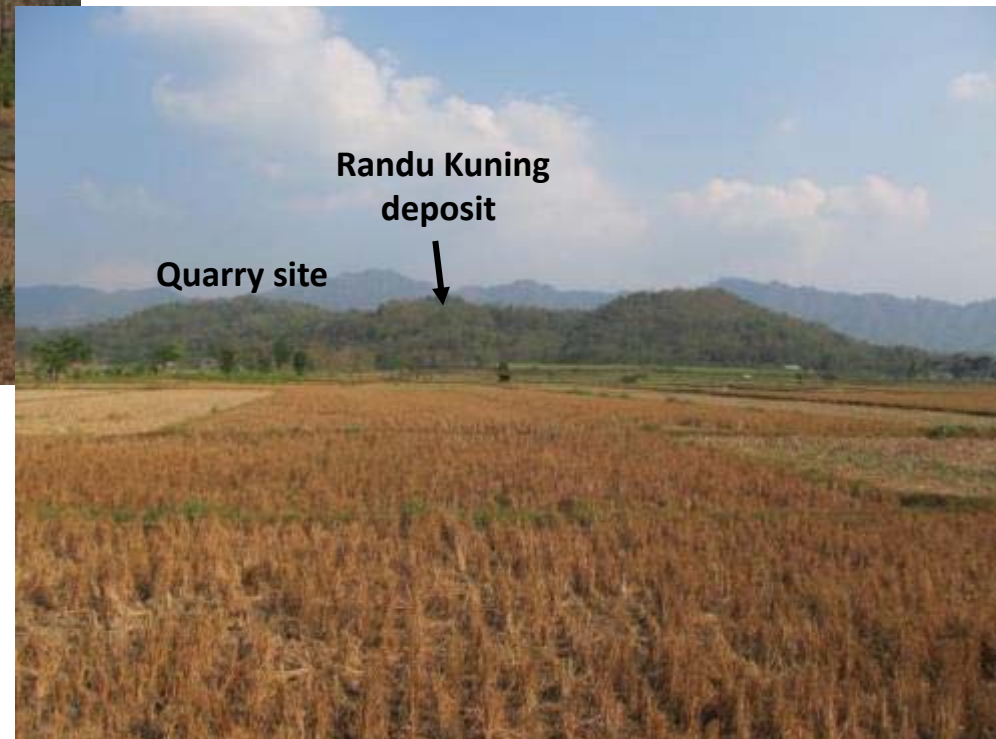


# Wonogiri – Aggregate Potential



Above: View looking north to regional road access.

- ❖ Areas to the south of the Randu Kuning pit where some land already owned.
- ❖ Natural topographic high which would mean lower mining costs.
- ❖ Start with low capex aggregate mine and then use funds to self fund development of Randu Kuning pit.



Right: View looking South to Randu Kuning deposit and proposed aggregate quarry area.

# Wonogiri (Aggregate)

## Summary

- ❖ Wonogiri contains one of the few **legal, large, high quality aggregate** deposits in Central Java (14 million tonnes for Randu Kuning only).
- ❖ Potential for the current known aggregate deposits to be **significantly expanded**.
- ❖ **Close proximity to major infrastructure projects** and local markets.
- ❖ Low capital expenditure start up with **EBITDA margins of Rp50,000 – Rp70,000 (US\$4 – US\$5) per tonne** and **quick payback**.
- ❖ When combined with gold and copper revenue (**NPV US\$143M** undiscounted from scoping study) from Randu Kuning makes extremely attractive **project economics** and **diversified risk**.
- ❖ Opportunity to become the **largest aggregate producer** in Central Java.
- ❖ Opportunity to vertically integrate aggregate into **cement production** to **capitalise on forecast cement growth**, particularly for pre-cast concrete.
- ❖ Opportunity to utilise bulk transport via rail to target a **much larger market** area.
- ❖ Other **value adding opportunities** such as production of **manufactured sand** and **bricks**.

# Wonogiri - Development Schedule



	QTR 2016				QTR 2017				QTR 2018			
	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec
<b>Aggregate Quarry Development</b>												
Permitting												
Land Acquisition												
Quarry Development												
<b>Randu Kuning Mine Development</b>												
IUP Production Permitting												
Indonesian Feasibility												
Finalize Met Flowsheet												
Amdal Environmental Study												
Land Acquisition												
Bankable Feasibility												
Process Plant Mobilization												
Mine & Infrastructure Build												
Production Begins												



# Tapadaa Project



## TAPADAA PROJECT - INDONESIA

- ❖ Scout drilling at Tapadaa project intersected **0.61 g/t Au over 22m from surface** (including 3m at 1.23 g/t Au from 0-3m) within oxidized volcanics, with a further 0.14% Cu over 12m (27-42m) and a further 0.13 g/t Au and 0.14% Cu over 8m (116-124m) to end of hole.
- ❖ Kinetic leach results on Tapadaa oxide ore composites returned **98% Au recovery in under 4 hours** demonstrating lightning fast leach kinetics and **very low cyanide (1kg/t ore) consumption**.
- ❖ Results suggest excellent prospectivity for a **near surface, bulk mineable oxide gold** resource for potential heap leach, with a **deeper porphyry related Au-Cu target**.
- ❖ Currently in discussions with a number of potential JV parties.

# Tololudu Project

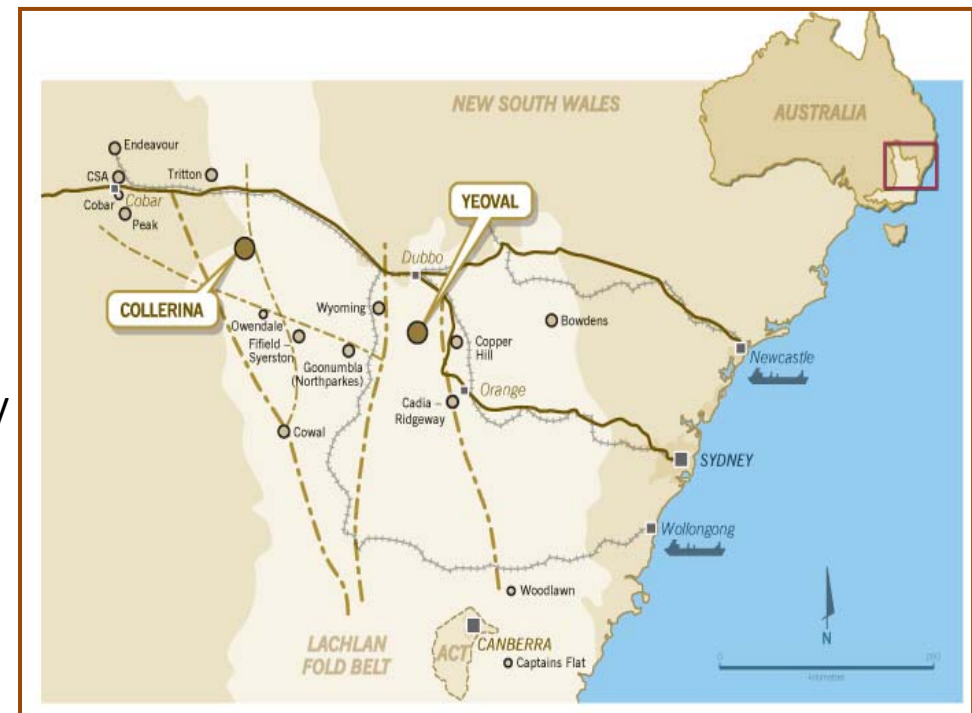


## TOLOLUDU PROJECT - INDONESIA

- ❖ Scout drilling at Tololudu returned **0.22% Cu over 60m** (12-72m) including 12m of 0.34% Cu, **hole ended in 0.13% Cu** in potassic breccia with abundant magnetite. Further drilling is warranted to evaluate defined targets further.
- ❖ Currently in discussions with a number of potential JV parties.

# Collerina

- ❖ **16.3 million tonnes at 0.93% nickel and 0.05% cobalt** (cut off 0.7% nickel).
- ❖ Total resource estimated to contain **151,000 tonnes of nickel** and **8,100 tonnes of cobalt**.
- ❖ Mineralisation is **at surface** in some areas and has an average depth of only 10 metres.
- ❖ Initial counter-current atmospheric leach (CCAL) testwork on laterite ore suggests overall recovery of nickel and cobalt from the ore of **more than 90%** will be achievable, at a low overall acid consumption of less than **730 kg/t ore**.
- ❖ Scoping study continues.



# Augur - A Value Proposition



- ❖ **Advanced Projects:** Wonogiri (Au/Cu) and Homeville (Ni).
- ❖ Wonogiri aggregate project potential for **near term cashflow** (2017).
- ❖ Wonogiri gold – copper project potential for low capex **profitable open pit mine**.
- ❖ Randu Kuning **porphyry** remains **open** at **depth** with 2 **epithermal** targets also remaining prospective.
- ❖ Projects have **mineralisation close** to **surface** and **excellent logistics**.
- ❖ **Highly experienced** Board and management team.
- ❖ **Strong local partner** and major shareholder in **Rajawali Group**.

# Strong Local Partner – Rajawali Corporation

- ❖ Rajawali Corporation through its subsidiary PT Archi 35% shareholder in Augur through placement of A\$6.75m in 2013.
- ❖ Rajawali founded in 1984, is one of the largest privately owned conglomerates in Indonesia with operations in mining, plantations, hotels and transportation. Controlled by tycoon Peter Sondakh (net wealth US\$1.9B as estimated by Forbes, 2015).
- ❖ 100% owner of the Toka Tindung gold mine in North Sulawesi which has been operating since 2011 and is currently ramping up to production of 250,000 oz pa.
- ❖ Toka Tindung has a resource of circa 3.5Moz and is in the process of converting 2.5Moz to reserves.



# Experienced Board and Management



<p><b>Norman Seckold</b> Chairman</p>	<p>B.Ec (University of Sydney) 30+ years in the full time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver &amp; Gold and Cockatoo Coal Limited. Currently Chairman of Nickel Mines Limited, Santana Minerals Limited and Planet Gas Limited.</p> <p>Bolnisi Gold NL was acquired by Coeur d’Alene Mines Corporation in 2008 for \$1.3B.</p>
<p><b>Justin Werner</b> Managing Director</p>	<p>Bachelor of Management (University of Sydney) Founding partner of PT Gemala Borneo Utama (BUDUK Gold Project and Romang Island Project). Romang Island vended into ASX listed Robust Resources Limited and then acquired for Anthony Salim for \$97M. Currently a Director of Nickel Mines Limited.</p>
<p><b>Peter Nightingale</b> Director</p>	<p>B.Ec (University of Sydney) and Chartered Accountant Past Director or Company Secretary of a range of resource companies including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Mogul Mining NL, Bolnisi Gold NL, Cockatoo Coal Limited and Sumatra Copper &amp; Gold plc. Currently a Director of Argent Minerals Limited, Planet Gas Limited and Nickel Mines Limited.</p>

# Corporate Summary

## Directors

- Norman Seckold - Chairman
- Justin Werner - Managing Director
- Peter Nightingale - Director and CFO

## Projects

Wonogiri (Indonesia) - gold, copper, aggregate  
Gorontalo (Indonesia) - gold, copper  
Collerina (Australia) - nickel, cobalt

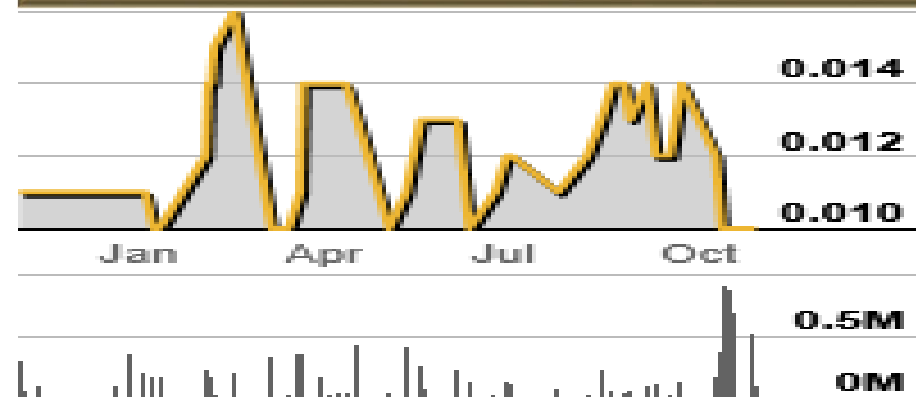
## Capital Structure

315.8 million shares on issue  
\$3.8 million market capitalisation

## Major shareholders

PT Archi Indonesia - 35%  
Management - 22%

## Share Price – 52 weeks



# Statement of Compliance



The information in this report that relates to Mineral Exploration 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. Michael Corey is a full-time employee of Augur 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'. Michael 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.

The information in this report that relates to Mineral Resources 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. Michael Corey is a full-time employee of Augur 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'. Michael 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.

Information regarding Mineral Resources reflects recent (9 September 2016) restatement to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company is not aware of any unreported information or data that materially affects the information presented and, in the case of the resource estimate, all material assumptions and technical parameters underpinning the estimate are valid.

## **<sup>1</sup> 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\$1,250/oz and a copper price of US\$5,500/t (US\$2.49/lb). 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, gold and copper recoveries are assumed to be 85%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of up to 90% 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 equation is:  $AuEq = (Au_g/t * \$40.204 * 85\% + Cu\_ppm * \$0.055 * 85\%) / (\$40.20)$  (i.e.: 1.0% Cu = 1.3 g/t Au).

## **<sup>2</sup> 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.

## **<sup>3</sup> Gold Equivalent Calculation relating to the Updated Wonogiri Scoping Study**

Where reported in relation to the Wonogiri scoping study, Gold Equivalent results are calculated using a gold price of US\$1,350/oz and a copper price of US\$5,500/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, gold and copper recoveries are assumed to be 87% for each. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of up to 90% 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 :  $AuEq = (Au\_g/t * \$43.40 * 87\% + Cu\_ppm * \$0.055 * 87\%) / (\$43.40)$



# JORC (2012) Summary – Randu Kuning

CLASS	COG AuEq g/t	M tonnes	AuEq g/t	Au g/t	Cu %
MEASURED	1	4.88	1.36	1.28	0.23
	0.8	7.73	1.18	1.11	0.21
	0.6	12.74	0.99	0.91	0.18
	0.5	15.65	0.91	0.83	0.17
	0.4	18.54	0.84	0.76	0.16
	0.2	21.59	0.77	0.69	0.15
INDICATED	1	0.25	1.37	1.39	0.16
	0.8	0.43	1.16	1.17	0.15
	0.6	0.92	0.9	0.89	0.12
	0.5	1.67	0.74	0.73	0.11
	0.4	2.43	0.65	0.64	0.1
	0.2	3.08	0.58	0.56	0.09
INFERRED	1	0.1	1.37	1.49	0.09
	0.8	0.8	0.92	0.91	0.13
	0.6	1.9	0.78	0.75	0.12
	0.5	3.64	0.67	0.62	0.12
	0.4	8.59	0.54	0.47	0.12
	0.2	56.89	0.31	0.25	0.09
TOTAL	1	5.22	1.36	1.29	0.23
	0.8	8.95	1.16	1.09	0.2
	0.6	15.57	0.96	0.89	0.17
	0.5	20.95	0.85	0.79	0.16
	0.4	29.56	0.73	0.67	0.14
	0.2	81.56	0.44	0.38	0.1

- At a 0.5 g/t AuEq cut-off grade the total resource is 21Mt at **0.79 g/t gold and 0.16% copper**.
- **533,000 oz** of contained gold.

CLASS	Tonnes M	AuEq g/t	Au g/t	Cu%	Au Oz	Cu KTonnes
Measured	15.7	0.91	0.83	0.17	419	26.7
Indicated	1.7	0.74	0.73	0.11	40	1.9
Inferred	3.6	0.67	0.62	0.12	72	4.3
<b>TOTAL</b>	<b>21</b>	<b>0.85</b>	<b>0.79</b>	<b>0.16</b>	<b>533</b>	<b>33.6</b>

Thank you



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