

26 April 2017

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(5 pages by email)

**Cobalt Evaluation Drill Program to Commence at Collierina**  
**(ASX: AUK)**

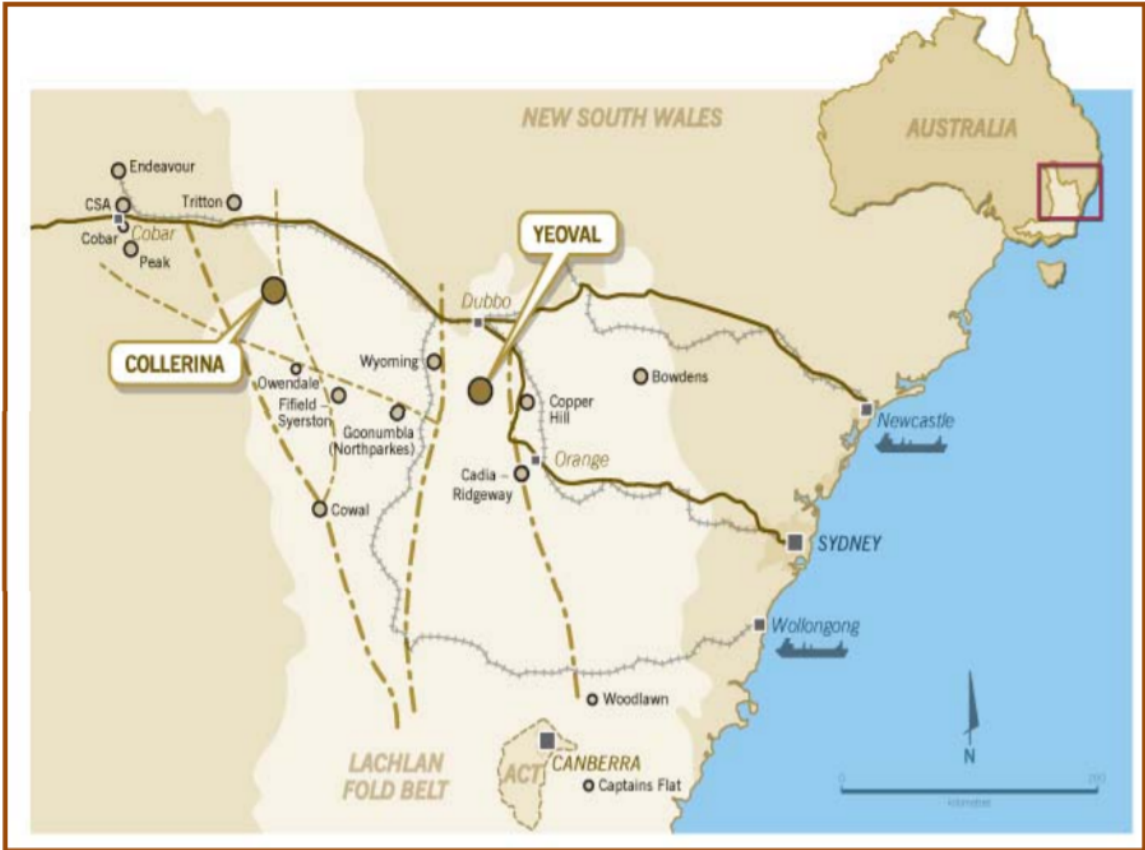
**HIGHLIGHTS**

- Permitting is being finalised for a 45 hole, 2,700 metre reverse-circulation ('RC') drill program at the Collierina project area.
- Program objectives are to confirm continuity of enriched cobalt mineralisation hosted within laterite in the Homeville prospect area and test the potential for additional cobalt mineralisation within undrilled extensions of the Homeville and Yathella high magnetic trends and favourable geological targets.
- The cobalt mineralisation is in part contained within the Homeville nickel-cobalt (Ni-Co) laterite deposit.
- Augur will also investigate metallurgical process options to enhance recovery of nickel-cobalt from laterite within the Homeville and Yathella prospect areas.
- Augur will also work with an independent metallurgical consultant to evaluate the viability of recovering alumina from the laterite to produce a high-purity alumina ('HPA') product.

**Collerina Project Area**

The Homeville deposit is located within the Collerina tenement (EL6336), located 40 kilometres south of Nyngan in the central west of New South Wales (Figure 1). Nyngan is in the Bogan Shire and is situated 555 kilometres north-west of Sydney. Nyngan also lies on the main western railway line of New South Wales, and railway lines to major east coast ports are within 55 kilometres of the deposit. Property access is provided by a series of all-weather secondary roads the closest of which passes adjacent to the main zone of cobalt mineralisation.

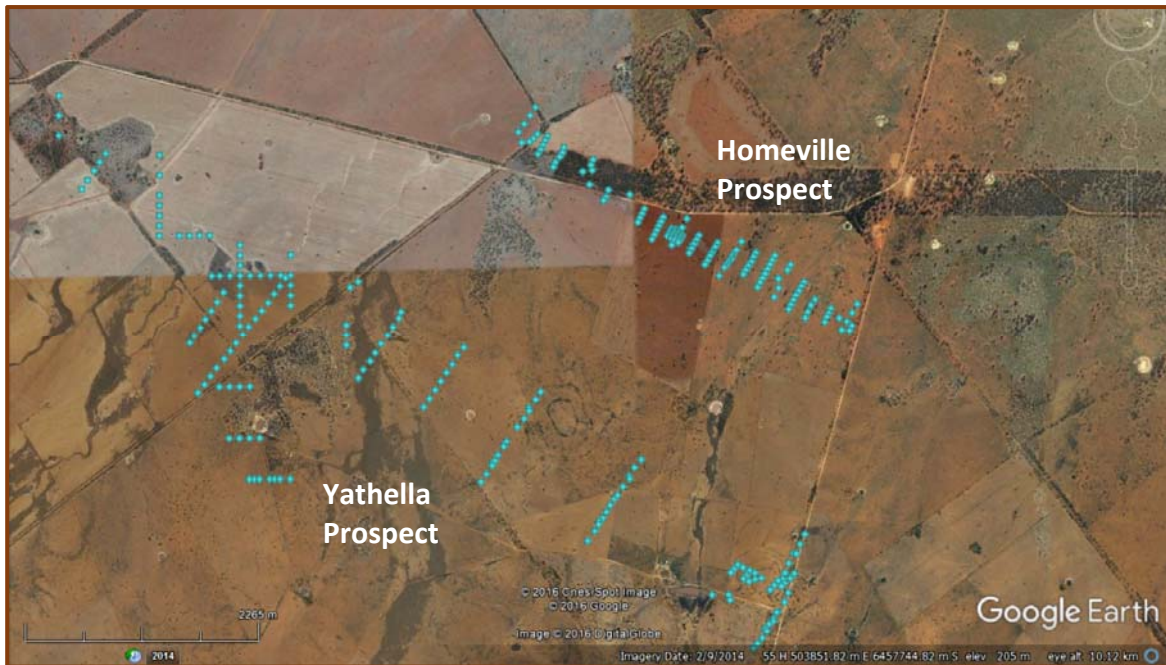
The current JORC compliant resource estimate for Homeville is 16.3 million tonnes at 0.93% nickel and 0.05% cobalt (at 0.7% nickel cut-off), containing an estimated 151,000 tonnes of nickel and 8,100 tonnes of cobalt (4.4 million tonnes Indicated resource of 0.99% nickel and 0.06% cobalt and 11.9 million tonnes Inferred resource of 0.91% nickel and 0.05% cobalt)<sup>1</sup>. Previous drilling in 2010 intersected significant cobalt mineralisation within the Homeville prospect area over 3.0 kilometres in length. These include 28 metres of 0.18% cobalt with 0.92% nickel, 14 metres of 0.25% cobalt with 1.00% nickel, and 16 metres of 0.23% cobalt with 1.20% nickel. The cobalt mineralisation is spatially associated with the JORC compliant nickel laterite resource.



**Figure 1: Collerina project area situated about 40 kilometres south of Nyngan, NSW.**

## Planned Drill Program at Collerina

The Company is completing permitting to complete RC drilling within the Homeville and Yathella prospect areas. Previous drilling (Figure 2) tested areas of laterite coincident with high magnetic linears and favourable mafic volcanic host rock.

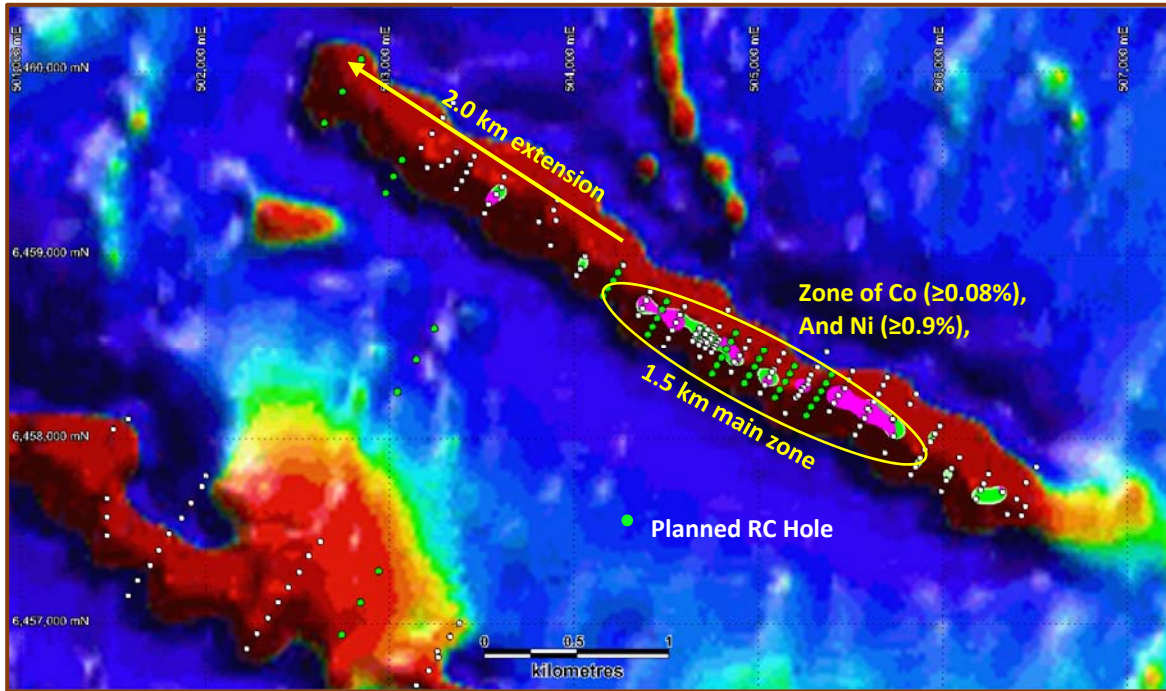


**Figure 2: Location of previous (2008 -2010) drill holes completed in the Collerina project area. Access is provided by several all-weather secondary roads.**

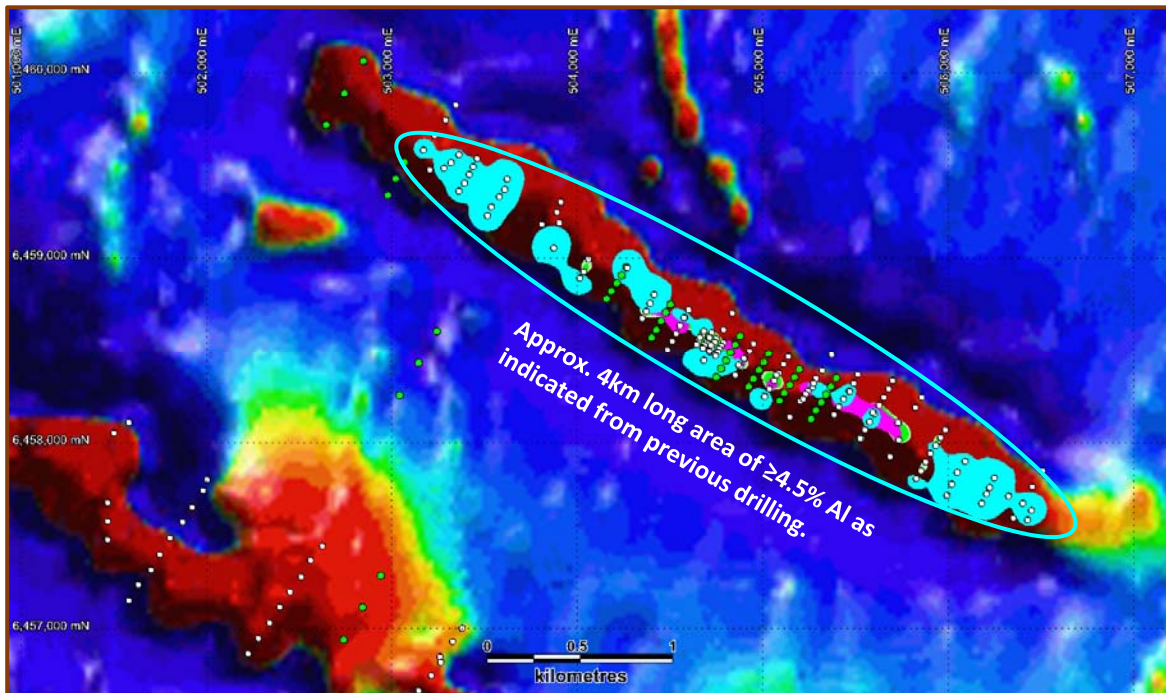
Approximately 2,700 metres of RC drilling is planned within 45 drill holes. Drilling will be completed along 50 -100 metre spaced intervals along 100 to 500 metre spaced lines. The program is expected to commence before end of May 2017 pending receipt of permits.

39 holes are planned for the Homeville prospect area to confirm continuity of the high cobalt zones intersected by previous drilling and to test for additional mineralisation. Several holes are also located to test for high cobalt and high alumina within the undrilled northwestern extension of the high magnetic linear at Homeville.





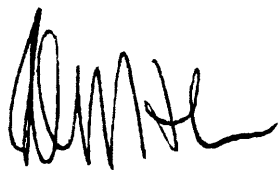
**Figure 3: Interpreted magnetic map with locations of previous and planned RC holes. Area of current defined high cobalt and nickel hosted laterite mineralisation is indicated.**



**Figure 4: Similar to Figure 3 with the addition of indicated high alumina ( $\geq 4.5\%$ ) mineralisation within shallow laterite.**

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', written in a cursive style.

**Peter J. Nightingale**

**Director**

### **Statement of Compliance**

Information regarding the Mineral Resource at the Collierina project 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 Company is not aware of any new information or data that materially affects the information and, in the case of the resource estimate, all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

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 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.

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

Where reported, Nickel Equivalent results are calculated using a nickel price of \$9/lb and a cobalt price of \$13/lb. In calculating Nickel Equivalents, nickel and cobalt recoveries are assumed to be 100%. 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 Homeville project was to undergo processing.