AUGUR
Resources Ltd
ABN 79 106 879 690

26 May 2014

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(16 pages by email)

Dear Madam,

Augur to Acquire Majority Interest in MMG's Indonesian Copper and Gold Portfolio

- **Agreement to acquire 80% of MMG's copper and gold projects located in North Sulawesi, Indonesia.**
- **Total land package of 39,398 hectares within four exploration licences (IUP's) each held by an Indonesian registered PMA company.**
- **Previous reconnaissance exploration identified multiple large alteration zones hosting mineralisation styles characteristic of porphyry and epithermal type systems. Previous reported rock chip results include; 10.6 g/t gold, 0.56% copper and 33.8 g/t silver and 1.72% copper, 0.27 g/t gold and 12.4 g/t silver.**
- **Low consideration of A$200,000 cash with no further expenditure commitments.**

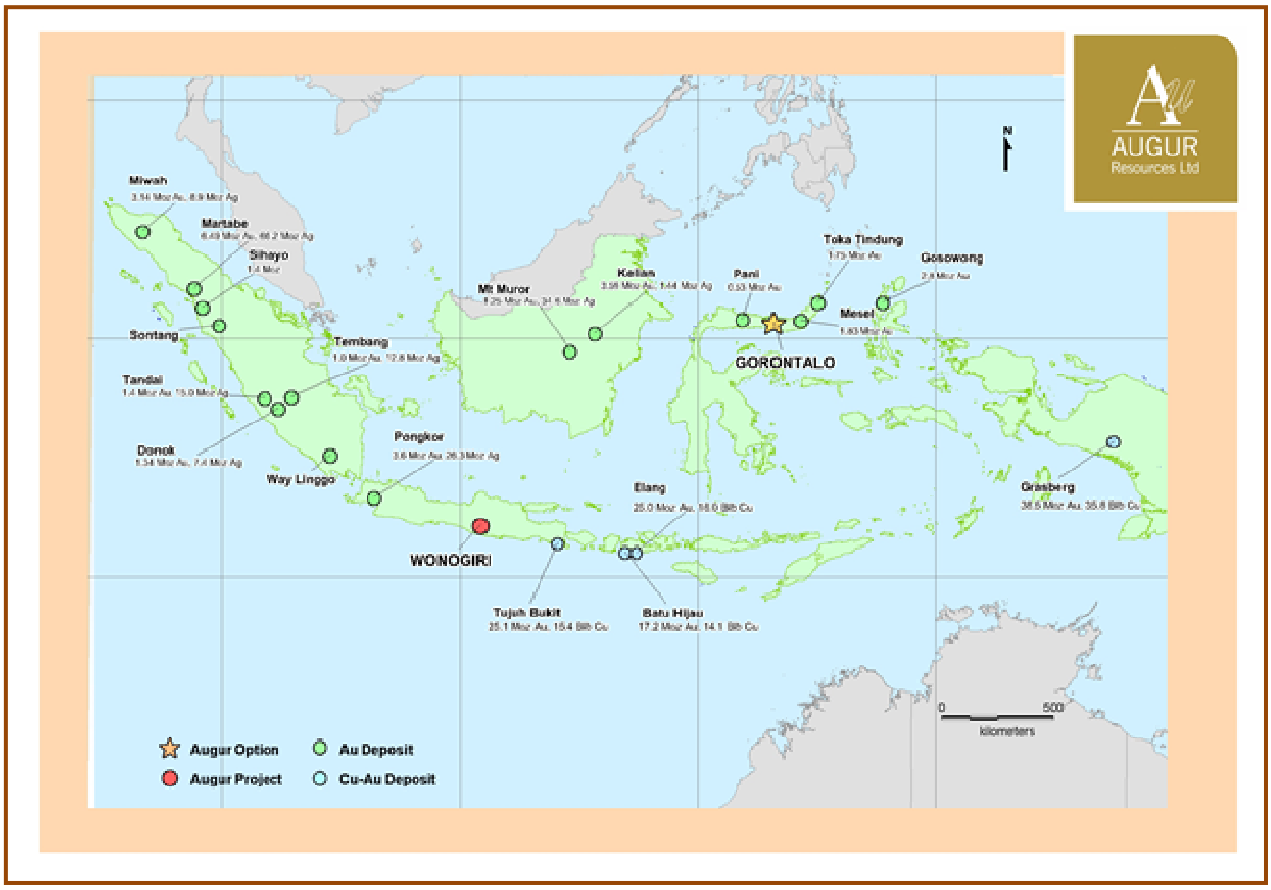
The Directors of Augur Resources Ltd ('Augur') are pleased to report that Augur has entered into an agreement to acquire an 80% interest in four highly prospective copper and gold tenements in North Sulawesi from MMG Exploration Pty Ltd ('MMG') through the acquisition of shares in two MMG Singapore subsidiaries which own the PMA companies that hold the mineral tenements. MMG has decided to withdraw from Indonesia due to a change in global exploration strategy.

Under the terms of the agreement Augur must pay A$50,000 within five days of signing of the agreement and then a further A$150,000 on completion of all corporate requirements to affect the transfer of shares in the two Singaporean MMG subsidiaries to a subsidiary company of Augur.

Upon completion of a bankable feasibility study on any of the tenements being acquired MMG must elect to either:

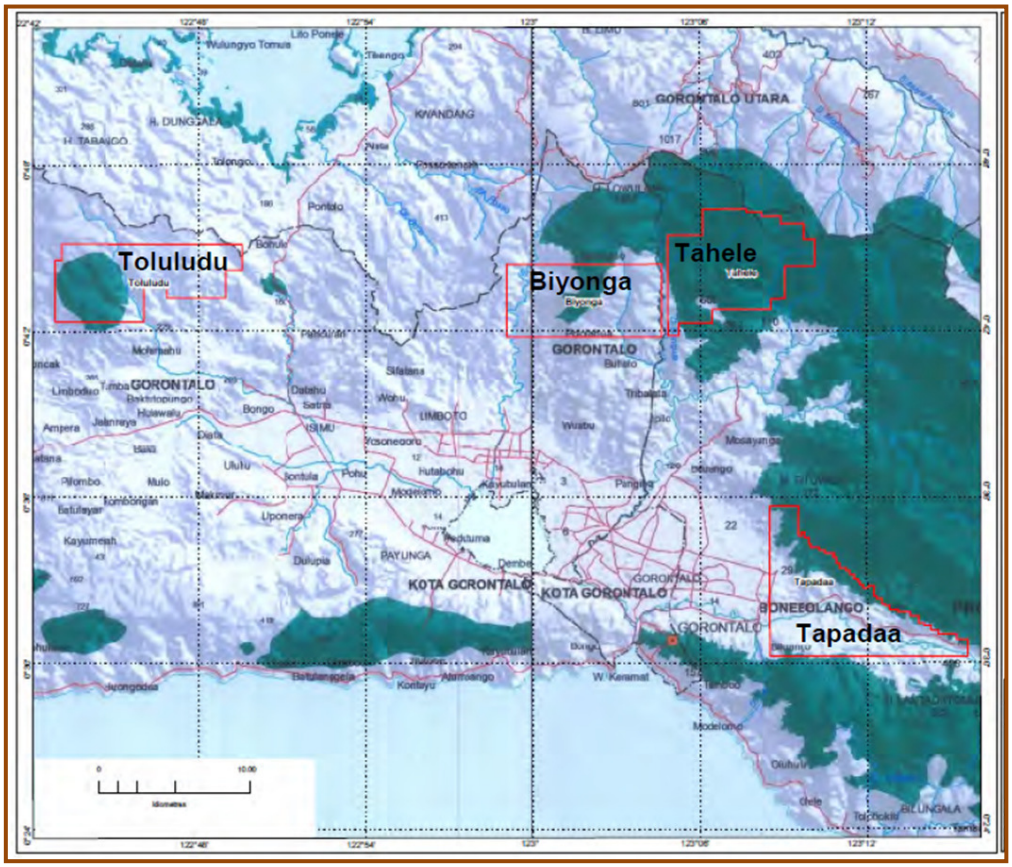
(a) contribute towards expenditure of the subsidiary company holding title to the relevant tenement in proportion to its remaining 20% interest; or

(b) convert the remaining interest to a 2% net smelter royalty based on all production from the tenements.



Map showing the location of the Gorontalo properties and Augur's Wonogiri project.

The four projects: Toluludu, Biyonga, Tapadaa and Tahele, collectively referred to as the 'Gorontalo Properties' are located in northern Sulawesi, near the city of Gorontalo. Each of the project areas contain zones of alteration and mineralisation indicative of copper-gold porphyry and/or related epithermal-type gold and silver and skarn-type mineralisation.



Forest classification map 2012 for Gorontalo Region. MMG properties shown. Areas of Protected Forest are shown in dark green. (Indonesia Dept. of Forestry)

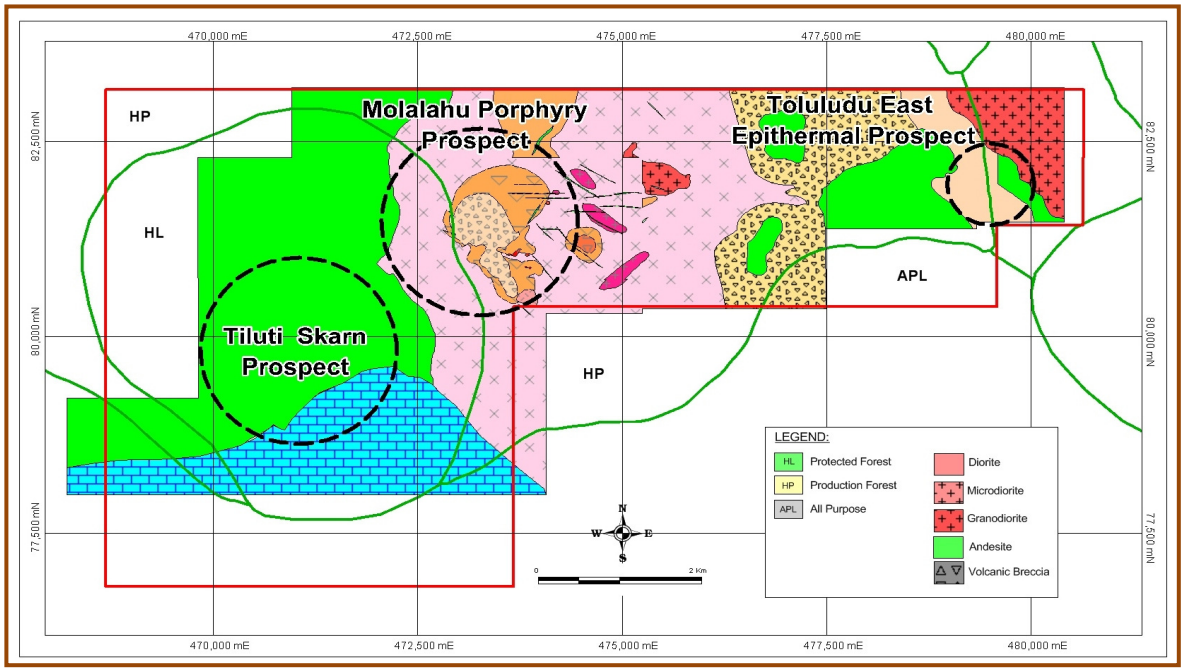
MMG staked the properties in 2009. The exploration licenses or IUP's are currently in the exploration phase which expires in 2016, after which the licenses can be converted to exploitation stage. The properties were staked based on historical exploration results, however due to a lengthy forest access permitting process MMG was only able to drill the Tapadaa property. The other three tenements received only cursory surface exploration to confirm the historical results.

As such, further basic exploration including surface mapping, soil/rock sampling, trenching, and ground geophysics is required in order to define targets for drill testing. The Company expects this to commence in the December 2014 quarter.

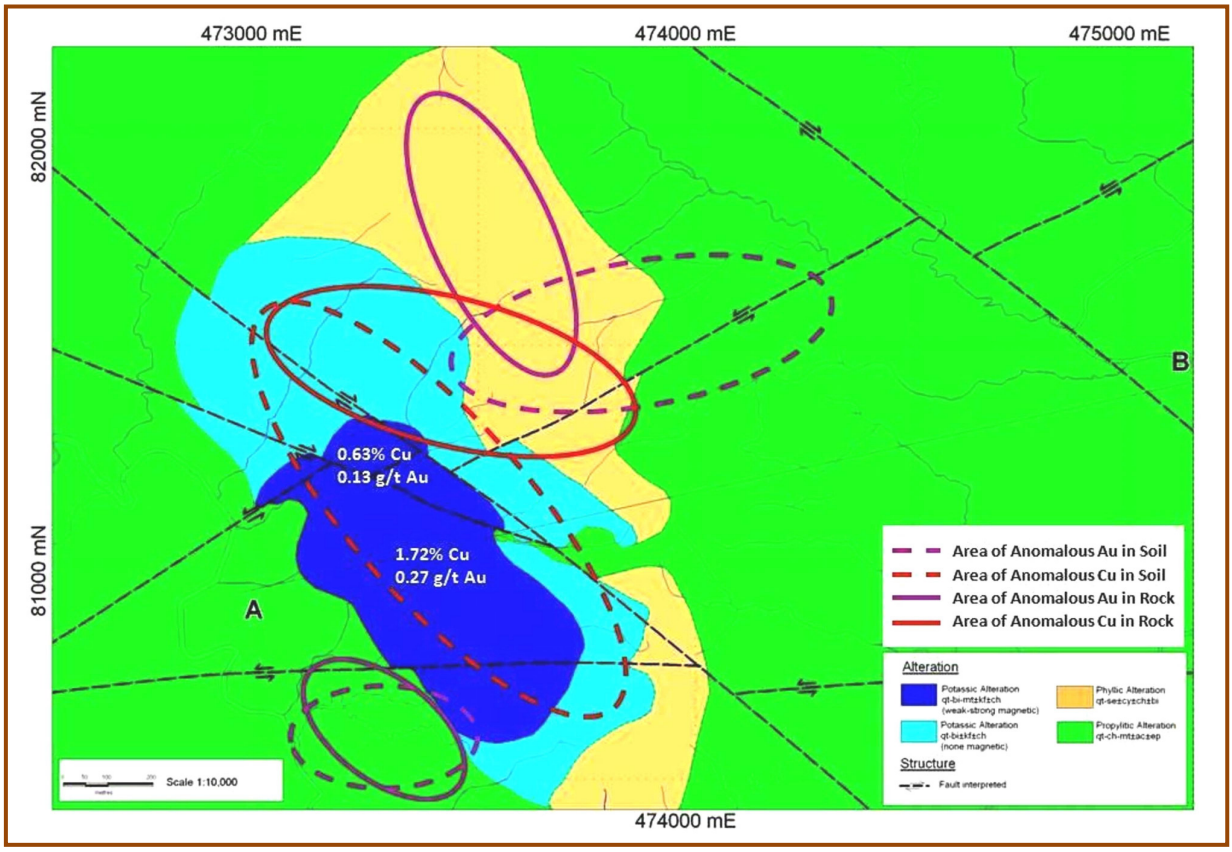
Tololudu – (5,029 hectares)

Previous exploration in the property area was conducted by PT. Tropic Endeavour Indonesia (1971), BHP-Utah (1980) and Newcrest (1993). In 2011 MMG completed initial prospecting, including rock/stream sediment sampling. This work identified 3 prospect areas identified as Molalahu, Toluludu East and Tiluti representing porphyry-type, epithermal-type and skarn-type mineralization respectively. Previous mapping at Molalahu defined a 1,400 by 860 metre area of exposed stockwork-type quartz veins coincident with potassic-type alteration. This area has not been drill tested, however numerous rock chips from the area have returned significantly anomalous results including

- 1.72% copper, 0.27 g/t gold and 12.4 g/t silver;
- 10.6 g/t gold, 0.56% copper and 33.8 g/t silver;



Geological map of Toluludu property showing prospect area and forest classification. (from PY Oxindo-MMG)



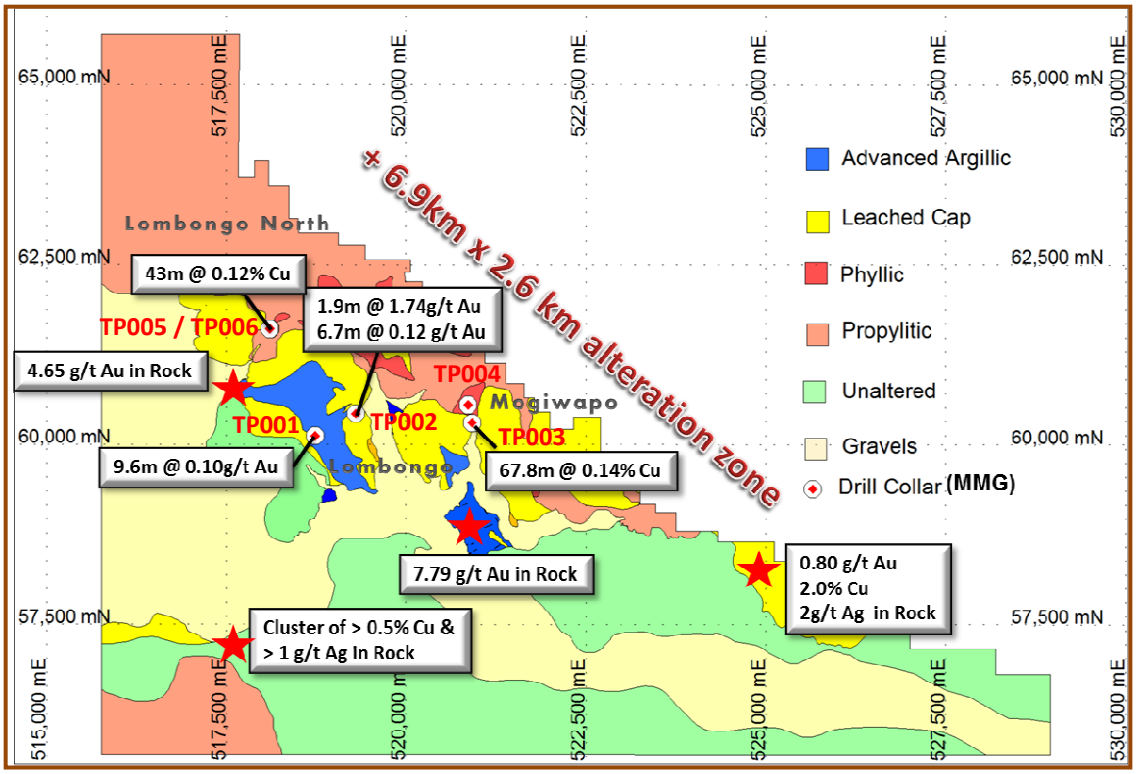
Toluludu property map showing alteration zones and areas of anomalous gold and copper in soil and rock samples (from PT Oxindo-MMG)

Tapadaa – (6,450 hectares)

Previous exploration by PT. Tropic Endeavour Indonesia (1971) identified the Tapadaa district through stream sediment sampling. Later exploration including initial drill testing was completed by BHP-Utah in 1980 followed by Placer Dome Indonesia (1992) and Newcrest with no drilling completed. In 2010, MMG completed surface exploration and a ground magnetic survey which defined an extensive alteration system mapped over 6.9 kilometres in length and up to 2.6 kilometres wide related to several mineralised zones. MMG completed six widely spaced drill holes (2,257 metres) to test modelled magnetic anomalies interpreted as porphyry-type deposit targets. Holes from the Lombongo, Lombongo North and Mogiwapo prospect areas returned wide intervals of anomalous (≥ 0.1% copper).

MMG's exploration focus was for large porphyry copper deposits and as such did not follow-up related epithermal type gold targets identified within the license area. This includes mineralised zones identified by surface rock chip sampling which returned up to 7.79 g/t gold.

There are no forest restrictions on exploration activities within the IUP.



Tapadaa property map showing mapped alteration zones, MMG drill hole locations with significant intercepts (from PT Oxindo-MMG)

Biyonga (5,023 hectares) and Tahele (5,436 hectares)

Previous surface exploration at Biyonga completed by BHP-Utah (1980) and Newcrest (1993) identified an extensive 3 by 5 kilometre argillic /advanced-argillic alteration zone with showings of secondary copper along the perimeter. Assays reported from surface rock sampling include 0.46 g/t Au and 946 ppm Cu.

Previous surface exploration at Tahele by BHP-Utah (1980) and Newcrest (1993) identified a 900 by 300 metre zone of anomalous copper-gold in rock and soils. Assays reported from rock chips include; 10.6g/t gold, 0.56% copper and 33.8 g/t silver; 1.72% copper, 0.27 g/t gold and 12.4 g/t silver and 271 ppm molybdenum, 1.87 g/t gold, 5.3 g/t silver and 0.3 % lead.

Based on current data both of these properties have potential for high-sulphidation epithermal-type gold-copper and porphyry-type copper-gold deposit styles.

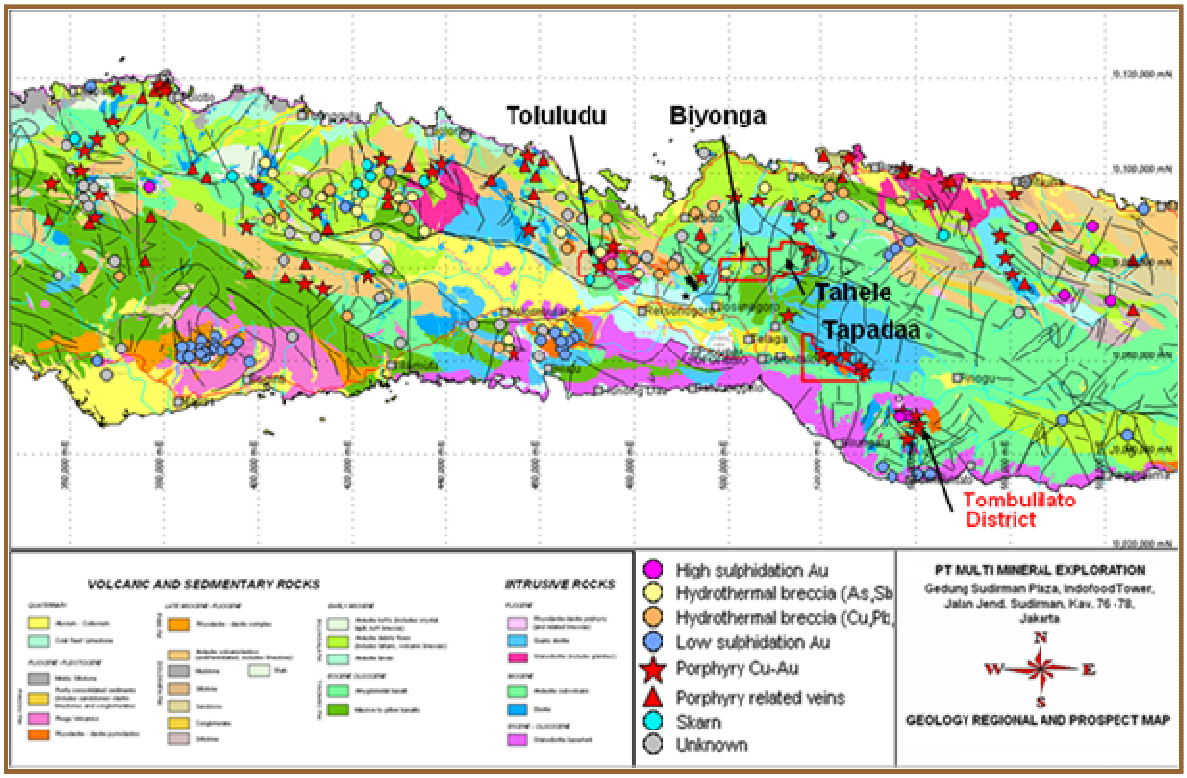
No detailed exploration was completed by MMG due to forest restrictions on both properties. Tahele lies entirely within protected forest and access will require application to the Department of Forestry to obtain the required work permit. Biyonga is currently permitted for exploration activity within production forest (472 hectares) however there is also an area (500 hectares) of protected forest within the IUP for which an access permit application will be made. The remainder of the Biyonga IUP (4,051 hectares) has no forest restrictions.

Highly Prospective Regional Geology

(Augur cautions that the figures reported in this section, whilst reported as JORC compliant were not produced by Augur and consequently Augur cannot verify or accept responsibility for their accuracy. Additionally the presence of these deposits and mines in North Sulawesi cannot be taken to mean similar mineralisation occurs within the areas being acquired by Augur).

The geological framework of North Sulawesi is dominated by an Eocene to Pliocene volcano-plutonic belt which has long been recognised as having significant potential for copper-gold porphyry and related gold-silver epithermal type deposits. Evidence for this is indicated by the occurrence of a number of gold and copper deposits and mines including the operating Toka Tindung gold mine, the former producing Mesel gold mine and the undeveloped Guning Pani deposit.

There are also undeveloped porphyry-type copper-gold and epithermal-type gold deposits located immediately south of the MMG properties within the Tombulilato district. Previous exploration in the Tombulilato district has identified copper-gold porphyry and high sulphidation epithermal deposits. The Indonesian company Gorontalo Minerals is currently completing a feasibility study on two of the Tombulilato deposits (Sungai Mak, Cabang Kiri). Current geological interpretation suggests porphyry-type mineralisation is controlled by major northwest-trending structural features, several of which have been identified proximal to the MMG properties. Furthermore the MMG IUP's occur within a Late Miocene volcanic arc in an area of maximum compression which is considered particularly favourable for production of large mineral deposits.



Geological Map of Gorontalo Region showing MMG property locations and also locations of known mineral occurrences (from Pt. Oxindo-MMG)

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

Yours sincerely

Peter Nightingale
Director

pjn7730

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 Resources 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.

ATTACHMENT 1

Tables A1 – A2 Gorontalo Properties Summary of Significant Drill Hole Intersections Related to ASX Announcement dated 26 May 2014

Table A1: Drill collar details for Tapadaa property drill holes as reported by MMG.

Hole ID	Easting	Northing	RL	Azimuth	Incl	Collared	Completed	Total Depth
DD10ITP001	518737	60123	238	220	-70	12-Feb-10	26-Feb-10	265
DD10ITP002	519301	60425	125	252	-60	2-Mar-10	14-Mar-10	413.4
DD10ITP003	520917	60297	115	250	-60	17-Mar-10	31-Mar-10	387.2
DD10ITP004	520866	60552	310	310	-60	4-Apr-10	16-Apr-10	240
DD10ITP005	518112	61603	190	14	-60	19-Apr-10	2-May-10	453.4
DD10ITP006	518109	61603	190	98	-60	3-May-10	16-May-10	498

Table A2 lists compiled diamond drill hole intersections from the Tapadaa property averaging ≥ 1,000 ppm (0.1%) copper and containing no more than two metres of internal dilution as reported by MMG.

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Au g/t	Cu ppm
TP002	Lombongo	42.6	46.6	4.0	0.23	1220
TP002	Lombongo	63.2	66.5	3.3	0.07	1385
TP002	Lombongo	83.7	85.7	2.0	1.74	511
TP003	Mogiwapo	3.4	9.5	6.1	0.08	1080
TP003	Mogiwapo	50.1	52.1	2.0	0.31	1900
TP003	Mogiwapo	119.0	121.0	2.0	0.05	1200
TP003	Mogiwapo	157.0	160.0	3.0	0.08	1086
TP003	Mogiwapo	225.0	242.3	17.3	0.13	2109
TP003	Mogiwapo	246.3	280.8	34.5	0.05	1108
TP003	Mogiwapo	285.8	294.8	9.0	0.04	1766
TP003	Mogiwapo	312.2	328.4	16.2	0.04	1402
TP003	Mogiwapo	342.4	345.5	3.1	0.02	1090
TP004	Mogiwapo	78.5	81.5	3.0	0.01	1143
TP005	North Lombongo	10.0	19.0	9.0	0.03	1228
TP005	North Lombongo	26.9	33.4	6.5	0.04	1278
TP005	North Lombongo	131.6	148.4	16.8	0.01	1720
TP006	North Lombongo	18.7	38.9	10.2	0.03	1035
TP006	North Lombongo	135.5	178.5	43.0	0.04	1335

ATTACHMENT 2

JORC Code, 2012 Edition – Table 1 report SPL1454

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drill core from the Tapadaa property was logged by MMG geologists for major lithological units and alteration zones to determine sampling intervals. All sample intervals were marked by core blocks, entered into a ledger and assigned a unique sample number. After cutting and sampling detailed logging continued using standardised forms which were entered into the database and verified daily. Diamond drill core samples are collected from electric saw cut half core at generally 2.0 metre intervals. • At the MMG site office the core boxes were weighed and photographed (wet & dry), logged, and then marked-up for half-core cutting and sampling by trained technicians. All work was directly supervised by the MMG Project Geologist. • Samples were oven dried at 105ºC, weighed then jaw crushed to 95% <2mm. A 1.5 kg subsample was riffle spit for pulverising to 95%<200#. Two splits were taken from this product, one for analysis the other for QAQC. Samples were analysed for gold using method FA51, a lead collection fire assay using a 50g charge with an AAS finish. Base metals contents were estimated by method IC01, which used an aqua regia digest with ICP-OES finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drill including PQ, HQ and NQ core collection utilising standard triple-tube wire line equipment. Holes are surveyed at 50 or 100 metre intervals upon completion using a downhole camera.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core was cut in half using an electric powered, water cooled diamond blade core cutter located at the site office. Core samples were cut carefully to minimise breakage and to prevent parts of the sample being washed away during cutting. Core intervals that were clay rich and broken or friable were not cut but representatively sampled by spatula and spoon. • Drilling supervisors were informed prior to start of hole where the depth of zones of interest were expected to be intersected in order to optimize drilling conditions. • Half core was bagged according to the sample specifications. PQ core was generally sampled in 0.5 metre lengths whilst HQ and NQ core was sampled at 2 metre lengths. In some cases this was reduced to 1 metre lengths if constrained by geological boundaries. • There is no significant relationship noted between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Diamond drill core was logged by MMG geologists for lithological units and alteration zones and structural features to determine sampling intervals. All sample intervals were marked by core blocks, entered into a ledger and assigned a unique sample number. After cutting and sampling detailed logging continued using standardized forms which were entered into the database and verified daily. Core logging is both qualitative and quantitative. Core is logged descriptively and codes are used to describe alteration type/ intensity, quartz type and intensity as well as various percentages of minerals. Structural data including veins, shears, fractures are recorded relative to the core axis. • Core recovery and RQD were recorded by MMG in a Geotechnical log. Recoveries of less than 90% were (depending on the cause of reduced recovery) redrilled to obtain better recovery if necessary. No redrills were required during MMG drilling. At the site office the core boxes were weighed and photographed (wet & dry), logged, and then marked-up for half-core cutting and sampling by trained technicians. All work was directly supervised by the MMG Project Geologist.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Selected core, based on lithology, alteration and visible mineralization was cut in half using an electric powered, water cooled diamond blade core cutter located at the site office. Half core samples are collected at 1 or 2m intervals depending on lithology. • Blanks and/or independent standards are used in each sample batch at approximately each 10 sample interval. Standards were purchased from Ore Research & Exploration Pty Ltd [Bayswater North, Australia]. At the Intertek laboratory samples were oven dried at 105ºC, weighed then jaw crushed to 95% <2mm. A 1.5 kg subsample was riffle spit for pulverising to 95%<200#. Two splits were taken from this product, one for analysis the other for QAQC. Samples were analysed for gold using method FA51, a lead collection fire assay using a 50g charge with an AAS finish. Base metals contents were estimated by method IC01, which used an aqua regia digest with ICP-OES finish.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying was completed by PT Intertek Utama Services in Jakarta, a subsidiary of Intertek Group Inc. (accredited for chemical testing under ISO/ICE 17025:2005). • A structured Quality-Assurance-Quality-Control program was implemented by MMG during all stages of exploration and drilling. The program consisted of regular submission of blanks and prepared standards and comparative sample runs with other laboratories. Standards were purchased from Ore Research & Exploration Pty Ltd [Bayswater North, Australia] • Assays falling outside of acceptable ranges are re-assayed. Intertek Laboratories also carry out routine internal quality control, and review of this data suggests there are no issues with either precision or accuracy. • Separate groups of mineralised sample pulps are sent on a routine basis to other accredited laboratories in Jakarta to test for laboratory scale systematic errors.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Although no independent evaluation of exploration work was completed by MMG the company did have expert staff from other regions visit the properties to review the geological /exploration model and field protocols. • Given the exploratory nature of the drilling no twinned holes have been completed. • All field and laboratory data collected by MMG was entered into their GBIS Assay database with QA/QC templates included. Augur geologists have reviewed the MMG database and find it to be of high quality. • No adjustments to the assay data has occurred.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were located by MMG geologists using a hand held GPS devices with accuracy of ± 5 metres. This was deemed sufficient given the reconnaissance nature of the drilling. • The mapping grid is WGS 84, Zone 49 South. Topographic control is by satellite imagery.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Core samples are generally taken over 2m intervals from selected zones of mineralisation & alteration. Drill holes were reconnaissance in nature testing specific targets and therefore widely spaced. Hole orientations varied depending on target dimensions. • No sample compositing was applied by MMG.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes completed by MMG were drilled to obtain general geological information from defined target areas. • No oriented drill holes were completed so reported widths are downhole or apparent widths and not true widths. • Based on current interpretation the reported widths are likely to be some degree wider than the true widths.
Sample security	• *The measures taken to ensure sample security.*	• Sample batches were packed into sealed and annotated rice sacks and transported by truck to Intertek sample prep facility in Manado, Sulawesi. Prepared sample pulps were then shipped by Intertek to the Intertek laboratory in Jakarta for analysis. Intertek standard sample submission forms were cross-checked with Sample Receipt Confirmation notes issued by the Laboratory. Laboratory results were emailed to the corporate office in Jakarta and Melbourne.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling and assay database were audited and validated by MMG in 2012 during internal QAQC processes.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Gorontalo Properties are licensed under the Indonesian National Izin Usaha Pertambangan or Mining Business License ('IUP') system. The Indonesian mining law stipulates 1 IUP per company. Accordingly each IUP is owned by a PMA company. Shares in each PMA company are in turn held 100% by two MMG wholly owned Singapore subsidiary companies. The acquisition of 80% of these MMG subsidiaries by a wholly owned of Augur is the subject of this announcement. There are no issues known to the company that would be considered a hindrance or risk to planned exploration activities. • The IUP's are currently in the Exploration Stage and must be converted to an Exploitation license in 2016. • There are forest access restrictions over the Toluludu, Biyonga and Tahele IUP's that in part are permitted. Additional permits need to be obtained to enter areas of Protected Forest. Currently there are no reasons known to the company that would prevent the company from obtaining the required permits.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous to MMG, the Gorontalo Properties were explored by BHP-Utah, Newcrest and Placer-Dome Indonesia. This work identified much of the mineralisation/alteration zones that are of interest to Augur. Only Tapadaa was previously drilled prior to MMG. MMG reviewed the previous exploration results and completed surface exploration work of sufficient extent to confirm the results reported by these companies.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Gorontalo properties exhibit geological characteristics suggestive of porphyry copper-gold and associated high/low sulphidation epithermal type mineralisation. North Sulawesi form part of a Miocene-Pliocene volcanic arc system which is considered prerequisite to the formation of the deposit types sought.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• MMG completed 6 diamond drill holes at the Tapadaa property for a total of 2,257 metres. • Summaries of all drill holes with pertinent drill hole collar and compiled intersection information are indicated in this release.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Aggregate (compiled) intersections reported by MMG are based on assays utilising a cut-off of 0.1% Cu and 2 metres internal dilution. The intervals reported are downhole intervals and reported assays are averages for the interval and unless otherwise stated are not weighted averages. • Metal Equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No oriented drill holes have been completed so reported widths are downhole or apparent widths and not true widths. • Based on current interpretation the reported widths are likely to be some degree wider than the true widths.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Pertinent maps and sections are included. Previous exploration at Toluludu, Biyonga and Tahele was reconnaissance in scope and not of sufficient detail to define initial and or (in the case of Tapadaa) follow-up drill targets.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reporting is fully representative of the data.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All data is reported in Quarterly and Annual Report of Exploration Activities submitted to the Indonesian Government by MMG subsidiary PMA companies registered in Indonesia. • Rock chip sampling reported by MMG was reconnaissance in nature and were collected from exposed insitu outcroppings by geologist. Samples were collected using hammer & chisel and taken as best possible across the interpreted strike of the mineralized /alteration zone sampled. Sample preparation and assays were the same as reported for drill core. • Soil samples collected by MMG were reconnaissance in nature and collected along ridge and spurs at intervals ranging from 50-100m. Samples were collected using augur from variable depths with the intent of collecting residual bedrock material. Approximately 2kg of material was collected for analysis.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Proposed work will include further surface mapping/sampling and ground geophysics with the objective of defining initial drill targets by the end of 2014. Successful completion of the exploration plans is dependent on the company obtaining required forest access permits. Currently there are no reasons to expect that these will not be obtained.

Section 3 does not apply as resource estimates are not being disclosed at this time, Section 4 does not apply as reserve estimates are not being disclosed at this time and Section 5 does not apply as this section relates to the reporting of diamonds and other gemstones.