

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
31 March 2012  
(ASX: AUK)**

30 April 2012

**HIGHLIGHTS**

- Maiden resource estimate underway for Randu Kuning gold-copper porphyry deposit within the Wonogiri project.
- Continued strong drill intersections from the Wonogiri project.
- Mineralisation now extends from surface to over 400 metres depth.
- Regional drilling confirms a number of peripheral mineralised epithermal and porphyry targets.
- Significant reported intercepts for this quarter at the Randu-Kuning prospect include:
  - Hole WDD050 **104.1 metre interval of 1.08 g/t gold and 0.25% copper** (1.53 g/t gold equivalent) from 106.0 metres including **32.0 metres at 1.66 g/t gold, 0.33% copper and 1.7 g/t silver** from 164.0 metres (2.25 g/t gold equivalent). Hole WDD050 ended in mineralisation.
  - Hole WDD030 with **67.0 metres at 0.68 g/t gold and 0.19% copper** (1.02 g/t gold equivalent) from 171.0 metres including **5.5 metres at 1.88g/t gold and 0.42% copper** (2.64 g/t gold equivalent) from 207.0 metres and a further **118.0 metres at 0.75 g/t gold and 0.13% copper** (0.98 g/t gold equivalent) from 245.0 metres depth, including **5.0 metres at 2.01 g/t gold and 0.36% copper** (2.66 g/t gold equivalent) from 264.0 metres.
  - Hole WDD045 with **289.0 metres at 0.48 g/t gold and 0.11% copper** (0.68 g/t gold equivalent) from 156.0 metres depth and a further **91.0 metres at 0.31 g/t gold and 0.11% copper** (0.51 g/t gold equivalent) from 246.0 metres.

- Hole WDD048 with **88.0 metres at 0.53 g/t gold and 0.15% copper** (0.80 g/t gold equivalent) from 96.0 metres which includes **11.0 metres at 1.38 g/t gold and 0.27% copper** (1.87 g/t gold equivalent) from 119.0 metres, a further **24.0 metres at 0.58 g/t gold** from 189.0 metres and a further **96.0 metres 0.34 g/t gold and 0.10% copper** (0.52 g/t gold equivalent) from 224.0 metres.
- Significant regional gold intercepts include:
  - Hole WDD025 (located 175 south of Randu Kuning) returning **18.0 metres at 0.31 g/t gold** from 88.7 metres, a further **35.7 metres at 0.34g/t gold** from 145.8 metres and a further **9.1 metres at 0.53 g/t gold** from 185.9 metres.
  - Hole WDD031 returned **15.0 metres at 0.60 g/t gold and 3.2 g/t silver** from 38.0 metres, a further **22.0 metres at 0.33 g/t gold and 3.1 g/t silver** from 84.0 metres, a further **6.0 metres at 0.35 g/t gold and 6.0 g/t silver** from 114 metres and a further **9.0 metres at 0.48 g/t gold and 5.3 g/t silver** from 134.0 metres.
  - Hole WDD037 returned **6.0 metres at 1.05 g/t gold** from 261.0 metres.
- Augur entered into a Joint Venture agreement with Metals Finance Australia Pty Ltd, a subsidiary of Metals Finance Limited (ASX Code: MFC) covering the Homeville nickel and cobalt deposit (JORC Inferred Resource of 16.3 million tonnes at 0.93% nickel and 0.05% cobalt) in central New South Wales.
- Zodiac Resources Pty Ltd advised that they had met the initial “Farm-in” condition of \$300,000 on drilling expenditure at Yeoval (Yeoval Porphyry deposit JORC Inferred Resource Estimate of 12.9 million tonnes at 0.38% copper, 0.14 g/t gold, 120.1 ppm molybdenum and 2.2 g/t silver).

## **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.

### **Indonesia**

The Company's Indonesian key project is the Wonogiri project located on the island of Java.

#### **Wonogiri Project - (Augur 51%; can earn up to 80%)**

During the quarter, Augur continued to define the extent of mineralisation at the Randu Kuning porphyry deposit.

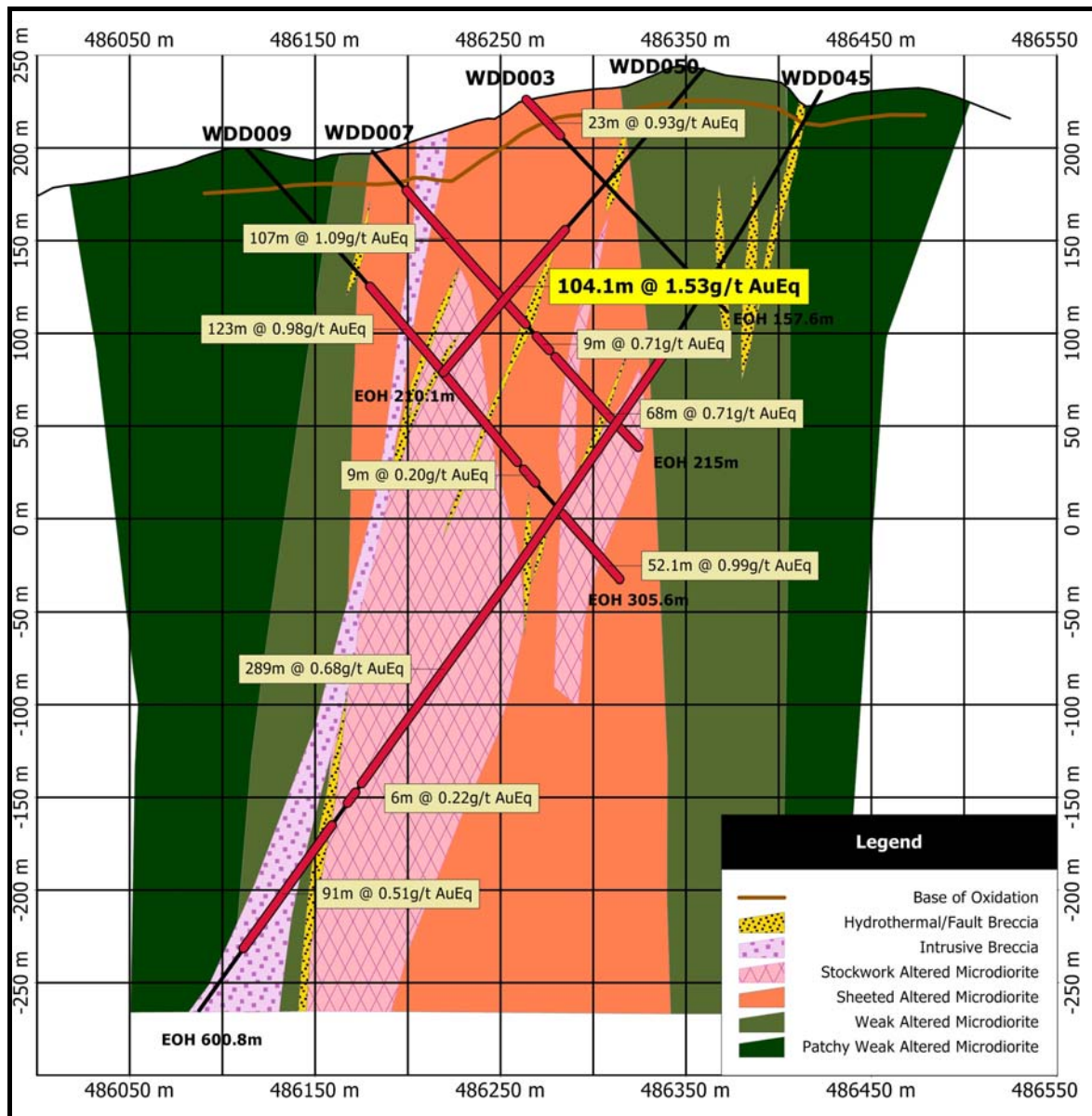
Porphyry gold-copper mineralisation at Randu Kuning was identified in 2009 after two diamond drill holes targeting a discrete magnetic high intersected significant gold and copper mineralisation which included DDH1 100 metres at 0.96 g/t gold and 0.23% copper (1.37 g/t gold equivalent) from 66.0 metres and DDH2 69.0 metres at 1.09 g/t gold and 0.16% copper (1.38 g/t gold equivalent) from 442.0 metres.

Drilling by Augur during 2011 and this quarter has confirmed that the mineralised system at Randu Kuning is a near vertical wall rock style gold-copper porphyry with mineralisation from surface to depths of over 400 metres. Significant mineralised zones have been intersected by Augur including 68.6 metres at 1.16 g/t gold and 0.30% copper (1.70 g/t gold equivalent) from 8.2 metres in WDD001, 222.0 metres at 0.95 g/t gold and 0.20% copper (1.31 g/t gold equivalent) from 40.0 metres in hole WDD008, 123.5 metres at 1.42 g/t gold and 0.22% copper (1.82 g/t gold equivalent) from 44.5 metres in WDD010, 132.0 metres at 0.75 g/t gold and 0.17% copper (1.06 g/t gold equivalent) from 45.5 metres from hole WDD021 and 104.1 metres at 1.08 g/t gold and 0.25% copper (1.53 g/t gold equivalent) from 106.0 metres from hole WDD050.

Sufficient drilling has been undertaken to allow for the commencement of a maiden resource estimate which is currently being undertaken. It is expected that the resource estimate for the Randu Kuning deposit will be completed prior to late June 2012.

Metallurgical work on the sulphide zone of the mineralisation has been undertaken during the quarter and continues to return extremely encouraging results with the recovery of gold ranging between **78.6% to 88.7%** with a mean of **82.7%** and the copper recoveries ranging between **92.1% and 96.1%** with a mean of **94.1%**. Work has commenced on leach work and gravity recovery of gold from the oxide zone.

A summary of drill results from the Randu Kuning prospect are provided below.

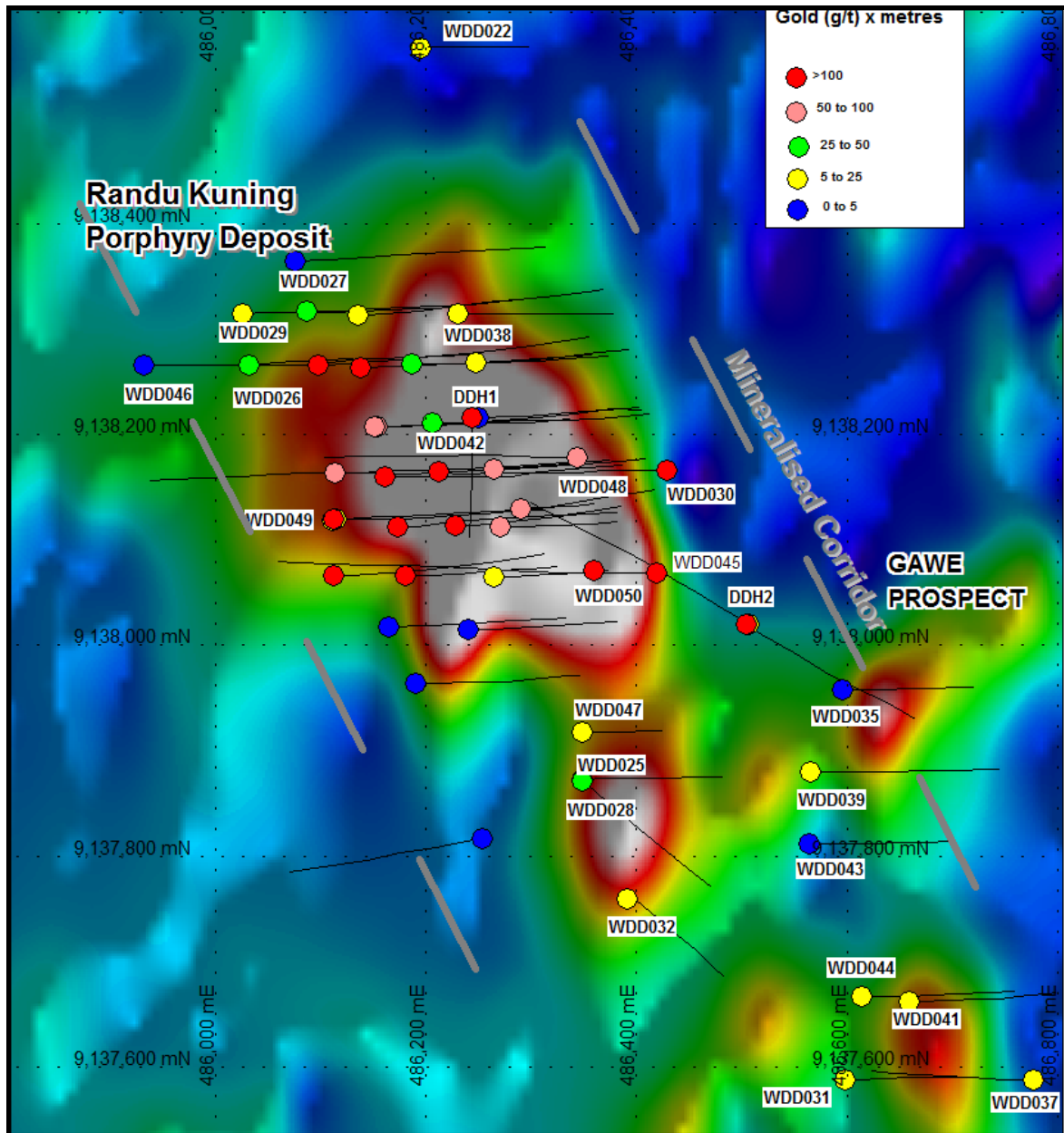


During the quarter first pass drilling was also undertaken on a number epithermal targets in the north of the Wonogiri project area. The epithermal targets are quartz gold ± silver bearing veins which have been indentified proximal to the Randu Kuning deposits.

Holes WDD025, WDD028 and WDD032 tested a vein system approximately 190 metres south-southeast of Randu Kuning. Each of these holes intersected highly anomalous zones with WDD025 intersecting 35.7 metres at 0.34 g/t gold from 145.8 metres, WDD028 returned 16.5 metres at 0.27 g/t gold from 170.0 metres and WDD032 intersected a number of mineralised zones including 2.0 metres at 0.88 g/t gold and 9.5 g/t silver from 132.0 metres, 5.0 metres at 0.41 g/t gold from 140.0 metres and 1.2 metres at 0.97 g/t gold and 1.8 g/t silver from 175.0 metres. Further testing is required to determine if the mineralisation detected in holes WDD025, WDD028 and WDD032 are a continuation of the main Randu Kuning mineralisation.

At the Gawe prospect (approximately 385 metres south east of Randu Kuning), three holes were drilled to test a zone of gold anomalous rock chips and trenches. Holes WDD035, WDD039 and WDD043 all intersected multiple zones of gold ± silver mineralisation. Mineralised intervals in hole WDD035 included 1.0 metres at **1.01 g/t gold and 11.0 g/t silver** from 213.0 metres and **3.0 metres at 0.43 g/t gold and 1.7 g/t silver** from 219.0 metres. Hole WDD039 returned **0.50 metres at 3.35 g/t gold and 2.6 g/t silver** from 27.0 metres, **4.0 metres at 0.67 g/t gold** from 36.5 metres and **2.0 metres at 0.73 g/t gold and 11.6 g/t silver** from 114.0 metres. Hole WDD043 returned **5.0 metres at 0.42 g/t gold and 2.2 g/t silver** from 97.0 metres and **3.7 metres at 0.55 g/t gold and 1.3g/t silver** from 119.0 metres. The significance of these intersections are that they show that shallow gold mineralisation occurs beyond the Randu Kuning prospect and potential for additional mineralisation in a number of untested structural targets.

In addition to the potential for additional gold mineralisation associated with the epithermal targets, an additional porphyry target exists to the north of Randu Kuning, where hole WDD022 intersected an extensively altered feldspar porphyry. The style of alteration indicates the potential for mineralisation below the hole path of WDD022. Hole WDD022 did intersect a number of gold mineralised zones including **4.5 metres at 1.05 g/t gold** from 43.0 metres and **1.0 metre at 4.99 g/t gold** from 62.0 metres.



*Selected hole locations and gold (ppm) x metres over mineralised zones. Current holes are indicated by hole number. Holes which have been drilled or are being drilled are shown as grey circles. Drill traces are approximate. Background is reduced to pole magnetics. Full details of drill results can be found on the Company's website.*



## Summary Drilling Results – Wonogiri Project

| Hole          | Prospect              | Easting  | Northing | Dip | Azimuth (Mag) | From  | To    | Interval (m) | Gold g/t | Copper % | Silver g/t | Gold Eq g/t |
|---------------|-----------------------|----------|----------|-----|---------------|-------|-------|--------------|----------|----------|------------|-------------|
| <b>WDD027</b> | North of Randu Kuning | 486075   | 9138364  | 55  | 90            | 213.0 | 215.0 | 2.0          | 0.53     | -        | -          | 0.53        |
|               |                       | and      |          |     |               | 220.0 | 221.0 | 1.0          | 1.00     | -        | 1.8        | 1.00        |
|               |                       | and      |          |     |               | 286.0 | 287.0 | 1.0          | 2.56     | -        | -          | 2.56        |
| <b>WDD028</b> | Regional              | 486348   | 9137871  | 60  | 130           | 170.0 | 186.5 | 16.5         | 0.27     | -        | -          | 0.27        |
| <b>WDD029</b> | North of Randu Kuning | 486026   | 9138314  | 60  | 90            | 79.5  | 84.5  | 5.0          | 1.39     | -        | -          | 1.39        |
|               |                       | includes |          |     |               | 83.5  | 84.5  | 1.0          | 6.21     | -        | 1.3        | 6.21        |
|               |                       | and      |          |     |               | 217.5 | 220.5 | 3.0          | 0.32     | 0.36     | 2.3        | 0.97        |
|               |                       |          |          |     |               | 320.0 | 321.0 | 1.0          | 1.62     | -        | 0.6        | 0.48        |
| <b>WDD030</b> | Randu Kuning          | 486429   | 9138166  | 60  | 270           | 171.0 | 238.0 | 67.0         | 0.68     | 0.19     | -          | 1.02        |
|               |                       | includes |          |     |               | 207.0 | 212.5 | 5.5          | 1.88     | 0.42     | 1.4        | 2.50        |
|               |                       | and      |          |     |               | 245.0 | 363.0 | 118.0        | 0.75     | 0.13     | -          | 0.98        |
|               |                       | includes |          |     |               | 264.0 | 269.0 | 5.0          | 2.01     | 0.36     | 1.4        | 2.54        |
|               |                       | and      |          |     |               | 385.0 | 398.0 | 13.0         | 0.24     | -        | -          | 0.24        |
|               |                       | and      |          |     |               | 412.4 | 420.4 | 8.0          | 0.40     | 0.10     | 1.1        | 0.58        |
|               |                       | and      |          |     |               | 515.5 | 533.0 | 18.0         | 0.23     | 0.10     | -          | 0.41        |
|               |                       | and      |          |     |               | 539.5 | 551.5 | 12.0         | 0.33     | 0.13     | -          | 0.56        |
| <b>WDD031</b> | Regional              | 486658   | 9137662  | 60  | 90            | 38.0  | 53.0  | 15.0         | 0.60     | -        | -          | 0.60        |
|               |                       | and      |          |     |               | 60.0  | 72.0  | 12.0         | 0.25     | -        | -          | 0.25        |
|               |                       | and      |          |     |               | 84.0  | 106.0 | 22.0         | 0.33     | -        | -          | 0.33        |
|               |                       | and      |          |     |               | 114.0 | 120.0 | 6.0          | 0.35     | -        | -          | 0.35        |
|               |                       | and      |          |     |               | 134.0 | 143.0 | 9.0          | 0.48     | -        | -          | 0.48        |
| <b>WDD032</b> | Regional              | 486387   | 9137762  | 60  | 130           | 45.0  | 47.0  | 2.0          | 0.48     | -        | 1.6        | 0.48        |
|               |                       | and      |          |     |               | 76.0  | 77.0  | 1.0          | 0.87     | -        | 6.6        | 0.87        |
|               |                       | and      |          |     |               | 100.0 | 103.0 | 3.0          | 0.36     | -        | 13.4       | 0.36        |
|               |                       | and      |          |     |               | 132.0 | 134.0 | 2.0          | 0.88     | -        | 9.5        | 0.88        |
|               |                       | and      |          |     |               | 140.0 | 145.0 | 5.0          | 0.41     | -        | 1.6        | 0.41        |
|               |                       |          |          |     |               | 175.0 | 176.2 | 1.2          | 0.97     | -        | 1.8        | 0.97        |
| <b>WDD033</b> | Randu Kuning East     | 486242   | 9138220  | 45  | 90            | 46.5  | 48.5  | 2.0          | 0.25     | 0.39     | 1.0        | 0.95        |
|               |                       | and      |          |     |               | 124.0 | 125.0 | 1.0          | 1.30     | -        | 6.6        | 1.30        |
| <b>WDD034</b> | Regional              | 486853   | 9137678  | 60  | 90            | 39.0  | 39.5  | 0.5          | 0.53     | -        | 2.4        | 0.53        |
|               |                       | and      |          |     |               | 43.5  | 44.0  | 0.5          | 0.31     | -        | 2.4        | 0.31        |
| <b>WDD035</b> | Regional              | 486595   | 9137957  | 60  | 90            | 85.0  | 86.0  | 1.0          | 0.45     | 0.38     | 12.4       | 1.14        |
|               |                       | and      |          |     |               | 213.0 | 214.0 | 1.0          | 1.01     | -        | 11.0       | 1.01        |
|               |                       | and      |          |     |               | 219.0 | 222.0 | 3.0          | 0.43     | -        | 1.7        | 0.43        |
| <b>WDD036</b> | Randu Kuning East     | 486268   | 9138271  | 45  | 90            | 76.0  | 78.0  | 3.0          | 0.55     | -        | -          | 0.55        |
|               |                       | and      |          |     |               | 112.0 | 116.0 | 4.0          | 0.98     | -        | -          | 0.98        |
| <b>WDD037</b> | Regional              | 486777   | 9137589  | 60  | 90            | 99.0  | 101.0 | 2.0          | 0.28     | -        | 36.5       | 0.28        |
|               |                       | and      |          |     |               | 225.5 | 228.0 | 2.5          | 0.72     | -        | 9.0        | 0.72        |
|               |                       | and      |          |     |               | 261.0 | 267.0 | 6.0          | 1.05     | -        | -          | 1.05        |
|               |                       |          |          |     |               | 266.0 | 267.0 | 1.0          | 5.00     | -        | -          | 5.00        |
| <b>WDD038</b> | Regional              | 486228   | 9138315  | 45  | 90            | 41.5  | 42.0  | 0.5          | 4.04     | -        | 3.1        | 4.04        |
|               |                       | and      |          |     |               | 48.0  | 49.0  | 1.0          | 5.11     | -        | 1.5        | 5.11        |
| <b>WDD039</b> | Regional              | 486564   | 9137879  | 50  | 90            | 27.0  | 27.5  | 0.5          | 3.35     | -        | 2.6        | 3.35        |
|               |                       | and      |          |     |               | 36.5  | 40.5  | 4.0          | 0.67     | -        | -          | 0.67        |
|               |                       | includes |          |     |               | 39.0  | 39.5  | 0.5          | 4.50     | -        | 3.5        | 4.50        |
|               |                       |          |          |     |               | 114.0 | 116.0 | 2.0          | 0.73     | -        | 11.6       | 0.73        |
| <b>WDD040</b> | Randu Kuning          | 486186   | 9138266  | 45  | 90            | 72.0  | 95.0  | 23.0         | 0.32     | 0.15     | -          | 0.59        |
|               |                       | and      |          |     |               | 117.5 | 159.5 | 42.0         | 0.30     | 0.14     | -          | 0.55        |
|               |                       | includes |          |     |               | 119.0 | 120.0 | 1.0          | 1.93     | 0.23     | 1.0        | 2.35        |
|               |                       |          |          |     |               | 177.0 | 210.0 | 33.0         | 0.35     | 0.24     | -          | 0.77        |
| <b>WDD041</b> | Regional              | 486597   | 9137588  | 60  | 90            | 88.0  | 90.0  | 2.0          | 0.44     | -        | -          | 0.44        |
|               |                       | and      |          |     |               | 112.0 | 113.0 | 1.0          | 0.48     | -        | -          | 0.48        |
|               |                       | and      |          |     |               | 149.0 | 152.0 | 3.0          | 0.48     | -        | 7.1        | 0.48        |
|               |                       | and      |          |     |               | 206.0 | 208.0 | 2.0          | 0.93     | -        | -          | 0.93        |

| Hole          | Prospect     | Easting | Northing | Dip | Azimuth (Mag) | From  | To    | Interval (m) | Gold g/t | Copper % | Silver g/t | Gold Eq g/t |  |  |  |  |  |
|---------------|--------------|---------|----------|-----|---------------|-------|-------|--------------|----------|----------|------------|-------------|--|--|--|--|--|
| <b>WDD042</b> | Randu Kuning | 486206  | 9138211  | 45  | 90            | 39.0  | 41.0  | 2.0          | 0.42     | 0.23     | 2.3        | 0.48        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       |              |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       |              |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       |              |          |          |            |             |  |  |  |  |  |
| <b>WDD043</b> | Regional     | 486563  | 9137811  | 60  | 90            | 97.0  | 102.0 | 5.0          | 0.42     | -        | 2.2        | 0.42        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
| <b>WDD044</b> | Regional     | 486599  | 9137662  | 60  | 90            | 68.0  | 71.0  | 3.0          | 1.31     | -        | 24.3       | 1.31        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | includes     |          |          |            |             |  |  |  |  |  |
| <b>WDD045</b> | Randu Kuning | 486422  | 9138064  | 60  | 270           | 156.0 | 445.0 | 289.0        | 0.48     | 0.11     | -          | 0.68        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | includes     |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | includes     |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
| <b>WDD046</b> | Randu Kuning | 485916  | 9138266  | 60  | 90            | 338.0 | 339.0 | 1.0          | 0.33     | -        | -          | 0.33        |  |  |  |  |  |
| <b>WDD047</b> | Randu Kuning | 486348  | 9137918  | 60  | 90            | 13.0  | 23.0  | 10.0         | 0.38     | -        | -          | 0.38        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
| <b>WDD048</b> | Randu Kuning | 486343  | 9138178  | 50  | 270           | 96.0  | 184.0 | 88.0         | 0.53     | 0.15     | -          | 0.82        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | includes     |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
| <b>WDD049</b> | Randu Kuning | 486114  | 9138115  | 75  | 90            | 23.0  | 25.0  | 2.0          | 0.27     | -        | 0.7        | 0.27        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
| <b>WDD050</b> | Randu Kuning | 486346  | 9138071  | 50  | 270           | 82.0  | 96.0  | 14.0         | 0.17     | 0.14     | 0.9        | 0.42        |  |  |  |  |  |
|               |              |         |          |     |               |       |       | and          |          |          |            |             |  |  |  |  |  |
|               |              |         |          |     |               |       |       | includes     |          |          |            |             |  |  |  |  |  |

**Results are shown using a cut-off of 0.2 g/t gold or 0.2% copper. All depths are reported as drilled depths.**

**Insufficient data is currently available to determine the true width.**

**Gold Equivalents are based on the gold and copper results only.**

**Further explanation of the Gold Equivalent calculation is provided below.**

## **Jampang**

Little progress has been made in discussions with PT Golden Pricindo Indah ('Golden'), the owners of the Jampang project. Augur had an option to purchase 90% interest of Golden for US\$9.0 million ('Option Agreement'). Augur decided not to exercise the previous option agreement as gold mineralisation was not as extensive as previous reports suggested.





*Indonesian project locations.*

## Australia

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and North Parkes deposits. Augur has JORC compliant resource estimates for deposits at the Collerina project (total Resource Estimate of 16.3 million tonnes at 0.93% nickel and 0.05% cobalt comprising of 4.4 million tonnes at 0.99% nickel and 0.06% cobalt of Indicated Resource and 11.9 million tonnes 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).

## **Yeoval (EL 6311)**

Zodiac Resources Pty Limited ('Zodiac') has an option to acquire a 75% interest in the Yeoval project. In addition to a number of conditions, Zodiac must spend a minimum of \$300,000 in drilling on the project.

During the quarter, Zodiac Resources Pty Limited ('Zodiac') advised that they had met the initial 'Farm-in' condition of \$300,000 on drilling expenditure at Yeoval. In addition, Zodiac had also undertaken down hole induced polarisation studies which had returned an anomalous response. Interpretation of the drill results and geophysical data is underway.

### **Collerina (EL 6336)**

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

During the quarter Augur entered into a Joint Venture agreement with Metals Finance Australia Pty Ltd, a subsidiary of Metals Finance Limited (ASX Code: MFC) covering the Homeville nickel and cobalt deposit.

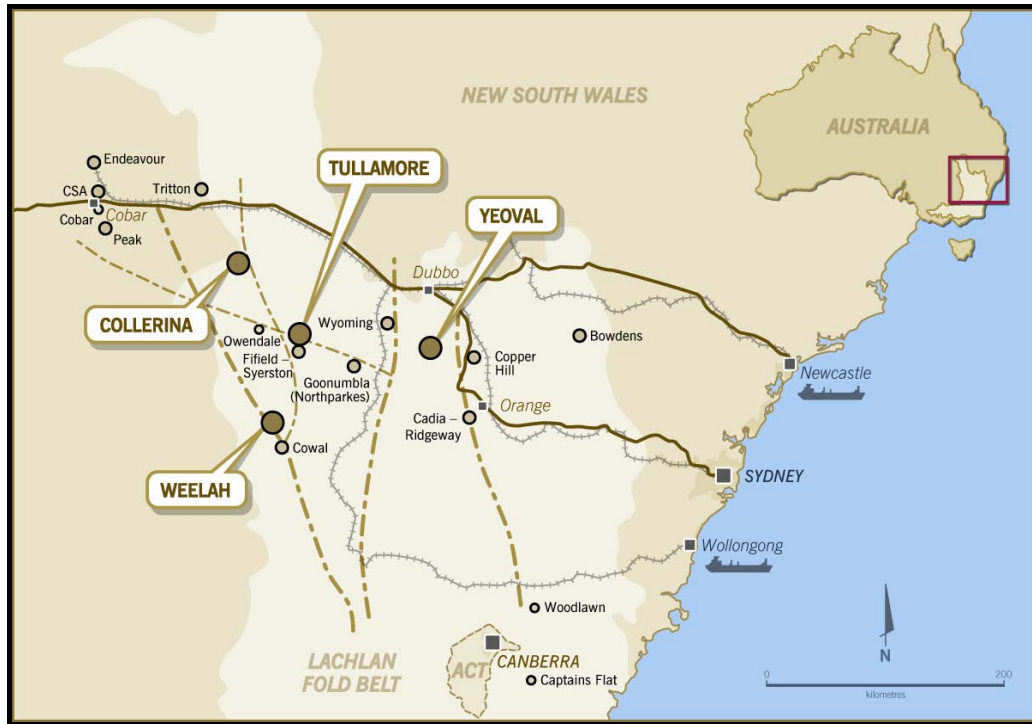
The general terms of the agreement are that Metals Finance can earn 51% of the project by conducting and funding a definitive feasibility study over an 18 month period. If development proceeds, funding will be in accordance with each partner's equity interest.

### **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 and during the quarter continued to undertake assessment of the exploration data.

### **Tullamore (EL 6312)**

No significant work was undertaken during the quarter on the Tullamore project. Augur is seeking a joint venture partner for this project.



*Australian project locations.*

## **CORPORATE**

Augur's partner in Indonesia continued progression of the acquisition of properties held by the Hunamas Group of companies. Final resolution of this deal has yet to be reached.

The Indonesia Government released amendments to the Mining Regulations during the quarter. In effect these changes require a staged mandatory divestment of foreign ownership in a mining permit, commencing 5 years after the commencement of commercial mining activities and incrementing to a 51% divestment by year ten.

Augur currently holds a 51% stake in the Wonogiri project with the current Indonesian partners holding 49%. Augur has the potential to own 80% of the project and any divestment is expected to occur at fair value. In the event that Augur advances the Wonogiri project to an operating mine it will consider all options for maximising returns to shareholders.

Augur will continue to monitor and study regulatory changes.

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

Yours sincerely



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

pjn6684

### **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 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.

### **Gold Equivalent Calculation**

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

ie: 1.0% Cu = 1.80 g/t Au

## **About the Wonogiri Project**

The Wonogiri project is located approximately 30 kilometres to the south of the provincial city of Solo in central Java and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on a sealed road.

The Wonogiri project consists of two Izin Usaha Pertambangans ('IUPs') or Mining Business Licences covering a total area of approximately 3,928 hectares in central Java, Indonesia. The IUPs cover areas considered prospective for epithermal gold and porphyry gold-copper mineralisation.

Initial geological mapping has indicated significant areas of extensively altered volcanics and intrusives. At the Randu Kuning prospect, a shallow gold and copper mineralised porphyry has been discovered. In addition, a number of epithermal gold targets have also been discovered within the project area.

Augur has focused exploration initially on defining the shallow porphyry mineralisation associated with the Randu Kuning deposit, which extends from surface to over 400 metres depth. With favourable recoveries of gold and copper and significant intervals of mineralisation intersected in the diamond drilling program, Augur has commenced a JORC compliant resource estimate of the central near surface mineralised zone.

Augur has a 51% interest in the project and has an agreement to earn up to 80% interest in the project. From the completion date of the 51% earn-in, Augur can acquire 80% of the project by spending an additional US\$2.0 million on the exploration and development at Wonogiri prior to 9 December 2012.