AUGUR
Resources Ltd
ABN 79 106 879 690

31 October 2014

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(11 pages by email)

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2014

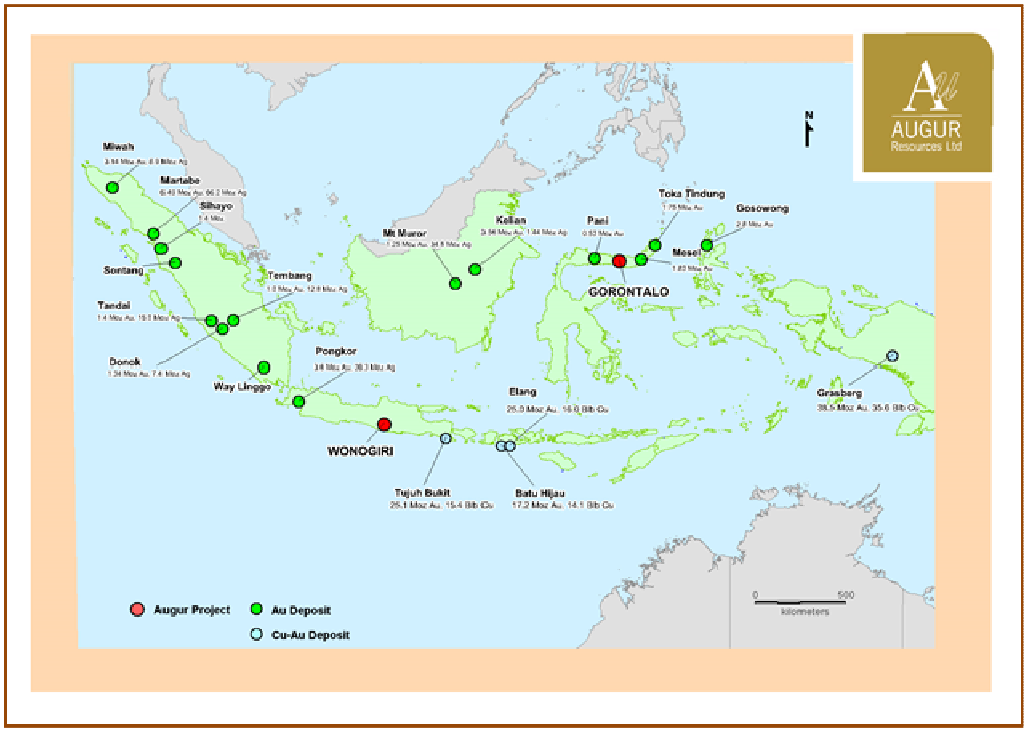
(ASX: AUK)

HIGHLIGHTS

- Completion of regional drilling program at Wonogiri project in Central Java with positive results, including:
  - Hole WDD072 at the Kepil prospect west of Randu Kuning returning 3.75 g/t gold and 24.2 g/t silver over 2.0 metres from 148.0 metres, ending in mineralisation.
  - Hole WDD067 at the Janglenggan prospect south of Randu Kuning returning 20.80 g/t gold and 13.4 g/t silver over 0.80 metres from 187.7 metres.
  - Hole WDD064 at the Bukit Piti prospect immediately North of Randu Kuning returning 6.90 g/t gold intersected over 1.0 metre from 69.0 metres.
- Completed metallurgical testwork on Randu Kuning gold-copper mineralisation with focus on gold only processing options:
  - Excellent gold recovery by gravity with 71% recovery by gravity of free gold from a low grade (0.55 g/t gold) sulphide ore composite (<75 micron) and 50% recovery by gravity from a high grade (1.26 g/t gold) sulphide ore composite (<75 micron).
  - Leach tests of gravity tails resulted in average CIL recoverable gold of 83.2% for the low grade ore composite and 83.9% for the high grade composite.
  - No refractory gold is indicated.
- Surface sampling on the Toluludu property in North Sulawesi returned rock chip samples of up to 8.69 g/t gold, 8.6 g/t silver and 0.04% copper and 4.79 g/t gold, 370g/t silver and 4.10% copper, confirming previous sample assays which returned 10.6 g/t gold, 33.8 g/t silver and 0.56% copper , and 0.27 g/t gold, 12.4 g/t silver and 1.72% copper.
- Ground magnetic surveys at Toluludu have identified scout drill targets.
- Appointment of Justin Werner as Managing Director.

PROJECTS

Augur is a resource development company, with a focus in Indonesia with the advanced Wonogiri gold and copper project in Central Java and the exploration properties in Gorontalo, North Sulawesi. Augur also has interests in a number of exploration projects in central New South Wales.



Location map of the Company's Indonesian projects.

INDONESIAN PROJECTS

Wonogiri Project (Augur - 45%)

At the Wonogiri project, which is located in central Java, the Company has discovered the Randu Kuning gold-copper porphyry deposit and defined a resource of 1.54 million ounces gold equivalent ('AuEq') (Gold Equivalent[1] is defined below). The Randu Kuning deposit remains open at depth and to the east and south.

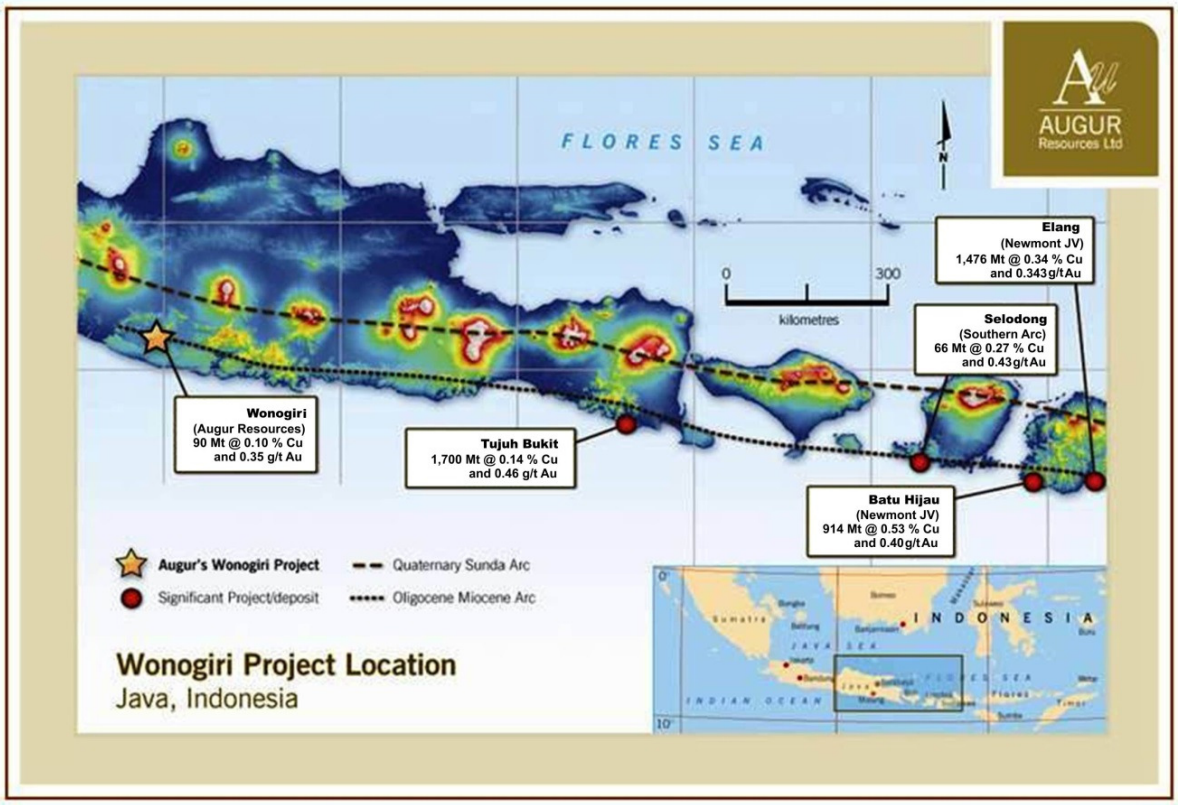
The JORC compliant resouce comprises 90.9 million tonnes ('Mt') at 0.53 g/t AuEq (0.35 g/t gold and 0.10% copper), using a cut-off of 0.2 g/t AuEq (see ASX release dated 10 July 2012).

Resource Class	Tonnes (million)	AuEq (g/t)	Au (g/t)	Cu (%)	AuEq (million ounces)	Au (million ounces)	Cu (million pounds)	Cut off (AuEq g/t)
Measured	28.3	0.84	0.56	0.15	0.765	0.513	132.7	0.2
Indicated	5.3	0.66	0.45	0.11	0.113	0.078	42.8	0.2
Inferred	57.1	0.36	0.23	0.07	0.660	0.423	22.9	0.2
Total	**90.9**	**0.53**	**0.35**	**0.10**	**1.538**	**1.014**	**199.6**	**0.2**

Resource estimate of the Randu Kuning deposit within the Wonogiri project.

The Company has also completed a scoping study for the Randu Kuning deposit with positive results, as announced on 11 March 2014.

The project has quality infrastructure supporting the project with it located approximately 30 kilometres to the south of the provincial city of Solo and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on sealed roads. The surrounding area has grid power, a large dam and numerous river and stream systems. Altitude of the Randu Kuning deposit is approximately 200 metres above sea level.



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

To date, a total of 19,000 metres of drilling in 72 diamond drill holes have been completed at the Wonogiri project. Forty four of these (12,462 metres) have been drilled at the Randu Kuning prospect area. The average depth of drilling is 285 metres.

During the quarter, a 22 hole, 3,642 metre drilling program was completed. The first two holes of the program (WDD051 and WDD053 were located to further define two higher grade gold-copper zones intersected in Randu Kuning by previous drilling. The remaining twenty holes (WDD053 to WDD072) were located to drill test six regional target areas proximal the Randu Kuning deposit identified by surface mapping and sampling and a previously completed induced polarisation ('IP') geophysical survey.

Drill hole coordinates and assay results have been reported previously by the Company and are available on the Company's website.

The regional drilling confirmed the occurrence of epithermal-type gold ± silver mineralisation in predominately narrow (<2m) structurally-controlled zones, with most of the results indicating generally lower grade (<1.0g/t) gold mineralisation. However two of the target areas tested returned multiple intersections of locally-high grade gold and will be further evaluated as potential resource targets.

None of the quartz sulphide vein systems intersected have been fully drill tested and the host structures remain open and prospective in all directions.

Jangglengan Prospect Area

Located about 1.0 kilometre south of Randu Kuning, the initial scout hole WDD056 returned 3 shallow high grade zones including:

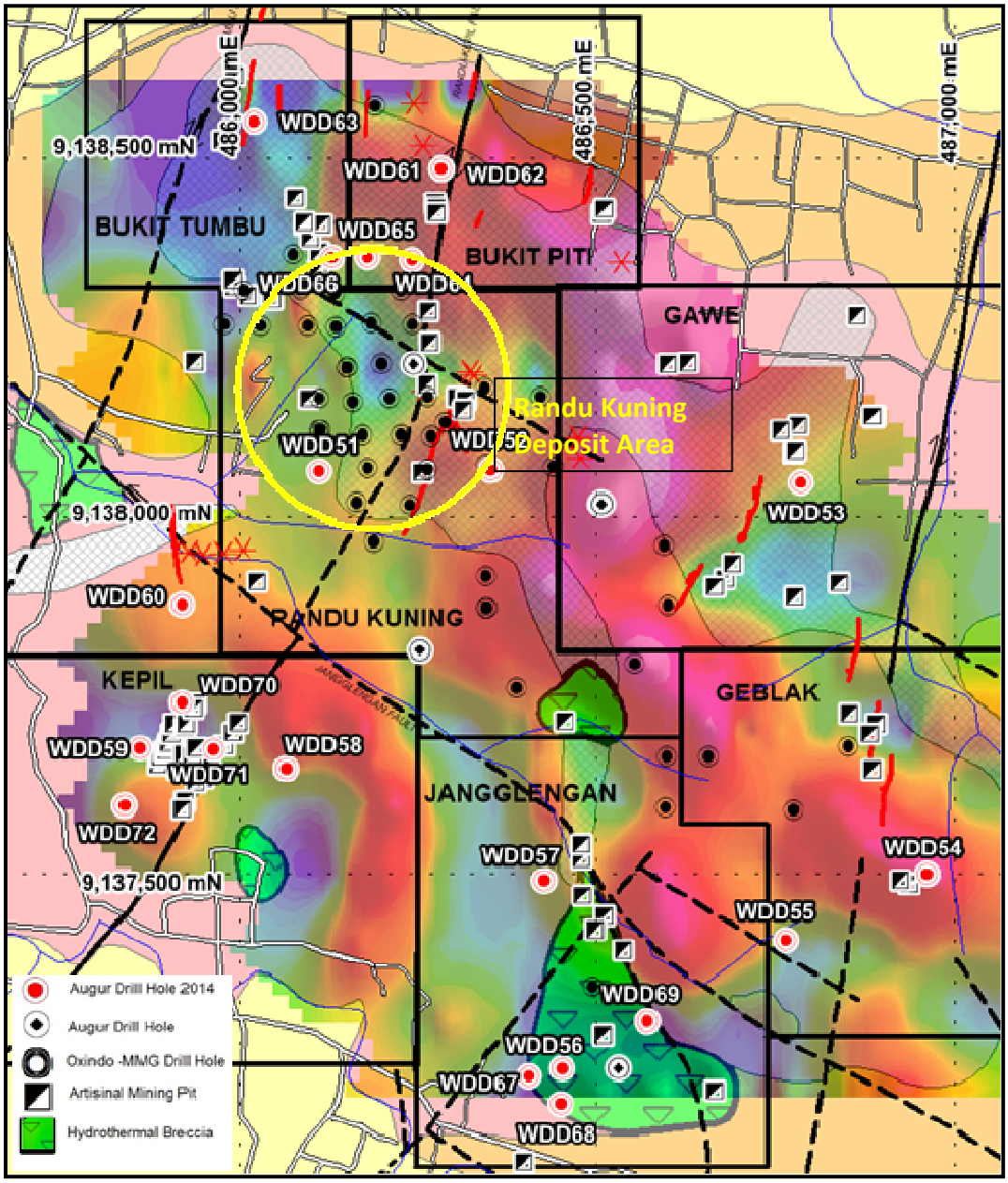
- 7.0 metres at 0.82 g/t gold and 3.5 g/t silver from 56.0 metres, including 2.0 metres at 2.08 g/t gold and 10.2 g/t silver.
- 3.0 metres at 7.79 g/t gold, 9.0 g/t silver, 0.29% copper and 0.38% zinc from 70.0 metres, including 1.0 metre of 15.90 g/t gold and 20.7 g/t silver.
- 7.0 metres at 2.64 g/t gold from 120.0 metres, including 1.0 metre of 14.8 g/t gold.

A follow up drill hole, WDD067, tested the depth extension of the high grade intersected in hole WDD056 and intersected 20.8 g/t gold and 13.4 g/t silver over 0.80 metres from 187.7 metres. The drilling suggests that mineralisation is structurally controlled and adjacent to the contact between diorite and the diatreme breccia host. The high grade zones have not been fully drill tested and this area may warrant future exploration drilling to determine if any potential for a small, high grade resource.

Kepil Prospect Area

Located about 500 metres southwest of Randu Kuning, an initial scout drill hole, WDD059, intersected 6.0 metres of 0.83 g/t gold from 36.0 metres, including 2.0 metres of 1.1 g/t gold from 38.0 metres. The mineralisation is confined to structurally controlled, quartz-carbonate and sulphide (pyrite, sphalerite) zones in an argillic-altered diorite intrusive host rock. A hole immediately east of Kepil, WDD058, intersected 36.0 metres at 0.28% copper from 25.0 metres.

The last hole of the drill program, WDD072, was collared approximately 50 metres south of WDD059 and intersected 2.0 metres of 3.75 g/t gold and 24.2 g/t silver from 148.0 metres, finishing in mineralisation at 150.0 metres. Further consideration will be given to exploration drilling to evaluate the host structure at depth and along strike to the south.



Plan map of the Wonogiri project area with the surface IP Chargeability map as the background and showing prospect areas with epithermal type veins mapped on surface (red lines) and drill holes completed as part of the regional drill program.

Future drilling at the Wonogiri property will now focus on infill drilling at the Randu Kuning prospect to better define the measured resource within the conceptual starter pit area and also select drilling as part of an initial geotechnical evaluation program.

Wonogiri Metallurgical Studies

Metallurgical testwork completed during the quarter investigated gold only recovery process options including gravity separation and cyanide leaching along with other diagnostic leaches. For this test program, two sulphide ore composites were prepared. One was a 'low-grade' composite containing 0.55 g/t gold, 1.1 g/t silver and 0.23% copper which is typical of the disseminated and stockwork, vein hosted, porphyry-type mineralisation. The following results were obtained:

Gravity Recoverable Gold

Four size fractions were evaluated for gravity recoverable gold using a Falcon centrifugal concentrator.

- Low grade composite shows average gravity recovery of 51.0%. This includes ≤36% in coarse fractions (>75 micron) and very high recovery of 71% in the fine grained fraction (≤75micron).
- High grade composite shows average gravity recovery of 34.8%. This includes poor recovery (≤11%) in the >150 micron fraction but significantly better recovery of ≤60% in the ≤75 micron fraction.
- Grains of 'free' gold were seen in the ≤75 micron fractions of both composites.

Diagnostic Leach

Diagnostic leaching was performed on the gravity residue (tails) of both composites to determine the recovery by carbon in leach ('CIL') as well as the association of residual gold contained/retained in other mineral species such as carbonate, silicates, pyrite and arsenopyrite.

- CIL recoverable gold results were good for both composites. Recoveries averaged 83.2% in the low grade composite and 83.9% in the high grade composite.
- The high grade composite showed a range in CIL recoverable gold from 71.3% in the fine fraction (≤75 micron) to 93.2% for the coarse (>300 micron) size fraction.
- The low grade composite showed a range in CIL recoverable gold from 74.1% in the fine fraction (≤75 micron) to 89.8% for the coarse (>300 micron) size fraction.
- Only a very minor amount of gold is determined to be associated with pyrite or arsenopyrite, with 0.6% in the low grade composite and 2.5% in the high grade composite. This is significant as the results indicate that the ore is not of a refractory nature.

Direct Cyanidation

Four size fractions were evaluated for gold recovery using direct cyanide leaching.

- Overall gold recovery was 62.5% for the low grade composite and 50.6% for the high grade composite.
- 72% to 82% of the gold in the low grade composite was recovered in the >75 micron fractions and only 48% of gold was recoverable in the fine (≤75 micron) fraction.
- 75% of the gold in the high grade composite was recovered in the >300 micron size fraction and only 47% in the ≤75 micron fraction.

Future Testwork

Although the results reported here are preliminary they are sufficiently encouraging to warrant further detailed testing. Future testwork will investigate optimisation of these tests and also of previous metallurgical testwork which investigated recovery of both gold and copper via flotation processing to produce a copper-gold concentrate.

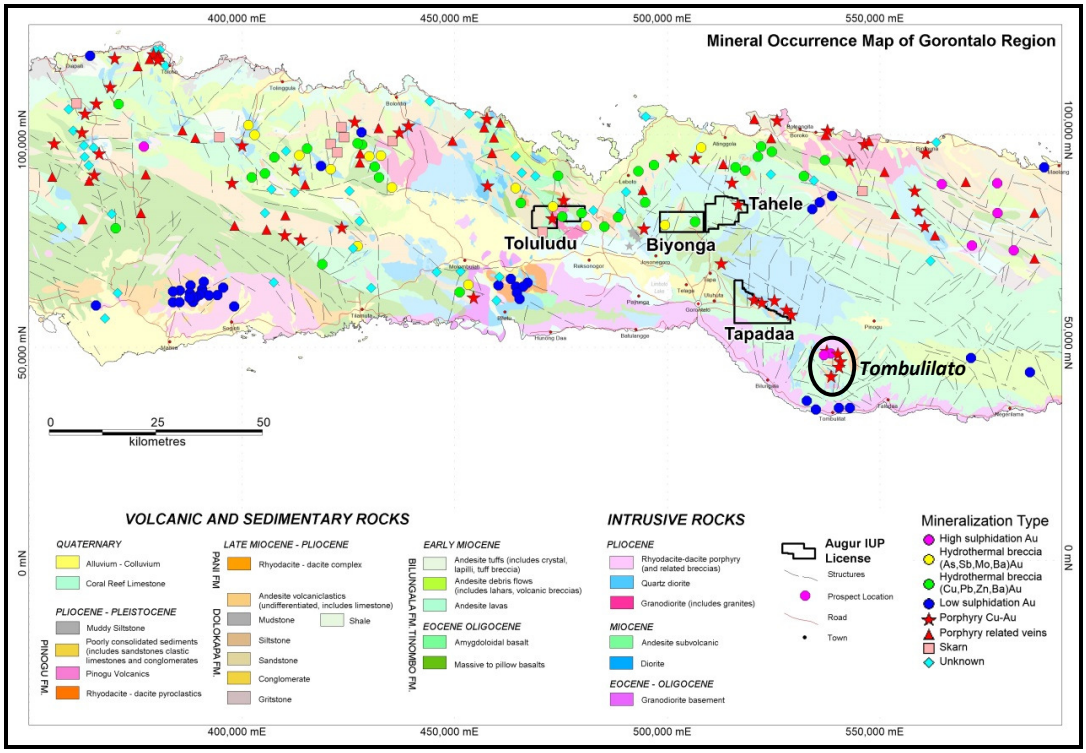
The flotation results indicated 89.0% recovery of gold and 93.4% recovery of copper to produce a high quality marketable concentrate with grades of up to 21.2% copper and 90.6 g/t gold. The objective of future work is to determine what combination of metallurgical parameters would be most efficient for processing the Randu Kuning gold and copper mineralisation

Gorontalo Properties (Augur - 80%)

The four project areas, Toluludu, Biyonga, Tapadaa and Tahele, collectively referred to as the Gorontalo properties, are located in northern Sulawesi, near the city of Gorontalo. The exploration licences (IUPs) are currently in the exploration phase which can be extended to 2018, after which the licences can be converted to exploitation stage.

Each of the project areas contain zones of alteration and mineralisation identified by previous exploration. The types and styles of which are indicative of porphyry-related copper-molybdenum-gold and epithermal gold-silver mineral systems.

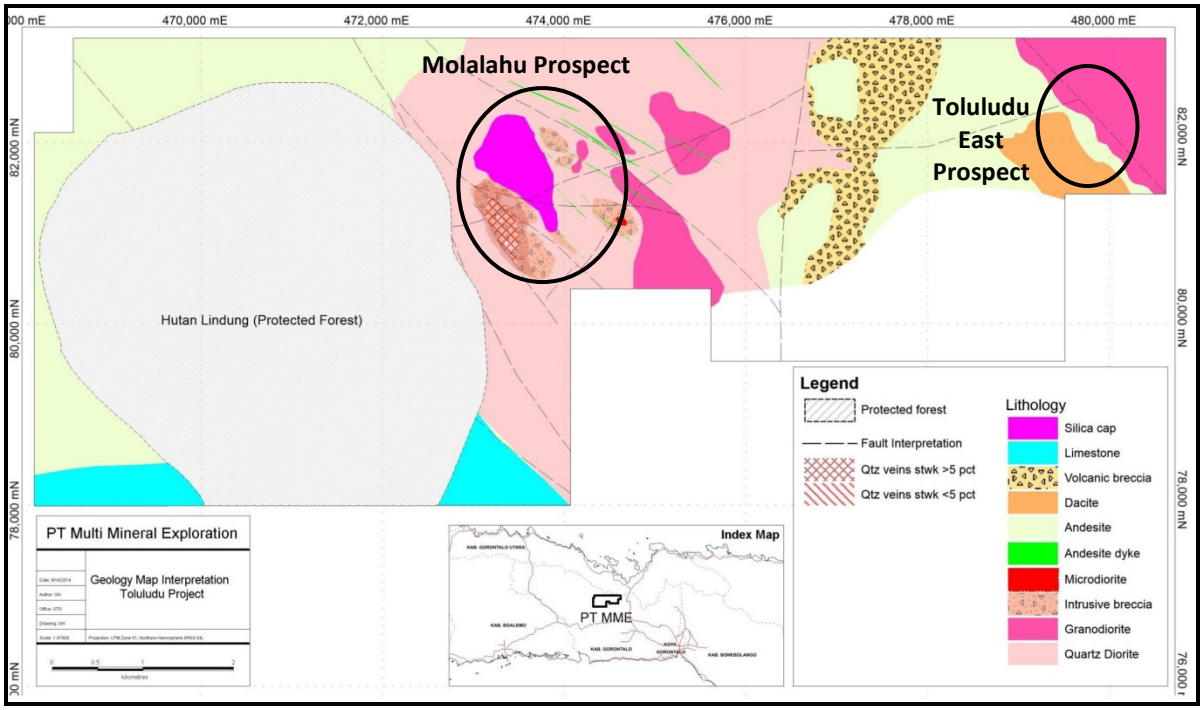
Exploration completed during the quarter focused on detailed mapping on the Toluludu property including completion of a ground magnetic survey over two areas of interest (Molalahu, Toluludu East) to define drill targets. No previous drilling has been completed and there are no forest restrictions over these areas.



Geologic map of the Gorontalo region showing Augur IUP property locations and also locations of known mineral occurrences.
The Tombulilato porphyry copper-gold deposit area currently in feasibility is also shown.

Previous exploration within the Toluludu property area was conducted by PT Tropic Endeavour Indonesia (1971), BHP-Utah (1980) and Newcrest (1993). In 2011, MMG Exploration Pty Ltd ('MMG') completed initial prospecting, and rock/stream sediment sample collection. This work identified 3 prospect areas identified as Molalahu, Toluludu East and Tiluti representing porphyry-type, epithermal-type and skarn-type mineralisation respectively**.** Previous rock chip sampling in the Molalahu area returned up to 0.6% copper and 0.27 g/t gold and 4,980 ppm molybdenum.

Mapping at Molalahu has defined a 1,400 by 860 metre area of exposed stockwork-type quartz + magnetite veins coincident with potassic-type alteration. Previous sampling by MMG reported mineralised rock-chip samples including: 1.72% copper, 0.27 g/t gold and 12.4 g/t silver at Molalahu. At the Toluludu East target, mapping by Augur has identified, narrow (<1 metre) structurally-controlled quartz-sulphide veins with rock-chip samples returning up to; 8.69 g/t gold, 370 g/t silver, 4.4% copper and 0.73% zinc., effectively confirming previous exploration results.



Geological map of the Toluludu property showing prospect areas.

Ground Magnetic Survey

In order to better understand geological controls of the areas of interest identified from surface mapping and sampling, a program of ground magnetics was completed by PT Geoservices of Bandung, Indonesia, using a GSM-19 proton magnetometer.

At the Molalahu target area, a 28.8 line kilometre survey was completed along lines 100 metres apart with in-line readings taken every 12.5 metres. A smaller survey of approximately 4.4 line kilometres was completed over the Toluludu East target area with lines completed 50 metres apart with in-line readings at 12.5 metres.

Both surveys defined high magnetic anomalies coincident with mapped zones of mineralisation and alteration. The defined magnetics targets will be tested by a scout drill program to start during this year.

Future Exploration Work

With drill targets identified at Toluludu, detailed exploration activities will shift to the Tapadaa property with the objective of defining drill targets.

AUSTRALIAN PROJECTS

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and Northparkes deposits. Augur has completed JORC compliant resource estimates for deposits at the Collerina project (total resource estimate of 16.3 Mt at 0.93% nickel and 0.05% cobalt comprising of 4.4 Mt at 0.99% nickel and 0.06% cobalt of Indicated Resource and 11.9 Mt 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, 120 ppm molybdenum and 2.2 g/t silver using a 0.2% copper cut-off).

With the Company's focus on the Indonesian projects, the Company has entered joint venture arrangements over the Collerina project (EL 6336) and the Yeoval project (EL 6311 and ML 811). No significant exploration activities were undertaken on these projects during the quarter.

CORPORATE

Appointment of Managing Director

During the quarter, Justin Werner was appointed as the Company's Managing Director. Justin Werner has been a director of Augur since December 2010. Based in Indonesia, he has overseen the re-capitalisation of the Company, the re-commencement of exploration at the Wonogiri project and the acquisition of the Gorontalo properties.

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

Yours sincerely

Peter J. Nightingale
Director

pjn7902

Statement of Compliance

Information that relates to Exploration Results of the Wonogiri project and Gorontalo properties was previously reported to the ASX on 29 October 2014 and is available to view on the Company's website at www.augur.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information or supporting documentation included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information regarding Mineral Resources 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 the Mineral Resources is based on information compiled by Augur staff and contractors and approved by 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 2004 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.

[1] 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$1,198/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 (%)*6,945)/38.51)

(i.e.: 1.0% Cu = 1.80 g/t Au)

[2] 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.