

29 April 2015

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(9 pages by email)

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
31 MARCH 2015  
(ASX: AUK)**

**HIGHLIGHTS**

- Preliminary metallurgical testwork results from Wonogiri return:
  - **86.6%** recovery of gold by gravity and flotation;
  - **87.7%** recovery of copper by gravity and flotation; and
  - **54.8%** recovery of gold by gravity only.
- Completed initial testwork on waste rock from the conceptual Randu Kuning starter open-pit which indicates excellent potential for sale as aggregate material, providing additional revenue and improved project economics.
- Conversion of the Wonogiri IUP from Exploration licence to Exploitation licence is progressing well with expected completion second half of 2015.
- Detailed surface mapping at the Tapadaa property in Gorontalo has defined a zone of local intense alteration coincident with epithermal quartz veining for scout drilling.
- Both the Tapadaa and Tololudu properties in Gorontalo are now ready to be drill tested.
- Initial counter-current atmospheric leach ('CCAL') testwork on a blended representative Homeville resource sample suggests overall recovery of nickel and cobalt from the ore of more than **90%** will be achievable at an overall acid consumption of less than 730 kg/tonne ore.
- Receipt of R&D Tax Incentive refund of \$633,447 for the 2014 financial year.

## **PROJECTS**

Augur Resources Ltd ('Augur' or the 'Company') 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 exploration projects in central New South Wales.

### **INDONESIAN PROJECTS**

#### **Wonogiri Project (Augur - 45%)**

##### **Wonogiri Metallurgical Studies**

At the Wonogiri project, located in central Java, previous testwork has demonstrated that a finer grind size allows for better gold recovery and, based on the current testwork, suggests the minus 53 micron grind size to show the best recovery.

A third round of testwork on a sulphide composite sample compiled from drill core from within the conceptual open-pit commenced during the quarter to investigate optimisation of previous testwork with the objective of identifying a preferred process flow sheet for recovery of both gold and copper. This work will evaluate gravity concentration, intensive leaching and selective flotation and should be completed during June 2015 quarter. However, preliminary results for the minus 53 micron grind size indicates 54.8% recovery of gold by gravity concentration using a Falcon concentrator, with a combination of gravity concentration and flotation of the gravity concentrate tails indicating 86.6% recovery of gold and 87.7% recovery of copper.

These preliminary results are consistent with previously reported results that a combination of gravity separation and cyanide leaching could potentially recover up to 90% of the contained gold whereas sulphide flotation test results suggest that up to 89.0% recovery of gold and 93.4% recovery of copper could be achieved to produce a high quality marketable concentrate with grades of up to 21.2% copper and 90.6 g/t gold.

##### **Aggregate Evaluation**

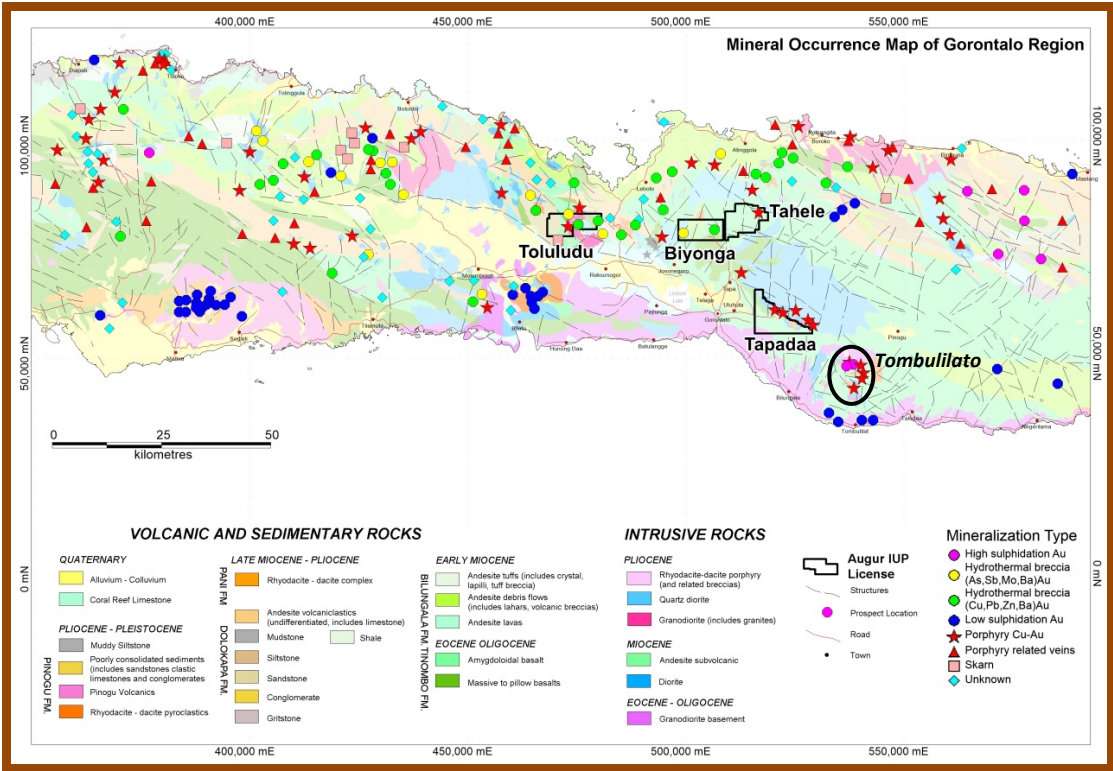
The Company completed testing of two waste rock composite samples during the quarter. The rock represents generally unmineralised (<0.2 g/t Au) 'waste rock' collected from drill core within the conceptual open-pit. General ASTM standard rock quality tests were completed at PT Geoservices laboratory in Bekasi, West Java, including; point load, density, soundness, abrasion, organic content, porosity, water absorption and alkali/silica reactivity.

The results of these tests indicate that the Randu Kuning waste rock has the properties required to be highly suitable for a variety of stone aggregate uses including concrete. Samples tested had good density (2.6-2.7 t/m<sup>3</sup>), low absorption (0.8-0.9), low porosity (2.2%) and low water soluble sulphate and chloride (<0.04) with excellent soundness (4.37-5.03) and Los Angeles abrasion (12.5-13.7). Specific concrete design testwork has not been completed as this is best done by the individual producers.

To advance our understanding of the aggregate business, the Company has engaged an experienced aggregate geologist to advise on related technical matters. A regional marketing study was also initiated during the quarter. The objective of the study is to gain information about current aggregate suppliers and users within a 100 kilometre radius of the Wonogiri property. The results of this work will be reported during the June 2015 quarter and will form the basis for devising an aggregate business plan.

**Gorontalo Properties (Augur - 80%)**

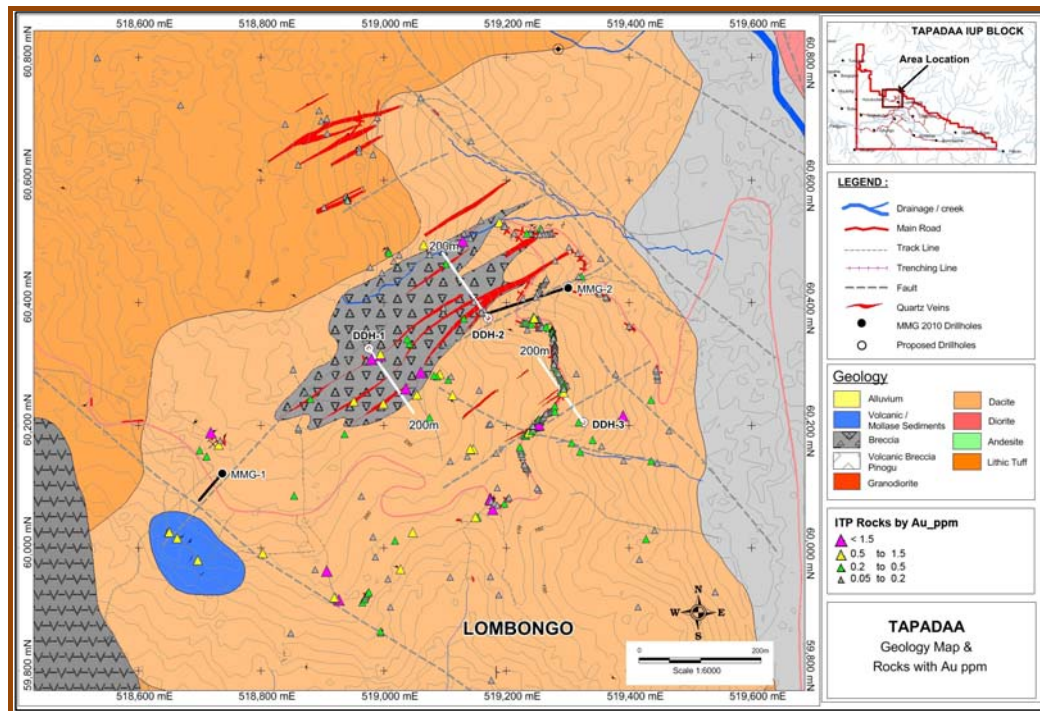
Exploration completed during the quarter focused on confirming scout drill targets within the Toluludu and Tapadaa properties. The objective is to investigate zones of alteration and mineralisation identified by previous exploration but not yet drill tested. The types and styles of which are indicative of porphyry-related copper-molybdenum-gold and epithermal gold-silver mineral systems. There are no forestry restrictions over the areas.



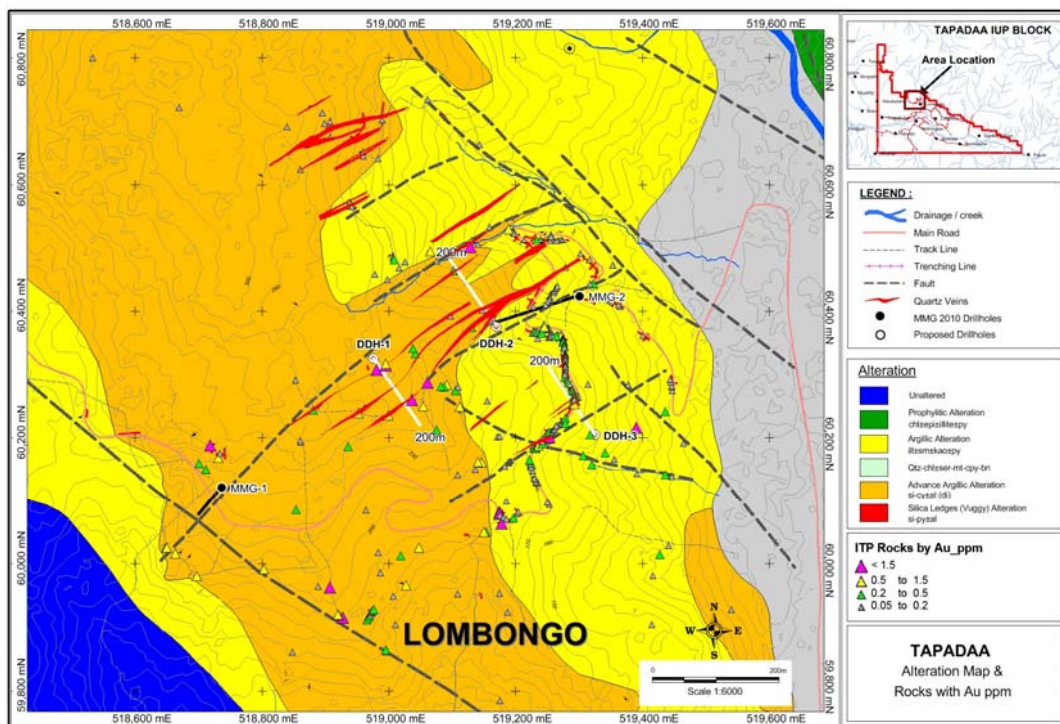
**Geologic map of the Gorontalo region showing Augur’s IUP property locations and also locations of known mineral occurrences. The Tombulilato porphyry copper-gold deposit area currently in feasibility is also shown.**

## Tapadaa Property

The Tapadaa IUP was revised during December 2014 quarter due to a change of the adjacent National Park boundary. The revised IUP area was decreased from 6,500 hectares to the current 4,900 hectares. The downsizing did not affect the status of identified target areas. The Company has also received notice that it has been approved for issuance of a Clean and Clear IUP Certificate.

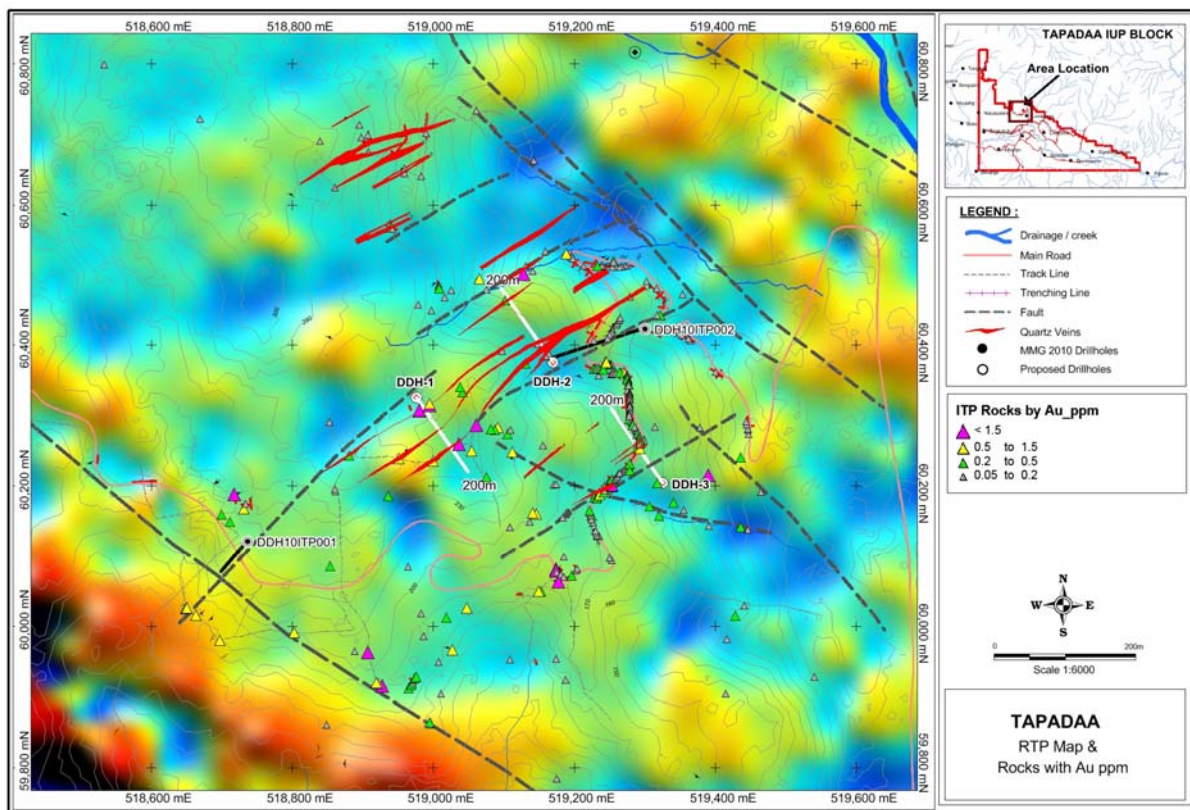


*Geological map (above) and surface alteration map (below) of the Lombongo prospect area within the Tapadaa IUP property. The location of surface rock samples and the extent of quartz veins and location of proposed and previous drill holes are shown.*





Detailed surface mapping completed during the December 2014 quarter identified areas of sheeted, epithermal-type quartz veins hosted within an argillic and silicified breccia. Three drill holes are proposed to test the veins to about 150 metres depth. Surface rock sampling returned up to 3.0 g/t gold from weathered vein material. Previous drilling by MMG Exploration Pty Ltd ('MMG') was designed to test high magnetic anomalies as part of a porphyry copper-gold exploration strategy and did not test the epithermal veins. A previous MMG hole drilled south of the veins and parallel to assumed vein direction returned 2 metres of 1.74 g/t gold from 83 metres downhole.

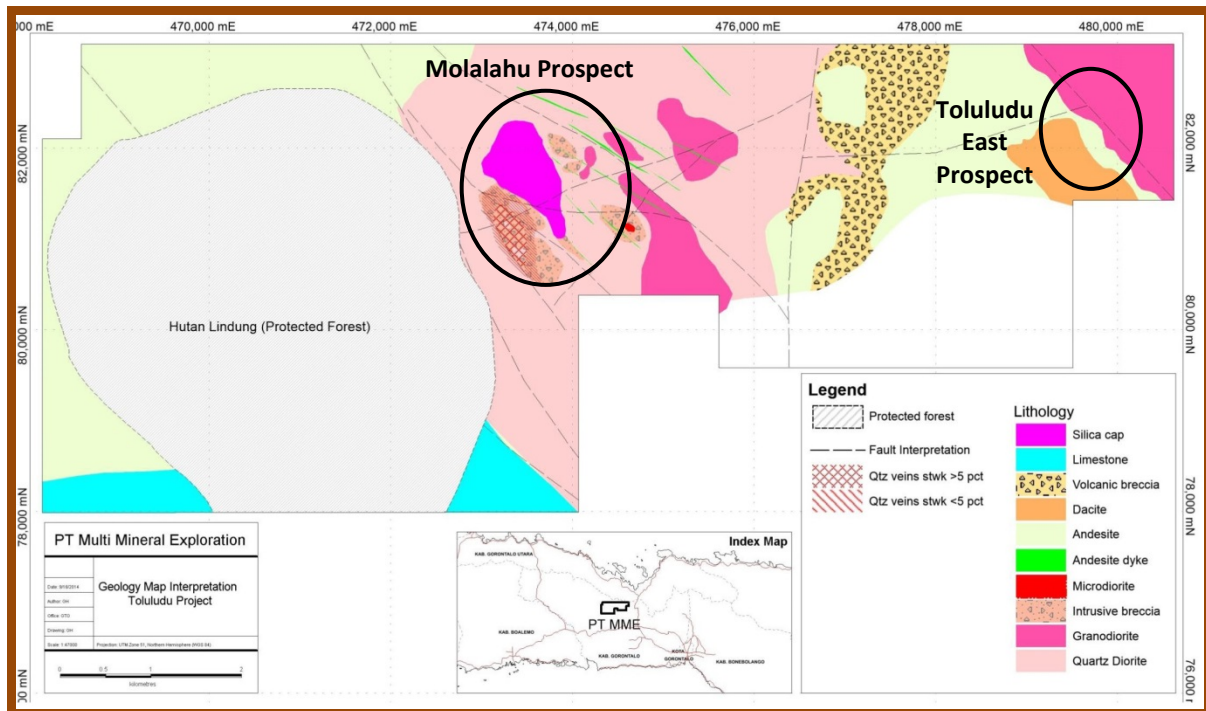


*Reduced to Pole - vertical derivative magnetic map for the Lombongo Prospect area at Tapadaa. Distribution of surface rock samples, quartz veins and proposed drill holes area also shown.*

### ***Toluludu Property***

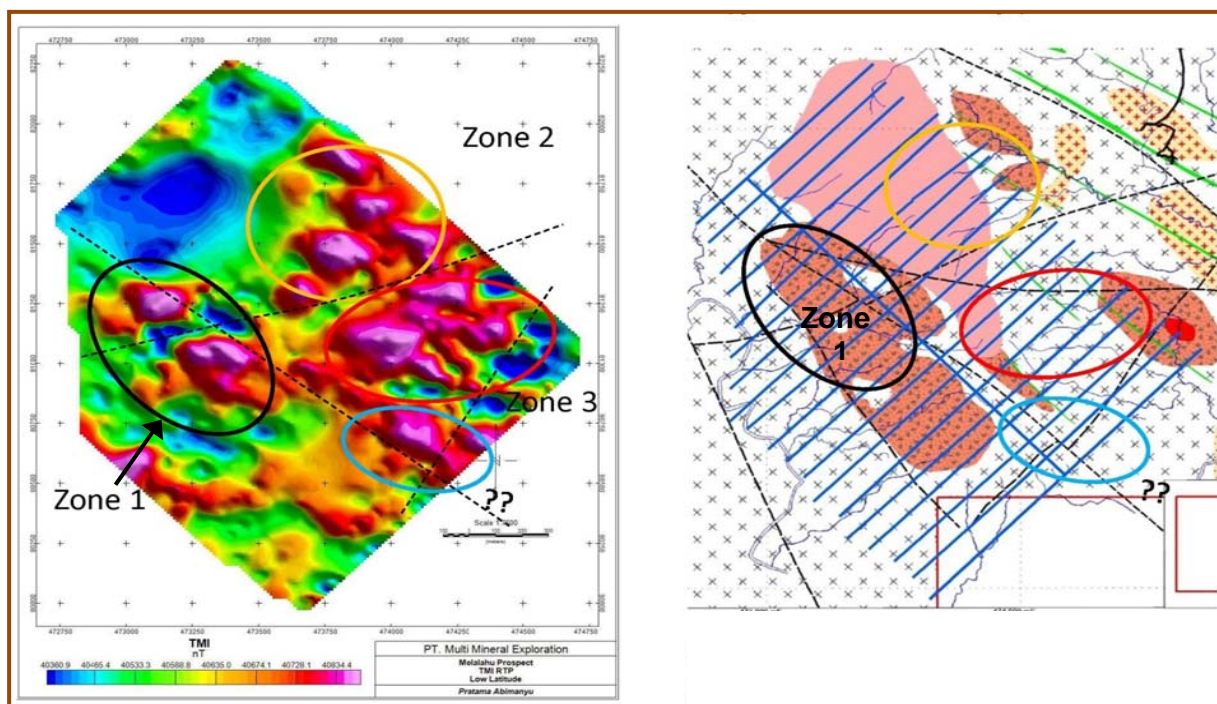
Previous work identified two primary target areas identified as Molalahu and Toluludu East. Mapping at Molalahu has defined a 1,400 by 860 metre area of exposed stockwork-type quartz + magnetite veins coincident with potassic-type alteration. Previous sampling by MMG reported mineralised rock-chip samples 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.

Ground magnetic surveys completed over both areas during the December 2014 indicate the occurrence of high magnetic zones coincident with the surface extents of mapped alteration and mineralisation. Both targets will be drill tested as part of the planned program.



*Geological map of the Toluludu property showing prospect areas.*

At Molalahu two drill holes will test a pair of high magnetic anomalies within Zone 1 which contains intense quartz-magnetite veining coincident with porphyry-type alteration and Cu-Mo mineralisation. If successful, additional drilling will be planned to test similar magnetic anomalies.



*Reduced to Pole - magnetic map for Molalahu Prospect (left) and showing areas of interest as defined by surface geological mapping (right).*

During the quarter, the Company received an extension to June 2016 of the Borrow and Use Forest Permit for the Toluludu IUP. It also received notice that it has been approved for issuance of a Clean and Clear IUP certificate.

### **Future Exploration Work**

An initial 1,200 metre drill program is planned to test defined drill targets at Toluludu and Tapadaa. Objectives for both programs are to confirm the occurrence of significant mineralisation which will then warrant a detailed resource delineation drill program.

### **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)<sup>1</sup> 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).

### **Homeville Testwork**

During the quarter, additional testing of representative resource samples from the Homeville project was conducted using a counter-current atmospheric leach ('CCAL') process, employing sulphuric acid. The combined CCAL results suggest overall recovery of nickel and cobalt from the ore of more than 90% will be achieved, at an overall acid consumption of less than 730 kg/tonne ore. Six more leach tests are planned, with the objectives of confirming overall metal extractions and further reducing the overall acid consumption.

Compared to the results of the SALT testwork reported during the December 2014 quarter, the CCAL process is extracting 2.1 times as much nickel using 1.6 times as much acid. Both processing methods will be further evaluated with regards to cost and technical efficiency.

## RECEIPT OF R&D TAX INCENTIVE REFUND


During the quarter, the Company received an R&D Tax Incentive refund of \$633,447 for the 2014 financial year. The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 45% of eligible expenditure on research and development. The incentive refund results from expenditure on advancing Augur's Wonogiri project. Augur anticipates applying for a further R&D Tax Incentive refund for the 2015 financial year.

## TENEMENT INFORMATION

Tenement	Project	Location	Ownership	Change in quarter
IUP No. 545.21/054 2009	Wonogiri	Central Java, Indonesia	45.0%	-
IUP No. 66 Tahun 2009	Biyonga	North Sulawesi, Indonesia	80.0%	-
IUP No. 540/DPE- BB/II/V/2010	Tahele	North Sulawesi, Indonesia	80.0%	-
IUP No. 540/DPE- BB/286/VIII/2009	Tapadaa	North Sulawesi, Indonesia	80.0%	-
IUP No. 65 Tahun/2010	Toluludu	North Sulawesi, Indonesia	80.0%	-
EL 6336	Collerina	Fifield Platinum Province, NSW	100.0%, subject to farm out agreement	-
EL6311 and ML 811	Yeoval	Lachlan Belt, NSW	25.0%	-

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

Yours sincerely



**Peter J. Nightingale**

**Director**

pjn8082



## **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](http://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 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.