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The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(13 pages by email)

Exploration of Gold-Silver Prospects in Chile and Argentina

(ASX: AUK)

HIGHLIGHTS

- Carlin Resources Pty Ltd ('Carlin'), a wholly-owned subsidiary company of Augur Resources Ltd, has been incorporated to undertake exploration of gold-silver mineral tenements in Chile and Argentina.
- Carlin has signed a binding Memorandum of Understanding ('MOU') to enter into a Joint Venture Agreement for the Becker property in Region VII of Chile. This will allow Carlin to conduct mineral exploration and resource delineation under an agreed earn-in schedule.
- Following signing the Becker MOU, Carlin made application for additional tenements surrounding the Becker property, expanding the Becker project land package from 600 hectares to 2,000 hectares.
- Carlin has also entered into an exclusive option to 31 March 2017 to complete evaluation of eight mineral properties in the Patagonia region of southern Argentina - four properties totalling 54,500 hectares in Rio Negro Province and four properties totalling 23,500 hectares in Santa Cruz Province. Subsequent to the option period, Carlin will have 15 days to finalise individual Joint Venture Agreements for selected properties.
- Exploration of the Becker property has commenced and exploration of the Argentina properties will commence mid-February 2017.

The Directors of Augur Resources Ltd ('Augur' or 'the Company') are pleased to announce that it has formed a new mineral exploration subsidiary company to initiate exploration of mineral properties in Chile and Argentina. The properties were selected following a five month evaluation of numerous mineral properties in Chile, Argentina and Peru. This work was completed by Augur with technical assistance from Argentina and Chile-based industry contacts.

Becker Property – Region VII Chile

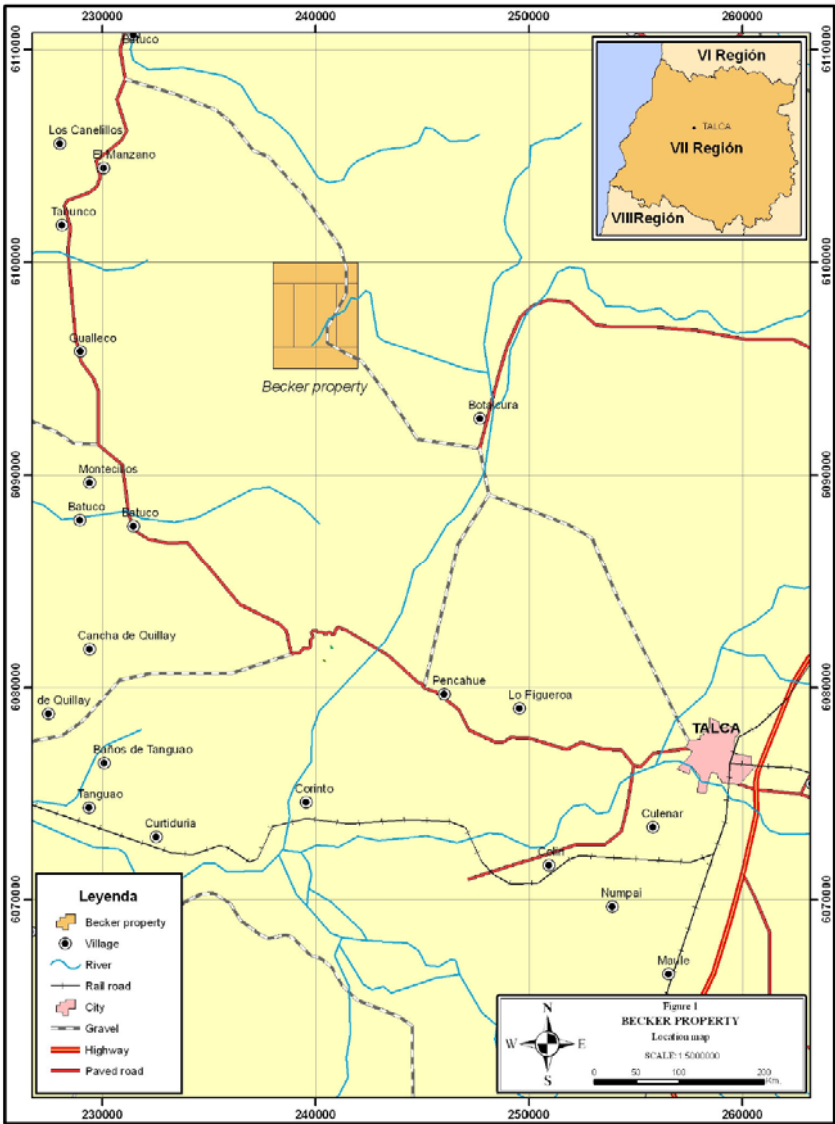


Figure 1: Becker property location 250 kilometres south of Santiago and 40 kilometres north west of Talca, Region VII, Chile.

The Becker property covers several, intermediate to low sulfidation epithermal gold-silver vein systems. The Becker property lies within the Chilean Coastal Range which is geologically comprised of Mesozoic age volcanic arc rocks accreted onto the South American craton.

The western margin of the Coastal Range is mostly Triassic to early Cretaceous in age and the eastern margin of the Coastal Range is an assemblage of Late Cretaceous age rocks consisting mainly of continental margin andesitic volcanics. Intruding into these rocks are numerous granite to diorite plutons and younger sub-volcanic porphyry bodies. Gold mineralisation within the eastern part of the Coastal Range belt is related to the later intrusives and manifest as quartz vein systems (similar to Becker) to breccia pipes and vein stockworks.

Previous Exploration

The Becker property has seen little exploration since initial discovery in 1995 by Arauco Resources Corporation ('Arauco'). Follow-up work by Arauco discovered two zones of gold-bearing quartz veins, which, together extend over a strike length of approximately 3.0 kilometres. No geophysics or drilling have been completed.

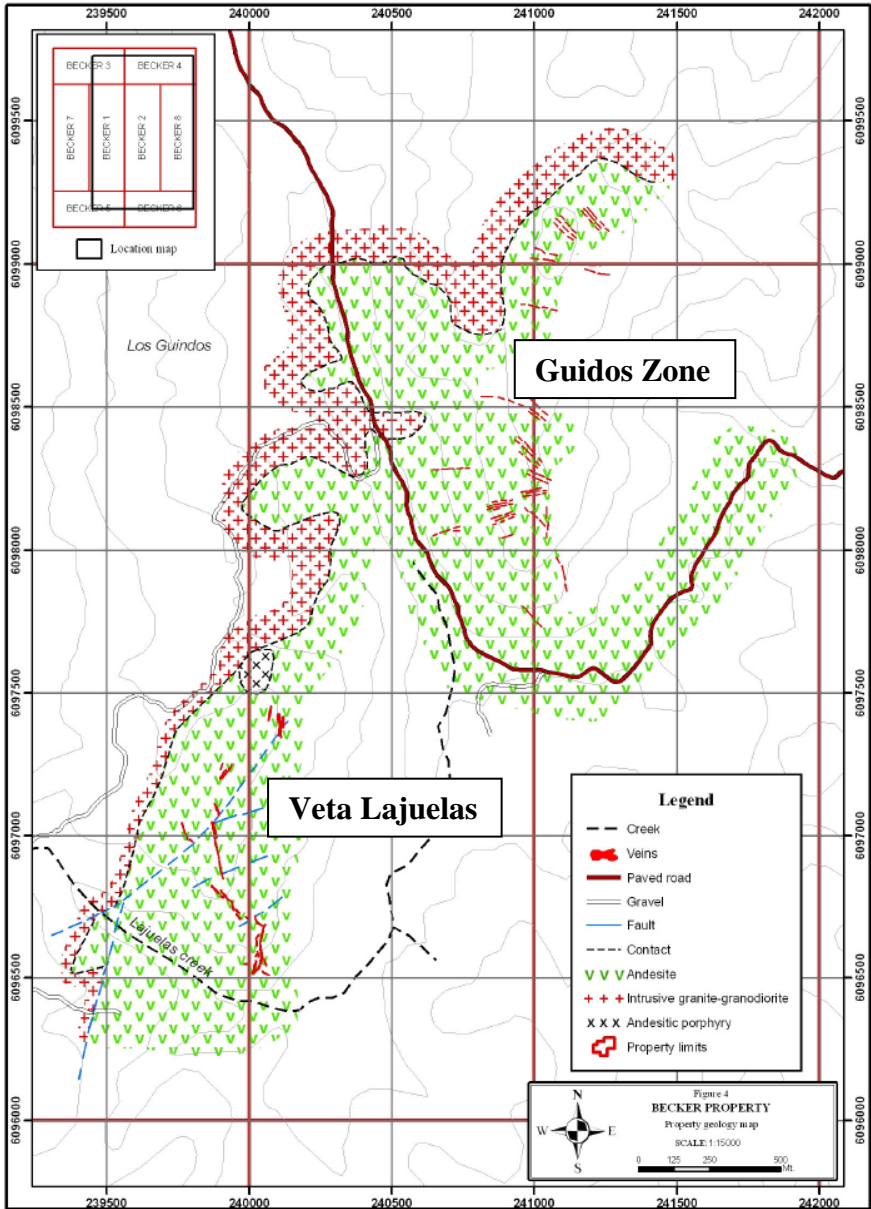


Figure 2: Portion of Becker property showing location of known prospect areas.

Veta Lajuelas Zone

As currently defined, this is a generally north-south trending zone of about 300 metres by 900 metres on surface. Sampling of the boulders by Arauco returned anomalous gold values along the entire trend, including values ranging from 23.5 g/t Au to 79.0 g/t Au. Follow-up geological mapping and geochemistry at the time encountered a total of 11 individual, steeply-dipping, massive, drusy and bladed textured, quartz veins over a total strike length of 350 metres and widths varying from 0.5 to 7.5 metres, with associated quartz-sericite-carbonate replacement of andesitic wall rocks. Extensive hand pitting and backhoe trenching across the veins along strike returned 12.2 g/t Au over 3.0 metres, 9.6 g/t Au over 7.5 metres and 4.5 g/t Au over 2.5 metres.

Guidos Zone

Located approximately 1.5 kilometres northeast of the Lajuelas Zone, prospecting, reconnaissance geological mapping and rock sampling by Arauco identified two clusters of banded to massive epithermal quartz – sulphide veins covering at least 0.5 km² each. Individual veins vary from 0.5 metres to over 10 metres in width, tend to occur in swarms of 3 to 6 within wider zones of clay-sericite alteration and have been traced over strike lengths of 100 to 600 metres.

Arauco collected 25 representative rock chip and grab samples from the zone with only gold assays completed. Assay results ranged from 0.01 g/t Au to 9.24 g/t Au with a majority of the assays over 1.0 g/t Au located in the northernmost of the two vein clusters.

Site Visit and Sample Assays – November 2016

A site visit was completed by the Company in November 2016. Twenty surface grab samples were collected and assayed, the results of which are shown in Table 1. The samples were collected from areas of previous trenching and were submitted for preparation and assay to ALS Minerals in Santiago. The vein characteristics observed, and the sample assay results effectively confirmed Arauco descriptions and previous assay results reported by Arauco as shown in Figures 3 and 4.

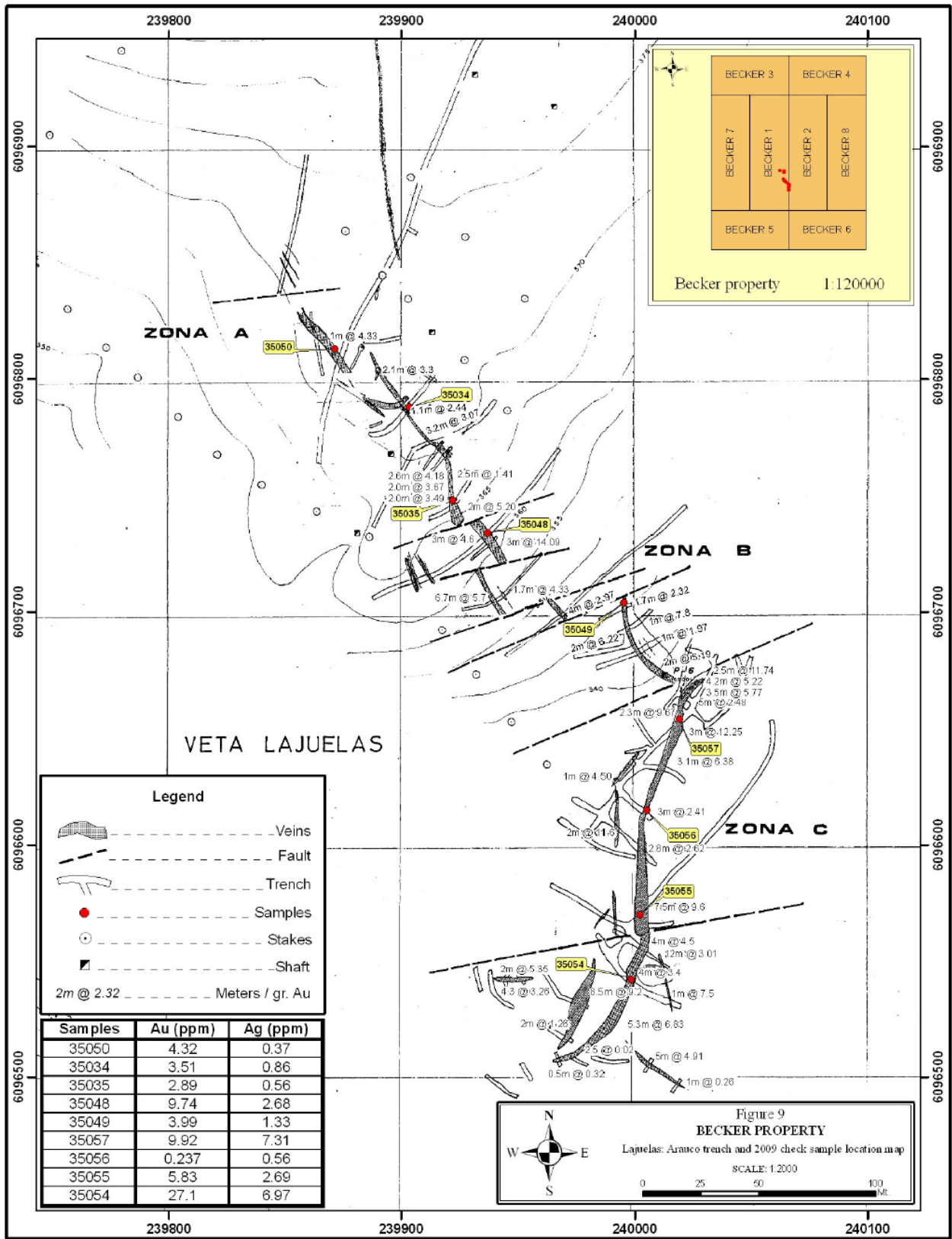


Figure 3: Trench location and sample assay map of the Veta Lajuelas prospect area as compiled by Arauco in 1995.

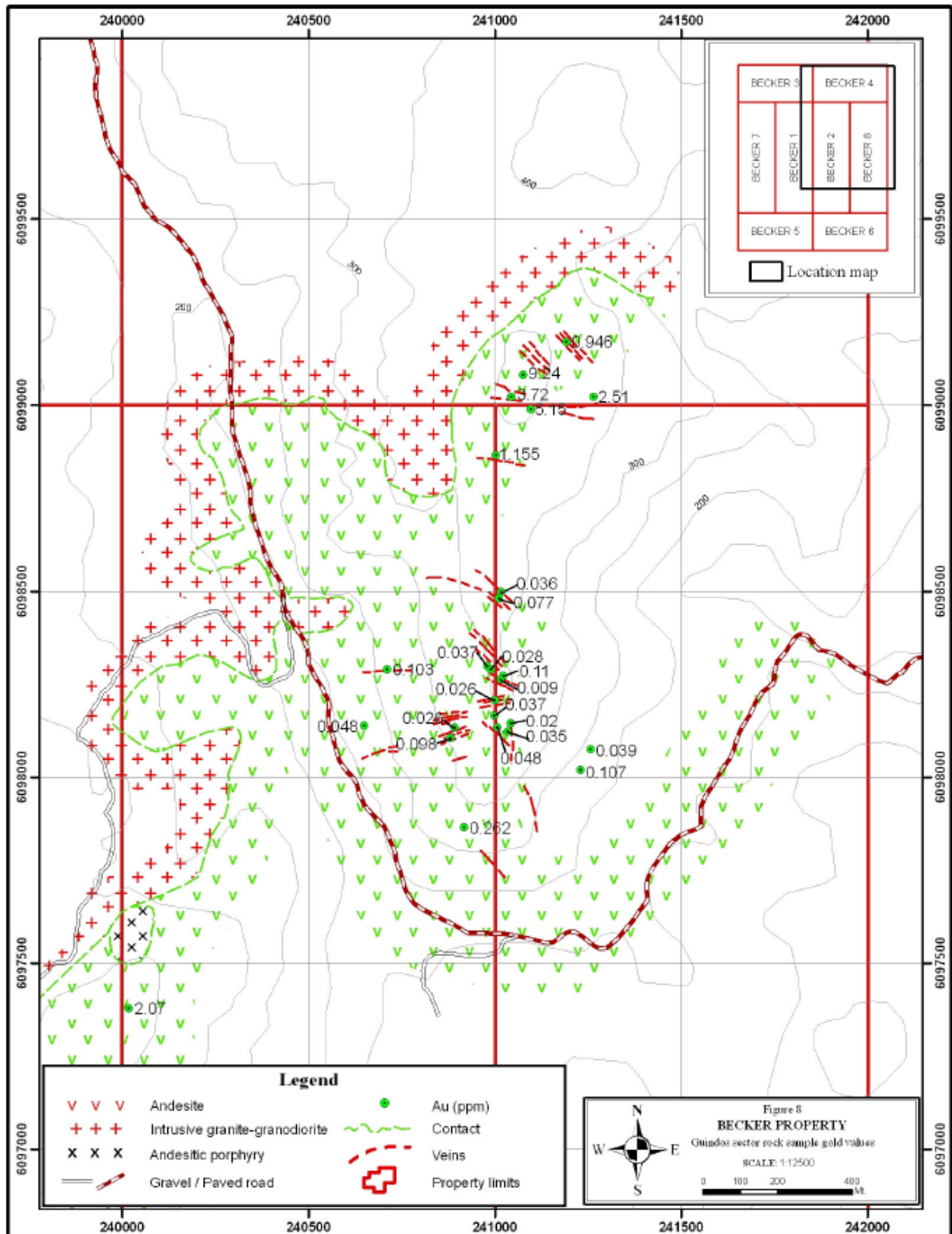


Figure 4: Trench location and sample assay map of the Guidos prospect area as compiled by Arauco in 1995.

Assay results for samples collected by the Company:

SAMPLE	Au ppm	Ag ppm	As ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Hg ppm	Sb ppm	Fe %	Mn ppm
BRC001	0.01	<0.2	50	58	2	24	29	<1	<2	3.29	51
BRC002	2.13	0.2	6	4	2	5	12	<1	<2	1.24	140
BRC003	0.01	0.5	11	9	1	71	7	<1	<2	4.65	22
BRC004	0.01	<0.2	3	73	1	15	164	<1	<2	4.39	1400
BRC005	0.43	0.6	18	52	2	21	11	<1	<2	1.42	142
BRC006	54.9	7.7	5	24	2	22	7	<1	<2	1.12	106
BRC007	4.58	2	19	58	2	22	17	<1	<2	2.12	115
BRC008	9.43	6.2	35	26	2	25	10	<1	<2	3.12	107
BRC009	8.78	1	12	13	1	13	24	<1	<2	1.84	90
BRC010	0.43	0.4	10	23	2	11	10	<1	<2	1.18	59
BRC011	0.03	0.2	16	3	1	15	31	1	<2	2.98	226
BRC012	1.22	0.4	15	18	2	48	22	<1	<2	2.34	86
BRC013	1.32	0.3	4	36	4	4	7	<1	<2	1.66	95
BRC014	0.07	<0.2	10	13	2	5	17	<1	<2	2.87	95
BRC015	2.74	0.4	<2	34	2	15	6	<1	<2	2	107
BRC016	3.49	3.4	5	25	2	38	16	<1	<2	2.77	108
BRC017	0.05	1.9	8	63	10	134	16	<1	<2	1.48	141
BRC018	1.92	9.3	17	43	12	101	17	<1	<2	1.94	94
BRC019	7.53	2.5	22	63	6	69	42	<1	<2	3.1	1030
BRC020	0.06	1.2	17	212	6	13	12	<1	<2	3.89	168

Table 1.

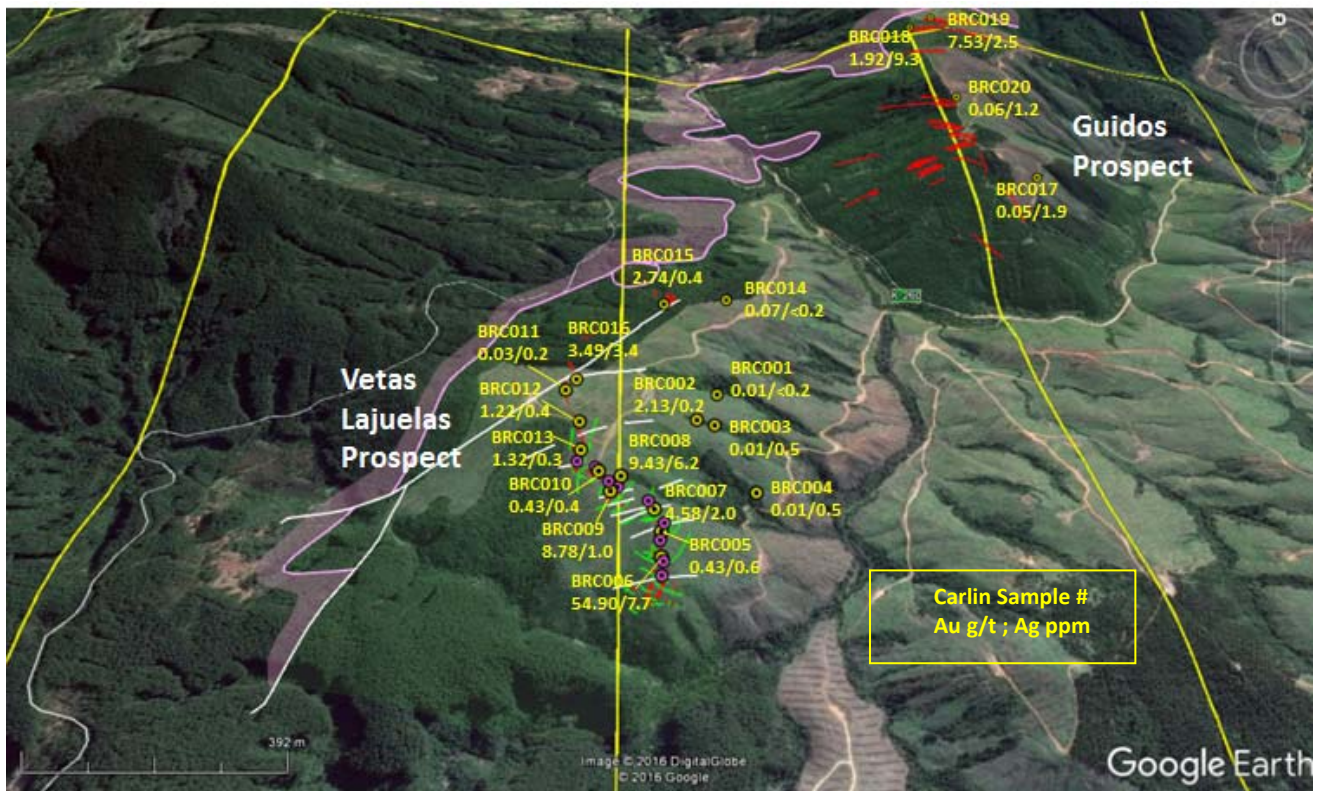


Figure 5: Google Earth image looking north showing sample locations and assay results (Au/Ag).

Tres Cerros Properties – Patagonia Region, Argentina

The Company has finalised an exclusive property evaluation option (‘Option’) with Tres Cerros Exploraciones S.R.L., registered in San Juan Province, Argentina. Properties included under the Option are four tenements (54,500 hectares) in Rio Negro Province and four tenements (23,500 hectares) in Santa Cruz Province. Limited exploration, and no drilling, has been carried out on the properties.

The Patagonia region was targeted by Carlin due to the region’s large gold-silver mineral endowment hosted within Jurassic-aged volcanic rocks of the Deseado and Somuncura Massifs and the considerable potential for discovery of additional deposits through exploration (Figure 6). The Deseado Massif in Santa Cruz Province in particular is a world-class gold-silver region hosting several operating and developing gold–silver mines, and advanced projects. These include; Goldcorp’s Cerro Negro mine, AngloGold-Ashanti’s Cerro Vanguardia mine, Pan American Silver’s Manantial Espejo mine, the Cerro Moro (Yamana), Don Nicolas (CIMINAS), mine developments, and Coeur Mining’s Joaquin silver advanced project.

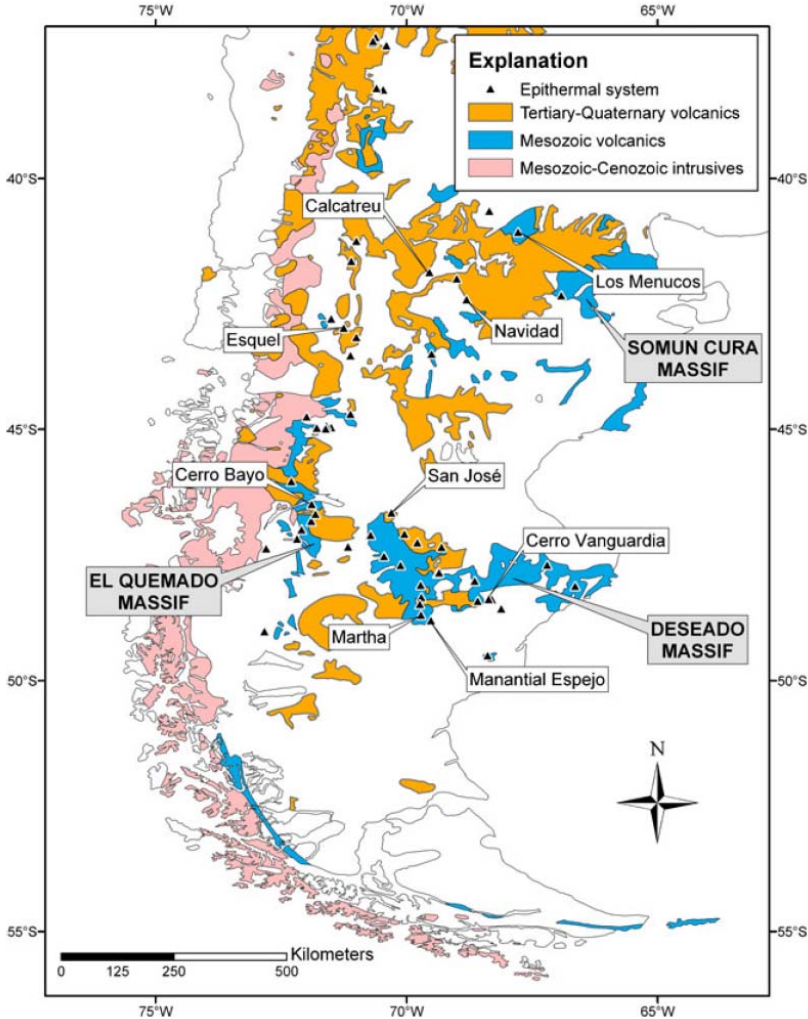


Figure 6: Distribution of Jurassic volcanic rocks and mineral occurrences in Patagonia region of southern Argentina.

The Option gives Carlin an exclusivity period until 31 March 2017 to complete initial property evaluations. Initially, this work includes desktop review of available property geological data with field evaluations beginning mid-February. The objective for the field work is to complete preliminary mapping and surface rock sampling to provide geological and assay data with which to provide a sufficient level of understanding to decide which properties (if any) to advance to a joint venture.

Compared to other global regions with similar resource potential, Argentina has not been well explored, with very little work completed during the last few years. However, with the recent change of Government there seems to be a concerted effort by President Macri to attract foreign investment into the exploration and mining sector through improved policies.

Tres Cerros Properties – Santa Cruz Province

As shown on the figure below, there are four tenement blocks included under the Option agreement. These and numerous district-scale gold-silver mineral occurrences are hosted by Jurassic volcanic rocks within the western part of the Deseado Massif.

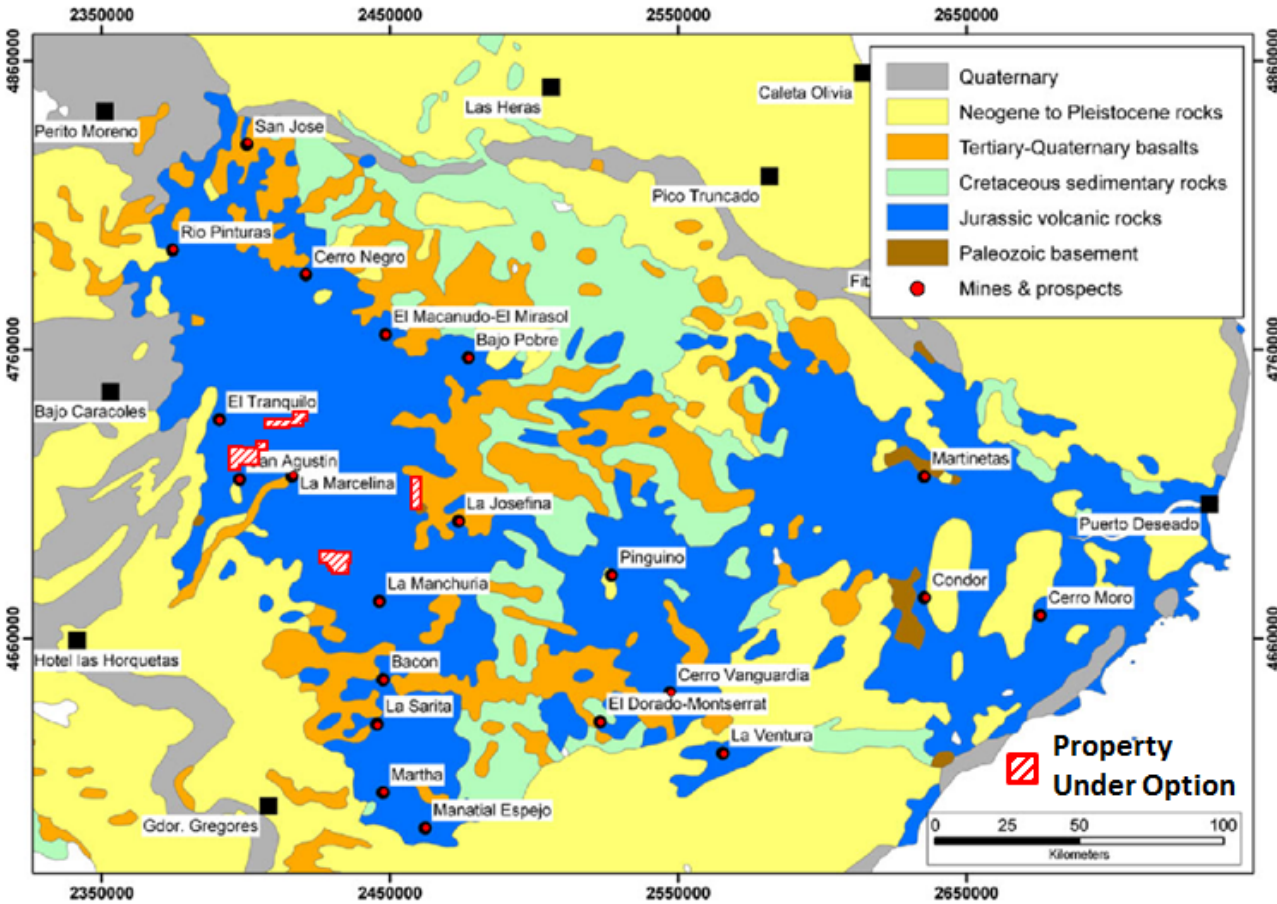


Figure 7: Location of the Santa Cruz properties and distribution of Jurassic volcanic rocks and mineral occurrences.

As stated, the optioned properties have been subject to relatively little exploration. Reported work completed consists of surface rock chip and vein sampling, the specifics and accuracy of which the Company has not verified. However the results as reported indicate typical low-sulphidation, epithermal-type quartz vein and stockwork styles of gold-silver mineralisation including the presence of visible gold.

Tres Cerros Properties – Rio Negro Province

There are four tenement blocks included under the Option agreement. These occur within the Somun Cura Massif which is comprised of similar but reportedly slightly older volcanic rocks as the Deseado Massif to the south within Santa Cruz province. Compared to the Deseado, the Somun Cura has seen relatively little exploration.

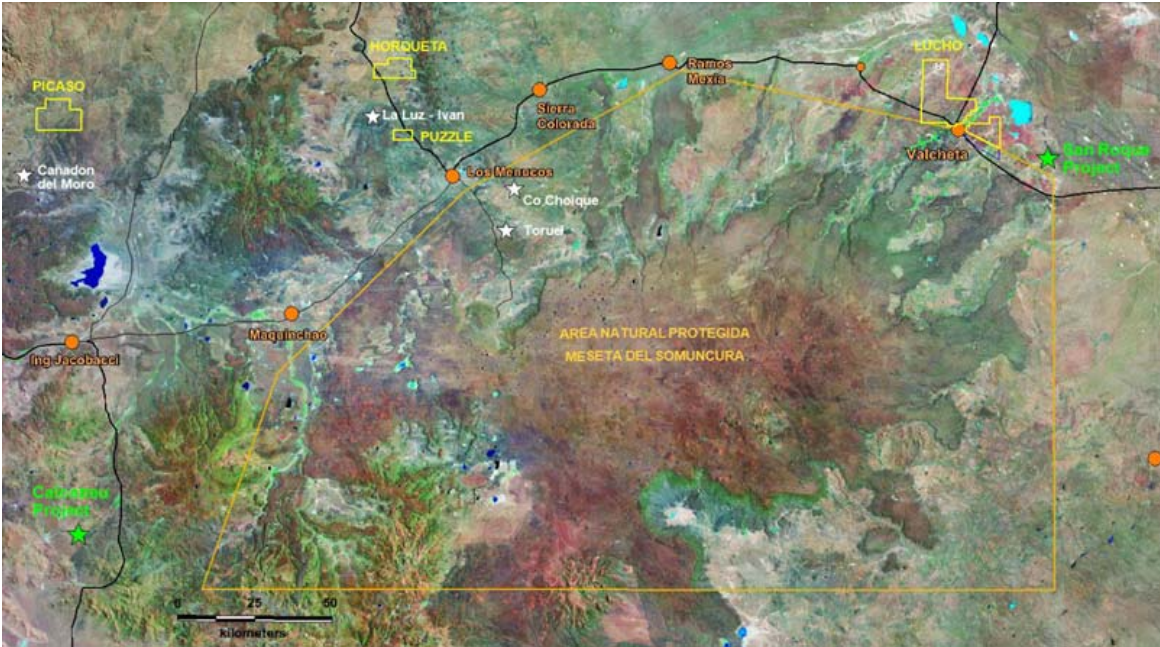


Figure 8: Location of the Rio Negro properties outlined in yellow relative to advanced projects (green) and early-stage prospects (white).

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

Yours sincerely

Peter J. Nightingale
Director

pjn8760

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 Michael C Corey, geoscientist, who is a Member of the Association of Professional Geoscientists of Ontario, Canada. Michael Corey is employed by the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Surface rock chip and grab sampling was undertaken by a Company geologist within the Becker tenement area. Sampling targeted quartz vein rubble on surface in areas of previous trenching as reported by previous workers. Sample size was 2-3 kg per sample. A total of 20 rock chip samples were collected along the extent of veining as reported by previous company work. Samples were submitted to ALS Minerals Laboratories in Santiago, Chile for gold determination by 50g fire assay and additional elements including Ag by ICP-AES analysis. Although samples were collected to be representative of the types and styles of quartz veins and mineralisation reported by previous workers, no attempt was made to ensure that the samples were an accurate representation of the insitu vein type and width exposed previous trenching.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> No drilling undertaken to date so not applicable.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> No drilling undertaken to date so not applicable.
<i>Logging</i>	<ul style="list-style-type: none"> No drilling undertaken to date so not applicable.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> No sub-sampling of rock samples. Collected samples were dried, crushed and pulverised to 85% passing 75 microns. This is considered to appropriately homogenise the sample to allow sub-sampling for assay determination. 2-3 kg is an appropriate sample size for rock samples targeting gold mineralisation.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> 20 rock chip samples were submitted to ALS Minerals Laboratories in Santiago, Chile for gold determination by 50g fire assay with AAS finish (method Au-AA26). No Company supplied standard, duplicate or blank samples were inserted for the initial sampling. ALS has an in-house QA-QC analytical protocol that was followed and review of this data was deemed acceptable.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> All field data was manually collected, and entered into Excel spreadsheets by Company geologists, then validated and loaded into an Access database by the data manager. Electronic sample results were uploaded into a Dropbox project folder that can be accessed by permitted Company personnel. Data is exported from Excel and Access for analysis and map making in MapInfo and Micromine. All electronic data is routinely backed up. No hard copy is retained.

Criteria	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • Rock sample locations were picked up by handheld Garmin GPSmap 64s. • The co-ordinates datum system used was PSAD 56 with later re-projection to UTM WGS 84 (Zone 19 S) for GIS purposes. • Topographic control was from Garmin GPSmap 64s. This is adequate for locating reconnaissance rock chip and soil samples.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Reconnaissance rock chips are not spaced regularly, but controlled by outcrop location and degree of exposure.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • There was no consideration given to sample collection relative to defined or inferred geological structures such as faults or lithological contacts. Sample collection was determined by proximity of quartz vein material to location of previous trenches.
<i>Sample security</i>	<ul style="list-style-type: none"> • Rock chip samples were temporarily stored at near site accommodation at then delivered by a Company geologist to ALS Minerals Laboratory in Santiago, Chile.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • No reviews or audits have been conducted to this point.

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • The Becker Project is located approximately 250 kilometres south of Santiago in Region VII of Chile. It is about 40 kilometres northwest of the city of Talca. • The tenements are held 100% by 2 Argentinian owners. A 1% NSR is held by Condor Resources Ltd, based in Vancouver. • The original 2 tenements (600 hectares) are registered in Talca region and are the equivalent of a patented claim. Recent claim applications for an additional 6 exploration licenses have been made. These are valid for an initial 2 years and can be renewed for an additional 2 years. Together, the Becker property area expands to 2,000 hectares.

Criteria	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Gold was first discovered in the claims area by Arauco in the early 1990s during a regional prospecting campaign throughout the coastal mountains between Rancagua to the north and Temuco to the south. At the time, Arauco was the wholly owned Chilean subsidiary of a consortium of Canadian companies including Teck Resources Limited. • Follow up work by Arauco in 1995, consisting of systematic float sampling and 2,100 metres of trenching, discovered an arcuate generally north-south trending zone measuring some 300 by 900 metres at surface. • Extensive hand pitting and backhoe trenching programs conducted along these veins defined the main 'Veta Lajuelas' and Guidos prospects. • The property was staked by Condor Resources Inc. of Vancouver in 2007 although no additional work was completed by them. • In 2009 Condor Resources Inc. granted Oretch Inc. an option to earn a 70% interest in the Becker Project. During the period June to August 2009, Oretch Inc. contracted Minera Polar Chile Limitada, of La Serena, Chile, to complete some geochemical soil sampling and geological mapping in the Lajuelas vein area and prospecting over the entire claim block. The Guidos veins were discovered at this time. A test transient electro-magnetic ('TEM') geophysical survey was also carried out by Quantec Geoscience, Santiago, Chile on behalf of Oretch Inc. over the southern half of the Lajuelas vein system. Results were deemed inconclusive. • In 2013 Condor Resources Inc. let the claims lapse with the exception of 2 claims covering the Veta Lejuelas and Guidos prospects which were taken over by the current Argentina based owners. • The Becker Project remains an exploration stage property on which no drilling has been done to date and no resources exist.
<i>Geology</i>	<ul style="list-style-type: none"> • Mineralisation targeted is hosted within volcanics adjacent to an intrusive contact. The type and style of veining is currently interpreted to be of deep-epithermal or high-level mesothermal origin.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • No drilling undertaken to date so not applicable.
<i>Data aggregation</i>	<ul style="list-style-type: none"> • No drilling undertaken to date so not applicable.
<i>Mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • No drilling undertaken to date so not applicable.
<i>Diagrams</i>	<ul style="list-style-type: none"> • No drilling undertaken to date so not applicable.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • All results for rock samples collected have been reported in the above text.
<i>Other data</i>	<ul style="list-style-type: none"> • No additional data to report.
<i>Further work</i>	<ul style="list-style-type: none"> • Planned exploration by Carlin includes trenching in areas of previous reported trenching to confirm reported vein widths and grade. • Additional geological mapping and surface rock sampling with also be conducted over the larger tenement block to identify new areas of quartz veining and mineralization • Based on the results a program of ground geophysics consisting of magnetics and induced polarisation, surveys will be completed to identify targets for drilling.