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(4 pages by email)

COUNTER-CURRENT ATMOSPHERIC LEACHING TESTWORK RETURNS EXCELLENT NICKEL AND COBALT RECOVERIES WITH VERY LOW ACID CONSUMPTION
(ASX: AUK)

HIGHLIGHTS

- Overall nickel and cobalt extractions of **90%** and **96%** respectively.
- Low overall acid consumption of **710 kg/tonne of ore**.
- Scoping study commenced for a **3,000 - 5,000 tonne p.a.** nickel plant.

COUNTER-CURRENT ATMOSPHERIC LEACHING ('CCAL') TESTWORK

Augur Resources Ltd ('Augur' or 'the Company') is pleased to announce the final results from testwork carried out by **hrl**testing Pty Ltd, Brisbane, on representative samples from the Homeville nickel-cobalt deposit within the Collerina tenement (EL6336) covering 150km^2 located 40 kilometres south of Nyngan in central NSW.

Approximately 15 kg of saprolite composite was prepared along with approximately 5 kg of limonite composite. Each composite was screened and crushed to 100% passing 26 mm and then rotary split into representative aliquots ahead of the testwork program and assayed.

Based on these assays, approximately 12 kg of leach blend composite sample was prepared by blending seven parts saprolite composite with one part limonite composite. The leach blend composite was crushed and milled to achieve a P90 of around 250µm and the composite was then rotary split into representative aliquots ahead of the testwork program.

Assays of the various test composites are summarised as follows:

	Al mg/kg	Co mg/kg	Cr mg/kg	Fe mg/kg	Mg mg/kg	Ni mg/kg	Si mg/kg
Saprolite composite	17,700	453	4,020	166,500	90,600	20,000	196,000
Limonite composite	41,650	810	8,840	273,500	19,250	11,000	117,500
Leach blend composite	22,150	492	5,675	185,000	76,150	19,550	181,000

The saprolite and limonite composite samples were used for beneficiation testing while the leach blend composite was used for atmospheric leach testing.

Summary of Beneficiation Testwork

Separate blend samples of limonite and saprolite ore were prepared with compositions close to the average overall grade of each ore type in the resource. Each sample was subjected to de-agglomeration, simulating drum scrubbing, followed by wet screening at 10 mesh sizes ranging from 0.43 mm up to 16 mm.

The test results demonstrate that in the untreated ore, the key components are somewhat evenly distributed across all size fractions but, in the de-agglomerated and wet screened ore, the nickel and cobalt deport more to the fines while silica, aluminium and magnesium deport more to the coarse fraction.

Some upgrading is achieved by de-agglomeration. For example, with saprolite screened at 1.2 mm there is rejection of less than 10% of the nickel and cobalt but nearly twice as much of the aluminium and magnesium, which are acid consumers. The 'reject' material retains commercial nickel grades but with higher grades of acid consuming species.

This material could potentially be split out and used for a neutralisation/acid kill step downstream of leaching, reducing limestone requirements while simultaneously extracting additional payable metal values.

Summary of Atmospheric Leach Testwork

Process

The leaching testwork examined a single-stage leaching process and, using synthetic liquors, simulated the first and second stages of a CCAL process.

In the first stage, fresh ore is leached in a lower free acid solution, leaching the readily leachable material and producing a pregnant leach solution with relatively low residual acidity. The leach residue solids from the first stage are washed and forwarded to the second stage of leaching. In the second stage of leaching, concentrated sulphuric acid is used and the more tenacious material is leached by the higher concentration of acid. The leach solution from the second stage, with a much higher residual acid concentration, is recycled to the first stage leach as the acid source.

Leaching Results

The single stage leach achieved 76% nickel extraction and 85% cobalt extraction at an acid consumption of 800 kg/t ore. Eight CCAL tests (four for each stage) were completed. The acidity of the synthetic leach solution used for the stage 1 leach tests, simulating solution recycled from stage 2 to stage 1, was fine-tuned over the course of the program.

For the final stage 1 test, ferric and magnesium sulphate were added to adjust the composition of the leach solution to represent the major metal sulphate concentrations in the recycle from stage 2.

The first stage leach achieved nickel and cobalt extractions of 41% and 68% respectively. Residual acidity in pregnant leach solution, i.e. the stage 1 discharge solution, was reduced to just 5 g/l. The second stage leach, using fresh concentrated sulphuric acid, extracted a further 83% of the nickel and 86% of the cobalt remaining in the first stage leach residue.

Overall nickel and cobalt extractions were **90%** and **96%** respectively. After accounting for the acid recycled from stage 2 to stage 1, the overall acid consumption was **710 kg/t ore** which is very low when compared to co-current agitated atmospheric leaching (typically 900-1,000 kg/t ore).

The CCAL process offers higher nickel and cobalt extractions (14% and 11% higher respectively) than single stage leaching with an 11% reduction in acid requirement. Extractions of contaminant species - iron, magnesium and aluminium - are lower than nickel and cobalt.

The stage 1 and 2 leach test results are summarised in the following tables:

Stage 1 Leach Results

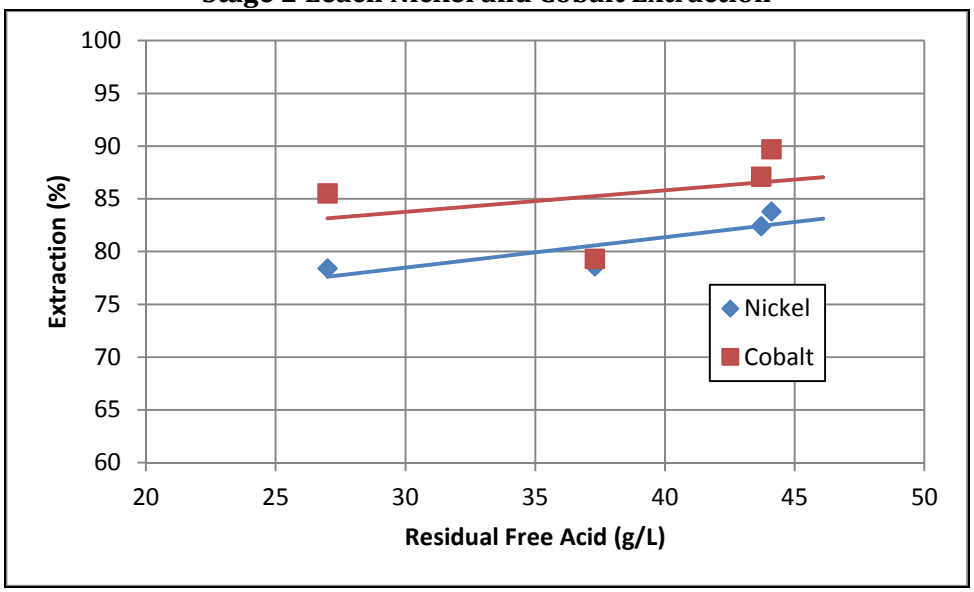
Test #	Stage Acid Addition (kg/t)	Residual Free Acid g/l	Extractions (%)			
			Ni	Co	Fe	Mg
LT03	250*	14.7	34	50	10	33
LT05	235*	19.6	38	49	11	32
LT07	200*	10.8	28	52	5	23
LT09**	225*	4.5	41	68	3	37

* Includes recycle acid from Stage 2 Leach
** Leach solution adjusted to 43 g/l Fe and 37 g/l Mg

Stage 2 Leach Results

Test #	Stage Acid Addition (kg/t)	Residual Free Acid g/l	Extractions (%)			
			Ni	Co	Fe	Mg
LT04	650	43.7	82	87	65	50
LT06	625	44.1	84	90	67	55
LT08	610	27.0	78	86	66	57
LT10	625	37.3	79	79	64	52

Stage 2 Leach Nickel and Cobalt Extraction



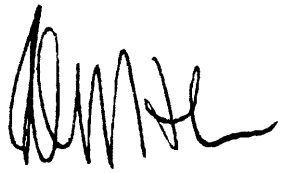
SCOPING STUDY

Based on the positive testwork results, Augur has commissioned Boyd Willis Hydromet Consulting and Canopean Pty Ltd to undertake a scoping study for a 3,000 - 5,000 tonnes per annum nickel equivalent plant producing a mixed cobalt-nickel sulphide precipitation with a 60% nickel content.

Based on the Homeville project's excellent leach characteristics and recoveries, high grade and low stripping ratio, when compared to other Australian laterite projects, and excellent access to infrastructure and logistics, the scoping study should deliver a positive outcome.

The scoping study is targeted to be completed by mid-September 2015.

Yours sincerely



Peter J. Nightingale
Director

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About Collerina

Augur has previously reported a JORC compliant resource estimate for the Collerina project (total resource estimate of 16.3 Mt at 0.93% nickel and 0.05% cobalt comprising 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).

The information in this report that relates to Mineral Resources 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 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.

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.