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20 Bridge Street
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(6 pages by email)

Dear Madam,

# Further Nickel Mineralisation at Homeville

- Drilling along strike of the Homeville resource (JORC inferred resource of 9.2Mt at 0.91% nickel and 0.06% cobalt) has intersected significant nickel and cobalt mineralisation.
- Drilling to close off the depth extent of the known mineralisation has resulted in significant increases in thickness of nickel-cobalt mineralisation.
- Hole CORC284 returned **60 metres at 1.53% nickel and 1009ppm cobalt** from 0m, including **16m at 2.33% nickel** from 24m.
- Hole COAC286 returned **57 metres at 1.59% nickel and 394ppm cobalt** from 20m, including **12m at 2.43% nickel** from 24m.
- Hole COAC293 returned **44 metres at 1.08% nickel and 814ppm cobalt** from 0m.

The Directors of Augur Resources Ltd ('Augur' or 'the Company') are pleased to advise that the first results from the 2010 drilling program at the Homeville nickel-cobalt deposit in central west New South Wales have been received. The aim of the drilling program is to define the extent of the mineralisation at Homeville.

In 2008, Augur released the maiden JORC inferred resource for Homeville. The resource was estimated at 12.2 million tons at 0.91% nickel and 0.06% cobalt, making it one of the highest grade nickel laterite deposits in eastern Australia over 10 million tons. At the time of the resource estimate it was noted that the deposit was open at depth and along strike.

Drilling to close off the depth extent of the mineralisation has resulted in some significant increases in the thickness of the mineralised zone. A summary of comparable results are shown in Table 1.

| CURRENT DRILL PROGRAM | | | | | | HISTORICAL DRILL RESULTS | | |
|---|---|---|---|---|---|---|---|---|
| **Current Drillhole** | From | Interval | Nickel % | Cobalt ppm | | Interval | Nickel % | Cobalt ppm |
| **CORC280** | 8 | 36 | 0.83 | 410 | | 16 | 0.99 | 528 |
| **CORC282** | **4** | **12** | **1.01** | **1280** | | 12 | 0.81 | 680 |
| **CORC284** | **0** | **60** | **1.53** | **1009** | | 38 | 0.93 | 1395 |
| **CORC285** | **32** | **25** | **1.20** | **789** | | 16 | 0.89 | 440 |
| **COAC286** | **20** | **57** | **1.59** | **394** | | 43 | 1.49 | 425 |
| **COAC288** | **20** | **20** | **1.15** | **258** | | 14 | 1.77 | 1237 |
| **COAC289** | **20** | **33** | **1.03** | **335** | | 6 | 0.92 | 495 |
| **COAC290** | **8** | **32** | **1.05** | **810** | | 14 | 0.86 | 726 |

**TABLE 1:** A comparison of the current 2010 drill hole results and the historical 2008 and 2007 drill results. The 2010 drill holes shown in this table were generally drilled within 5m of the corresponding 2008 or 2007 drill hole. All the historical holes included in this table were terminated in mineralisation.

All the extension holes resulted in favourable increases to the known extent of the nickel mineralisation. Hole CORC284 resulted in a very significant increase in known nickel content. This hole was targeted on 2008 drill hole COAC237. COAC237 had intersected 38m at 0.93% Ni and ended in 1.27% nickel. Hole CORC284 drilled through the mineralisation and recorded a total of **60m at 1.53% nickel**.

The current drilling was also undertaken to determine the strike extent of the mineralisation. The results from the current drill program indicate that mineralisation continues along strike to the northwest and to the southeast of the known deposit. Results drilled to the southeast of the resource include:

- COAC262 (500m from the resource) 16m at 1.06% nickel and 478ppm cobalt;
- COAC266 (310m from the resource) 4m at 1.16% nickel and 2640ppm cobalt;
- COAC267 (310m from the resource) 4m at 1.28% nickel and 380ppm cobalt;
- COAC269 (310m from the resource) 16m at 0.88% nickel and 250ppm cobalt;

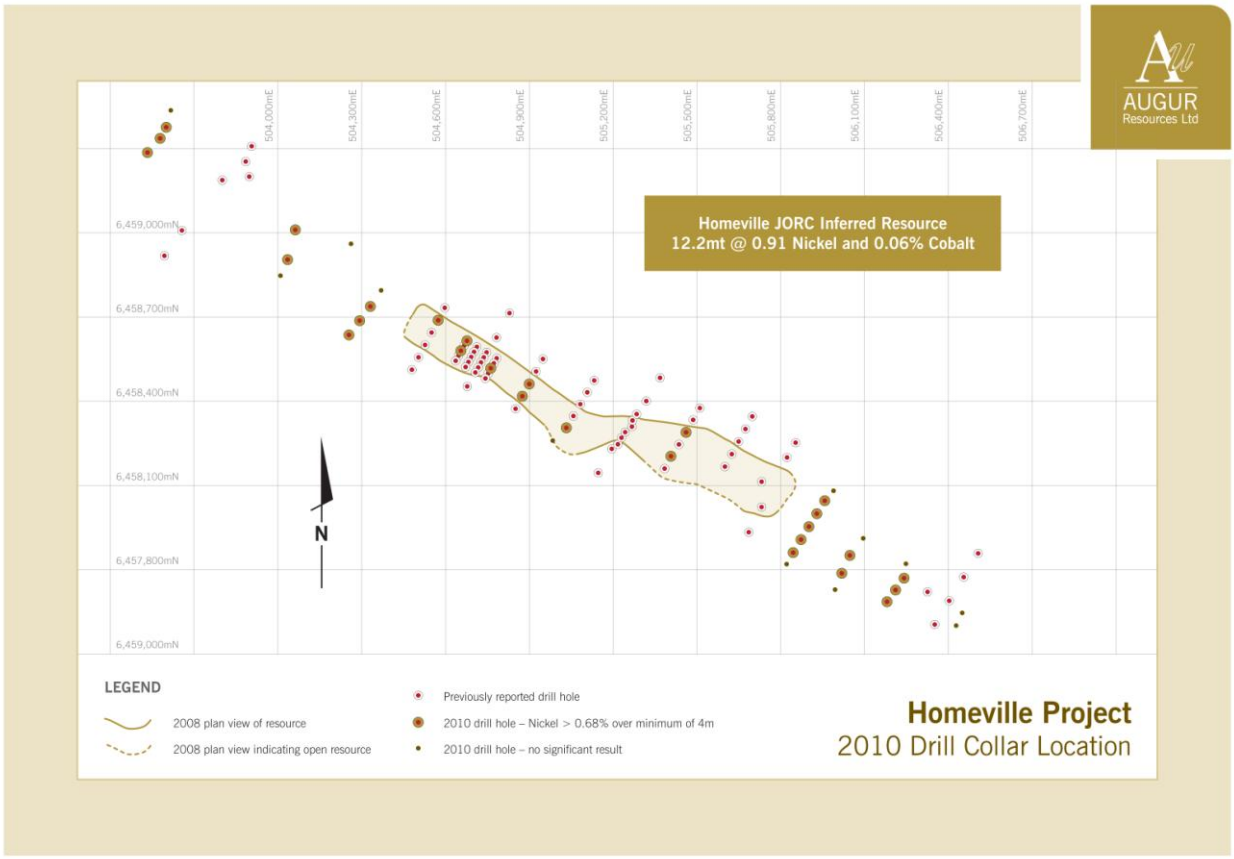
Results drilled to the northwest of the resource include:

- COAC292 (140m from the resource) 16m at 0.93% nickel and 1100ppm cobalt;

- COAC293 (140m from the resource) 44m at 1.08% nickel and 814ppm cobalt;
- COAC295 (520m from the resource) 8m at 1.16% nickel and 110ppm cobalt;
- COAC277 (1050m from the resource) 16m at 0.86% nickel and 345ppm cobalt;
- COAC278 (1050m from the resource) 8m at 1.13% nickel and 1090ppm cobalt;
- COAC279 (1050m from the resource) 20m at 0.94% nickel and 744ppm cobalt;

Holes COAC278 and COAC277 both also intersected anomalous silver, with hole COAC278 intersecting **4m at 31 g/t silver** from 32m and hole COAC277 intersecting **4m at 8 g/t silver** from 40m. Further precious metal analysis will be undertaken on samples from these holes.

A full summary of the 2010 nickel and cobalt drill results are shown in Table 2.




Drilling has now been completed and Augur is awaiting the final results. An updated resource calculation is expected by the end of 2010.

## SUMMARY RESULTS

| Hole | Easting | Northing | From m | To M | Interval m | Nickel % | Cobalt ppm |
|---|---|---|---|---|---|---|---|
| COAC261 | 506180 | 6457684 | No Significant Results | | | | |
| COAC262 | **506202** | **6457728** | **20** | **36** | **16** | **1.06** | **478** |
| COAC263 | 506226 | 6457772 | 8 | 16 | 8 | 0.88 | 265 |
| COAC264 | 506250 | 6457817 | 28 | 30* | 2 | 0.69 | 590 |
| COAC265 | 506088 | 6457907 | No Significant Results | | | | |
| COAC266 | **506049** | **6457850** | **24** | **28** | **4** | **1.16** | **2640** |
| COAC267 | **505996** | **6457730** | **20** | **24** | **4** | **1.28** | **380** |
| COAC268 | 506018 | 6457779 | No Significant Results | | | | |
| COAC269 | 505933 | 6457997 | 24 | 40 | 16 | 0.88 | 250 |
| COAC270 | 506430 | 6457598 | No Significant Results | | | | |
| COAC271 | 506446 | 6457649 | No Significant Results | | | | |
| COAC272 | 505410 | 6458207 | 8 | 32 | 24 | 0.93 | 1448 |
| COAC273 | 505470 | 6458281 | 28 | 40 | 12 | 0.72 | 950 |
| COAC274 | 504272 | 6458958 | No Significant Results | | | | |
| COAC275 | 504060 | 6459009 | 0 | 8 | 8 | 0.68 | 170 |
| COAC276 | 503625 | 6459432 | No Significant Results | | | | |
| COAC277 | 503608 | 6459379 | 28 | 44 | 16 | 0.86 | 345 |
| COAC278 | **503577** | **6459343** | **28** | **26** | **8** | **1.13** | **1090** |
| COAC279 | 503536 | 6459290 | 32 | 52 | 20 | 0.94 | 744 |
| CORC280 | 505033 | 6458298 | 8 | 44 | 36 | 0.83 | 410 |
| COAC281 | 505003 | 6458260 | No Significant Results | | | | |
| CORC282 | **504900** | **6458462** | **4** | **16** | **12** | **1.01** | **1280** |
| COAC283 | 504877 | 6458418 | 4 | 24* | 20 | 0.96 | 2092 |
| CORC284 | **504861** | **6458425** | **0** | **60** | **60** | **1.53** | **1009** |
| CORC285 | **504753** | **6458497** | **32** | **57*** | **25** | **1.20** | **789** |
| COAC286 | **504724** | **6458542** | **20** | **77*** | **57** | **1.59** | **394** |
| CORC287 | 504677 | 6458523 | 28 | 32 | 4 | 0.94 | 650 |
| COAC288 | **504659** | **6458582** | **20** | **40** | **20** | **1.15** | **258** |
| COAC289 | **504678** | **6458614** | **20** | **33*** | **53** | **1.03** | **335** |
| COAC290 | **504571** | **6458685** | **8** | **32*** | **40** | **1.05** | **810** |
| COAC291 | 504345 | 6458682 | 0 | 4 | 4 | 0.75 | 140 |
| COAC292 | 504367 | 6458723 | 0 | 16 | 16 | 0.93 | 1100 |
| COAC293 | **504389** | **6458766** | **0** | **44** | **44** | **1.08** | **814** |
| COAC294 | 504415 | 6458814 | No Significant Results | | | | |
| COAC295 | **504037** | **6458927** | **0** | **8** | **8** | **1.16** | **110** |
| COAC296 | 504010 | 6458900 | No Significant Results | | | | |
| COAC297 | 505901 | 6457946 | 24 | 28 | 4 | 0.83 | 350 |
| COAC298 | 505871 | 6457900 | 20 | 28 | 8 | 0.83 | 340 |
| COAC299 | 505853 | 6457857 | 24 | 32 | 8 | 0.90 | 450 |
| COAC300 | 505827 | 6457817 | No Significant Results | | | | |
| COAC301 | 505955 | 6458043 | 24 | | 8 | 0.92 | 433 |
| COAC302 | 505986 | 6458078 | No Significant Results | | | | |

**Table 2**: All new drill hole data. Assaying has been completed by ALS CHEMEX. Independent standards and/or blanks are generally used in each sample batch at approximately 25 sample intervals. Mineralisation cut-off is where nickel is less than 0.65% nickel. Samples were collected as 1m samples which were combined to 4m composite samples using a sample splitter. All holes are drilled vertically and intersection width is drill width. No correction has been made for dip of the mineralised zones. * indicates end of hole.

*The information in this ASX announcement referring to Further Nickel Mineralisation at Homeville is based on information compiled by Augur staff and contractors and approved by Mr Grant Kensington, who is a Member of the AusIMM.*

*Mr Kensington is an employee of Augur Resources Ltd and has had sufficient experience relevant to the styles of mineralisation and the 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. Mr Kensington consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

## HOMEVILLE NICKEL-COBALT DEPOSIT

The Homeville nickel-cobalt deposit was discovered by Augur Resources Ltd in 2008. An independent initial JORC inferred resource estimate of **12.2Mt at 0.91% nickel and 0.06% cobalt** (cut off 0.7% nickel) was estimated by Hellman and Schofield Pty Ltd.

The inferred resource is estimated to contain approximately **110,000 tonnes of nickel and 7300 tonnes of cobalt**.

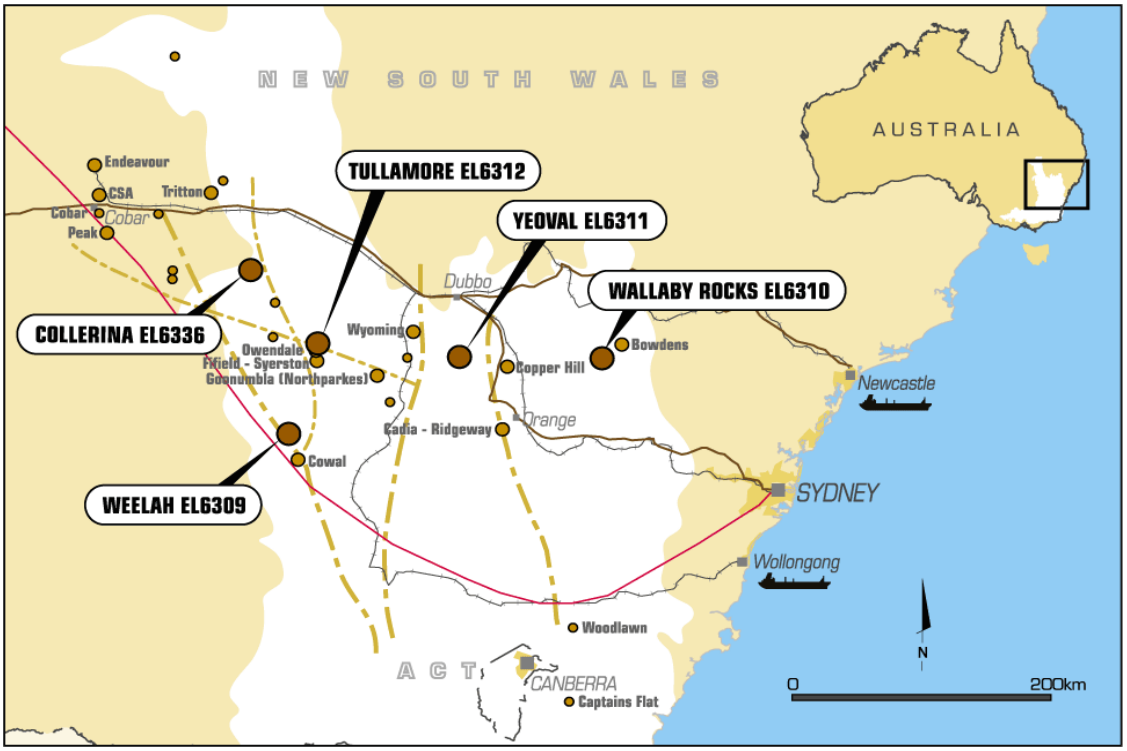
As demonstrated by the strike extensions discussed above, there is **potential for increased tonnage** as only 1300m of a 4400m magnetic anomaly has been included in the resource estimate. Mineralisation remains open to the east and west and at depth. The current drill results indicate that the resource is likely to be significantly increased.

The **mineralisation is at surface in some areas** and has an average depth to the top of the deposit of only 10m below surface.

### Location of the Deposit

The Homeville nickel-cobalt deposit is within the Collerina Project which is well situated with regards to infrastructure and resources. The deposit is approximately 50 km south of the town of Nyngan in the central west of New South Wales. Nyngan has serviced a number of startup mines in recent times.

Access to the deposit site is via a sealed and all weather roads. An all weather road passes within 50m of the known mineralisation. Railway lines to major east coast ports are within 55km of the deposit. The Bogan River is within 20 km of the deposit.




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

Yours sincerely

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Managing Director

**Figure 1:** View looking across the Homeville Nickel-Cobalt deposit, Nyngan, New South Wales, Australia.