

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
30 JUNE 2011  
(ASX: AUK)**

27 July 2011

**HIGHLIGHTS**

- Drill results from Wonogiri continue to be highly favourable with returns including:
  - Hole WDD010 with gold results received for the first 239 metres of hole with **113.0 metres at 1.52 g/t gold from 50 metres depth** and a further **27.0 metres at 1.68 g/t gold from 212 metres depth** (open at depth).
  - Hole WDD009 with 86.0 metres at 0.85 g/t gold and 0.20% copper from 110.5 metres depth and a further 46.0 metres at 0.78 g/t gold and 0.17% copper from 259.5 metres.
  - Hole WDD008 with **218.5 metres at 0.97 g/t gold and 0.2% copper from 40 metres depth** (effectively using a 0.18 g/t gold cut off with 2 metre continuous internal dilution), including **84.0 metres at 1.29 g/t gold and 0.26% copper** from 153.5 metres.
  - Hole WDD007 with a series of mineralised intervals including **60.0 metres at 0.85 g/t gold and 0.30% copper from 53.5 metres.**
  - Hole WDD006 with **48.0 metres at 1.45 g/t gold and 0.26% copper from 49.5 metres.**
  - Hole WDD005 with **105.5 metres at 0.95 g/t gold and 0.24% copper from 14 metres.**
  - Hole WDD004 with **37.5 metres at 1.21 g/t gold and 0.44% copper** from 5.5 metres.
  - Hole WDD003 with **22.5 metres at 0.62g/t gold and 0.18% copper from surface.**
  - Hole WDD002 with **47.0 metres at 1.28 g/t gold and 0.26% copper from surface.**

- Two drill rigs are currently onsite at Wonogiri with a third rig planned to be mobilised to site during the September quarter.
- Trenching and ground magnetics continue at Wonogiri with the aim of defining further mineralised zones.
- Reverse circulation drilling continued at Jampang to test targets proximal to the Lipi gold-copper zone. Results continue to indicate gold mineralisation at Puteram Simpang with the best results of **15.0 metres at 3.33 g/t gold, 20.7 g/t silver and 0.22% copper** from 95.0 metres depth in hole JARC0107.
- Gold mineralisation intersected in the Lipi North zone with hole JARC093 returning **23.0 metres at 1.90 g/t gold, 3.7 g/t silver and 0.13% copper** from 67.0 metres and JARC092 returning **10.0 metres at 2.57 g/t gold and 7.7 g/t silver** from 44.0 metres.
- Completion of new equity issues to raise \$6.0 million and to retire debt of \$1.9 million.
- Meridien Resources exercised its option on the Weelah project in central NSW, with Meridien now holding 80% interest in the project.
- Farm-in agreement with Zodiac Resources Pty Ltd reached on the Yeoval copper-gold project in central western New South Wales.

## **KEY PROJECTS**

Augur Resources Ltd ('Augur') is a resource development company, with a focus on gold and copper projects in Indonesia and nickel in the Lachlan Fold Belt of western NSW.

### **Indonesia**

The Company's Indonesian projects are the Wonogiri project and the Jampang project, both located on the island of Java.

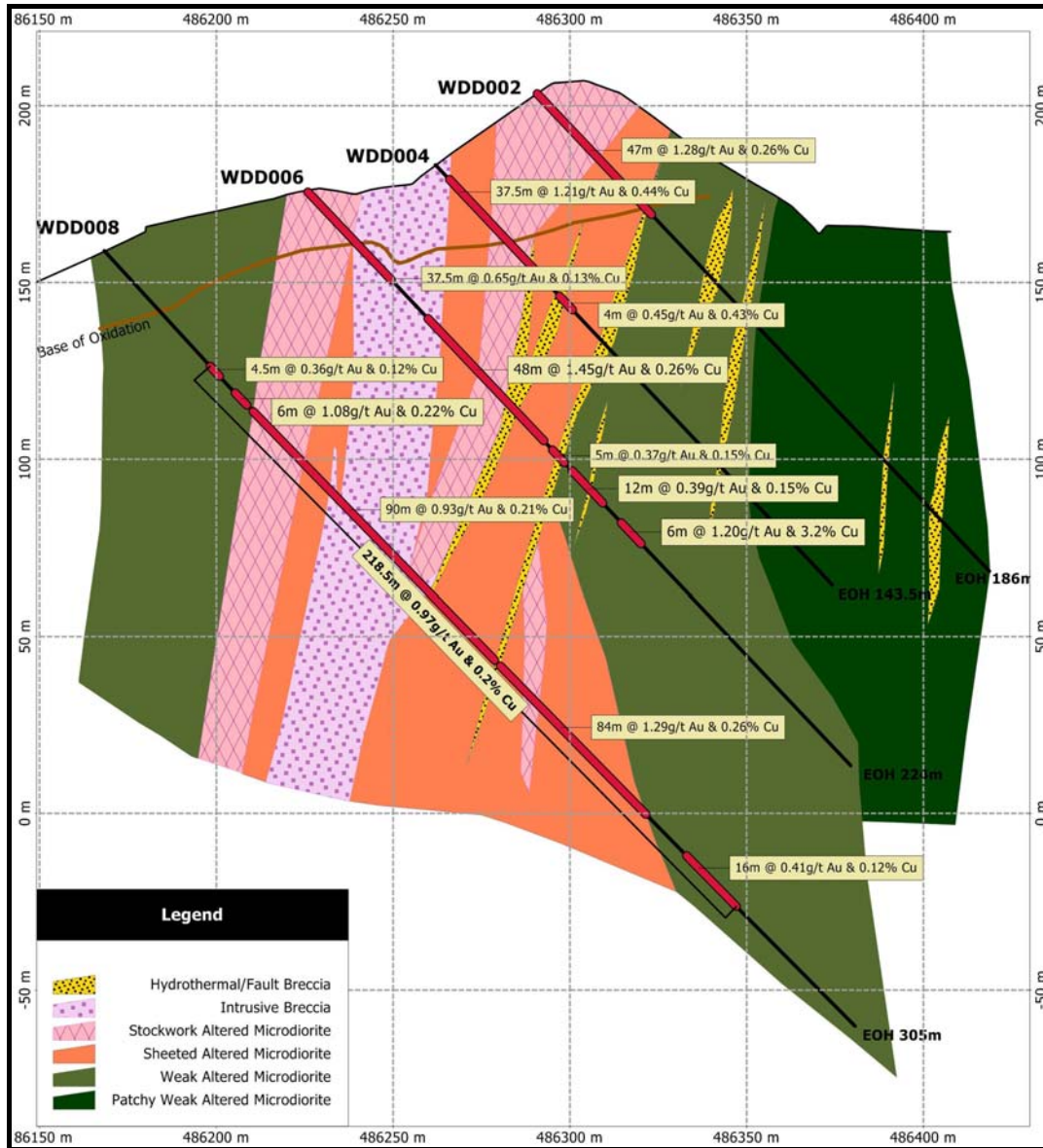


**Indonesian project locations.**

### **Wonogiri Project**

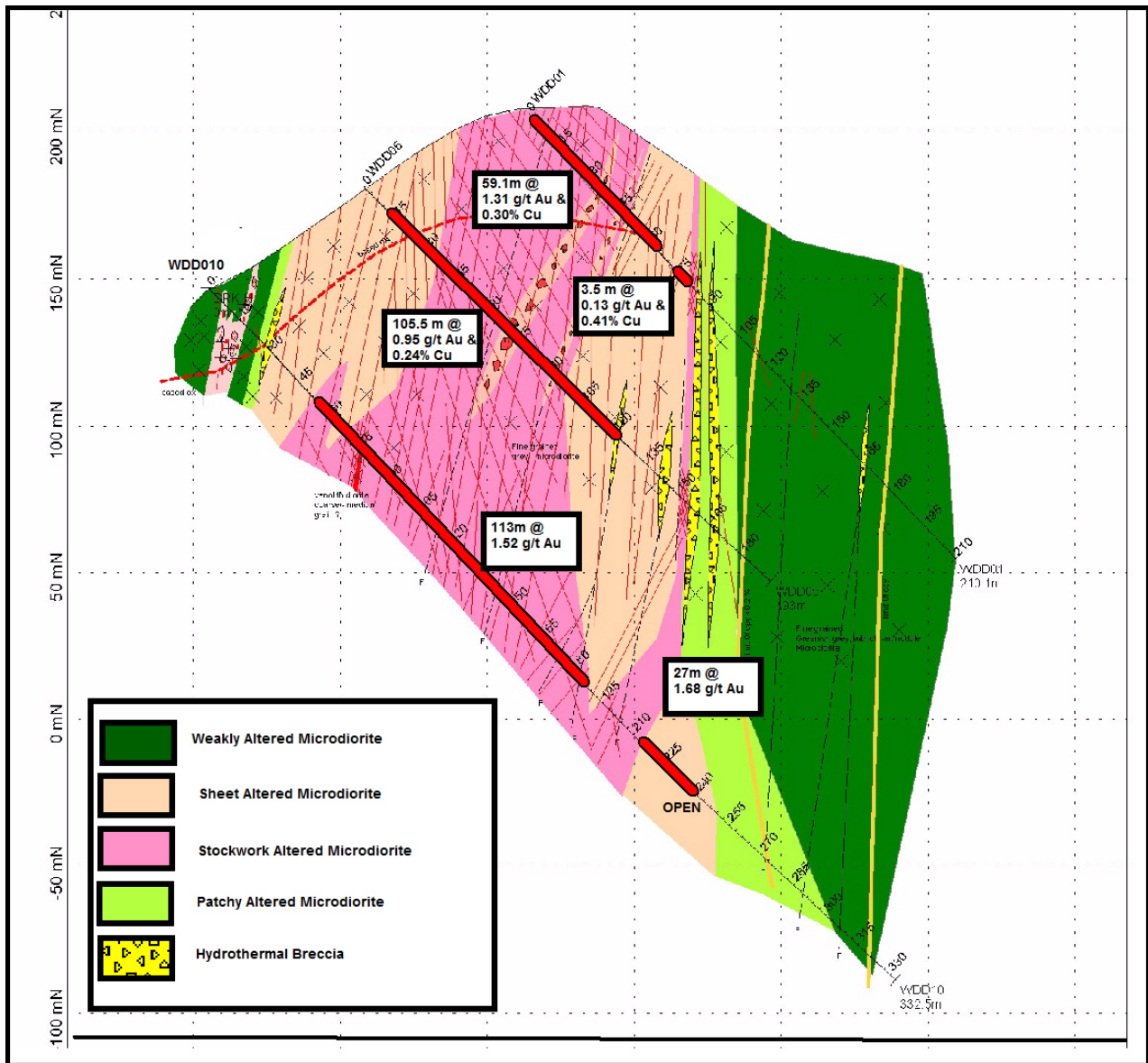
The Wonogiri project consists of two Izin Usaha Pertambangans ('IUPs') or Mining Business Licences covering a total area of approximately 3,928 hectares in central Java, Indonesia. The IUPs cover areas considered prospective for epithermal gold and porphyry copper-gold mineralisation. Augur can earn a majority interest of up to 80% in the Wonogiri project.

Initial geological mapping indicated significant areas of extensively altered volcanics with multiple quartz veining. At the Randu Kuning prospect, quartz veining with a cumulative strike length of 2.3 kilometres has been identified.



**Cross section of the holes WDD002, WDD004, WDD006 and WDD008. Cut off for the higher grade zones are 0.3 g/t gold and/or 0.3% copper with maximum of 2 metres of internal dilution. The 218.5 metre interval includes zones of greater than 2 metres dilution intervals. All intersections are drilled depths.**

During the quarter, Augur continued a drilling program focused on defining gold and copper mineralisation at the Randu Kuning prospect. A second rig commenced drilling at the site after significant gold and associated copper mineralisation was detected in the initial drill holes. Significant results were returned from all holes to date and include hole WDD008 which returned **218.5 metres at 0.97 g/t gold and 0.20% copper from 40 metres depth** (effectively using a 0.18 g/t gold cut off with 2 metre continuous internal dilution), which includes **84 metres at 1.29 g/t gold and 0.26% copper** from 153.5 metres. Further details of the drill results are included later in this report. The extensive gold and copper mineralisation is associated with a microdioritic intrusive porphyry body. This intrusive contains zones of extensive stockworking and sheeted quartz veins. Mineralisation commences from surface and drilling suggests that the intrusive is a near vertical unit which appears to be widening with depth.



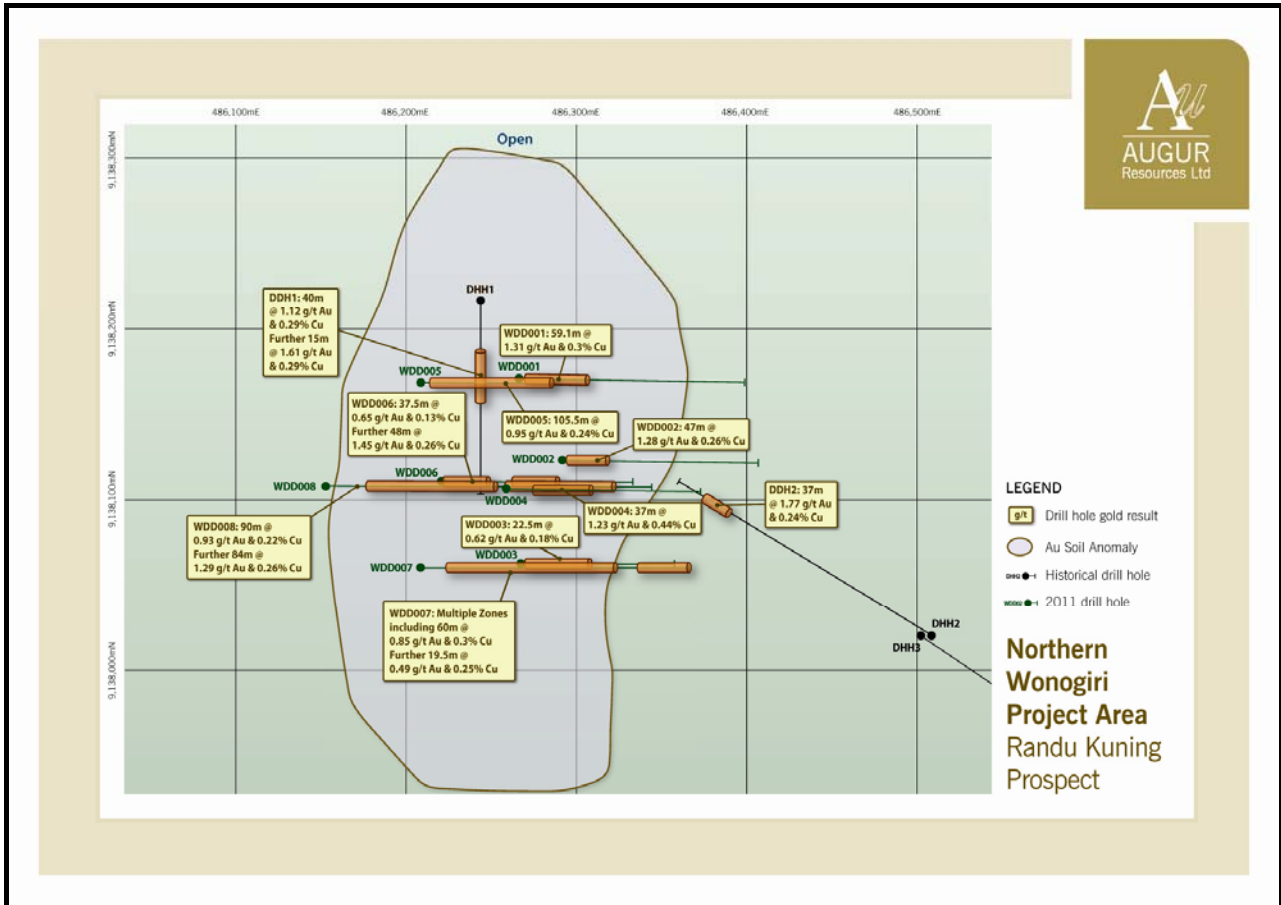
**Cross section of the holes WDD001, WDD005 and WDD010.**

**Cut off for the higher grade zones are 0.3 g/t gold and/or 0.3% copper with maximum of 2 metres of internal dilution. Copper assays have not been received for hole WDD010. Mineralisation remains open in hole WDD010. All intersections are drilled depths.**

Surface trenching, ground magnetics and geological mapping are currently been undertaken at Wonogiri.

An additional drill rig is to be mobilised to site to test shallow epithermal targets in and around the Randu Kuning porphyry prospect.





Plan view of the hole locations and drill results from Randu Kuning Prospect, Wonogiri project.

### Jampang Project

During the quarter, Augur continued a reverse circulation ('RC') drilling program at the central Jampang project. The focus of the drilling during the period was on targets in close proximity to the Lipi gold-copper zone.

Results for a total of 56 RC holes were received during the period with 37 holes intersecting anomalous gold.

Some of the more significant results from the drilling during the period were:

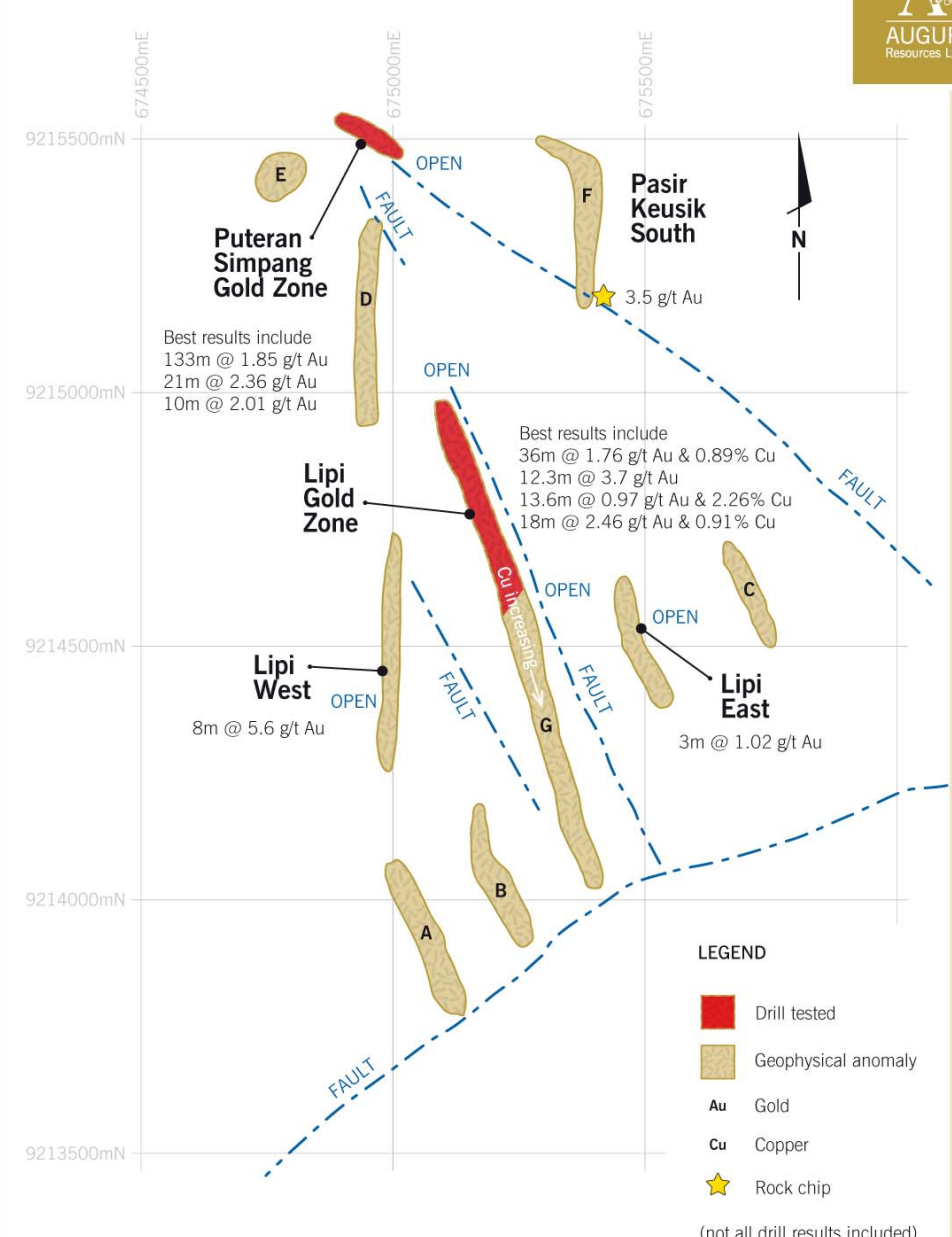
Hole	From (m)	Interval (m)	Gold (g/t)	Copper (%)	Silver (g/t)
JARC054	84.0	6.0	3.75	0.13	1.7
JARC068	84.0	14.0	1.18	0.98	22.8
JARC076	11.0	8.0	1.35	0.15	3.6
JARC081	77.0	14.0	0.83	-	4.0
JARC084	72.0	3.0	8.26	0.13	43.8
JARC085	103.0	5.0	1.71	0.29	4.9
JARC092	44.0	10.0	2.57	-	7.7
JARC093	67.0	23.0	1.90	0.13	3.7
JARC099	57.0	12.0	3.53	0.42	14.4
JARC105	78.0	5.0	3.09	0.14	4.4
JARC107	77.0	3.0	5.65	0.29	6.6
and	95.0	15.0	3.33	0.22	20.7
JARC108	12.0	5.0	3.81	-	7.2

Interpretation of the data received from the current drill program indicates that the mineralisation at Lipi and in the near surrounds of the Lipi zone is epithermal supergene enriched gold +/- copper.

The significant results received during the quarter continue to provide encouragement for the discovery of further significant mineralisation in addition to that identified at Lipi.

Key features of the Lipi mineralisation are the shallow nature of the mineralisation, multiple zones of gold mineralisation, occurrence of very significant copper mineralisation in the south of the prospect and the steep dipping nature of the mineralisation.

The RC drilling program is targeting Lipi, Lipi East, Lipi West, Lipi North and Puteran Simpang and additional IP targets.



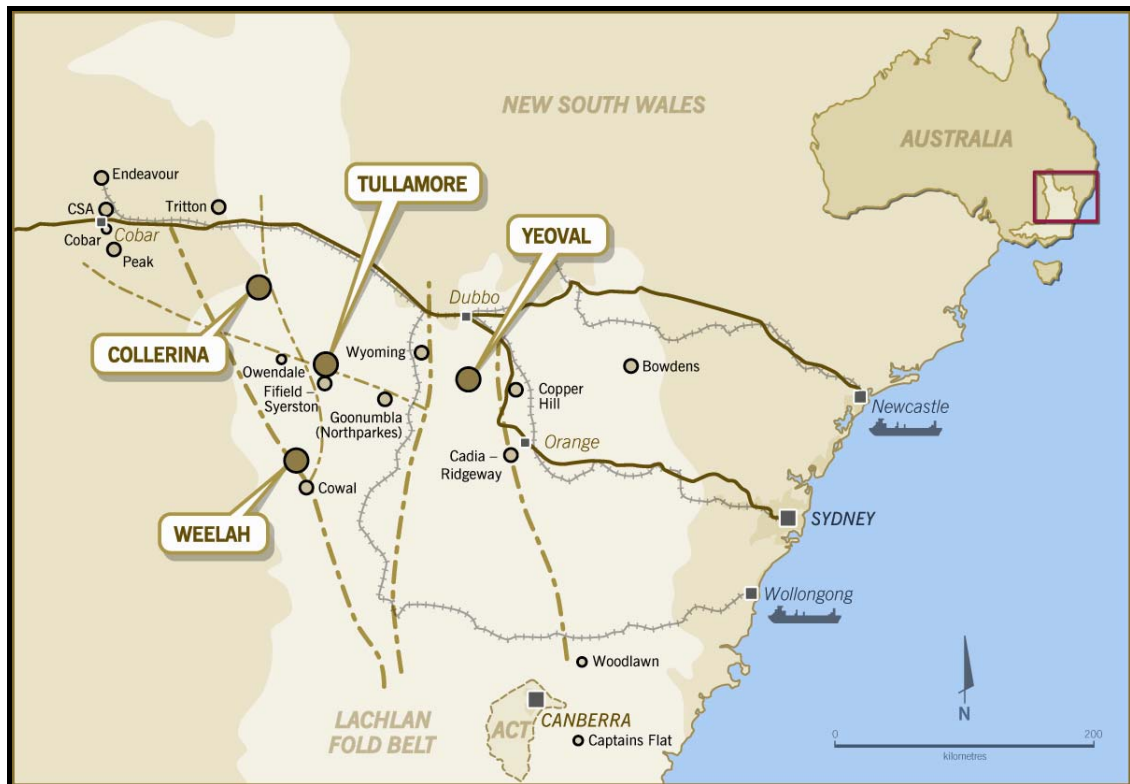
**Central Jampang Gold Project**  
Geophysical Anomalies

**Geophysical targets within the Jampang project area.  
Initial testing of Lipi West has now been undertaken.**



## Australia

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and North Parkes deposits. Augur has JORC compliant resource estimates for deposits at the Collerina project (16.3 million tonnes at 0.93% nickel and 0.05% cobalt) and at the Yeoval project (12.9 million tonnes at 0.38% copper, 0.14 g/t gold, 120ppm molybdenum and 2.2 g/t silver).



Australian project locations.

### Collerina (EL 6336)

The Collerina project is located 40 kilometres south of Nyngan in central NSW, covering an area of 300 km<sup>2</sup> within the Fifield Platinum Province. The tenement contains the Homeville nickel-cobalt deposit, which was discovered by Augur in 2008.

During the quarter, an updated resource was independently estimated by Hellman and Schofield Pty Ltd with the following highlights:

- Updated resource estimate of **16.3 million tonnes at 0.93% nickel and 0.05% cobalt** (cut-off 0.7% nickel), an increase of approximately 33.6% on that previously reported.

- The total resource is estimated to contain approximately **151,000 tonnes of nickel and 8,100 tonnes of cobalt**.
- The **mineralisation is at surface in some areas** and has an average depth of only 10 metres below surface.

The total resource estimate based on a 0.7% nickel cut-off was estimated at 16.3 million tonnes ('Mt') at 0.93% nickel and 0.05% cobalt.

The resource estimate includes a total of 4.4Mt at 0.99% nickel and 0.06% cobalt (using a 0.7% nickel cut-off) as Indicated Resource and 11.9Mt at 0.91% nickel and 0.05% cobalt as Inferred Resource.

A total of 4.9Mt at 1.18% nickel and 0.05% cobalt was estimated for the resource using a 1.0% nickel cut off.

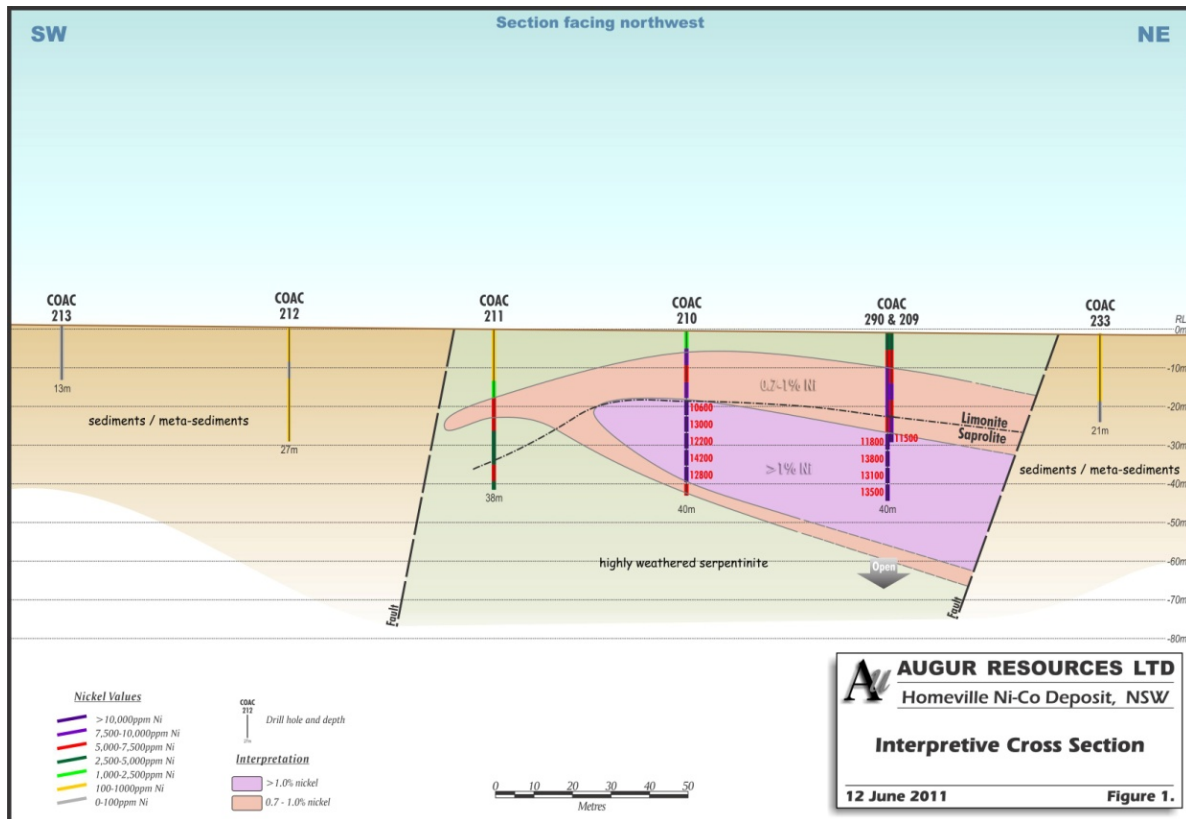
Saprolitic and limonitic ore types have also been estimated with 14.3Mt, or nearly 88% of the resource, as saprolite (based on a cut off of 0.7% nickel). Focus for further metallurgical studies will be concentrated on the saprolitic domain.

Confidence	Cutoff Grade Ni%	Million Tonnes	Nickel %	Cobalt %	Iron %	Magnesium %
Total	0.5	27.2	0.80	0.05	19	9.8
	<b>0.7</b>	<b>16.3</b>	<b>0.93</b>	<b>0.05</b>	<b>19</b>	<b>9.3</b>
	1.0	4.9	1.18	0.05	18	8.6
Indicated	0.5	6.4	0.87	0.06	21	9.6
	<b>0.7</b>	<b>4.4</b>	<b>0.99</b>	<b>0.06</b>	<b>20</b>	<b>8.8</b>
	1.0	1.8	1.21	0.05	19	7.9
Inferred	0.5	20.7	0.78	0.05	18	9.9
	<b>0.7</b>	<b>11.9</b>	<b>0.91</b>	<b>0.05</b>	<b>18</b>	<b>9.4</b>
	1.0	3.1	1.16	0.05	17	8.8

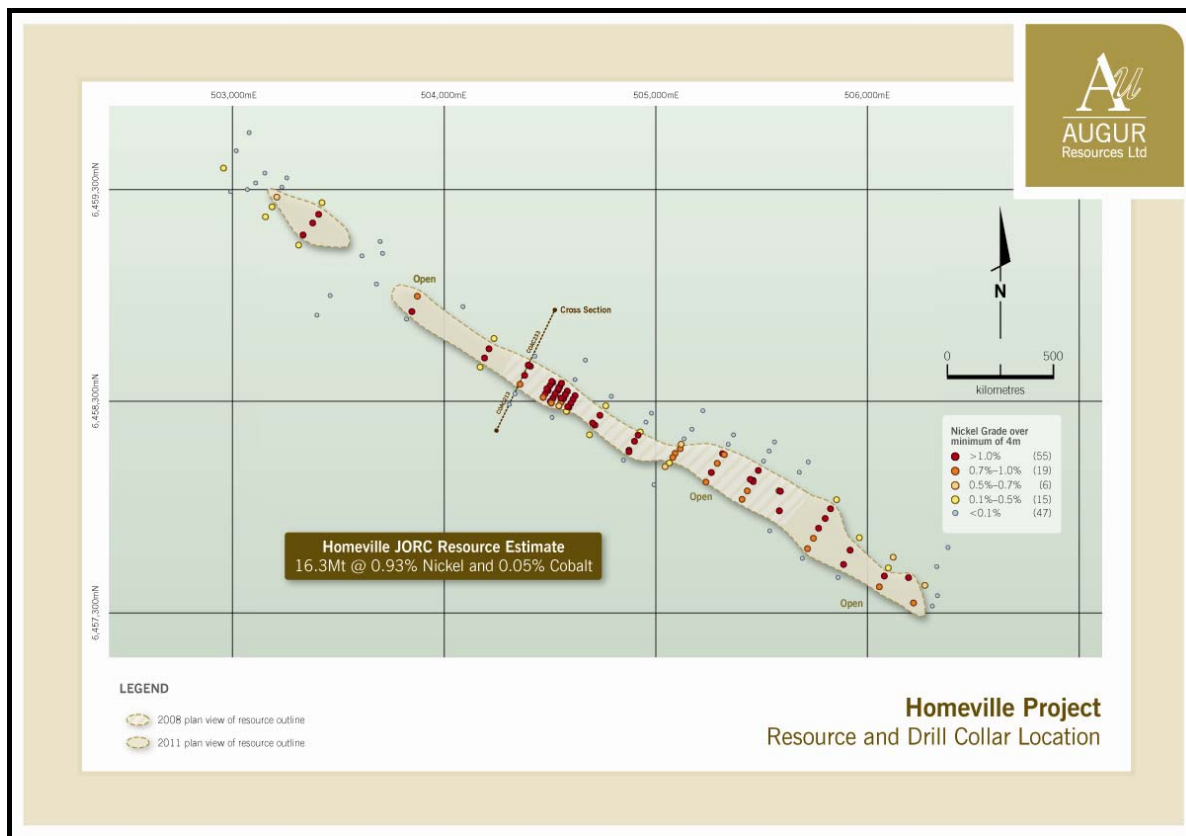
**Homeville nickel-cobalt deposit resource summary by JORC category.**

Ore Type	Cutoff Grade Ni%	Million Tonnes	Nickel %	Cobalt %	Iron %	Magnesium %
Limonitic	0.5	5.2	0.69	0.08	27	1.2
	<b>0.7</b>	<b>2.0</b>	<b>0.84</b>	<b>0.10</b>	<b>30</b>	<b>1.4</b>
	1.0	0.2	1.14	0.12	33	1.9
Saprolitic	0.5	21.9	0.83	0.04	17	10.3
	<b>0.7</b>	<b>14.3</b>	<b>0.95</b>	<b>0.04</b>	<b>17</b>	<b>10.4</b>
	1.0	4.7	1.18	0.04	17	10.2

**Homeville nickel-cobalt deposit resource summary by ore type.**



An interpretive cross section of the COAC211 - COAC233 transect.



Plan view of the Homeville resource.  
Hole collars shown with red collars indicating higher grade nickel.

### **Yeoval (EL 6311)**

During the quarter, an agreement was reached with Zodiac Resources Pty Limited ('Zodiac') whereby Zodiac will undertake a minimum \$300,000 drilling campaign over the next 9 months within the Yeoval property. Zodiac will pay Augur \$450,000 within 12 months if they wish to continue to explore the project's tenements and on exploration of a further \$1.7 million within 24 months will acquire a 75% interest in the property. On completion of the farm-in period Augur will have the option to contribute 25% to expenditure on the project or progress to a free carry net smelter royalty of 2.5%

During the quarter, Zodiac continued to undertake assessment of the exploration data.

### **Weelah (EL 6309 – 20% Augur)**

During the quarter, Meridien Resources Ltd exercised an option to purchase 80% of the Weelah tenement and continued to undertake assessment of the exploration data.

### **Tullamore (EL 6312)**

No significant work was undertaken during the quarter on the Tullamore project. Augur is seeking a joint venture partner for this project.

## **CORPORATE**

Following shareholder approval on 30 June 2011, Augur has completed new equity issues to raise \$6,000,000 cash (of which \$1,228,666 was received in July 2011) for ongoing exploration expenditure and working capital purposes and a further \$1,931,804 to repay a loan.

Augur's partner in Indonesia continued progression of the acquisition of properties held by the Hunamas Group of companies. Final resolution of this deal has yet to be reached.

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

Yours sincerely



**Grant Kensington**  
**Managing Director**

*The information in this ASX announcement referring to Augur Resources Ltd's 30 June 2011 Quarterly Report is based on information compiled by Augur staff and approved by Mr Grant Kensington, who is a Member of the AusIMM.*

*Further details of drill results from the Jampang project and the Wonogiri project can be found in the relevant ASX releases found on the Company's website. Further details of the resource at Homeville can also be found on the Company's website.*

*Drill results for both the Wonogiri and Jampang projects are expressed as drilled width unless indicated otherwise. Insufficient data is available to determine true width.*

*Mr Kensington is an employee of Augur Resources Ltd and has had sufficient experience relevant to the styles of mineralisation and the types of deposits 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.*

### **About the Wonogiri Project**

The Wonogiri project is located approximately 30 kilometres to the south of the provincial city of Solo in central Java and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on a sealed road.

The project lies within the Sunda-Banda arc and covers an area of 3,928 hectares. The area is considered prospective for epithermal gold and porphyry copper-gold mineralisation.

Previous exploration completed by PT Oxindo from 2009 to 2010 targeted copper porphyry mineralisation within the northern portion of the licence. PT Oxindo undertook detailed mapping, soil sampling and geophysical work which culminated in a five hole diamond drill program to test a number of modelled magnetic high bodies.

Augur has an agreement to earn a 51% interest of the project after the expenditure of US\$1.5 million within 12 months from 15 December 2010 and can earn an 80% interest in the project with the expenditure of a further US\$2.0 million with 24 months of 15 December 2010. No upfront payment or issue of shares was required.

### **About the Jampang Project**

The Central Jampang gold project covers an area of approximately 390 hectares in south-western Java, Indonesia. Augur has an option to acquire 90% of PT Golden which holds exploitation and exploration licences covering the project area. The licence area covers a highly prospective mineralised zone which had been a focus of exploration by Mispac Resources Inc ('Mispac') in the mid 1990s. Java hosts a number of gold deposits including the Pongkor gold-silver deposit (+3,000,000 ounce gold deposit) which is approximately 50 kilometres north northwest of the Central Jampang licence area.

The general geology of the Jampang area consists of Miocene/Oligocene andesite and dacite rocks overlain, in part, by recent volcanic tuffs. The volcanic tuffs have a thickness of up to 20 metres. Steeply dipping breccias and quartz veining have been identified within the Central Jampang Gold project area.



Mispec identified and reported significant epithermal gold mineralisation associated with structural trends. Much of this mineralisation is reported to be open at depth and along strike.

Furthermore, Mispec undertook geophysical surveys subsequent to their main drilling program and identified anomalies associated with the known mineralisation and four additional anomalies which either have not been drill tested or have had only limited drill testing.

Mispec was planning to undertake further work at Jampang, but was hampered in raising sufficient funds due to negative sentiment in the market in light of the 1997 Bre-X scandal, the Asian financial crisis and the prevailing price of gold.

Augur is progressing towards establishing the preliminary JORC resource for the Central Jampang Gold project.

Diamond drilling has confirmed extensive gold + copper mineralisation. Drilling is also planned to test a number of geophysical anomalies.

pjn6126