

25 February 2011

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(4 pages by email)

Dear Madam,

## Second Phase Drilling Commences at Lipi, Central Jampang Project

- **Reverse Circulation (RC) drill rig arrives onsite** to commence further drilling at Jampang.
- Drilling to include targeting geophysical anomalies and possible extensions of the Lipi, Puteram Simpang and the south Pasir Keusik mineralised zones.
- **Metallurgical testing commenced** on two gold-copper samples from the Lipi deposit.

The Directors of Augur Resources Ltd ('Augur' or 'the Company') advise that the second phase of drilling is to commence at the Central Jampang project in Java. The drill program is aimed at testing a series of geophysical anomalies, which have never been drill tested or have very limited drill testing, and extensions of the known mineralised zones. Several of these targets coincide with known gold mineralisation and the drilling will aim to define the extent of the mineralisation.

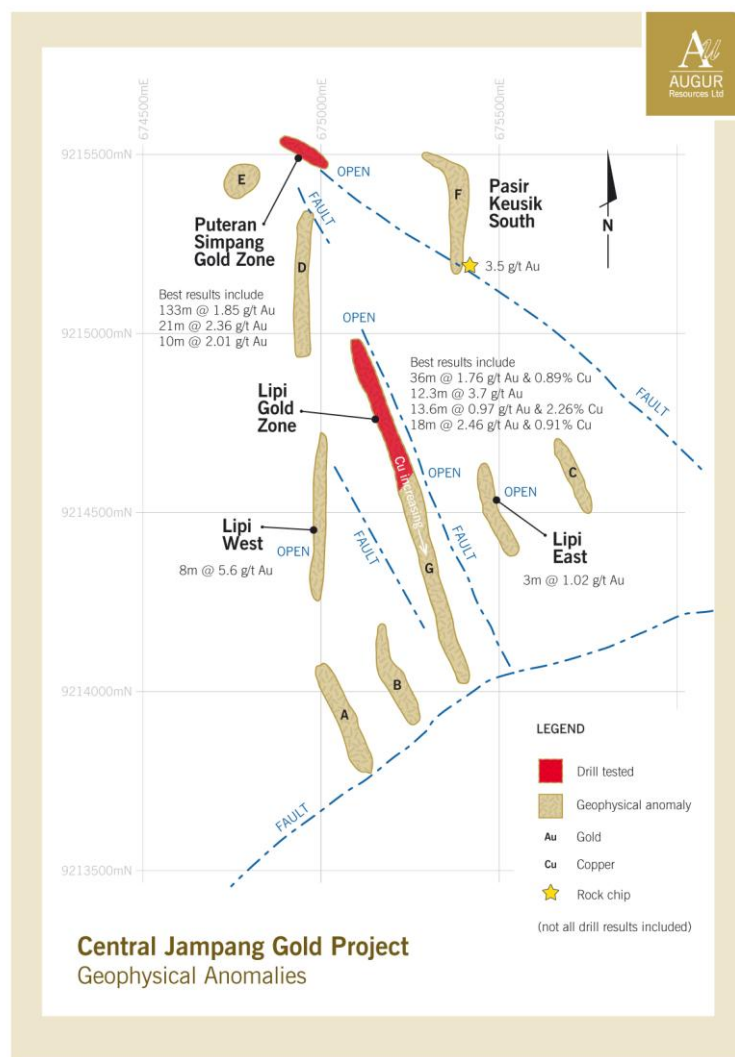
The RC program will also include some further infilling of the Lipi mineralisation.

Drilling by Augur during 2010 has reported significant gold and copper mineralisation at Lipi with results including:

- **Hole JADD10** 36 metres at 1.74 g/t gold, 8.0 g/t silver and 0.89% copper from 28.6 metres.

- **Hole JADD14** 12.3 metres at 3.70 g/t gold, 12.7 g/t silver and 0.19% copper from 63.2 metres and a further 3 metres at 14.35 g/t gold, 8.9 g/t silver and 0.59% copper from 104.3 metres;
- **Hole JADD24** 13.6 metres at 0.97 g/t gold, 14.9 g/t silver and 2.26% copper from 103.9 metres, including 5.15 metres at 1.04 g/t gold, 33.8 g/t silver and 5.79% copper and a further 15m at 0.9g/t gold, 18.6 g/t silver and 2.01% copper from 84 metres;
- **Hole JADD29** 18.0 metres at 2.46 g/t gold, 11.9 g/t silver and 0.91% copper from 47.0 metres and a further 3.85 metres at 5.97 g/t gold, 25.7 g/t silver and 2.97% copper from 102 metres.

The Directors of Augur also advise that metallurgical testing of two representative samples from the Lipi deposit has commenced at Ammtec Ltd in Perth. Results from these studies will be reported over the coming months.



**Geophysical targets within the Jampang project area.**

## JAMPANG GOLD PROJECT

The Jampang gold project is located approximately 150 kilometres south of Jakarta. The general geology of the area consists of Miocene/Oligocene andesite and dacite rocks overlain by recent volcanic tuffs. Historical mapping and drilling, indicates that gold bearing veins consistent with epithermal or mesothermal style mineralisation exist in the area.

Whilst the area covered by the IUPs (Izin Usaha Pertambangans or mining business licences) has undergone historical gold mining, limited modern exploration has been conducted with the exception of a three year program undertaken between 1996 and 1998 by Canadian mining company Mispec Resources Inc ('Mispec').

Mispec identified a major structural trend with numerous gold occurrences and zones of significant alteration within the project licence area. Mineralisation identified by the historical drilling remains open at depth and along strike.

In 2010, Augur conducted drill testing of the main Lipi zone. This drill program identified that the mineralisation at Lipi is hosted within low sulphidation epithermal style veins which are steeply dipping to the east. The drilling confirmed that historical drilling had not closed off mineralisation along strike.

Furthermore, geophysical surveys undertaken by Augur during 2010 identified a number of anomalies which either had not been drill tested or have had only limited drill testing.



Location of the Central Jampang Gold Project, West Java, Indonesia.

Augur has a two year option, commencing on 17 January 2010, to purchase 90% of PT Golden Pricindo Indah, the company holding the licences covering the central Jampang Gold project.

### **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 Mr Grant Kensington, geoscientist, who is a Member of the Australasian Institute of Mining and Metallurgy. Grant Kensington is a full-time employee of the Company who 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'. Grant Kensington has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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

Yours sincerely



Grant Kensington  
Managing Director

pjn5861