

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
31 MARCH 2011  
(ASX: AUK)**

27 April 2011

**OPERATIONAL HIGHLIGHTS**

- First 70.9 metres of initial drill hole at Wonogiri returns **53.6 metres at 1.40 g/t gold and 0.30% copper** from just 8.2 metres depth and a further **1.5 metres at 0.75 g/t gold and 0.40% copper** from 64.3 metres.
- Trenching and diamond drilling commenced at the Wonogiri project in central Java. Significant gold results returned from the trenching including **102.0 metres at 1.12 g/t gold and 0.15% copper** and **98.0 metres at 0.91 g/t gold and 0.29% copper**.
- Reverse circulation drilling commenced at Jampang to test regional targets and infill at Lipi. Initial results are favourable with the best results of **25.0 metres at 3.92 g/t gold, 5.2 g/t silver and 0.40% copper** from 83.0 metres depth (including **1.0 metre at 66.00 g/t gold, 22.5 g/t silver and 1.76% copper**) from the Lipi zone.
- Gold mineralisation intersected in the Lipi West zone with hole JARC047 returning **3.0 metres at 1.16 g/t gold from 33.0 metres**, JARC043 returning **17.0 metres at 0.43 g/t gold from 17.0 metres** and JARC044 returning **25.0 metres at 0.37 g/t gold from 25.0 metres**.
- 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.

### Central Jampang Gold Project

During the quarter, Augur commenced a reverse circulation (RC) drill program at the central Jampang project. The focus of the drilling during the period was on regional targets and within the main Lipi prospect.

A total of 11 RC holes were drilled during the period with 10 holes successfully intersecting anomalous gold.

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

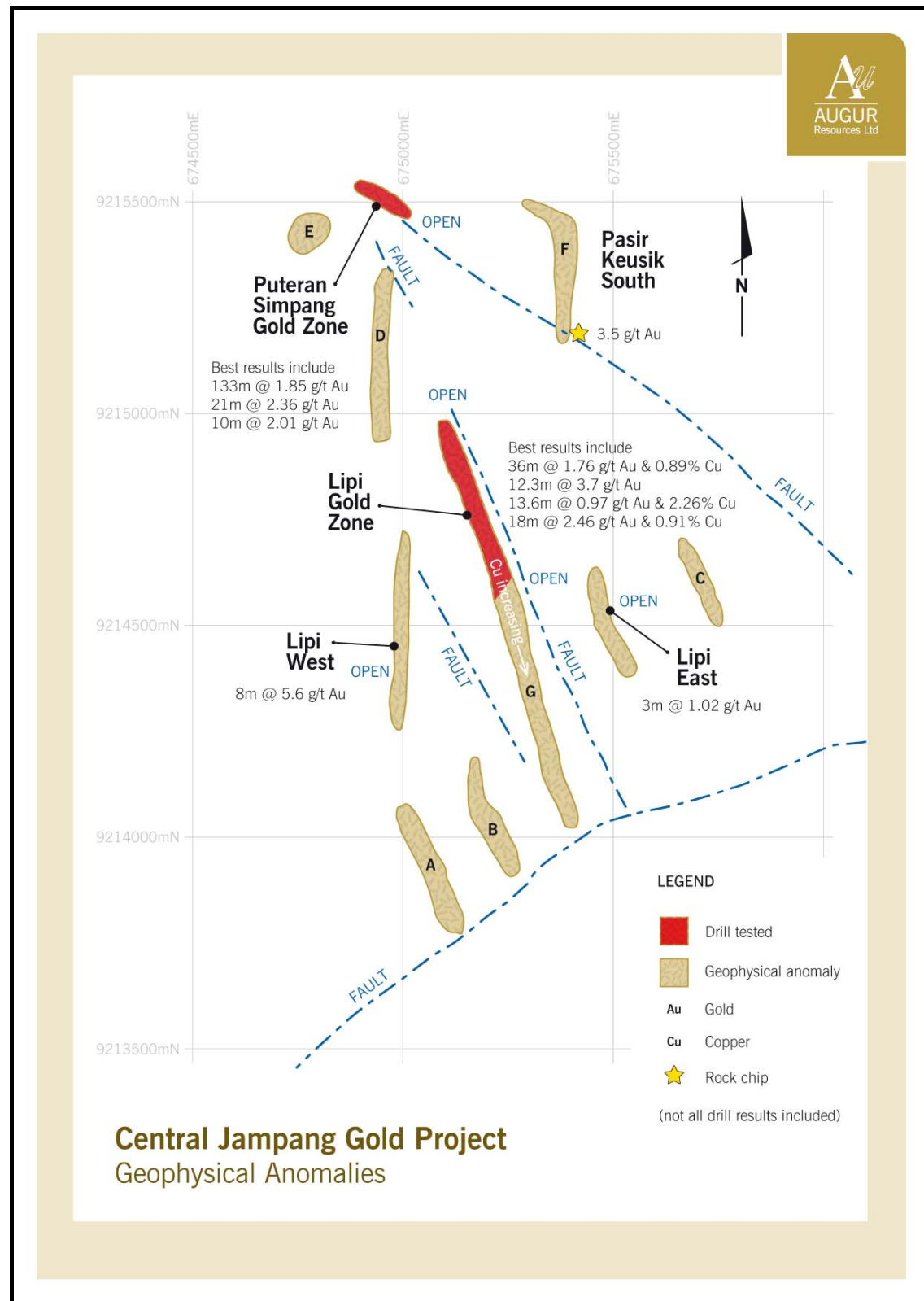
| Hole    | From<br>(m) | Interval<br>(m) | Gold<br>(g/t) | Copper<br>(%) | Silver<br>(g/t) |
|---------|-------------|-----------------|---------------|---------------|-----------------|
| JARC043 | 48.0        | 17.0            | 0.43          | -             | -               |
| JARC044 | 17.0        | 25.0            | 0.37          | -             | -               |
| JARC047 | 33.0        | 3.0             | 1.16          |               | -               |
| JARC051 | 83.0        | 25.0            | 3.92          | 0.40          | 5.2             |
| JARC052 | 423.0       | 33.0            | 1.63          | 0.60          | 7.1             |

**Table 1:** Selected drill results from the Jampang project during the March 2011 quarter. Holes JARC051 and JARC052 were drilled as twins to previously drilled diamond holes. Holes JARC043, JARC044 and JARC047 are from the Lipi West area.

Interpretation of the data received from the current drill program indicates that the mineralisation at Lipi is epithermal supergene enriched gold  $\pm$  copper.

The significant results received during the quarter continue to provide encouragement at Lipi and zones parallel to the Lipi mineralisation. 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.



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



Indonesian project locations.

## Wonogiri

The Wonogiri project consists of two Izin Usaha Pertambangan (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.

During the quarter, a trenching program commenced to test the continuity of the stockworked veins at Randu Kuning and at four other prospects where high gold in rock chips had been reported.

Wide zones of gold mineralisation have been detected at Randu Kuning with the best results received during the quarter returning:

- Trench 1: **102 metres** at **1.12 g/t gold** and **0.15% copper**.
- Trench 3: **50 metres** at **1.91 g/t gold** and **0.28% copper** and a further **28 metres** at **1.29 g/t gold** and **0.33% copper**.
- Trench 5: **98 metres** at **0.91 g/t gold** and **0.29% copper**.

Following the successful trenching results, a diamond drilling program was commenced at Randu Kuning to test the gold mineralised zones identified by the trenching and to then test targets identified at four other prospects.

A summary of the limited results which have been received from the drilling is as follows:

- Results from the first 70.9 metres of the first diamond drill hole at the Randu Kuning prospect have returned a broad zone of gold associated with quartz sheeted veins and associated stockworks.
- Hole WDD001 returned:
  - o **53.6 metres** at **1.40 g/t gold** and **0.30% copper** from just **8.2 metres** depth and a further
  - o **1.5 metres** at **0.75 g/t gold** and **0.40% copper** from **64.3 metres**.
- Hole WDD001, completed to 210 metres depth, intersected multiple quartz stockwork zones. Assay results below 70.9 metres are pending.
- Drilling program targeting large bulk tonnage gold mineralisation continues with a total of three drill holes completed.

Three holes have been drilled by Augur to date during the current drilling program and if results continue to be highly favourable an additional drill rig will be mobilised to site.

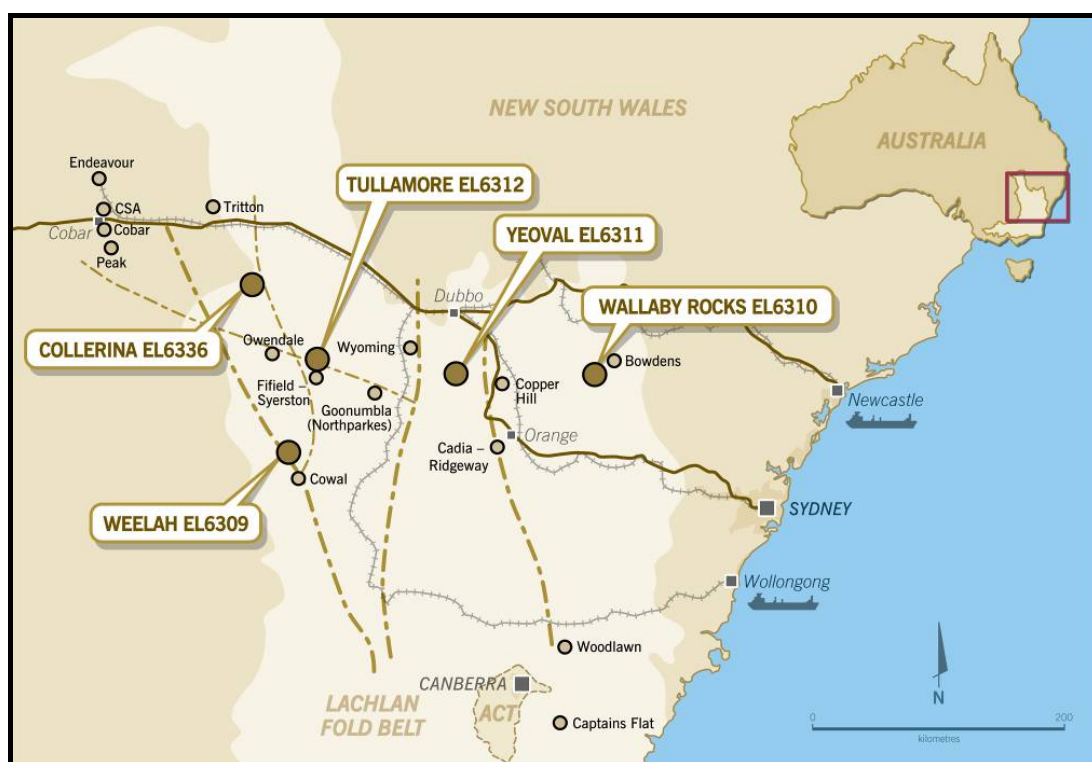
Regional mapping and sampling continues with the aim of fully determining the extent of the potential of the project area.

Historically, a total of five diamond holes have been drilled within the IUPs. Two of the diamond holes intercepting significant gold intervals including hole DHH1 which intersected 40 metres at 1.12 g/t gold and 0.29% copper from 92 metres depth and a further 15 metres at 1.61 g/t gold and 0.20% copper from 137 metres. Hole DHH2 returned 37 metres at 1.77 g/t gold and 0.24% copper from 458 metres.

Rock chip sampling by Augur has confirmed the presence of gold and copper with a total of 18 samples from 52 rock chip samples returning greater than 1.00 g/t gold with six samples returning greater than 7.00 g/t gold. Maximum copper results from the rock chip sampling returned 2.89% copper.

### Central and Western NSW

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 inferred resource estimates for deposits at Yeoval (12.9 million tonnes at 0.38% copper, 0.12g/t gold, 120ppm molybdenum and 2.1g/t silver) and Collerina (Homeville deposit – 12.2 million tonnes at 0.91% nickel and 0.06% cobalt). Both of these deposits remain open in extent and therefore are only partially defined.



NSW project locations.

### **Collerina (EL 6336)**

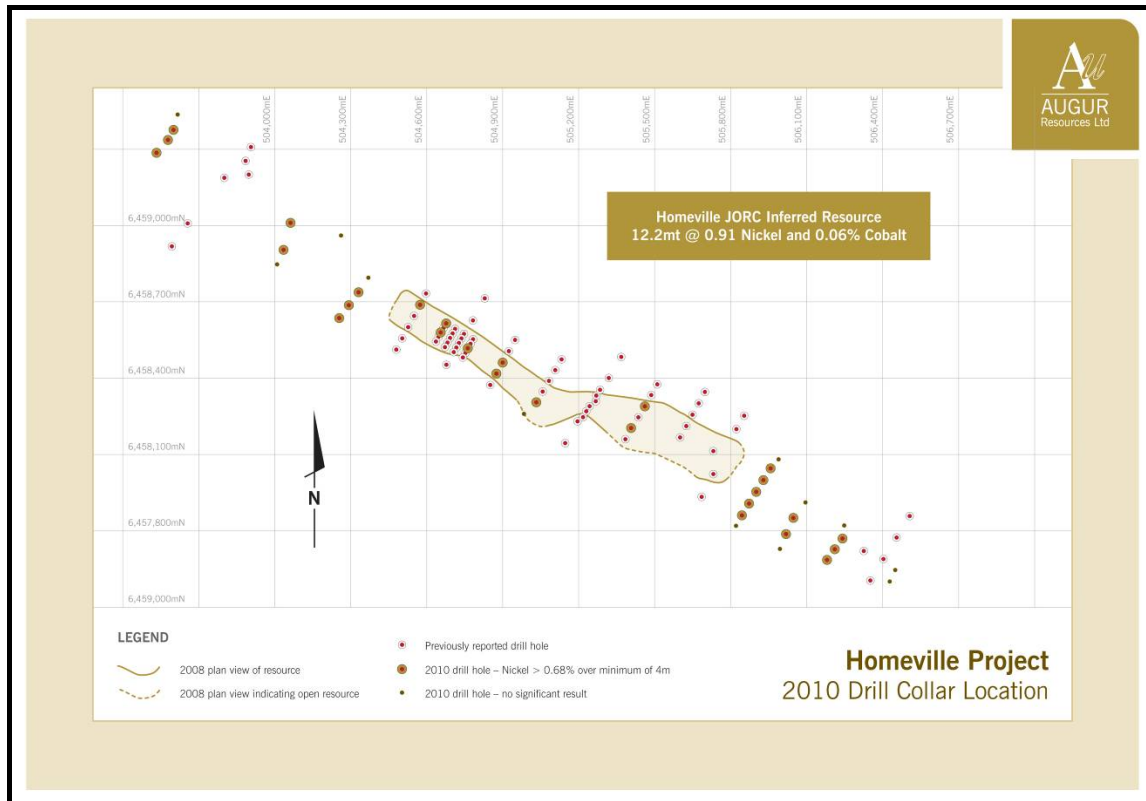
The Collerina tenement is located 40 kilometres south of Nyngan in central NSW, covering an area of 300km<sup>2</sup> within the Fifield Platinum Province. The tenement contains the Homeville nickel-cobalt deposit (JORC Inferred Resource of 12.2 million tonnes at 0.91% nickel and 0.06% cobalt), which was discovered by Augur in 2008.

During the quarter, Augur undertook some check sampling to standardise the geochemical testing methodology to X-Ray Fluorescence Spectroscopy (XRF) over the mineralised zone. This testing has generally resulted in a slightly higher overall nickel content in the samples previously reported.



**Drilling at the Homeville nickel-cobalt deposit.**

Modelling of the Homeville mineralisation has recommenced with all the re-assayed data. Reporting of an update with regards to the resource size and grade is expected in the second quarter of 2011.



**Drill hole collar locations and the outline of the current Homeville nickel – cobalt resource.**

### **Weelah (EL 6309)**

During the quarter, Meridien Resources Ltd ('Meridien') exercised an option covering Augur's Weelah tenement in central western New South Wales.

Meridien paid Augur \$40,000 (in cash and shares) to acquire an 80% interest in the property. Augur's 20% interest will be free carried to feasibility.

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

During the quarter, Augur sought joint venture partners for its Yeoval tenement (EL6311). 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 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%

**Tullamore (EL 6312 and EL 7337)**

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

**CORPORATE**

Augur continues to pursue advanced exploration projects in Indonesia. During the quarter, 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**

pjn5966

## **About the Central Jampang Gold 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 Mispec Resources Inc ('Mispec') 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.

## 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.

*The information in this ASX announcement referring to Augur Resources Ltd's 31 March 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.*

*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.*