

23 June 2011

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(5 pages by email)

Dear Madam,

**33.6% Increase in Resource  
for the Homeville Nickel-Cobalt Deposit**

- Updated resource estimate of **16.3 million tonnes at 0.93% nickel and 0.05% cobalt** (cut-off 0.7% nickel) at the Homeville nickel-cobalt deposit in central New South Wales.
- The updated resource estimate was independently calculated and is reported in accordance with the JORC Code. The total resource is estimated to contain approximately **151,000 tonnes of nickel and 8,100 tonnes of cobalt**.
- The resource estimate is an increase of approximately 33.6% on that previously reported.
- The **mineralisation is at surface in some areas** and has an average depth of only 10 metres below surface.

Augur Resources Ltd ('Augur') commissioned Hellman and Schofield Pty Ltd ('Hellman & Schofield') to undertake an independent resource estimation of the Homeville nickel-cobalt laterite deposit. 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 summary of the resource estimate is provided in Table 1.

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
	0.7	16.3	0.93	0.05	19	9.3
	1.0	4.9	1.18	0.05	18	8.6
Indicated	0.5	6.4	0.87	0.06	21	9.6
	0.7	4.4	0.99	0.06	20	8.8
	1.0	1.8	1.21	0.05	19	7.9
Inferred	0.5	20.7	0.78	0.05	18	9.9
	0.7	11.9	0.91	0.05	18	9.4
	1.0	3.1	1.16	0.05	17	8.8

**Table 1:** Homeville nickel-cobalt deposit resource summary by JORC category. Data has been rounded.

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

**Table 2:** Homeville nickel-cobalt deposit resource summary by ore type. Data has been rounded.

This resource estimate is a 33.6% increase on the previous reported resource for the Homeville deposit. Nickel grade has shown an increase from 0.91% to 0.93%.

Augur’s Managing Director Grant Kensington said: “The updated resource estimate is a pleasing result with a significant increase in the volume. Our focus will now be on identifying suitable options for the processing of the saprolite portion of the laterite at Homeville as this domain contains the bulk of the current resource.”



**View looking across the Homeville nickel-cobalt deposit, Nyngan, New South Wales, Australia.**

To date, recoveries of up to 78.5% nickel and 89.67% cobalt from saprolite samples have been achieved during preliminary metallurgical atmospheric bench scale testing. Further testing is being planned with an aim of increasing the nickel recovery.

The resource has a strike length of approximately 3.8 kilometres, an average width of 200 metres and the average depth to mineralisation is approximately 10 metres. The average true thickness of mineralisation varies between 20 and 60 metres depth.

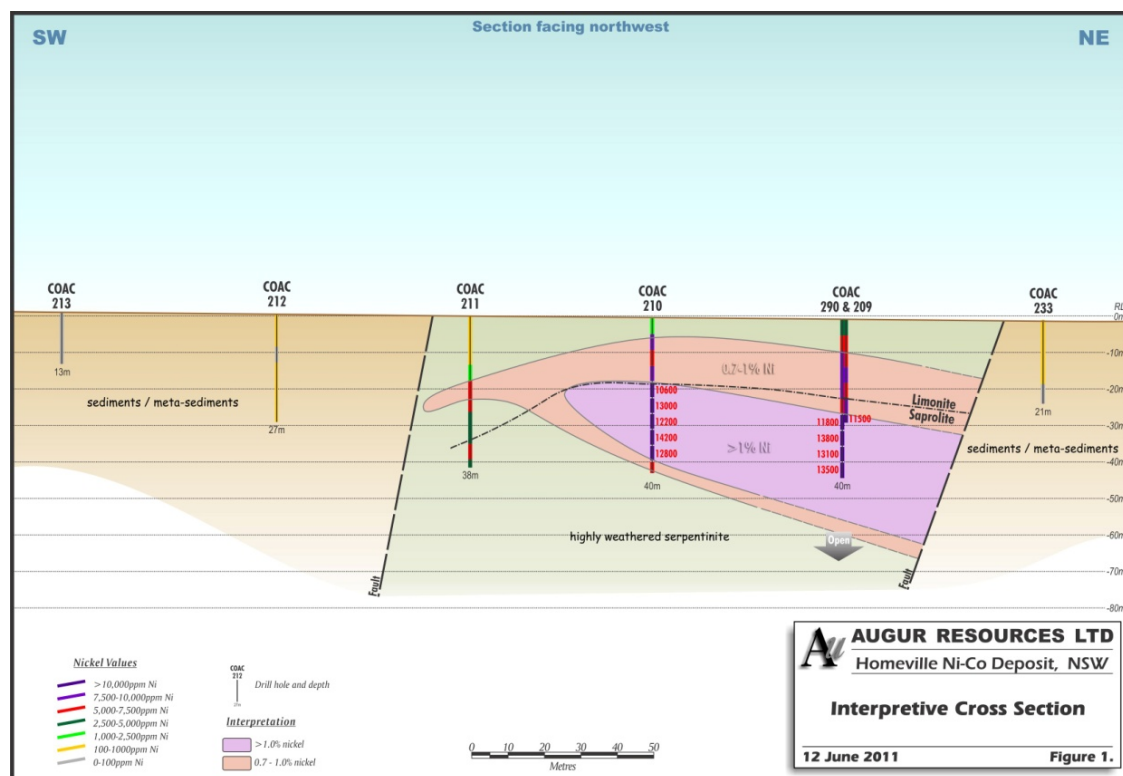
### Model Details

Hellman & Schofield estimated the resource using Ordinary Block Kriging. A total of 142 drill holes, comprising 134 aircore, five reverse circulation and three diamond holes. Holes are generally drilled on fences of 200 metres along strike and 50 to 100 metres across strike. In addition, a central zone of holes on 40 metre fences and 20 metres across strike were also drilled to confirm continuity of the mineralisation.

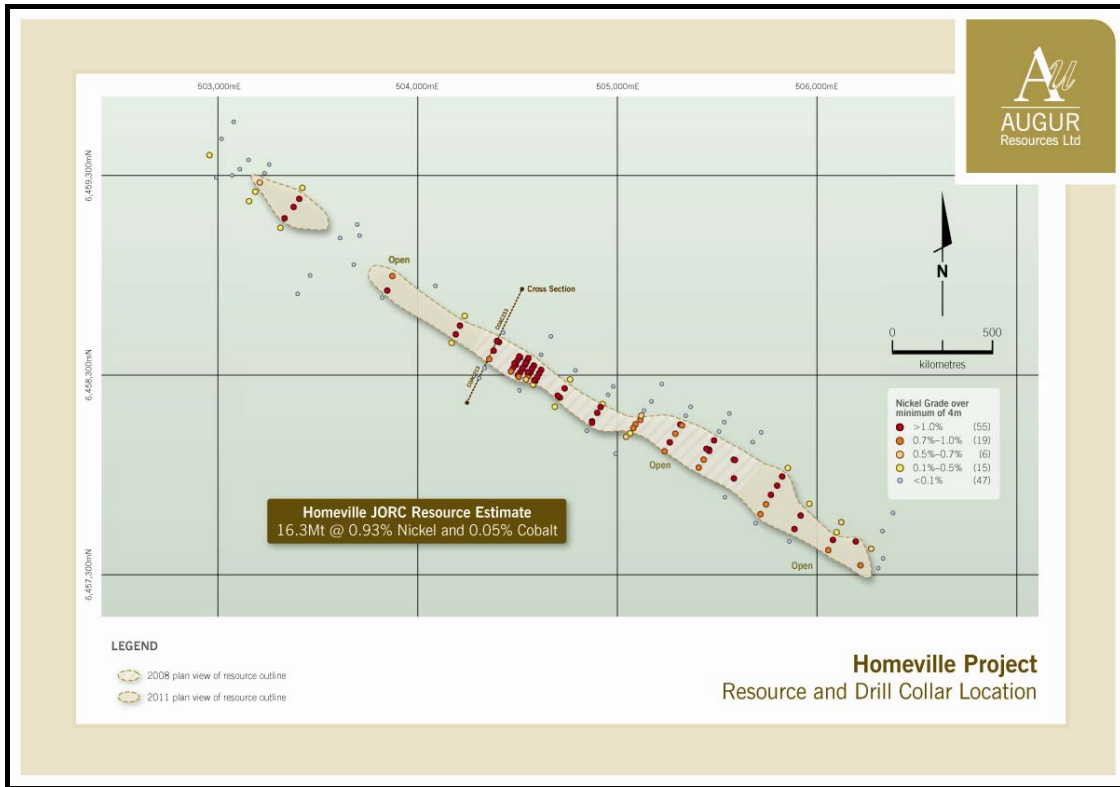
The resource remains open to the east along two of the drilled profiles. In addition, a number of holes have finished in nickel above the 0.7% cut-off.

Bulk density was determined from a total of 259 measurements. Bulk density of the limonite was estimated at 1.73 g/cm<sup>3</sup>, 1.79 g/cm<sup>3</sup> was used for the saprolite and 1.97 gm/cm<sup>3</sup> was used for the saprock zone.

The block model used in the estimation was based on 20 (cross strike) x 40 (along strike) x 4 (depth) metre blocks. Extrapolation along strike and interpolation between drill sections was limited to 100 metres.



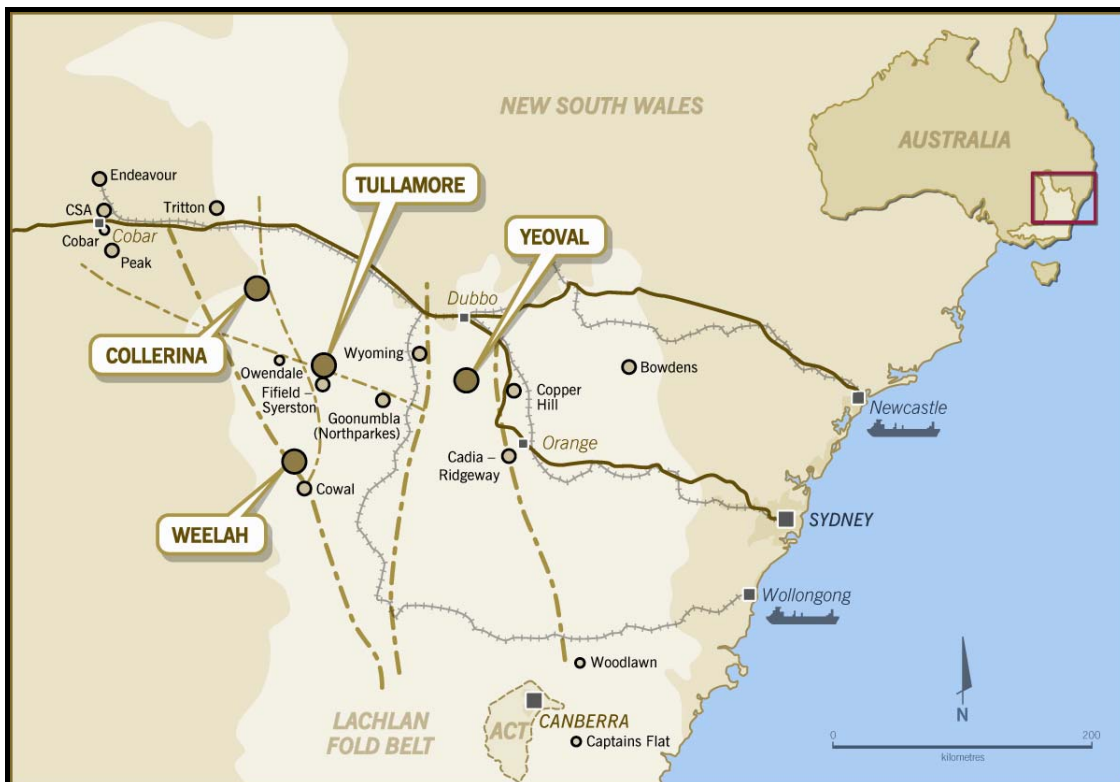
An interpretive cross section of the COAC211 - COAC233 transect.



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

**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 kilometres south of the town of Nyngan in the central west of New South Wales.



Access to the deposit site is via a sealed and all weather roads. An all weather road passes within 100 metres of the known mineralisation and railway lines to major east coast ports are within 55 kilometres of the deposit. The Bogan River is within 20 kilometres of the deposit.

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

Yours sincerely



Grant Kensington  
Managing Director

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The information in this report that relates to Mineral Resources is based on information compiled by Mr Simon Gatehouse, a Member of the Australian Institute of Geoscientists. Mr Gatehouse is a full time employee of Hellman & Schofield Pty Ltd and qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates, and the attached notes, in the form and context in which they appear.

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.