

31 May 2011

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(1 page by email)

Dear Madam

NEW ISSUE TO RAISE UP TO \$6.0 MILLION

The Directors are pleased to advise that Augur Resources Ltd ('Augur' or 'the Company') will raise up to \$6.0 million to primarily fund further exploration activity at the Jampang gold project ('Jampang') and the Wonogiri gold/copper project ('Wonogiri') in Indonesia.

The funds will be raised through a placement of up to 30.0 million shares at an issue price of \$0.20 per share to international and domestic clients of Joint Lead Managers Hartleys Limited and Patersons Securities Limited ('the Placement').

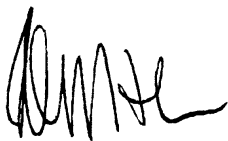
The funds raised pursuant to the Placement will be used:

- to further exploration activity at the Wonogiri project, also located in Java, Indonesia, which is owned by PT Oxindo Exploration and PT Alexis Perdana Mineral, companies which Augur has a conditional option agreement to acquire an 80% interest in the Wonogiri project;
- to further exploration activity at the Jampang project, located in Java, Indonesia, which is owned by PT Golden Pricindo Indah, a company in which Augur has a conditional option agreement to acquire a 90% interest in the Jampang project;
- to continue to search for additional advanced projects in Indonesia; and
- for working capital purposes.

The Placement will be completed in two tranches with up to 20.3 million shares being issued in tranche one pursuant to the Company's 15% capacity under ASX Listing Rule 7.1 and the balance of up to 9.7 million shares being issued in tranche two, subject to shareholder approval at a General Meeting of shareholders currently scheduled for Thursday, 30 June 2011.

For further information, contact Peter Nightingale or Norman Seckold on +61 2 9300 3310.

Yours sincerely



Peter J. Nightingale
Director

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