Augur Resources launches SPP to advance prefeasibility study at the Randu Kuning deposit

Augur Resources (ASX: AUK) has launched a share purchase plan which along with existing cash reserves will be used to support the company's ongoing operational costs, including the continuation of a prefeasibility study of the Randu Kuning deposit at the company's Wonogiri project in central Java, Indonesia.

The company is offering shareholders the opportunity to subscribe for up to A$15,000 worth of new shares in the company priced at A$0.04 each, or a 17% discount to the volume weighted average share price in the five trading days prior to 3 August 2012.

The maximum number of shares that can be issued under the Share Placement Plan is 53,156,414 shares.

Proceeds from the placement will be used to complete the earn-in component of the deal with PT Oxindo Exploration that allows Augur to increase its stake in Wonogiri to 80% from 51% by spending a further A$225,000 on exploration and development by early December 2012, and to continue the Pre-Feasibility Study for the Randu Kuning gold copper deposit at the project.

All directors in Augur plan to participate in the placement to their maximum entitlement.

Randu Kuning

Augur has delivered a JORC Resource of more than 1.54 million ounce of gold equivalent at the Randu Kuning deposit and has identified the potential for the definition of further resources with the resource open to the south, east and at depth, and no forestry restrictions on the deposit.

This potential is further enhanced with multiple epithermal targets available for additional drill testing.

With the ability to produce concentrate grades of up to 21.2% copper and 90.6g/t gold, Augur has further demonstrated the potential of the Randu Kuning porphyry deposit.

In mid-May Augur delivered to the market favourable metallurgical results for the Wonogiri project which showed high recoveries of up to 89% gold and 93.4% copper from the Randu Kuning porphyry deposit.

Importantly, these recoveries were achieved through simple flotation testing.

Further upside is that detailed analysis of the concentrate indicated that it contained silver of up to 77.3g/t silver.
The concentrate appears to be high quality with very little lead (0.04%), zinc (0.09%) and arsenic (0.02%).

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

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