

28 July 2009

The Manager
Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
SYDNEY, NSW 2000

JUNE QUARTER ACTIVITIES REPORT

The directors of Augustus Minerals Limited ("Augustus" or the "Company") are pleased to report the following activities for the June Quarter.

MT PALMER PROJECT (Augustus 100%)

The Company completed a Flora Survey during the June 2009 quarter in support of its Program of Work (PoW) Application for an RC drilling program at the Mt Palmer Project. The PoW has now been approved by the Department of Mines and Energy and the drilling program is now expected to be completed in the current quarter.

The RC drilling program is designed to test the Mt Palmer North anomaly; a +250m long gold, arsenic and copper anomaly defined from channel sampling of old costeans to the north of the abandoned Mt Palmer gold workings (M77/406 - excluded from E77/987) which produced 305,799 tonnes of ore at an average grade of 15.9g/t Au for output of 157,933oz. A total of 12 angled RC holes are planned on 30m spacings along 4 lines approximately 120m apart, with holes to be drilled to a maximum depth of 70m. A budget of approximately \$125,000 has been provided for in this program.

DISPOSAL OF DOSTYK PROJECT INTEREST (Augustus 19% Beneficial Interest)

As advised to the ASX on 1 April 2009 Cigma Metals Corporation ("Cigma") has requested an extension to settlement terms previously agreed and announced to the ASX on 29 December 2008. Under the terms of this revised Agreement, Cigma was due to make a final payment of US\$1,015,000 on 31 March 2009 which has not been received.

During the quarter the Company has sought and obtained leave from the Supreme Court of Western Australia to commence legal proceedings against Cigma. The Company is in receipt of legal advice in respect of this agreement and remains confident that the Agreement is enforceable. Legal proceedings against Cigma are planned to commence this week.

The Company is in ongoing discussions with Cigma who have acknowledged their obligations under the revised Agreement. These discussions are in good faith and remain the Company's preferred means of resolving the dispute.

CORPORATE

Cash and cash equivalents held by the Company at the end of the quarter was approximately \$7,776,000 or 17.7 cents per share.

The Company had 44,000,001 fully paid ordinary shares and 10,000,000 unlisted Company Options (exercisable at \$0.25 on or before 30th November 2010) on issue at the end of the quarter.



Mathew Walker
Executive Director

For further information please contact:

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Augustus Minerals Ltd website: www.augustusminerals.com.au

The information pertaining to the technical content of this announcement has been reviewed by Mr. Ian Prentice, who is a member of the Australian Institute of Geoscientists. Mr. Prentice is employed by Zephyr Consulting Group Pty Ltd and 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'. Mr. Prentice consents to the inclusion in the announcement of the technical information in the form and context in which it appears.