

16 October 2009

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

## SEPTEMBER QUARTER ACTIVITIES REPORT

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

### MT PALMER PROJECT (Augustus 100%)

The Mt Palmer project, located approximately 40km east south east of Southern Cross in Western Australia, surrounds the historic Mt Palmer Gold Mine (excluded), which produced 157,933oz from 305,799 tonnes @ 15.9g/t Au between 1934 and 1944.

Augustus engaged Zephyr Consulting Group Pty Ltd (Zephyr) to design and manage an RC drilling program to evaluate a previously identified geochemical anomaly extending north from the historic Mt Palmer Gold Mine.

The project overlies the narrow attenuated north east extension of the Southern Cross greenstone belt bounded to the east and west by granitoids. The central portion of the tenement area is dominated by sub-cropping amphibolites facies greenstone lithologies. Gold mineralisation is largely associated with quartz reefs within the altered amphibolites.

Historical exploration within the tenement area has included drilling to the north and south of the old workings and an extensive costeaning program in the 1970's. Costean samples were analysed for nickel and base metals. Recent exploration, involving resampling of some of the costeans, identified elevated Au, As and Cu results and defined the Mt Palmer North anomaly, a +250m long by 50m wide zone extending north from the Mt Palmer workings.

RC drilling undertaken in August 2009 to evaluate this anomaly consisted of 12 holes for 850m on 4 lines approximately 120m apart. Composite spear samples were collected on 4m intervals and assayed for gold by fire assay. Elevated gold results were received for the southern two drill lines, defining a weak to moderately mineralised zone to the immediate north of the historic Mt Palmer workings, with a best intersection of 4m at 1.1g/t from 8m. The northern two drill lines failed to intercept anomalous gold zones.

The drilling appears to have downgraded the near surface potential of the area to the north of the historic Mt Palmer workings, however there remains some scope for down plunge extensions of the historic mineralisation at depth. There is also scope for the discovery of a southern extension to the historic Mt Palmer mineralisation beneath the tailings from the old workings and the edge of Lake Julia, however the proximity of the tenement boundary and results of previous exploration indicate that this is a low priority target.

The Board is now reviewing its strategy for the Mt Palmer project and a decision in respect of further exploration will be made in due course.

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

During the quarter the Company received a total of US\$200,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. Of this amount, US\$50,000 was applied as interest for the period 1 January 2009 to 31 October 2009 and US\$150,000 was applied to reduce the capital component of the amount outstanding.

Under the agreed settlement terms, a balance of US\$850,000 is due and payable on 31 October 2009 in full and final settlement.

### BUY BACK

During the quarter, the Company bought back 64,638 shares on market leaving 43,935,363 fully paid ordinary shares and 10,000,000 unlisted options (exercisable at \$0.25 on or before 30<sup>th</sup> November 2010) on issue at the end of the quarter.

### CORPORATE

Cash, tradeable securities and net cash receivables held by the Company at the end of the quarter was approximately \$8,941,972 or 20.35 cents per share.



**Mathew Walker**  
Executive Director

#### For further information please contact:

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*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.*