

29 October 2010

The Manager
Company Announcements Office
Australian Securities Exchange 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:

SILVERWOOD OIL AND GAS PROSPECT (Augustus 40% WI)

The Richardson #1 Well at Silverwood spudded on 19 July 2010 and successfully reached total depth on 1 September 2010. The well was then completed and successfully tested in the primary objective. It commenced commercial production on 24 September 2010. The well is currently producing an average of 65 to 70 barrels of high gravity oil per day while testing continues and permanent production facilities are put in place. Total sales to date are 1620 barrels at an average price over US\$80 per barrel.

REVIEW OF PROJECTS

During the quarter, the Company continued to review multiple new project opportunities with the aim of identifying a significant project to take the Company forward. The Company is targeting early stage resource projects with the potential for the discovery of significant economic deposits.

During the quarter the Company reviewed several project opportunities in both Asia and West Africa. This review and appraisal process is continuing in the current quarter and the Company will continue to update the market with any material developments.

CORPORATE

At the end of the quarter there were 41,150,907 shares on issue.

Cash, tradeable securities and investments held by the Company at the end of the quarter was approximately \$5.925 million or 14.4 cents per share.

Yours faithfully,



Mathew Walker
Executive Director

For further information please contact:

James Robinson, Company Secretary, Augustus Minerals Limited, Tel: (08) 6460 4960

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AUGUSTUS MINERALS LTD

ABN

43 122 911 399

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	(259)	(259)
(c) production	-	-
(d) administration	(174)	(174)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	110	110
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST refund)	15	15
Net Operating Cash Flows	(307)	(307)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(700)	(700)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	2	2
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	1,000	1,000
1.12 Other (provide details if material)	-	-
Net investing cash flows	302	302
1.13 Total operating and investing cash flows (carried forward)	(6)	(6)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(6)	(6)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	280	280
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	280	280
	Net increase (decrease) in cash held	275	275
1.20	Cash at beginning of quarter/year to date	3,960	3,960
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,235	4,235

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	(88)
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of directors' fees, superannuation, rent, administrative service fees and reimbursements.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	235	960
5.2 Deposits at call	4,000	3,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,235	3,960

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	41,150,907	41,150,907	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,120,907 (exercise of ops) -	1,120,907 (exercise of ops) -	\$0.25 (exercise of ops) -	- -
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options <i>(description and conversion factor)</i>	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	1,120,907	1,120,907	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 July 2010
7.10	Expired during quarter	38,849,093	38,849,093	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 July 2010
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29/10/2010

Company Secretary

Print name: James Robinson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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