



# DECEMBER 2012 QUARTERLY REPORT

## ABOUT ROBUST RESOURCES LTD

Robust Resources is a precious and base metals explorer and developer with projects in Indonesia, the Philippines and Australia. The flagship asset is a 77.5% managing interest in the Romang Island projects, in Indonesia, which incorporate an interim Indicated and Inferred JORC mineral resource estimate of 592 thousand ounces of gold, 27.7 million ounces of silver, 95 million pounds of copper, 697 million pounds of lead and 678 million pounds of zinc. Drilling has also identified the presence of near-surface high-grade manganese deposits.

Robust's dual focus is to become a significant low cost precious and base metal producer on Romang Island as well as continuing its positive record of new discoveries from its portfolio of exploration properties. Robust trades on the Australian Securities Exchange (ASX) under the symbol ROL and on the Frankfurt Stock Exchange under the symbol RO7.

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Dr David King, Chairman  
Gary Lewis, Managing Director  
John Levings, Technical Director  
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Andrew Wilson, Non-Exec Director

## DEVELOPMENT AND DISCOVERY ADVANCES ON ROMANG ISLAND PROJECT, INDONESIA

### KEY POINTS

#### ➤ SCOPING STUDY FOR LAKUWAHI OXIDE PROJECT PROGRESSING WELL

- Scoping modeled on gold-silver-copper from JORC resources defined at Batu Mas, Batu Hitam and Batu Hitam West
- Work to date yielded positive results, including:
  - Column Leach Tests showing excellent gold recoveries of 90% from near-surface oxide ore
  - Cyanide-soluble copper in transition ore – potential for over 95% recovery into saleable concentrate
  - Pit optimisation studies reveal low strip ratio and robust economics
  - Plant design and layout indicate ore treatment can take place within short haul from pits
  - Infrastructure layouts and environmental baseline studies well advanced
  - High-grade manganese product can be extracted with simple upgrade processes; straightforward incorporation into Oxide Project

#### ➤ FURTHER DISCOVERY AND POSITIVE EXPLORATION RESULTS AT LAKUWAHI

- Record number of drill holes in Quarter
  - 59 drill holes for 2,461 metres; assays awaited
  - Focus on increasing the oxide resource
- New high value targets at Batu Perak
- Near-surface, high-grade polymetallic zone intersected at Batu Hitam West
- High-grade manganese intersected at significant widths; remains open

#### ➤ PRAGMATIC APPROACH FOR LONGER TERM PROSPECTS

- Lakuwahi Sulphide Project; further encouraging metallurgical testwork results
- Philippines; prospective gold-copper projects awaiting commencement of drilling

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## SAFETY and ENVIRONMENT

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Robust Resources Limited (“Robust” or “the Company”) had no lost time injuries or environmental incidents recorded during the Quarter.

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## OPERATIONAL UPDATE

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During the Quarter, the Company received two further instalments totalling \$12.6 million from PT Kilau Sumber Perkasa (PT KSP), a member company of Indonesia’s Salim Group. Salim Group is one of Indonesia’s largest conglomerates and diversified companies, and also holds a direct equity holding of 19.8% in the Company. Under the sale agreement PT KSP agreed to acquire a 22.5% shareholding of P.T. Gemala Borneo Utama, the local Indonesian company that has the mining rights over Romang Island, in an investment totalling AUD 31,569,544.

Throughout the reporting period, the board and management embarked on a cost reduction initiative designed to recalibrate and “Indonesianise” the business as it moves from pure exploration, to exploration and development. This initiative will result in significant operational savings in the current fiscal year, with minimal impact on planned exploration or development activities.

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## ANNOUNCEMENTS

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On 10<sup>th</sup> October 2012, Robust announced assay results from the Batu Hitam West prospect, Romang Island, Indonesia. Drill hole LWD222 intersected a zone of near-surface precious-metal-bearing, high-grade polymetallic mineralisation, **25 metres at 1.35 g/t Au equivalent<sup>1</sup> and 5.2% combined Pb+Zn+Cu**; including **9m @ 2.08 g/t Au equivalent and 5.3m @ 18.9% combined Pb+Zn+Cu**. The mineralisation in LWD222 remains open to the west. The Company also announced that the completion of a detailed soil geochemical survey returned results of interest in the Batu Hitam West area, with a number of **high gold in soil assays** obtained, including the highest ever assaying **4.55 g/t Au**. These peaks are contained within a contiguous zone of strong precious metal anomalism and will be useful information for follow-up resource extensional drilling in the Batu Hitam area.

On 12<sup>th</sup> December 2012, the Company reported assay results for three drill holes, each intersecting significant widths and grades of manganese including some very high-grade zones. A record assay of **59.6% Mn** (LWD249) was received from the “Manganese Valley” prospect on Romang Island, which is approaching the theoretical maximum manganese content for manganese dioxide. Thicknesses of up to 26.7 metres of high-grade manganese were also encountered (LWD245 **26.7 metres at 40.5% Mn** from surface including **9.5 metres at 56.6% Mn** from 12.9 metres). The manganese mineralisation remains open in three directions.

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## ROMANG ISLAND, INDONESIA

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### Exploration and Drilling Activities

The Company continued with an active drilling programme during the Quarter, targeting infill and step-out drilling around the current resource area<sup>2</sup>. A total of 59 diamond drill holes for 2,461 metres was completed, which is a record for the Company. For calendar year 2012, the Company completed 124 high-quality HQ and NQ diamond drill holes for 8,194 metres.

Drilling was focussed in five prospect areas with the principal aim of providing additional, easily accessible oxide resources that could potentially provide feed to a heap leach mining operation. The prospects drilled included:

- Batu Hitam East      Target: shallow oxide gold-silver
- Batu Hitam West      Target: shallow oxide gold-silver
- Batu Hitam North      Target: shallow oxide gold-silver
- Batu Perak      Target: “Inconformity-style” polymetallic gold-silver-lead-zinc-copper
- Manganese Valley      Target: principally manganese, but also gold-silver

Figure 1 shows the pattern of drill holes completed during the Quarter.

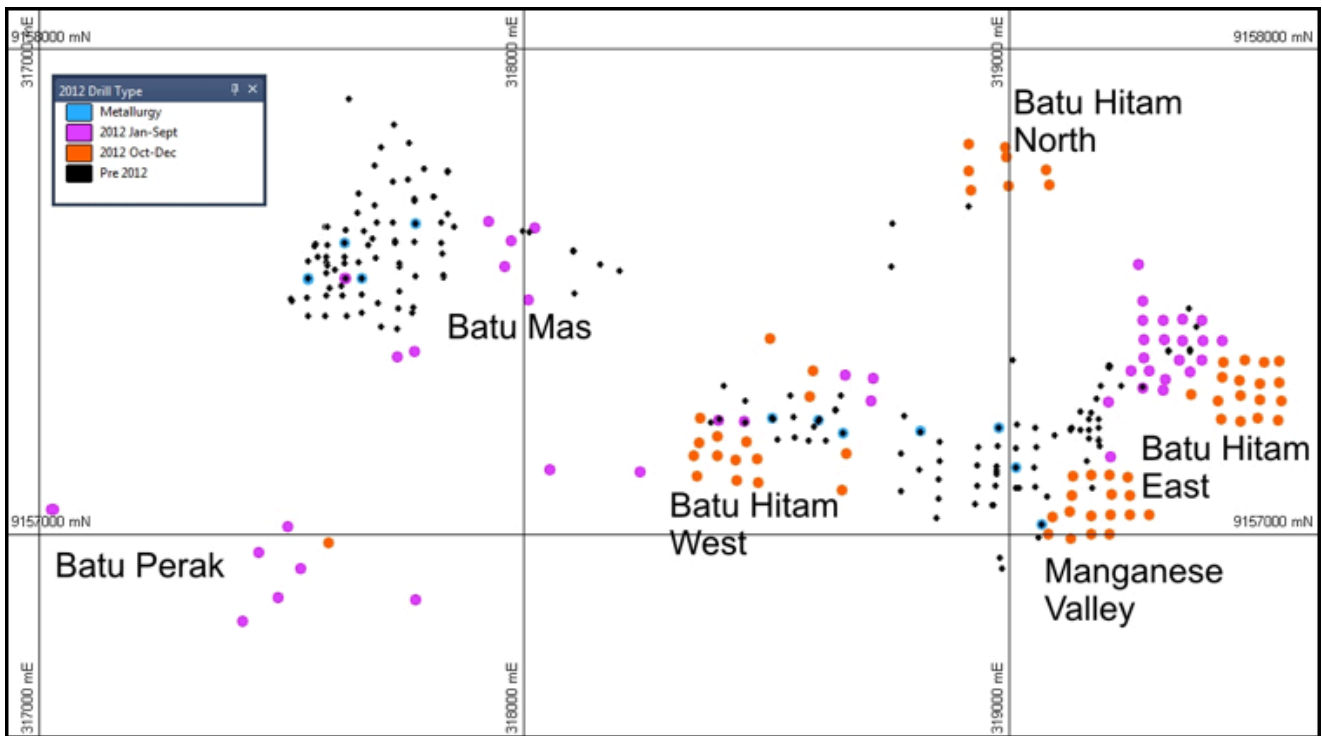


Figure 1: Lakuwahi Project Drill Holes Collars. December Quarter holes shown in orange (Batu Jagung prospect off scale to the north)

Assay results are still being received and interpreted by the Company’s geological team.

In view of the large volume of drilling and assay results produced during the Quarter it was decided to make a brief hiatus in drilling from 21<sup>st</sup> December until all results are received and interpreted. Planning of the ongoing exploration is well underway and will focus on the very promising “unconformity style” mineralisation at Batu Perak, as well as extensions. Drilling is anticipated to recommence early in 2013.

On December 12, 2012 the Company announced further exploration drilling success on Romang Island with high-grade manganese mineralisation intersected near surface. Three drill holes specifically targeted manganese mineralisation intersected significant widths and grades of manganese including some spectacular high-grade zones. These included:

- **LWD245: 26.7 metres at 40.5% Mn from surface, including:**
  - 2.5 metres at 56.9% Mn from 5.9 metres, and
  - 9.5 metres at 56.6% Mn from 12.9 metres
  - 2.0 metre at 59.0% Mn from 16.9 metres
- **LWD249: 14.2 metres at 48.0% Mn from surface, including:**
  - 6.0 metres at 56.4% Mn from 6.0 metres, including
  - 1.0 metre at 59.6% Mn from 9.0 metres (see figure 1)
- **LWD251: 21.1 metres at 37.5% Mn from surface, including:**
  - 9.2 metres at 48.6% Mn from 11.9 metres, including
  - 5.1 metres at 53.1% Mn from 11.9 metres

This mineralisation in the Manganese Valley remains open. Figure 2 shows a north-south cross section, which is the eastern-most drilling completed to date. The manganese mineralisation is open in 3 directions: north and south as shown in the figure and also further east (Figure 3). A notable feature evident from the figure is the consistency of manganese mineralisation from hole to hole.

Assays are awaited from a further 11 holes, many of which show manganese mineralisation visible in the drill core (such as from holes LWD255 and LWD260 in Figure 2). A drilling program of shallow holes is continuing to test the extent of the manganese mineralisation.

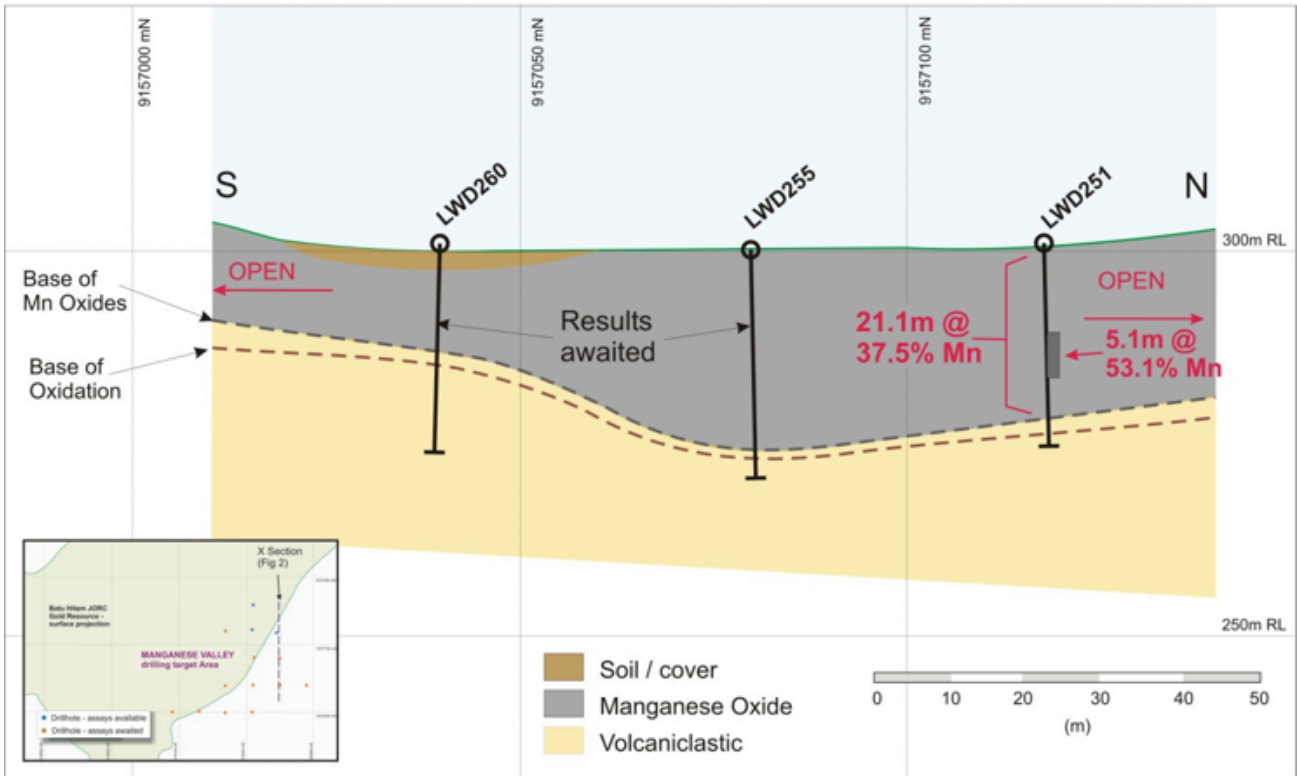


Figure 2: Section 319,250mE, “Manganese Valley” prospect, Batu Hitam East, showing thick intersections and good continuity of manganese mineralisation

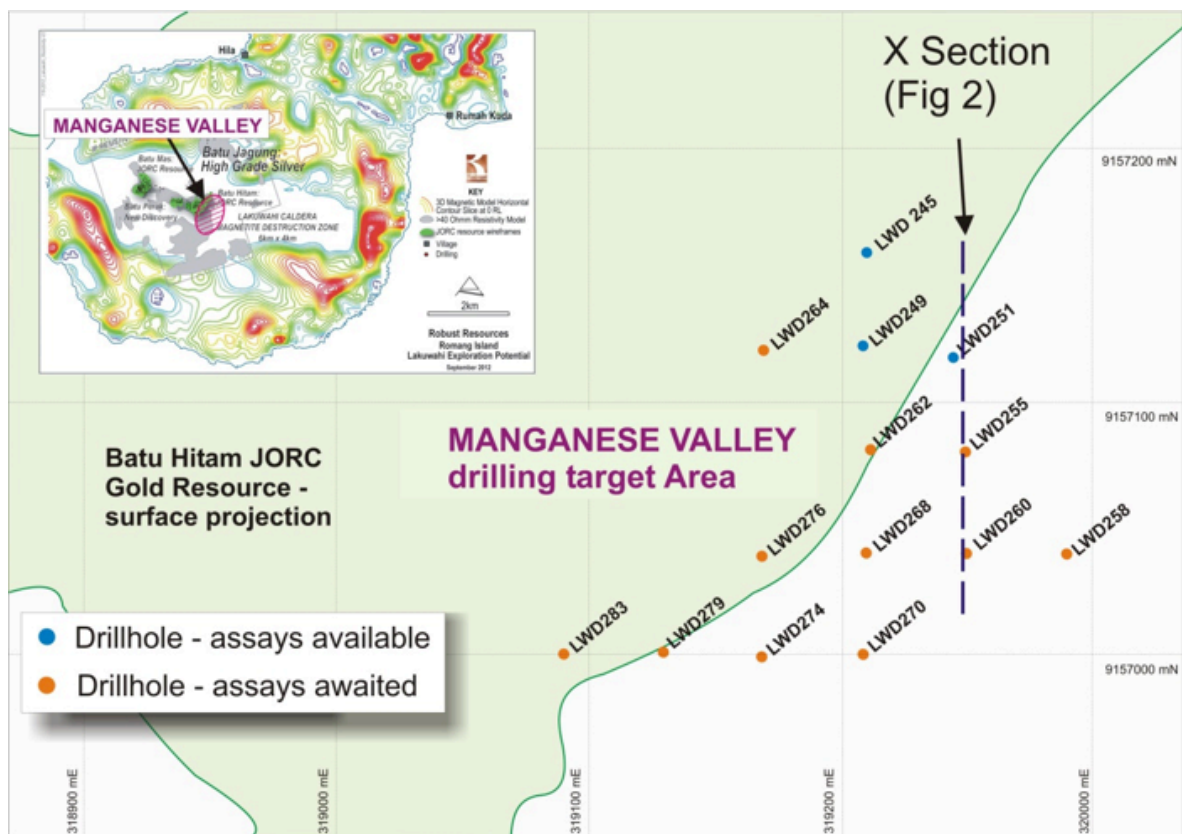


Figure 3: Location Plan of Manganese Valley 2012 Drilling

Outlook for next Quarter

Robust plans to continue exploration of the Lakuwahi Project areas. A number of high value targets such as Batu Perak are in the very early stages of drill testing, and are showing excellent potential.

At Batu Perak, drilling has demonstrated that a large new hydrothermal system has been discovered. Preliminary interpretation of the geology is of a unique “unconformity-style” of gold and silver-rich polymetallic mineralisation, which is developed along a contact between older hydrothermal breccias and syn-mineral caldera-fill tuffs and sediments. The section in Figure 4, below, demonstrates our current, three-dimensional interpretation of this zone. The target area for this style of mineralisation is very large.

It has also become apparent that the unconformity style mineralisation is related to a geochemical / geophysical anomaly know as “Purple Heart”. Purple Heart is a strong gold and silver geochemical anomaly that appears to be associated with a deep-seated resistivity core. Figure 5 shows the Purple Heart anomaly in relation to the existing drilling at Batu Perak.

The Purple Heart anomaly is considered a very high priority drill target for 2013 as it is postulated to host a significant quantity of higher grade oxide gold and silver mineralisation which could boost the economic outcome of a heap leach project. The Company has commenced socialisation activities with the local land-users to gain site access for the planned drilling programme.

Drilling will also continue on the Batu Perak unconformity style polymetallic target. This target is considered to have the potential to host a high-grade polymetallic deposit within the Batu Perak caldera basin.

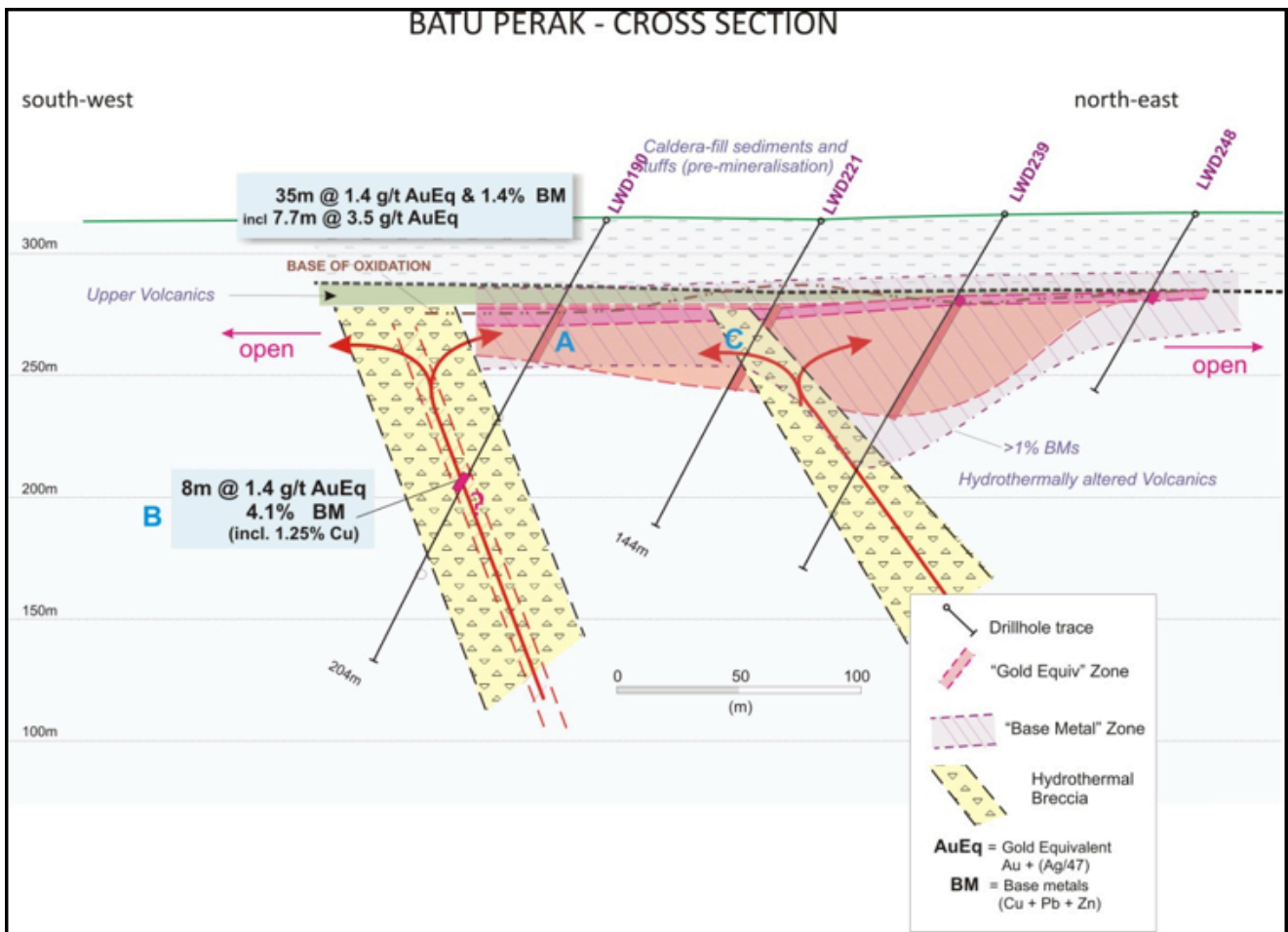


Figure 4: Interpreted Cross Section through Batu Perak showing Unconformity-style mineralisation, underlying breccia and feeder breccia zones



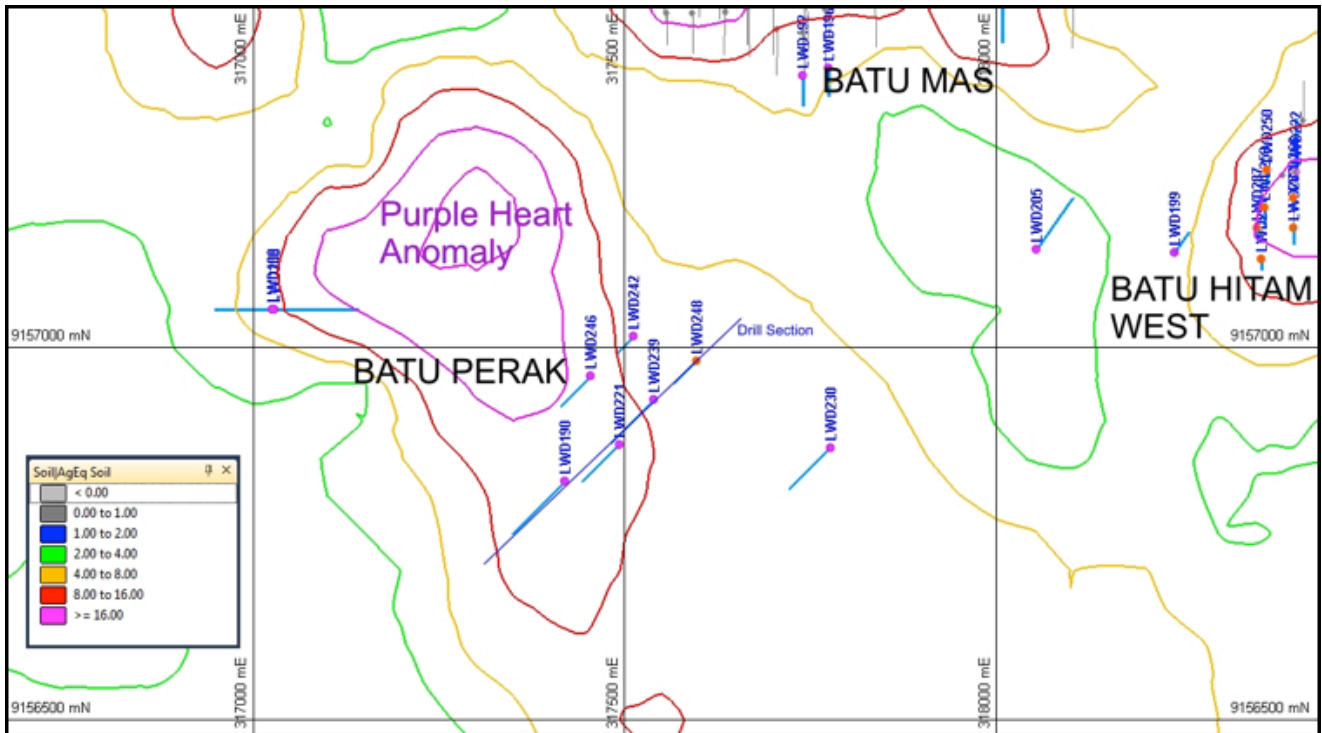


Figure 5: Map of Batu Perak showing the Purple Heart gold-silver geochemical anomaly and drill hole locations

## Development Activities

### Lakuwahi Oxide Project

The oxide project represents the first stage of development of the Romang project. The oxide cap at Lakuwahi is highly suitable for heap leaching and provides the Company with a special opportunity to generate early cash flow for subsequent exploration of the deeper ore zones in the deposits containing base metals. Metallurgical testwork undertaken during the Quarter has confirmed the excellent leaching performance of pure oxide ore from the Lakuwahi deposits. Although leaching rates vary for the different oxide samples, the column tests show very high recoveries should be achieved from near surface oxides. The ore samples taken from deeper zones and from mixed and transition ores show more variability, as shown in Figure 6 for gold dissolution, based on head grade assays for each column. Similar above average results have been achieved for silver.

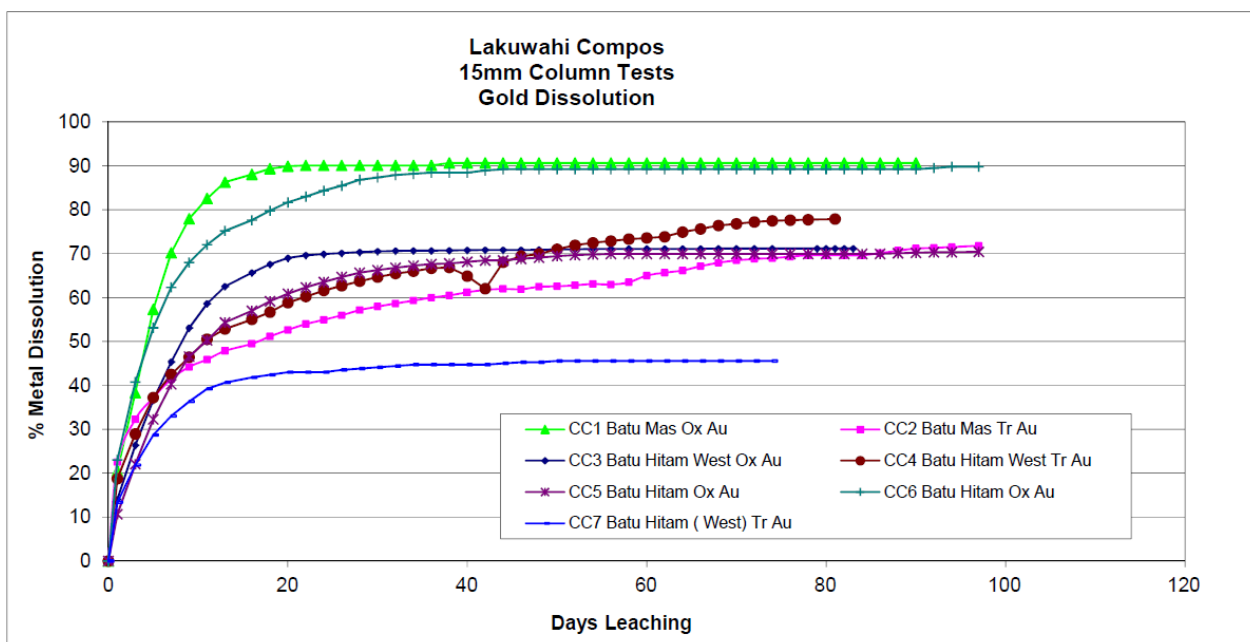


Figure 6: Column Test Leach Curves – Gold

These results indicate the first three years of production at Lakuwahi will produce higher than average recoveries of both gold and silver, with rapid payback of investment capital. The continued exploration success in recent months will ensure the supply of oxide ore to the leach pad during this period. The leach curves also show that the largest deposit of oxide ore at Batu Mas leaches most rapidly, peaking at 90% in the column test within 20 days of leaching. Transition samples exhibit lower recovery, but these lower recoveries are often compensated by high silver values. Tests also show that the copper minerals present in the transition ore are mostly cyanide leachable, providing further encouragement to install a SART (*sulphidation, acidification, re-cycling and thickening*) circuit, which is capable of recovering over 95% of this copper into a highly saleable concentrate.

In parallel with leach testing, other ore properties have been determined by test work programmes conducted at the SGS laboratory in Perth and the Ammtec laboratories in Sydney and Burnie, Tasmania. Hardness and abrasive indices, together with acid generating behaviour have been completed. The ore has been shown to have a low working index and should crush to 15mm (the preferred crush size) with relative ease. Although acid generating in some parts of the deposit, lime addition and cyanide consumption should be in line with industry norms. Mineralogical investigations have also been undertaken on the column charges, in an effort to understand the variability in leaching rates.

Recovery estimates from the leaching tests have been incorporated into a mine model, which is based on an internally generated resource model restricted to the oxide and transition zones only. This model has formed the basis of some mining studies for Scoping purposes. Optimisation studies show four pits can be mined economically, at a very low strip ratio. Pit designs based on conservative pit slope parameters have been completed using the optimised pit results. This has produced a preliminary mine schedule, showing the likely sequence of mining and ores encountered over the mine life defined to date. Results are encouraging and will be further refined as more information becomes available.

The Company engaged Knight Piesold Consultants in Perth to complete a Scoping level design and costing study of the leach pad and associated ponds. The pad has been designed for the first 10 million tonnes of ore feed from the deposits. This work has indicated, subject to sterilisation drilling, an area immediately to the south of the Batu Hitam pit will be suitable for pad construction. This means ore treatment can take place within short haul and conveying distances from the pits. Geotechnical parameters have been examined and no issues identified. The foundation materials have been found suitable to support a pad stacking height of at least thirty metres.

The plant design and layout at this stage assumes a resin recovery circuit, utilising a similar design to the only other heap leach gold mine in Indonesia at the Lanut mine in North Sulawesi. Results to date on the selective recovery of both gold and silver over other cyanide soluble metals are encouraging. The plant is being designed and costed by MSP Engineering, who also has experience in SART plant design.

Infrastructure layouts are under development, together with preliminary cost estimates for port modifications, road networks, camp and mine office construction, storage facilities, a general purpose workshop and mine magazine. Areas have also been identified for the ROM (run-of-mine) pad, crusher location and agglomeration plant. A physical scale model of all infrastructure facilities the four pits, proposed waste dumps, leach pad and processing plant is under construction in Jakarta. The model will be utilised to educate the Romang community on the mining plans for the island.

Baseline environmental studies of the island are well advanced. Suitable water sources for the operation have been identified and surface hydrology work completed by ENV Consultants from Jakarta. Marine survey studies have commenced, utilising the services of the University of Pattimurra, in Ambon, which is the capital of Maluku Province. The same University has agreed to undertake the flora and fauna studies during 2013. Engagement of local authorities is considered important to acceptance of the Company's activities in the region.

Following the discovery of high-grade, near-surface manganese at Lakuwahi, the Company has undertaken some scoping work on its possible extraction. The work shows that a high-grade product can be extracted and that simple upgrade processes such as sintering are possible. Additional work on upgrading by screening is planned during 2013.

The manganese ore mostly occurs within or adjacent to the planned pits, so its incorporation into the Oxide Project plan should be straightforward. Revenues from a manganese product are expected to enhance the overall project economics.

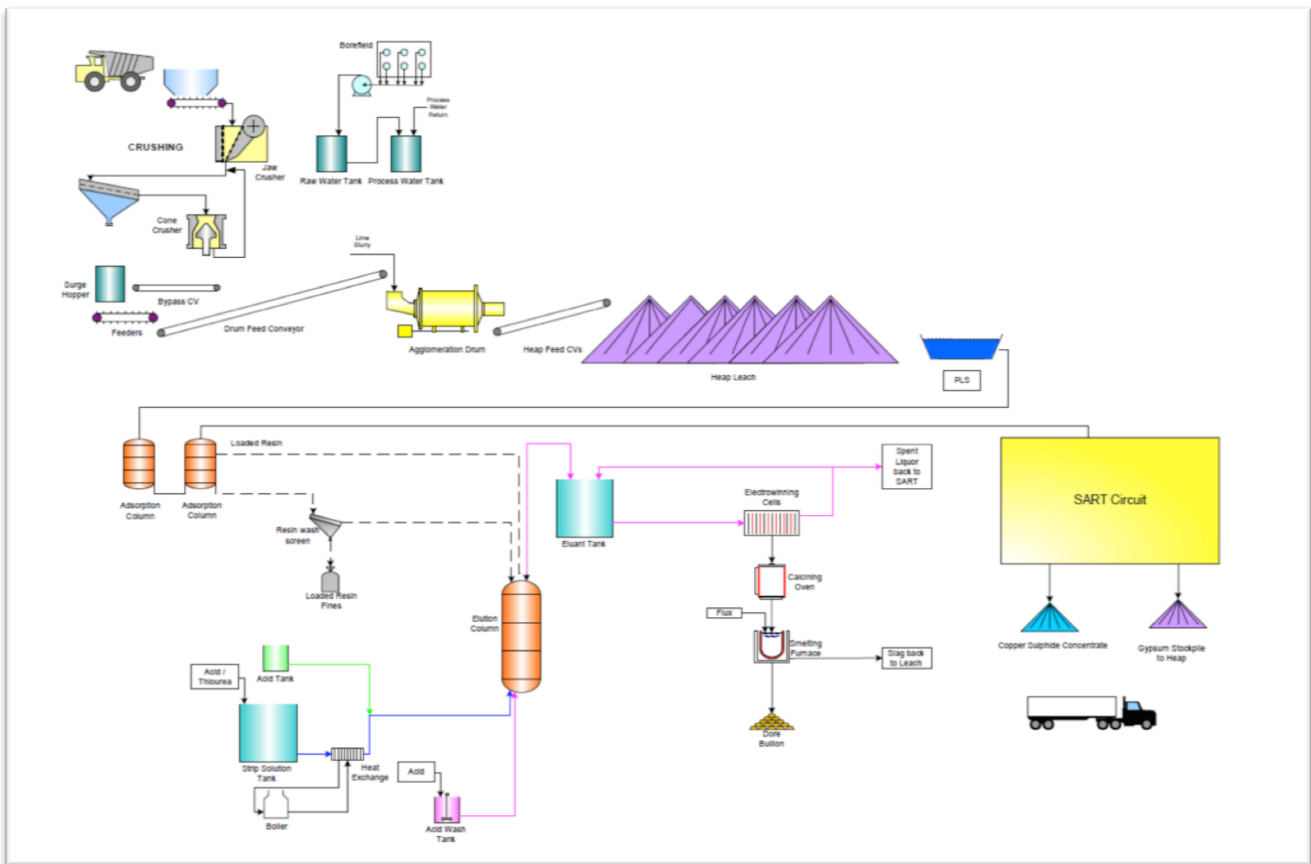


Figure 2: Plant Schematic

### Lakuwahi Sulphide Project

Flotation testing of sulphide ore continued during the final quarter of 2012. The most recent testwork has demonstrated that with suitable reagent dosages, three concentrates of zinc, lead and copper can be produced with potential saleability. The final results of these tests are pending. However, the recent breakthrough with copper is significant in that best value for the precious metals is obtained via a copper concentrate. Maximizing the recovery of all metals greatly enhances the viability of the Lakuwahi sulphides.

Drilling of the sulphides has been slowed to focus on oxide resources. However, the metallurgical characteristics identified to date encourage further drill testing, especially in known higher grade areas of base metals below the oxide cap.

## COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on data compiled by John Levings BSc, who is a Fellow of The Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field of activity being reported on. Mr Levings is a director of the Company. Mr Levings 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Levings consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

### Notes:

1. Gold (Au) Equivalent = gold assay + (silver assay / 47) where the number 47 represents the ratio where 47 g/t Ag = 1g/t Au.
2. The Lakuwahi JORC Resource was independently estimated by Micromine Consulting Services. Details are available on the Robust website ([www.robustresources.com.au](http://www.robustresources.com.au)).



## CORPORATE

### Cash and Funding Position

At 31 December 2012, Robust had \$25.8 million in cash and cash equivalents (share subscription receivable and convertible note). The Company considers that it is fully funded to complete the current exploration projects on all tenements.

## CORPORATE DIRECTORY

### Board of Directors

David King	Chairman
Gary Lewis	Managing Director
John Levings	Technical Director
Gordon Lewis	Executive Director
Andrew Wilson	Non-Executive Director

### Issued Share Capital

Robust Resources has 87.994 million ordinary shares currently on issue.

### Registered Office

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### Company Secretary

Ian Mitchell

### Quarterly Share Price Activity

	High	Low	Last
Mar 2007	\$0.26	\$0.16	\$0.25
Jun 2007	\$0.35	\$0.185	\$0.21
Sep 2007	\$0.20	\$0.115	\$0.19
Dec 2007	\$0.21	\$0.135	\$0.175
Mar 2008	\$0.215	\$0.15	\$0.20
Jun 2008	\$0.25	\$0.16	\$0.24
Sep 2008	\$0.24	\$0.15	\$0.18
Dec 2008	\$0.20	\$0.10	\$0.10
Mar 2009	\$0.34	\$0.125	\$0.285
Jun 2009	\$0.805	\$0.275	\$0.675
Sep 2009	\$0.82	\$0.525	\$0.675
Dec 2009	\$2.46	\$0.605	\$2.10
Mar 2010	\$2.62	\$1.43	\$2.12
Jun 2010	\$2.29	\$1.355	\$1.39
Sep 2010	\$1.93	\$1.305	\$1.93
Dec 2010	\$2.19	\$1.38	\$1.73
Mar 2011	\$2.20	\$1.50	\$1.88
Jun 2011	\$2.15	\$1.18	\$1.515
Sep 2011	\$1.62	\$1.30	\$1.54
Dec 2011	\$1.595	\$1.12	\$1.34
Mar 2012	\$1.44	\$1.12	\$1.25
Jun 2012	\$1.27	\$0.80	\$0.86
Sep 2012	\$0.81	\$0.575	\$0.69
Dec 2012	\$0.70	\$0.28	\$0.35

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