AUGUR
Resources Ltd

ANNUAL REPORT 2008

ACN 106 879 690

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CHAIRMAN'S LETTER

Fellow Shareholders,

Firstly I would like to thank all Augur Resources Ltd ("Augur Resources" or "the Company") shareholders for their support during the year. Augur has undergone significant changes as a company over the year. The company successfully listed on the ASX in a time of challenging market conditions. In addition, Grant Kensington was appointed Managing Director and has overseen a highly successful exploration program during the year.

Augur Resources has a strategic objective of advancing and developing economically viable mineral deposits for the benefit of the company and all shareholders. Our focus remains on copper, gold, molybdenum and nickel as we believe these commodities will continue to experience strong demand over the coming years.

The results of our exploration efforts over the relatively short period since listing have been extremely encouraging with significant copper and gold mineralisation intersected at the Yeoval Mine deposit and widespread nickel and cobalt mineralisation identified at the Homeville prospect. A JORC compliant resource has been determined at Homeville since 30 June 2008 and a JORC resource estimate for the Yeoval Mine prospect is likely in early 2009. The Board is pleased with the achievements of the exploration team over the last 12 months and our expectations are for further promising results to be reported during 2008-09.

The Board of Augur Resources continues to be focused on adding value to the company. We see Augur Resources as having some of the most prospective tenements in eastern Australia and we will continue to strive for focussed exploration and development which leads to the establishment of economic mining operations. The company is now positioned for a phase of growth as we expand our resource assets and move to realise the true value of these tenements. While the excellent exploration results of 2007/08 are a good start we need to consolidate these results to enable us to move forward to a commercialisation program.

Again, I would like to thank all shareholders for their support of Augur Resources over the last year, and I congratulate staff and consultants on their achievements to date.

Peter J Bradfield

Chairman

Dated 24 September 2008.

MANAGINGDIRECTORS'REPORT

Dear Shareholder

Thank you for your support over the last financial year. Augur Resources is focussed on growing value for all shareholders and you can be assured that we will continue to focus on this in the years to come. Our strength lies with both the quality of our tenements and the people who are being utilised to define minable resources. I thank all people that have been involved in Augur over the last twelve months including our personnel, contractors and suppliers. We look forward to their continued support in the future.

Our Strategy

Augur Resources has a clear strategy of focussing on advancing projects, which have a high probability of being developed to JORC compliant resources and subsequently to operating mines. Our key commodities are copper, gold, molybdenum and nickel and our region of focus is the Lachlan Fold Belt of New South Wales. The Lachlan Fold Belt is endowed with several world class copper-gold deposits including Cadia, Ridgeway and Northparkes. To discover and develop mineral resources, Augur Resources utilises a highly experienced team and cutting edge technologies to guide us in our endeavours.

Growth

Augur Resources continues to focus on defining quality copper, gold, molybdenum and nickel JORC compliant resources within its project portfolio. A maiden JORC compliant resource has been defined during 2008/09 for the Homeville nickel-cobalt deposit at Collerina and a maiden JORC compliant resource is expected during early 2009 for the Yeoval Mine copper-gold-molybdenum deposit.

At Yeoval a number of advanced prospects will be followed up during 2008-2009 with the aim of bringing the favourable prospects up to a JORC resource during 2008-2009. The prospects for priority testing will be Yeoval Mine, Goodrich and Cyclops. Subsequent to the reporting date, Augur received results from hole YA017 which was located 280m south east of any previous drilling at Yeoval Mine. The results included 290m of 0.12 g/t gold and 0.11% copper from 3m. This hole was drilled in an area of shallow cover material which has masked mineralisation at surface. These results highlight the potential for a much larger mineralised zone to exist at the Yeoval Mine prospect than had previously been thought.

At Goodrich previous explorers have intersected disseminated copper-gold mineralisation. However the prospectivity of the Goodrich area is much broader than this, with mineralisation existing within a NE-SW trending zone which extends both north and south of Goodrich. The Goodrich area is highly perspective for large tonnage porphyry copper-gold deposits particularly as much of the area is under shallow cover material which has not been tested effectively using modern exploration techniques.

At Collerina a JORC compliant resource has been identified subsequent to the reporting date. This resource at Homeville is estimated at 12.2Mt of 0.91% nickel and 0.06% cobalt within a shallow laterite deposit. Augur will continue to review the potential for developing this deposit.

Augur Resources will continue to maintain a pipeline of projects from grassroots to development through organic growth and we will continue to assess opportunities which may add value for shareholders.

Again, thank you for your support. We have plenty to do to maximise the value of your company and I can assure you that we will continue to work towards achieving the goals of maximising value as we build a sustainable mineral mining company.

Grant Kensington

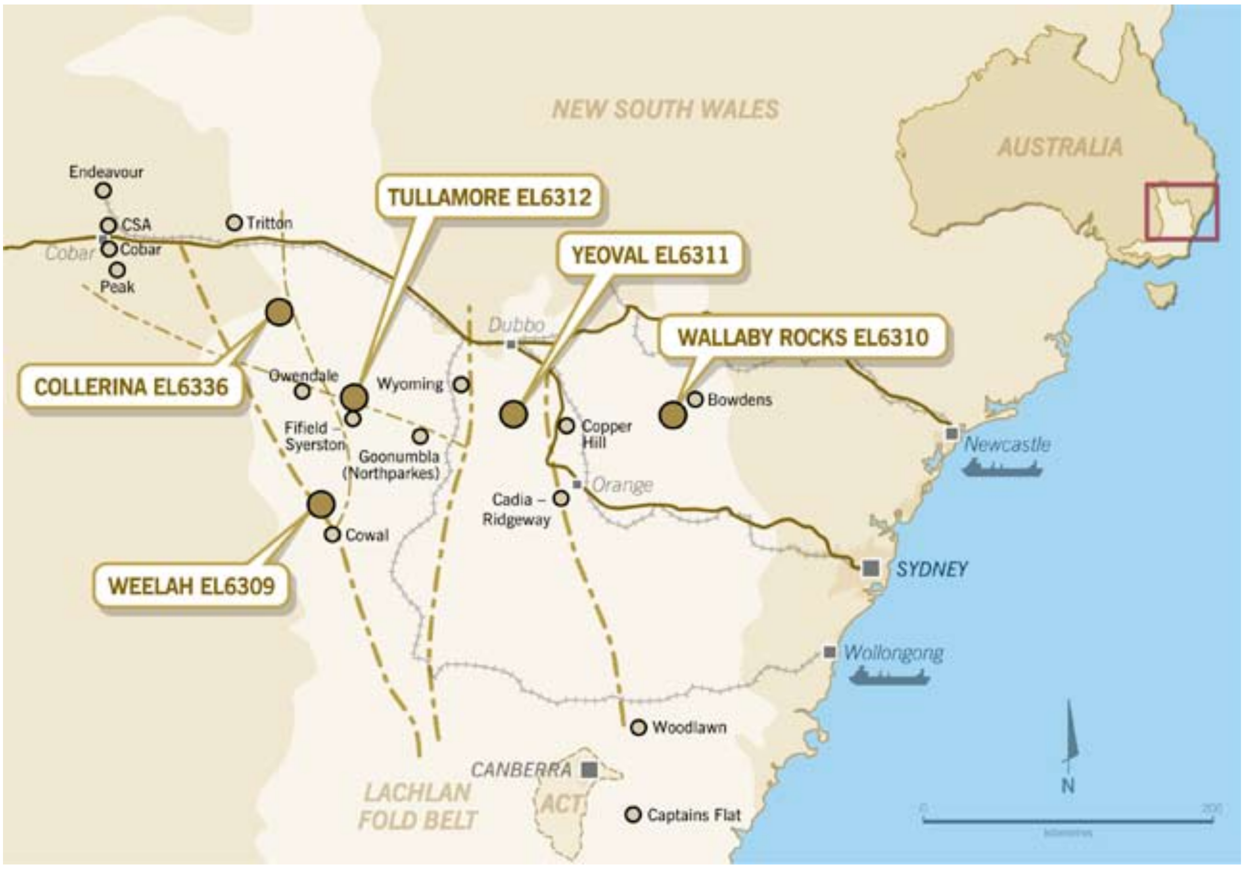
Managing Director
Dated 24 September 2008

OPERATIONS OVERVIEW

Augur Resources has an expert team, experienced both locally and internationally, utilising new technologies and advance exploration techniques to define minable resources on quality tenements. Augur is able to direct exploration efforts to maximise discover success.

Quality tenements have been secured and Augur is advancing mineralisation at Yeoval and Collerina to JORC defined resources.

Three less advanced tenements are held by Augur Resources. Weelah, Tullamore and Wallaby Rocks are all located within favourable geological settings. We will continue to explore these tenements with the aim of defining an economic JORC compliant resource in the short to medium term.



Augur Resources Ltd - Tenements

Yeoval - EL 6311

100% Augur Resources

Targets: Copper-gold-molybdenum porphyry and gold epithermal deposits

The Yeoval tenement covers an area of 147km^2 and has potential for a Cadia-Ridgeway or Northparkes style of porphyry copper-gold-molybdenum mineralisation, epithermal gold-silver mineralisation and magnetite rich copper-gold mineralisation. The primary areas of focus are the Yeoval Mine, Goodrich, Cyclops and nine further targets which are being systematically explored.

The Yeoval project area hosts numerous near surface copper and gold occurrences, within altered Naringla Granodiorite of the Yeoval complex. Prior exploration has targeted shallow mineralisation.

During the year Augur drilled a total of 4212m at Yeoval. Drilling was primarily centred on the Yeoval Mine prospect where previous explorers had reported extensive near surface copper mineralisation from drilling in the 1970's. Drilling during 2007/08 was aimed at testing high grade, vertical copper and gold zones and for extensions of the known mineralisation.

The drilling has been an outstanding success with results confirming the existence of high grade copper-gold zones at Yeoval, and in particular has shown that the eastern high-grade zone is open both to the south and to the east. Twinning of a 1970's drill hole indicates that the current geochemical results are higher than those previously reported for molybdenum and gold. This may be due to improvements in the laboratory techniques. Augur will test core from the 1970's to determine if this is the case.

Drilling at Yeoval

Augur considers that high grade zones may be of significant size in themselves to be a viable economic target. In addition, the option for a large tonnage, moderate grade deposit will continue to be investigated at Yeoval, including the option of supplying to a central processing point from a number of deposits within the Yeoval district.

Best results achieved during the 2007/08 drill program at Yeoval Mine prospect included:

HOLE	FROM	TO	WIDTH (m)	Copper %	Gold g/t	Molybdenum %	Silver g/t
YA002	0	132	132	0.25	-	-	-
Including	100	132	32	0.42	0.04	0.01	2.9
YA003	1	101	100	0.21	-	0.01	-
YA008	128	178	50	0.54	0.48	0.03	4.3
Including	149	163	14	1.32	1.27	0.07	13.6
YA009	123	151	28	0.83	0.21	0.02	3.5
Including	143	151	8	1.09	0.28	0.04	9.0
YA010	59	78	19	1.12	-	0.02	6.5
YA011	83	173	90	0.90	0.13	0.01	3.7
Including	100	112	12	1.12	0.03	0.02	3.25
Including	151	169	18	2.01	0.40	0.04	10.0
YA011	222	232	10	0.87	0.22	0.01	4.15

Table 1. Summary of significant results from drilling during 2007/08 at Yeoval Mine prospect.

The drilling results obtained during from holes YA011, YA010 and YA008 are the best mineralisation intersections obtained by any explorer in the Yeoval area. This highlights the success of Augur's strategy of using expert explorers with discover successes to guide exploration.

Drill holes at Yeoval

A reinterpretation of induced polarisation (IP) data collected in the 1970's and sub-audio magnetic data (SAM) collected during 2007 has highlighted the possibility of further mineralisation approximately 300m south-east of any previous drilling. Augur drilled two holes (YA017 and YA019) to test this interpretation. These holes intersected a broad zone of disseminated copper + gold mineralisation and hole YA017 intersected visible gold at 3m. This area is under shallow river sediment cover and will be a focus of further exploration during 2008/09. Hole YA017 included 290m at 0.12 g/t gold and 0.11% copper. Results from YA019 have yet to be received.

Furthermore, the review of geophysical data has identified an area of interest approximately 900m south-west of the old Yeoval mine workings. Limited exploration exists in this area. Again, this area is under shallow cover material which may be masking economic mineralisation.

These results highlight that the Yeoval district can be regarded as "under-explored" and Augur will continue to advance prospects within the Yeoval district to JORC compliant resources with the ultimate aim of developing operating mines.

At Thunderbolt prospect, holes YA006 and YA007 were drilled to test soil gold and copper geochemical anomalies. A number of gold anomalous zones were intersected including one higher grade zone of 10.3g/t gold over 1m from 13m in hole YA006. Gold at Thunderbolt appears to be associated with north-east trending shear zones. While results from holes YA006 and YA007 were encouraging, it should be noted that they did not intersect the main shear zone.

Goodrich – ML811

100% Augur Resources

During 2007/08 Augur Resources secured the Goodrich mining lease (ML 811). This effectively gives Augur 100% control of the highly prospective mineralised early Devonian Naringla granodiorite zone.

Goodrich Pit

A review of previous drilling and exploration at the Goodrich mine site highlights the possibility of deeper disseminated porphyry mineralisation. The mineralisation at the Goodrich mine dumps and some core from drilling by previous explorers indicates that multiple phases of copper mineralisation occurred at Goodrich. Evenly distributed disseminated chalcopyrite identified in core is highly encouraging and supports giving priority to this prospect.

Augur will drill test for deep copper-gold mineralisation below the Goodrich mine. Geophysical and geochemical surveys will also be conducted with the aim of identifying additional drill targets.

Collerina

100% Augur Resources

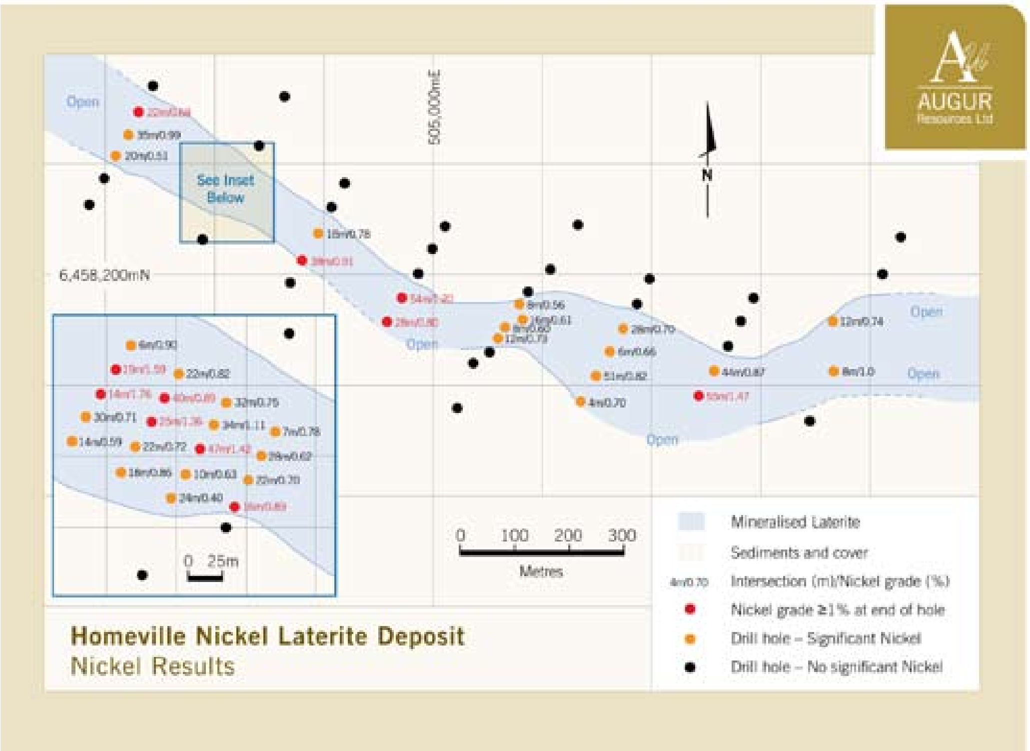
Targets: Nickel-cobalt laterite deposits, Copper-gold sulphide deposits and vein related Gold deposits

Collerina

The Collerina tenement is located 40km south of Nyngan in central NSW, covering an area of 300km^2 within the Fifield Platinum Province. Deposits close to the tenement include Syerston (80 Mt 0.7% nickel, 0.13% cobalt), Tritton mine (copper-gold), Budgery mine (copper-gold) and Tottenham mine (copper).

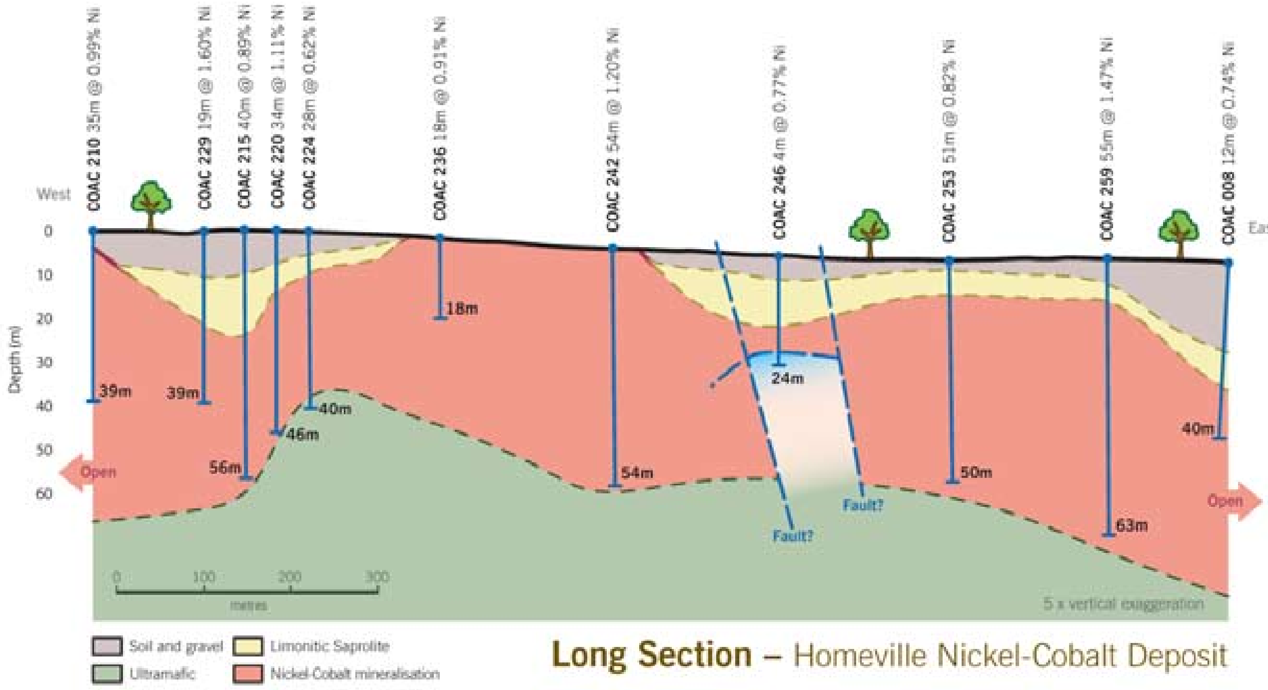
The Collerina project contains several advanced prospects including Homeville (nickel-cobalt), Yathella (nickel-cobalt), Swanson's Trouble (gold), Widgelands (copper) and Collerina Mine (copper).

During 2007/08 Augur Resources advanced the Homeville prospect to a stage of commencing the formulation of a JORC compliant estimate after numerous holes returned significant nickel and cobalt intersections.



Homeville drill hole location

A total of 71 holes totalling 2381m were drilled at the Homeville prospect during the year. Drilling was targeted on a 4600m linear magnetic high with an associated ultramafic intrusive. The results indicate that the mineralisation at Homeville is very shallow and open both to the east and west. There appears to be a direct relationship between the magnetic high and the mineralisation. Augur will complete an independent JORC compliant resource assessment of the mineralisation at Homeville and undertake further drilling to test for additional mineralisation within the prospect.



Long section - Homeville Deposit

Drill chip samples Homeville - Collerina

At Yathella, moderate to weak nickel and cobalt mineralisation was intersected. During 2008/09, Augur will undertake geophysical surveys at Swanson's Trouble, Widgelands and Collerina Mine to define drill targets.

Weelah

100% Augur Resources

Targets: Copper-gold and Gold porphyry and epithermal deposits

The Weelah tenement (150km²) covers an area of Cowal Volcanics and a splay of the locally mineralised "Gilmore Suture". The Cowal Gold Mine (4,000,000 ounces) owned by Barrick Gold Corporation (the world's largest gold mining Company), shares its perimeter with Augur's Weelah tenement.

Drilling during the year has intersected intrusive porphyritic rocks which are potential hosts of copper-gold porphyry mineralisation similar to that at Cadia and Northparkes. Ordovician age intermediate volcanics and limy volcanic sediments similar to those at the adjacent world class Cowal Gold Mine were also identified in drill chips from the southeast of the prospect.

An induced polarisation survey in the area where porphyritic rocks were identified in drilling and over a magnetic high that lies along a splay from the Gilmore Suture will be undertaken during 2008/09.

Wallaby Rocks

100% Augur Resources

Targets: Epithermal gold and structurally related gold deposits and base-metal deposits

On Augur's Wallaby Rocks tenement (102km²) SE of Mudgee, rocks of similar age and type to the gold producing regions at Sofala and Cadia out crop. Of particular interest on this E.L are the acid volcanics which contain a number of previously worked gold mines, including Mt Margaret Mine (where an ore dump sample gave 37.2 g/t gold), Prince Mine (where a dump sample gave 39.7 g/t gold) and Crown Mine (where previous production gave 4.6 g/t gold).

During the year, Augur discovered areas of epithermal alteration with anomalous gold mineralisation at Open Range prospect in the south–east of the tenement. Further work in this area is warranted to fully determine the extent of alteration in the area. Alteration at Mt Margaret is widespread and has the potential to host a large tonnage gold deposit.

Augur will undertake further detailed geochemical sampling in the vicinity of Mt Margaret and Open Range prospects. A series of 3 RC holes are planned for drilling at Mt Margaret targeting large tonnage gold targets.

Large areas of anomalous zinc – lead – silver values have been delineated by stream sediment soil and rock samples collected by the company's geologists. This E.L, adjacent to Bowdens' silver-zinc-lead deposit to the NE, has the potential for host a base metal deposit similar to that of Bowden's.

Tullamore

100% Augur Resources

Targets: Copper-gold and Gold porphyry and epithermal gold-tin-platinum-palladium deposits

The Tullamore tenement is located 20km north of the largest historical platinum producing region in Australia (Fifield) and it embraces two areas of gold mineralisation within volcanics/metasediments. These are the Tullamore Goldfield and the Burra Gold-tin platinum field both associated with buried, near-surface intrusions.

Drill results from an aircore drilling program at Gun Club Prospect were received during the year. The drilling was focused on a 1200m long gossanous/magnetic zone. The source of the anomalous copper, silver and zinc was not detected. Further data compilation is continuing.

Rock chip results from Chert Ridge prospect highlighted a number of samples containing greater than 2 g/t gold. Chert Ridge had previously been explored by Shell Company of Australia (Shell) during the early 1980's. They identified several copper, silver and gold surface geochemical anomalous zones.

Shell conducted a shallow RAB drill program to the west of the geochemical anomalous zone targeting an aeromagnetic target. Petrology from two of the holes near the geochemical anomalous zones intersected porphyry intrusive rocks. Shell did not appear to have followed up on the possibility of a mineralised porphyry at Chert Ridge.

Drill holes have been planned to test for copper and gold mineralisation at Chert Ridge.

Geochemical sampling will be undertaken at Lightning Ridge prospect to further define potential gold targets. Lightning Ridge has a large number of historical workings and has had limited modern exploration.

Current Tenements – Augur Resources

Name	Number	Expiry day	Mineral
Weelah	EL 6309	28 September 2008	Cooper Gold
Wallaby Rock	EL 6310	28 September 2008	Gold
Yeoval	EL 6311	28 September 2008	Copper Gold
Tullamore	EL 6312	26 September 2008	Copper Gold
Collerina	EL 6336	31 October 2008	Nickel Cobalt
Goodrich	ML 811	4 March 2021	Copper Gold

The role and responsibilities of the Board of Directors is for the overall Corporate Governance of the Company protecting the rights and interests of the shareholders by adopting systems of control and accountability as the basis for the administration.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole.

The following discussion outlines the ASX Corporate Governance Council's ten principles and associated recommendations and the extent to which the company complies with theses recommendations.

Details of all of the Council's recommendations can be found on the ASX website at http://www.asx.com.au

Principle 1 – Lay solid foundations for management and oversight

BOARD OF DIRECTORS – ROLE AND RESPONSABILITIES

Recommendation 1.1: The Company has adopted the recommendation to disclose the functions reserved to the Board and those delegated to management for existing Directors and also in the content of every new Director's letter of appointment.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company
- the prudential control of the Company's finances and operations and monitoring the financial performance of the Company
- the resourcing, review and monitoring of Executive management
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained
- the identification of significant business risks and ensuring that such risks are adequately managed
- the timeliness, accuracy and effectiveness of communications and reporting to Shareholders and the market
- the establishment and maintenance of appropriate ethical standards.

Principle 2 – Structure the board to add value

BOARD OF DIRECTORS - COMPOSITION, STRUCTURE AND PROCESS

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the company's current size and the scale and nature of its activities.

CHAIRMAN AND MANAGING DIRECTOR

The company has adopted the following recommendations:

- Recommendation 2.2: The chairperson should be an independent Director.
- Recommendation 2.3: The role of the chairperson and the Chief Executive Officer should not be exercised by the same individual.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. Mr Bradfield has been appointed the Non-Executive Chairman of the Company and is considered to be an independent Director.

The Managing Director is responsible and accountable to the Board for the Company's management. Mr Grant Kensington has been appointed Managing Director of the Company and is the most appropriate person to perform the role of Chief Executive officer.

INDEPENDENCE

An independent Director, in the view of the Company, is a Non-Executive Director who:

1. is not a substantial Shareholder of the Company or an officer of, or otherwise associated directly with, a substantial Shareholder of the Company;
2. within the last three years has not been employed in an xecutive capacity by the Company, or been a Director after ceasing to hold any such employment;
3. within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
4. is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
5. has no material contractual relationship with the Company other than as a Director of the Company;
6. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Non Executive Director is Mr. Peter Bradfield and is regarded as Independent Director due to his current role within Augur Resources Ltd.

If the Company's activities increase in size, nature and scope the composition of the Board will be reviewed periodically and the optimum number and skill of Directors required for the Board to properly perform its responsibilities and functions.

NON EXECUTIVE DIRECTORS

One of the five Directors is a Non Executive Director.

BOARD NOMINATIONS

Recommendation 2.4: The Board should establish a nomination committee.

Recommendation 2.5: Provide the information indicated in the Guide to reporting principle 2

The Board has established a Remuneration and Nomination Committee. The Committee considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

SKILLS KNOWLEDGE AND EXPERIENCE

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and, Director-level business or corporate experience required by the company.

MEETINGS OF THE BOARD OF DIRECTORS

The Chairman and Company Secretary generally schedule monthly formal Board meetings. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled monthly meetings. Circulatory resolutions are also utilised where appropriate either in place or in addition to formal Board meetings. Board meetings are held predominantly by telephone conferencing as not all Directors are resident in the one city. However, the Board convenes face to face meetings from time to time as is appropriate based on the particular items of business for consideration.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an Executive or Non-Executive capacity.

Principle 3 – Promote ethical and responsible decision making

Recommendation 3.1: Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent), the chief financial officer (or equivalent) and any other key Executives as to:

- The practices necessary to maintain confidence in the company's integrity
- The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.3: Provide the information indicated in the Guide to reporting principle 3.

The company's Share Trading Policy and Code of Conduct are out lined below;

CODE OF CONDUCT AND ETHICAL STANDARDS

The Company has adopted a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, Executives, and Employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's Executive management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

SHARE DEALINGS AND DISCLOSURES

Recommendation 3.2: Disclosed the policy concerning trading in company securities by Directors, officers and employees.

The Company's Share Trading Policy regarding Directors, Executives and employees dealing in its securities, is set by the Board. The Board restricts Directors, Executives and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives and employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

CONFLICT OF INTEREST

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

1. disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company;
2. if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain Shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1: Require the Chief Executive Officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

The company has adopted this recommendation from its incorporation.

AUDIT AND RISK COMMITTEE

Recommendation 4.2: The board should establish an audit committee.

Recommendation 4.4: The audit committee should have a formal charter.

The company has established an Audit and Risk Committee which has a corresponding charter. The objective of the Committee is to make recommendation; to the Board regarding among various matters the adequacy of the external audit, risk management and compliance procedures. The Committee is asked to evaluate from time to time the effectiveness of the financial reports prepared for the Board meetings and to insure that an independent judgement is always exercised.

Principle 5 – Make timely and balanced disclosure

CONTINUOUS DISCLOSURE TO THE ASX

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

Recommendation 5.2: Provide the information indicated in Guide to reporting on Principle 5.

A summary of the Continuous Disclosure Policy is set out in this Statement.

The Board has adopted a Continuous Disclosure Policy and has designated the Company secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company will notify the ASX promptly of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Principle 6 – Respect the rights of Shareholders

COMMUNICATIONS

Recommendations 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

The company has adopted a formal Shareholders Communication Policy that has been in place for this reporting period.

Recommendation 6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The company has adopted this recommendation and requested the Auditor of the company to attend the annual general meeting.

COMMUNICATION TO THE MARKET AND SHAREHOLDERS

The Board recognises its duty to ensure that its Shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to Shareholders and the market through:

1. the Annual Report which is distributed to Shareholders (usually with the Notice of Annual General Meetings);
2. the Annual General Meeting and other general meetings called to obtain Shareholder approvals as appropriate;
3. the half-yearly Directors' and financial reports;
4. quarterly activities and cash flow reports; and
5. other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to Shareholders.

The Company will actively promote communication with Shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.augur.com.au or the ASX website: www.asx.com.au under ASX code 'AUK'. The Company will also maintain an email list for the distribution of the Company's announcements via email in a timely manner.

Principle 7 - Recognise and manage risk

INTERNAL CONTROL AND RISK MANAGEMENT

Recommendation 7.1: The board or appropriate board committee should establish policies on risk oversight and management.

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

The primary vehicle for the management of corporate risk will be the audit committee appointed by the Board. The committee shall review systems of external control and areas of significant operational, financial or property risk and ensure arrangements are in place to contain such risks to acceptable levels. In addition, the Company shall ensure that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and officers' professional indemnity insurance.

MANAGEMENT

Recommendation 7.2: The Chief Executive Officer or equivalent and the chief financial officer or equivalent should state to the board in writing that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is found on a sound system of risk management and internal compliance and control which implements the policies adopted by the board
- The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The company has adopted and complied with this recommendation as follows:

The Board has determined that the Managing Director and the Company Secretary are the appropriate persons to make the chief executive and CFO declarations respectively in respect of the year ended 30 June 2008, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council.

INDEPENDENT PROFESSIONAL ADVICE

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Principle 8 – Encourage enhanced performance

PERFORMANCE REVIEW AND EVALUATION

Recommendation 8.1: Disclose the process for performance evaluation of the board, its committees and individual Directors, and key Executives.

The company has adopted a culture to encourage and enhance performance as follows:

It is the policy of the Board to ensure that the Directors and Executives of the Company be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

Principle 9 - Remunerate fairly and responsibly

REMUNERATION POLICY

Recommendation 9.1: Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to Directors and key Executive and corporate performance.

The Directors remuneration shall be approved in advance by Shareholders. The salary and emoluments paid to officers shall be approved by the Board. Executive officers and the Managing Director shall enter into Service Agreements which shall not exceed three years in duration (but shall be renewable). Consultants shall be engaged as required pursuant to service agreements. The Company shall ensure that fees, salaries and emoluments shall be in line with general standards for publicly listed companies of the size and type of the Company and that they shall not be excessive. All salaries of Directors and statutory officers shall be disclosed in the Annual Report of the Company each year.

REMUNERATION COMMITTEE

Recommendation 9.2: The board should establish a remuneration committee.

Recommendation 9.3: Clearly distinguish the structure of Non Executive Directors' remuneration from that of Executives.

Recommendation 9.4: Ensure that payment of equity-based Executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

The company has established a Remuneration Committee and approved an appropriate charter. The role and responsibility of the committee is to review and make recommendations to the Board in respect of:

- Executive Remuneration Policy;
- Executive Director and Senior Management Remuneration;
- Executive Incentive Plan;
- Non Executive Directors Remuneration;
- Performance Measurement Policies and Procedures;
- Termination Policies and Procedures;
- Equity Based Plans; and
- All Public Disclosure.

The Board may also delegate additional functions to the Committee from time to time.

NOMINATION OF NEW DIRECTORSHIP

The primary vehicle for the effective management of Director nominations will be the Remuneration and Nomination Committee appointed by the Board.

The responsibilities assumed by the Nomination Committee will include:

1. devising criteria for Board membership, regularly reviewing the need for various skills and experience of the Board and indentifying specific individuals for nominations as Directors;
2. oversight of Board and Executive succession plans.

DIRECTORS' DEEDS

The Company has also entered into a Deed of Indemnity and Access with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Directors holds office and after the Director ceases to be an officer of the Company (or wholly-owned subsidiaries).

TERMS OF APPOINTMENT AS A DIRECTOR

The current Directors of the Company have been appointed for 24 months. The Constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

Principle 10 - Recognise the legitimate interests of stakeholders.

Recommendation 10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The company has fully adopted this recommendation and it has set up a Code of Conduct Policy in line with this recommendation a summary of this policy. The company has disclosed its of conduct policy in "Principal 3" above.

COMPANY SECRETARY

The Company secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company secretary is Mr Marcelo Mora.

The extent to which the Company has not followed the ASX Corporate Governance Council's ten principles of good corporate governance and best practice recommendations are as follows:

Recommendation 2.1: A majority of the board should be independent Directors.

The Board considers that one independent Director is appropriate. This is reviewed periodically by the Remuneration and Nomination committee.

Recommendation 4.3: Structure of the audit committee so that it consists of:

- only Non-Executive Directors;
- a majority of independent Directors;
- an independent chairperson, who is not chairperson a chairperson of the board;
- at least three members.

The company is an unable to comply fully with this recommendation because of the current number of members in the Board.

The Directors present their report on Augur Resources for the financial year ended 30 June 2008.

Directors

The names of the Directors in office at any time during or since the end of the financial year are:

Peter John Bradfield - Chairman

Grant Kensington - Managing Director (Appointed 18 February 2008)

Joshua Simon Rogers

Kimikazu Yoshioka

Tully Araluen Richards

Roger Alan Jackson (Resigned 19 February 2008)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The names of Company Secretaries in office at any time during or since the end of the financial year are:

Nicholas John Geddes (Resigned 19 October 2007)

Marcelo Mora (Appointed 19 October 2007)

Principal Activity

The principal activities of the company during the financial year have been the continuing evaluation and exploration of minerals on its existing exploration tenements including a significant drilling program at the Yeoval Tenement. No significant change in the nature of these activities occurred during the year.

Operating Results

The Loss of the company for the financial year after providing for income tax amounted to $811,531 (2007 Profit: after tax $366,232).

The company has a sound financial position which is reflected in the balance sheet as at 30 June 2008. The Board strongly believes that the exploration program for the year ending June 2009 could be completed from the existing cash position however additional capital will be raised to continue exploration beyond this period.

Dividends Paid or Recommended

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Review of Operations

The company holds five Exploration Licence areas within the Lachlan Fold Belt region in New South Wales, being the primary focus for most gold exploration in the State. The company continued to explore and evaluate those tenements during the year.

During this year the company completed the acquisition of mining licence ML811- Goodrich within the Yeoval exploration tenement where the company will further its exploration work.

Significant Changes in State of Affairs

Augur Resources was incorporated on 31 October 2003. Augur Resources listed on the ASX on 22 October 2007. The offer was oversubscribed by local and overseas investors raising $5,000,000 before cost of $915,970 to develop its NSW based tenements. The company issued 25 million shares at an issue price of $0.20 each upon listing on the ASX.

On the 8th of February 2008 Augur Resources completed the issue of 12,874,922 options and raised $128,750 before costs of $48,638 which reflects a full subscription to the offer. The options have an expiry date of 30 June 2010.

Augur Resources has used its cash to explore and develop its mineral tenements in the Lachlan Fold Belt region in New South Wales consistent with the company's objectives. Augur Resources has no secured debts or charges over its assets. However a secured interest bearing loan receivable to Ark Mines Ltd for $500,000 is a current asset as at 30 June 2008 which the company expects to collect on maturity being 17 December 2008.

Augur Resources disposed 100% of the issued share capital in Ark Mines Limited on 5 November 2007 that it held at the time of incorporation of Ark Mines Ltd.

After Balance Date Events

During August 2008 the company advised that a JORC resource estimate of 12.2 Mt at 0.91% nickel and 0.06% cobalt had been determined for the Homeville prospect, within the Collerina project. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future Developments

Augur Resources will continue to advance towards estimating a JORC compliant resource at Yeoval mine prospect. In addition the company will conduct further exploration at Homeville to determine the extent of additional resources if any, exists within the Homeville prospect.

Exploration at all tenements will continue with the aim of identifying potential mineral resources.

Environmental Regulations

Augur Resources is subject to State and Federal environmental legislation. The Company has complied with its environmental obligations. No environmental breaches have been notified by any Government agency to the date of the Directors' Report and it does not anticipate any obstacles in complying with the legislation.

Information on Directors

The information on Directors is as follows:

Peter John Bradfield

Chairman, age 66

Mr. Bradfield has had a distinguished career in the resources and research and development industries, spanning 40 years. For many years Peter was with CRA Limited, becoming a Director of several of the Group's companies. In 1986 Peter became chief executive of Energy Resources of Australia Ltd before being appointed Managing Director of the large and diversified Elders Mining Group of companies, which included Chairmanships of Mt Morgan Ltd and Kaiser Engineers Australia. Peter's Directorships have included the Australian Mining Industry Council (he was Chairman of its Environment Committee between 1986 and 1991), Energy Australia, as well as resources and research and development organisations. He was a foundation Director of the Australian Minerals Energy and Environment Foundation. Peter is currently a Director of several private and public companies, including Counsellors for Management Inc (Washington DC). Peter is a Fellow of the Australian Institute of Company Directors.

Other current Directorships - Every Day Mine Services Limited, Charter Pacific Corporation Limited.

Former Directorships in the last three years - Zamia Gold Mines Ltd from August 2006 to August 2007, Chemgenex Pharmaceuticals Ltd from July 2005 to February 2007.

Special Responsibilities - Chairman of the Board; Member-Audit and Risk Committee; Chairman-Remuneration and Nomination Committee.

Interests in shares and options - 400,000 options directly held; 60,000 shares indirectly held; 15,000 options indirectly held

Grant Leo Kensington

Managing Director, age 42

Grant completed a Master of Science with Honours, majoring in Earth Sciences in 1990 and an MBA in 2002. He commenced his professional career with Solo Geophysics in 1991 conducting surveys in Eastern and Northern Australia on tenements and mines held by BHP, CRA, Mount Isa Mines, Billiton and Homestake. In 1993, Grant commenced with Mount Isa Mines, working in and around the Isa mine operation's, undertaking exploration for extensions of the Isa ore bodies. Between 1994 and 2000, he worked for North Limited and was involved in exploration in Australia, Sweden, Argentina, Chile, Peru and North America. Grant has experience in exploration for porphyry, epithermal, IOCG, Carlin gold and Broken Hill Type targets.

In more recent times Grant has consulted to the mining industry and worked at an executive level in the forestry industry in the areas of strategy, finance and business improvement. Grant is a graduate member of the Australian Institute of Company Directors.

Other current Directorships - None.

Former Directorships in the last three years - None

Special Responsibilities - Managing Director.

Interests in shares and options - 72,000 shares directly held; 500,000 options directly held.

Joshua Simon Rogers
Non Executive Director, age 39

Joshua has more than 15 years of experience in company development with a particular focus on resources and finance in both private and publicly listed companies. At senior executive or Managing Director level he has been involved in the resources, finance and telecommunications sectors in the development of medium to large scale companies.

In the late 1990's he was general manager of corporate advisory group, First Sydney Capital specialising in structured finance, corporate restructuring and public market raisings. Until 2003 he specialised in providing corporate restructuring advice to a variety of clients in which he often acted as Managing Director until project completion and which included publicly listed companies.

He is currently Managing Director of Mitchell Morgan, which he founded in 2003, a boutique corporate advisory firm and fund manager with offices in Sydney and Tokyo providing specialised services in the resources, finance and property development sectors. In addition he is also a Director of a number of both public and private resources and finance companies. He is a Director of Every Day Mine Services Limited which is a listed company in Australia.

Other current Directorships - Every Day Mine Services Ltd.

Former Directorships in the last three years - None

Special Responsibilities – Chairman-Audit and Risk Committee; Member-Remuneration and Nomination Committee.

Interests in shares and options -10,000 shares directly held; 502,500 options directly held; 1,222,030 shares indirectly held; 305,506 options indirectly held.

Tully Araluen Richards
Executive Director, age 36

Tully is a geologist with 14 years experience in the exploration and mining industry. He graduated with first class honours from the University of Sydney in 1993 and since has gained extensive geological experience in the mining industry, working for WMC Ltd, LionOre Mining Ltd and Newcrest Mining Ltd (Newcrest). For the majority of his career he has had a broad exposure working throughout the Lachlan Fold Belt in NSW.

With Newcrest, a major gold copper mining company, Tully gained extensive knowledge in a wide range of porphyry mineralisation styles. Tully worked extensively as a geologist at Newcrest's Cadia operations and in addition was responsible for the development of the geological model underpinning the Ridgeway resource. Tully has also worked as a consulting geologist specialising in a broad range of minerals throughout the Lachlan Fold Belt. He is currently the Managing Director of Lucknow Gold Ltd. As an executive Director of Augur, Tully will assist in the management and development of the Company's strategies regarding Yeoval. Tully is a Member of the Australasian Institute of Mining and Metallurgy.

Other current Directorships – None

Former Directorships in the last three years - None

Special Responsibilities – Member Remuneration and Nomination Committee.

Interests in shares and options - 80,000 shares directly held; 250,000 options directly held; 20,000 shares indirectly held; 5,000 options indirectly held.

Kimikazu Yoshioka

Executive Director, age 49

From December 1985 he was a manager of Obiyamachi Main Store, Ichiya Co. Ltd. He worked in the retail business as manager of the main menswear store, the principal operation of the company and was concurrently in charge of stores in the Kochi district. He transferred to General Affairs Department, Ichiya Co. Ltd in May 1990.

He was responsible for the launch of the General Affairs Department and was involved in the company's public offering. He was appointed as Managing Director in General Affairs Department, Ichiya Co. Ltd in June 2001. Currently, he was appointed as President and Representative Director, Ichiya Co. Ltd and Non Executive Director in Augur Resources Ltd.

Other current Directorships – Ichiya Co., Ltd in Japan

Former Directorships in the last three years - None

Special Responsibilities – Member Audit and Risk Committee.

Interests in shares and options - 250,000 options directly held; 21,319,034 shares indirectly held; 4,484,963 options indirectly held.

Meetings of Directors and Committee's

DIRECTORS	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	Nº eligible to attend	Nº attended				
Peter John Bradfield	25	25	4	4	2	2
Grant Kensington (Appointed 18 February 2008)	6	6	-	-	-	-
Joshua Simon Rogers	25	24	4	4	2	2
Tully Araluen Richards	25	13	-	-	2	2
Kimikazu Yoshioka	25	24	4	4	-	-
Roger Alan Jackson (Resigned 19 February 2008)	20	9	-	-	-	-

Company Secretary

The Company Secretary as at 30 June 2008 and since listing is Marcelo Mora.

Marcelo holds a Bachelor of Business degree and has been the company's chief accountant since July 2006. Mr Mora has been an accountant for more than 15 years and has experience in resources and mining companies both in Australia and internationally.

Audit Committee

The charter of the audit committee incorporates a number of policies and practices to ensure that the committee is independent and effective. The committee is made up Mr. Joshua Rogers, Chairman of the committee, Mr. Peter Bradfield and Mr. Kimikazu Yoshioka as committee members. The committee met four times during the financial year to review and advise the board on objectives and internal procedures.

Remuneration Report (AUDITED)

The company's policy for determining the nature and the amount of remuneration for company Directors, company officers and Executives is as follows:

The remuneration structure is set by the Board of Directors and is based on a number of factors to ensure reward for performance is appropriate when applicable and in line with market remuneration for comparable listed public companies. The Board ensures that the remuneration of its Directors and Executives satisfies the criteria of good corporate governance practices by setting up of a Remuneration Committee which has adopted a remuneration charter.

Remuneration and Nomination Committee

The board appointed the following members to the Remuneration and Nomination Committee under the committee charter as follows; Mr Peter Bradfield Chairman of the Committee, Mr Joshua Rogers and Mr Tully Richards as committee members. The committee met twice during the financial year and advise the board on remuneration levels and board members' levels.

The main functions of the committee are i) to review and make recommendations to the board regarding Augur's policy for determining Executive remunerations, ii) implement policies with the objective of retaining and attracting quality personnel in a competitive market and iii) oversee the implementation of Executive remuneration policy within Augur. The ultimate responsibility stays with the board ensuring that the company has in place the following:

- Performance linked to remuneration;
- Transparency;
- Competitiveness and Reasonableness;
- Appropriate Remuneration Policies.

The Board policy for all Directors (Executive and Non Executive) is to review annually based on market prices. If required the board can seek independent external advice when required.

Short Term Incentive STI

The company provides fees on a fixed bases and short term incentives (STI), the weight of each component differs for each Executive entitled to STI's.

The STI was only applicable to the Managing Director Mr Grant Kensington and the conditions are as follows;

Pursuant to the terms of his Service Agreement, Mr Kensington may be entitled to a short term incentive of 500,000 options based on key performance indicator (KPI) these options are payable at the completion of the company's next successful capital raising (STI). The agreement also provides that Mr Kensington participate in the company Executive share option plan with an entitlement of 500,000 options (Long term options).

Details of remuneration for the period ended 30 June 2008

Details of the remuneration of each company Director paid during the year are set below;

Directors	Salary Fees		Share Based Payments		Superannuation		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Peter Bradfield	53,227	50,000	9,520	-	4,898	-	67,645	50,000
Grant Kensington	73,077	-	1,254	-	6,714	-	81,045	-
Joshua Rogers	95,000	6,667	11,900	-	9,450	-	116,350	6,667
Tully Richards	31,451	1,061	5,950	-	2,792	-	40,193	1,061
Kimikazu Yoshioka	30,076	1,515	5,950	-	-	-	36,026	1,515
Roger Jackson	24,193	1,515	-	-	2,039	-	26,232	1,515
Terence Shanahan	-	13,750	-	-	-	-	-	13,750
Total	307,024	74,508	34,574	-	25,893	-	367,491	74,508

Other Payments

Mr Joshua Rogers is the Managing Director of Mitchell Morgan the company sub-lets office space from Mitchell Morgan at the monthly rate of $4,333 plus GST. Mr Tully Richards has a Service Contract Agreement with the company for geological consultancy services with an annual fee of $20,000.

Managing Director Remuneration

Service Agreement Conditions with Mr. Grant Kensington

a) Duration of the Contract

The service agreement contract is for a period of two years.

b) Remuneration

i. Fixed Fees – Mr. Kensington's fixed fee is $200,000 per annum.

II. 9% Superannuation.

III. Short term incentive (STI) – Issue of 500,000 options as part of the company's next capital raising under the ESOP program.

IV. Long term incentive (LTI) – Mr. Kensington was issued 500,000 options under the company's Executive Share Option Plan - ESOP program upon commencement of his service agreement contract as follows:

500,000 options are unissued shares with an exercise price of $0.12 each expiring on the 22 October 2012 pursuant to the provisions of the Augur Resources Limited Employee Share Option Plan. The fair value per option is $0.044.

(c Termination of Employment

Mr Kensington service agreement contract may be terminated at any time by either party upon not less than four weeks' prior notice. In the event of termination by the company Mr. Kensington will be entitled to an amount equal to the fee payable for so much of the notice period that he is not so retained.

Augur may terminate Mr. Kensington's service agreement immediately in certain events including serious misconduct and material breach of contract. On termination of this agreement for the reasons of serious misconduct and material breach of contract Mr. Kensington is entitled to the fee payable up to, and including, the date of termination.

Options

The following options were issued as part of the short form Prospectus dated 28 December 2007

Directors	As at 30 June 2007 Directly held	As at 30 June 2007 Indirectly held	As at 30 June 2008 Directly held	As at 30 June 2008 Indirectly held
Peter Bradfield	-	-	-	15,000
Grant Kensington	-	-	-	-
Joshua Rogers	-	-	2,500	305,506
Tully Richards	-	-	-	5,000
Kimikazu Yoshioka	-	-	-	4,484,963
Total	-	-	2,500	4,810,469

Options under the ESOP

The company has an Executive share option plan to provide an incentive for Directors and key management personnel, which it is believed, is in line with industry standards and practice and help to align the interest of management with shareholders.

Each option gives the option holder the entitlement to subscribe for 1 ordinary share at the exercise price on or before the expiry date. The expiry date is five years from the date the company's admission to the official list in the ASX.

Under the terms of the plan, the board may from time to time determine who is entitled to participate in the option plan and may issue invitations to an Executive, or relative or an associate nominated by the Executive. The exercise price for the initial grantees under the plan is 125% of the initial public offer price pursuant to the prospectus dated 24 July 2007.

For a subsequent grantee the exercise price is a 25% premium to the volume weighted average of the ordinary shares traded on the ASX for the previous 15 business days preceding the grant date of the option. The vesting date for initial grantees is 12 months after the date on which the company is admitted to the official list of the ASX and for later grantee the date is 12 months after the grant date.

Directors	Grant date	Expiry date	Exercise price	Fair Value Price	Nº of options
Peter Bradfield	3 May 2007	22 October 2012	$0.25	$0.119	400,000
Grant Kensington	18 March 2008	22 October 2012	$0.12	$0.044	500,000
Joshua Rogers	3 May 2007	22 October 2012	$0.25	$0.119	500,000
Tully Richards	7 June 2007	22 October 2012	$0.25	$0.119	250,000
Kimikazu Yoshioka	3 May 2007	22 October 2012	$0.25	$0.119	250,000
Total					**1,900,000**

Shares

The following Directors have ownership of ordinary shares in Augur Resources Limited as follows;

Directors	As at 30 June 2007 Directly held	As at 30 June 2007 Indirectly held	As at 30 June 2008 Directly held	As at 30 June 2008 Indirectly held
Peter Bradfield	-	-	-	60,000
Grant Kensington	-	-	72,000	-
Joshua Rogers	-	-	10,000	1,222,030
Tully Richards	-	-	80,000	20,000
Kimikazu Yoshioka	-	-	-	21,319,034
Total	-	-	162,000	22,621,064

As a condition of listing on the ASX 2,453,248 shares of Ichiya Co. Ltd are held in escrow for a period of 24 months from 22 October 2007.

Non Audit Services

The board of Directors, in accordance with the advice from the Audit and Risk committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001. The Directors are satisfied that the services disclosed below did not comprise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Risk and Audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and the CPA Australia's professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2008.

Taxation services $6,523

Indemnification of Officer or Auditor

Each of the Directors and the Secretary of the Company have entered into a Deed with the Company whereby the Company provided certain contractual rights of access to books and records of the Company to those Directors and Secretary. The company has insured all of the Directors of Augur Resources Ltd.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 30.

Director

Grant Leo Kensington

Signed Sydney 24th day of September 2008 in accordance with a resolution of the Board of Directors.

GouldRalph
CHARTERED ACCOUNTANTS

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24th September 2008

The Directors
Augur Resources Ltd
Level 45, 2 Park Street
SYDNEY NSW 2000

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Augur Resources Ltd for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;

(b) No contraventions of the Code of Professional Conduct in relation to this audit.

GOULD RALPH ASSURANCE
Chartered Accountants

GREGORY RALPH, M.Com., F.C.A.
Partner

Income Statement

For the year ended 30 June 2008

	Notes	2008 $	2007 $
CONTINUING OPERATIONS			
Revenue	2	162,589	1,094,316
Expenses			
Depreciation and amortisation expenses	3	(9,785)	(5,267)
Share option buyback expenses		-	(91,270)
Advertising		(15,878)	-
Accountancy fees	3	(6,523)	(18,690)
Audit fees	3	(31,560)	(10,000)
Share based payments expense		(34,574)	-
Consulting fees		(200,205)	(141,372)
Directors fees and superannuation expenses		(332,917)	(74,508)
ASX annual listing expenses		(10,500)	-
Legal fees		(29,868)	(26,438)
Insurance		(21,445)	(30,725)
Management fees		(37,500)	(150,000)
Motor vehicle expenses		(5,021)	(2,649)
Rent expenses	3	(35,333)	(1,000)
Share registry expenses		(22,182)	-
Communication		(7,762)	(5,533)
Travel expenses		(60,452)	(79,286)
Other expenses		(45,115)	(41,779)
Finance costs	3	(67,500)	(42,410)
(Loss)/Profit before income tax expense		**(811,531)**	**373,389**
Income tax expense	5	-	(7,157)
(Loss)/Profit after income tax expense		**(811,531)**	**366,232**
(Loss)/Profit attributable to members of the entity		**(811,531)**	**366,232**
Basic earnings per share (cents per share)	6	(1.85)	2.24
Diluted earnings per share (cents per share)	6	(1.85)	2.24

The above income statement should be read in conjunction with the accompanying notes

Balance Sheet

As at 30 June 2008

	Notes	2008 $	2007 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,873,964	225,563
Trade and other receivables	8	693,449	364,506
Other assets	9	10,746	413,883
TOTAL CURRENT ASSETS		**2,578,159**	**1,003,952**
NON CURRENT ASSETS			
Property, plant and equipment	10	14,979	19,317
Deferred exploration and evaluation expenditure	11	2,690,589	742,803
TOTAL NON CURRENT ASSETS		**2,705,568**	**762,120**
TOTAL ASSETS		**5,283,727**	**1,766,072**
CURRENT LIABILITIES			
Trade and other payables	12	531,213	400,743
TOTAL CURRENT LIABILITIES		**531,213**	**400,743**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	7,157	7,157
TOTAL LIABILITIES		**538,370**	**407,900**
NET ASSETS		**4,745,357**	**1,358,172**
EQUITY			
Issued capital	13	6,093,128	1,928,986
Options reserve	15	34,574	-
Accumulated losses		(1,382,345)	(570,814)
TOTAL EQUITY		**4,745,357**	**1,358,172**

The above balance sheet should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2008

	Issued Capital $	Options Reserves $	Accumulated losses $	Total $
Balance at 1 July 2006	31,040		(937,046)	(906,006)
Ordinary shares issued	3,320,299			3,320,299
Demerger with Ark Mines Ltd	(1,422,353)			(1,422,353)
Profit for the year			366,232	366,232
Balance at 30 June 2007	**1,928,986**		**(570,814)**	**1,358,172**
Ordinary shares issued	5,000,000			5,000,000
Cost of the shares issued	(915,970)			(915,970)
Options issued	128,750			128,750
Cost of options issued	(48,638)			(48,638)
Cost of share based payment		34,574		34,574
Loss for the year			(811,531)	(811,531)
Balance at 30 June 2008	**6,093,128**	**34,574**	**(1,382,345)**	**4,745,357**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cash Flow Statement

For the year ended 30 June 2008

	Notes	2008 $	2007 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		-	7,864
Payments to suppliers and employees		(627,336)	(717,082)
Interest received		139,078	21,427
Finance costs		(74,250)	(42,410)
Net cash used in operating activities	16(b)	(562,508)	(730,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(5,447)	(19,630)
Payment for exploration expenditure		(1,846,518)	(742,803)
Net cash used in investing activities		(1,851,965)	(762,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		5,000,000	2,962,971
Proceeds from option issue		128,868	-
Transaction costs on equity and options issues		(851,737)	-
Loans repaid by external parties		290,743	(285,953)
Loan to related parties		(500,000)	-
Repayment shareholder loans		-	(1,435,986)
(Payments) / proceeds of environment bonds		(5,000)	40,000
Net cash provided by financing activities		4,062,874	1,281,032
Net increase/(decrease) in cash held		1,648,401	(211,602)
Cash at beginning of financial year		225,563	437,165
Cash at end of financial year	16 (a)	1,873,964	225,563

The above cash flow statement should be read in conjunction with the accompanying notes

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Augur Resources Limited (formerly known as Champion Resources Limited) as an individual entity. Augur Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Augur Resources Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in its entirety. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(b) Property, Plant and Equipment

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates Useful lives	Depreciation basis
Plant and equipment	37.5%	Prime Cost
Computer Equipment	37.5%	Prime Cost

(c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.
No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis.

(g) Financial Instruments

Augur Resources classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on Augur Resources Balance Sheet when Augur Resources becomes a party to the contractual provisions of the instrument.

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, contraction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(j) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(k) Trade and other payables

Creditors and other payables, including accruals for goods received but not yet billed, are recognised when Augur Resources becomes obliged to make future payments principally as a result of the purchase or goods and services.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are carried at amortised cost.

(l) Equity Based Compensation Cost

Augur Resources allocates its employees share options as part of their remuneration package. Equity based compensation benefits are provided to employees via the Executive Share Option Plan. These payments are measured at the more readily determined fair value of the equity instrument.

An expense is recognised for all Share based remuneration determined with reference to the fair value of the equity instruments issued. The fair value of the equity instruments issued. The fair value of equity instruments is calculated using market price where available, and where market prices are not available using a valuation technique consistent with the Black Scholes methodology, to estimate the price of those equity instruments in an arm's length transaction between knowledgeable, willing parties. The fair value calculated in accordance with AASB 2 "Share based Payment" is charged against profit over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting.

Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumption about probabilities of payment and compliance with and attainment of the set out terms and conditions. Upon the exercise of options, the balance of the Share based payments reserve relating to those options is transferred to Share capital.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	2008 $	2007 $
NOTE 2: REVENUE		
interest	162,589	21,903
other revenue	-	7,388
demerger gain	-	1,065,025
	162,589	1,094,316
(a) Interest from:		
bank	134,428	21,427
Loans	28,161	-
Australian Taxation Office	-	476
Total interest	162,589	21,903
NOTE 3: PROFIT/(LOSS) FOR THE YEAR		
Profit/(Loss) before income tax expenses has been determined after:		
(a) Expenses		
Borrowing costs:		
Ichiya Co. Ltd	-	42,410
other persons	67,500	-
Total borrowing costs	67,500	42,410
Depreciation of non current assets		
Plant & equipment	9,785	5,267
Rent expenses	35,333	1,000
Remuneration of the auditors for		
audit and review services	31,560	9,500
other services	6,523	500
Total Remuneration of the auditors	38,083	10,000

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Policies

The company's financial instruments comprise deposits with banks, short term loans to related parties and accounts payable. The company does not trade in derivatives or in foreign currency.

The company manages its risk exposure of its financial instruments in accordance with the guidance of the Audit and Risk Committee which is under the directions of the board of Directors. The main risks arising from the company's financial instruments are interest rate risk and liquidity risks. The company uses different methods to manage and minimise its exposure to risks. These include monitoring levels of interest rates fluctuations to maximise the return of bank balances and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The final approval and motoring of any of the theses policies is done by the Board which review and agrees on the policies for managing each of the risks as summarised below;

The primary responsibility to monitor the financial risks lies with the Managing Director and the Company Secretary under the authority of the Board. The Board through the Audit and Risk Committee agrees and approved policies for managing each of the risks indentified below, including the setting up approval limits for purchases and monitoring projections of future cash flow.

Risk Exposures

Interest rate risk

The company's exposure to market interest rate relates to cash assets and short term lending.

At balance date, the company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2008 $	2007 $
Financial Assets		
Loan to related party	500,000	-
Receivables	193,449	778,389
Cash and equivalents	1,873,964	225,563
	2,567,413	1,003,952
Financial Liabilities		
Trade and other payables	(531,213)	(400,743)
Net Exposure	2,036,200	603,209

All assets and liabilities are current and are not pass due or impair and the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company does not have interest rate swap contracts. At maturity the fixed term deposit is renewed less any cash required to operate for the amount of time of the renewal. The company normally invests its funds in at least two fixed term deposit to maximise the available interest rates. The company always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

The following sensitivity analysis is based on the interest rate risk exposures in existence at balance sheet date.

At 30 June 2008, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements;

	Post Tax Loss (Higher)/Lower 2008	Post Tax Loss (Higher)/Lower 2007	Total equity 2008	Total equity 2007
+ 1% higher interest rate	26,136	5,329	26,136	5,329
- 0.5% lower interest rate	(13,084)	(2,668)	(13,084)	(2,668)

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rate on cash balances and the interest bearing loan receivable. The sensitivity is lower for the period ending in June 2007 than June 2008 because of the cash increase in October 2007 as a consequence of the successful IPO during that month. After the IPO the company also commenced investing the surplus cash in fixed term deposits maximising the return of available cash.

	Weighted Average Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	$	$	$	$	$	$
Financial Assets:								
Cash	6.73	3.25	-	-	1,873,964	225,563	-	-
Receivables	10.00	-	500,000	-	-	-	193,449	778,389
Total Financial Assets			**500,000**	**-**	**1,873,964**	**225,563**	**193,449**	**778,389**
Financial Liabilities								
Trade and sundry creditors				-	-	-	(531,213)	(400,743)
Total Financial Liabilities				**-**	**-**	**-**	**(531,213)**	**(400,743)**

Liquidity Risk

The company's objective is to maximise its cash availability by adhering to the exploration program and evaluating current charges of various suppliers. Before the exploration program is completed the company will seek additional funds from existing investors or new investors or a combination of both.

The company monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the company. At balance date, the company has available funds of $1,874,000 for its immediate use. Based on future company announcements and future exploration results the company will choose the most beneficial equity funding for the next two years.

Credit risk

The company has an outstanding loan receivable for $500,000 plus interest due on 17 December 2008 from Ark Mines Ltd. The company has received an undertaking from Ichiya Co. Ltd., the largest shareholder of Ark Mines Ltd. That the loan will be paid by Ark Mines Ltd when it falls due and that any funding required for repaying the loan will be made able by Ichiya Co. Ltd. For further details on the loan refer to note 7 of the accounts.

	Credit Rating	2008 $	2007 $
Australian Taxation Office	AAA	113,937	23,553
Department of Primary Industries	AAA	55,000	50,000
Loan other parties	Non rated	-	285,953
Loan Ark Mines	Non rated	500,000	-
Interest on Ark Mines Loan	Non rated	23,312	-
Other	Non rated	1,200	5,000
Total		**693,449**	**364,506**

	2008 $	2007 $
NOTE 5: INCOME TAX		
(a) Income tax expense		
The major components of income tax expense are:		
Income statement		
Current Income tax	-	-
Deferred income tax	-	7,157
	-	7,157
(b) The prima facie tax on (loss)/profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax (benefit)/expense on (loss)/profit before income tax at 30% (2007 30%)	(243,459)	112,017
Tax effect of:		
Share option buy-back expense non deductible	-	27,381
Option based payments	10,372	-
Rights issue costs	(2,918)	-
Share issue costs	(54,958)	-
Temporary differences recognised – deferred mining costs and other items	573,836	219,841
Tax losses recognised	(576,836)	(212,684)
Tax losses not brought to account	293,904	(139,560)
Other non allowable items	59	162
Income tax expense	-	7,157
(c) Deferred tax liability		
The major components of deferred tax liability are as follows:		
Deferred mining and exploration expenditure	796,677	222,841
Tax losses brought to account	(789,520)	(212,684)
Other	-	(3,000)
Deferred tax liability	7,157	7,157
Deferred income tax assets not brought to account		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	285,932	-

NOTE 6: EARNINGS PER SHARE		
Earnings used to calculate basic EPS	(811,531)	366,232
Earnings used to calculate diluted EPS	(811,531)	366,232
	Nº of Shares	Nº of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	43,760,274	16,371,878
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	43,760,274	16,371,878

	2008 $	2007 $
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank	223,964	225,563
Term deposits	1,650,000	-
Total Cash	1,873,964	225,563

The current interest rate receivable is a floating variable for term deposits. At 30 June 2008 the term deposits were as follows;

- $1,250,000 at 7.56% maturity date 17 July 2008
- $300,000 at 7.38% maturity date 31 July 2008
- $100,000 at 6.90% maturity date 09 July 2008

	2008 $	2007 $
NOTE 8: TRADE AND OTHER RECEIVABLES		
CURRENT		
Environmental bonds	55,000	50,000
Net GST receivable	113,937	23,553
Related party receivable (i)	500,000	-
Other receivables	24,512	290,953
Total trade and other receivables	693,449	364,506

(i) Augur Resources provided a $500,000 loan to Ark Mines Ltd on 18 December 2007 with an initial draw down amount of $50,000 and the balance was drawn down during March 2008. The loan has a repayment date on 17 December 2008 or upon Ark Mines Ltd listing on the ASX, which ever is the earliest. The loan earns an interest rate of 10% p.a. and accrues interest daily until repayment date. Augur Resources has obtained the following security

- First registered mortgage by the borrower in favour of the lender in respect of the mining tenements described as exploration Licence 6338, 6339, 6365, 6341and 6726.
- First ranking fixed and floating charge over the whole of the assets and undertakings of the borrower in favour of the lender.

Caveat in favour of the lender in respect of the mining tenements described as exploration licence 6338, 6339, 6341, 6365 and 6726

	2008 $	2007 $
NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	10,746	6,361
Prepaid share issue costs	-	407,522
Total other assets	10,746	413,883

	2008 $	2007 $
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
(a) Plant and equipment		
At cost	17,912	17,912
Less accumulated depreciation	(9,846)	(3,126)
Total plant and equipment	8,066	14,786
(b) Computer equipment		
At cost	12,129	6,682
Less accumulated depreciation	(5,216)	(2,151)
Total computer equipment	6,913	4,531
Total property plant and equipment	14,979	19,317

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Plant and equipment $	Computer equipment $	Total $
Balance at 30 June 2006	-	4,963	4,963
Additions	17,912	1,719	19,631
Depreciation expense	(3,126)	(2,151)	(5,277)
Balance at 30 June 2007	14,786	4,531	19,317
Additions	-	5,447	5,447
Depreciation expense	(6,720)	(3,065)	(9,785)
Balance at 30 June 2008	8,066	6,913	14,979

	2008 $	2007 $
NOTE 11: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in exploration phase	2,690,589	742,803

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Amounts payable to:

	2008 $	2007 $
Trade creditors	420,884	181,156
Sundry creditors and accruals	110,329	219,587
Total trade and other payables	531,213	400,743

	2008 $	2007 $
NOTE 13: CONTRIBUTED EQUITY		
51,500,000 (2007: 26,500,000) Ordinary shares fully paid (i)	6,013,016	1,928,986
12,874,992 (2007: 0) Options fully paid (ii)	80,112	-
	6,093,128	1,928,986

	2008		2007	
(a) Ordinary shares	Nº of Shares	$	Nº of Shares	$
Balance at the beginning of the reporting period	26,500,000	1,928,986	13,375,000	31,040
Conversion of Convertible notes to ordinary shares on 20 February 2007	-	-	23,053,413	2,695,136
Capital Reduction as part of De-Merger with Ark Mines Ltd on 30 May 2007	-	-	(19,006,129)	(1,422,353)
Conversion of Convertible notes to ordinary shares on 7 June 2007	-	-	5,347,462	625,163
Share split on the basis of 1:1.1638250158 in accordance with approval of Shareholders at EGM held on 7 June 2007	-	-	3,730,254	-
Fully paid ordinary share issued 22 October 2007 at $0.20	25,000,000	5,000,000	-	-
Cost of the share issued on 22 October 2007	-	(915,970)	-	-
Balance at the end of the reporting period	**51,500,000**	**6,013,016**	**26,500,000**	**1,928,986**
(b) Options	Nº of Options	$	Nº of Options	$
Balance at the beginning of the reporting period	-	-	-	-
Issue of renounceable options on 8 February 2008	12,874,992	128,750	-	-
Cost of option issues on 8 February 2008		(48,638)		-
Balance at the end of the reporting period	**12,874,992**	**80,112**	**-**	**-**

(i) Terms and conditions - shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(ii) Terms and conditions – options

Each option entitles the holder to one (1) share in the Company the options are exercisable at any time on or prior to 5.00pm (EST) on 30 June, 2010 the options exercise price is $0.20 per option.

The options are transferable and quoted on the ASX all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares.

There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue and if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules.

NOTE 14: CAPITAL MANAGEMENT

Management controls the capital of the company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year. This strategy is to ensure that the company's gearing ratio is very low or nil by having positive cash balance in excess of company's liabilities.

NOTE 15: OPTION RESERVE

During the year the company issued 500,000 options to the Managing Director, Mr. Grant Kensington, as part of his service contract agreement with an exercise price of $0.12 per share under the ESOP Program. The options are exercisable on or before 3 May 2012.

The company established the ESOP Program on 30 June 2007. The Board may, from time to time, determine who is entitled to participate in the Option Plan and may issue invitations to apply for the Grant of Options to the Executive or a Relative or Associate nominated by the Executive.

On issue of invitations to apply for Options, the Company must send the Executive an Application which must be signed by the Executive and returned to the Company within 5 Business Days.

On the Company receiving the signed Application, the Company must grant the relevant number of Options to the Optionholder and issue the Optionholder with an Option Certificate.

			Weighted Average		
	Nº of Options	Exercise Price	Price Volatility	Fair Value	Risk Free Rate
Granted as at 30 June 2007	1,900,000	$0.25	70%	$0.119	7.0%
Granted as at 30 June 2008	500,000	$0.12	95%	$0.044	7.5%
Forfeited as at 30 June 2008	(500,000)	$0.25	70%	$0.119	7.5%
Exercised 2008	-	-			
Expired 2008	-	-			
Outstanding at year end	1,900,000	$0.22			
Exercisable at year end	1,900,000	$0.22			

The option reserve is used to record the share options issued to Directors and Executives of the company. Options are valued using the Black-Scholes option pricing model:

- Weighted average exercise price $0.22
- Weighted average life of the options 4.12 years
- Underlying share price $0.07

- Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

- Include under the share based payment expense in the income statement is $34,574 (2007:$0) and relates, in full, to equity-settled share-based payment transactions.

	2008 $	2007 $
NOTE 16: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	1,873,964	225,563
(b) Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
(Loss) / Profit from ordinary activities after income tax	(811,531)	366,232
Non cash flows in profit/(loss) from ordinary activities		
Depreciation	9,785	5,267
Share based payment expense	34,574	-
De-Merger gain	-	(1,065,025)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(328,943)	(14,427)
(Increase)/decrease in prepayments	403,137	(413,883)
Increase in trade and other payables	130,470	384,478
Increase in deferred tax liabilities	-	7,157
Net Cash used in operating activities	(562,508)	(730,201)

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms with conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(a) Interest bearing loan to Ark Mines Ltd

Principal	500,000	-
Accrued Interest	19,682	-
Total	519,682	-

Principal

The loan facility is for AUD$500,000,

Repayment

Repayment of the loan is due on 17 December 2008 or 30 days from the date of the listing of Ark Mines on the ASX.

Interest Rate

The interest rate is 10% per annum accrued on the daily balance.

Security

Augur Resources has taken security as first registered mortgage over the mining tenements described as EL 6338, EL 6339, EL 6365, EL 6341, EL 6726.

Augur Resources has also taken a fixed and floating charge over whole company Ark Mines Ltd and a caveat in favour of Augur in respect of the mining tenements described above.

	2008 $	2007 $
(b) Tully Richards a Director of the company has a consulting service agreement through Central West Scientific	20,000	-
	20,000	-
(c) Management fees paid to Mitchell and Morgan in which Joshua Simon Roger (current Director) has a beneficial interest.	37,500	150,000
	37,500	150,000

All related party transactions are on commercial terms and conditions unless otherwise stated.

NOTE 18: SEGMENT INFORMATION

The company principally operates in New South Wales, Australia in the mineral exploration sector.

NOTE 19: OPERATING LEASE COMMITMENTS

Payable - minimum lease payment for rental premises

Minimum payment not later than 12 months	17,000	-

NOTE 20: COMMITMENTS AND CONTINGENCIES

Statutory commitments with respect to tenements	429,000	429,000

The company does not have any contingent liabilities or contingent assets as at 30 June 2008.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

During August 2008 the company advised that a JORC resource estimate of 12.2 Mt at 0.91% nickel and 0.06% cobalt had been determined for the Homeville prospect, within the Collerina project. No other events have occurred subsequent to 30 June 2008, which may significantly affect the results of the entity in subsequent years.

NOTE 22: CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards issued or amended which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Outline of Amendment	Application date of the standard	Application date for the company
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets held for Sale and Discontinued Operations AASB 6: Exploration for and Evaluation of Mineral AASB 102: Inventories AASB 107: Cash Flow Statements AASB 127: Consolidated and Separate Financial Statements AASB 134: Interim Financial Reporting AASB 136: Impairment of Assets AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosure within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	1 January 2009	1 July 2009
AASB 8 Operating Segments	AASB 114: Segment Reporting	As above	1 January 2009	1 July 2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 107: Cash Flow Statements AASB 111: Construction Contracts AASB 116: property, Plant and Equipment AASB 138: Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of qualifying asset. However, there will be no direct impact to the amounts included in the company as they already capitalise borrowing costs related to qualifying assets.	1 January 2009	1 July 2009
AASB 123: Borrowing Costs	AASB 123 Borrowing Costs	As above	1 January 2009	1 July 2009

Amendment	AASB Standard Affected	Outline of Amendment	Application date of the standard	Application date for the company
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

NOTE 23: COMPANY DETAILS

The registered office of the company is:

Augur Resources Limited

Level 45, 2 Park Street

Sydney NSW 2000

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 35 to 50 are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the financial year ended on that date of the company.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing support of the major shareholder.

3. The Directors have been given the declarations required under section 295A of the Corporation Act 2001 for the financial year ended 30 June 2008.

This declaration is made in accordance with a resolution of the Directors.

Director

Grant Leo Kensington

Dated this 24th day of September 2008

Sydney

GouldRalph
CHARTERED ACCOUNTANTS

Gould Ralph Pty Ltd
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUGUR RESOURCES LTD

Report on the Financial Report

We have audited the accompanying financial report of Augur Resources Ltd (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditors' responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

AUDITORS' OPINION

In our opinion:

1. the financial report of Augur Resources Ltd is in accordance with:

   (a) the Corporations Act 2001, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of it's performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 25 to 27 of the Directors' report for the year ended 30 June 2008. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Augur Resources Ltd for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

GOULD RALPH ASSURANCE

Chartered Accountants

GREGORY C RALPH, M.COM, FCA

Partner

Dated this 24th day of September 2008,

Sydney

ADDITIONAL ASX INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 August 2008.

a) Distribution of equity securities

ORDINARY SHARES		
Range	Number of Holders	Number Of Shares
1 - 1,000	3	244
1,001 - 5,000	15	64,773
5,001 - 10,000	209	2,077,390
10,001 - 100,000	100	4,046,828
100,001 - 9,999,999	38	45,310,765
Total	365	51,500,000

As at 31 August 2007 26,500,000 shares are on issue. Since listing the company has 51,500,000 shares on issue, which includes 2,453,248 ordinary shares which are held on escrow for a period of 24 months from the date the company listed on the ASX (22 October 2007).

The number of shareholders holding less than a marketable parcel is 21

b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

ORDINARY SHARES			
Nº	SHAREHOLDER	Nº OF SHARES	% OF TOTAL
1	ICHIYA CO LTD	21,319,034	41.40%
2	DRAGON SECURITIES LTD	6,250,000	12.14%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,469,800	8.68%
4	AUSTRALIAN FRESH FOOD PRODUCERS PTY LTD	1,647,030	3.20%
5	NW SUPER NOMINEES PTY LTD	1,542,445	3.00%
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,250,000	2.43%
7	LAWNBET PTY LIMITED	860,000	1.67%
8	MR WILSON TSENG	842,500	1.64%
9	TRANSITION METALS PTY LTD	600,000	1.17%
10	GRAEME GALT & ASSOCIATES PTY LTD	500,000	0.97%
11	KINGS PARK SUPERANNUATION FUND PTY LTD	500,000	0.97%
12	CARMICHAEL CAPITAL MARKETS PTY LIMITED	480,000	0.93%
13	FORTIS CLEARING NOMINEES PTY LTD	448,647	0.87%
14	ACCORD INVESTMENT CORPORATION PTY LTD	400,000	0.78%
15	MIGHTY FINE INVESTMENTS PTY LTD	400,000	0.78%
16	MR NORMAN FREDERICK BROWN	280,000	0.54%
17	MR PAUL BALSARINI & MRS ANNETTE BALSARINI	250,000	0.49%
18	MR ASHLEY JON PATTISON & MS REBECCA STELL DRISCOLL	240,000	0.47%
19	MR LAURENCE JAMES KIERNAN & MRS ELIZABETH RACHEL KIERNAN	231,910	0.45%
20	MR JAMES WALTER HOFFMAN & MRS JAN MARY STREET	230,000	0.45%
Total		42,741,366	82.99%

c) Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

	Shareholder	Nº of Shares Held	% to Issued Shares
1	ICHIYA CO LTD	21,319,034	41.40%
2	DRAGON SECURITIES LTD	6,250,000	12.14%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,469,800	8.68%

d) Voting rights

Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting has one vote on a show of hands.

There is no voting rights attaching to options, however voting rights as described above will attach to the ordinary shares on exercise.

Augur Resources Ltd

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