



AUGUR RESOURCES LIMITED

ABN 79 106 879 690



Half-Year Financial Report

for the half-year ended 31 December 2007

Corporate Information

ABN 79 106 879 690

Directors

Peter Bradfield - Chairman
Joshua Rogers
Grant Kensington
Kimikazu Yoshioka
Tully Richards

Company Secretary

Marcelo Mora

Corporate Office

Level 45, 2 Park Street
Sydney NSW 2000
Australia

Registered Office

Level 45, 2 Park Street
Sydney NSW 2000
Australia

Auditors

Gould Ralph & Company
Chartered Accountants
Level 42, Suncorp Place
259 George Street
SYDNEY NSW 2000

Bankers

Westpac Bank
275 George Street
Sydney NSW 2000
Australia

Solicitors

Home Wilkinson Lowry
Level 13, 175 Eagle Street
Brisbane QLD 4000

Share Register

Computershare
Level 3, 60 Carrington Street
SYDNEY NSW 2000

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Directors' Report

The Directors of Augur Resources Limited ("the Company") submit their report for the half-year ended 31 December 2007.

DIRECTORS

The names of the directors of the Company in office during the half-year period and until the date of this report were:

Peter Bradfield - Chairman
Grant Kensington (appointed 19 February 2008)
Joshua Rogers
Kimikazu Yoshioka
Tully Richards

CONSOLIDATED RESULTS

The consolidated loss after income tax for the half-year attributable to the members of Augur Resources Limited was \$378,654 (2006: Loss after tax of \$355,719).

REVIEW OF OPERATIONS

Augur Resources Limited is an emerging mineral exploration company that has put together a portfolio of exploration properties in the Lachlan Fold Belt in New South Wales. All properties are adjacent to or along strike from world class mines and resources and are prospective for economically viable gold and base metal deposits.

Augur Resources Limited successfully listed on October 22, 2007. The Initial Public Offer (IPO) closed oversubscribed raising \$5 million before transaction costs to develop its NSW-based tenements. The offer comprised 25 million ordinary shares at an issue price of \$0.20 each. Augur Resources Limited is committed to a drilling programme on its projects in the Lachlan Fold Belt of NSW where is targeting potential for copper, gold and nickel.

SUBSEQUENT EVENTS

On 8 February 2008, Augur Resources Limited completed the issue of 12,874,922 options over unissued shares exercisable at 20 cents on or before 30 June 2010 which raised \$128,750.

No other events have occurred subsequent to 31 December 2007, which may significantly affect the results of the company for the period ended 31 December 2007 or subsequent financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration on page 4 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors Report for the half-year ended 31 December 2007.

Signed in accordance with a resolution of the directors.



Joshua Rogers
Director

Sydney, 11 March 2008

The Board of Directors
Augur Resources Limited
Level 45, 2 Park Street
SYDNEY NSW 2000

11 March 2008

Dear Members of the Board

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

In relation to our review of the financial report of Augur Resources Limited for the half year ended 31 December 2007, and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this review;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this review.

Yours faithfully
GOULD RALPH & COMPANY



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

Augur Resources Limited - Half-Year Report

Condensed Income Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Notes	31 December 2007 \$	31 December 2006 \$
Revenues from continuing operations			
Interest received	2	57,911	10,883
Expenses			
Administration fees		(60,594)	(71,332)
Directors fees & superannuation expenses		(150,926)	(35,000)
Depreciation		(4,608)	(926)
Audit fees		(13,540)	-
Management fees		(37,500)	(75,000)
Share based payments expense		(16,660)	-
Finance costs		(50,000)	(28,428)
Insurance		(9,727)	(30,725)
Communication		(4,812)	(3,793)
Legal fees		(11,536)	(47,705)
ASX annual listing expenses		(9,919)	-
Advertising		(10,395)	-
Rent		(9,333)	-
Share registry expenses		(13,088)	-
Travel		(23,798)	(50,202)
Other expenses		(17,286)	(23,491)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE		(385,811)	(355,719)
INCOME TAX CREDIT		7,157	-
LOSS FROM CONTINUING OPERATIONS		(378,654)	(355,719)
NET LOSS ATTRIBUTABLE TO MEMBERS OF AUGUR RESOURCES LIMITED		(378,654)	(355,719)
EARNINGS PER SHARE			
Continuing Operations			
Basic earnings per share (cents per share)		(1.05)	(2.67)
Diluted earnings per share (cents per share)		(1.05)	(2.67)

The accompanying notes form part of these financial statements.

Condensed Balance Sheet

AS AT 31 DECEMBER 2007

	Notes	AS AT 31 DECEMBER 2007 \$	AS AT 30 JUNE 2007 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,641,605	225,563
Trade and other receivables	4	187,130	364,506
Other assets	5	227,846	413,883
TOTAL CURRENT ASSETS		4,056,581	1,003,952
NON-CURRENT ASSETS			
Property plant and equipment	6	14,709	19,317
Exploration and evaluation expenditure	7	1,092,788	742,803
Deferred tax assets		327,837	212,684
TOTAL NON-CURRENT ASSETS		1,435,334	974,804
TOTAL ASSETS		5,491,915	1,978,756
CURRENT LIABILITIES			
Trade and other payables	8	83,870	400,743
NON CURRENT LIABILITIES			
Deferred tax liabilities		327,837	219,841
TOTAL LIABILITIES		411,707	620,584
NET ASSETS		5,080,208	1,358,172
EQUITY			
Issued capital	9	6,013,016	1,928,986
Options reserve		16,660	-
Accumulated losses		(949,468)	(570,814)
TOTAL EQUITY		5,080,208	1,358,172

The accompanying notes form part of these financial statements.

Condensed Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Notes

31 DECEMBER 2007 31 DECEMBER
2006
\$ \$

CASH FLOWS FROM OPERATING ACTIVITIES

Interest received	49,432	10,883
Payments to suppliers	(1,021,034)	(1,022,389)
Borrowing costs paid	(50,000)	(28,428)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(1,021,602)	(1,039,934)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of mining lease deposit	-	(5,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	-	(5,000)

CASH FLOWS FROM FINANCING ACTIVITIES

Loans to other parties	(50,000)	-
Proceeds from loans	290,743	-
Proceeds from shareholder loans	-	1,237,856
Proceeds from share issue	5,000,000	-
Payment of share issue costs	(803,099)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	4,437,644	1,237,856
NET INCREASE IN CASH HELD	3,416,042	192,922
Add opening cash brought forward	225,563	437,165
CLOSING CASH CARRIED FORWARD	3,641,605	630,087

The accompanying notes form part of these financial statements.

Augur Resources Limited - Half-Year Report

Condensed Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007	Issued Capital \$	Options Reserve \$	Accumulated losses \$	Total \$
As at 1 July 2006	31,040	-	(937,045)	(906,005)
Loss for the period	-	-	(355,719)	(355,719)
As at 31 December 2006	<u>31,040</u>	<u>-</u>	<u>(1,292,764)</u>	<u>(1,261,724)</u>
As at 1 July 2007	1,928,986	-	(570,814)	1,358,172
Loss for the period	-	-	(378,654)	(378,654)
Issue of shares	5,000,000	-	-	5,000,000
Transaction costs on issue of shares	(915,970)	-	-	(915,970)
Cost of share based payments	-	16,660	-	16,660
As at 31 December 2007	<u>6,013,016</u>	<u>16,660</u>	<u>(949,468)</u>	<u>5,080,208</u>

The accompanying notes form part of these financial statements.

Notes to the Half-Year Financial Statements

For the Half – Year Ended 31 December 2007

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The half-year financial report should be read in conjunction with the 30 June 2007 annual report.

It is also recommended that the half-year financial report be considered together with any public announcements made by Augur Resources Limited during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the prospectus.

(b) Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(c) Summary of significant accounting policies

(i) Trade and other receivables

Trade receivables, which generally have 60 day term, are recognised and carried at original invoice amount. The recoverability is assessed at reporting date and specific provision is made for any doubtful accounts.

(ii) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the Half-Year Financial Statements (Cont')

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Cont'd)

(c) Summary of significant accounting policies (cont'd)

(iii) Exploration 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 have been 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. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(iv) Leases

Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

(v) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably.

Interest

Revenue is recognised as the interest accrues, taking into account the effective yield on the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Notes to the Half-Year Financial Statements (Cont')

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Cont'd)

(c) Summary of significant accounting policies (cont'd)

(vi) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

(vii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(viii) Equity based compensation cost

Augur allocates its employees shares and share options as part of their remuneration packages. Equity based compensation benefits are provided to employee 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 is calculated using market prices where available, and where market prices are not available using a valuation technique consistent with the Black Scholes Methodology, to estimate the price of the equity instruments in an arm's length transaction between knowledgeable, willing parties. The fair value calculated in accordance with AASB 2 'Share based payments' 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 exercise of the options, the balance of the options reserve relating to those options is transferred to share capital.

Notes to the Half-Year Financial Statements (Cont'd)

HALF-YEAR ENDED 31 DECEMBER 2007

	Period ended 31 December 2007	Period Ended 31 December 2006
	\$	\$
2. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS		
Revenues from continuing operations		
Interest received	57,911	10,883
Total revenues from continuing operations	57,911	10,883
	As at 31 December 2007	As at 30 June 2007
	\$	\$
3. CASH AND CASH EQUIVALENTS		
For the purpose of the Cash Flow Statement, cash includes cash on hand, cash at bank and short term deposits at call, net of any outstanding bank overdraft, if any. Cash at the end of the half year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:		
Cash at bank	3,641,605	225,563
	3,641,605	225,563
4. TRADE AND OTHER RECEIVABLES		
Environmental bonds with DPI-MR	50,000	50,000
Other receivables	63,479	23,553
GST receivable	73,651	290,953
	187,130	364,506
5. OTHER ASSETS		
Prepayments	219,654	6,361
Prepaid issue costs	8,192	407,522
	227,846	413,883
6. PLANT AND EQUIPMENT		
(a) Plant and equipment		
At Cost	17,912	17,912
Less accumulated depreciation	(6,486)	(3,126)
	11,426	14,786
(b) Computer equipment		
At Cost	6,682	6,682
Less accumulated depreciation	(3,399)	(2,151)
	3,283	4,531
Total plant and equipment	14,709	19,317
7. DEFERRED EXPLORATION EXPENSES		
Exploration and evaluation phase – at cost	1,092,788	742,803

Weelah, Wallaby Rocks, Yeoval and Tullamore tenements presently expire on 26 September 2008 and Collierina expire on 31 October 2008. Prior to expiration of the licenses the company will apply for a further period of renewal. The ultimate recoupment of costs carried forward for deferred exploration expenses is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the Half-Year Financial Statements (Cont'd)

HALF-YEAR ENDED 31 DECEMBER 2007	As at 31 December 2007	As at 30 June 2007
	\$	\$
8. TRADE AND OTHER PAYABLES		
Trade Creditors	44,666	181,156
Sundry Creditors and Accruals	32,204	219,587
Provision audit fees	7,000	-
	<u>83,870</u>	<u>400,743</u>

9. ISSUED CAPITAL

Issued and paid up capital

51,500,000 Ordinary shares fully paid (2006: 26,500,000)

<u>6,013,016</u>	<u>1,928,986</u>
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No. of shares	\$	No. of shares	\$
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(i) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue

Balance at the beginning of the period	26,500,000	1,928,986	26,500,000	1,928,986
Shares issued during the period:				
Issue of 5,000,000 at 20 cents upon initial public offering	25,000,000	5,000,000	-	-
Transaction costs	-	(915,970)	-	-
Balance at end of the period	<u>51,500,000</u>	<u>6,013,016</u>	<u>26,500,000</u>	<u>1,928,986</u>

10. SUBSEQUENT EVENTS

On 8 February 2008, Augur Resources Limited completed the issue of 12,874,922 options over unissued shares exercisable at 20 cents on or before 30 June 2010 which raised \$128,750.

No other events have occurred subsequent to 31 December 2007, which may significantly affect the results of the consolidated entity for the period ended 31 December 2007 or subsequent financial periods.

11. CONTINGENCIES AND COMMITMENTS

	As at 31 December 2007	As at 30 June 2007
	\$	\$
Annual tenement expenditure commitments required to maintain licenses	<u>429,000</u>	<u>429,000</u>

There are no other contingent assets or liabilities as at the date of this financial report.

12. SEGMENT REPORTING

The economic entity operated wholly within the Mineral Exploration industry and within the geographic segment of Australia.

Directors' Declaration

In accordance with a resolution of the directors of Augur Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes:
 - (i) give a true and fair view of the financial position as at 31 December 2007 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 1034 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Joshua Rogers
Director

Sydney, 11 March 2008

Independent Review Report to Members of Augur Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Augur Resources Limited, which comprises the balance sheet as at 31 December 2007, the income statement, the statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of Augur Resources Limited.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Augur Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review for a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. As a review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Augur Resources Limited is not in accordance with the *Corporations Act 2001* including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

GOULD RALPH & COMPANY



GREGORY C. RALPH M.Com., F.C.A.
Partner
Sydney, 11 March 2007



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Liability limited by a scheme approved under Professional Standards Legislation