AUGUR

Resources Ltd

ABN 79 106 879 690

Interim Financial Report

for the half year ended 31 December 2010

Corporate Information

ABN 79 106 879 690

Directors
Norman A. Seckold – Chairman
Grant L. Kensington – Managing Director
Peter J. Nightingale – Director
Justin C. Werner – Director

Company Secretary
Marcelo Mora

Corporate Office
Level 2, 66 Hunter Street
Sydney NSW 2000
Australia

Registered Office
Level 2, 66 Hunter Street
Sydney NSW 2000
Australia

Auditors
KPMG
Level 16, Riparian Plaza
71 Eagle Street
Brisbane QLD 4000

Bankers
Westpac Bank
Market & Clarence Street
Sydney NSW 2000

Solicitors
Gadens Lawyers
Skygarden Building
77 Castlereagh Street
Sydney NSW 2000

Share Registry
Computershare
117 Victoria Street
West End Queensland 4101

Contents

Directors' Report....4

Lead Auditor's Independence Declaration under Section 307C....6

Condensed Consolidated Interim Statement of Comprehensive Income....7

Condensed Consolidated Interim Statement of Financial Position....8

Condensed Consolidated Interim Statement of Cash Flows....9

Condensed Consolidated Interim Statement of Changes in Equity....10

Notes to the Condensed Consolidated Interim Financial Statements....11

Directors' Declaration....17

Independent Auditor's Review Report to the Members of Augur Resources Ltd....18

Directors' Report

The Directors of Augur Resources Ltd and its subsidiaries ('the Group' or 'Augur') submit their report for the half year ended 31 December 2010.

DIRECTORS

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

Norman A. Seckold
Grant L. Kensington
Peter J. Nightingale
Justin C. Werner (appointed 23 December 2010)

RESULTS

The loss of the Group for the half year after providing for income tax amounted to $933,414 (2009 - loss of $311,594).

Exploration and evaluation expenditure includes the following items:

- Capitalisation of share based payments totalling $3,307,613 (refer to note 16 of the interim financial report).
- Deposits paid for agreements in relation to Indonesian areas of interest totalling $1,459,701 (refer to note 8 of the interim financial report).

The deposits noted above were included within 'Other financial assets' in the annual financial report for the year ended 30 June 2010. The 30 June 2010 comparative statement of financial position has been restated within this interim financial report to reflect the current accounting policy on exploration and evaluation expenditure (refer to notes 1 and 8 of the interim financial report).

REVIEW OF OPERATIONS

Augur is a mineral exploration company exploring for gold, copper and nickel in Indonesia and within the Lachlan Fold Belt of New South Wales.

Augur has agreements covering the Central Jampang project and the Wonogiri projects in central Java. Both projects are prospective for epithermal gold and gold-copper porphyry style mineralisation.

In central New South Wales Augur has reported JORC compliant resources for the Yeoval and Homeville deposits. Yeoval is a porphyry copper-gold-molybdenum-silver deposit with an Inferred Resource of 12.9 million tonnes ('Mt') at 0.38% copper, 0.14 g/t gold, 120.1ppm molybdenum and 2.2 g/t silver, using a 0.2% copper cutoff. The resource is open at depth and mineralisation has not been closed off, particularly to the east.

The Homeville deposit has a JORC Inferred Resource of 12.2Mt at 0.91% nickel and 0.06% cobalt. The resource is open along strike. The deposit is very shallow and consists of a mineralised limonite clay horizon and a lower mineralised saprolite horizon.

Indonesia

During the period, Augur's primary focus has been on continuing to define gold and copper mineralisation at the Central Jampang project and to evaluate additional advanced projects within Indonesia.

As previously reported by the Company, drilling results from the Jampang project include:

JADD24 – 8.1 metres at 1.05 g/t gold, 0.39% copper and 6.0 g/t silver from just 9.0 metres depth and 15.0 metres at 0.90 g/t gold, 2.01% copper and 18.6 g/t silver from 84 metres and a further 13.6 metres at 0.97 g/t gold, 2.97% copper and 14.9 g/t silver from 103.9 metres.

JADD29 – 3.3 metres at 5.20 g/t gold from just 4.9 metres and 18.0 metres at 2.46 g/t gold, 0.91% copper and 11.9 g/t silver from 47.0 metres and a further 3.8 metres at 5.97 g/t gold, 2.97% copper and 25.7 g/t silver.

JADD35 – 20.5 metres at 1.37 g/t gold and 5.0 g/t silver from just 4.0 metres.

JADD40 – 43.0 metres at 1.62 g/t gold, 0.84% copper and 6.4 g/t silver.

The drilling indicates shallow multiple veins with associated gold and copper. Drilling has not closed off the mineralisation along strike or at depth.

During the period, Augur entered into a memorandum of understanding to acquire an interest in the Wonogiri project in central Java. Initial geological mapping indicates significant areas of extensively altered volcanics with multiple quartz veining. The gold at surface appears to be directly related to quartz veining and stockworking. To date, quartz veining with a cumulative strike length of 2.3 kilometres has been identified.

Directors' Report

Historically, a total of five diamond holes have been drilled within the license areas. Two of the diamond holes intercepting significant gold intervals including hole DHH1 which intersected 49.0 metres at 1.05 g/t gold and 0.28% copper from 83 metres depth, a further 15.0 metres at 1.61 g/t gold and 0.20% copper from 137.0 metres and yet a further 6.0 metres at 1.51 g/t gold and 0.17% copper from 155.0 metres. Hole DHH2 returned 37.0 metres at 1.77 g/t gold and 0.24% copper from 458.0 metres.

Rock chip sampling by Augur has confirmed the presence of gold and copper with a total of 18 samples from 52 rock chip samples returning greater than 1.00 g/t gold with six samples returning greater than 7.00 g/t gold. To date the maximum copper results from the rock chip sampling is 2.89% copper.

New South Wales

During the period, Augur advanced its Homeville prospect and continues to review options for its remaining New South Wales tenements.

Augur continued metallurgical studies of the Homeville mineralisation during the period. This phase of testing is aiding in the development of a processing path for the Homeville mineralisation. The initial results are encouraging with extraction of up to 78% of the nickel and 80% cobalt from bench scale atmospheric leach testing of the saprolite material.

During the period, Augur entered into a Binding Heads of Agreement with Meridien Resources Limited ('Meridien') covering Augur's Weelah tenement in central western New South Wales. Meridien paid Augur $5,000 for a 6 month option on the property and on payment of a further $40,000 (in cash and shares) will acquire an 80% interest in the property. Augur's 20% interest will be free carried to feasibility.

Share Issues

During the half year ended 31 December 2010, the Company issued 10,000,000 ordinary shares with a fair value of $2,300,000 and 5,000,000 options with a fair value of $1,007,613 as part remuneration for consultancy services rendered to the Company. As at 31 December 2010, $3,307,613 has been capitalised in exploration and evaluation expenditure. In addition, the Company issued 1,000,000 options to Mr. Grant Kensington under the ESOP program with a fair value of $207,187.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 6 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 2010.

Signed in accordance with a resolution of the Directors.

Grant Kensington
Managing Director
Sydney 15 March 2011

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Augur Resources Ltd.

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2010, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Stephen J. Board
Partner

15 March 2011
Brisbane

Condensed Consolidated Interim Statement of Comprehensive Income for the half year ended 31 December 2010

	Notes	31 December 2010 $	31 December 2009 $
Continuing operations			
Other income		4,545	1,980
Administration and consultants' expenses		(284,423)	(88,593)
Audit fees		(29,035)	(16,065)
Depreciation		(984)	(2,682)
Exploration and evaluation – pre-licence costs		(25,082)	-
Impairment of mining tenements		(204,724)	-
Employee and Director expenses		(211,000)	(139,080)
Share based payment expenses		-	(3,232)
Legal expenses		(93,472)	(12,798)
Rent and outgoings expenses		(10,909)	(45,000)
Marketing and advertising		(17,394)	(12,583)
Other expenses from ordinary activities		(83,076)	(29,251)
Operating loss before financing income		**(955,554)**	**(347,304)**
Finance income	2	22,140	28,553
Net finance income		**22,140**	**28,553**
Loss before tax		**(933,414)**	**(318,751)**
Income tax expense		**-**	7,157
Loss for the period		**(933,414)**	**(311,594)**
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(933,414)**	**(311,594)**
Earnings per share			
Basic loss per share (cents per share)	3	**(0.76)**	**(0.30)**
Diluted loss per share (cents per share)	3	**(0.76)**	**(0.30)**

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

Condensed Consolidated Interim Statement of Financial Position as at 31 December 2010

	Notes	31 December 2010 $	Restated 30 June 2010 $
Current assets			
Cash and cash equivalents	**4**	1,131,452	1,063,138
Trade and other receivables	**5**	31,880	44,656
Other assets	**6**	232,723	183,403
Total current assets		**1,396,055**	**1,291,197**
Non-current assets			
Property plant and equipment	**7**	400	1,384
Other financial assets		-	382,241
Other assets	**6**	45,000	55,000
Exploration and evaluation expenditure	**8**	9,823,796	5,461,309
Total non-current assets		**9,869,196**	**5,899,934**
Total assets		**11,265,251**	**7,191,131**
Current liabilities			
Trade and other payables	**9**	78,449	510,265
Borrowings	**10**	1,931,804	2,253,567
Total current liabilities		**2,010,253**	**2,763,832**
Total liabilities		**2,010,253**	**2,763,832**
Net assets		**9,254,998**	**4,427,299**
Equity			
Issued capital	**11**	12,614,561	7,861,061
Option reserves	**11**	1,053,112	142,111
Accumulated losses		(4,412,675)	(3,575,873)
Total equity		**9,254,998**	**4,427,299**

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

Condensed Consolidated Interim Statement of Cash Flows
for the half year ended 31 December 2010

	Notes	31 December 2010 $	31 December 2009 $
Cash flows from operating activities			
Cash receipts in the course of operations		-	8,348
Payments for exploration expenditure		(1,284,680)	(348,323)
Cash payments in the course of operations		(1,122,646)	(377,511)
Cash absorbed by operations		**(2,407,326)**	**(717,486)**
Interest received		22,140	28,553
Net cash used in operating activities		**(2,385,186)**	**(688,933)**
Cash flows from investing activities			
Refund of deposit for acquisition of investment		321,763	-
Net cash from investing activities		**321,763**	**-**
Cash flows from financing activities			
Proceeds from share issue		2,600,000	31,510
Transaction costs on share issue		(146,500)	(11,964)
Loan repaid to related party		(321,763)	-
Net cash from financing activities		**2,131,737**	**19,546**
Net increase in cash and cash equivalents		**68,314**	**(669,387)**
Cash and cash equivalents at 1 July		**1,063,138**	**2,008,997**
Cash and cash equivalents at 31 December		**1,131,452**	**1,339,610**

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

Condensed Consolidated Interim Statement of Changes in Equity for the half year ended 31 December 2010

Attributable to equity holders of the Company

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance as at 1 July 2009	**7,188,321**	**72,294**	**(2,111,622)**	**5,148,993**
Total comprehensive income for the period				
Loss for the period	-	-	(311,594)	(311,594)
Other comprehensive income	-	-	-	-
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares	31,510	-	-	31,510
Transaction cost on issue of shares	(11,964)	-	-	(11,964)
Cost of share based payments	-	3,232	-	3,232
Balance at 31 December 2009	**7,207,867**	**75,526**	**(2,423,216)**	**4,860,177**
Balance as at 1 July 2010	**7,861,061**	**142,111**	**(3,575,873)**	**4,427,299**
Total comprehensive income for the period				
Loss for the period	-	-	(933,414)	(933,414)
Other comprehensive income	-	-	-	-
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares	4,900,000	-	-	4,900,000
Transaction cost on issue of shares	(146,500)	-	-	(146,500)
Share based payments	-	1,007,613	-	1,007,613
Transfer of expired options	-	(96,612)	96,612	-
Balance at 31 December 2010	**12,614,561**	**1,053,112**	**(4,412,675)**	**9,254,998**

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

Notes to the Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2010

1. REPORTING ENTITY

Augur Resources Ltd (the 'Company') is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the 'Group').

The consolidated annual financial report of the Group as at and for the year ended 30 June 2010 is available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.augur.com.au.

Statement of compliance

The half year condensed consolidated interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 'Interim Financial Reporting'.

The half year report does not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Significant accounting policies

Except as described below, the accounting policies applied by the Group in this half year condensed consolidated interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2010.

Presentation of transactions recognised in other comprehensive income

From 1 July 2010 the Group has applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2010-4 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The change in accounting policy only relates to disclosures and had no impact on earnings per share or net income. The changes have been applied retrospectively and allow the Group to disclose transactions recognised in other comprehensive income in the notes to the interim financial report.

Exploration, evaluation and development expenditure

The Group has amended its accounting policy on exploration, evaluation and development expenditure to include costs associated with acquiring the licences being capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half year report, the significant judgements made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2010.

During the half year ended 31 December 2010 management reassessed its estimates in respect of:

- Note 1 - Going concern
- Note 8 - Exploration and evaluation expenditure
- Note 16 - Share based payments

Going concern

The condensed consolidated interim financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a trading loss of $933,414 in the half year ended 31 December 2010 and has accumulated losses of $4,412,675 as at 31 December 2010. The Group has cash on hand of $1,131,452 at 31 December 2010 and used $2,385,186 of cash in operations for the half year ended 31 December 2010. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- the Group raising additional funding from shareholders or other parties;
- the loan of $1,931,804 from a Director not being required to be repaid within the coming 12 months; and/or
- the Group reducing expenditure in-line with available funding.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditures significantly.

In the event that the Group does not obtain additional funding and/or reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

	Half year ended 31 December 2010 $	Half year ended 31 December 2009 $
2. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS		
Interest received	22,140	28,553
Other income	4,545	1,980
Total revenue from continuing operations	**26,685**	**30,533**
3. LOSS PER SHARE		
Basic and diluted loss per share have been calculated using:		
Net loss for the half year ended 31 December	**933,414**	**311,594**
Weighted average number of ordinary shares	**123,465,982**	**105,501,644**

	As at 31 December 2010 $	As at 30 June 2010 $
4. CASH AND CASH EQUIVALENTS		
For the purpose of the Statement of Cash Flows, 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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank	**1,131,452**	**1,063,138**

	As at 31 December 2010 $	As at 30 June 2010 $
5. TRADE AND OTHER RECEIVABLES		
Net GST receivable	31,880	44,656
	31,880	**44,656**
6. OTHER ASSETS		
Current – Prepayments	222,723	183,403
Current – Environmental bonds with Industry and Investment NSW	10,000	-
	232,723	**183,403**
Non-Current – Environmental bonds with Industry and Investments NSW	45,000	55,000
	45,000	**55,000**
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment – at cost	17,912	17,912
Less accumulated depreciation	(17,912)	(17,912)
	-	**-**
Computer equipment – at cost	13,129	13,129
Less accumulated depreciation	(12,729)	(11,745)
	400	**1,384**
Total plant and equipment	**400**	**1,384**
8. EXPLORATION AND EVALUATION EXPENDITURE		
New South Wales	3,654,003	3,739,651
Indonesia	6,169,793	1,721,658
Total exploration and evaluation	**9,823,796**	**5,461,309**

During the half year ended 31 December 2010, the Directors resolved to relinquish EL 6310 Wallaby Rocks (NSW). At the time of relinquishing the tenement the Group impaired the full amount capitalised in the balance sheet of $204,724.

The ultimate recoupment of these costs is dependent on the successful development and exploitation, or alternatively sale, of the respective areas of interest.

During the half year ended 31 December 2010, the Directors have reclassified amounts relating to costs incurred on the Indonesian areas of interest that had previously been classified as 'other financial assets' in the 30 June 2010 annual financial report. This has resulted in a restatement in the current period financial statements of the 30 June 2010 statement of financial position.

This restatement is in relation to the following assets as at 30 June 2010:

	As at 30 June 2010 $
Deposit on option agreement – PT Golden Pricindo Indah	291,940
Deposit on technical and financing assistance agreement – PT Golden Pricindo Indah	1,167,761
	1,459,701

Augur Investments Pty Ltd entered into an agreement with PT Best Clean Energy (an Indonesian entity) to acquire an interest in an Indonesian Company PT Golden Pricindo Indah ('Golden') which holds the mining licences covering the central Jampang gold project area.

These deposits paid for the ultimate acquisition of Golden were arms length transactions. The Directors consider that these deposits are, in substance, payments for the acquisition of the underlying assets currently held by Golden, being the mining licences covering the central Jampang gold project area. The Directors have restated these amounts in the prior period balance sheet as the Directors consider that the above transactions should be recorded as an acquisition of assets in accordance with Australian Accounting Standards and have therefore reclassified these amounts to capitalised exploration and evaluation expenditure. This restatement has no impact on the reported profit/(loss), cash flows for the period or on the net asset position of the Group.

	As at 31 December 2010 $	As at 30 June 2010 $
9. TRADE AND OTHER PAYABLES		
Trade creditors	46,749	172,669
Sundry creditors and accruals	31,700	337,596
	78,449	**510,265**
10. BORROWINGS		
Other – Director's loan	1,931,804	2,253,567
	1,931,804	**2,253,567**

The total outstanding loan amount to the Company and its controlled entities of $1,931,804 is interest free unsecured and has no fixed repayment date.

11. ISSUED CAPITAL

Issue and paid up capital		
135,480,145 Ordinary shares fully paid (30 June 2010: 109,722,569)	**12,614,561**	**7,861,061**

	Nº of shares	$	Nº of shares	$
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	109,722,569	7,861,061	104,555,992	7,108,210
Shares issued during the period				
Fully paid ordinary shares issued 17 August 2010 at $0.165.	15,757,576	2,600,000	-	-
Transaction costs	-	(146,500)	-	-
Fully paid ordinary shares issued 25 November 2010 at $0.23.	10,000,000	2,300,000	-	-
Fully paid ordinary shares issued 7 September 2009 at $0.021.	-	-	1,500,000	31,500
Conversion of options to ordinary shares at $0.20	-	-	3,666,577	733,315
Cost of the share issue on 16 June 2009	-	-	-	(11,964)
Balance at the end of the period	**135,480,145**	**12,614,561**	**109,722,569**	**7,861,061**

	Nº of options	$	Nº of options	$
Options				
Fully paid options.				
Movement in options on issue:				
Balance at the beginning of the period	1,540,000	142,111	13,914,979	198,722
Options issued during the period	5,000,000	1,007,613	500,000	23,500
Options expired during the period	(540,000)	(96,612)	(9,208,402)	(53,014)
Options converted during the period	-	-	(3,666,577)	(27,097)
Balance at end of the period	**6,000,000**	**1,053,112**	**1,540,000**	**142,111**
Options issued during the period but not vested	**1,000,000**	**207,187**	**-**	**-**

12. CONTINGENCIES AND COMMITMENTS

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

Annual tenement expenditure commitments required within 12 months to maintain licences	**437,500**	**482,500**

13. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

14. SEGMENT REPORTING

Segment information is presented in respect of the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical segments

For the half year ended 31 December 2009 the Company principally operated in NSW, Australia in the mineral exploration sector.

For the half year ended 31 December 2010 the Company principally operated in NSW, Australia and Indonesia in the mineral exploration sector.

The Group has two reportable segments, as described below:

Operating Segment	**NSW** **$**	**Indonesia** **$**	**Unallocated** **$**	**Consolidated Total** **$**
31 December 2010				
Segment revenue				
Revenue - external	-	-	4,545	4,545
Finance income	-	-	22,140	22,140
Total revenue	**-**	**-**	**26,685**	**26,685**
Depreciation	-	-	984	984
Segment result	**(204,724)**	**(229,535)**	**(499,155)**	**(933,414)**
Segment assets	**3,654,003**	**6,169,793**	**1,441,455**	**11,265,251**

Total assets for which there has been a material change from the amount disclosed in the previous financial statements

Included in the 'Indonesia' segment are assets relating to the exploration and evaluation of areas of interest in the Jampang region which have changed materially from the previous reported financial statements.

The amount of the change is as follows:

	As at 31 December 2010 **$**	**As at 30 June 2010** **$**	**Increase/ (Decrease)** **$**
Exploration and evaluation assets	**6,169,793**	**1,721,658**	**4,448,135**

15. RELATED PARTY TRANSACTIONS

At 31 December 2010 Norman A. Seckold, a Director, had a loan receivable of $1,931,804 (30 June 2010 - $2,253,567) which was advanced to the Company in the previous financial year to fund ongoing working capital requirements and to fund the investment in Indonesian assets. The total outstanding loan amount to the Company and its controlled entities at 31 December 2010 of $1,931,804 is interest free unsecured and has no fixed repayment date.

16. SHARE BASED PAYMENTS

During the half year ended 31 December 2010, the Company issued 10,000,000 ordinary shares with a fair value of $2,300,000 and 5,000,000 options with a fair value of $1,007,613 as part remuneration for consultancy services rendered to the Company. As at 31 December 2010, $3,307,613 has been capitalised in exploration and evaluation expenditure. In addition, the Company issued 1,000,000 options to Mr. Grant Kensington under the ESOP program with a fair value of $207,187.

The terms and conditions of the grants made during the half year ended 31 December 2010 were as follows:

The Following options were issued and vested during the half year

Grant date	Expiry date	Vesting date	Exercise price $	Fair value of options granted $	Number granted during the period	Number exercised during the period	Number expired during the period	Balance at the end of the period
24 November 2010	30 April 2013	24 November 2010	0.28	1,007,613	5,000,000	-	-	5,000,000
				1,007,613	**5,000,000**	**-**	**-**	**5,000,000**

The Following options were issued but did not vest during the half year

Grant date	Expiry date	Vesting date	Exercise price $	Fair value of options granted $	Number granted during the period	Number exercised during the period	Number expired during the period	Balance at the end of the period
24 November 2010	7 December 2013	7 December 2011	0.39	207,187	1,000,000	-	-	1,000,000
				207,187	**1,000,000**	**-**	**-**	**1,000,000**

Fair value of options

The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense or capitalised in exploration and evaluation expenditure is adjusted to reflect the actual number of options that vest.

The fair value of the options at grant date was determined based on the Black-Scholes formula. The model inputs for the 5,000,000 options issued during the period were the Company's share price of $0.28 at the grant date, a volatility factor of 134% based on historical performance, a risk-free interest rate 5.09% based on the 2 year government bond rate and a dividend yield of 0%.

The model inputs for the 1,000,000 options issued during the period were the Company's share price of $0.28 at the grant date, a volatility factor of 136% based on historical performance, a risk-free interest rate 5.17% based on the 3 year government bond rate and a dividend yield of 0%.

17. CONTROLLED ENTITIES

Parent Entity
Augur Resources Ltd, a listed public company, incorporated in Australia.

Wholly owned controlled entity
Augur Investments Pty Ltd, incorporated in Australia.

Directors' Declaration

In accordance with a resolution of the Directors of Augur Resources Ltd, I state that:

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 '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

Grant Kensington
Managing Director
Sydney, 15 March 2011

KPMG

Independent Auditor's Review Report to the Members of Augur Resources Ltd

We have reviewed the accompanying interim financial report of Augur Resources Ltd, which comprises the condensed consolidated interim statement of financial position as at 31 December 2010, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 17, and the Directors' Declaration.

Directors' Responsibility for the Interim Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the Directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Augur Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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 interim financial report of Augur Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and

b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1, "Going Concern" in the interim financial report. The conditions disclosed in Note 1 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the interim financial report.

KPMG

KPMG

15 March 2011

Brisbane

SJBoard

Stephen J. Board

Partner