Augur Resources Limited
(formerly known as Champion Resources Limited)

ABN 79 106 879 690

Financial Report

For the year ended 30 June 2007

Augur Resources Limited (formerly known as Champion Resources Limited)
ABN 79 106 879 690

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Augur Resources Limited (formerly known as Champion Resources Limited)
ABN 79 106 879 690

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2007.

Directors

The names of the directors in office at any time during or since the end of the financial year are:
Joshua Simon Rogers
Terrence John Shanahan (Resigned 7 June 2007)
Peter John Bradfield
Kimikazu Yoshioka
Roger Alan Jackson (Appointed 20 February 2007)
Tully Araluen Richards (Appointed 1 June 2007)

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

Principal Activity

The principal activity of the company during the financial year was mineral exploration.
No significant change in the nature of these activities occurred during the year.

Operating Results

The profit of the company for the financial year after providing for income tax amounted to $366,232 (2006: Loss after tax $853,001).

Review of Operations

The company holds five Exploration Licence areas within the Lachlan Fold Belt 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.

Significant Changes in State of Affairs

Augur was incorporated on 31 October 2003 to explore and develop mineral resources in various parts of Australia and, in more recent times, has focused its activities on the Lachlan Fold belt in New South Wales.

Augur acquired 100% of the issued share capital of Ark Resources Limited ("Ark") on incorporation. The Directors of Augur then De-Merged the two companies and as part of the De-Merger transaction Augur transferred four of its exploration licences to Ark. The De-Merger was carried out through Ark issuing 19,006,129 fully paid shares at a deemed price of $0.074837 per share ($1,422,253) to Augur as consideration for the exploration licences. Ark's issued capital was then distributed to Augur's shareholders by means of a pro-rata in specie distribution, resulting in a reduction of Augur's capital by 19,006,129 fully paid shares ($1,422,353). The De-Merger was approved by Shareholders of Augur on 20 February 2007 and implemented on 30 May 2007.

In May 2006, the Company issued a series of Convertible Notes amounting to $3.3 million to Ichiya Co. Limited ("Ichiya"). In February 2007 Ichiya elected to convert $2,695,136 of it's Convertible Notes into ordinary shares at an issue price of $0.1169 per share. On 7 June 2007, the balance of the Convertible Notes was converted into fully paid ordinary shares. A total of $625,163 (including interest accrued) was converted into $5,347,462 ordinary shares at an issue price of $0.1169 per share.

At an Extraordinary General Meeting of Augur's shareholders held on 7 June 2007, a share split of 1 to 1.1638250158 was approved.

After Balance Date Events

Other than the issue of a Prospectus (see Likely Developments) 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.

Likely Developments

The company will continue to work towards identifying a commercially viable mineral resource in the granted prospects.

Prior to the year end of 31 October 2007 the directors expect to list the company on the Australian Stock Exchange (ASX), pursuant to a prospectus which was lodged with the ASX on 24 July 2007. Pursuant to the prospectus Augur is seeking to raise a minimum of $4,000,000, being 20,000,000 shares at an issue price of $0.20 per share (and a maximum of $5,000,000, being 25,000,000 shares at an issue price of $0.20 per share). The funds raised will be used to further explore its mining tenements.

Dividends Paid or Recommended

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

Directors' Report (continued)

Information on Directors

The information on directors is as follows:

Joshua Simon Rogers

Executive Director, aged 38

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.

Terrence John Shanahan

Executive Director, age 61

Terence has an extensive exploration and resources career spanning 35 years across all resource sectors in Australia. He started his career as an actuary in the late 1960's for Legal and General's Investment Division where he specialised in resources. In 1983 he managed natural resource investments on behalf of Development Finance Corporation.

From the late 1980's to mid 1990's Mr. Shanahan worked for Hambros Securities, where he operated within the company's equity division. He has also worked for Lennard Oil Ltd and Manga Group Ltd as company chairman.

In the last few years Mr. Shanahan has operated as a much respected consultant to various companies in the resource sector in capital raising and public company listings on the ASX.

Peter John Bradfield

Executive Director, Chairman, age 65

Mr. Bradfield was educated in Australia and Canada and he holds a law degree from the University of Melbourne with an extensive career in the resource and research and development industries. During his career he has worked for several corporations such as British Petroleum and CRA. During this time Mr. Bradfield was director of several CRA companies and resident manager in Japan from 1979 to 1981.

Mr. Bradfield later joined Energy Resources Australia as General Manager to become Chief Executive. Other appointments include Managing Director of the Elders Mining Group of companies.

Since 1991 he has been Managing Director of Bradfield Corporate Services Pty Limited providing strategic marketing and development advice to a range of corporate clients. During this period Mr. Bradfield was also a Director of Corporate Business at CSIRO.

Kimikazu Yoshioka

Non Executive Director, Age 48.

From December 1985 he was a manager of Obiya-machi 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 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.

Directors' Report (continued)

Information on Directors (Continued)

Roger Alan Jackson

Non Executive Director, Age 41.

Roger completed a science degree majoring in geology and geophysics and also holds a Graduate Diploma in Financial Management from the University of New England. Prior to 1995 he held a variety of roles in construction and teaching, including the creation of a School Board endorsed High School Certificate in Mining. Roger founded Geological Ore Search (GOS) in 1995 as a geological services and drill contracting company and also Every Day Mine Services (EDMS), specialising in shotcrete production and delivery, underground drilling and construction, pump services and other mine services. Roger is currently the managing director of Every Day Mine Services Ltd, Cobar's and one of NSW's leading suppliers of mine and drilling services and a director of Ark Mines Ltd.

Roger is a long-standing Member of the Australasian institute of Mining and Metallurgy and a Member of the Australasian Drilling Institute.

Tully Araluen Richards

Executive Director, age 35

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.

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Joshua Simon Rogers	16	15
Terrence John Shanahan (Resigned 7 June 2007)	12	11
Peter John Bradfield	16	16
Kimikazu Yoshioka	16	15
Roger Alan Jackson (Appointed 20 February 2007)	11	8
Tully Araluen Richards (Appointed 1 June 2007)	5	3

Directors' Report (continued)

Options

Option Holder	As at 1 July 2006	Options issued during the year	Options bought back by company	As at 30 June 2007
Sera Toka	156,250	-	(156,250)	-
Core Fund Management Pty Ltd	312,500	-	(312,500)	-
Gary L Lewis & Shirley A Lewis	156,250	-	(156,250)	-
Batter Peter	375,000	-	(375,000)	-
Richard Wynn Pritchard and Thomas Stock	281,500	-	(281,500)	-
John Wardman & Associates Pty Ltd	281,500	-	(281,500)	-
Westglade Pty Ltd	250,000	-	(250,000)	-
Morgan - Hunn, Chris John	156,250	-	(156,250)	-
Robert Charteris	312,500	-	(312,500)	-

During the year, the board approved a buyback plan of 2,281,750 options held by some of the company's shareholders. The buyback option is at 4 cents per option with a total cost of $91,270, which has been expensed in the income statement for the year ended 30 June 2007.

Director Options issued as part of remuneration for the year ended 30 June 2007

Options are issued to directors as part of the companies 'Executive Share Option Plan.'

Director	Grant date	Expiry date	Exercise price	No. under option
Peter Bradfield	3 May 2007	3 May 2012	$0.25	400,000
Joshua Rogers	3 May 2007	3 May 2012	$0.25	500,000
Roger Jackson	3 May 2007	3 May 2012	$0.25	250,000
Terence Shanahan	3 May 2007	3 May 2012	$0.25	250,000
Kimikazu Yoshioka	3 May 2007	3 May 2012	$0.25	250,000
Tully Richards	7 June 2007	7 May 2012	$0.25	250,000
				1,900,000

Shares

No directors have any ownership of ordinary shares in Augur Resources Limited.

Indemnification of Officer or Auditor

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 5.

Signed this 17th day of October 2007 in accordance with a resolution of the Board of Directors:

Director ______________________

Joshua Simon Rogers

Gould
Ralph & Company
Chartered
Accountants

ABN 74 632 161 298
Level 42, Suncorp Place
259 George Street
Sydney 2000 Australia
Telephone: (02) 9032 3000
Facsimile: (02) 9032 3088
Email: mail@gouldralph.com.au

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

17 October 2007

Dear Members of the Board

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of Augur Resources Limited (formerly known as Champion Resources Limited) for the year ended 30 June 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; and

- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia;

in relation to this audit.

Yours faithfully
GOULD RALPH & COMPANY

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

Income Statement
For the year ended 30 June 2007

	Notes	2007	2006
		$	$
CONTINUING OPERATIONS			
Revenue	2	**1,094,316**	9,016
Depreciation and amortisation expenses	3	**(5,267)**	(10)
Share option buyback expenses		**(91,270)**	-
Advertising		-	(3,076)
Accountancy fees		**(18,690)**	(32,796)
Audit fees		**(10,000)**	(7,800)
Consulting fees		**(141,372)**	(410,961)
Directors fee		**(74,508)**	(45,040)
Legal fees		**(26,438)**	(33,524)
Insurance		**(30,725)**	-
Management fees		**(150,000)**	(37,500)
Motor vehicle expenses		**(2,649)**	(2,326)
Rent expenses		**(1,000)**	(16,294)
Telephone expenses		**(5,533)**	(24,773)
Travel expenses		**(79,286)**	(31,786)
Other expenses		**(41,779)**	(200,769)
Borrowing costs expense	3	**(42,410)**	(15,362)
Profit/(Loss) before income tax expense		**373,389**	(853,001)
Income tax expense	4	(7,157)	-
Profit/(Loss) after income tax expense		**366,232**	(853,001)
Profit/(Loss) attributable to members of the entity		**366,232**	(853,001)

Balance Sheet
As at 30 June 2007

	Notes	2007	2006
		$	$
CURRENT ASSETS			
Cash and cash equivalents	6	**225,563**	437,165
Trade and other receivables	7	**364,506**	104,125
Other assets	8	**413,883**	-
TOTAL CURRENT ASSETS		**1,003,952**	541,290
NON-CURRENT ASSETS			
Property, plant and equipment	9	**19,317**	4,953
Deferred exploration and evaluation expenditure	10	**742,803**	-
TOTAL NON-CURRENT ASSETS		**762,120**	4,953
TOTAL ASSETS		**1,766,072**	546,243
CURRENT LIABILITIES			
Trade and other payables	11	**400,743**	31,144
Interest-bearing loans & borrowings	12	-	1,421,105
TOTAL CURRENT LIABILITIES		**400,743**	1,452,249
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,157**	-
TOTAL LIABILITIES		**407,900**	1,452,249
NET ASSETS/ (LIABILITIES)		**1,358,172**	(906,006)
EQUITY			
Issued capital	13	**1,928,986**	31,040
Accumulated losses		**(570,814)**	(937,046)
TOTAL EQUITY		**1,358,172**	(906,006)

The accompanying notes form part of these financial statements.

Statement of changes in equity
For the year ended 30 June 2007

	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2005	1,040	(84,045)	(83,005)
Ordinary shares issued	30,000	-	30,000
Loss for the year	-	(853,001)	(853,001)
Balance at 30 June 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**

The accompanying notes form part of these financial statements.

Cash Flow Statement
For the year ended 30 June 2007

	Notes	2007 $	2006 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**7,864**	3,591
Payments to suppliers and employees		**(717,082)**	(837,812)
Interest received		**21,427**	7,406
Borrowing costs		**(42,410)**	(15,362)
Net cash used in operating activities	14(b)	**(730,201)**	(842,177)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		**(19,630)**	(4,963)
Payment for exploration expenditure		**(742,803)**	-
Net cash used in investing activities		**(762,433)**	(4,963)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issues		**2,962,971**	30,000
Loan to external parties		**(285,953)**	-
(Repayment) / proceeds from shareholder loans		**(1,435,986)**	1,328,969
Proceeds / (payments) of environment bonds		**40,000**	(90,000)
Net cash provided by financing activities		**1,281,032**	1,268,969
Net increase/(decrease) in cash held		**(211,602)**	421,829
Cash at beginning of financial year		**437,165**	15,336
Cash at end of financial year	14 (a)	**225,563**	437,165

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Preparation

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.

Going concern basis of accounting

The ability of the company to continue as a going concern and therefore realise its assets in the ordinary course of business is dependant on the company raising further capital and or finance. The company has issued a prospectus dated 24 July 2007 to list on the ASX to raise a minimum of $4million. As at the date of this financial report, applications have been received in excess of this amount and it is expected that the company will be quoted on the ASX before 31 October 2007. The funds raised will be used to further explore and evaluate the companies mining interests in the Lachlan Fold Belt, NSW. Accordingly the directors believe it is appropriate that the financial report be prepared on a going concern basis.

Accounting Policies

(a) Cash

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	25 %	Diminishing Value
Computer Equipment	37.5 %	Diminishing Value

(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).

Notes to the Financial Statements
For the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 change for current income tax expenses is based on the profit for the year adjusted 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 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's Balance Sheet when Augur 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.

Notes to the Financial Statements
For the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

At each reporting date, the group 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.

(j) Convertible Notes

The convertible notes issued by Augur exhibit characteristics of a liability. On the issue of the convertible notes, the fair value of the liability is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

The corresponding mandatory coupon payments on those notes are charged as interest expense in the Income Statement.

(k) Trade and other payables

Creditors and other payables, including accruals for goods received but not yet billed, are recognised when Augur 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 allocates its employees shares and 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.

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007 $	2006 $
NOTE 2: REVENUE			
- interest	2(a)	**21,903**	7,406
- other revenue		**7,388**	1,610
- demerger gain		**1,065,025**	-
		1,094,316	9,016
(a) Interest from:			
- bank		**21,427**	264
- Australian Taxation Office		**476**	7,142
		21,903	7,406
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**	3,096
- other persons		**-**	12,266
Total borrowing costs		**42,410**	15,362
Depreciation of non-current assets			
- Plant & equipment		**5,267**	10
- Rent expenses		**1,000**	16,294
Remuneration of the auditors for			
- audit or review services		**9,500**	7,300
- other services		**500**	500
		10,000	7,800

	Note	2007	2006
		$	$

NOTE 4: INCOME TAX

(a) Income tax expense

The major components of income tax expense are:

Income statement

	2007	2006
Current income tax charge	-	-
Deferred income tax	7,157	-
	7,157	-

(b) The prima facie tax payable on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	2007	2006
Prima facie tax payable on profit before income tax at 30% (2006 - 30%)	112,017	(255,900)
Tax effect of:		
– Share option buy-back expense non deductible	27,381	-
– Underprovided prior years	-	2,249
– Temporary differences not previously brought to account	146,329	-
– Carry forward tax losses not brought to account	-	253,609
– Tax losses utilised not previously brought to account	(66,048)	-
– Tax losses brought to account	(212,684)	-
– Other non-allowable items	162	42
Income tax expense	7,157	-

(c) Deferred tax liability

The major components of deferred tax liability are as follows:

	2007	2006
Deferred mining and exploration expenditure	222,841	-
Tax losses brought to account	(212,684)	-
Other	(3,000)	-
	7,157	-

Deferred income tax assets not brought to account

Deferred tax assets have not been recognised in respect of the following items:

	2007	2006
Tax losses	-	929,106

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007	2006
		$	$

NOTE 5: KEY MANAGEMENT PERSONNEL DISCLOSURES

The names of key management personnel who have held office during the financial year are:

Joshua Simon Rogers, Executive Director
Terrence John Shanahan, Executive Director
Peter John Bradfield Executive Director, Chairman
Kimikazu Yoshioka Non-Executive Director
Roger Alan Jackson Non-Executive Director (Appointed 20 February 2007)
Tully Araluen Richards Executive Director (Appointed 1 June 2007)

	2007	2006
Short-term benefits	74,508	45,040

NOTE 6: CASH AND CASH EQUIVALENTS

	2007	2006
Cash at bank	225,563	437,165

NOTE 7: TRADE AND OTHER RECEIVABLES

	2007	2006
CURRENT		
Environment bonds	50,000	90,000
GST receivable	23,553	14,125
Other receivables	290,953	-
	364,506	104,125

NOTE 8: OTHER ASSETS

	2007	2006
CURRENT		
Prepayments	6,361	-
Prepaid share issue costs	407,522	-
	413,883	-

	Note	2007	2006
		$	$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

		2007 $	2006 $
(a) Plant and equipment			
At cost		17,912	-
Less accumulated depreciation		(3,126)	-
		14,786	-
(b) Computer equipment			
At cost		6,682	4,963
Less accumulated depreciation		(2,151)	(10)
		4,531	4,953
Total plant and equipment		19,317	4,953

(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 & equipment	Computer equipment	Total
	$	$	$
2007			
Balance at the beginning of the year	-	4,953	4,953
Additions	17,912	1,719	19,631
Depreciation expense	(3,126)	(2,141)	(5,267)
Carrying amount at end of year	14,786	4,531	19,317

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

		2007 $	2006 $
Costs carried forward in respect of areas of interest in exploration phase		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.

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007	2006
		$	$
NOTE 11: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Amounts payable to:			
- Mitchell and Morgan		-	14,881
Trade creditors		**181,156**	16,263
Sundry creditors and accruals		**219,587**	-
		400,743	31,144
NOTE 12: INTEREST BEARING LOANS & BORROWINGS			
CURRENT			
Unsecured liabilities			
- Interest payable for Ichiya Co. Ltd (i)		-	3,096
Secured liabilities			
Amounts payable to:			
- Loan payable for Ichiya Co. Ltd		-	1,418,009
		-	1,421,105

(i) Ichiya Co. Ltd is the major shareholder of the company. This loan is unsecured and attracts an interest rate of 3% per annum. On 20 February 2007, 23,053,413 shares at $0.1169 per share were issued via conversion of convertible notes ($2,695,136). On 7 June 2007, 5,347,462 shares at $0.1169 per share were issued via conversion of convertible notes ($621,730).

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007	2006
		$	$

NOTE 13: CONTRIBUTED EQUITY

26,500,000 (2006: 13,375,000) Ordinary shares fully paid (i)	1,928,986	31,040

(a) Ordinary shares

	2007		2006	
	No. of Shares	**$**	No. of Shares	$
Balance at the beginning of the reporting period	**13,375,000**	**31,040**	1,040	1,040
Shares issued during the year:				
Fully paid ordinary shares issued	-	-	13,373,960	30,000
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**	-	-	-
Balance at the end of the reporting period	**26,500,000**	**1,928,986**	13,375,000	31,040

(i) Terms and conditions
Ordinary share 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.

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007	2006
		$	$

NOTE 14: 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 statement of financial position as follows:

	2007	2006
Cash at bank	225,563	437,165

(b) Reconciliation of cash flow from operations with profit/(loss) from ordinary activities after income tax

	2007	2006
Profit/(Loss) from ordinary activities after income tax	366,232	(853,001)
Non-cash flows in profit/(loss) from ordinary activities		
Depreciation	5,267	10
De-Merger gain	(1,065,025)	-
Changes in assets and liabilities		
(Increase)/decrease in other assets	(14,427)	1,982
Increase in prepayments	(413,883)	-
Increase in trade and other payables	384,478	8,832
Increase in deferred tax liabilities	7,157	-
Net Cash used in operating activities	(730,201)	(842,177)

NOTE 15: SEGMENT INFORMATION

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

	Note	2007	2006
		$	$

NOTE 16: 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:

Other Related Parties

(a) Interest bearing advance from shareholders

	2007	2006
Ichiya Co. Ltd	-	1,418,009
Accrued Interest	-	3,096
	-	1,421,105

	2007	2006
(b) Management fees paid to Mitchell and Morgan in which Joshua Simon Roger (current director) has a beneficial interest.	**150,000**	37,500
Investment and Super College Pty Ltd	-	53,915
	150,000	91,415

NOTE 17: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	$	$	$	$	$	$
Financial Assets:								
Cash	**3.25**	3.85	-	-	**225,563**	437,165	-	-
Receivables	-	-	-	-	-	-	**778,389**	104,125
Total Financial Assets			-	-	**225,563**	437,165	**778,389**	104,125
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	**400,743**	16,263
Amounts payable related parties	**3.00**	3.00	-	1,421,106	-	-	-	14,881
Total Financial Liabilities			-	1,421,106	-	-	**400,743**	31,144

NOTE 17: FINANCIAL INSTRUMENTS (CONT)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

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.

(c) Net Fair Values

Bills of exchange and promissory notes which are traded on organised financial markets, the net fair value is based on the quoted market offer price at balance date adjusted for transaction costs expected to be incurred.

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 18: COMMITMENTS AND CONTINGENCIES

	2007
	$
Statutory commitments with respect to tenements	**429,000**

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events that have occurred subsequent to 30 June 2007, which may significantly affect the results of the entity in subsequent years.

Notes to the Financial Statements
For the year ended 30 June 2007

	Note	2007	2006
		$	$

NOTE 20: 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 group
AASB 2005-5 Amendments to Australian Accounting Standards	AASB 1: First-time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per Share AASB 139: Financial Instruments: recognition and Measurement AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1 January 2007	1 July 2007
AASB 7 Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above	1 January 2007	1 July 2007

NOTE 21: 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 6 to 22 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 2007 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.

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

Director ______________________

Joshua Simon Rogers

Dated this 17th day of October 2007

Sydney

Gould
Ralph & Company
Chartered
Accountants

ABN 74 632 161 298
Level 42, Suncorp Place
259 George Street
Sydney 2000 Australia
Telephone: (02) 9032 3000
Facsimile: (02) 9032 3088
Email: mail@gouldralph.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUGUR RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Augur Resources Limited (formerly known as Champion Resources Limited), which comprises the balance sheet as at 30 June 2007, 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 that the financial report, comprising the financial statements and notes, comply 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.

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 Limited 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 2007 and of its 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.

(b) other mandatory financial reporting requirements in Australia

2. the company financial statements and notes or financial report also comply with International Financial Reporting Standards as disclosed in Note 1.

GOULD RALPH & COMPANY
Chartered Accountants

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

Dated this 17th day of October 2007