AUGUR
Resources Ltd
ABN 79 106 879 690

14 October 2011

The Manager Companies
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Madam

ANNUAL REPORT AND NOTICE OF AGM

I attach the Company's Annual Report for the year ended 30 June 2011 and a copy of the Company's Notice of Annual General Meeting to be held on 16 November 2011 as sent to shareholders today.

Yours sincerely

Marcelo Mora
Company Secretary

pjn6233

AUGUR
Resources Ltd
ABN 79 106 879 690

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2011 Annual General Meeting of Augur Resources Ltd (**'Augur'** or the **'Company'**) will be held at Level 3, 66 Hunter Street, Sydney, NSW, on Wednesday, 16 November 2011 at 11.00 am Eastern Daylight Saving Time (EDST).

AGENDA

ORDINARY BUSINESS

Financial Statements

To receive and consider the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2011.

To consider and, if thought fit, to pass the following resolutions, with or without amendment:

Resolution 1

'That the Remuneration Report for the year ended 30 June 2011 be and is hereby adopted.'

Resolution 2

'That Mr Justin C. Werner be and is hereby elected as a Director.'

Resolution 3

'That Mr Peter J. Nightingale be and is hereby re-elected as a Director.'

Resolution 4

To consider, and if thought fit, to pass the following as an ordinary resolution:

'That the grant of 2,000,000 options in the Company on 4 July 2011 as part consideration for a broking fee be and is hereby ratified for the purposes of ASX Listing Rule 7.4 and 7.5.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by:

- Zenix Nominees Pty Ltd and Colbern Fiduciary Nominees Pty Ltd; and
- any of their associates.

Resolution 4 (Cont.)

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5

To consider, and if thought fit, to pass the following as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14, the grant of up to 1,000,000 options to Mr Grant Kensington a director of the Company in accordance with the terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting be and is hereby approved.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by a director of the Company who is eligible to participate in the executive share option scheme or any of his associates:

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6

To consider, and if thought fit, to pass the following as an ordinary resolution:

If resolution 2 is passed and 'That, for the purposes of ASX Listing Rule 10.14, the grant of up to 7,000,000 options to Mr Justin Werner a directors of the Company less any options granted to Mr Peter Nightingale and Mr Grant Kensington pursuant to resolutions 7 and 8 of this notice of meeting in accordance with the terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting be and is hereby approved.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by a director of the Company who is eligible to participate in the executive share option scheme or any of his associates:

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7

To consider, and if thought fit, to pass the following as an ordinary resolution:

If resolution 3 is passed and 'That, for the purposes of ASX Listing Rule 10.14, the grant of up to 7,000,000 options to Mr Peter Nightingale a directors of the Company less any options granted to Mr Justin Werner and Mr Grant Kensington pursuant to resolutions 6 and 8 of this notice of meeting in accordance with the terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting be and is hereby approved.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by a director of the Company who is eligible to participate in the executive share option scheme or any of his associates:

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8

To consider, and if thought fit, to pass the following as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14, the grant of up to 7,000,000 options to Mr Grant Kensington a directors of the Company less any options granted to Mr Justin Werner and Mr Peter Nightingale pursuant to resolutions 6 and 7 of this notice of meeting in accordance with the terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting be and is hereby approved.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by a director of the Company who is eligible to participate in the executive share option scheme or any of his associates:

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

To transact any other business that may be brought forward in accordance with the Company's Constitution.

By order of the Board

Marcelo Mora
Company Secretary

14 October 2011

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at the Annual General Meeting to be held at Level 3, 66 Hunter Street, Sydney, NSW, on Wednesday, 16 November 2011 at 11.00 am Eastern Daylight Savings Time (EDST).

FINANCIAL REPORT

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2011 will be laid before the meeting. There is no requirement for shareholders to approve these reports, however, the Chair of the meeting will allow a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

1. Adoption of Remuneration Report

The Remuneration Report, which can be found as part of the Directors' Report in the Company's 2011 Annual Report, contains certain prescribed details, sets out the policy adopted by the Board of Directors and discloses the payments to key management personnel, Directors and senior executives.

In accordance with section 250R of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. The resolution is advisory only and does not bind Directors.

2. Re-election of Peter J. Nightingale

Pursuant to Article 10.1(c) of the Company's Constitution and the Corporations Act, Peter Nightingale retires by rotation and, being eligible, offers himself for re-election.

3. Re-election of Justin C. Werner

Pursuant to Article 10.5 of the Company's Constitution and the Corporations Act, Justin Werner who was appointed as a Director during the year retires in accordance with these requirements and, being eligible, offers himself for re-election.

4. Ratification of the Grant of Options

Resolution 4 seeks the ratification by shareholders of the grant of 2,000,000 options in the Company on 4 July 2011 for the purposes of Listing Rule 7.4 and 7.5. This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company's funds management and will facilitate planning for the Company's ongoing activities.

Details of the issue, as required by ASX Listing Rule 7.5 are as follows:

- Number of securities allotted is 2,000,000
- Issue price: is Nil cash consideration, the options were issued as part consideration for a broking fee for placement of shares issued on 30 June 2011.
- Terms:
  - Unlisted options each exercisable to acquire one fully paid ordinary share at $0.20 on or before 31 May 2014 and vesting immediately.
  - The rights of the optionholder can be changed to comply with the listing rules when the company undertakes a reorganisation of capital.
  - The options do not entitle the holder to participate in new issues without exercising the options.
  - The options do not confer the right to change the exercise price nor a change to the underlying number of ordinary shares over which it can be exercised.
  - The options are transferable.
  - Upon exercise of the options, the options will convert into fully paid ordinary shares which will rank equally in all respect with existing fully paid ordinary shares.
- Name of allottees:

  1,000,000 to Zenix Nominees Pty Ltd and 1,000,000 to Colbern Fiduciary Nominees Pty Ltd.
- Intended use of funds:

  No funds were raised as the issue which was part consideration for a broking fee.

5. Approval of the Grant of Options

Under ASX Listing Rule 10.14, a Director of the Company may only participate in an employee share option plan ('ESOP') where such participation is approved by a resolution of the members in general meeting. It is to grant performance rights by way of options to subscribe for fully paid shares in the Company to Grant Kensington, the managing director of the Company, pursuant to the ESOP. This represents a long-term incentive component of the managing directors' remuneration package.

The following information is provided to shareholders in accordance with ASX Listing Rule 10.15A:

- The maximum number of options that may be granted is 1,000,000 options, each being entitled to be exercised to acquire one fully paid ordinary share.
- There is nil cash consideration for the issue of the options which will form part of the Director's remuneration package.
- The exercise price for the options is calculated as being a 25% premium to the volume weighted average of the ordinary shares traded on the Australian Securities Exchange for the 15 business days preceding the grant date.
- Since the last approval, Grant Kensington has been granted 1,000,000 options, for nil cash consideration as part of his remuneration package, each exercisable at 38.87 cents to acquire one fully paid ordinary share up to 7 December 2013.
- Grant Kensington, Peter Nightingale and Justin Werner are entitled to participate in the ESOP.
- There are no loans applicable to the granting of the options.
- The options will be granted no later than 12 months after the meeting, and as soon as practicable after the annual general meeting.
- The options will expire 3 years from the date granted to the Director.
- The vesting of the options is 12 months after the grant date.
- The optionholder has the right to acquire one fully paid ordinary share at the exercise price.
- The optionholder cannot assign options or any interest or right in respect of those options.
- The options do not entitle the holder to participate in new issues without exercising the options.
- Any adjustment to the number of outstanding options under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.
- Any adjustment to the exercise price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.
- The rights of the optionholder can be changed to comply with the listing rules when the company undertakes a reorganisation of capital.
- Upon exercise of the options, the options will convert into fully paid ordinary shares which will rank equally in all respect with existing fully paid ordinary shares.

5. Approval of the Grant of Options (Cont.)

Details of any securities issued under the ESOP will be published in each Annual Report of the Company relating to the period in which securities have been issued, and that approval was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the ESOP after the above resolution is approved and who were not named in this Notice of Annual general Meeting will not participate until approval is obtained under Listing Rule 10.14.

6. Approval of the Grant of Options for Resolutions 6, 7 and 8

Under ASX Listing Rule 10.14, a Director of the Company may only participate in an employee share option plan ('ESOP') where such participation is approved by a resolution of the members in general meeting. In order to provide the Company with flexibility in managing Directors' remuneration and incentives, it is proposed to seek shareholder approval to grant up to 7,000,000 options in aggregate total to all Directors in Resolutions 6, 7 and 8, representing less than 5% of the number of fully paid ordinary shares on issue, on the terms set out below.

The following information is provided to shareholders in accordance with ASX Listing Rule 10.15A:

- The maximum number of options that may be granted to all Directors in total aggregate is 7,000,000 options, each being entitled to be exercised to acquire one fully paid ordinary share.
- There is nil cash consideration for the issue of the options which will form part of the Director's remuneration package.
- The exercise price for the options is calculated as being a 25% premium to the volume weighted average of the ordinary shares traded on the Australian Securities Exchange for the 15 business days preceding the grant date.
- Since the last approval, Grant Kensington has been granted 1,000,000 options, for nil cash consideration as part of his remuneration package, each exercisable at 38.87 cents to acquire one fully paid ordinary share up to 7 December 2013.
- Grant Kensington, Peter Nightingale and Justin Werner are entitled to participate in the ESOP.
- There are no loans applicable to the granting of the options.
- The options will be granted at a date to be determined by the Chairman and, in any event, no more than 3 years after the Annual General Meeting.
- The options will expire 3 years from the date granted to the Director.
- The vesting of the options is 12 months after the grant date.
- The optionholder has the right to acquire one fully paid ordinary share at the exercise price.
- The optionholder cannot assign options or any interest or right in respect of those options.

6. Approval of the Grant of Options for Resolutions 6, 7 and 8 (Cont.)

- The options do not entitle the holder to participate in new issues without exercising the options.

- Any adjustment to the number of outstanding options under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.

- Any adjustment to the exercise price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.

- The rights of the optionholder can be changed to comply with the listing rules when the company undertakes a reorganisation of capital.

- Upon exercise of the options, the options will convert into fully paid ordinary shares which will rank equally in all respect with existing fully paid ordinary shares.

Details of any securities issued under the ESOP will be published in each Annual Report of the Company relating to the period in which securities have been issued, and that approval was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the ESOP after the above resolution is approved and who were not named in this Notice of Annual General Meeting will not participate until approval is obtained under Listing Rule 10.14.

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PROXY FORM

I/We ____

of ____

being a member/members of Augur Resources Ltd HEREBY APPOINT

____

or failing him, the Chairman of the Meeting, as my/our Proxy to vote for me/us and on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Members of the Company to be held at 11.00 am Eastern Daylight Savings Time (EDST) on 16 November 2011 and at any adjournment thereof.

The Proxy is directed by me/us to vote as indicated by the marks in the appropriate voting boxes below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1. To adopt the Remuneration Report	☐	☐	☐
2. To elect Mr Justin Werner as Director of the Company	☐	☐	☐
3. To re-elect Mr Peter Nightingale as a Director of the Company	☐	☐	☐
4. To ratify the grant of 2,000,000 options on 4 July 2011	☐	☐	☐
5. To approve the grant of 1,000,000 options to Mr Grant Kensington	☐	☐	☐
6. To approve the grant of up to 7,000,000 options to Mr Justin Werner	☐	☐	☐
7. To approve the grant of up to 7,000,000 options to Mr Peter Nightingale	☐	☐	☐
8. To approve the grant of up to 7,000,000 options to Mr Grant Kensington	☐	☐	☐

Important information for Resolution 1 if the Chairman of the Meeting is your proxy or is appointed as your proxy by default.

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this resolution. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the voting box above (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 1).

The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

☐ I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

Signature of Securityholder(s) *This section must be completed.*

Dated this ____________ day of ______________________ 2011.

Signatures of Securityholder(s) ______________________ ______________________

Individual Securityholder(s)
Sole Director and Company Secretary

or Director and Director/Company Secretary

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PROXY INSTRUCTIONS

1. A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
2. Where more than 1 proxy is appointed, each proxy must be appointment to represent a specified proportion of the member's voting rights.
3. A proxy need not be a member.
4. All joint holders must sign.
5. Where the company has a Sole Director and Company Secretary, that person must sign. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.
6. All executors of deceased estates must sign.
7. The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Company's shares quoted on the ASX Limited at 7.00 pm Sydney time on 14 November 2011 are taken, for the purposes of the Annual General Meeting to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting.
8. Proxy forms must be received at the Company's registered office, Level 2, 66 Hunter Street, Sydney, NSW, 2000, or by facsimile on (61-2) 9221 6333, not less than 48 hours before the time appointed for holding the meeting.

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2011

annual report

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Chairman's Letter

Dear Fellow Shareholders

I am very pleased to report that the 2011 financial year has been one of further success for your Company on several fronts. However, the most important development occurred on 9 December 2010 when we entered into an agreement with PT Oxindo Exploration, a subsidiary of Minerals and Metals Group, which gave us the right to earn up to an 80% interest in the Wonogiri gold/copper project in central Java.

We were very encouraged by the results of the limited drilling of the project and quickly commenced geochemical sampling and then drilling. Whilst the data set is still relatively small, the very wide zones of gold and copper mineralisation encountered to date give us confidence that Wonogiri has the potential host a large deposit.

We will focus our attention on Wonogiri in the 2012 financial year. Apart from the Randu Kuning hill there are numerous other targets within the tenement boundaries, and at least some of them will be tested this year.

I look forward to reporting further positive developments next year.

Yours sincerely

Norman A. Seckold
Dated this 14th day of September 2011

Managing Director's Report

Dear Shareholders

Firstly, I would like to thank you for your support over the last financial year. As in the past, I would like to welcome all those that joined as new shareholders of Augur Resources Ltd during the year.

This year has been an exciting year for your Company as we seek to build its resources and grow value for shareholders.

During the year, Augur entered into an agreement on the Wonogiri project in central Java, Indonesia. This project has quickly become the flagship project of the Company as some very encouraging gold results have been intersected in most holes drilled at the project to date. We have continued our assessment of the Jampang gold-copper project and expect to make a decision on the exercising of the option over the next few months.

Our Strategy

Augur has a clear strategy of focusing on advanced projects, which have a high probability of being developed in the future.

Our key commodities are gold and copper.

Augur has expanded its region of focus to include Indonesia and in particular gold projects in Indonesia. We have sought partners for our Australian projects as our key focus is on the Indonesian projects.

Growth

Augur will deliver growth by building significant resources of gold and copper.

During the year, I was pleased to announce the signing of the Wonogiri agreement. Augur considers this project has a very high prospectivity for significant gold and copper mineralisation. This has been, in part, confirmed by the successful results received from the recent drilling at the Randu Kuning prospect.

Augur has continued to advance the Jampang project after an extensive drilling program during 2010/11. The Company is currently reviewing all data relating to the project and continues a series of metallurgical tests to determine if the project meets our investment requirements.

At Yeoval, in central New South Wales, Augur has a defined a copper-gold-molybdenum resource which remains open at depth and to the east. An additional porphyry target at the Crown prospect requires further drill testing. With our focus now clearly on the Wonogiri and Jampang projects Augur sought partners to advance this project.

An updated resource of the Homeville nickel-cobalt deposit was reported during the year. Augur is considering a number of options for this project.

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

Grant L. Kensington
Managing Director
Dated this 14th day of September 2011

Review of Operations

Operations

Augur Resources Ltd ('Augur' or 'the Company') has interests in advanced exploration projects in Indonesia and New South Wales.

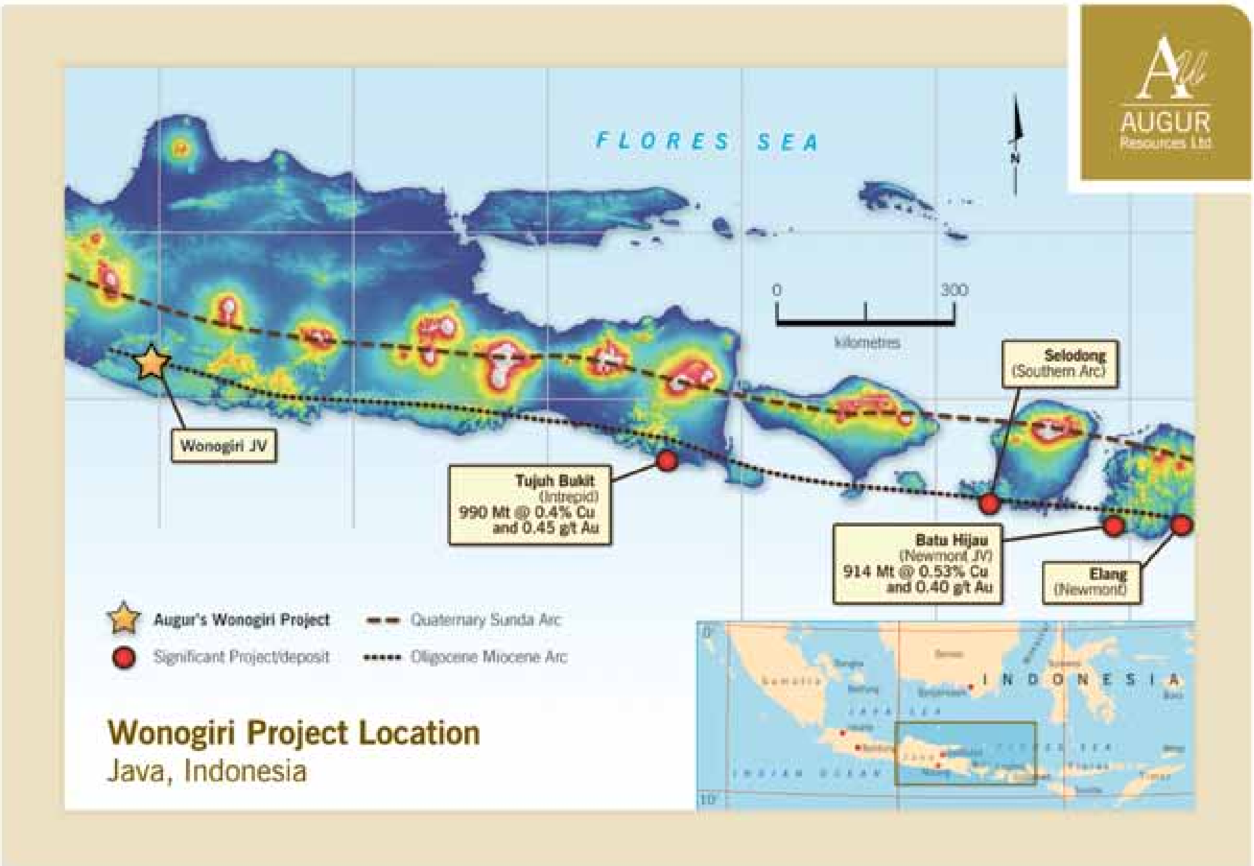
During 2011, Augur's primary focus has been on the advancing the Wonogiri gold-copper project and the Central Jampang gold-copper project, both on the island of Java in Indonesia.

In addition to the Wonogiri and Jampang projects, Augur has two advanced projects in New South Wales which have JORC compliant resources covering a copper-gold-molybdenum porphyry deposit at Yeoval, the Yeoval project, and a nickel-cobalt laterite deposit at Homeville, the Collerina project.

Augur also has a less advanced gold-copper-tin project at Tullamore, in central west New South Wales.

Review of Operations

■ *Location map of Indonesian projects.*



Topography image with Wonogiri project location and major porphyry deposits on the Oligocene-Miocene Arc.

Wonogiri Gold-Copper Project (Indonesia) - Option to earn up to 80%

Targets: Porphyry and epithermal gold-copper.

Augur has an agreement to earn a 51% interest of the Wonogiri project after the expenditure of US$1.5 million within 12 months from 9 December 2010 and can earn an 80% interest in the project with the expenditure of a further US$2.0 million with 24 months of 9 December 2010. No upfront payment or issue of shares was required.

The Wonogiri project covers an area of highly altered dioritic rocks which have associated gold and copper mineralisation. Building on exploration by PT Oxindo, Augur has highlighted a significant gold and copper mineralised zone at Randu Kuning. Additional epithermal targets exist, proximal to Randu Kuning and Augur will systematically explore these targets during the 2011/12 reporting period.

The Wonogiri project, which covers an area of 3,928 hectares, is located approximately 30 kilometres south of the provincial city of Solo in central Java and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on a sealed road.

The project lies within the tectonically complex Sunda-Banda magmatic arc which is characterised by multiple phases of volcanic activity and extensive deformation.

In 2010 PT Oxindo drilled a total of five holes within the project area. Two of the holes drilled at the Randu Kuning prospect intersected significant mineralisation.
Drill hole DDH 1 returned 40 metres at 1.12 g/t gold and 0.29% copper from 92 metres depth and a further 15 metres at 1.61 g/t gold and 0.20% copper from 137 metres. Drill hole DDH 2 returned 37 metres at 1.77 g/t gold and 0.24% copper from 458 metres depth.

Review of Operations

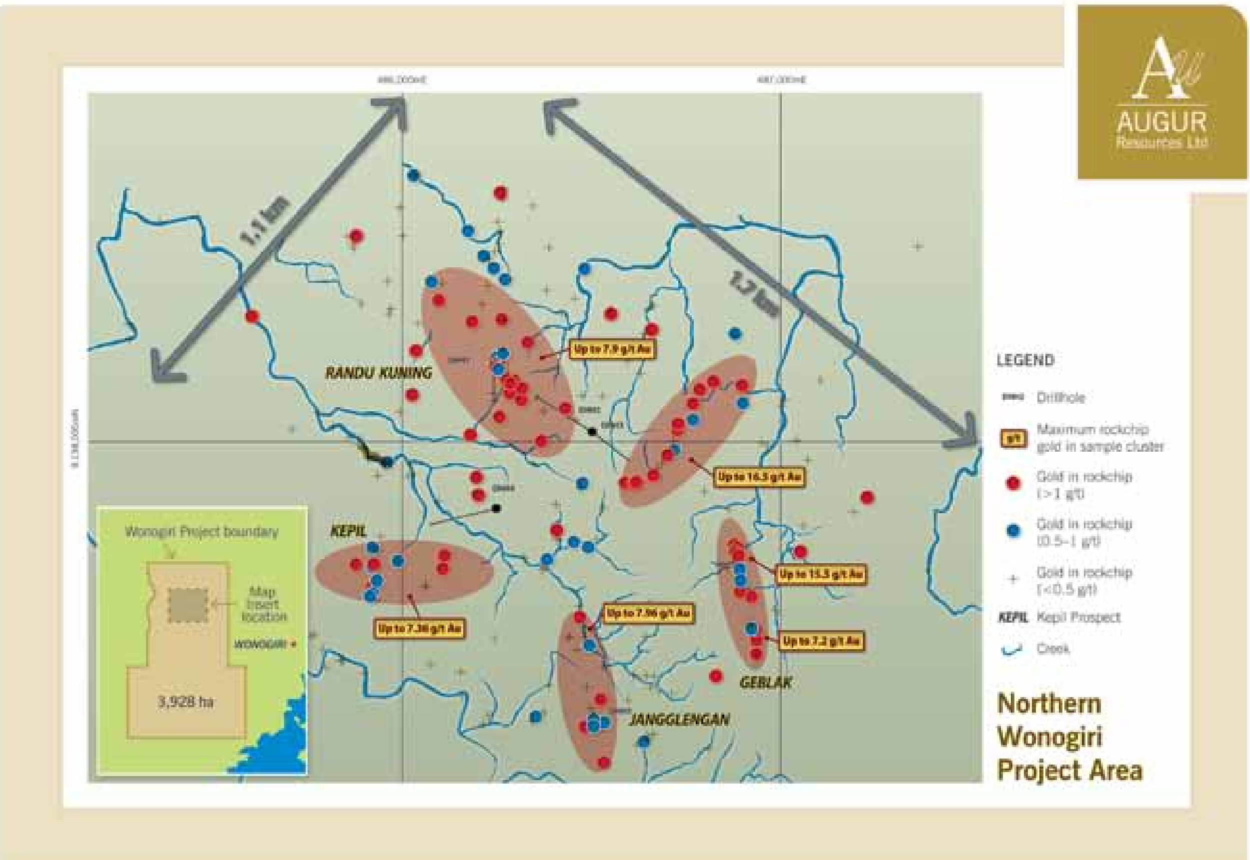
Exploration during 2011 has focused on defining the extent of mineralisation at Randu Kuning. Data from local geology and recent drilling indicates that the mineralisation at Randu Kuning is related to a near vertical gold-copper porphyry within a large eroded volcanic centre, possibly related to a northward migrating Oligocene to Miocene volcanic Arc.

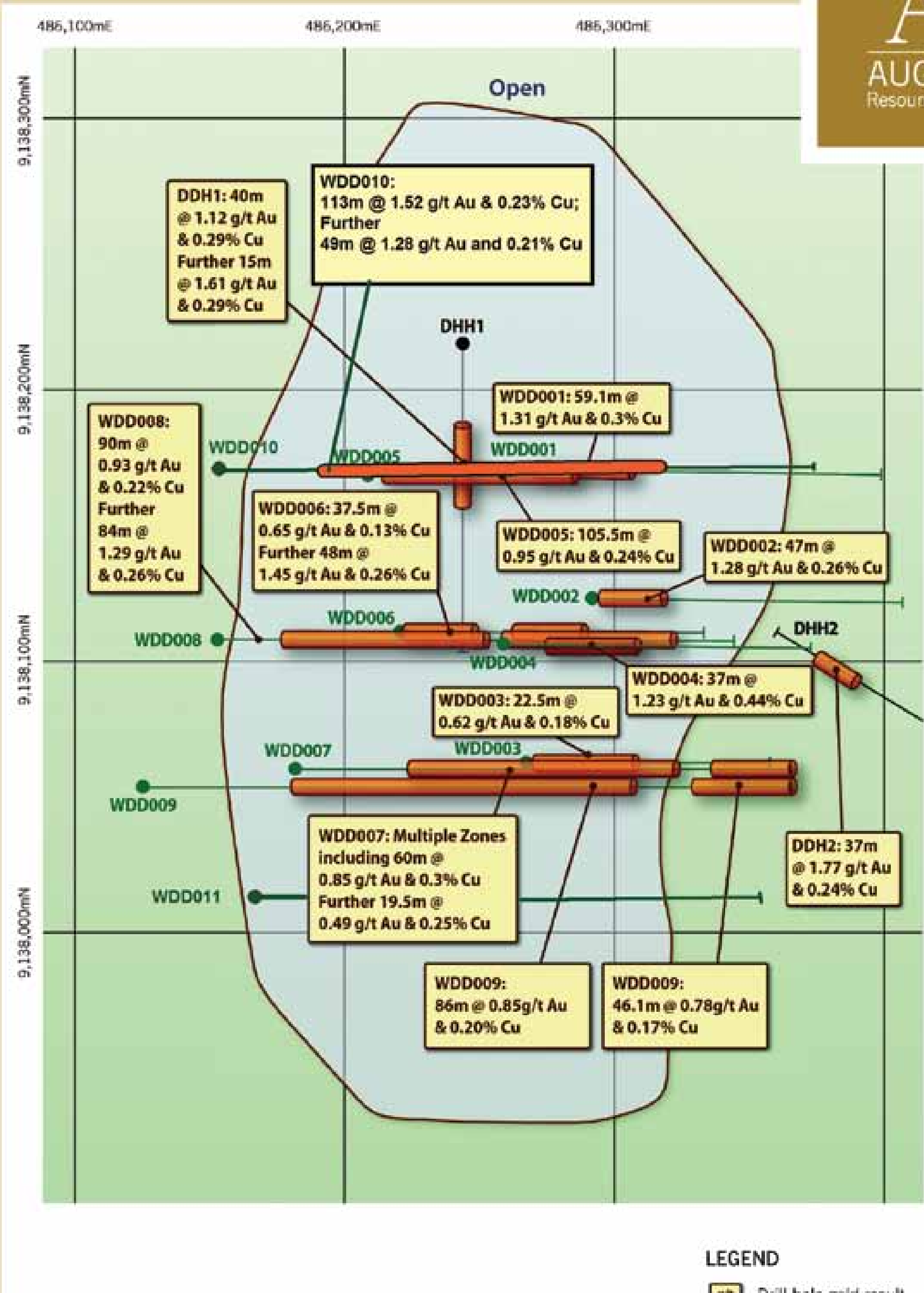
Mineralisation within the porphyry at Randu Kuning is contained within extensive stock working and sheeted veins hosted within a microdiorite and as disseminated copper +/- gold within the mircodiorite body itself. Mapped quartz veining with a cumulative strike length of 2.3 kilometres has been identified in the vicinity of Randu Kuning.

As detailed below, drilling over the last year has returned some significant gold and copper intercepts. The main porphyry zone identified to date exists from surface and is currently open at depth. Copper values are moderately elevated in the oxide zone, however gold does not appear to be elevated in the oxide zone directly above the porphyry itself. The mineralised zone appears to widen with depth. Further drilling is required to fully determine the geometry and gold and copper distribution at Randu Kuning.

In the vicinity of the Randu Kuning mineralisation, a number of epithermal prospects have been identified. Rock chips collected by Augur within the prospects have returned some significant results. A total of 53 rock chips were assayed during the year. Six of the samples returned greater than 7.00 g/t gold and 18 samples returned greater than 1.00 g/t gold. The best rock chip sample for gold returned 7.96 g/t gold and 17.5 g/t silver. Silver results of up to 50.7 g/t silver and copper up to 2.89% copper have been returned in different samples.

Drill hole co-ordinates, and assay results have been reported in full by the Company and are available on the Company's website. Drill results from the Randu Kuning prospect, Wonogiri project, are shown on page 11. Results are shown using a cut-off of 0.3 g/t gold or 0.3% copper. All depths are reported as drilled depths. Insufficient data is currently available to determine the true width of the intersections.

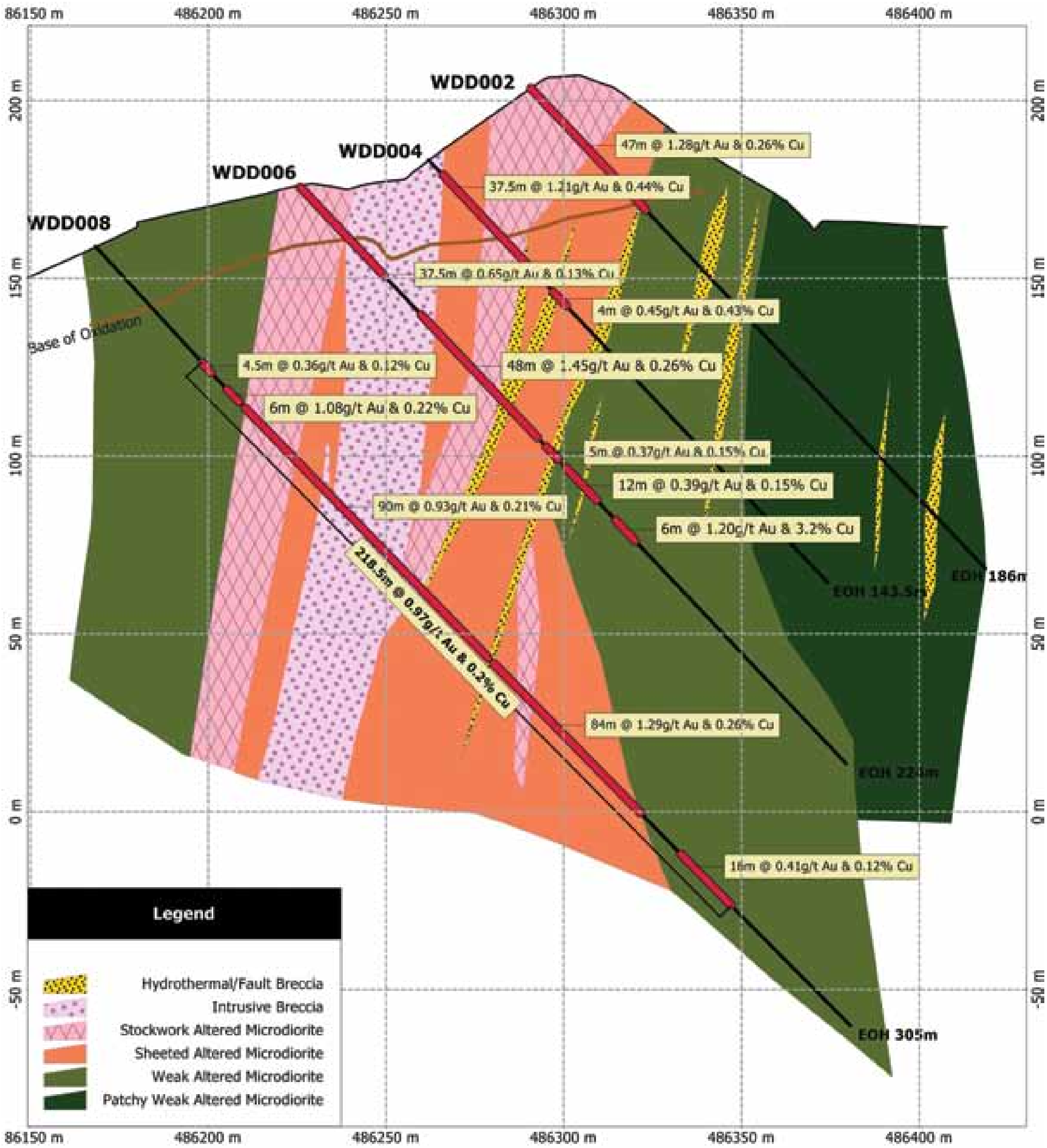




Northern Wonogiri Project Area
Randu Kuning Prospect

Hole	Prospect	Easting	Northing	Dip	Azimuth (Mag)	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
WDD001	Randu Kuning	486268	9138170	45	90	8.2	67.3	59.1	1.31	0.30
WDD002	Randu Kuning	486288	9138130	45	90	0.0	47.0	47.0	1.28	0.26
WDD003	Randu Kuning	486262	9138065	45	90	0.0	22.5	22.5	0.62	0.18
WDD004	Randu Kuning	486264	9138115	45	90	5.5	43.0	37.5	1.21	0.44
and						50.0	54.0	4.0	0.45	0.43
WDD005	Randu Kuning	486208	9138155	45	90	14.0	119.5	105.5	0.95	0.24
WDD006	Randu Kuning	486226	9138115	45	90	0.0	37.5	37.5	0.65	0.13
and						49.5	97.5	48.0	1.45	0.26
and						129.5	135.5	6.0	1.20	0.32
WDD007	Randu Kuning	486182	9138066	45	90	30.0	49.5	19.5	0.49	0.25
and						53.5	113.5	60.0	0.85	0.30
and						133.0	142.0	9.0	0.39	0.18
and						148.0	151.0	3.0	0.51	0.23
and						160.5	177.5	17.0	0.56	0.14
and						183.5	196.5	13.0	0.60	0.19
and						199.5	214.0	14.5	0.55	0.15
WDD008	Randu Kuning	486166	9138115	45	90	50.5	56.5	6.0	1.08	0.22
and						59.5	149.5	90.0	0.93	0.21
and						153.5	237.5	84.0	1.29	0.26
and						242.5	258.5	16.0	0.41	0.12
WDD009	Randu Kuning	486121	9138057	45	90	4.5	6.0	1.5	1.39	-
and						110.5	196.5	86.0	0.85	0.20
and						259.5	305.6	46.1	0.78	0.17
WDD010	Randu Kuning	486155	9138165	45	90	50.0	163.0	113.0	1.52	0.23
and						212.0	261.0	49.0	1.28	0.21
WDD011	Randu Kuning	4861162	9138018	45	90	No significant result				
WDD012	Randu Kuning	486153	9138210	45	90	69.0	76.0	7.0	0.38	0.13
and						80.0	108.0	28.0	0.64	0.17
and						111.0	177.0	65.0	0.59	0.14
and						179.0	201.0	22.0	0.43	0.10
and						213.0	216.0	3.0	0.71	0.15
and						220.0	231.0	11.0	0.39	0.12
and						238.0	250.0	12.0	0.43	0.16
and						253.0	257.0	4.0	0.45	0.19
and						276.0	280.0	4.0	1.27	-

Hole	Prospect	Easting	Northing	Dip	Azimuth (Mag)	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
WDD013	Randu Kuning	486186	9137963	45	90	9.0	10.0	1.0	0.45	-
and						38.5	39.0	0.5	3.32	-
and						72.0	74.0	2.0	0.58	-
WDD014	Randu Kuning	486186	9137963	45	90	151.0	152.0	1.0	0.38	0.21
and						157.0	158.0	1.0	0.63	-



■ *Cross section of the Randu Kuning porphyry system showing holes WDD002, WDD004, WDD006 and WDD008. Mineralisation is associated with potassic alteration.*

Review of Operations

Central Jampang Gold-Copper Project (Indonesia) - Option to purchase 90%

Targets: Epithermal, near surface gold, copper and silver.

Augur has an agreement to acquire a 90% interest in an Indonesian based company, PT Golden Pricindo Indah ('Golden'), which holds the Izin Usaha Pertambangans, or mining business licences, ('IUPs') covering the Central Jampang gold project area in south-western Java.

The option may be exercised by a payment of US$9,000,000 in January 2012 if Augur is satisfied, after conducting due diligence of Golden and its licences. Augur has provided US$1,000,000 in working capital to Golden to aid in the refurbishment and operating costs of a gold processing plant in which Augur will share half of any profits generated from the sale of gold over two years in the event that Augur exercises the purchase option or three years in the event that Augur does not exercise the purchase option. The final payment will be reduced to US$8,000,000 in the event that the gold processing plant fails to reach production within two years.

Historically, the Central Jampang gold-copper project has undergone significant drilling and exploration. Augur has undertaken drilling and geophysics to confirm the main mineralised areas at Jampang with the aim of determining the viability of exercising the option to purchase the project.

The Central Jampang gold-copper project is located approximately 150 kilometres south of Jakarta, on the island of Java.

The general geology of the area consists of Miocene/Oligocene andesite and dacite rocks overlain by recent volcanic tuffs. Historical mapping and drilling, indicates that epithermal gold bearing veins and hydrothermal breccias exist in the area.

The area covered by the IUPs had undergone limited modern exploration with the exception of a three year program undertaken between 1996 and 1998 by a Canadian junior exploration company.

A major structural trend with numerous gold occurrences and zones of significant alteration within the project licence area has been identified. Historical drilling focused on a large alteration zone at Cigaru which covers the northern half of the licences and contains the Lipi and Puteran-Simpang prospects. Mineralisation identified by the historical drilling remained open at depth and along strike.

During the year, Augur continued an aggressive drilling program at Jampang with drilling at the Lipi, Lipi West, Lipi North, Puteran Simpang and Pasir Keusik South prospects. Historically, significant gold had been identified at Lipi and at Puteran Simpang. Drilling by Augur at Jampang has totalled 42 diamond drill holes and 98 reverse circulation holes.

Drill hole co-ordinates, and assay results have been reported in full by the Company and are available on the Company's website. Some significant drill results from the Central Jampang project, are shown below. Results are shown using a cut-off of 0.5 g/t gold or 0.3% copper. All depths are reported as drilled depths. Insufficient data is currently available to determine the true width of the intersections.

Review of Operations

Lipi Prospect

The Lipi prospect has been identified as the main gold and copper bearing zone at Jampang. The mineralisation has an identified strike length of over 500 metres with the southern extent open. Exploration by Augur suggests that the northern extent of mineralisation may extend into the Pasir Keusik South prospect.

The drilling indicates that gold is present within a series of multiple quartz veins and hydrothermal breccias. These structurally controlled gold enriched zones appear to be near vertical and remain open at depth. Host rock types in the area are andesite and dacite.

Copper mineralisation occurs in the southern portion of the Lipi prospect and, in part at least, is supergene in nature. This copper mineralisation is interpreted to be related to a buried intrusion. No deep drilling to test for a mineralised porphyry system has been undertaken at Jampang.

The copper mineralisation in hole JADD10 confirms the occurrence of significant copper at Lipi. A 3.0 metre zone between 41.6 metres and 44.6 metres returned 2.67% copper within a zone of 36.0 metres of 0.89% copper and 1.74 g/t gold.

Hole	Easting	Northing	Dip	Azimuth (Mag)	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)	Silver (g/t)
JADD10	675350	9214608	60	255	28.6	64.6	36.0	1.74	0.89	8.0
and					84.0	88.7	4.7	0.34	1.48	11.2
JADD11	675280	9214838	60	255	71.5	91.7	20.2	1.43	0.21	5.2
JADD14	675254	9214893	60	255	63.2	75.5	12.3	3.70	0.19	12.7
and					104.3	107.3	3.0	14.35	0.59	8.9
and					114.3	119.5	5.2	0.57	0.67	5.5
JADD15	675250	9214871	60	255	36.0	44.0	8.0	1.83	0.14	6.7
and					52.2	58.0	5.8	2.43	0.21	4.7
JADD19	675348	9214773	60	255	142.0	156.5	14.5	1.46	0.52	8.1
and					171.0	174.0	3.0	1.66	0.92	18.0
JADD24	675369	9214654	60	255	9.0	17.1	8.1	1.05	0.39	6.0
and					84.0	99.0	15.0	0.90	2.01	18.6
and					103.9	117.5	13.6	0.97	2.26	14.9
JADD25	675226	9214918	60	270	6.7	16.8	10.1	2.00	-	-
and					22.5	34.5	12.0	1.35	-	-
JADD29	675345	9214650	60	255	4.9	8.2	3.3	5.20	-	-
and					47.0	65.0	18.0	2.46	0.91	11.9
and					102.0	105.8	3.8	5.97	2.97	25.7
JADD31	675374	9214635	60	255	71.6	85.7	14.1	1.46	0.88	12.3
and					90.4	101.2	10.8	0.88	1.10	9.8
JARC068	674973	9215040	60	270	84.0	98.0	14.0	1.18	0.98	22.8
and					101.0	104.0	3.0	0.70	0.20	7.2
JARC092	675134	9215359	60	270	29.0	35.0	6.0	0.56	-	1.1
and					44.0	54.0	10.0	2.57	-	7.7
JARC093	675177	9215358	60	270	67.0	91.0	24.0	1.90	0.13	3.7

Review of Operations

Puteran Simpang Prospect

The Puteran Simpang prospect is located approximately 640 metres north-northwest of the Lipi prospect. Gold mineralisation at Puteran Simpang trends in a northwest direction and is known to be associated with hydrothermal breccias. Zones of high grade gold have previously been reported from the Puteran Simpang prospect.

Six reverse circulation holes were drilled at Puteran Simpang during the year. The best results were 3.0 metres at 5.65 g/t gold, 0.29% copper and 6.6 g/t silver from 77 metres and a further 15.0 metres at 3.33 g/t gold, 0.22% copper and 20.7g/t silver from 94 metres in hole JARC107.

Further drilling has been planned at Puteran Simpang during the next financial year, with the aim of defining a near surface resource at Puteran Simpang.

Hole	Easting	Northing	Dip	Azimuth (Mag)	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)	Silver (g/t)
JARC104	674839	9215458	60	180	29.0	33.0	4.0	1.88	-	5.9
JARC105	674858	9215463	60	255	48.0	51.0	3.0	0.52	-	1.6
and					59.0	61.0	2.0	2.46	0.13	4.1
and					67.0	70.0	3.0	1.01	0.14	6.0
and					78.0	83.0	5.0	3.09	0.14	4.4
JARC106	674894	9215416	60	255	4.0	8.0	4.0	1.74	-	1.5
JARC107	674897	9215437	60	255	77.0	80.0	3.0	5.65	0.29	6.6
and					94.0	109.0	15.0	3.33	0.22	20.7
JARC108	674878	9215429	60	180	12.0	17.0	5.0	3.81	-	7.2

Lipi North Prospect

The Lipi North prospect is located between the Lipi and Pasir Keusik South prospects. The prospect includes recently exposed quartz veins. Drilling by Augur during 2009/10 intersected some significant gold results including 0.5 metres at 56.00 g/t gold and 26.6 g/t silver from 7 metres in hole JADD6 and 10.0 metres at 7.47 g/t gold and 6.4 g/t silver from 73 metres in hole JADD8.

Augur drilled a total of five reverse circulation drill holes at Lipi North during the year. These holes were targeted on identifying extensions of the Lipi mineralisation. Four of these holes intersected gold mineralisation, including hole JARC086 which returned the most significant gold with 5.0 metres at 1.19 g/t gold and 3.5 g/t silver from 63 metres depth. The results indicate that gold mineralisation may extend from the Lipi prospect to the Pasir Keusik South prospect.

Pasir Keusik South Prospect

The Pasir Keusik South prospect contains a number of north-northwest trending epithermal quartz veins. Augur drilled 14 reverse circulation holes at Pair Keusik South during the year with the aim of identifying the extent of mineralisation in the prospect. Nine of the holes intersected anomalous gold with the most significant results including 6.0 metres at 0.56 g/t gold and 1.1 g/t silver from 29 metres and a further 10.0 metres at 2.57 g/t gold and 7.7 g/t silver from 44 metres in JARC092, 24.0 metres at 1.90 g/t gold, 0.13% copper and 3.7 g/t silver from 67 metres in JARC093 and 12.0 metres at 3.53 g/t gold, 0.42% copper and 14.4 g/t silver in hole JARC099.

Augur's work to date highlights the significant potential of the Central Jampang gold-copper project area. Further work will be aimed at determining a JORC resource and metallurgical properties of representative samples.

Review of Operations

Yeoval (NSW) - 100% owned (subject to a farm-out agreement) EL 6311 and ML 811

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

The Yeoval project covers an area of approximately 147 square kilometres and has potential for a Cadia, Ridgeway or North Parkes style of porphyry copper-gold +/- molybdenum mineralisation, epithermal gold +/- silver mineralisation and magnetite rich copper-gold mineralisation. The primary areas of focus are the Yeoval Mine prospect, Goodrich prospect, Goodrich South and nine further targets.

The Yeoval project area hosts numerous near surface copper +/- gold occurrences and several small historical mines, within altered Naringla Granodiorite of the Yeoval complex. Prior exploration has targeted shallow outcropping mineralisation. Significant potential exists in areas of shallow alluvial cover.

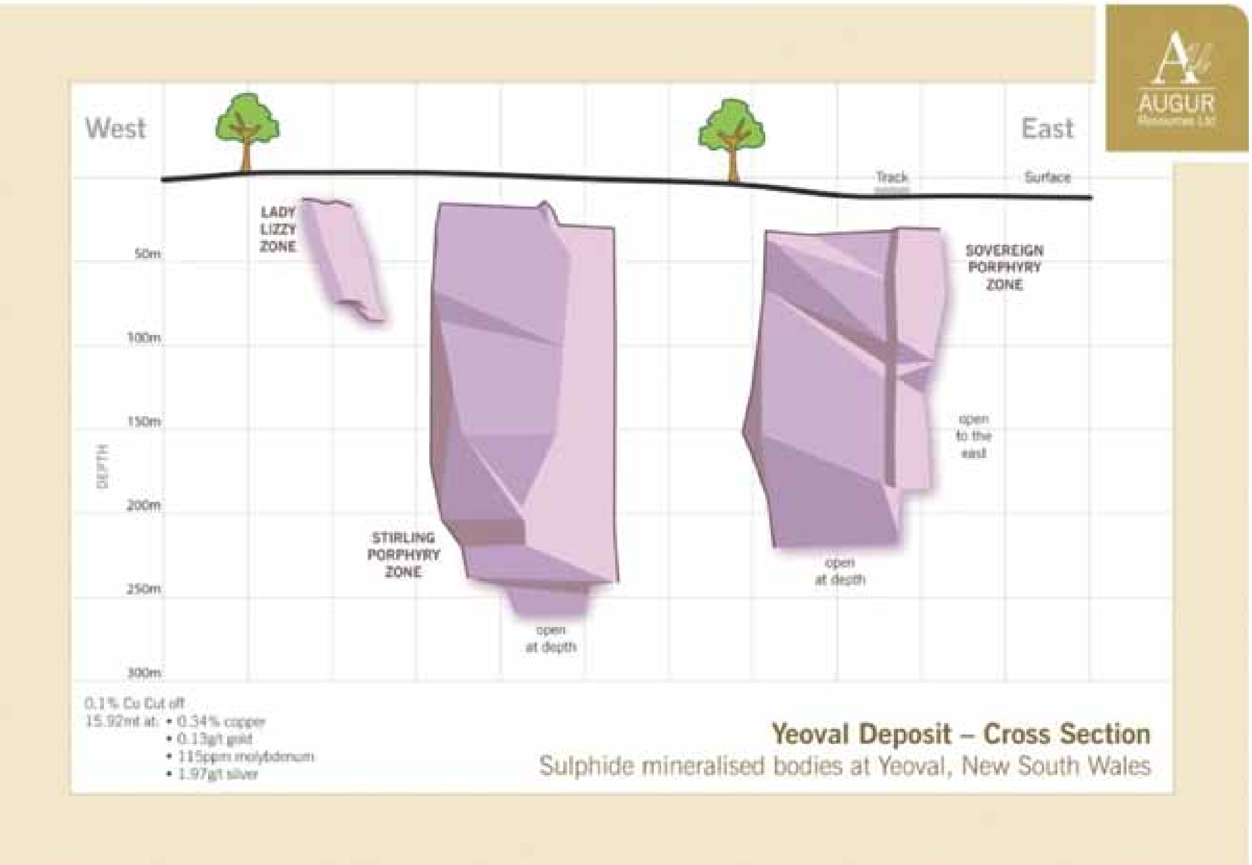
Following on from the successful 2007/08 and 2008/09 drill programs, Augur completed an initial JORC compliant Inferred Resource estimate for the Yeoval copper-gold-molybdenum-silver deposit in 2009. A summary of the Inferred Resource estimate is as follows:

Million Tonnes	Copper Cut-off (%)	Copper (%)	Gold (g/t)	Molybdenum (ppm)	Silver (g/t)
15.9	0.10	0.34	0.13	115.3	1.97
12.9	**0.20**	**0.38**	**0.14**	**120.1**	**2.20**
9.9	0.25	0.42	0.15	129.0	2.47
7.3	0.30	0.48	0.17	140.9	2.75
4.5	0.40	0.56	0.19	161.8	3.26
2.5	0.50	0.65	0.22	192.3	3.83
0.5	0.75	0.88	0.26	285.3	5.25

The resource has been calculated on the sulphide portion of the deposit. The oxide component was not included in the resource estimation as it is believed to be limited in volume. Potential exists for increased tonnage and grade as the higher grade zones have not yet been fully defined by the current drilling density and the deposit is open to the east and at depth.

During the year, an agreement was reached with Zodiac Resources Pty Limited ('Zodiac') whereby to earn a 75% interest in the Yeoval project, Zodiac must spend a minimum of $300,000 on a drilling campaign at Yeoval over the 9 months from 4 April 2011, pay Augur $450,000 within 12 months of 4 April 2011 if they wish to continue to explore the project's tenements and spend a minimum of a further $1.7 million on exploration of the project within 24 months of 4 April 2011. On completion of the farm-out period Augur will have the option to contribute 25% to expenditure on the project or progress to a free carry net smelter royalty of 2.5%.

Review of Operations



Collerina (NSW) - 100% owned EL 6336

Targets: Nickel-cobalt laterite deposits, copper-gold sulphide deposits and vein related gold deposits.

The Collerina project is located 40 kilometres south of Nyngan in central NSW, covering an area of 300 square kilometres within the Fifield Platinum Province. The tenement contains the Homeville nickel-cobalt deposit, which was discovered by Augur in 2008.

During 2008/09 Augur announced the discovery of the Homeville nickel-cobalt deposit within the Collerina tenement and a JORC compliant Inferred Resource for the Homeville deposit was estimated at 12.2 million tonnes at 0.91% nickel and 0.06% cobalt based on a cut-off of 0.7% nickel.

During the year, an updated resource was independently estimated by Hellman and Schofield Pty Ltd with the following highlights:

- Updated resource estimate of 16.3 million tonnes at 0.93% nickel and 0.05% cobalt (cut-off 0.7% nickel), an increase of approximately 33.6% on the previously reported resource estimate.
- The total resource is estimated to contain approximately 151,000 tonnes of nickel and 8,100 tonnes of cobalt.
- The mineralisation is at surface in some areas and has an average depth of only 10 metres below surface.

Based on a cut-off of 0.7% nickel, the resource estimate includes a total of 4.4 million tonnes at 0.99% nickel and 0.06% cobalt as Indicated Resource and 11.9 million tonnes at 0.91% nickel and 0.05% cobalt as Inferred Resource.

Based on a cut-off of 1.0% nickel, the total resource estimate is 4.9 million tonnes at 1.18% nickel and 0.05% cobalt.

Saprolitic and limonitic host mineralisation has also been estimated with 14.3 million tonnes, or nearly 88% of the resource, as saprolite (based on a cut-off of 0.7% nickel). Focus for further metallurgical studies will be concentrated on the saprolitic domain.

Confidence	Million Tonnes	Nickel Cut-off (%)	Nickel (%)	Cobalt (%)	Iron (%)	Magnesium (%)
Total	27.2	0.5	0.80	0.05	19	9.8
	16.3	**0.7**	**0.93**	**0.05**	**19**	**9.3**
	4.9	1.0	1.18	0.05	18	8.6
Indicated	6.4	0.5	0.87	0.06	21	9.6
	4.4	**0.7**	**0.99**	**0.06**	**20**	**8.8**
	1.8	1.0	1.21	0.05	19	7.9
Inferred	20.7	0.5	0.78	0.05	18	9.9
	11.9	**0.7**	**0.91**	**0.05**	**18**	**9.4**
	3.1	1.0	1.16	0.05	17	8.8

Homeville nickel-cobalt deposit resource summary by JORC category.

Type	Million Tonnes	Nickel Cut-off (%)	Nickel (%)	Cobalt (%)	Iron (%)	Magnesium (%)
Limonitic	5.2	0.5	0.69	0.08	27	1.2
	2.0	**0.7**	**0.84**	**0.10**	**30**	**1.4**
	0.2	1.0	1.14	0.12	33	1.9
Saprolitic	21.9	0.5	0.83	0.04	17	10.3
	14.3	**0.7**	**0.95**	**0.04**	**17**	**10.4**
	4.7	1.0	1.18	0.04	17	10.2

Homeville nickel-cobalt deposit resource summary by host type.

The Collerina project contains several additional advanced prospects including Yathella (nickel-cobalt), Swanson's Trouble (gold), C1 (scandium, platinum nickel-cobalt) Widgelands (copper) and the Collerina Mine (copper).

Yathella prospect is located approximately 3 kilometres from the Homeville deposit. Significant historical exploration has identified shallow nickel and cobalt mineralisation at Yathella. It is envisaged that the mineralisation at Yathella will provide additional resource to the Homeville deposit if developed.

Swanson's Trouble prospect covers an area of historical gold mining. The prospect has high grade gold associated with extensive quartz veining in volcanic host rock.

The C1 prospect was identified by Augur in 2006 with limited drilling intersecting a broad zone of anomalous scandium, palladium, nickel, cobalt and chromium. Results for COAC033 included 28.0 metres at 170ppm scandium and COAC034 included 44.0 metres at 100ppm scandium and 44.0 metres of 0.22ppm platinum.

The Widglelands and Collerina Mine prospects are both prospective for copper-gold mineralisation. Both prospects remain untested for deep large sulphide copper deposits. Augur is planning to utilise geophysical techniques to define drill targets at these prospects.

Review of Operations

Tullamore (NSW) - 100% owned EL 6312

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

The Tullamore tenement is located 20 kilometres north of Fifield, the largest historical platinum producing region in Australia.

The tenement embraces two areas of gold mineralisation within volcanics and metasediments. These are the Tullamore Goldfield and the Burra Gold-tin-platinum field both interpreted to be associated with buried, near-surface intrusions.

Two advanced prospects exist within the Tullamore tenement, the Lightning Gold project and Chert Ridge.

The Lightning Gold project covers a number of historical gold workings, including the Lightning and Tullamore gold mines. Previous explorers had identified a number of drill targets, with BHP drilling two of the targets. Rock chip sampling and systematic soil sampling undertaken by Augur identified a large gold-arsenic anomaly along strike of the Lightning Gold mine.

The anomaly has a strike length of approximately 525 metres and a width of up to 200 metres. Values up to 8230ppb gold were recorded. Additional anomalies were identified at Hail and Ryan's prospects.

Drilling by Augur has returned best results from the Lightning mine area of 4.0 metres at 2.98 g/t gold from 40 metres in hole LGP005. LGP005 was the southernmost drilled hole at the Lightning prospect and targeted both a soil gold anomaly and the down dip extension of a previously mined area.

Chert Ridge has previously been explored by Shell during the early 1980s. Several copper, silver and gold surface geochemical anomalous zones were identified.

Shell conducted a shallow RAB drill program to the north of the geochemical anomalous zone targeting an aeromagnetic target. Petrology from two of the holes near the geochemical anomalous zones intersected porphyry intrusive rocks. Shell did not follow up drill testing of the possibility of a deep mineralised porphyry at Chert Ridge itself.

Weelah (NSW) -20% owned EL 6309

Targets: Copper-gold and gold porphyry, gold +/- silver epithermal deposits.

The 150 square kilometre Weelah tenement is situated on the Cowal Volcanics and a splay of the 'Gilmore Suture', a focus for gold projects in the Lachlan Fold Belt. The 4.0 million ounce Cowal Gold mine owned by Barrick Gold Corporation, shares its perimeter with Augur's Weelah tenement.

Drilling by Augur has identified Ordovician intrusive porphyritic rocks, chloritised sericitised monzonite, altered mafics and carbonate breccias with scattered fine sulphides. These rocks are considered favourable for Cowal style mineralisation.

During the year, Augur entered into a joint venture agreement with Meridien Resources Ltd whereby Meridien Resources Ltd paid $40,000 (in cash and shares) to acquire an 80% interest in the Weelah project with Augur's 20% interest being free carried to feasibility.

Competent Person Statement

Information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Augur staff and contractors and approved by Grant L. Kensington, who is a Member of the Australian Institute of Mining and Metallurgy. Grant L. Kensington is an employee of Augur Resources Ltd and has had sufficient experience relevant to the styles of mineralisation and the type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Grant L. Kensington consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Review of Operations

Corporate Activities

In concert with Augur's expanded geographic and operational activities, the following corporate activities were undertaken during the year:

Augur entered into an agreement to earn-in up to an 80% interest of the Wonogiri project as detailed above.
An agreement was reached to farm-out a 75% interest in the Yeoval project as detailed above.
Augur entered into a joint venture agreement over an 80% interest in the Weelah project as detailed above.
On 17 August 2010, the Company completed a placement of 15,757,576 fully paid ordinary shares at 16.5 cents each, raising $2,600,000.
On 24 November 2010, the Company issued 10,000,000 fully paid ordinary shares with a fair value $2,300,000 and 5,000,000 options, each exercisable at 28.0 cents to acquire one fully paid ordinary share by 30 April 2013, with a fair value of $1,007,613 as part consideration for the acquisition of Augur's rights to the Central Jampang project.
On 24 November 2010, the Company issued 1,000,000 options, each exercisable at 38.87 cents to acquire one fully paid ordinary share by 7 December 2013, with a fair value of $207,187 as remuneration under the Company's Executive Share Option Plan.
On 14 June 2011, the Company completed a placement of 20,300,000 fully paid ordinary shares at 20.0 cents each, raising $4,060,000.
On 30 June 2011, the Company completed a placement of 3,556,669 fully paid ordinary shares at 20.0 cents each, raising $711,334.
On 30 June 2011, the Company completed the issue of 11,707,903 fully paid ordinary shares at 16.5 cents each, to extinguish a debt of $1,931,804.
During the year, Augur relinquished three exploration licences, Wallaby Rock, Cavendish and Five Ways.

Corporate Governance Statement

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

Corporate Governance Statement

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

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When Augur is not able to implement one of the Council's recommendations the company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

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

Principle 1 - Lay solid foundations for management and oversight

The Company has adopted Recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executives in the content of every new director and senior executive appointment.

Board of Directors - Role and Responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

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

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

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

Corporate Governance Statement

The Company has adopted Recommendation 1.2 of evaluating the performance of senior executives. The Board reviewed face to face the performance of its senior executives.

The Company has taken the appropriate measure to provide each director and senior executive with a copy of the Company's policies which spells out the rights, duties and responsibilities that they should follow.

The Company has adopted Recommendation 1.3 by conducting the evaluations of senior executives in accordance with the process described above. The small size of the company does not warrant the need of a Board Charter and thus no Board Charter is posted on the Company's website.

The performance evaluation for the Managing Director was conducted under the process described in Recommendation 1.2 by the Chairman of the Board. No other evaluation was carried out.

Principle 2 - Structure the Board to add value

Board of Directors - Composition, Structure and Process

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

Independent Directors

Due to the small size of the Company, the Board is made up of four directors all of which are either involved in management or are substantial shareholders in the Company.

Although Recommendation 2.1 is not followed, it is the Board's opinion that all directors bring to the Board their independent judgement, irrespective if they are independent or not.

Regular assessment of independence

An independent director, in the view of the Company, is a non-executive director who:

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

The composition of the Board is reviewed periodically with regards to the optimum number and skills of directors required for the Board to properly perform its responsibilities and functions.

Chairman and Managing Director

The office of Chair is held by Norman A. Seckold, a non-independent director. The Company does not follow Recommendation 2.2 because the small size of the Company does not warrant the appointment of more directors. However the Board considers that the office of Chair is best served by Norman A. Seckold due to his extensive experience in the industry.

Corporate Governance Statement

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Company's management. Grant L. Kensington is the Managing Director of the Company and performs the role of Chief Executive Officer. Therefore, the Company follows Recommendation 2.3.

Board nominations

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

The Remuneration and Nomination Committee is appointed by the Board, however, the Committee has been suspended since November 2009 because of the small number of available directors to form the Committee. The roles and functions of the Committee have been performed by the full Board and, as a result, Recommendation 2.4 is not followed.

The responsibilities included in the Remuneration and Nomination Committee Charter include:

- Board and senior executive functions;
- Board composition;
- number of Board members;
- criteria for nomination of directors;
- selection and appointment of the Chairperson;
- selection and appointment of the Company Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee; and
- oversight of Board and executive succession plans.

Corporate Governance Statement

Performance review and evaluation

The Company follows Recommendation 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 in the following paragraphs.

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

Induction and education

The Company has the policy to provide each new director or officer with a copy of the following documents:

- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

Access to information

Each director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

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

Independent directors

The Board considers that as at 30 June 2011 no director of the Company is classified as an independent director.

Professional advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

Period of office held by each director

- Norman A. Seckold since November 2009.
- Grant L. Kensington since February 2008.
- Peter J. Nightingale since November 2009.
- Justin C. Werner since 23 December 2010.

Term of appointment as a director

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

Meetings of the Remuneration and Nomination Committee

The functions of the Remuneration and Nomination Committee during the financial year ended 30 June 2011 were performed by the full Board. Therefore no Committee meetings were held.

Principle 3 - Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

The Company has adopted Recommendation 3.1 by establishing a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

The Code of Conduct outlines:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account legal obligations and reasonable expectations of stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Access to Company information and confidentiality

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

Share dealings and disclosures

The Company has adopted a policy relating to the trading of Company securities. The Board restricts directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

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

During the reporting period the Company has modified its share trading policy as follows:

- the trading windows for restricted persons are now 60 days after the release of the following:
    - the half year results;
    - the full year results;
    - the holding of the Annual General Meeting.
- restricted persons are prohibited from trading in the Company's securities unless in special circumstances and with the approval of the Chairman.

Conflicts of interest

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

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

If a director cannot, or is unwilling to remove a conflict of interest then the director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

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

Board diversity

Given the small size of the Company, Recommendations 3.2, 3.3, 3.4 and 3.5 were not adopted for the year ended 30 June 2011 as the Company has not set a policy concerning diversity. However, the Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members.

Publicly available information

The Company has adopted Recommendation 3.5 by making publicly available on the Company's website, **www.augur.com.au**, the Code of Conduct and Share Trading Policy but not a Diversity Policy under the corporate governance section.

Principle 4 - Safeguard integrity in financial reporting

Audit and Risk Committee

The Board has established an Audit and Risk Committee Charter. The Charter considers the adequacy of the external audit, risk management and compliance procedures.

The Audit and Risk Committee is appointed by the Board, however, the Committee has been suspended since November 2009 because of the small number of available directors to form the Committee. The roles and functions of the Committee have been performed by the full Board and, as a result, Recommendation 4.2 is not followed.

The Company has followed Recommendation 4.3 establishing an Audit Committee Charter setting out the following:

- duties and responsibilities of the Committee;
- meetings;
- complaints procedures;
- composition of the Audit Committee;
- structure of the Audit Committee;
- number of meetings; and
- membership requirements.

As the functions of the Audit and Risk Committee are now performed by the full Board the names and qualification of all directors as required by Recommendation 4.4 are:

- Norman A. Seckold - Bachelor of Economics, University of Sydney.
- Grant L. Kensington - Master of Science with Honours, University of Waikato New Zealand and MBA, University of Queensland.
- Peter J. Nightingale - Bachelor of Economics, University of Sydney.
- Justin C. Werner - Bachelor of Management, University of Sydney.

Corporate Governance Statement

Principle 5 - Make timely and balanced disclosure

The Company has adopted Recommendation 5.1 by putting in place a continuous Disclosure Policy.

Continuous Disclosure to the ASX

The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

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

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

Augur has adopted Recommendation 5.2 by making publicly available on its website a summary of the Continuous Disclosure Policy.

Principle 6 - Respect the rights of shareholders

Communications

The Company has adopted Recommendation 6.1 by establishing a formal Shareholders' Communication Policy that has been in place for this reporting period and made publicly available on the Company's website.

The information indicated in Recommendation 6.2 is adopted by the Company and described below.

Communication to the market and shareholders

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

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website, **www.augur.com.au**, and on the ASX website, **www.asx.com.au**, under ASX code 'AUK'. The Company also maintains an email list for the distribution of the Company's announcements via email.

Principle 7 - Recognise and manage risk

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

Recommendation 7.2 is not relevant due to the size of the Company and because the full Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management. The paragraph below contemplates the principles incorporated in the Company's Audit and Risk Committee Charter.

Internal control and risk management

The primary vehicle for managing corporate risks is the Audit Committee appointed by the Board (currently performed by the full Board). The Committee/Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company ensures that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

Internal audit function

The internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The size of the Company does not warrant the need or the cost of appointing an internal auditor.

CEO and CFO declarations

The Company has adopted and complied with Recommendation 7.3. The Board has determined that the Managing Director and the Company Secretary are the appropriate persons to make the CEO and CFO declarations in respect of the year ended 30 June 2011, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Company has adopted and complied with Recommendation 7.4 as follows:

- the Board conducted its evaluations regarding internal control and risk management;
- the Board has received the assurance from the Managing Director and Company Secretary;
- the Company does not have a written policy on risks oversight management of business material risks because the number of people engaged in the Company's operations is minimal; and
- all directors have the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as directors, subject to prior consultation with the Chairman.

Principle 8 - Remunerate fairly and responsibly

The Remuneration Committee is appointed by the Board, however, the Committee has been suspended since November 2009 because of the small number of available directors to form the Committee. The roles and functions of the Committee have been performed by the full Board and, as a result, Recommendation 8.1 is not followed.

Remuneration Committee Charter and Responsibilities

The Board has established a Remuneration and Nomination Committee Charter. The responsibilities included in the Remuneration and Nomination Committee Charter include:

- executive remuneration policy;
- executive director and senior management remuneration;
- executive incentive plan;
- non-executive directors' remuneration;
- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- required remuneration and remuneration benefits public disclosure.

Corporate Governance Statement

Remuneration policy

The directors remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. The Managing Director has entered into a Employee Service Agreement for a term not exceeding three years. Consultants are engaged as required pursuant to service agreements. The Company ensure that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of directors and statutory officers are disclosed in the Annual Report of the Company each year.

The Company has not followed Recommendation 8.2 because of its size is unable to appoint independent directors to a remuneration committee, the duties and responsibilities of the committee are carried out by the full Board.

In line with Recommendation 8.3, the Company has a policy to remunerate its directors and officers based on fixed and incentive component salary packages to reflect the short and long term objectives of the Company.

The salary component of the Managing Director's remuneration is made up of:

- fixed remuneration;
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company; and
- superannuation payments at the rate and in the manner as required by law.

The salary component of non-executive directors is made up of:

- fixed remuneration; and
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company.

The Company has adopted Recommendation 8.4 as follows:

- the Company discloses the name of Directors on the Remuneration Committee and the attendance of each Director to the Remuneration Committee meetings, within its Directors' Reports - no meetings were held during the financial ended 30 June 2011;
- the Company does not provide any schemes for retirement benefits other than superannuation; and
- the Company has made publicly available a summary of the Remuneration Committee Charter on the Company's website.

Directors' Report

The directors present their report on the Augur Resources Ltd Group ('Group'), being Augur Resources Ltd ('Augur' or 'the Company') and its controlled entities for the financial year ended 30 June 2011.

Directors

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

Norman Alfred Seckold	-	Chairman
Grant Leo Kensington	-	Managing Director
Peter James Nightingale	-	Director
Justin Charles Werner	-	Director (Appointed 23 December 2010)

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

Company Secretary

The Company Secretary in office during or since the end of the financial year is Marcelo Mora.

Principal Activities

The principal activities of the Group during the financial year have been the continuing exploration and evaluation of the Central Jampang and Wonogiri gold projects in Indonesia the existing exploration tenements in the Lachlan fold Belt region of New South Wales.

During the year, the Group announced the acquisition of the Wonogiri project. The Group will advance the Jampang and Wonogiri projects with the aim of defining JORC compliant resources during the 2011/12 financial year.

No other significant changes in the nature of these activities occurred during the year.

Operating Results

The loss of the Group for the financial year after providing for income tax amounted to $2,141,428 (2010 - $1,477,777).

The Group has a sound financial position which is reflected in the Statement of Financial Position as at 30 June 2011. The Board is of the opinion that the exploration program for the financial year ending 30 June 2012 can be completed from the existing cash position to enhance the existing JORC resources in Australia and establishing the preliminary JORC resources for the Central Jampang gold project and the Wonogiri project in central Java, Indonesia.

Dividends Paid or Recommended

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

Review of Operations

A review of the Group's operations for the year ended 30 June 2011 is set out in the Review of Operations.

Directors' Report

Significant Changes in State of Affairs

In the opinion of the directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2011 were as follows:

- Entering into an agreement to earn-in up to an 80% interest of the Wonogiri project.
- Reaching an agreement to farm-out a 75% interest in the Yeoval project.
- The placement of 39,614,245 fully paid ordinary shares to raise $7,371,334.
- The issue of 10,000,000 fully paid ordinary shares and 5,000,000 options as part consideration for the acquisition of the Company's rights to the Central Jampang project.
- The issue of 11,707,903 fully paid ordinary shares to extinguish a debt of $1,931,804.
- The issue of 1,000,000 options as remuneration under the Company's Executive Share Option Plan.

After Balance Date Events

On 4 July 2011, the Company issued 6,143,331 fully paid ordinary shares for a total consideration of $1,228,666. The issue was approved by members in General Meeting on 30 June 2011.

The funds will be used by the Company for the further exploration of the Group's exploration projects, with a focus on the Wonogiri and Central Jampang projects in Indonesia and for working capital purposes.

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments

The Group will continue to explore and evaluate the Company's exploration projects with the aim of identifying potential mineral resources.

Further information as to likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

The Group is subject to state, federal and international environmental legislation. The Group has complied with its environmental obligations and no environmental breaches have been notified by any Government agency to the date of this Directors' Report and the directors do not anticipate any obstacles in complying with the legislation.

Directors' Report

Information on Directors

Norman Alfred Seckold

Chairman, aged 64

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 26 years in the full time management of natural resource companies, both in Australia and overseas.

Mr Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered and developed the Palmarejo and Guadalupe gold and silver mines in Mexico.

Mr Seckold is currently a Chairman of Cockatoo Coal Limited, an Australian coal mining and exploration company, Cerro Resources N.L., a precious metals exploration company currently developing a project in Mexico, and Planet Gas Limited, a coalbed methane and geothermal exploration and development company operating in Australia. Mr Seckold is also Chairman of unlisted public companies Equus Resources Limited and Nickel Mines Limited.

Other current directorships: Cockatoo Coal Limited, Cerro Resources N.L. and Planet Gas Limited.

Former directorships in the last three years: None.

Special responsibilities: Chairman.

Interests in shares and options: 51,707,903 shares indirectly held.

Grant Leo Kensington

Managing Director, aged 45

Grant completed a Master of Science with Honours, majoring in Earth Sciences in 1990 and an MBA in 2002. He commenced his professional career with Solo Geophysics in 1991 conducting surveys in Eastern and Northern Australia on tenements and mine sites held by BHP, CRA, Mount Isa Mines, Billiton and Homestake.

In 1993, Grant commenced with Mount Isa Mines, working in and around the Isa mine operations, undertaking exploration for extensions of the Isa ore bodies. Between 1994 and 2000, he worked for North Limited and was involved in exploration in Australia, Sweden, Argentina, Chile, Peru and North America. Grant has experience in exploration for porphyry, epithermal, IOCG, Carlin gold and Broken Hill Type targets.

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

Other current directorships: None.

Former directorships in the last three years: None.

Special responsibilities: Managing Director.

Interests in shares and options: 626,000 shares directly held and 2,000,000 options directly held.

Directors' Report

Peter James Nightingale

Director, aged 54

Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 20 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining N.L. and Bolnisi Gold N.L.. Mr Nightingale is currently Chairman of ASX listed Callabonna Uranium Limited and a director of Cockatoo Coal Limited, Planet Gas Limited and Sumatra Copper & Gold plc and unlisted public companies Nickel Mines Limited and Equus Resources Limited.

Other current directorships: Callabonna Uranium Limited, Cockatoo Coal Limited, Planet Gas Limited and Sumatra Copper & Gold plc.

Former directorships in the last three years: None.

Special responsibilities: None.

Interests in shares and options:12,000,000 shares indirectly held.

Justin Charles Werner

Director, aged 37

Justin, who has a bachelor of management from the University of Sydney, has been involved in mining industry for more than 10 years. He was a founding partner of PT Gemala Borneo Utama, a private Indonesian exploration and mining company, which developed a heap leach gold mine in West Kalimantan and which is also exploring the highly prospective Romang Island with ASX listed Robust Resources Limited.

Prior to focusing on developing projects in Indonesia, Justin worked as a consultant for specialist mining consultancies GPR Dehler, Jamieson Consulting and Partners in Performance, leading many successful turnaround projects for blue chip mining companies including Freeport McMoran (Grassberg deposit, Indonesia where he spent 2 years), Lihir Gold (Lihir mine, Papua New Guinea), Placer Dome (Nevada, USA), BHP Billiton (Ingwe Coal, South Africa), Rio Tinto (West Angeles Iron Ore, Australia), Nickel West (Western Australia) and QNI Yabulu refinery (Queensland, Australia).

Other current directorships: None.

Former directorships in the last three years: None.

Special responsibilities: None.

Interests in shares and options: 830,000 shares directly held, 3,738,334 shares indirectly held and 5,000,000 options indirectly held.

Directors' Report

Meetings of Directors and Committees

Directors	Directors' Meetings N° eligible to attend	Directors' Meetings N° attended	Audit and Risk Committee N° eligible to attend	Audit and Risk Committee N° attended	Remuneration and Nomination Committee N° eligible to attend	Remuneration and Nomination Committee N° attended
Norman A. Seckold	7	7	-	-	-	-
Grant L. Kensington	7	7	-	-	-	-
Peter J. Nightingale	7	7	-	-	-	-
Justin C Werner	3	3	-	-	-	-

Company Secretary

The Company Secretary as at 30 June 2011 and since listing is Marcelo Mora.

Marcelo holds a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance, is a Chartered Secretary ACIS and has been the Company Secretary since October 2007. Mr Mora has been an accountant for more than 25 years and has experience in resources and mining companies both in Australia and internationally.

Audit Committee

The Charter of the Audit Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective. Because the Company only has four directors, one of whom are independent directors, the Audit Committee was suspended on 30 November 2009. The Committee's functions and responsibilities are now carried out by the full Board and no Committee meetings were held during the financial year.

Remuneration Report - (Audited)

Principle of compensation - (Audited)

The Company's policy for determining the nature and the amount of remuneration for directors, officers and executives is as follows:

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

Remuneration and Nomination Committee - (Audited)

Because the present number of directors is four, none of whom are independent directors, the Remuneration and Nomination Committee was suspended on 30 November 2009. The Committee's functions and responsibilities are now carried out by the full Board. No Committee meetings were held during the financial year.

The main functions for the Committee or the Board are to review and make recommendations regarding the Group's policy for determining executive remuneration, to implement policies with the objective of retaining and attracting quality personnel in a competitive market and to oversee the implementation of executive remuneration policy within the Group.

The ultimate responsibility stays with the Board ensuring that the Group has in place the following:

- performance linked to remuneration;
- transparency;
- competitiveness and reasonableness; and
- appropriate remuneration policies.

Consequences of performance on shareholder wealth - (Audited)

In considering the Group's performance and benefits for shareholder wealth, the Board of Directors have regard to the following indices in respect of the current financial year and the previous three financial years.

	2011	2010	2009	2008
Loss attributable to owners of the Company	$2,141,428	$1,477,777	$729,277	$811,531
Dividends paid	Nil	Nil	Nil	Nil
Change in share price	$0.01	$0.16	($0.06)	($0.12)
Return on capital employed	(15%)	(34%)	(14%)	(17%)

Remuneration for all directors (executive and non-executive) is reviewed annually based on market prices or according to the service agreements in place with individual directors. If required, the Board can seek independent external advice when required.

Short Term Incentive - (Audited)

The Company provides fees on a fixed basis and short term incentives ('STI'). The weight of each component differs for each executive entitled to STIs.

No STI was applicable during the year ending 30 June 2011 or for the prior year.

Long Term Incentive - (Audited)

The Employee's Service Agreement signed by Grant L. Kensington on 18 February 2010 provides that Grant L. Kensington may participate in the Company's Executive Share Option Plan with an entitlement of 1,000,000 options (long term incentive) to be issued every year for the following three years with the approval of members at the AGM of each respective year.

Details of remuneration for the year ended 30 June 2011 - (Audited)

Details of the remuneration of each key management personnel paid during the year are set out below:

Key management personnel		Short term	Post-employment	Share based payments			
		Salary and fees $	Superannuation $	Options $	Total $	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
Norman A. Seckold	**2011**	**90,000**	**-**	**-**	**90,000**	**-**	**-**
	2010	52,500	-	-	52,500	-	-
Grant L. Kensington	**2011**	**237,156**	**21,344**	**116,365**	**374,865**	**-**	**31.04**
	2010	209,214	18,663	10,614	238,491	-	4.45
Peter J. Nightingale	**2011**	**90,000**	**-**	**-**	**90,000**	**-**	**-**
	2010	52,500	-	-	52,500	-	-
Justin C. Werner	**2011**	**37,500**	**-**	**-**	**37,500**	**-**	**-**
	2010	-	-	-	-	-	-
Shinji Yamamoto	**2011**	**-**	**-**	**-**	**-**	**-**	**-**
	2010	20,833	-	-	20,833	-	-
Fye Hong	**2011**	**-**	**-**	**-**	**-**	**-**	**-**
	2010	20,833	1,875	-	22,708	-	-
Total	**2011**	**454,656**	**21,344**	**116,365**	**592,365**	**-**	**19.64**
Total	2010	355,880	20,538	10,614	387,032	-	2.74

No bonuses were paid during the financial year and no performance based components of remuneration exist. No other key management personnel were employed by the Company.

Other Payments - (Audited)

During the year ended 30 June 2011, Norman A. Seckold and Peter J. Nightingale had an interest in an entity, Mining Services Trust, which provided full administration services including rental accommodation, administrative staff, services and supplies, fees were paid at the monthly rate of $25,000 plus GST. The total fees paid during 2011 were $300,000 plus GST (from January to June 2010 - $150,000).

Managing Director Remuneration - (Audited)

Employee Service Agreement conditions with Grant L. Kensington are as follows:

(a) Duration of the Contract

The service agreement is for a period of three years commencing on 18 February 2010.

(b) Remuneration

i. Salary - effective from 1 January 2011 $252,294 plus 9% superannuation of $22,706 per annum.

ii. Short term incentive (STI) - None.

iii. Long term incentive (LTI) - 1,000,000 options as per the Company's Executive Share Option Plan issued annually after each AGM subject to the approval of members.

(c) Termination of Employment

Grant L. Kensington's service agreement may be terminated at any time by the Company giving to the employee not less than six months' prior written notice. In the event of termination, the Company must pay Grant L. Kensington an amount equal to the fee payable for so much of the notice period as the employee is not so retained.

This agreement may be terminated at any time by Grant L. Kensington giving to the Company not less than four weeks' prior written notice.

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

Options under the Executive Share Option Plan - (Audited)

The Company has an Executive Share Option Plan to provide an incentive for directors and key management personnel, which it is believed, is in line with industry standards and practice and helps to align the interest of management with shareholders.

Each option gives the optionholder the entitlement to subscribe for 1 ordinary share at the exercise price on or before the expiry date. The expiry date is five years from the date of the Company's admission to the ASX. For subscribers after 30 November 2010, the expiry date is three years from the date the options are granted.

Under the terms of the plan, the Board may from time to time determine who is entitled to participate in the option plan and may issue invitations to an executive, or relative or an associate nominated by the executive. The exercise price for grantees is a 25% premium to the volume weighted average of the ordinary shares traded on the ASX for the previous 15 business days preceding the grant date of the option. The vesting date is 12 months after the grant date.

Details of vesting profiles of the options granted as remuneration to key management personnel and executives are detailed below.

Analysis of options and rights over equity instruments granted as compensation - (Audited)

	Options granted				
Director	Number	Date	% vested in year	% forfeited in year	Financial year in which grant vests
Grant L. Kensington	500,000	18 March 2008	0%	0%	1 July 2008
	500,000	30 November 2009	100%	0%	1 July 2010
	1,000,000	24 November 2010	0%	0%	1 July 2011

Analysis of movements in options - (Audited)

Director	Granted in the year	Valuation of options exercised in the year	Lapsed in the year
Grant L. Kensington	1,000,000	-	-

Details of options issued by the Company are set out in Note 19 to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the Corporation Act 2001. The register may be inspected free of charge.

Total Options

The following table provide the total options held by key management personnel:

Key management personnel	As at 30 June 2010 Directly held	As at 30 June 2010 Indirectly held	As at 30 June 2011 Directly held	As at 30 June 2011 Indirectly held
Grant L. Kensington	1,000,000	-	2,000,000	-
Justin C. Werner	-	-	-	5,000,000

Shares

The following table provide the total ordinary shares held by management personnel:

Norman A. Seckold	-	20,000,000	-	51,707,903
Grant L. Kensington	626,000	-	626,000	-
Peter J. Nightingale	-	6,000,000	-	12,000,000
Justin C. Werner[1]	-	240,000	830,000	3,738,334
Total	626,000	26,240,000	1,456,000	67,446,237

[1] *Held upon appointment on 23 December 2010.*

Indemnification of Officers and Auditor

During or since the end of the financial year, the Group has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company against a liability incurred by such an officer or auditor. In addition, the Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

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.

Directors' Report

Non-audit Services

During the year ended 30 June 2011 KPMG, the Company's auditor, has not performed other services in addition to their statutory audit duties.

	2011 $	2010 $
Statutory Audit		
Auditors of the Company		
• audit and review of financial reports		
Gould Ralph	29,035	34,802
KPMG	25,000	-
	54,035	34,802
Services other than statutory audit		
• other services	4,736	3.889
Gould Ralph	4,736	3,889
Total	58,771	38,691

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration is set out on page 44 as required under section 307C of the Corporations Act 2001.

Grant L. Kensington
Director

Signed Sydney 14th day of September 2011 in accordance with a resolution of the Board of Directors.

Lead Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001 to the Directors of Augur Resources Ltd

KPMG

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2011, there have been:

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

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

KPMG

KPMG

Stephen Board
Partner

14 September 2011

Augur Resources Ltd
ABN 79 106 879 690

AUGUR
Resources Ltd
ABN 79 106 879 690

financial report

Consolidated Statement of Comprehensive Income for the year ended 30 June 2011

	Notes	Consolidated 2011 $	2010 $
CONTINUING OPERATIONS			
Other income	4	4,545	1,980
Administration and consultant expenses		(556,543)	(302,346)
Audit and other professional fees	5	(58,771)	(38,691)
Depreciation and amortisation expenses	5	(1,384)	(3,888)
Directors' fees and superannuation expenses		(476,000)	(340,265)
Exploration and evaluation expenditure - pre-licence costs		(7,034)	-
Legal fees		(127,395)	(723,880)
Marketing		(35,944)	(14,498)
Rent expenses	5	-	(48,750)
Share based payments expense		(116,365)	(3,232)
Impairment loss on exploration expenditure	14	(309,888)	-
Impairment loss on investments	12	(9,000)	-
Loss on sale of exploration and evaluation assets	14	(336,759)	-
Other expenses		(143,146)	(54,381)
Operating loss before financing income		**(2,173,684)**	**(1,527,951)**
Finance income	4	32,256	43,017
Net finance income		**32,256**	**43,017**
Loss before income tax expense		**(2,141,428)**	**(1,484,934)**
Income tax benefit	7	-	7,157
Loss from continuing operations		**(2,141,428)**	**(1,477,777)**
Other comprehensive income for the year			
Net change in fair value of available-for-sale financial assets		(9,000)	-
Net change in fair value of available-for-sale financial assets transfer to the profit and loss		9,000	-
		-	-
Total comprehensive loss for the year		**(2,141,428)**	**(1,477,777)**
Earnings per share			
Basic loss per share (cents per share)	8	**(1.64)**	**(1.40)**
Diluted loss per share (cents per share)	8	**(1.64)**	**(1.40)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2011

	Notes	Consolidated 2011 $	Consolidated Restated 2010 $
CURRENT ASSETS			
Cash and cash equivalents	9	3,601,724	1,063,138
Trade and other receivables	10	24,215	44,656
Other assets	11	38,297	183,403
TOTAL CURRENT ASSETS		**3,664,236**	**1,291,197**
NON-CURRENT ASSETS			
Investments	12	21,000	-
Property, plant and equipment	13	-	1,384
Other financial assets		-	382,241
Deferred exploration and evaluation expenditure	14	10,892,590	5,461,309
Other assets	15	142,605	55,000
TOTAL NON-CURRENT ASSETS		**11,056,195**	**5,899,934**
TOTAL ASSETS		**14,720,431**	**7,191,131**
CURRENT LIABILITIES			
Trade and other payables	16	106,714	510,265
Borrowings	17	-	2,253,567
TOTAL CURRENT LIABILITIES		**106,714**	**2,763,832**
TOTAL LIABILITIES		**106,714**	**2,763,832**
NET ASSETS		**14,613,717**	**4,427,299**
EQUITY			
Issued capital	18	19,064,928	7,861,061
Options reserve	18	1,169,478	142,111
Accumulated losses		(5,620,689)	(3,575,873)
TOTAL EQUITY		**14,613,717**	**4,427,299**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2011 Attributable to Equity Holders of the Group

	Consolidated			
	Issued capital $	Option premium reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2009	7,188,321	72,294	(2,111,621)	5,148,994
Total comprehensive income for the year				
Loss for the year	-	-	(1,477,777)	(1,477,777)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,477,777)	(1,477,777)
Transactions with owners recorded directly in equity				
Contribution by and distribution to owners				
Ordinary shares issued	764,815	-	-	764,815
Transaction costs on issue of shares	(11,964)	-	-	(11,964)
Transfer of expired options	(80,111)	80,111	-	-
Cost of share based payments	-	(10,294)	13,525	3,231
Balance at 30 June 2010	**7,861,061**	**142,111**	**(3,575,873)**	**4,427,299**
Balance at 1 July 2010	7,861,061	142,111	(3,575,873)	4,427,299
Total comprehensive income for the year				
Loss for the period	-	-	(2,141,428)	(2,141,428)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,141,428)	(2,141,428)
Transaction with owners recorded directly in equity				
Contribution by and distribution to owners				
Ordinary shares issued	11,603,138	-	-	11,603,138
Transaction costs on issue of shares	(399,271)	-	-	(399,271)
Share based payments	-	1,123,979	-	1,123,979
Transfer of expired options	-	(96,612)	96,612	-
Balance at 30 June 2011	**19,064,928**	**1,169,478**	**(5,620,689)**	**14,613,717**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2011

		Consolidated	
	Notes	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(1,639,194)	(1,281,844)
Interest received		32,256	43,017
Net cash used in operating activities	21	**(1,606,938)**	**(1,238,827)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(2,672,677)	(850,478)
Payments for deposit on acquisition of investments		(153,862)	(1,862,972)
Refund of deposit for acquisition of investment		321,763	-
Net cash used in investing activities		**(2,504,776)**	**(2,713,450)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	18	7,371,334	764,815
Transaction costs on share issue		(399,271)	(11,964)
Proceeds from/(repayment of) borrowings to related parties		(321,763)	2,253,567
Net cash provided by financing activities		**6,650,300**	**3,006,418**
Net increase/(decrease) in cash held		2,538,586	(945,859)
Cash at the beginning of the financial year		1,063,138	2,008,997
Cash at the end of the financial year	21	**3,601,724**	**1,063,138**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1: Reporting Entity

Augur Resources Ltd (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is at Level 2, 66 Hunter Street, Sydney, NSW 2000. The consolidated financial report of the Company for the year ended 30 June 2011 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in the acquisition, exploration and development of properties in Australia and Indonesia.

Note 2: Basis of Preparation

Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial report of the Group complies with the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial report was authorised for issue by the directors on 14 September 2011.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the Statement of Financial Position:

- Investments - Available-for-sale financial assets are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the subsidiary.

Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 - Unrecognised deferred tax asset
- Note 14 - Exploration and evaluation expenditure
- Note 19 - Share based payments

Note 3: Significant Accounting Policies

Except as described below, the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by entities in the Group.

Revenue

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

Interest revenue is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are 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.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

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 is depreciated over the assets' estimated useful lives to the Group commencing from the time the asset is ready for use.

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

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

Note 3: Significant Accounting Policies (Cont.)

Financial instruments issued by the Company

Financial instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement. Interest and dividends are classified as expenses or as distributions of profit, consistent with the Statement of Financial Position classification of the related debt or equity instruments. Costs associated with the issue of equity are recognised directly in equity.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Basis of consolidation

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the financial report from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement.

Jointly controlled operations

The interest of the Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Income tax

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

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.

Note 3: Significant Accounting Policies (Cont.)

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 recognised 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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

Financial instruments

The Group 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 in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

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.

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.

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.

Trade and other payables

Trade and other payables, including accruals for goods received but not yet billed, are recognised when the Group 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.

Note 3: Significant Accounting Policies (Cont.)

Comparative figures

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

Share-based payment transactions

The grant-date fair value of share-based payment awards is recognised as an expense, with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

	Consolidated	
	2011 $	2010 $
Note 4: Other and Finance Income		
Other income	4,545	1,980
	4,545	1,980
Finance income		
Interest income	32,256	43,017
	32,256	43,017
Total other and finance income	36,801	44,997
Note 5: Loss for the Year		
Loss before income tax expenses has been determined after:		
Depreciation of non-current assets		
• Plant and equipment	1,384	3,888
Rent expenses	-	48,750
Remuneration of the auditors for		
• Audit and review services	54,035	34,802
• Other services	4,736	3,889
Total remuneration of the auditors	58,771	38,691

Note 6: Financial Risk Management Objectives and Policies

Policies

The Group's financial instruments comprise deposits with banks, receivables, investments in available-for-sale financial assets, short term loans from related parties and trade and other payables. The Company does not trade in derivatives or in foreign currency.

The Group manages its risk exposure of its financial instruments in accordance with the guidance of the Board of Directors. The main risks arising from the Group's financial instruments are interest rate risk, market risk, credit risk and liquidity risks. The Group uses different methods to manage and minimise its exposure to risks. These include monitoring levels of interest rates fluctuations to maximise the return of bank balances and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The final approval and monitoring of any of these policies is done by the Board which review and agrees on the policies for managing each of the risks as summarised below.

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

Risk Exposures

Interest Rate Risk

The Group's exposure to market interest rates relates exclusively to cash and cash equivalents for the year ended 30 June 2011. The Group was also exposed to market interest rates on other financial assets in the prior year.

At balance date the interest rate profile of the Group's interest bearing financial instruments was:

	Consolidated	
	2011 $	2010 $
Financial assets		
Cash and cash equivalents	3,601,724	1,063,138
Other financial assets	-	382,241
	3,601,724	1,445,379

The Group did not have any interest bearing financial liabilities in the current or prior year.

The Group does not have interest rate swap contracts. The Group has two high interest yield accounts from where it draws cash when required to pay liabilities as they fall due. The Company normally invests its funds in at least two accounts to maximise the available interest rates. The Company always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

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

Note 6: Financial Risk Management Objectives and Policies (Cont.)

At 30 June 2011, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

	Post tax loss (Higher) /Lower 2011 $	Post tax loss (Higher) /Lower 2010 $	Total equity (Higher) /Lower 2011 $	Total equity (Higher) /Lower 2010 $
+ 1% higher interest rate	36,017	14,454	36,017	14,454
- 0.5% lower interest rate	(18,008)	(7,227)	(18,008)	(7,227)

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rate on cash balances. The sensitivity is negligible for the periods ended 30 June 2011 and 30 June 2010 because of the stable pattern of investing the surplus cash in high interest yield accounts throughout the years and the Company not being exposed to interest bearing financial liabilities.

Liquidity Risk

The Group's objective is to maximise its cash availability by adhering to the exploration program and evaluating current charges of various suppliers. The Group received $7,371,334 from share placements during the year ended 30 June 2011 before costs associated with the placements. With these funds the Group has sufficient liquidity for at least the next 18 months to further develop all its tenements. However, if the Company chooses to proceed with the acquisition of Jampang during January 2012, the Company will need to raise further capital to complete the purchase.

The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. At balance date, the Group has available funds of $3,601,724 for its immediate use. In addition, during July 2011 the Company received a further $1,228,666 from a share placement. Based on future Company announcements and future exploration results the Company will choose the most beneficial equity funding for the next two years.

Note 6: Financial Risk Management Objectives and Policies (Cont.)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount $	Contractual cash flows $	Less than 6 months $	6-12 months $	1-5 years $	More than 5 years $
30 June 2011						
Financial liabilities						
Trade and other payables	106,714	(106,714)	(106,714)	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount $	Contractual cash flows $	Less than 6 months $	6-12 months $	1-5 years $	More than 5 years $
30 June 2010						
Financial liabilities						
Trade and other payables	510,265	(510,265)	(510,265)	-	-	-
Borrowings	2,253,567	(2,253,567)	-	-	(2,253,567)	-
	2,763,832	(2,763,832)	(510,265)	-	(2,253,567)	-

Credit Risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2011 $	2010 $
Cash and cash equivalents	3,601,724	1,063,138
Financial assets designated as available-for-sale	21,000	-
Other financial assets	142,605	524,846
	3,765,329	1,587,984

Other financial assets for both the year ended 30 June 2011 and 30 June 2010 represents environmental bonds and deposits paid.

All financial assets and liabilities are current, with the exception of some deposits and environmental bonds and are not past due or impaired and the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

Currency Risk

The Group is only exposed to currency risk on deposits paid that are denominated in United States currency. The Group's gross financial position exposure to foreign currency risk at balance date was $87,605 (2010 - $469,846).

Note 6: Financial Risk Management Objectives and Policies (Cont.)

Estimation of Fair Values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2011	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale financial assets	21,000	-	-	21,000

All available-for-sale financial assets relate to investments held in listed securities (designated as Level 1 financial assets).

There have been no transfers between the levels of valuation method for each classification of financial asset held during the year ended 30 June 2011.

There were no financial instruments designated as carried at fair value for the year ended 30 June 2010.

	Consolidated 2011 $	Consolidated 2010 $
Note 7: Income Tax		
Current tax expense		
Current year	(2,281,341)	(672,470)
Adjustment for prior year	-	446,943
Tax losses not recognised	2,281,341	225,527
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	(2,141,427)	(1,477,777)
Prima facie income tax benefit at the Australian tax rate of 30%	(642,428)	(443,333)
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses	37,610	970
Tax losses not recognised/(utilised)	2,281,341	672,470
Effect of net deferred tax assets not brought to account	(1,676,523)	(230,106)
Income tax expense	-	-
Deferred tax assets have not been recognised in respect of the following items:		
Taxable temporary differences (net)	(2,626,249)	(1,111,395)
Tax losses	4,197,915	1,919,655
Net	1,571,666	808,260
Note 8: Loss Per Share		
Basic and diluted loss per share have been calculated using:		
Loss for the year attributable to equity holders of the Company	(2,141,428)	(1,477,777)

	Nº of shares	Nº of shares
Weighted average number of ordinary shares		
• Issued ordinary shares at the beginning of the year	109,722,569	104,555,992
• Effect of shares issued on 7 September 2009	-	1,255,283
• Effect of options converted on 30 June 2010	-	-
• Effect of shares issued on 17 August 2010	13,685,347	-
• Effect of shares issued on 24 November 2010	5,972,603	-
• Effect of shares issued on 14 June 2011	889,863	-
• Effect of shares issued on 30 June 2011	-	-
• Effect of debt to equity swap on 30 June 2011	-	-
Weighted average number of shares at the end of the year	130,270,382	105,811,275

As the Group is loss making, none of the potentially dilutive securities are currently dilutive.

Notes to the Consolidated Financial Statements

	Consolidated 2011 $	Consolidated 2010 $

Note 9: Cash and Cash Equivalents

	2011 $	2010 $
Cash at bank	3,601,724	1,063,138

Note 10: Trade and Other Receivables

	2011 $	2010 $
Current		
Net GST receivable	24,215	44,656

Note 11: Other Assets

	2011 $	2010 $
Current		
Prepayments	38,297	95,798
Deposits	-	87,605
	38,297	183,403

Note 12: Investments

	2011 $	2010 $
Investments - available-for-sale at fair value	21,000	-

At 30 June 2011 the Company held 150,000 (2010 - nil) shares in Meridien Resources Ltd ('Meridien'). Based on a closing share price of 14 cents at 30 June 2011, an impairment loss of $9,000 (2010 - $nil) was recorded.

Note 13: Property, Plant and Equipment

	2011 $	2010 $
Plant and equipment		
At cost	17,912	17,912
Less accumulated depreciation	(17,912)	(17,912)
Total plant and equipment	-	-
Computer equipment		
At cost	13,129	13,129
Less accumulated depreciation	(13,129)	(11,745)
Total computer equipment	-	1,384
Total property plant and equipment	-	1,384

Note 13: Property, Plant and Equipment (Cont.)

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Consolidated		
	Plant and equipment $	Computer equipment $	Total $
Balance at 30 June 2009	1,346	3,926	5,272
Depreciation expense	(1,346)	(2,542)	(3,888)
Balance at 30 June 2010	-	1,384	1,384
Depreciation expense	-	(1,384)	(1,384)
Balance at 30 June 2011	-	-	-

Note 14: Deferred Exploration and Evaluation Expenditure

Costs carried forward in respect of areas of interest in exploration phase:

	Consolidated	
	2011 $	2010 $
New South Wales	3,739,651	3,151,130
Additions	100,286	588,521
Disposal of asset	(336,759)	-
Impairment loss	(309,888)	-
Net book value	3,193,290	3,739,651
Indonesia	1,721,658	-
Additions	5,977,642	1,721,658
Net book value	7,699,300	1,721,658
	10,892,590	5,461,309

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 year ended 30 June 2011, the Group fully impaired the remaining carrying value of the Weelah project by an amount of $94,190 due to the inherent uncertainty of the recoupment of these costs. The impairment charge has been allocated to the NSW segment result in Note 24.

Note 14: Deferred Exploration and Evaluation Expenditure (Cont.)

During the year ended 30 June 2011, the directors resolved to relinquish the following tenements:

- EL 6310 Wallaby Rocks (NSW). At the time of relinquishing the tenement the Group impaired the full amount capitalised in the balance sheet of $204,661.
- EL 7227 Five Ways (NSW). At the time of relinquishing the tenement the Group impaired the full amount capitalised in the balance sheet of $6,317.
- EL 7337 Cavendish (NSW). At the time of relinquishing the tenement the Group impaired the full amount capitalised in the balance sheet of $4,720.

The Group assessed that the expenditure of further money was not justified on a risk reward basis.

During the year ended 30 June 2011, 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 statement of financial position 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.

	Consolidated 2011 $	Consolidated 2010 $
Note 15: Other Assets		
Non-current		
Environmental bonds	55,000	55,000
Deposits	87,605	-
	142,605	55,000
Note 16: Trade and Other Payables		
Current		
Unsecured liabilities		
Trade creditors	76,714	172,669
Sundry creditors and accruals	30,000	337,596
	106,714	510,265
Note 17: Borrowings		
Current	-	2,253,567
Other - Director's loan	-	2,253,567

The total outstanding loan amount to the Company and its controlled entities was interest free, unsecured and had no fixed repayment date. At 30 June 2011, the director's loan was converted to equity by the issuance of 11,707,903 shares at 16.5 cents per share (refer to Note 18).

	Consolidated 2011 $	Consolidated 2010 $
Note 18: Issued Capital		
171,044,717 (2010 - 109,722,569) fully paid ordinary shares	19,064,928	7,861,061

Note 18: Issued Capital (Cont.)

Ordinary shares	2011 Nº of shares	2011 $	2010 Nº of shares	2010 $
Balance at the beginning of the year	109,722,569	7,861,061	104,555,992	7,108,210
Cost of the share issued on 16 June 2009	-	-	-	(11,964)
Fully paid ordinary shares issued 7 September 2009 at 2.1 cents	-	-	1,500,000	31,500
Conversion of options to ordinary shares at 20 cents	-	-	3,666,577	733,315
Fully paid ordinary shares issued 17 August 2010 at 16.5 cents	15,757,576	2,600,000	-	-
Transaction costs	-	(146,500)	-	-
Fully paid ordinary shares issued 24 November 2010 at 23 cents	10,000,000	2,300,000	-	-
Fully paid ordinary shares issued 14 June 2011 at 20 cents	20,300,000	4,060,000	-	-
Transaction costs	-	(203,000)	-	-
Fully paid ordinary shares issued 30 June 2011 at 20 cents	3,556,669	711,334	-	-
Transaction costs	-	(49,771)	-	-
Conversion of loan to ordinary shares at 16.5 cents	11,707,903	1,931,804	-	-
Balance at the end of the year	171,044,717	19,064,928	109,722,569	7,861,061

Options	2011 Nº of options	2011 $	2010 Nº of options	2010 $
Balance at the beginning of the year	1,540,000	142,111	13,914,979	198,722
Options issued during the period - vested	5,000,000	1,007,613	500,000	23,500
Options issued during the period - vested[1]	1,000,000	116,365	-	-
Conversion of options to ordinary shares at 20 cents	-	-	(3,666,577)	(27,097)
Expiry of options 27 October 2010	(540,000)	(96,611)	(9,208,402)	(53,014)
Balance at the end of the year	7,000,000	1,169,478	1,540,000	142,111
Options issued during the period - not fully vested[1]	1,000,000	90,822	-	-

[1] - The 1,000,000 options issued during the year ended 30 June 2011 have not fully vested but the Company has recognised the benefit earned by the executive from the grant date to 30 June 2011.

Note 18: Issued Capital (Cont.)

Terms and conditions - Shares

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

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

Terms and conditions - Options

During the year ended 30 June 2011:

- The Company granted 5,000,000 options exercisable at 28 cents each to acquire one fully paid ordinary share expiring on 30 April 2013 (refer Note 19).
- The Company granted 1,000,000 options exercisable at 38.87 cents to acquire one fully paid ordinary share expiring on 7 December 2013 (refer Note 19).

During the year ended 30 June 2010:

- The Company granted 500,000 options exercisable at 10.25 cents to acquire one fully paid ordinary share expiring on 14 December 2012.

During the year ended 30 June 2008:

- The Company granted 500,000 options exercisable at 12.03 cents to acquire one fully paid ordinary share expiring on 22 October 2012.

Note 19: Share Based Payments

During the year ended 30 June 2011, the Company issued 5,000,000 options as part consideration for the acquisition of the Company's rights to the Central Jampang project and also issued 1,000,000 options to Grant L. Kensington under the Company's Executive Share Option Plan. In addition, the Company cancelled 540,000 options that expired and which were granted to the sponsoring broker to the initial public offering.

The Company established the Executive Share Option Plan on 30 June 2007 and modified the Plan at the 30 November 2009 Annual General Meeting. The Board may, from time to time, determine who is entitled to participate in the Plan and may issue invitations to apply for the grant of options to the executive or a relative or associate nominated by the executive.

Grant date	Nº of options	Exercise price	Price volatility	Fair value	Risk free rate	Vesting date
18 March 2008	500,000	$0.12	95%	$0.044	7.50%	18 March 2009
30 November 2009	500,000	$0.10	178%	$0.080	4.00%	30 November 2010
24 November 2010	1,000,000	$0.39	136%	$0.207	5.17%	7 December 2011
24 November 2010	5,000,000	$0.28	134%	$0.202	5.09%	24 November 2010
Expired 2011	540,000	-	-	-	-	
Outstanding at year end	7,000,000	$0.27	-	-	-	
Exercisable at year end	6,000,000	$0.25	-	-	-	

Note 19: Share Based Payments (Cont.)

The Option Premium Reserve is used to record the options issued to directors, executives of the Company as well as third parties. Options are valued using the Black-Scholes option pricing model:

- Weighted average exercise price for options outstanding at 30 June 2011 is 27 cents.
- Weighted average life of the options 1.85 years.
- Underlying share price at 30 June 2011 19 cents.
- Included under the share based payment expense in the income statement is $116,365 (2010 - $3,232) which relates entirely to equity-settled share-based payment transactions.

Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the grantee becomes unconditionally entitled to the 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 is adjusted to reflect the actual number of options that vest.

The fair value of the 5,000,000 options granted on 24 November 2010 was $1,007,613. The Black-Scholes formula model inputs were the Company's share price of 28 cents at the grant date, a volatility factor of 134% based on historical performance, a risk-free interest rate of 5.09% based on the 2 year government bond rate and a dividend yield of 0%.

The fair value of the 1,000,000 options granted on 24 November 2010 was $207,187. The Black-Scholes formula model inputs were the Company's share price of 28 cents at the grant date, a volatility factor of 136% based on historical performance, a risk-free interest rate of 5.17% based on the 3 year government bond rate and a dividend yield of 0%.

The fair value of the 500,000 options granted on 30 November 2009 was $40,000. The Black-Scholes formula model inputs were the Company's share price of 7.5 cents at the grant date, a volatility factor of 346% based on historical performance, a risk-free interest rate of 4% based on the 3 year government bond rate and a dividend yield of 0%.

The fair value of the 500,000 options granted on 18 March 2008 was $22,000. The Black-Scholes formula model inputs were the Company's share price of 7 cents at the grant date, a volatility factor of 95% based on historical performance, a risk-free interest rate of 7.5% based on the 3 year government bond rate and a dividend yield of 0%.

Expenses arising from share-based payment transactions

Total expenses from share-based payment transactions recognised during the year ended 30 June 2011 as part of share-based remuneration expenses was $116,365 (2010 - $3,232).

In addition, an amount of $1,007,613 (2010 - $nil) was capitalised to exploration and evaluation assets in the Statement of Financial Position. This was in relation to the 5,000,000 options issued to Bellambi Enterprises as part consideration for the acquisition of the Company's rights to the Central Jampang project.

Notes to the Consolidated Financial Statements

Note 20: Capital Management

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

The Company's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements on the Group.

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

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

	Consolidated	
	2011 $	2010 $
Note 21: Cash Flow Information		
Reconciliation of cash		
Cash at bank	3,601,724	1,063,138
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:		
Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
(Loss)/profit from ordinary activities after income tax	(2,141,428)	(1,477,777)
Non-cash flows in (loss)/profit from ordinary activities		
Depreciation	1,383	3,888
Share based payment expense	116,365	3,232
Impairments	318,888	-
Loss on disposal of asset	336,759	-
Foreign exchange loss	116,703	21,030
Changes in assets and liabilities		
Trade and other receivables	75,441	(15,471)
Prepayments	2,501	(179,405)
Trade and other payables	(433,550)	405,676
Net cash used in operating activities	(1,606,938)	(1,238,827)

Note 22: Key Management Personnel Disclosures

Information regarding individual key management personnel's compensation and some equity instruments disclosures as permitted by the Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report.

Movement in shares

Key management personnel	Held at 1 July 2010	Purchased shares	Sales	Held at 30 June 2011
Norman A. Seckold	20,000,000	31,707,903	-	51,707,903
Grant L. Kensington	626,000	-	-	626,00
Peter J. Nightingale	6,000,000	6,000,000	-	12,000,000
Justin C. Werner [1]	240,000	4,328,334	-	4,568,334

[1] *Appointed 23 December 2010.*

Key management personnel	Held at 1 July 2009	Purchased shares	Sales	Held at 30 June 2010
Norman A. Seckold [1]	-	20,000,000	-	20,000,000
Grant L. Kensington	626,000	-	-	626,00
Peter J. Nightingale [1]	-	6,000,000	-	6,000,000
Justin C. Werner [2]	-	240,000	-	240,000
Shinji Yamamoto [3]	-	-	-	-
Fye Hong [3]	-	-	-	-

[1] *Appointed 30 November 2009.*

[2] *Appointed 23 December 2010.*

[3] *Ceased to be a director on 30 November 2009.*

Movement in options

Key management personnel	Held at 1 July 2010	Granted during period	Exercised	Held at 30 June 2011
Norman A. Seckold	-	-	-	-
Grant L. Kensington	1,000,000	1,000,000	-	2,000,000
Peter J. Nightingale	-	-	-	-
Justin C. Werner	-	5,000,000	-	5,000,000

Key management personnel	Held at 1 July 2009	Granted during period	Exercised	Held at 30 June 2010
Norman A. Seckold	-	-	-	-
Grant L. Kensington	500,000	500,000	-	1,000,000
Peter J. Nightingale	-	-	-	-
Shinji Yamamoto	-	-	-	-
Fye Hong	-	-	-	-

Note 22: Key Management Personnel Disclosures (Cont.)

	Consolidated	
	2011 $	2010 $
Primary fees/salary	454,656	355,880
Superannuation	21,344	20,538
Share-based remuneration	116,365	10,614
	592,365	387,032

Note 23: Related Party Transactions

Transactions with related parties:		
Other - Director's loan - entities associated with Norman A. Seckold:		
Permgold Pty Ltd	-	750,000
Altinova Nominees Pty Ltd	-	1,503,567
	-	2,253,567

The advances made by entities associated with Norman A. Seckold, to the Company in the current and prior year were converted to equity with the approval of members at a General Meeting held on 30 June 2011. The total outstanding loan amount to the Company and its controlled entities for the year ended 30 June 2011 is nil (2010 - $2,253,567).

During the year ended 30 June 2011, Norman A. Seckold and Peter J. Nightingale had an interest in an entity, Mining Services Trust, which provided full administration services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the year, which were in the ordinary course of business and on normal terms and conditions, amounted to $300,000 (2010 - $150,000). There were no amounts outstanding as at year end (2010 - $nil).

During the year ended 30 June 2011, the Company issued 5,000,000 options and 3,333,334 shares to Bellambi Enterprises, an entity in which Justin C. Werner has an interest with a fair value of $1,007,613 and $766,667 respectively. In addition, Justin C. Werner purchased 165,000 shares for a superannuation fund in which he has an interest. The options were issued as part consideration for the agreement entered to acquire an option to purchase up to 90% interest in PT Golden Pricindo Indah. The options were granted on 24 November 2010 with an expiry date on 30 April 2013 and an exercise price of 28 cents.

Note 24: Segment Information

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 year ended 30 June 2011, the Group had one operating segment, being minerals exploration in NSW and Indonesia.

The Group has two reportable geographical segments as follows:

	NSW		Indonesia		Unallocated		Consolidated	
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $
External revenue	-	-	-	-	4,545	1,980	4,545	1,980
Interest income	-	-	-	-	32,256	43,017	32,256	43,017
Interest expense	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	(1,384)	(3,888)	(1,384)	(3,888)
Segment loss before income tax	(646,647)	-	(369,652)	(765,597)	(1,125,129)	(712,180)	(2,141,428)	(1,484,934)
Other material non-cash items								
Impairment of investments	-	-	-	-	(9,000)	-	(9,000)	-
Impairment of exploration and evaluation expenditure	(309,888)	-	-	-	-	-	(309,888)	-
Loss on sale of asset	(336,759)	-	-	-	-	-	(336,759)	-
Segment assets	3,193,290	3,739,651	7,822,896	2,269,864	3,704,245	1,181,616	14,720,431	7,191,131
Segment liabilities	-	923,307	4,952	1,797,397	101,762	43,128	106,714	2,763,832

	Consolidated 2011 $	Consolidated 2010 $

Note 24: Segment Information (Cont.)

Reconciliation of reportable segment revenue, profit or loss,assets and non-current assets and other material items:

	2011 $	2010 $
Revenues		
Total revenue for reportable segments		
Other revenue	4,545	1,980
Consolidated revenue	4,545	1,980
Loss before tax		
Loss before tax for reportable segments	(1,016,299)	(765,597)
Other loss before tax	(1,125,129)	(712,180)
Consolidated loss before tax	(2,141,428)	(1,477,777)
Assets		
Total assets for reportable segments	11,016,186	6,009,515
Intercompany eliminations	(8,958,145)	(1,238,064)
Other assets	12,662,390	2,419,680
Consolidated assets	14,720,431	7,191,131
Liabilities		
Total liabilities for reportable segments	8,963,097	3,958,768
Intercompany eliminations	(8,958,145)	(1,238,064)
Other liabilities	101,762	43,128
Consolidated liabilities	106,714	2,763,832

	Reportable segment totals $	Adjustments $	Consolidated totals $
Other material items 2011			
Interest revenue	-	32,256	32,256
Interest expense	-	-	-
Depreciation and amortisation	-	(1,384)	(1,384)
Loss on sale of asset	(336,759)	-	(336,759)
Impairment expense	(309,888)	(9,000)	(318,888)
Other material items 2010			
Interest revenue	-	43,017	43,017
Interest expense	-	-	-
Depreciation and amortisation	-	(3,888)	(3,888)
Impairment expense	-	-	-

	Consolidated 2011 $	Consolidated 2010 $
Note 25: Commitments and Contingencies		
Annual tenement expenditure commitments required within 12 months to maintain licences	320,000	482,500
There are no contingent assets or liabilities as at the date of this financial report.		
Note 26: Parent Entity Disclosures		
As at and throughout the financial year ended 30 June 2011 the parent entity of the Group was Augur Resources Ltd.		
Result of the parent entity		
Net loss	(10,729,921)	(712,180)
Other comprehensive income	-	-
Total comprehensive loss	(10,729,921)	(712,180)
Financial position of the parent entity at year end		
Current assets	3,628,245	2,418,296
Non-current assets	3,269,290	3,741,036
Total assets	6,897,535	6,159,332
Current liabilities	106,714	966,435
Non-current liabilities	-	-
Total liabilities	106,714	966,435
Net assets	6,790,821	5,192,897
Equity		
Share capital	19,064,928	7,861,061
Option premium reserve	1,169,478	142,111
Accumulated losses	(13,443,585)	(2,810,275)
Total equity	6,790,821	5,192,897

The directors are of the opinion that no contingencies existed at, or subsequent to year end.

Note 27: Events Subsequent to Reporting Date

On 4 July 2011, the Company issued 6,143,331 fully paid ordinary shares for a total consideration of $1,228,666. The issue was approved by members at a General Meeting held on 30 June 2011.

The funds will be used by the Company for the further exploration of the Group's exploration projects, with a focus on the Wonogiri and Central Jampang projects in Indonesia and for working capital purposes.

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.

Note 28: Group Entities

Particulars in relation to controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2011 %	2010 %
Parent entity			
Augur Resources Ltd	Australia	-	-
Controlled entities			
Augur Investments Pty Limited	Australia	100	100

Note 29: New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2010, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 Financial Instruments, which becomes mandatory for the Group's 2014 consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.

Note 30: Company Details

The registered office of the Company is:

Augur Resources Ltd
Level 2, 66 Hunter Street
Sydney NSW 2000
Australia

Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 47 to 74 and the Remuneration Report as set out on pages 38 to 42 are in accordance with the Corporations Act 2001, including:

   a. complying with Australian Accounting Standards and the Corporations Regulations 2001;

   b. giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

2. the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

3. 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.

4. The directors have been given the declarations required under section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

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

Grant L. Kensington
Director

Dated this 14th day of September 2011
Sydney

Independent Auditor's Report

To the Members of Augur Resources Ltd

KPMG

Report on the Financial Report

We have audited the accompanying financial report of Augur Resources Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 30 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independent Auditor's Report

To the Members of Augur Resources Ltd

Independence

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

Auditor's opinion

In our opinion:

a. the financial report of the Group is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 42 of the Directors' Report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Augur Resources Ltd for the year ended 30 June 2011 complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Stephen Board
Partner

14 September 2011

Additional ASX Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2011.

Distribution of Equity Securities

Ordinary Shares		
Range	**Number of Holders**	**Number of Shares**
1 - 1,000	29	3,508
1,001- 5,000	67	228,718
5,001 - 10,000	149	1,409,444
10,001 - 100,000	274	11,990,301
100,001 - 9,999,999	121	163,556,077
Total	**640**	**177,188,048**

Since listing the Company has issued 177,188,048 fully paid ordinary shares.

The number of shareholders holding less than a marketable parcel is 29.

Additional ASX Information

Twenty Largest Shareholders

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

Nº	Ordinary Shares Shareholder	Nº Of Shares	Total %
1	PERMGOLD PTY LTD	51,707,903	29.18
2	ROSIGNOL PTY LTD	12,000,000	6.77
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,104,993	4.01
4	COMPANY FIFTY PTY LTD	6,000,000	3.39
5	ICHIYA CO LTD	4,947,102	2.79
6	COBUNGRA HOLDINGS PTY LTD	4,865,000	2.75
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	4,087,187	2.31
8	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	3,610,779	2.04
9	NATIONAL NOMINEES LIMITED	3,558,561	2.01
10	BELLAMBI ENTERPRISES LIMITED	3,333,334	1.88
11	MR ANDRE TALASKA	3,333,333	1.88
12	1147 PTY LIMITED <TJ & C J MANN SUPER A/C>	3,250,530	1.83
13	ALL STATES SECRETARIAT PTY LTD <ALLSTATES SECRETARIAT SF A/C>	2,215,303	1.25
14	JOHN WARDMAN & ASSOCIATES PTY LTD <THE WARDMAN SUPER FUND>	2,100,000	1.19
15	PT BESTINDO KWADRATAMA	2,083,333	1.18
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,035,592	1.15
17	ROBERT LORD	2,000,000	1.13
18	CS FOURTH NOMINEES PTY LTD	1,871,229	1.06
19	USB NOMINEES PTY LTD	1,811,053	1.02
20	CITICORP NOMINEES PTY LIMITED	1,701,639	0.96
Total		**123,616,871**	**69.77**

Additional ASX Information

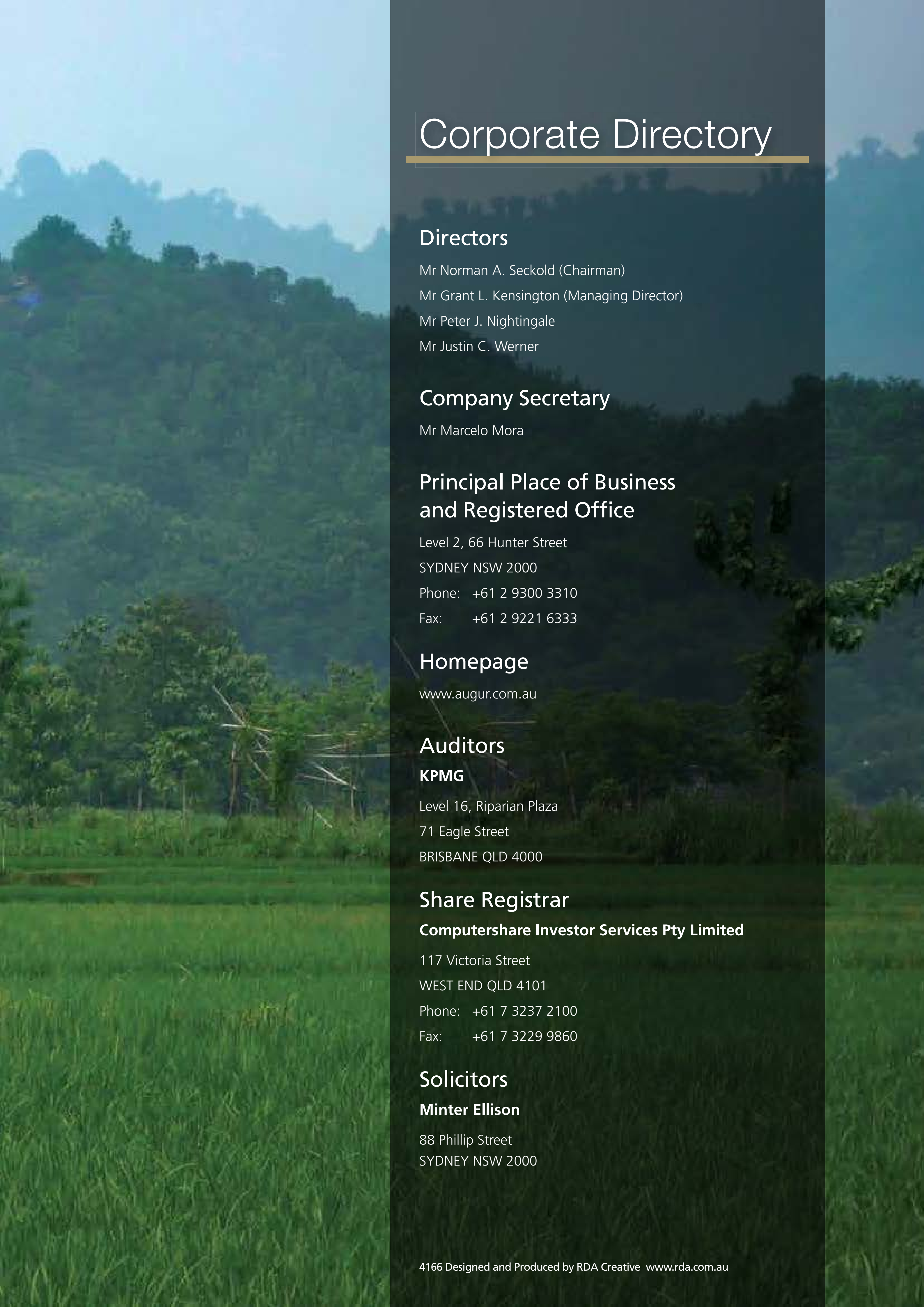
Substantial Shareholders

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

Nº	Shareholder	Nº of Shares Held	% to Issued Shares
1	Permgold Pty Ltd	51,707,903	29.18
2	Rosignol Pty Ltd	12,000,000	6.77

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.



Corporate Directory

Directors

Mr Norman A. Seckold (Chairman)

Mr Grant L. Kensington (Managing Director)

Mr Peter J. Nightingale

Mr Justin C. Werner

Company Secretary

Mr Marcelo Mora

Principal Place of Business and Registered Office

Level 2, 66 Hunter Street

SYDNEY NSW 2000

Phone: +61 2 9300 3310

Fax: +61 2 9221 6333

Homepage

www.augur.com.au

Auditors

KPMG

Level 16, Riparian Plaza

71 Eagle Street

BRISBANE QLD 4000

Share Registrar

Computershare Investor Services Pty Limited

117 Victoria Street

WEST END QLD 4101

Phone: +61 7 3237 2100

Fax: +61 7 3229 9860

Solicitors

Minter Ellison

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SYDNEY NSW 2000

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