AUGUR Resources Ltd

ABN 79 106 879 690

Interim Financial Report

for the half year ended 31 December 2011

Corporate Information

ABN 79 106 879 690

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

Company Secretary
Marcelo Mora

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

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

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

Bankers
Westpac Bank
Market & Clarence Street
Sydney NSW 2000

Solicitors
Minter Ellison
88 Phillip Street
Sydney NSW 2000

Share Registry
Computershare
117 Victoria Street
West End Queensland 4101

Contents

Directors' Report

The Directors of Augur Resources Ltd and its subsidiaries ('the Group' or 'Augur') submit their report for the half year ended 31 December 2011.

DIRECTORS

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

Norman A. Seckold
Grant L. Kensington
Peter J. Nightingale
Justin C. Werner

RESULTS

The loss of the Group for the half year after providing for income tax amounted to $818,979 (2010 - loss of $933,414).

REVIEW OF OPERATIONS

Augur is a mineral exploration and development company that has interests in advanced exploration projects in Indonesia and Australia.

Augur has a 51% ownership of the Wonogiri project in central Java. This project includes the Randu Kuning gold-copper porphyry. In addition to Randu Kuning, the project area covers a number of additional gold-copper-silver targets.

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

The Homeville deposit has a JORC Inferred Resource of 16.3Mt at 0.93% nickel and 0.05% cobalt. The deposit is very shallow and consists of a mineralised limonite clay horizon and a lower mineralised saprolite horizon.

Indonesia

During the period, Augur's primary focus has been on continuing to define gold and copper mineralisation at the Wonogiri project.

The Group has had considerable success in defining wide zone of gold and copper mineralisation associated with the Randu Kuning porphyry. As previously reported, drilling results from the Randu Kuning prospect include:

WDD010 – **123.5 metres at 1.42 g/t gold and 0.22% copper** from 44.5 metres depth.

WDD012 – **199.0 metres at 0.46 g/t gold and 0.13% copper** from 61.0 metres.

WDD015 – **182.0 metres at 0.75 g/t gold and 0.17% copper** from 68.0 metres.

WDD016 – **123.0 metres at 0.61 g/t gold and 0.14% copper** from 76.0 metres and **44.0 metres at 0.55 g/t gold** from 264.0 metres.

WDD019 – **95.5 metres at 0.74 g/t gold and 0.16% copper** from 41.0 metres and **66.0 metres at 0.47g/t gold and 0.11% copper** from 198.5 metres.

WDD021 – **132.0 metres at 0.75 g/t gold and 0.17% copper** from 45.5 metres.

Directors' Report

The drilling indicates the existence of a large, shallow mineralised zone associated with a porphyry intrusive. Drilling continues to determine the extent of mineralisation at Randu Kuning.

The Wonogiri project covers a highly eroded volcanic caldera related to the Sunda-Banda arc. Significant areas of extensively altered volcanics with multiple quartz veining exist in the north of the licence area. The gold mineralisation has been identified from surface and is directly related to quartz veining and stockworking as well as being disseminated within an extensively altered diorite intrusive.

Surface mapping has identified quartz veining with a cumulative strike length of 2.3 kilometres within the Randu Kuning prospect area.

While the southern and central zones of the Wonogiri project are prospective for mineralisation parts of these are covered by areas designated as Primary Forest. This prevents activities being undertaken during a moratorium period which currently exists until mid 2013.

Jampang

During the period Augur received an independent maiden Inferred Resource estimate of 5.5Mt at 0.91g/t gold, 2.9 g/t silver and 0.14% copper (cut off 0.4 g/t gold) for the Central Jampang Gold project.

The resource, as previously reported, is estimated to contain 161,000 ounces of gold, 494,000 ounces of silver and 7,800 tons of copper. A summary of the resource estimate is as follows:

Confidence	Grade Au g/t	Million Tonnes	Gold g/t	Silver g/t	Copper ppm
Inferred	**1.0**	1.51	1.71	4.2	1,916
	0.6	**3.25**	**1.21**	**3.3**	**1,616**
	0.4	**5.49**	**0.91**	**2.8**	**1,436**
	0.2	12.76	0.55	1.9	1,078
Total	**1.0**	1.51	1.71	4.2	1,916
	0.6	**3.25**	**1.21**	**3.3**	**1,616**
	0.4	**5.49**	**0.91**	**2.8**	**1,436**
	0.2	12.76	0.55	1.9	1,078

Data has been rounded.

The resource estimate includes three zones within the Jampang project area. These zones are Lipi, Puteran Simpang and Pasir Keusik South. The majority of the resource estimate is contained in the Lipi zone.

New South Wales

During the period, Augur continued to seek options for its remaining projects in New South Wales.

Zodiac Resources Pty Limited ('Zodiac') has an option to acquire a 75 % interest in the Yeoval project. In addition to a number of conditions, Zodiac must spend a minimum of $300,000 in drilling on the project.

During the period, Zodiac undertook a 3D IP survey and commenced a drill program on a number of targets at Yeoval and Goodrich. Results are yet to be received.

Directors' Report

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Augur staff and contractors and approved by Mr Grant Kensington, geoscientist, who is a Member of the Australasian Institute of Mining and Metallurgy. Grant Kensington is a full-time employee of the Company who has sufficient experience which is relevant to the styles of mineralisation and type of deposits 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 Kensington has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Share Issues

During the half year ended 31 December 2011, the Company issued 6,143,331 ordinary shares at an issue price of $0.20 each raising $1,228,666. In addition, the Company issued 1,000,000 options to Mr. Grant Kensington under the ESOP program with a fair value of $102,000 and 2,000,000 options to Hartleys & Patersons securities as part of the transaction cost for the capital raising, which had a fair value of $286,000.

SUBSEQUENT EVENTS

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

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 7 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors' Report for the half year ended 31 December 2011.

Signed in accordance with a resolution of the Directors.

Grant Kensington
Managing Director
Sydney 7 March 2012

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

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2011, there have been:

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

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

KPMG

KPMG

Stephen J. Board
Partner

7 March 2012
Brisbane

Condensed Consolidated Interim Statement of Comprehensive Income for the half year ended 31 December 2011

	Notes	31 December 2011 $	31 December 2010 $
Continuing operations			
Other income		-	4,545
Administration and consultants' expenses		(485,342)	(284,423)
Audit fees		(34,750)	(29,035)
Depreciation		-	(984)
Exploration and evaluation – pre-licence costs		-	(25,082)
Impairment of mining tenements		-	(204,724)
Impairment losses- Investments	7	(8,250)	-
Employee and Director expenses		(188,467)	(211,000)
Share based payment expenses		(95,014)	-
Legal expenses		(26,117)	(93,472)
Rent and outgoings expenses		-	(10,909)
Marketing and advertising		(50,215)	(17,394)
Other expenses from ordinary activities		(922)	(83,076)
Operating loss before financing income		**(889,077)**	**(955,554)**
Finance income	2	70,098	22,140
Net finance income		**70,098**	**22,140**
Loss before tax		**(818,979)**	**(933,414)**
Income tax expense		-	-
Loss for the period		**(818,979)**	**(933,414)**
Other comprehensive income for the period			
Net change in fair value of available for sale financial assets		**(8,250)**	-
Net change in fair value of available for sale financial assets transfer to the profit and loss		**8,250**	-
		-	-
Total comprehensive loss for the period		**(818,979)**	**(933,414)**
Earnings per share			
Basic loss per share (cents per share)	3	**(0.46)**	**(0.76)**
Diluted loss per share (cents per share)	3	**(0.46)**	**(0.76)**

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

Condensed Consolidated Interim Statement of Financial Position as at 31 December 2011

	Notes	31 December 2011 $	30 June 2011 $
Current assets			
Cash and cash equivalents	**4**	1,762,387	3,601,724
Trade and other receivables	**5**	23,074	24,215
Other assets	**6**	161,321	38,297
Total current assets		**1,946,782**	**3,664,236**
Non-current assets			
Other assets	**6**	142,605	142,605
Investments	**7**	12,750	21,000
Exploration and evaluation expenditure	**8**	13,015,508	10,892,590
Total non-current assets		**13,170,863**	**11,056,195**
Total assets		**15,117,645**	**14,720,431**
Current liabilities			
Trade and other payables	**9**	60,660	106,714
Total current liabilities		**60,660**	**106,714**
Total liabilities		**60,660**	**106,714**
Net assets		**15,056,985**	**14,613,717**
Equity			
Issued capital	**10**	19,946,161	19,064,928
Option reserves	**10**	1,550,492	1,169,478
Accumulated losses		(6,439,668)	(5,620,689)
Total equity		**15,056,985**	**14,613,717**

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

Condensed Consolidated Interim Statement of Cash Flows
for the half year ended 31 December 2011

	Notes	31 December 2011 $	31 December 2010 $
Cash flows from operating activities			
Cash payments in the course of operations		(799,023)	(1,122,646)
Cash absorbed by operations		**(799,023)**	**(1,122,646)**
Interest received		70,098	22,140
Net cash used in operating activities		**(728,925)**	**(1,100,506)**
Cash flows from investing activities			
Payments for exploration expenditure		(2,277,645)	(1,284,680)
Refund of deposit for acquisition of investment		-	321,763
Net cash from investing activities		**(2,277,645)**	**(962,917)**
Cash flows from financing activities			
Proceeds from share issue		1,228,666	2,600,000
Transaction costs on share issue		(61,433)	(146,500)
Loan repaid to related party		-	(321,763)
Net cash from financing activities		**1,167,233**	**2,131,737**
Net increase in cash and cash equivalents		**(1,839,337)**	**68,314**
Cash and cash equivalents at 1 July		**3,601,724**	**1,063,138**
Cash and cash equivalents at 31 December		**1,762,387**	**1,131,452**

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

Condensed Consolidated Interim Statement of Changes in Equity for the half year ended 31 December 2011

Attributable to equity holders of the Company

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance as at 1 July 2010	**7,861,061**	**142,111**	**(3,575,873)**	**4,427,299**
Total comprehensive income for the period				
Loss for the period	-	-	(933,414)	(933,414)
Other comprehensive income	-	-	-	-
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares	4,900,000	-	-	4,900,000
Transaction cost on issue of shares	(146,500)	-	-	(146,500)
Share based payments	-	1,007,613	-	1,007,613
Transfer of expired options	-	(96,612)	96,612	-
Balance at 31 December 2010	**12,614,561**	**1,053,112**	**(4,412,675)**	**9,254,998**
Balance as at 1 July 2011	**19,064,928**	**1,169,478**	**(5,620,689)**	**14,613,717**
Total comprehensive income for the period				
Loss for the period	-	-	(818,979)	(818,979)
Other comprehensive income	-	-	-	-
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares	1,228,666	-	-	1,228,666
Transaction cost – cash settled	(61,433)	-	-	(61,433)
Transaction cost – options issue as consideration	(286,000)	286,000	-	-
Share based payments	-	95,014	-	95,014
Balance at 31 December 2011	**19,946,161**	**1,550,492**	**(6,439,668)**	**15,056,985**

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

Notes to the Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2011

1. REPORTING ENTITY

Augur Resources Ltd (the 'Company') is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2011 comprises the Company and its subsidiaries (together referred to as the 'Group').

The consolidated annual financial report of the Group as at and for the year ended 30 June 2011 is available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.augur.com.au.

1a. Statement of compliance

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

The half year report does not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

1b. Significant accounting policies

Except as described below, the accounting policies applied by the Group in this half year condensed consolidated interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2011.

1c. Significant accounting judgments and key estimates

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

In preparing this half year report, the significant judgements made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2011.

During the half year ended 31 December 2011 the significant accounting judgements & key estimates relate to:

Note 1d - Going concern
Note 8 - Exploration and evaluation expenditure
Note 11 - Share based payments

Notes to the Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2011

1d. Going concern

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

The Group has incurred a trading loss of $818,979 in the half year ended 31 December 2011 and has accumulated losses of $6,439,668 as at 31 December 2011. The Group has cash on hand of $1,762,387 at 31 December 2011 and used $3,006,570 of cash in operations including payments for exploration for the half year ended 31 December 2011. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- the Group raising additional funding from shareholders or other parties; and/or
- the Group reducing expenditure in-line with available funding.

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

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

	Half year ended 31 December 2011 $	Half year ended 31 December 2010 $
2. REVENUE FROM CONTINUING OPERATIONS		
Interest received	70,098	22,140
Other income	-	4,545
Total revenue from continuing operations	**70,098**	**26,685**
3. LOSS PER SHARE		
Basic and diluted loss per share have been calculated using:		
Net loss for the half year ended 31 December	**818,979**	**933,414**
Weighted average number of ordinary shares	**177,087,338**	**123,465,644**

Potential ordinary shares on issue at 31 December 2011 and 31 December 2010 are anti-dilutive, and accordingly diluted earnings per share are the same as basic earnings per share.

Notes to the Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2011

	As at 31 December 2011 $	As at 30 June 2011 $
4. CASH AND CASH EQUIVALENTS		
For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and short term deposits at call, net of any outstanding bank overdraft, if any. Cash at the end of the half year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank	**1,762,387**	**3,601,724**
5. TRADE AND OTHER RECEIVABLES		
Net GST receivable	**23,074**	**24,215**
6. OTHER ASSETS		
Current		
Prepaid insurance	6,594	-
Advances to PT Best Clean Energy	154,727	38,297
	161,321	**38,297**
Non-current		
Deposits	87,605	87,605
Environmental bonds with Industry and Investment NSW	55,000	55,000
	142,605	**142,605**
7. INVESTMENTS		
Investments - available for sale at fair value	**12,750**	**21,000**
8. EXPLORATION AND EVALUATION EXPENDITURE		
New South Wales	3,195,442	3,193,290
Indonesia	9,820,066	7,699,300
	13,015,508	**10,892,590**

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

	As at 31 December 2011 $	As at 30 June 2011 $
9. TRADE AND OTHER PAYABLES		
Trade creditors	30,660	76,714
Sundry creditors and accruals	30,000	30,000
	60,660	**106,714**

	As at 31 December 2011 $	As at 30 June 2011 $
10. CAPITAL AND RESERVES		
Issued and paid up capital		
177,188,048 ordinary shares fully paid (30 June 2011 - 171,044,717)	**19,946,161**	**19,064,928**

	Nº of shares	$	Nº of shares	$
Ordinary shares				
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				
Movement in ordinary shares on issue				
Balance at the beginning of the period	171,044,717	19,064,928	109,722,569	7,861,061
Shares issued during the period				
Fully paid ordinary shares issued 4 July 2011 at $0.20	6,143,331	1,228,666	-	-
Transaction costs - settled in cash	-	(61,433)	-	-
Transaction costs - options issued as consideration	-	(286,000)	-	-
Fully paid ordinary shares issued 17 August 2010 at $0.165	-	-	15,757,576	2,600,000
Transaction costs	-	-	-	(146,500)
Fully paid ordinary shares issued 24 November 2010 at $0.23	-	-	10,000,000	2,300,000
Fully paid ordinary shares issued 14 June 2011 at $0.20	-	-	20,300,000	4,060,000
Transaction costs	-	-	-	(203,000)
Fully paid ordinary shares issued 30 June 2011 at $0.20	-	-	3,556,669	711,334
Transaction costs	-	-	-	(49,771)
Conversion of loan to ordinary shares at $0.165	-	-	11,707,903	1,931,804
Balance at the end of the period	**177,188,048**	**19,946,161**	**171,044,717**	**19,064,928**

Options

The following options that were on issue at 31 December 2011, each exercisable to acquire one fully paid ordinary share:

Grant date	Expiry date	Exercise price $	Balance at start of the half year Number	Granted during the half year Number	Exercised during the half year Number	Cancelled during the half year Number	Balance at end of the half year Number	Exercisable at end of the half year Number
18 March 2008	22 October 2012	$0.12	500,000	-	-	-	500,000	500,000
30 November 2009	14 December 2012	$0.10	500,000	-	-	-	500,000	500,000
24 November 2010	30 April 2013	$0.28	5,000,000	-	-	-	5,000,000	5,000,000
24 November 2010	7 December 2013	$0.39	1,000,000	-	-	-	1,000,000	1,000,000
4 July 2011	31 May 2014	$0.20	-	2,000,000	-	-	2,000,000	2,000,000
16 November 2011	15 November 2014	$0.27	-	1,000,000	-	-	1,000,000	-
			7,000,000	3,000,000	-	-	10,000,000	9,000,000

11. SHARE BASED PAYMENTS

During the half year ended 31 December 2011, the Company issued 2,000,000 options with a fair value of $286,000 as part of broking fees for services rendered to the Company. In addition, the Company issued 1,000,000 options to Mr. Grant Kensington under the ESOP program with a fair value of $102,000.

The terms and conditions of the grants made during the half year ended 31 December 2011 were as follows:

The following options were issued and vested during the half year:

Grant date	Expiry date	Vesting date	Exercise price $	Fair value of options granted $	Number granted during the period	Number exercised during the period	Number expired during the period	Balance at the end of the period
4 July 2011	31 May 2014	4 July 2011	0.20	286,000	2,000,000	-	-	2,000,000
				286,000	**2,000,000**	**-**	**-**	**2,000,000**

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

Grant date	Expiry date	Vesting date	Exercise price $	Fair value of options granted $	Number granted during the period	Number exercised during the period	Number expired during the period	Balance at the end of the period
16 November 2011	16 November 2014	15 November 2012	0.265	102,000	1,000,000	-	-	1,000,000
				102,000	**1,000,000**	**-**	**-**	**1,000,000**

Fair value of options

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

The fair value of the options at grant date was determined based on the Black-Scholes formula. The model inputs for the 2,000,000 options issued during the period were the Company's share price of $0.23 at the grant date, a volatility factor of 91% based on historical performance, a risk-free interest rate 4.73% based on the 10 year government bond rate and a dividend yield of 0%.

The model inputs for the 1,000,000 options issued during the period were the Company's share price of $0.19 at the grant date, a volatility factor of 93% based on historical performance, a risk-free interest rate 4.01% based on the 10 year government bond rate and a dividend yield of 0%.

12. SEGMENT REPORTING

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

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

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

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

Geographical segments

For the half year ended 31 December 2010 and 2011 the Company principally operated in NSW, Australia and Indonesia in the mineral exploration sector.

The Group has two reportable segments, as described below:

Operating Segment	**NSW**	**Indonesia**	**Unallocated**	**Consolidated total**
	$	**$**	**$**	**$**
31 December 2011				
Segment revenue				
Revenue – external	**-**	**-**	-	-
Finance income	**-**	**-**	70,098	70,098
Total revenue	**-**	**-**	**70,098**	**70,098**
Depreciation	-	-	-	-
Segment result	**-**	**(201,131)**	**(617,848)**	**(818,979)**
Segment assets	**3,195,442**	**10,062,398**	**1,859,805**	**15,117,645**

Notes to the Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2011

	As at 31 December 2011 $	As at 30 June 2011 $
13. CONTINGENCIES AND COMMITMENTS		
There are no contingent assets or liabilities as at the date of this financial report.		
Annual tenement expenditure commitments required within 12 months to maintain licences	**297,000**	**320,000**

14. SUBSEQUENT EVENTS

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

15. CONTROLLED ENTITIES

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

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

Directors' Declaration

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

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 8 to 18 are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Grant Kensington
Managing Director
Sydney, 7 March 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUGUR RESOURCES LTD

We have reviewed the accompanying interim financial report of Augur Resources Ltd, which comprises the condensed consolidated interim statement of financial position as at 31 December 2011, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 15 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 half year's end or from time to time during the half year.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Augur Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and

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

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUGUR RESOURCES LTD

Material uncertainty regarding continuation as a going concern

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

KPMG

KPMG
7 March 2012
Brisbane

Stephen J. Board
Partner