AUGUR
Resources Ltd
ABN 79 106 879 690

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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Augur Resources Ltd
ABN 79 106 879 690

Chairman's Letter

Dear Fellow Shareholders

During 2013 financial markets for junior exploration stocks remained difficult and your company has not been spared from this. Throughout the year the board has been examining a number of alternatives aimed at recapitalising the company without being overly dilutive to existing shareholders. I am very pleased that the company has just been able to announce such an opportunity, the anticipated investment in Augur and the Wonogiri project, subject to shareholder approval, by the Rajawali Group.

We remain excited by the potential of the Randu Kuning prospect, other exploration targets within the Wonogiri project and other opportunities in Indonesia. The injection of funding into the company that the transaction with Rajawali would provide will allow the company to complete technical studies at Wonogiri ahead of a decision to mine and to pursue these additional targets and opportunities.

Yours sincerely

Norman A. Seckold
Dated this 30th day of September 2013

Augur Resources Ltd
ABN 79 106 879 690
Managing Director's Report

Dear Shareholders

Augur continues to focus on the Randu Kuning deposit, a major gold and copper resource, within the Wonogiri project located in central Java, Indonesia. The Company holds an 80% direct ownership interest in the project.

The mineralisation at Randu Kuning has been the primary target of the Company's exploration efforts during the last two and a half years. In mid-2012 the Company announced that exploration efforts had defined a 1.54 million ounce gold equivalent, maiden JORC compliant resource estimate containing over 1.01 million ounces of gold and 200 million pounds of copper. The resource was discovered at a remarkably modest cost of approximately $3.05 per gold ounce. This is exceptionally low by industry standards. The resource remains open and further drilling is required to test the full extent of mineralisation.

The Company's focus has been assessment of the resource to determine options for processing the deposit. Metallurgical results to date remain favourable with excellent recoveries achieved from the sulphide mineralisation. The next phase of metallurgical testing will focus on determining processing options for the oxide zone.

The Randu Kuning prospect is one of a number of prospects within the Wonogiri tenement. Other targets have been identified and include both gold and silver epithermal and copper and gold porphyry targets.

Along with other ASX listed explorers, the Company's share price has been impacted by the retreat from recent commodity price highs, in particular the decline in the gold price. The potential of the Company's projects remains strong and I believe that the Wonogiri project's value is not reflected in the current share price.

Augur continues to review opportunities both within Indonesia and elsewhere. The Company will continue to focus on achieving value for shareholders.

With regards to our Australian projects, Augur now has partners for the Yeoval, Collerina and Weelah projects. In each project, our partners are the operators and Augur has limited ongoing financial commitments. Augur will continue to monitor progress on these projects.

Grant L. Kensington
Managing Director

Dated this 30th day of September 2013

Review of Operations

EXPLORATION OVERVIEW

Augur has interests in advanced exploration projects in Indonesia and Australia. Augur's strategic focus is on large, shallow gold, silver and copper resources.

Wonogiri Joint Venture (80% earn-in achieved in August 2012)

Target: Porphyry gold and copper; Epithermal gold and silver

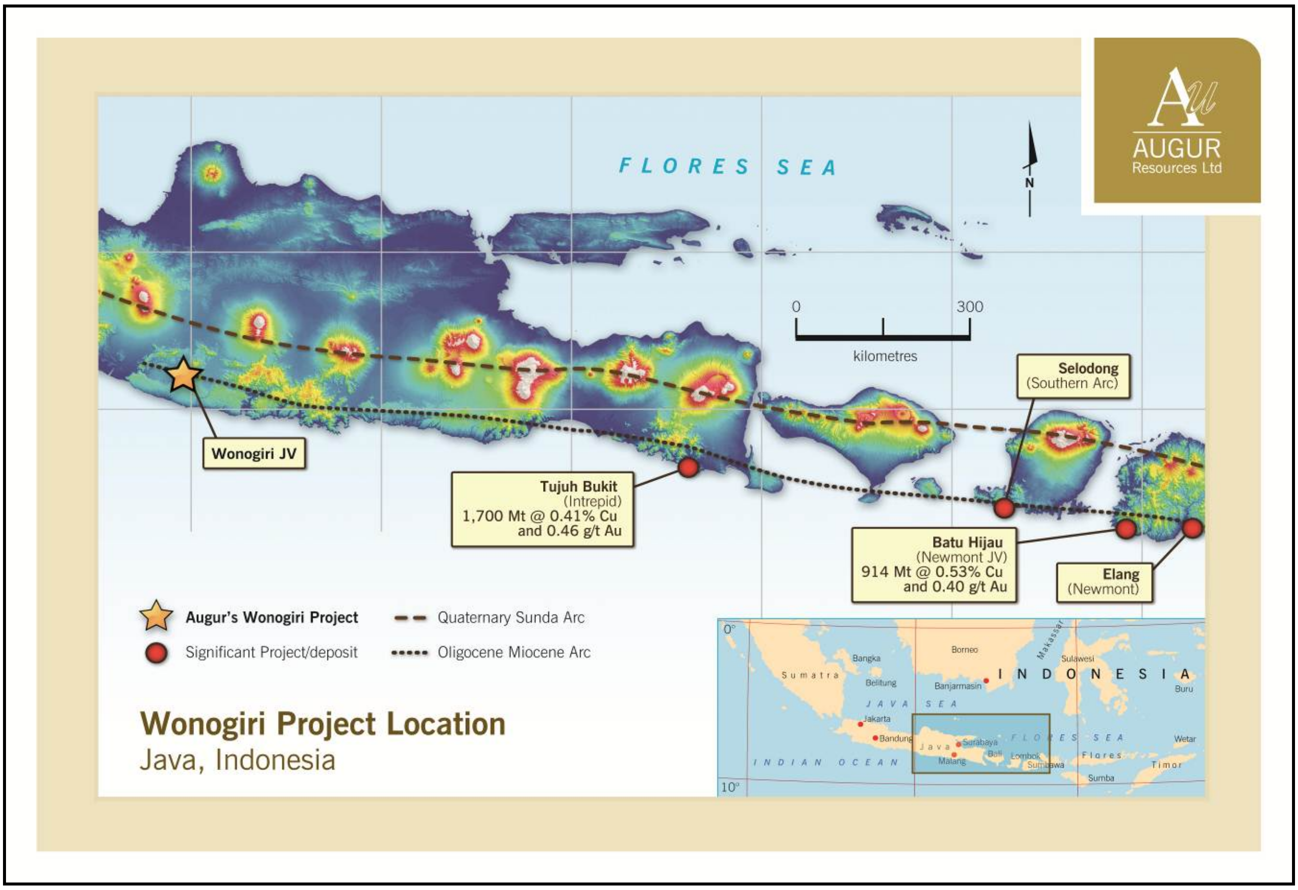
The Wonogiri project covers a highly prospective 3,928 hectares in central Java, Indonesia. The project lies within the tectonically complex Sunda-Banda Magmatic Arc which is characterised by multiple phases of volcanic activity and extensive deformation. Significant gold and copper mineralisation is found along this arc including some of the world's largest copper and gold deposits.

Augur holds an 80% direct majority ownership of the Wonogiri licence.

The Wonogiri project has quality infrastructure supporting the project with it located approximately 30 kilometres to the south of the provincial city of Solo and is easily accessible by daily flights from the capital Jakarta and a short one hour drive by car on sealed roads. The surrounding area has grid power, a large dam and numerous river and stream systems. Altitude of the Randu Kuning deposit is approximately 200 metres above sea level.

In the north of the project area, a significant area of alteration has been identified as having potential for gold and copper porphyry mineralisation and epithermal gold and silver mineralisation. This alteration zone may be more extensive than indicated at surface, as the alteration zone appears to continue under the surrounding shallow sediments and soil. The Randu Kuning gold-copper porphyry deposit, which is detailed below, is located in this zone.

Further zones of alteration and/or anomalous precious metals and base metals have been identified within the central region of the project, however these targets have had limited modern exploration.



Randu Kuning Prospect

The Randu Kuning prospect is the most advanced of the prospects within the Wonogiri project. Augur has completed a total of 50 diamond holes for 15,114 metres since acquiring the project in 2011. Drilling has targeted sulphide gold-copper mineralisation associated with a multiphasal, highly altered wall rock porphyry system. Mineralisation is associated with copper and gold sulphide bearing quartz stockworking veins and as disseminated mineralisation within multiple microdiorite and diorite intrusives.

The gold and copper mineralisation exists from surface to over 400 metres true vertical depth. Mineralisation remains open at depth, to the west and to the south. Further drilling is warranted to test these prospective areas.

During the year, an initial resource was estimated using the results from 2 historical holes and the majority of the 50 diamond holes drilled by Augur. The initial resource currently stands at 90.9 million tonnes ('Mt') at 0.35 g/t gold and 0.10% copper using a 0.2% gold equivalent cut-off. The total Measured and Indicated categories containing a total of 33.7 Mt at 0.55g/t gold and 0.15% copper.

Resource Class	Million Tonnes	AuEq (g/t)	Gold (g/t)	Copper (%)	AuEq (million ounces)	Gold (million ounces)	Copper (million pounds)	Cut-off (AuEq g/t)[1]
Measured	8.3	1.45	1.07	0.21	0.389	0.287	39.4	1.0
	20.4	1.03	0.72	0.17	0.673	0.473	85.1	0.5
	28.3	**0.84**	**0.56**	**0.15**	**0.765**	**0.513**	**132.7**	**0.2**
Indicated	0.6	1.33	1.02	0.17	0.027	0.021	2.5	1.0
	3.5	0.81	0.59	0.12	0.092	0.067	17.5	0.5
	5.3	**0.66**	**0.45**	**0.11**	**0.113**	**0.078**	**42.8**	**0.2**
Measured and Indicated	9.0	1.44	1.07	0.21	0.416	0.308	41.9	1.0
	24.0	0.99	0.70	0.16	0.765	0.540	102.6	0.5
	33.7	**0.81**	**0.55**	**0.15**	**0.878**	**0.591**	**175.4**	**0.2**
Inferred	0.3	1.38	1.20	0.10	0.014	0.012	0.2	1.0
	9.2	0.66	0.45	0.11	0.196	0.135	6.4	0.5
	57.1	0.36	0.23	0.07	0.660	0.423	22.9	0.2
Total	9.3	1.44	1.07	0.21	0.430	0.319	42.1	1.0
	33.2	0.90	0.63	0.15	0.962	0.675	109.2	0.5
	90.9	**0.53**	**0.35**	**0.10**	**1.538**	**1.014**	**199.6**	**0.2**

Resource estimate for the Randu Kuning gold-copper porphyry deposit, Wonogiri project, Indonesia.

All figures are rounded and summation differences in totals are due to rounding.

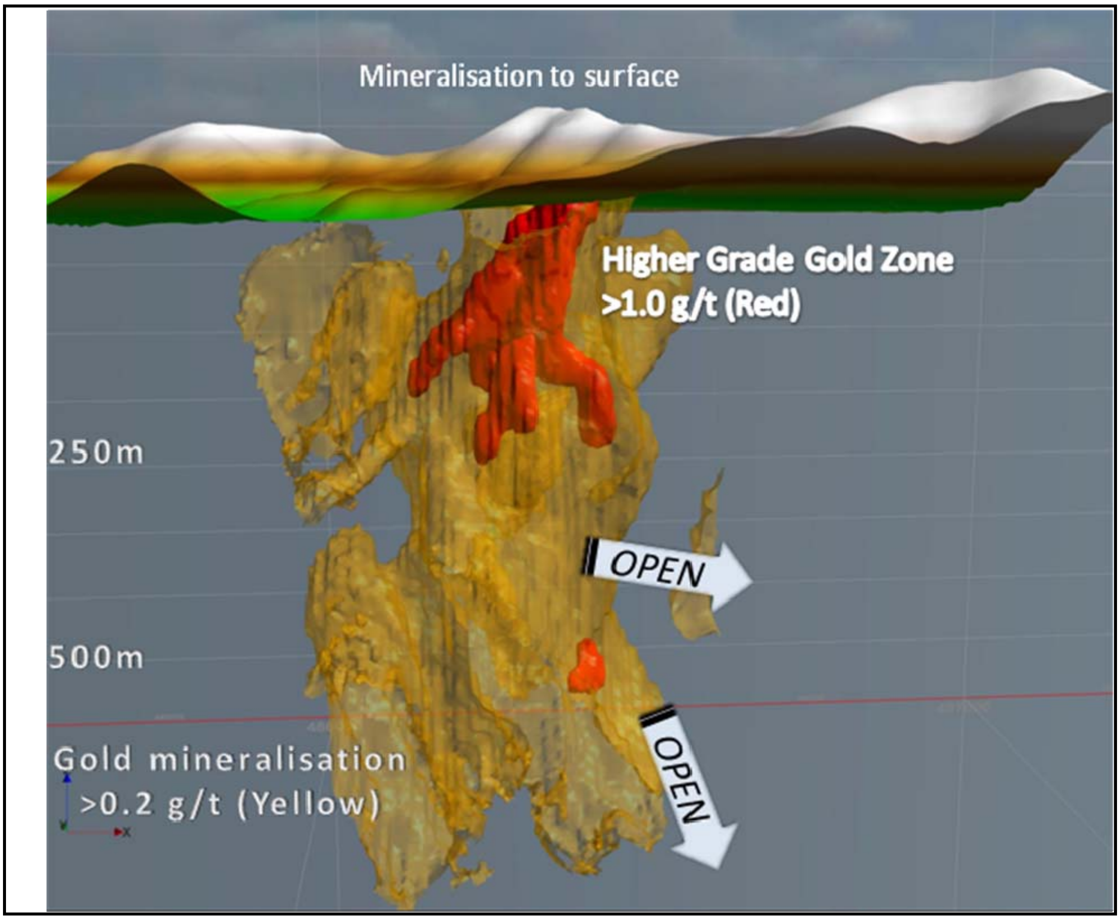
The resource estimate includes the oxide, transition and sulphide components of the deposit. The sulphide component accounts for 95.7% of the resource estimated tonnes (at a 0.2 g/t AuEq cut-off).

With the initial resource identified, the company has primarily focused much of the current year on further metallurgical testing and commencing a scoping study to define options for advancing the Randu Kuning gold and copper deposit.

Metallurgical testing of the sulphide material to date has been highly encouraging with the recoverability of the gold and copper within the main mineralised zone showing favourable results. Recoveries of up to 89.0% recovery of gold and 96.1% recovery of copper have been achieved from samples taken within the sulphide zone.

Metallurgical testing of lower head grade sulphide material (head grade: gold 0.62 g/t and copper 0.19%) has also returned favourable results with recoveries of 90.1% for gold and 93.8% for copper.

To date, only limited testing has been undertaken on the oxide zone. A total of four floatation tests were undertaken, with good recoveries of gold achieved. Results for the gold recovery from the oxide samples ranged between 58.1% and 69.6%. Further testing of the oxide component is required.

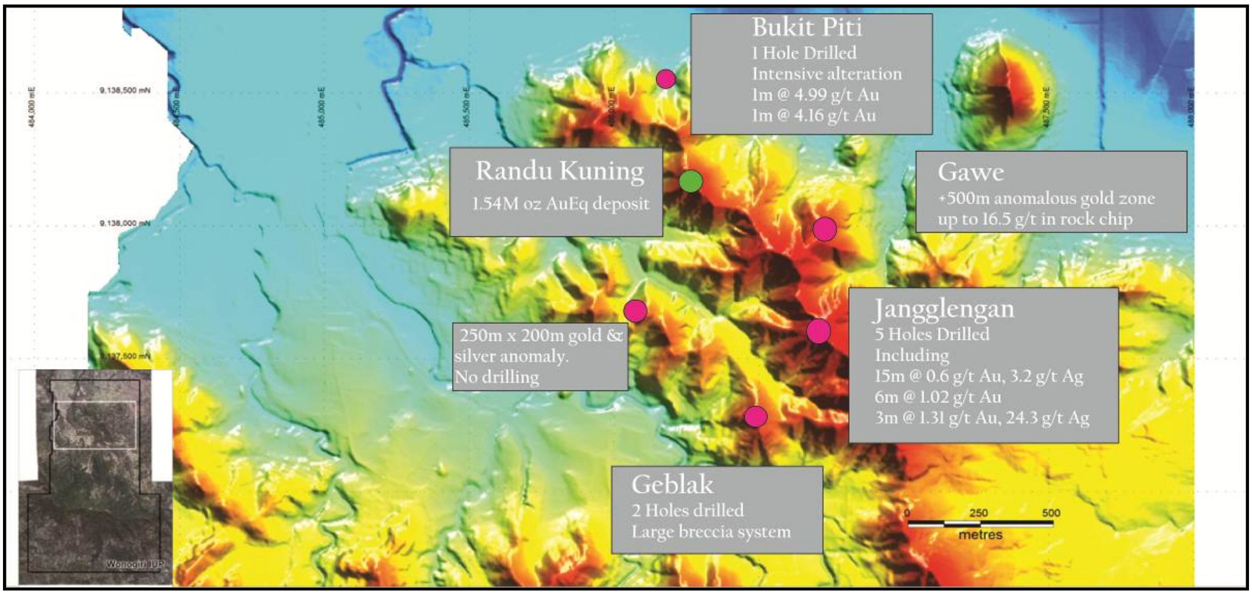


Crush and grinding testing has indicated that the material from the deposit only requires moderate grinding with optimum grind size of 106 micrometres (80% passing 106 micrometres) identified as a favourable grind size. At a grind size of 106 micrometres the gold recovery was 90.1% and copper recovery was 93.8%. Finer grinding resulted in no change to the gold recovery. Coarser grinding also returned significant recoveries with a 212 micrometre sample returning gold recoveries of 85.9% and copper recoveries of 87.2%. Coarser grinding should result in significant power cost savings relative to finer grinding.

A scoping study of the Randu Kuning deposit has commenced to determine possible options for the development and processing of the mineralisation.

Surrounding Prospects

Epithermal alteration and mineralisation has been identified in the immediate surrounds of the Randu Kuning porphyry. Drilling has identified a number of epithermal vein systems containing wide zones of anomalous gold mineralisation.



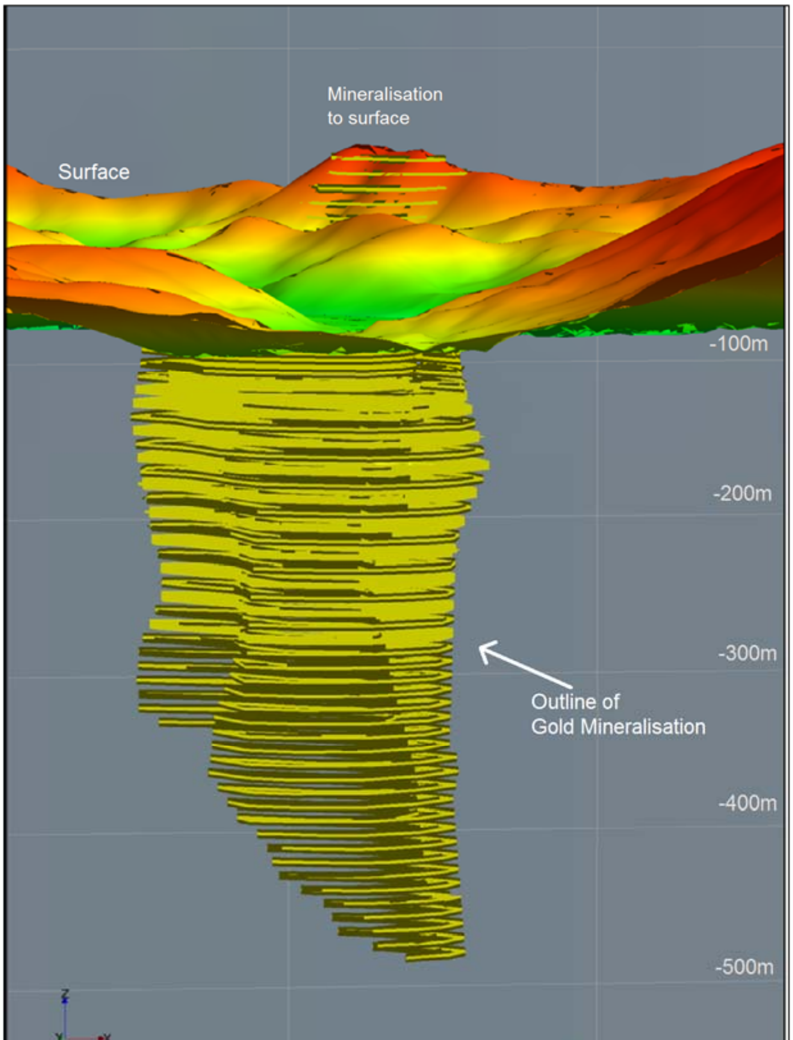
At the Bukit Piti prospect, a single hole was drilled to test a trench gold anomaly. This hole intersected an intensively propylitic altered quartz feldspar intrusive with a number of zones of gold mineralisation including 3.5 metres at 0.70 g/t gold from 29.0 metres, 4.5 metres at 1.05 g/t gold from 43.0 metres, which included a 0.5 metre interval of 7.93 g/t gold from 44.0 metres, 1.0 metre at 4.99 g/t gold from 66.0 metres and a further 1.0 metre at 4.16 g/t gold from 119.0 metres. Geological interpretation of the data and alteration concludes that further drilling is warranted at Bukit Piti to test for porphyry related copper and gold mineralisation at depth.

At the Gawe prospect, three holes (WDD035, WDD039 and WDD043) drilled by Augur tested anomalous gold geochemical results and a coincident geophysical anomaly. The geochemical anomaly at Gawe has been identified over a length of 520.0 metres with drilling to date only undertaken at the western extent of the anomaly. Each hole drilled intersected anomalous zones of epithermal related gold mineralisation with WDD035 intersecting 1.0 metre at 0.45 g/t gold, 0.38% copper and 12.4 g/t silver from 85.0 metres and a further 1.0 metre at 1.01 g/t gold and 11.0 g/t silver from 213.0 metres. Hole WDD039 intersected three relatively shallow zones of gold mineralisation which included 0.5 metres at 3.35 g/t gold and 2.6 g/t silver from 27.0 metres, 4.0 metres at 0.67 g/t gold from 36.5 metres and a further 2.0 metres at 0.73 g/t gold and 11.6 g/t silver from 114.0 metres. Hole WDD043 returned 5.0 metres at 0.42 g/t gold and 2.2 g/t silver from 97.0 metres and a further 3.7 metres at 0.55 g/t gold and 1.3 g/t silver from 119.0 metres.

With only the western limits of the Gawe anomaly drill tested, further testing of the Gawe anomaly is warranted.

Drilling at the Geblak prospect tested a north-south trending geochemical anomaly approximately 970 metres south-southeast of the Randu Kuning deposit. Best results at Geblak were from holes WDD037, where 6.0 metres at 1.05 g/t was intersected from 261.0 metres, and hole WDD031, where a number of wide anomalous gold mineralised zones were intersected including 15.0 metres at 0.60 g/t gold from 38.0 metres and 22.0 metres at 0.33 g/t gold from 84.0 metres.

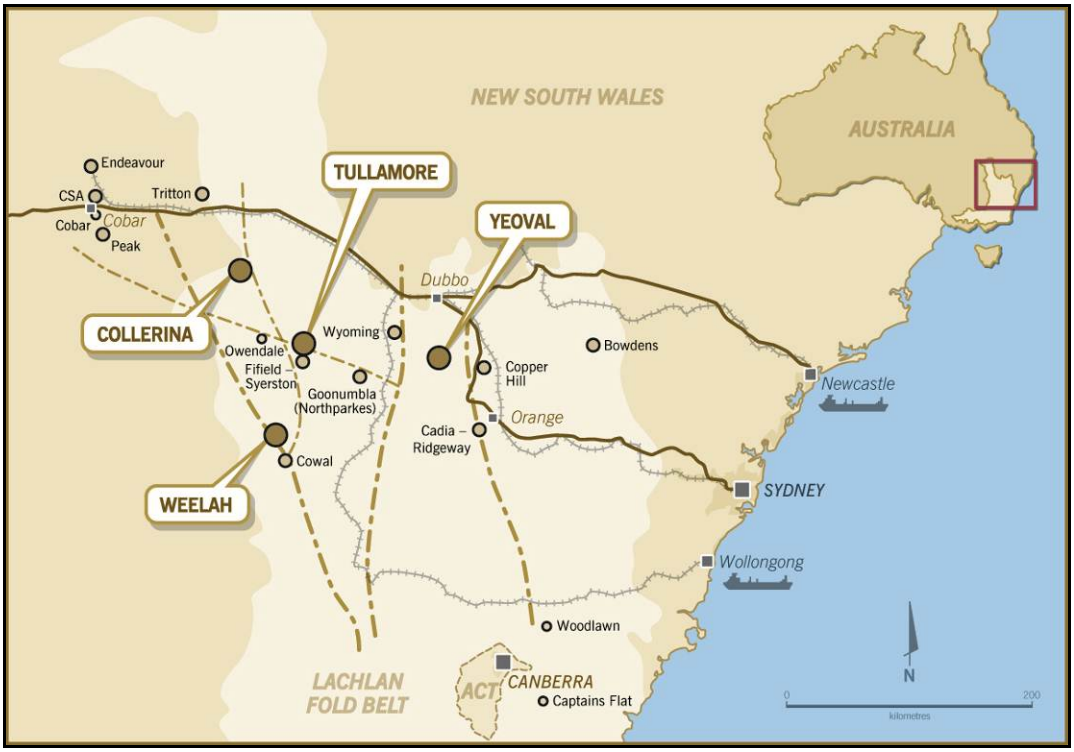
The prospects surrounding the Randu Kuning deposit have already been shown to be highly prospective for shallow gold mineralisation. Further work in each of these prospects is warranted and this work will focus on the definition of shallow gold mineralisation.



3D Model of the Gold Mineralisation at Randu Kuning

Review of Operations

AUSTRALIAN PROJECTS



Collerina - EL 6336 (100% Augur Resources Ltd and subject to farm-out agreement)

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 150km^2 within the Fifield Platinum Province. The tenement contains the Homeville nickel-cobalt deposit, which was discovered by Augur in 2008.

Homeville Deposit

Augur announced the initial JORC compliant resource estimate for the Homeville nickel-cobalt deposit within the Collerina tenement during 2009 and an updated resource estimate in 2011. The current JORC compliant Inferred Resource for the Homeville deposit has been estimated at 16.3 Mt at 0.93% nickel and 0.05% cobalt based on a cut-off of 0.7% nickel.

ASX listed Metals Finance Limited can earn 51% of the Collerina project by conducting and funding the completion of a definitive feasibility study within 18 months of the agreement date. If development proceeds, parties will fund in accordance with each partners equity interest. The agreement allows either party the option to not contribute to capital but maintain a 10% net profit interest.

Metals Finance Limited undertook further metallurgical testing of the Homeville deposit during the year. Results are yet to be received.

Class	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.

Other Collerina Prospects

The Collerina project contains several additional advanced prospects including Yathella (nickel-cobalt), Swanson's Trouble (gold), C1 (scandium, platinum nickel-cobalt), Widgelands (copper) and 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 may 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 during drilling in 2006. A total of two drill holes have been drilled at the C1 prospect. Holes COAC033 and COAC034 intersected a broad zone of anomalous scandium, palladium, nickel, cobalt and chromium. Results for COAC033 included 28 metres at 170ppm scandium and COAC034 included 44 metres at 100ppm scandium and 44 metres of 0.22ppm platinum.

The Widglelands and Collerina Mine prospects are both highly 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.

Yeoval - EL 6311and ML811 (25% Augur Resources Ltd)

Targets: Copper-gold and gold porphyry and epithermal deposits

The Yeoval tenement covers an area of approximately 147km^2 within the Lachlan Belt of New South Wales and has potential for a Cadia, Ridgeway or Northparkes 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.

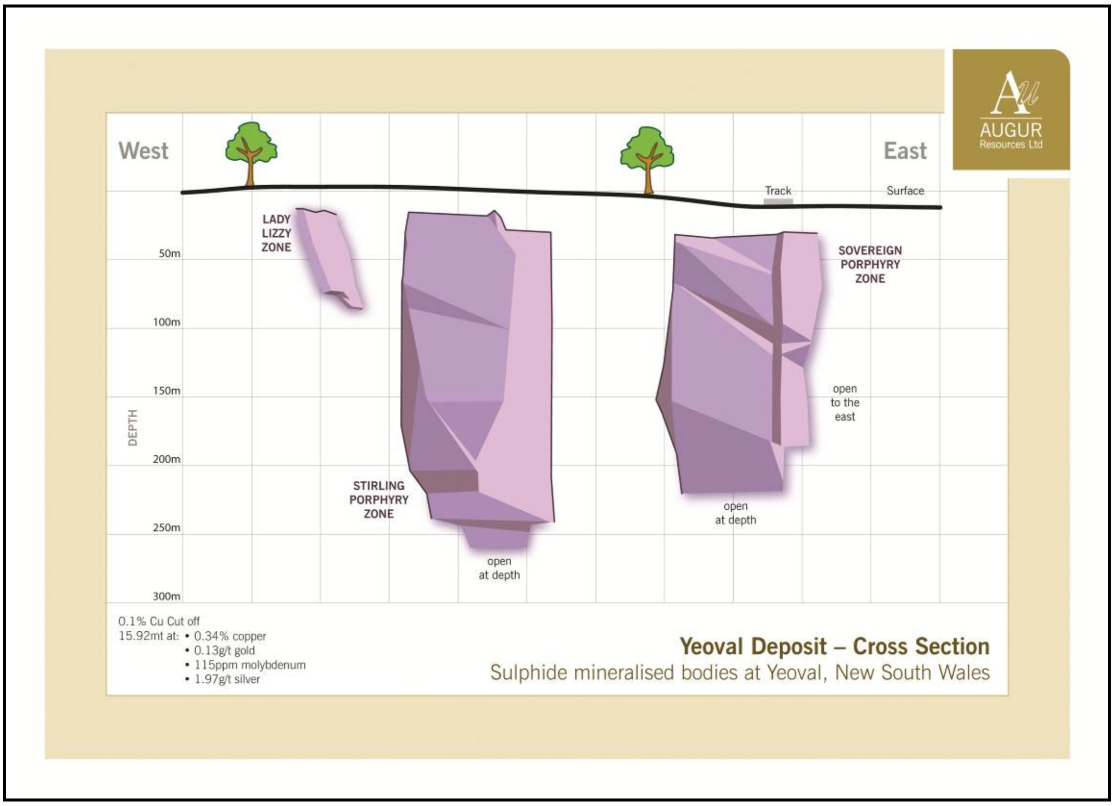
Augur completed the initial Inferred JORC Resource Estimate for the Yeoval copper-gold-molybdenum-silver deposit in 2009.

Review of Operations

Tonnes	Copper (%)	Gold (g/t)	Molybdenum (ppm)	Silver (g/t)	Cut-off Grade (Cu %)
15,921,000	0.34	0.13	115.3	1.97	0.1
12,881,000	**0.38**	**0.14**	**120.1**	**2.20**	**0.2**
9,878,000	0.42	0.15	129.0	2.47	0.25
7,318,000	0.48	0.17	140.9	2.75	0.3
4,523,000	0.56	0.19	161.8	3.26	0.4
2,515,000	0.65	0.22	192.3	3.83	0.5
477,000	0.88	0.26	285.3	5.25	0.75

Summary of the JORC Inferred Resource for the Yeoval copper-gold-molybdenum-silver deposit, Yeoval, NSW, Australia.

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.



The operators of the project are Zodiac Resources Pty Limited ('Zodiac'), a subsidiary of Kimberly Diamonds Limited.

Augur is free carried on the project until May 2014. On completion of the free carried period, Augur will have an option to contribute 25% to expenditure on the project or progress to a free carry net smelter royalty of 2.5%, limited to $2,000,000.

During the year, Zodiac undertook drilling at Yeoval. Zodiac reported the results of a drill hole targeting the eastern extent of the Sovereign Porphyry zone at Yeoval. The hole intersected 44.5 metres at 0.46% copper and 0.50 g/t gold including 6.1 metres at 1.28% copper and 1.33 g/t gold and 19.1 metres at 0.60% copper and 0.66 g/t gold.

Zodiac suggests that the results indicate potential for a significant copper-gold deposit associated with the porphyry intrusion.

Review of Operations

Weelah - EL 6309 (20% Augur Resources Ltd)

Targets: Copper-gold and Gold porphyry; Gold +/- Silver epithermal deposits

The Weelah tenement (150km²) is situated on the Cowal Volcanics and a splay of the 'Gilmore Suture' a focus for gold projects in the Lachlan Fold Belt of New South Wales. The Cowal Gold Mine (+4,000,000 ounces) 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.

The Weelah project is managed under a Joint Venture agreement with Stonewall Resources Ltd ('Stonewall'). Stonewall are the operators of the project. Augur's 20% interest will be free carried to feasibility.

No significant results were reported for this project during 2013.

CORPORATE ACTIVITIES

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

- Augur completed the required expenditure of US$3.5 million to satisfy the expenditure requirements to earn 80% of the Wonogiri project.

- PT Alexis Perdana Minera ('PT Alexis'), holder of the Wonogiri licence received official Indonesian Government approval to convert its status to an official foreign owned company (locally known in Indonesia as a 'Penanaman Modal Asing' or 'PMA'). Augur's 89% owned subsidiary, Wonogiri Pty Ltd, is now the registered holder of 90% of PT Alexis, giving Augur an 80% interest in the Wonogiri licence and thereby ensuring that Augur's ownership of its interest in the Wonogiri licence is secure.

- In August 2012 a Security Purchase Plan ('SPP') was offered to shareholders based in Australia and New Zealand and closed on 5 September 2012. Shareholders subscribed for 10,500,000 shares under the SPP, raising $420,000. In conjunction with the SPP, on 12 September 2012 the Company issued 17,593,750 new shares for a total consideration of $703,750, to a range of Australian and overseas investors.

Statement of Compliance

The information in this report that relates to Exploration Results and Mineral Resources 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 style of mineralisation and 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 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.

Corporate Governance Statement

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, which comply with the Australian Stock Exchange ('ASX') Corporate Governance Council recommendations, unless otherwise stated.

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 Group'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 Group'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 Group'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 Group and the best interests of shareholders as a whole. When the Group is not able to implement one of the Council's recommendations the Group 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 Group complies with those recommendations.

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

Principle 1 – Lay solid foundations for management and oversight

Board of Directors

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

The Board also ensures that the Group 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 Group.

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 Group;
- the prudential control of the Group's finances and operations and monitoring the financial performance of the Group;
- 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 Group has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

The Group has followed Recommendation 1.2 by evaluating the performance of senior executives. The Board reviews the performance of the Group's senior executives on a face to face basis with the performance evaluation of the Managing Director being conducted by the Chairman of the Board.

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

The Group has followed Recommendation 1.3 by conducting the evaluations of senior executives in accordance with the process described above.

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 Group's current size, scale and nature of its activities.

Independent Directors

Due to the small size of the Group, the Board has four directors all of which are involved in management or are substantial shareholders in the Company. The names of the directors of the Company in office at the date of this report are set out in the Directors' Report.

Although the Group does not follow Recommendation 2.1, it is the Board's opinion that all directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

Regular assessment of independence

An independent director, in the view of the Group, 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 Group, 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 Group, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group other than as a director of the Group;
- 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 Group; 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 Group.

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.

Chairperson and Managing Director

Norman A. Seckold, a non-independent director, holds the office of Chair. The Group does not follow Recommendation 2.2 because the small size of the Group does not warrant the appointment of more directors. However, the Board considers that Norman A. Seckold best serves the office of Chair 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 Group's management. Grant L. Kensington is the Managing Director of the Group and performs the role of Chief Executive Officer. Therefore, the Group follows Recommendation 2.3.

Board nominations

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, a Nomination Committee has not been established and therefore Recommendation 2.4 has not been followed.

Performance review and evaluation

The Group has followed Recommendations 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 below.

It is the policy of the Board to ensure that the directors and executives of the Group 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 Group 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 Group has the policy to provide each new director or officer with a copy of the following documents:

- 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 Group. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public Group administration, and director-level business or corporate experience required by the Group.

Professional advice

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

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.

Remuneration

The remuneration of the directors is determined by the Board as a whole, with the director to whom a particular decision relates being absent from the meeting during the time that the remuneration level is discussed and decided upon.

For details on the amount of remuneration and any amount of equity based executive remuneration payment for each director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report in the Directors' Report.

Internal controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The system of internal control adopted by the Group seeks to provide an appropriate division of responsibility and careful selection and training of personnel relative to the level of activities and size of the Group.

Principle 3 – Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

All directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, endeavouring at all times to enhance the reputation and performance of the Group. Every employee has direct access to a director to whom they may refer any ethical issues that may arise from their employment. The Group has followed Recommendation 3.1 and has adopted a formal Code of Conduct.

Access to Group information and confidentiality

All directors have the right of access to all relevant Group books and to the Group's executive management. In accordance with legal requirements and agreed ethical standards, directors and executives of the Group 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 Group 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 should consult with the Chairman prior to dealing in securities in the Company or other companies with 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.

The trading windows for restricted persons are 60 days after the release of the half year results, the full year results or the holding of the Annual General Meeting. Restricted persons are prohibited from trading in the Company’s securities outside these trading windows 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 Group, 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 Group; 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 Group 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 Group also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Board diversity

Given the small size of the Group, the Group has not set a policy concerning diversity and therefore Recommendations 3.2, 3.3, 3.4 and 3.5 have not been followed. However, the Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members.

Principle 4 – Safeguard integrity in financial reporting

Audit Committee

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, an Audit Committee has not been established and therefore Recommendations 4.1, 4.2, 4.3 and 4.4 have not been followed.

The objective of an Audit Committee is to make recommendations to the Board regarding various matters including the adequacy of the external audit, risk management and compliance procedures, to evaluate from time to time the effectiveness of the financial statements prepared for the Board and to ensure that independent judgement is always exercised. These functions of an Audit Committee are performed by the full Board.

Principle 5 – Make timely and balanced disclosure

The Group has followed Recommendations 5.1 and 5.2 and has adopted a formal Continuous Disclosure Policy.

Continuous Disclosure to the ASX

The Board has designated the Managing Director and Company Secretary as being 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.

Corporate Governance Statement

Principle 6 – Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed 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. The Board considers 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 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 Group has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

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.

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, Recommendation 7.2 is not relevant because the 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.

Internal control and risk management

The 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.

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 Group does not have an internal audit department nor has an internal auditor. The size of the Group does not warrant the need or the cost of appointing an internal auditor.

CEO and CFO declarations

The Group has followed 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 as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Group has followed Recommendation 7.4 by disclosing the information above.

Principle 8 – Remunerate fairly and responsibly

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, a Remuneration Committee has not been established and therefore Recommendations 8.1, 8.2, 8.3 and 8.4 have not been followed.

However, the functions and responsibilities listed below were carried out by the Board.

Remuneration responsibilities

The role and responsibility of the Board is to review and make recommendations in respect of:

- 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.

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. Consultants are engaged as required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group. All salaries of directors and officers are disclosed in the Annual Report of the Group.

In line with Recommendation 8.2, the Group 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 Group.

The salary component of the Managing Director’s remuneration 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 salary component of non-executive and 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.

Directors' Report

The directors present their report together with the consolidated financial statements of the Group comprising of Augur Resources Ltd (the 'Company'), and its controlled entities for the financial year ended 30 June 2013 and the auditor's report thereon.

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

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 and at the end of the financial year was Richard James Edwards.

Principal Activities

The principal activities of the Group are to acquire, explore, develop and, subject to economic viability, mine mineral deposits.

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

Financial Results

The loss of the Group for the financial year after providing for income tax amounted to $1,028,008 (2012 - $9,853,450 loss).

Review of Operations

A review of the Group's operations for the year ended 30 June 2013 is set out in the Review of Operations.

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2013. No dividends have been paid or declared during the financial year (2012 - nil).

Environmental Regulations

The Group is subject to state, federal and international environmental legislation. The Group has complied with its environmental obligations and the Group have not received a notification for environmental breaches 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

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 2013 were as follows:

- In July 2012 the Group announced a maiden resource estimate for the Randu Kuning deposit, within the Wonogiri project.

- In August 2012 the Company announced that it had met the required expenditure of US$3.5 million to satisfy the expenditure requirements to earn 80% of the Wonogiri project.

- The completion of a Share Purchase Plan, resulting in the issue of 10,500,000 fully paid ordinary shares at $0.04, raising $420,000 and on the same date, the Company completed a placement of 18,593,750 fully paid ordinary shares at $0.04, raising $703,750.

After Balance Date Events

Subsequent to the end of the financial year:

- On 30 September 2013 the Company announced that it had entered into a binding Subscription Agreement with the Rajawali Group ('Rajawali'), one of Indonesia's largest privately owned conglomerates. The Agreement, which is subject to a number of conditions precedent, including approval of Augur shareholders, provides for Rajawali to initially subscribe for 60,000,000 Augur shares equivalent to 22.6% of the Company's issued shares for cash consideration of A$3.0 million. Additionally, Rajawali has an option to subscribe for an additional 50,536,400 Augur shares for A$3.75 million ('Additional Consideration'). Upon receipt of the Additional Consideration, Augur will cause Wonogiri Pty. Ltd, its subsidiary, to sell a 35% interest in its subsidiary PT Alexis to Rajawali for A$50,000. Wonogiri Pty Ltd is the 90% owner of PT Alexis.

Likely Developments

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

Directors' Report

Information on Directors

Norman Alfred Seckold
Chairman

Director since 30 November 2009.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 30 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, and was previously Chairman of Cockatoo Coal Limited, an Australian coal mining, exploration and project development company.

Mr Seckold is currently Chairman of Equus Mining Limited, a mineral and development company operating in Chile , Planet Gas Limited, an energy explorer with interests in conventional and unconventional oil and gas resources operating in Australia and Santana Minerals Ltd., a precious metals exploration company with projects in Mexico. He is also a director of the unlisted public companies Mekong Minerals Ltd and Nickel Mines Limited.

Other current directorships: Equus Mining Limited, Planet Gas Limited and Santana Minerals Ltd.
Former directorships in the last three years: Cockatoo Coal Limited.
Special responsibilities: Chairman.
Interests in shares and options: 52,082,903 shares indirectly held as at the date of this report.

Grant Leo Kensington
Managing Director

Director since 18 February 2008.

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: 1,001,000 shares directly held and 2,000,000 options directly held as at the date of this report.

Peter James Nightingale
Director

Director since 30 November 2009.

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 25 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., Bolnisi Gold N.L., Callabonna Uranium Limited and Sumatra Cooper & Gold plc. Mr Nightingale is currently a director of Cockatoo Coal Limited, Planet Gas Limited and unlisted public companies Equus Resources Limited and Nickel Mines Limited.

Other current directorships: Cockatoo Coal Limited and Planet Gas Limited.
Former directorships in the last three years: Callabonna Uranium Limited and Sumatra Copper & Gold plc.
Special responsibilities: None.
Interests in shares and options: 12,375,000 shares indirectly held as at the date of this report.

Justin Charles Werner
Director

Director since 23 December 2010.

Justin Werner, who has a Bachelor of Management from the University of Sydney, has been involved in the 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 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 (Grasberg 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). Mr Werner is currently a director of an unlisted public company, Nickel Mines Limited.

Other current directorships: None.
Former directorships in the last three years: None.
Special responsibilities: None.
Interests in shares and options: 1,830,000 shares directly held and 3,738,334 shares indirectly held as at the date of this report.

Directors' Report

Meetings of Directors

Directors	Directors' Meetings	
	Nº eligible to attend	Nº attended
Norman A. Seckold	7	7
Grant L. Kensington	7	7
Peter J. Nightingale	7	7
Justin C. Werner	7	7

Company Secretary

The Company Secretary, Richard Edwards, was appointed on 3 September 2012.

Richard graduated with a Bachelor of Commerce degree from the University of New South Wales and is a member of CPA Australia and the Securities Institute of Australia. Following eight years as an owner/manager of his own business, Mr Edwards has worked for over ten years providing financial reporting and company secretarial services to a range of publicly listed companies in Australia with a focus on the mining sector. He was Company Secretary and Chief Financial Officer for Sumatra Copper & Gold plc for a period of three years and Company Secretary and Chief Financial Officer of Callabonna Uranium Limited for two and a half years. He is also Company Secretary of an unlisted public company, Nickel Mines Limited.

Directors' Interests

The following table provides the total ordinary shares held by each director as at the date of this report:

	Directly held	Indirectly held	Options over ordinary shares
Norman A. Seckold	-	52,082,903	-
Grant L. Kensington	1,001,000	-	2,000,000
Peter J. Nightingale	-	12,375,000	-
Justin C. Werner	1,830,000	3,738,334	-
Total	**2,831,000**	**68,196,237**	**2,000,000**

There were no options over unissued ordinary shares granted to directors or executives of the Company during or since the end of the financial year.

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Number of Unissued Shares	Exercise price	Expiry date
1,000,000	$0.39	7 December 2013
2,000,000	$0.20	31 May 2014
1,000,000	$0.265	16 November 2014

All options expire on the earlier of their expiry date or termination of the employee's employment.

The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of the Company or any other body corporate.

Directors' Report

Shares issued on exercise of options

The Group has not issued any ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year.

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.

Non-audit Services

During the year ended 30 June 2013 KPMG, the Company's auditor, has not performed other services in addition to their statutory audit duties.

Statutory Audit	**2013 $**	**2012 $**
Auditors of the Company		
Audit and review of financial reports - KPMG		
KPMG	51,600	58,250

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

The lead auditor's independence declaration is set out on page 30 as required under section 307C of the *Corporations Act 2001.*

Directors' Report

Remuneration Report – (Audited)

Principles of compensation – (Audited)

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company. No other employees have been deemed to be key management personnel.

The policy of remuneration of directors and senior executives is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board is responsible for reviewing and evaluating its own performance. The evaluation process is intended to assess the Company's business performance, whether long term strategic objectives are being achieved and the achievement of individual performance objectives.

Remuneration generally comprises salary and superannuation. Longer term incentives are able to be provided through the Group's Incentive Option Plan which acts to align the directors and senior executives' actions with the interests of the shareholders. The remuneration disclosed below represents the cost to the Group for the services provided under these arrangements.

No directors or senior executives receive performance related remuneration. Options issued in prior periods as remuneration were subject to minimum service periods being met. All outstanding options have fully vested at 30 June 2013.

There were no remuneration consultants used by the Company during the year ended 30 June 2013, or in the prior year.

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 ended 30 June 2013 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.

Remuneration Report – (Audited) (Cont.)

Details of Remuneration for the Year Ended 30 June 2013 – (Audited)

Details of director and senior executive remuneration and the nature and amount of each major element of the remuneration of each director of the Company, and other key management personnel of the Group are set out below:

Key management personnel		Short term	Post-employment	Share based payments		Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
	Year	Salary and fees $	Superannuation $	Options $	Total $		
Norman A. Seckold	**2013**	**45,000**	**-**	**-**	**45,000**	**-**	**-**
	2012	90,000	-	-	90,000	-	-
Grant L. Kensington	**2013**	**203,721**	**15,185**	**38,565**	**257,471**	**-**	**14.98**
	2012	256,886	23,120	154,257	434,263	-	35.52
Peter J. Nightingale	**2013**	**45,000**	**-**	**-**	**45,000**	**-**	**-**
	2012	90,000	-	-	90,000	-	-
Justin C. Werner	**2013**	**150,000**	**-**	**-**	**150,000**	**-**	**-**
	2012	**150,000**	**-**	**-**	**150,000**	**-**	**-**
Total	**2013**	**443,721**	**15,185**	**38,565**	**497,471**	**-**	**7.75**
Total	2012	586,886	23,120	154,257	764,263	-	20.18

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

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 four financial years:

	2013	2012	2011	2010	2009
Loss attributable to owners of the Company	$1,028,008	$9,853,450	$2,141,428	$1,477,777	$729,777
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	($0.025)	($0.15)	$0.01	$0.16	($0.06)
Return on capital employed*	(17%)	(153%)	(15%)	(34%)	(14%)

* Return on capital employed is calculated by dividing the profit or loss for the year by total assets less current liabilities.

The overall level of key management personnel's compensation is assessed on the basis of market conditions, status of the Group's projects, and financial performance of the Company.

Remuneration Report – (Audited) (Cont.)

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 interests of management with shareholders.

Each option gives the optionholder the entitlement to subscribe for one 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)

All options refer to options over ordinary shares of Augur Resources Ltd, which are exercisable on a one-for-one basis under the Executive Share Option Plan.

	Options granted				
Director	**Number**	**Date**	**% vested in year**	**% expired unexercised in year**	**Financial year in which grant vests**
Grant L. Kensington	500,000	18 March 2008	0%	100%	1 July 2008
	500,000	30 November 2009	0%	100%	1 July 2010
	1,000,000	24 November 2010	0%	0%	1 July 2011
	1,000,000	16 November 2011	100%	0%	1 July 2012

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the reporting period.

The Employee Service Agreement between the Company and the Managing Director Grant Kensington expired on 18 February 2013 and was not renewed. Mr Kensington's services are now provided to the Company on a contracting basis.

Remuneration Report – (Audited) (Cont.)

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

No terms of equity-settled share-based payment transactions have been altered or modified by the issuing entity during the reporting period or the prior period.

Director ______________________________
Grant L. Kensington

Signed at Sydney this 30th day of September 2013 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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013, 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

Brisbane
30 September 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
Continuing operations			
Administration and consultant expenses		(453,244)	(774,388)
Audit and other professional fees	6	(51,600)	(58,250)
Depreciation and amortisation expenses	6	(575)	(108)
Directors' fees and superannuation expenses		(334,531)	(410,469)
Legal fees		(119,049)	(73,399)
Share based payments expense		(38,565)	(154,257)
Impairment losses	14,15	(73,827)	(8,349,866)
Other expenses	6	(64,831)	(82,236)
Operating loss before financing income		**(1,136,222)**	**(9,902,973)**
Finance income	5	108,214	82,773
Finance costs	5	-	(33,250)
Net finance income		**108,214**	**49,523**
Loss before income tax expense		**(1,028,008)**	**(9,853,450)**
Income tax	8	-	-
Loss from continuing operations		**(1,028,008)**	**(9,853,450)**
Other comprehensive income for the year			
Items that may be classified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets		99,925	(25,750)
Net change in fair value of available-for-sale financial assets transferred to the profit or loss		(102,175)	33,250
Foreign currency translation		(5,895)	-
Total other comprehensive income		**(8,145)**	**7,500**
Total comprehensive loss for the year		**(1,036,153)**	**(9,845,950)**
Loss is attributable to:			
Owners of the Company		**(1,024,118)**	**(9,853,450)**
Non-controlling interest		**(3,890)**	**-**
Loss for the year		**(1,028,008)**	**(9,853,450)**
Total comprehensive loss is attributable to:			
Owners of the Company		**(1,031,674)**	**(9,845,950)**
Non-controlling interest		**(4,479)**	**-**
Total comprehensive loss for the year		**(1,036,153)**	**(9,845,950)**
Earnings per share			
Basic and diluted loss per share (cents)	9	**(0.51)**	**(5.56)**

The above consolidated statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
Current assets			
Cash and cash equivalents	10	327,444	157,421
Trade and other receivables	11	4,956	-
Prepayments		36,431	37,052
Total current assets		**368,831**	194,473
Non-current assets			
Available-for-sale financial assets	12	18,000	245,250
Property, plant and equipment	13	1,042	1,617
Exploration and evaluation expenditure	14	6,304,628	5,700,992
Other assets	15	55,000	128,827
Total non-current assets		**6,378,670**	6,076,686
Total assets		**6,747,501**	6,271,159
Current liabilities			
Trade and other payables	16	590,577	181,902
Total current liabilities		**590,577**	181,902
Total liabilities		**590,577**	181,902
Net assets		**6,156,924**	6,089,257
Equity			
Issued capital	17	21,011,416	19,946,161
Reserves	17	578,631	1,617,235
Accumulated losses		(15,428,644)	(15,474,139)
Total equity attributable to equity holders of the Company		**6,161,403**	6,089,257
Non-controlling interest		(4,479)	-
Total equity		**6,156,924**	6,089,257

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 2013

Attributable to equity holders of the Group	Notes	Issued capital $	Reserves $	Accumulated losses $	Total $	Non-Controlling Interest $	Total equity $
Balance at 1 July 2011		19,064,928	1,169,478	(5,620,689)	14,613,717	-	14,613,717
Total comprehensive income for the year							
Loss for the year		-	-	(9,853,450)	(9,853,450)	-	(9,853,450)
Total other comprehensive income		-	7,500	-	7,500	-	7,500
Total comprehensive loss for the year		-	7,500	(9,853,450)	(9,845,950)	-	(9,845,950)
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners of the Company							
Ordinary shares issued	17	1,228,666	-	-	1,228,666	-	1,228,666
Transaction cost on issue of shares - cash	17	(61,433)	-	-	(61,433)	-	(61,433)
Transaction cost on issue of shares - options issued as consideration	17	(286,000)	286,000	-	-	-	-
Share based payment transactions	18	-	154,257	-	154,257	-	154,257
Balance at 30 June 2012		19,946,161	1,617,235	(15,474,139)	6,089,257	-	6,089,257
Balance at 1 July 2012		**19,946,161**	**1,617,235**	**(15,474,139)**	**6,089,257**	**-**	**6,089,257**
Total comprehensive income for the year							
Loss for the year		-	-	(1,024,118)	(1,024,118)	(3,890)	(1,028,008)
Total other comprehensive income	17	-	(7,556)	-	(7,556)	(589)	(8,145)
Total comprehensive loss for the year		-	(7,556)	(1,024,118)	(1,031,674)	(4,479)	(1,036,153)
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners of the Company							
Ordinary shares issued	17	1,123,750	-	-	1,123,750	-	1,123,750
Transaction cost on issue of shares - cash	17	(58,495)	-	-	(58,495)	-	(58,495)
Share based payment transactions	18	-	38,565	-	38,565	-	38,565
Transfer of expired options	18	-	(1,069,613)	1,069,613	-	-	-
Balance at 30 June 2013		**21,011,416**	**578,631**	**(15,428,644)**	**6,161,403**	**(4,479)**	**6,156,924**

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 2013

	Notes	Consolidated 2013 $	2012 $
Cash flows from operating activities			
Cash payments in the course of operations		**(590,106)**	(1,278,852)
Interest received		**6,039**	82,773
Net cash used in operating activities	19	**(584,067)**	(1,196,079)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(638,340)**	(3,658,733)
Payment for property, plant and equipment		**-**	(1,724)
Proceeds from the sale of investments		**327,175**	245,000
Net cash used in investing activities		**(311,165)**	(3,415,457)
Cash flows from financing activities			
Proceeds from share issues	17	**1,123,750**	1,228,666
Transaction costs on share issue	17	**(58,495)**	(61,433)
Net cash provided by financing activities		**1,065,255**	1,167,233
Net increase/(decrease) in cash held		**170,023**	(3,444,303)
Cash and cash equivalents at 1 July		**157,421**	3,601,724
Cash and cash equivalents at 30 June	10	**327,444**	157,421

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

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 statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is primarily engaged in the acquisition, exploration and development of mineral deposits in Indonesia and Australia.

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements report which have 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 statements comply with the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the directors on 30 September 2013.

(b) 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.

(c) Functional and presentation currency

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

(d) Going concern

The consolidated 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 loss of $1,028,008 for the year ended 30 June 2013 and has accumulated losses of $15,428,644 as at 30 June 2013. The Group has cash of $327,444 at 30 June 2013 and used $584,067 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2013. The Group raised equity of $1,123,750 during the year ended 30 June 2013.

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 on-going operation of the Group is dependent upon:

- the Group raising additional funding from shareholders or other parties; and, if necessary
- 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 expenditure significantly, which may result in an impairment loss in the carrying value of exploration and evaluation expenditure recorded at reporting date.

As set out in Note 24, subsequent to the end of the year, the Company announced that it had entered into an agreement to raise additional equity. The agreement is subject to a number of conditions precedent, including approval of Augur shareholders.

In the event that the Group does not obtain additional funding 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 consolidated financial statements.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION (Cont.)

(e) 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 amounts recognised in the financial statements are described in the following notes:

- Note 2 - Going concern
- Note 8 - Unrecognised deferred tax asset
- Note 14 - Exploration and evaluation expenditure

(f) Changes in accounting policies

Presentation of transactions recognised in other comprehensive income

From 1 July 2012 the Group applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.* The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net loss. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the Statement of Profit or Loss and Other Comprehensive Income.

3 SIGNIFICANT ACCOUNTING POLICIES

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 all entities in the Group.

(a) 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.

(b) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(c) 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 profit or loss.

Exploration and evaluation assets are only recognised if the rights to 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.

(d) Property, plant and equipment

Items of property, plant and equipment are 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	Depreciation basis
Plant and equipment	37.5%	Prime cost
Computer equipment	25.0%	Prime cost

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Financial Instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. 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 in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss is reclassified to profit or loss.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Financial Instruments (Cont.)

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise trade and other payables.

Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(g) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Group 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 consolidated financial statements 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.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the Statement of Profit or Loss and Other Comprehensive Income and within equity in the Consolidated Statement of Financial Position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

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.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(h) Basis of consolidation

Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for under the equity method and are initially recognised at cost. The cost of the investment includes transaction costs.

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.

(i) Tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) Cash and cash equivalents

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

(k) 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 Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Impairment

Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For an investment in an equity security classified as available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group consider a decline of 20 per cent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised within profit or loss. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) Impairment (Cont.)

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(n) Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at the foreign exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(o) Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

(p) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally 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.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) is effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) 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 been determined.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under AASB 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

- The Group’s interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group’s interest in those assets and liabilities.

- The Group’s interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

AASB 12 brings together into a single standard all the disclosure requirements about an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined.

AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Group has assessed the likely impact of this new standard on the consolidated financial statements, and is not expected to have a significant effect on the financial results of the Group.

Notes to the Consolidated Financial Statements

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date.

Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility (based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions are not taken into account in determining fair value.

	Consolidated	
	2013	**2012**
	$	**$**
5 FINANCE INCOME AND FINANCE COSTS		
Recognised in profit or loss		
Interest income on cash deposits	**6,039**	82,773
Profit on sale of available-for-sale financial assets	**102,175**	-
Impairment loss on available-for-sale investments	**-**	(33,250)
Net finance income recognised in profit or loss	**108,214**	49,523
Recognised in other comprehensive income		
Net change in fair value of available-for-sale financial assets	**99,925**	(25,750)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**(102,175)**	33,250
Foreign currency translation	**(5,895)**	-
Finance cost recognised in other comprehensive income, net of tax	**(8,145)**	7,500
6 LOSS FOR THE YEAR		
Loss before income tax expense has been determined after:		
Depreciation of non-current assets		
- Plant and equipment	**575**	108
Foreign exchange loss	**11,926**	13,779
Superannuation	**23,120**	15,185
Remuneration of the auditors of the Company – KPMG		
- Audit and review of financial statements	**51,600**	58,250
- Other services	**-**	-
Total remuneration of the auditors	**51,600**	58,250

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial instruments comprise deposits with banks, receivables, investments in available-for-sale financial assets, trade and other payables and from time to time short term loans from related parties. The Group 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 market risk, credit risk and liquidity risks. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The primary responsibility to monitor the financial risks lies with the Managing Director and the Company Secretary under the authority of the Board.

Market Risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk

The Group's exposure to market interest rates relates exclusively to cash and cash equivalents.

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

	Consolidated	
	2013	**2012**
	$	**$**
Financial assets		
Cash and cash equivalents	**327,444**	157,421

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 Group normally invests its funds in at least two accounts to maximise the available interest rates. The Group always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Market Risks (Cont.)

Interest Rate Risk (Cont.)

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

At 30 June 2013, 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 2013 $	**Post tax loss (Higher)/Lower 2012 $**	**Total equity (Higher)/Lower 2013 $**	**Total equity (Higher)/Lower 2012 $**
+ 1% higher interest rate	**3,038**	17,800	**3,038**	17,800
- 0.5% lower interest rate	**(1,519)**	(8,900)	**(1,519)**	(8,900)

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 not significant for the years ended 30 June 2013 and 30 June 2012 because of the stable pattern of investing the surplus cash in high interest yield accounts throughout the years and the Group not being exposed to interest bearing financial liabilities.

Currency Risk

The Group's largest exposure to currency risk is 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 USD$626 (2012 - USD$75,000).

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

At 30 June 2013, if the exchange rate between the Australian dollar and the United States dollar 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 2013 $	**Post tax loss (Higher)/Lower 2012 $**	**Total equity (Higher)/Lower 2013 $**	**Total equity (Higher)/Lower 2012 $**
+ 10% higher AUD to USD exchange rate	**62**	6,711	**62**	6,711
- 5% lower AUD to USD exchange rate	**(36)**	(3,886)	**(36)**	(3,886)

7 FINANCIAL INSTRUMENTS (Cont.)

Market Risks (Cont.)

Price risk

The Group is exposed to equity securities prices risk. This arises from investments held by the Group and classified in the balance sheet as available-for-sale ('AFS'). The Group is not exposed to commodity price risk.

The Group's investments are publicly traded on the Australian Stock Exchange.

The table below summarises the impact of increases/decreases of the year end closing price on the Group's post-tax profit for the year and on equity.

	Impact on post-tax profit		Impact on other components of equity	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
AFS Investments – 10% price increase	**-**	22,500	**1,800**	2,025
AFS Investments – 10% price decrease	**-**	(24,525)	**(1,800)**	-

Other components of equity would increase/decrease as a result of gain/losses on equity securities classified as available-for-sale.

Post tax profit would decrease as a result of impairments on equity securities classified as available-for-sale.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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. During September 2012 the Company received $703,750 from a share placement and $420,000 from a Share Purchase Plan. At balance date, the Group has available funds of $327,444 for its immediate use. Based on future Company announcements and future exploration results the Company will choose the most beneficial equity funding for the next two years.

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

Financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
	$	**$**	**$**	**$**	**$**	**$**
30 June 2013						
Trade and other payables	**585,082**	**(585,082)**	**(585,082)**	**-**	**-**	**-**
30 June 2012						
Trade and other payables	181,902	(181,902)	(181,902)	-	-	-

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

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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	
	2013	**2012**
	$	**$**
Cash and cash equivalents	**327,444**	157,421
Trade and other receivables	**4,956**	-
Other financial assets	**55,000**	128,827
	387,400	286,248

Other financial assets for the year ended 30 June 2013 represent environmental bonds held with Government Departments and for the year ended 30 June 2012 represent environmental bonds and deposits paid. Since the end of the year ended 30 June 2013, $30,000 of environmental bonds has been returned to the Company.

An impairment loss of $73,827 was recognised during the year in respect of a deposit held in Indonesia in relation to a potential property acquisition which was assessed as not recoverable and impaired in full.

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.

Receivables

As the Group operates in the mineral exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. At the balance date there were no significant concentrations of credit risk.

Cash and cash equivalents

The Group held cash and cash equivalents of $327,444 at 30 June 2013 (2012 - $157,421), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA ($325,263) to ba2 ($2,181), based on rating agency Moody's Investor Service ratings.

Capital management

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

Management effectively manages the Group's capital by assessing the Group'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 Group since the prior year.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (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 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2013				
Available-for-sale financial assets	**18,000**	**-**	**-**	**18,000**
30 June 2012				
Available-for-sale financial assets	245,250	-	-	245,250

All available-for-sale financial assets relate to investments held in listed equity securities (designated as Level 1 financial assets). The fair value is based on quoted market prices at the end of the reporting period. The quoted market price used is the current bid price at the reporting date.

There have been no transfers between the levels of valuation method for each classification of financial asset held during the years ended 30 June 2013 and 30 June 2012.

	Consolidated	
	2013 $	2012 $
8 INCOME TAX		
Current tax expense		
Current year	**(297,878)**	(458,679)
Tax losses not recognised	**297,878**	458,679
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(1,028,008)**	(9,853,449)
Prima facie income tax benefit at the Australian tax rate of 30% (2012 - 30%)	**(308,402)**	(2,956,035)
Increase in income tax expense due to:		
Non-deductible expenses	**57,804**	2,573,257
Tax losses not recognised	**297,878**	458,679
Effect of net deferred tax assets not brought to account	**(47,280)**	(75,901)
Income tax expense	**-**	-

Notes to the Consolidated Financial Statements

8 INCOME TAX (Cont.)

	Consolidated 2013 $	Consolidated 2012 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital Gains	**-**	-
Taxable temporary differences (net)	**2,879,452**	(379,000)
Tax losses	**331,286**	2,044,970
Net	**3,210,739**	1,665,970

9 LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

	2013	2012
Net loss for the year attributable to equity holders of the Company	**(1,024,118)**	(9,853,450)

Weighted average number of ordinary shares (basic and diluted)	**Nº of Shares**	**Nº of shares**
- Issued ordinary shares at the beginning of the year	**177,188,048**	171,044,717
- Effect of shares issued on 4 July 2011	**-**	6,092,838
- Effect of shares issued on 12 September 2012	**22,459,564**	-
Weighted average number of shares at the end of the year	**199,647,612**	177,137,555

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

10 CASH AND EQUIVALENTS

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank	**327,444**	157,421
Cash and cash equivalents in the statement of cash flows	**327,444**	157,421

11 TRADE AND OTHER RECEIVABLES

Current		
Net GST receivable - Australia	**4,956**	-

12 AVAILABLE FOR SALE INVESTMENTS

Equity investments – available-for-sale at fair value	**18,000**	245,250

The Company holds 150,000 shares in Stonewall Resources Limited (formerly Meridien Resources Ltd). At 31 December 2012, the directors compared the carrying value of the investment to market value and recorded a reduction in fair value within equity of $2,250 as disclosed in the half year report. At 30 June 2013, the directors compared the carrying value of the investment to market value and no adjustment to carrying value was required (2012 gain - $7,500 recorded in equity). This was based on a closing bid price of 12.0 cents at 30 June 2013 (2012 - 13.5 cents).

Notes to the Consolidated Financial Statements

12 AVAILABLE FOR SALE INVESTMENTS (Cont.)

During the year, the Company sold 1,250,000 shares held in Kimberley Diamond Resources (formerly Goodrich Resources Ltd) at an average price of 26.17 cents. The original purchase price of the investment sold was 18 cents per share, resulting in a profit on the sale of investment of $102,175 which was transferred to the profit or loss from equity. Brokerage costs totalled $141.

13 PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2013 $	2012 $
Plant and equipment		
At cost	**17,912**	17,912
Less accumulated depreciation	**(17,912)**	(17,912)
Total plant and equipment	**-**	-
Computer equipment		
At cost	**14,854**	14,854
Less accumulated depreciation	**(13,812)**	(13,237)
Total computer equipment	**1,042**	1,617
Total property plant and equipment	**1,042**	1,617

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 2011	-	-	-
Additions	-	1,725	1,725
Depreciation expense	-	(108)	(108)
Balance at 30 June 2012	-	1,617	1,617

	Consolidated		
	Plant and equipment $	Computer equipment $	Total $
Balance at 30 June 2012	**-**	**1,617**	**1,617**
Additions	**-**	**-**	**-**
Depreciation expense	**-**	**(575)**	**(575)**
Balance at 30 June 2013	**-**	**1,042**	**1,042**

Notes to the Consolidated Financial Statements

14 DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2013 $	2012 $
Costs carried forward in respect of areas of interest in exploration phase:		
New South Wales	**2,362,400**	3,193,290
Additions	**14,241**	2,497
Disposal of asset	**-**	(450,000)
Impairment loss	**-**	(383,387)
Net book value	**2,376,641**	2,362,400
Indonesia	**3,338,592**	7,699,300
Additions	**589,395**	3,605,771
Impairment loss	**-**	(7,966,479)
Net book value	**3,927,987**	3,338,592
	6,304,628	5,700,992

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 2012, the Group decided not to exercise the option to acquire the Jampang project in Indonesia and requested an extension from the vendor. Due to the inherent uncertainty in relation to receiving the extension, the Group fully impaired the carrying value of the Jampang project by an amount of $7,966,479. The impairment charge was allocated to the Indonesian segment result in Note 21.

During the year ended 30 June 2012, the Group fully impaired the carrying value of the Tullamore project by an amount of $383,387 due to the inherent uncertainty of the recoupment of these costs and the Company's decision to relinquish the licence. The impairment charge was allocated to the NSW segment result in Note 21.

15 OTHER ASSETS

Non-current

Environmental bonds	**55,000**	55,000
Deposits	**-**	73,827
	55,000	128,827

During the year the directors impaired the carrying value of a $73,827 deposit held in Indonesia in relation to a potential property acquisition.

16 TRADE AND OTHER PAYABLES

Current

Unsecured liabilities		
Trade creditors	**444,562**	79,487
Sundry creditors and accruals	**146,015**	102,415
	590,577	181,902

Notes to the Consolidated Financial Statements

17 CAPITAL AND RESERVES

	Consolidated 2013 $	Consolidated 2012 $
Share Capital		
205,281,798 (2012 - 177,188,048) fully paid ordinary shares	**21,011,416**	19,946,161

Ordinary shares	2013 Nº of shares	2013 $	2012 Nº of shares	2012 $
Balance at the beginning of the year	**177,188,048**	**19,946,161**	171,044,717	19,064,928
Shares issued during the period				
Fully paid ordinary shares issued 12 September 2012 at $0.04	**28,093,750**	**1,123,750**	-	-
Transaction costs – settled in cash	**-**	**(58,495)**	-	-
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)
Balance at the end of the year	**205,281,798**	**21,011,416**	177,188,048	19,946,161

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

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.

Nature and purpose of reserves

Fair value reserve
Changes in fair value of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

Option premium reserve
The option premium reserve is used to recognise the grant date fair value of options issued but not exercised.

Foreign currency translation reserve:
The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Notes to the Consolidated Financial Statements

17 CAPITAL AND RESERVES (Cont.)

	Consolidated	
	2013	2012
	$	$
Fair value reserve	**5,250**	7,500
Foreign currency translation reserve	**(5,306)**	-
Option premium reserve	**578,687**	1,609,735
	578,631	1,617,235

Movements during the period:

Fair value reserve

Balance at beginning of period	**7,500**	-
Net change in fair value of available-for-sale financial assets	**99,925**	(25,750)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**(102,175)**	33,250
Balance at end of period	**5,250**	7,500

Foreign currency translation reserve

Balance at beginning of period	**-**	-
Currency translation differences	**(5,306)**	-
Balance at end of period	**(5,306)**	-

Option premium reserve

Balance at beginning of period	**1,609,735**	1,169,478
Transaction cost on issue of shares – options issued as consideration	**-**	286,000
Employee share plan expense	**38,565**	154,257
Transfer of expired options	**(1,069,613)**	-
Balance at end of period	**578,687**	1,609,735

Notes to the Consolidated Financial Statements

18 SHARE BASED PAYMENTS

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. The vesting conditions of options issued under the plan are based on minimum service periods being achieved. There are no other vesting conditions attached to options issued under the plan.

In the event that the employment or office of the option holder is terminated, any options which have not reached their exercise period will lapse and any options which have reached their exercise period may be exercised within three months of the date of termination of employment. Any options not exercised within this three month period will lapse.

During the year ended 30 June 2013 no options were issued under Executive Share Option Plan (2012 - nil).

Options outstanding at 30 June 2013:

Grant date	Nº of options	Exercise price	Fair value at grant date	Contractual life of options	Vesting Date*
24 November 2010	1,000,000	$0.390	$0.207	3.0 years	7 December 2011
4 July 2011**	2,000,000	$0.200	$0.143	2.9 years	4 July 2011
16 November 2011	1,000,000	$0.265	$0.102	3.0 years	15 November 2012

* Vesting conditions are based on minimum service periods being achieved.
** These options are not part of the Executive Share Option Plan. The options were issue as part of a brokerage fee payable to a third party.

Movement of options during the year ended 30 June 2013:

Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Vested and exercisable at the end of the year
500,000	-	-	-	(500,000)	-	-
500,000	-	-	-	(500,000)	-	-
1,000,000	-	-	-	-	1,000,000	1,000,000
5,000,000	-	-	-	(5,000,000)	-	-
2,000,000	-	-	-	-	2,000,000	2,000,000
1,000,000	-	-	-	-	1,000,000	1,000,000
10,000,000	**-**	**-**	**-**	**(6,000,000)**	**4,000,000**	**4,000,000**

Weighted average price of options

Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
$0.257	**-**	**-**	**-**	**$0.252**	**$0.264**	**$0.264**

Notes to the Consolidated Financial Statements

18 SHARE BASED PAYMENTS (Cont.)

Options outstanding at 30 June 2012:

Grant date	Nº of options	Exercise price	Fair value at grant date	Contractual life of options	Vesting Date*
18 March 2008	500,000	$0.120	$0.044	4.6 years	18 March 2009
30 November 2009	500,000	$0.100	$0.080	3.0 years	30 November 2010
24 November 2010	1,000,000	$0.390	$0.207	3.0 years	7 December 2011
24 November 2010	5,000,000	$0.280	$0.202	2.4 years	24 November 2010
4 July 2011**	2,000,000	$0.200	$0.143	2.9 years	4 July 2011
16 November 2011	1,000,000	$0.265	$0.102	3.0 years	15 November 2012

* Vesting conditions are based on minimum service periods being achieved.
** These options are not part of the Executive Share Option Plan. The options were issue as part of a brokerage fee payable to a third party.

Movement of options during the year ended 30 June 2012:

Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Vested and exercisable at the end of the year
500,000	-	-	-	-	500,000	500,000
500,000	-	-	-	-	500,000	500,000
1,000,000	-	-	-	-	1,000,000	1,000,000
5,000,000	-	-	-	-	5,000,000	5,000,000
-	2,000,000	-	-	-	2,000,000	2,000,000
-	1,000,000	-	-	-	1,000,000	-
7,000,000	3,000,000	-	-	-	10,000,000	9,000,000

Weighted average price of options

Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
$0.271	$0.222	-	-	-	$0.257	$0.256

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.

The weighted average remaining contractual life of share outstanding at the end of the year was 0.91 years (2012 - 1.22 years).

Notes to the Consolidated Financial Statements

18 SHARE BASED PAYMENTS (Cont.)

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 employee 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 1,000,000 options granted on 16 November 2011 was $102,000. The Black-Scholes formula model inputs were the Company's share price of 19 cents at the grant date, a volatility factor of 93% based on historical performance, a risk-free interest rate of 4.01% based on the 3 year government bond rate and a dividend yield of 0%.

The fair value of the 2,000,000 options granted on 4 July 2011 was $286,000. The Black-Scholes formula model inputs were the Company's share price of 23 cents at the grant date, a volatility factor of 91% based on historical performance, a risk-free interest rate of 4.73% based on the 2 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 2013 as part of share-based remuneration expenses was $38,565 (2012 - $154,257).

	Consolidated	
	2013	**2012**
	$	**$**
19 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flows from operating activities		
Loss from ordinary activities after income tax	**(1,028,008)**	(9,853,450)
Adjustments for:		
Depreciation	**575**	108
Share based payment expense	**38,565**	154,257
Impairments	**73,827**	8,383,116
Foreign exchange loss	**-**	13,779
Profit on the sale of investments	**(102,175)**	-
Changes in assets and liabilities:		
Trade and other receivables	**(4,956)**	24,215
Prepayments	**12,095**	35,903
Trade and other payables	**426,010**	45,993
Net cash used in operating activities	**(584,067)**	(1,196,079)

Notes to the Consolidated Financial Statements

20 RELATED PARTIES

Parent and ultimate controlling party

Augur Resources Ltd is both the parent and ultimate controlling party of the Group.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

These entities transacted with the Group during the year as follows:

- During the year ended 30 June 2012, Norman A. Seckold and Peter J. Nightingale held a controlling interest in an entity, Mining Services Trust, which provided full administration services to the Group, including rental accommodation, administrative staff, services and supplies. Fees paid to Mining Services Trust during the year amounted to $277,157 (2012 - $300,000). At 30 June 2013 there were $147,257 of fees outstanding (2012 - nil).

Key management personnel compensation

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. Compensation paid to key management personnel during the year is set out in the table below. At 30 June 2013 there were $201,094 of fees outstanding (2012 - $27,500).

	Consolidated	
	2013	**2012**
	$	**$**
Primary fees/salary	**443,721**	586,886
Superannuation	**15,185**	23,120
Share-based remuneration	**38,565**	154,257
	497,471	764,263

Movement in shares

No shares were granted to key management personnel during the reporting period as compensation in 2012 or 2013. The movement during the reporting period in the number of ordinary shares in Augur Resources Ltd held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2012	Purchased shares	Sales	Held at 30 June 2013
Norman A. Seckold	51,707,903	375,000	-	**52,082,903**
Grant L. Kensington	626,000	375,000	-	**1,001,000**
Peter J. Nightingale	12,000,000	375,000	-	**12,375,000**
Justin C. Werner	5,193,334	375,000	-	**5,568,334**

Key management personnel	Held at 1 July 2011	Purchased shares	Sales	Held at 30 June 2012
Norman A. Seckold	51,707,903	-	-	51,707,903
Grant L. Kensington	626,000	-	-	626,000
Peter J. Nightingale	12,000,000	-	-	12,000,000
Justin C. Werner	4,568,334	625,000	-	5,193,334

Notes to the Consolidated Financial Statements

20 RELATED PARTIES (Cont.)

Movement in options

The movement during the reporting period in the number of options over ordinary shares in Augur Resources Ltd held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2012	Granted during period	Lapsed	Vested during period	Held at 30 June 2013
Norman A. Seckold	-	-	-	-	**-**
Grant L. Kensington	3,000,000	-	(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 2011	Granted during period	Exercised	Vested during period	Held at 30 June 2012
Norman A. Seckold	-	-	-	-	-
Grant L. Kensington	2,000,000	1,000,000	-	1,000,000	3,000,000
Peter J. Nightingale	-	-	-	-	-
Justin C. Werner	5,000,000	-	-	-	5,000,000

No options held by key management personnel are vested but not exercisable at 30 June 2013 or 30 June 2012.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

There were no loans made to key management personnel or their related parties during the 2013 and 2012 financial years year and no amounts were outstanding at the year end (2012 - nil).

Notes to the Consolidated Financial Statements

21 SEGMENT INFORMATION

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

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 in that geographic region.

Geographical segments

For the year ended 30 June 2013, 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**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
External revenue	**-**	-	**-**	-	**-**	-	**-**	-
Interest income	**-**	-	**-**	-	**6,039**	82,773	**6,039**	82,773
Interest expense	**-**	-	**-**	-	**-**	-	**-**	-
Depreciation and amortisation	**-**	-	**-**	-	**(575)**	(108)	**(575)**	(108)
Segment loss before income tax	**-**	(383,387)	**(162,244)**	(8,312,494)	**(865,764)**	(1,157,569)	**(1,028,008)**	(9,853,450)
Other material non-cash items								
Impairment of investments	**-**	-	**-**	-	**-**	(33,250)	**-**	(33,250)
Impairment of exploration and evaluation expenditure	**-**	(383,387)	**-**	(7,966,479)	**-**	-	**-**	(8,349,866)
Impairment of deposit	**-**	-	**(73,827)**	-	**-**	-	**(73,827)**	-
Reportable segment assets	**2,431,641**	2,417,400	**3,962,745**	3,447,077	**366,630**	406,682	**6,741,501**	6,271,159
Reportable segment liabilities	**-**	-	**135,313**	44,887	**455,264**	137,015	**590,577**	181,902

Notes to the Consolidated Financial Statements

22 COMMITMENTS AND CONTINGENCIES

	Consolidated 2013 $	Consolidated 2012 $
Annual tenement expenditure commitments required within 12 months to maintain licences	**6,563**	-

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

23 PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2013 the parent and ultimate controlling entity of the Group was Augur Resources Ltd.

	Company 2013 $	Company 2012 $
Result of the parent entity:		
Net loss	**(1,562,434)**	(14,390,361)
Other comprehensive income	**-**	-
Total comprehensive loss	**(1,562,434)**	(14,390,361)
Financial position of the parent entity at year end:		
Current assets	**334,173**	159,815
Non-current assets	**2,450,683**	2,664,267
Total assets	**2,784,856**	2,824,082
Current liabilities	**558,653**	137,015
Non-current liabilities	**-**	-
Total liabilities	**558,653**	137,015
Net assets	**2,226,203**	2,687,067
Total equity of the parent comprising of:		
Share capital	**21,011,416**	19,946,161
Investment premium reserve	**5,250**	7,500
Option premium reserve	**578,687**	1,609,735
Accumulated losses	**(19,369,150)**	(18,876,329)
Total equity	**2,226,203**	2,687,067

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

The Company had no capital commitments at the balance date.

Notes to the Consolidated Financial Statements

24 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year:

- On 30 September 2013 the Company entered into a binding Subscription Agreement with the Rajawali Group ('Rajawali'), one of Indonesia's largest privately owned conglomerates. The Agreement, which is subject to a number of conditions precedent, including approval of the Company's shareholders, provides for Rajawali to initially subscribe for 60,000,000 shares in the Company, equivalent to 22.6% of the Company's issued shares, for cash consideration of $3.0 million. Additionally, Rajawali has an option to subscribe for an additional 50,536,400 shares in the Company for $3.75 million ('Additional Consideration'). Upon receipt of the Additional Consideration, the Company will cause Wonogiri Pty. Ltd, its subsidiary, to sell a 35% interest in its subsidiary PT Alexis to Rajawali for $50,000. Wonogiri Pty Ltd is the 90% owner of PT Alexis.

25 GROUP ENTITIES

Particulars in relation to controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2013 %	2012 %
Parent entity			
Augur Resources Ltd	Australia		-
Controlled entities			
Augur Investments Pty Limited	Australia	**100**	100
Bugis Pty Ltd	Australia	**100**	-
Goron Pty Ltd	Australia	**100**	-
PT Alexis Perdana Mineral	Indonesia	**80**	-
Solindo Pty Ltd	Australia	**100**	100
Wonogiri Pty Ltd	Australia	**89**	89

During the year, the Company incorporated in Australia the entities Bugis Pty Ltd and Goron Pty Ltd.

During the year, the Company satisfied the expenditure requirements to earn an 80% equity interest in PT Alexis Perdana Mineral, the holder of the Wonogiri licence.

26 COMPANY DETAILS

The registered office of the Company is:

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

DIRECTORS' DECLARATION

1. In the opinion of the directors of Augur Resources Ltd (the Company):

   (a) the consolidated financial statements and notes thereto, set out on pages 31 to 63, and the Remuneration Report in the Directors Report, as set out on pages 26 to 29, are 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 2013 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) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2013.

3. The directors draw attention to note 2(a) of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Director ______________________________
Grant L. Kensington

Signed at Sydney this 30th of September day 2013 in accordance
with a resolution of the Board of Directors.

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 2013, and Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, Notes 1 to 26 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.

Independence

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

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

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 2013 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.

Material uncertainty regarding continuation as a going concern
Without modifying our opinion, we draw attention to Note 2(d), 'Going Concern', in the financial report. The conditions disclosed in Note 2(d), including the need to raise additional funding from shareholders or other parties, if necessary, reducing expenditure in line with available funding, 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 financial report.

Report on the remuneration report
We have audited the Remuneration Report included in pages 26 to 29 of the Directors' Report for the year ended 30 June 2013. 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 2013 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG
30 September 2013

Stephen Board
Partner
Brisbane

Augur Resources Ltd
ABN 79 106 879 690

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 2013.

Distribution of Equity Securities

ORDINARY SHARES		
Range	Number of Holders	Number of Shares
1 - 1,000	31	4,736
1,001 - 5,000	68	228,858
5,001 - 10,000	131	1,221,573
10,001 - 100,000	227	9,900,849
100,001 - 9,999,999	163	193,935,782
Total	**619**	**205,281,798**

Since listing the Company has issued 153,781,798 fully paid ordinary shares.

The number of shareholders holding less than a marketable parcel is 320.

There is one holder of each class of options.

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	52,082,903	25.37
2	Rosignol Pty Ltd <Nightingale Family A/C>	12,375,000	6.03
3	Oon Peng Lim	10,000,000	4.87
4	HSBC Custody Nominees (Australia) Limited	9,442,963	4.60
5	Company Fifty Pty Ltd <McDonald Super Fund A/C>	6,375,000	3.11
6	Ichiya Co Ltd	4,947,102	2.41
7	Cobungra Holdings Pty Ltd	4,750,000	2.31
8	Rigi Investments Pty Limited	4,000,000	1.95
9	JP Morgan Nominees Australia Limited <Cash Income A/C>	3,333,334	1.62
10	1147 Pty Limited <TJ & CJ Mann Super A/C>	3,258,144	1.59
11	USB Wealth Management Australia Nominees Pty Ltd	3,225,000	1.57
12	R & C Australia Pty Ltd	3,050,000	1.49
13	CRX Investments Pty Limited	3,000,000	1.46
14	UOB Kay Hian Private Limited <Clients AC>	2,500,000	1.22
15	Adi Wijoyo	2,500,000	1.22
16	Mr Robert Lord	2,300,000	1.12
17	John Wardman & Associates Pty Ltd <The Wardman Super Fund>	2,100,000	1.02
18	PT Bestindo Kwadratama	2,083,333	1.01
19	All States Secretariat Pty Ltd <Allstates Sec Ltd S/F A/C>	2,055,303	1.00
20	Mr Justin Werner	1,830,000	0.89
	Total	**135,208,082**	**65.86**

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:

	Shareholder	Nº of Shares Held	% to Issued Shares
1	Permgold Pty Ltd	52,082,903	25.37
2	Rosignol Pty Ltd <Nightingale Family A/C>	12,375,000	6.03

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.

Augur Resources Ltd
ABN 79 106 879 690
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 Richard J. Edwards

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
88 Phillip Street
SYDNEY NSW 2000