AUGUR
Resources Ltd
ABN 79 106 879 690

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Table of Contents

Augur Resources Ltd
ABN 79 106 879 690
Chairman's Letter

Dear Fellow Shareholders

A stronger precious metals market and some improvement in sentiment in the junior explorer market in recent times are welcome news that Augur will look to take advantage of in the year ahead.

During 2016, whilst seeking to manage existing funds cautiously to ensure maintenance of ownership of its most prospective projects, Augur has advanced the metallurgical studies at both the Wonogiri and Homeville projects. Following the completion of an internal Scoping Study at Wonogiri, which resulted in significantly enhanced project economics particularly from the opportunities available to monetise the waste rock from the project as aggregate material, your Board is encouraged by the potential to develop the project as the current cycle continues to improve.

Thank you for your continued support.

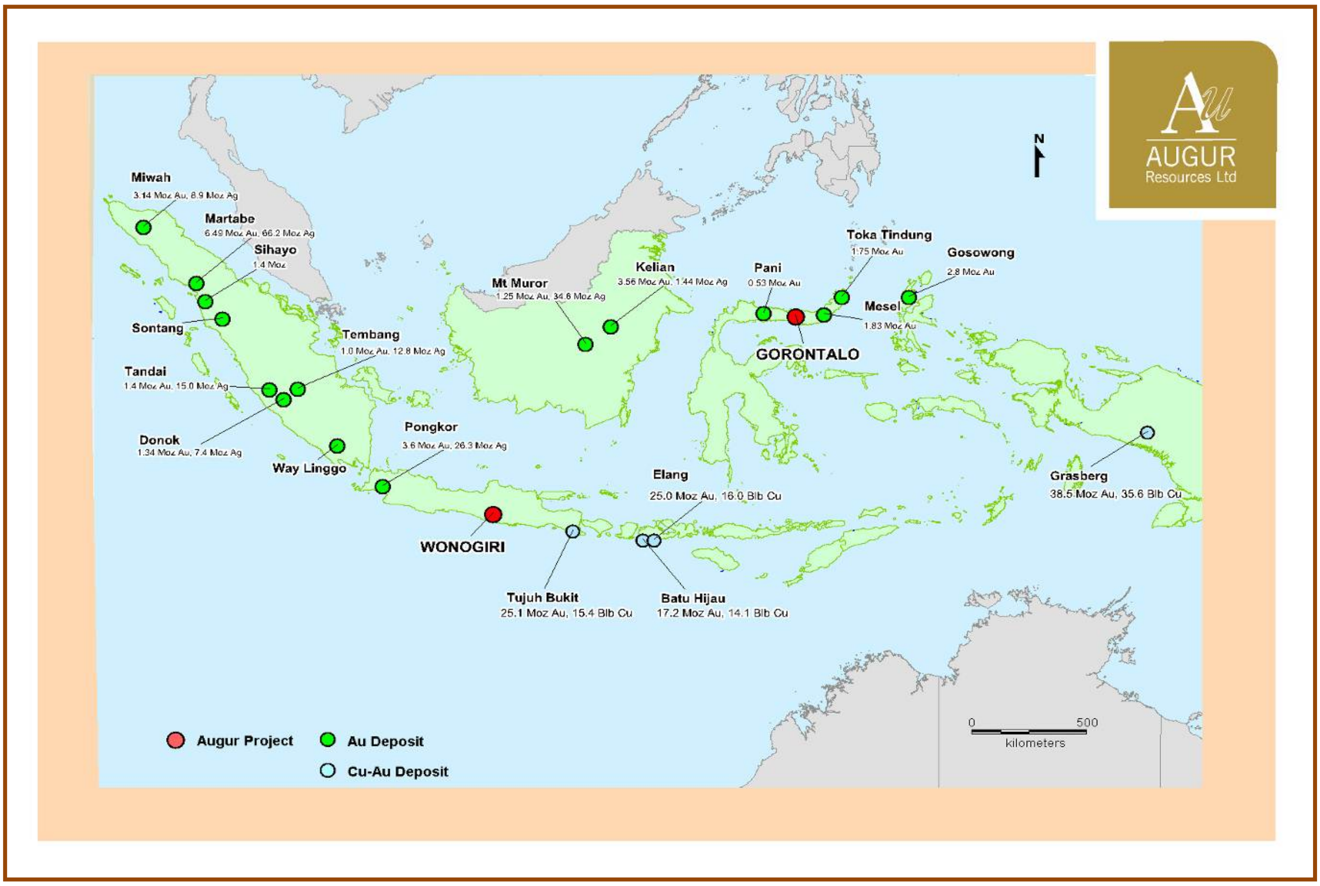
Yours sincerely

Norman A. Seckold
Dated this 30th day of September 2016

Review of Operations

OVERVIEW

Augur Resources Ltd ('Augur' or 'the Company') has interests in advanced exploration projects in Indonesia and Australia. Augur's strategic focus is on large, shallow gold, silver and copper resources.



Location map of the Company's Indonesian projects.

Wonogiri Project (45% Augur)

The 3,928 hectare Wonogiri project, located in central Java at an altitude of approximately 200 metres above sea level, is one of the latest major discoveries in the highly mineralised Indonesian archipelago.

The Wonogiri project is supported by quality infrastructure, with access by sealed roads approximately 30 kilometres south of the provincial city of Solo, and is easily accessible by daily flights from Jakarta. The surrounding area has grid power, a large dam and numerous river and stream systems. The surface area above the Randu Kuning deposit has no forestry restrictions.

The Randu Kuning deposit, is a gold-rich porphyry copper deposit which, based on an updated JORC 2012 resource estimate (see ASX announcement 9 September 2016) using a cut-off grade of 0.2 g/t gold equivalent ('AuEq'[1]), contains 81.56 million tonnes ('Mt') at 0.44 g/t AuEq (0.38 g/t gold and 0.11% copper). This represents 996,500 ounces of gold and 190 million pounds of copper, or 1.15 million ounces AuEq. At a 0.5 g/t AuEq cut-off grade used in the Scoping Study, the total contained resource estimate is 20.95 million tonnes at 0.85 g/t Au and 0.16% copper, representing 573,000 ounces AuEq consisting of 533,000 ounces of gold and 74 million pounds of copper.

Scoping and Feasibility Studies

Subsequent to the end of the financial year Augur announced the completion of an internal Scoping Study (see ASX announcement 30 August 2016). The Scoping Study updated the original Scoping Study done on the Randu Kuning deposit in 2014, taking into account the significantly enhanced project economics resulting from the aggregate potential of the project, metallurgical studies and current costings for fuel and equipment.

Review of Operations

Based on the positive results of the Scoping Study, which confirmed the potential for the development of the deposit at Randu Kuning, the Company will complete an Indonesian feasibility study that has been worked on through 2016. This completion work includes additional metallurgical processing work, geotechnical drilling and hydrogeological studies, and initiating Amdal environmental permitting. This work will be completed to meet requirements for conversion of the IUP from exploration to exploitation in early 2017.

The Wonogiri project is supported by quality infrastructure, is 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.

To date, a total of 19,000 metres of drilling in 72 diamond drill holes have been completed at the Wonogiri project. Forty four of these (12,462 metres) have been drilled at the Randu Kuning prospect area. The average depth of drilling is 285 metres. Drill hole coordinates and assay results have been reported previously by the Company and are available on the Company's website.

Future drilling at the Wonogiri property will focus on infill drilling at the Randu Kuning prospect to better define the measured resource within the conceptual Stage 1 pit area.

Metallurgy

The Randu Kuning resource estimate includes oxide, transition and sulphide components of the deposit. The sulphide component accounts for 96% of the estimated resource tonnes and this has been the focus of ongoing metallurgical studies. Previous testwork evaluated processing of Randu Kuning resource material via sulphide flotation to produce a copper/gold bearing concentrate. The results indicated that up to 89.0% recovery of gold and 93.4% recovery of copper could be achieved to produce a high quality marketable concentrate with grades of up to 21.2% copper and 90.6 g/t gold. This formed the basis for the Company's 2014 Scoping Study which evaluated a 2 million tonne per year mine plan.

Due to the Indonesian Government's imposition of a concentrate export ban in January 2014 the Company initiated testwork to evaluated gold (+silver) only recovery through a combination of gravity concentration and intensive leach of the concentrate and also leach of the gravity tailings via a standard leach plant (CIL/CIP) design. Several grind sizes were assessed with results indicating up to 54% recovery via gravity and a total combined recovery of 94.3% gold and 81.7% silver.

Testing at Pt. Geoservices laboratory in Jakarta during the September 2015 quarter was completed on sample splits from a single Randu Kuning composite core sample ground to four bulk grind size fractions including; 80% passing 150 microns (um), 106um, 75um and 53um. The core composite sample had a head grade of 0.78 g/t gold and 0.27% copper. The results of the test work are summarised below:

Grind Size	Component	Au		Ag	
		Test 1	Test 2	Test 1	Test 2
		Recovery	Recovery	Recovery	Recovery
		%	%	%	%
P80 150um	Falcon Concentrate	36.1	37.9	10.1	13.4
	48hrs Leaching Soln	51.2	49.8	70.9	68.3
	Total Recovery	**87.3**	**87.6**	**81.0**	**81.7**
P80 106um	Falcon Concentrate	41.3	44.2	11.5	10.8
	48hrs Leaching Soln	49.2	46.8	52.8	53.2
	Total Recovery	**90.5**	**91.0**	**64.4**	**64.1**
P80 75um	Falcon Concentrate	44.3	47.4	13.0	14.2
	48hrs Leaching Soln	47.1	44.5	66.6	65.6
	Total Recovery	**91.4**	**91.9**	**79.6**	**79.9**
P80 53um	Falcon Concentrate	52.5	54.1	15.2	14.8
	48hrs Leaching Soln	41.7	40.2	65.6	65.9
	Total Recovery	**94.1**	**94.3**	**80.8**	**80.7**

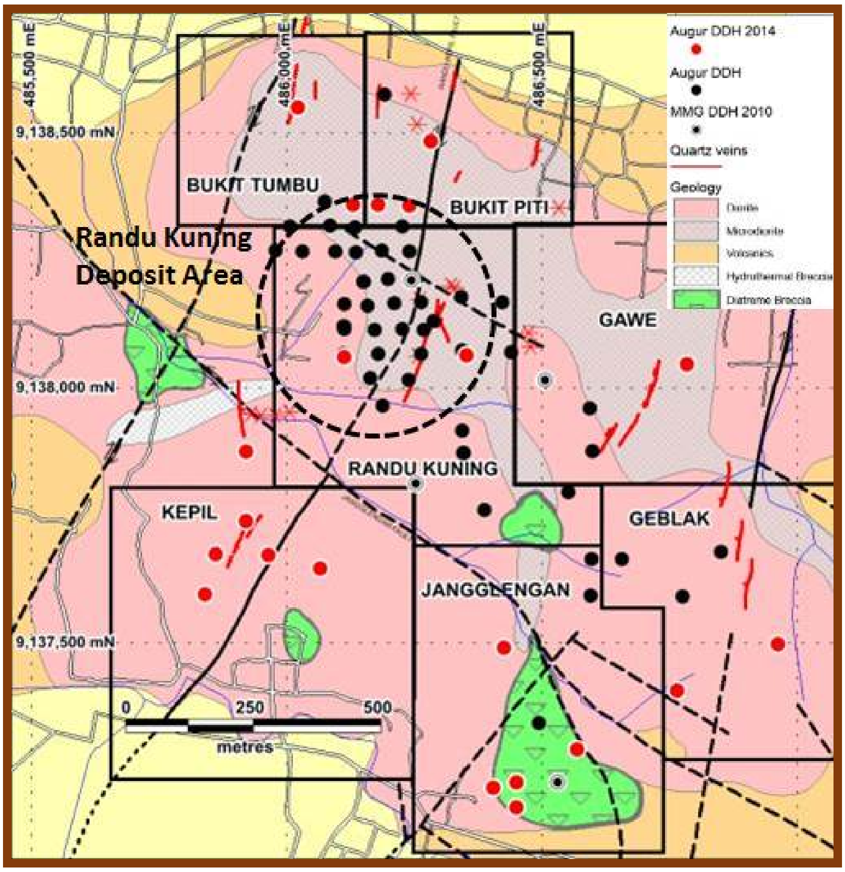
Total gold and silver recovery from 4 bulk grind samples.
Data reflects the overall metallurgical balances for the combined recovery methods, indicating the amount of gold that could be recoverable for each grind size via gravity separation and cyanide leach of the gravity tailings.

Total gold recovery for the combined gravity + fire assay of concentrate and cyanide leach of the gravity tailings returned 87.3% to 94.3% recovery of gold and 64.1% to 81.7% recovery of silver. The completed testwork has also importantly confirmed that Randu Kuning tailings material will be non-acid forming and will be a net acid consumer. This indicates that there will be no acid mine drainage concern for the process tailings.

Testwork to commence in the September 2016 quarter will assess the feasibility of processing Randu Kuning deposit material via initial gravity concentration and intensive leaching of the gravity concentrate to produce gold bullion followed by flotation of the gravity tailings to produce a sulphide concentrate containing copper and significant gold (+silver) which could then be sold to domestic smelters in Indonesia. To this end discussions are ongoing with potential smelters. This is the preferred processing option as it provides for recovery of both gold and copper. This phase of testing will also include locked-cycle flotation tests which will provide better indications of actual processing plant operating parameters. This work is expected to be completed during the December 2016 quarter.

Surrounding Prospects

Previous exploration has identified 2 prospect areas (Jangglengan and Kepil) where epithermal-type gold+silver mineralisation occurs adjacent to the Randu Kuning porphyry deposit. These areas have not been fully explored and additional drilling is warranted to further define the extent of mineralisation.



Plan map of the Wonogiri project area with the surface geology map as the background.
Prospect areas with epithermal type veins mapped on surface (red lines) and completed drill holes are indicated.

Aggregate Evaluation

Previous evaluation of waste rock composite samples collected from drill core within the Randu Kuning conceptual open pit indicated that the Randu Kuning waste rock had the properties required to be highly suitable for a variety of stone aggregate uses including concrete.

The findings of a regional market study suggested that aggregate production from Randu Kuning could be readily absorbed without price disruption into the regional construction market for a variety of uses. It was also clear from the market study and related discussions with industry consultants that there is a strong demand for high quality aggregate throughout Java to supply ongoing and planned infrastructure projects as part of an extensive transportation upgrade initiative by the Indonesian Government.

Given the regional demand, the Company has evaluated initial aggregate production from a stand-alone quarry adjacent to the Randu Kuning deposit. One such quarry area is currently being permitted for development. This would provide a low capital cost opportunity to get early cash flow with which to advance development of the Randu Kuning mine and also build market presence prior to increased aggregate production from waste rock within the Randu Kuning open pits.

General ASTM standard rock quality tests of potential aggregate in the area selected for development of a standalone quarry were completed at PT Geoservices laboratory in Bekasi, Indonesia. Testwork was completed on six bulk rock samples made from drill core composite samples collected from three holes drilled within the proposed quarry area. The results, detailed below, indicate that the rock has the properties required to be highly suitable for a variety of stone aggregate uses including concrete.

Rock Characterization & Physical Properties	**ASTM NO**	**BB. 028317 DDH 35 <50m**	**BB. 028318 DDH 35 >50m**	**BB. 028319 DDH 39 <50m**	**BB. 028320 DDH 39 >50m**	**BB. 028321 DDH 43 <50m**	**BB.028322 DDH 43 >50m**
		Fine-grained, Intrusive, Fresh	Fine-grained, Intrusive, Fresh	Fine-grained, Intrusive, Fresh	Fine-grained, Intrusive, Fresh	Fine-grained, Intrusive, Fresh	Fine-grained, Intrusive, Fresh
Natural Density/m3	ASTM D7263-09	2.8	2.8	2.8	2.8	2.8	2.7
Porosity%	ASTM D7263-09	1.1	0.7	0.7	1.0	1.6	1.1
Water Absorption%	ASTM D7263-09	0.4	0.2	0.2	0.3	0.6	0.4
Bulk Density	ASTM - C127 - 12	2.8	2.8	2.8	2.8	2.7	2.7
Bulk' Absorption	ASTM - C127 - 12	0.3	1.2	0.3	0.3	0.5	0.4
Point Load Test mpa UCS	ASTM D5731 - 08	136	162	120	126	80	146
Five Cycle Soundness Sodium Sulfate%	ASTM C88 - 13	0.89	1.07	1.63	1.05	5.70	1.26
Organic Impurities in Fine Aggregate for Concrete	ASTM C40/C40M - 11	Colour No.1 (Clear)	Colour No.1 (Clear)	Colour No. 1 (Clear)	Colour No. 1 (Clear)	Colour No. 1 (Clear)	Colour No. 1 (Clear)
Los Angelas Abrasion % 100 Rotation	ASTM C131 - 06	3.81	3.70	3.78	3.67	5.0	3.87
Los Angelas Abrasion % 500 Rotation	ASTM C131 - 06	21.98	21.25	22.32	19.27	28.86	21.19
Water Soluble Chloride Content%	ASTM D512 - 12	0.0508	0.0453	0.0406	0.0334	0.0148	0.0315
Water Soluble Sulfate Content%	ASTM D516 - 11	0.004	0.006	0.010	0.012	0.016	0.014
Sulfate Content (mg/kg)	ICP	1.29	0.66	1.33	0.96	3.16	2.06
Loss on Ignition at 900 C (%)	1000 *C furnace	2.77	1.71	2.47	2.16	4.45	4.14
Potential Alkali Reactivity	ASTM C289	None	None	None	None	None	None
Potential End Use Based on Test Results		**Aggregate**	**Aggregate**	**Aggregate**	**Aggregate**	**Aggregate**	**Aggregate**

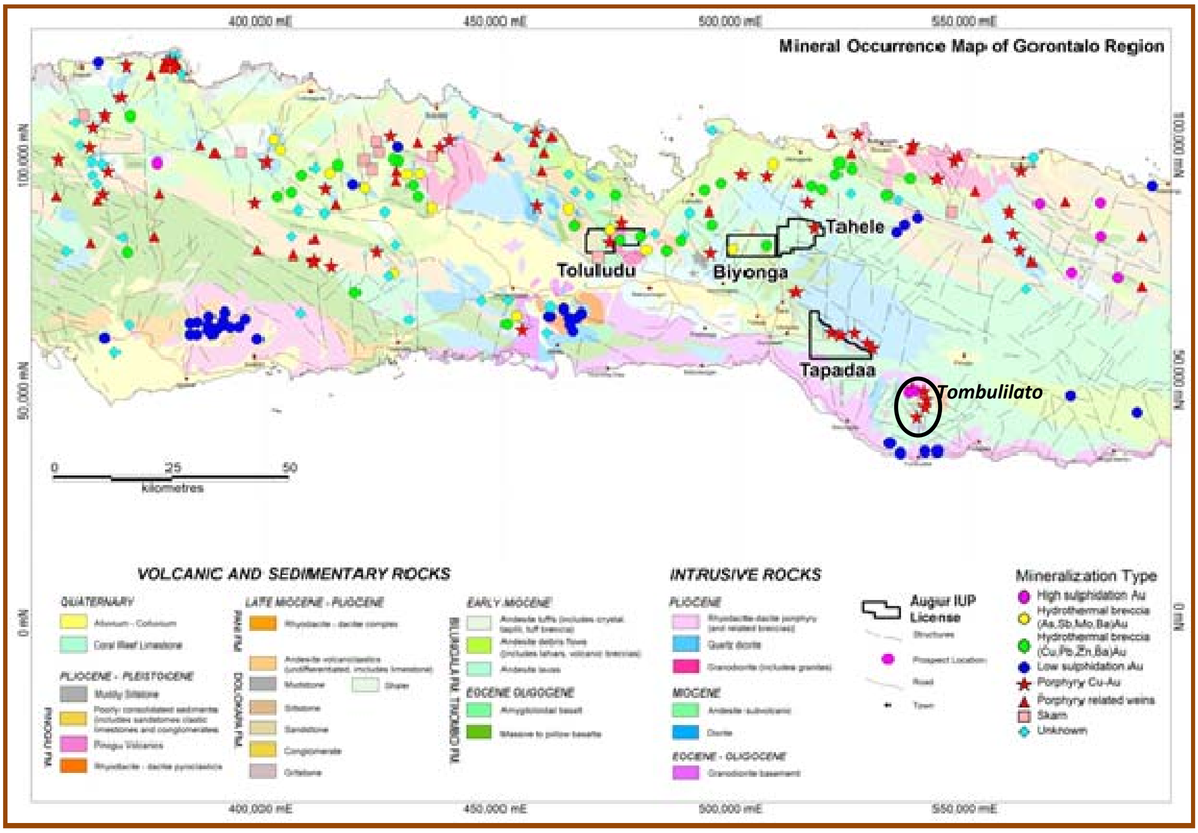
ASTM standard test work completed (Pt. Geoservices)

The Company is currently evaluating several aggregate production scenarios with interested contractors who would provide quarry development and production management services for an initial standalone aggregate quarry development in advance of the Randu Kuning mine development.

Review of Operations

Gorontalo Properties (80% Augur)

The four Gorontalo IUP properties, Tapadaa, Toluludu, Biyonga and Tahele, are located in northern Sulawesi, near the city of Gorontalo. During the September 2015 quarter, the Company completed initial scout drilling, comprising six holes for 781 metres, on defined copper and gold targets within the Toluludu and Tapadaa IUP properties.



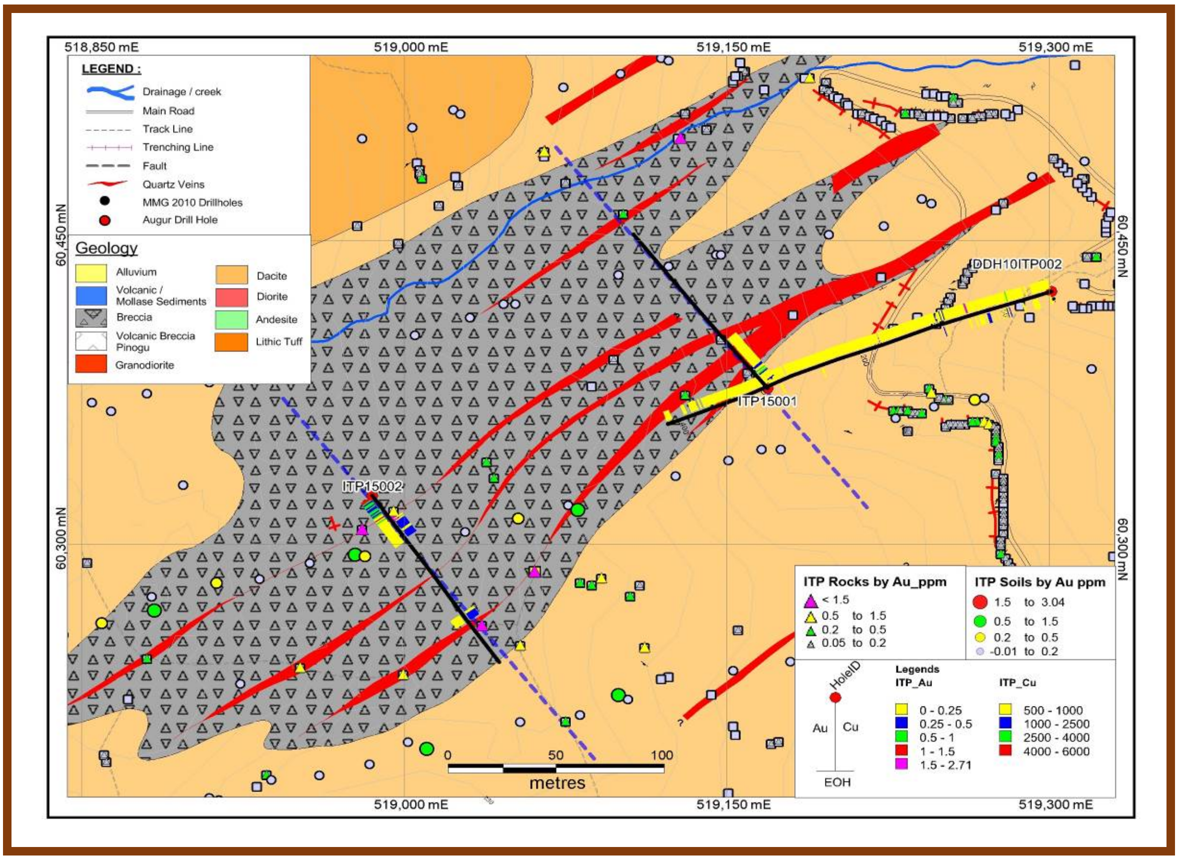
Hole	Prospect	Easting	Northing	Dip	Azimuth (Mag)	From	To	Interval (m)	Gold g/t	Copper%
TLL15001	Toluludu	473482	81114	-50	225	**Hole abandoned at 46 metres. No significant results.**				
TLL15002	Toluludu	473492	81121	-50	225	**Hole abandoned at 109 metres. No significant results.**				
TLL15003	Toluludu	473626	81326	-55	45	12.0	72.0	**60.0**	**-**	**0.22**
	includes					12.0	24.0	**12.0**	**0.12**	**0.34**
TLL15004	Toluludu	480291	81878	-45	90	**No significant results.**				
ITP15001	Tapadaa	519169	60377	-50	320	3.0	22.0	**19.0**	**0.37**	**0.22**
	includes					3.0	6.0	**3.0**	**1.10**	**-**
ITP15002	Tapadaa	518985	60324	-50	145	0.0	22.0	**22.0**	**0.61**	**-**

Tapadaa IUP Property

Two drill holes (ITP15001/002) were completed to test quartz vein system in area of anomalous gold in surface samples. Identified as the Lombongo prospect the objective was to test an area of anomalous gold in surface soil and rock samples associated with exposed vuggy silica ledges and high sulphidation type alteration.

Previous detailed mapping and soil and rock sampling by the Company returned up to 3.0 g/t gold from oxidized vein material at surface and previous drilling by PT. Oxindo Exploration (MMG) to test high magnetic anomalies as part of a porphyry copper-gold exploration strategy did not test the breccia, however one of their holes drilled south of the veins returned 2.0 metres of 1.74 g/t gold from 83 metres downhole.

Review of Operations



Lombongo prospect geological map. Drill hole locations and downhole assay results are indicated.
The location of surface rock samples and the extent of quartz veins/breccia are shown.

Drill hole ITP15001 was drilled to 161.2 metres depth and intersected 19 metres of 0.37 g/t gold from 3.0 to 22.0 metres, including 3.0 metres of 1.1 g/t gold from 3.0 metres. ITP15002 was drilled to 166 metres depth and intersected 22.0 metres of 0.61 g/t gold over 22.0 metres from surface within intensely oxidised volcanics. Argillic altered, pyritic volcanics were intersected to bottom of both holes.

In order to better evaluate the amenability of the near surface oxide material to standard cyanide leach processing, the Company had bottle roll leach tests completed for selected samples of oxide material taken from both Lombongo drill holes.

Drill core from Tapadaa drill hole ITP15002.
Intensely oxidised vuggy quartz grading 0.63 g/t gold over the interval 5.0 to 9.0 metres is shown.

Bottle Roll Leach Test Results

Leach tests were conducted by PT. Geoservices in Bekasi, Indonesia. Initial standard bottle rolls were completed on 10 core samples representing variable gold grades from within the oxide zone. Gold extraction by cyanide was determined after 48 hours. All samples were ground to 95% <75um. The results shown below indicated that the oxide material is amenable to standard heap leach processing utilising cyanide to leach the contained gold. A general correlation between higher gold grade and higher leach rate is indicated with samples containing ≥0.25 g/t gold averaging 92% gold extraction.

Sample ID	Recovery (%)		NaCN	Head Assay (ppm)				Head Assay (%)		Ratio
	Au	Ag	kg/t	Au	Ag	As	Cu	S	C	Ag/Au
KR 018013	97.6	4.6	4.56	0.75	0.25	693	488	0.08	0.04	0.3
KR 018019	94.0	15.1	7.94	0.42	0.6	335	314	0.19	0.02	1.4
KR 018008	93.2	52.2	5.12	0.72	1.8	293	161	0.16	0.04	2.5
KR 017958	90.4	32.4	2.59	0.81	0.25	43	40	0.11	0.03	0.3
KR 017998	89.6	58.7	4.14	1.51	0.25	1	3	0.07	0.34	0.2
KR 017971	88.4	8.2	2.59	0.15	0.25	18	67	0.04	0.01	1.7
KR 018012	88.0	25.2	4.00	0.25	0.25	139	99	0.06	0.02	1.0
KR 017970	83.5	26.7	1.88	0.19	0.25	23	59	0.06	0.01	1.3
KR 017959	82.1	11.8	1.88	0.19	0.25	16	36	0.04	0.03	1.3
KR 017947	78.4	61.5	2.02	0.14	0.25	16	43	0.11	0.04	1.8

Results of bottle roll leach tests. Gold and silver extraction was measured after 48 hours.

Based on the test results of initial bottle rolls a kinetic bottle roll test was completed on two samples of an oxide composite comprised of core from the two drill holes. This test is more representative as it measured gold and silver extraction relative to reagent consumption over time. The results for each test as shown below indicate near total gold and silver extraction in less than 4 hours with low cyanide and lime consumption. Based on these results a program of resource definition and additional leach testwork is warranted at Tapadaa.

Period	pH*	DO	Free CN	Added NaCN	Added Lime	Volume Out (1)	Volume In (1)	Au	Ag	Cu	Extracted Au	Cumulative Au Extract	Extracted Ag	Cumulative Ag Extract	Extracted Cu	Cumulative Cu Extract
hours		mg/L	mg/L	g	g	mL	mL	mg/L	mg/L	mg/L	g/t	%	g/t	%	g/t	%
0	10.63	NA	500	0.94	2.32	--	--	--	--	--	--	0.0	--	0.0	--	NA
2	10.16	NA	349	0.39	0.44	40	40	0.340	0.2	NA	0.52	97.4	0.3	88.3	NA	NA
4	10.35	NA	498	0.00	--	40	40	0.330	0.2	NA	0.52	97.3	0.3	85.9	NA	NA
12	10.26	NA	448	0.13	0.12	40	40	0.320	0.2	NA	0.52	97.1	0.3	83.3	NA	NA
24	10.43	NA	399	0.26	--	40	40	0.310	0.2	NA	0.52	96.9	0.3	90.5	NA	NA
36	10.57	NA	498	0.00	--	40	40	0.310	0.2	NA	0.54	99.4	0.3	88.0	NA	NA
48	10.68	NA	498	0.00	--	40	40	0.300	0.2	NA	0.53	99.1	0.3	100.0	NA	NA
Finished	--	Total Reagents g:		1.74	2.88	--	--	--	--	--	--	--	--	--	--	--
--	--	NACN Final Soln g:		0.68	--	--	--	Tail Assays, g/t			0.01	--		--	NA	NA
Reagent Consumption:							--	Tail Assays _ Duplicate, g/t				--		--	NA	NA
Sodium Cyanide, kg/t:							1.16	Avg. Tails, g/t:			0.01	--	0.0	--	NA	NA
Hydrated lime, kg/t:							3.17	Calc. Head, g/t:			0.54	--	0.3	--	NA	NA
--								Extracted, %:			99.1	--	100.0	--	NA	NA
Notes: (*) - Before chemical additions, (1) sample solution volume removed at each sampling interval and replaced with fresh water. Sample Solids returned to leach.																

Period	pH*	DO	Free CN	Added NaCN	Added Lime	Volume Out (1)	Volume In (1)	Au	Ag	Cu	Extracted Au	Cumulative Au Extract	Extracted Ag	Cumulative Ag Extract	Extracted Cu	Cumulative Cu Extract
hours		mg/L	mg/L	g	g	mL	mL	mg/L	mg/L	mg/L	g/t	%	g/t	%	g/t	%
0	10.61	NA	500	0.94	2.14	--	--	--	--	--	--	0.0	--	0.0	--	NA
2	10.09	NA	399	0.26	0.34	40	40	0.350	0.2	NA	0.54	96.6	0.3	92.7	NA	NA
4	10.24	NA	448	0.13	--	40	40	0.330	0.2	NA	0.52	93.8	0.3	95.3	NA	NA
12	10.27	NA	448	0.13	0.16	40	40	0.320	0.2	NA	0.52	93.6	0.3	92.5	NA	NA
24	10.49	NA	498	0.00	--	40	40	0.310	0.2	NA	0.52	93.4	0.3	95.0	NA	NA
36	10.53	NA	498	0.00	--	40	40	0.310	0.2	NA	0.54	95.8	0.3	97.5	NA	NA
48	10.63	NA	498	0.00	--	40	40	0.300	0.2	NA	0.53	95.5	0.3	100.0	NA	NA
Finished	--	Total Reagents g:		1.48	2.64	--	--	--	--	--	--	--	--	--	--	--
--	--	NACN Final Soln g:		0.68	--	--	--	Tail Assays, g/t			0.05*	--		--	NA	NA
Reagent Consumption:							--	Tail Assays _ Duplicate, g/t				--		--	NA	NA
Sodium Cyanide, kg/t:							0.89	Avg. Tails, g/t:			0.03	--	0.0	--	NA	NA
Hydrated lime, kg/t:							2.91	Calc. Head, g/t:			0.56	--	0.3	--	NA	NA
--								Extracted, %:			95.5	--	100.0	--	NA	NA
Notes: (*) - Before chemical additions, (1) sample solution volume removed at each sampling interval and replaced with fresh water. Sample Solids returned to leach.																

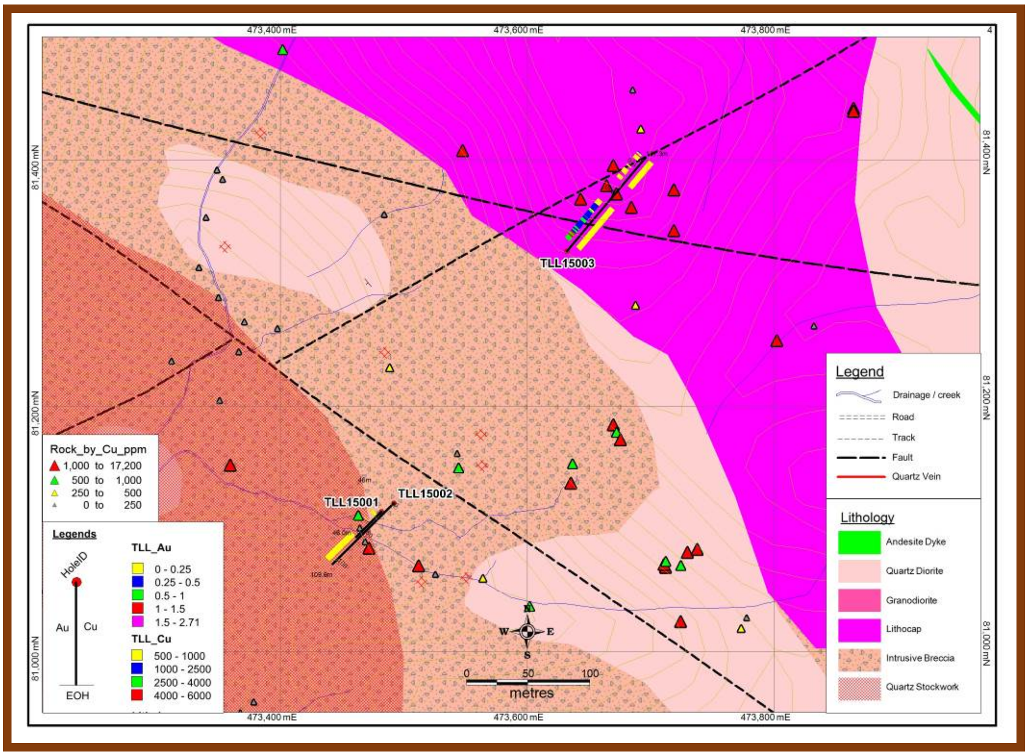
Results of kinetic bottle roll leach tests on two samples comprising core material from both Tapadaa drill holes. Gold and silver extraction and reagent consumption were measured at regular intervals until 48 hours.

Toluludu IUP Property

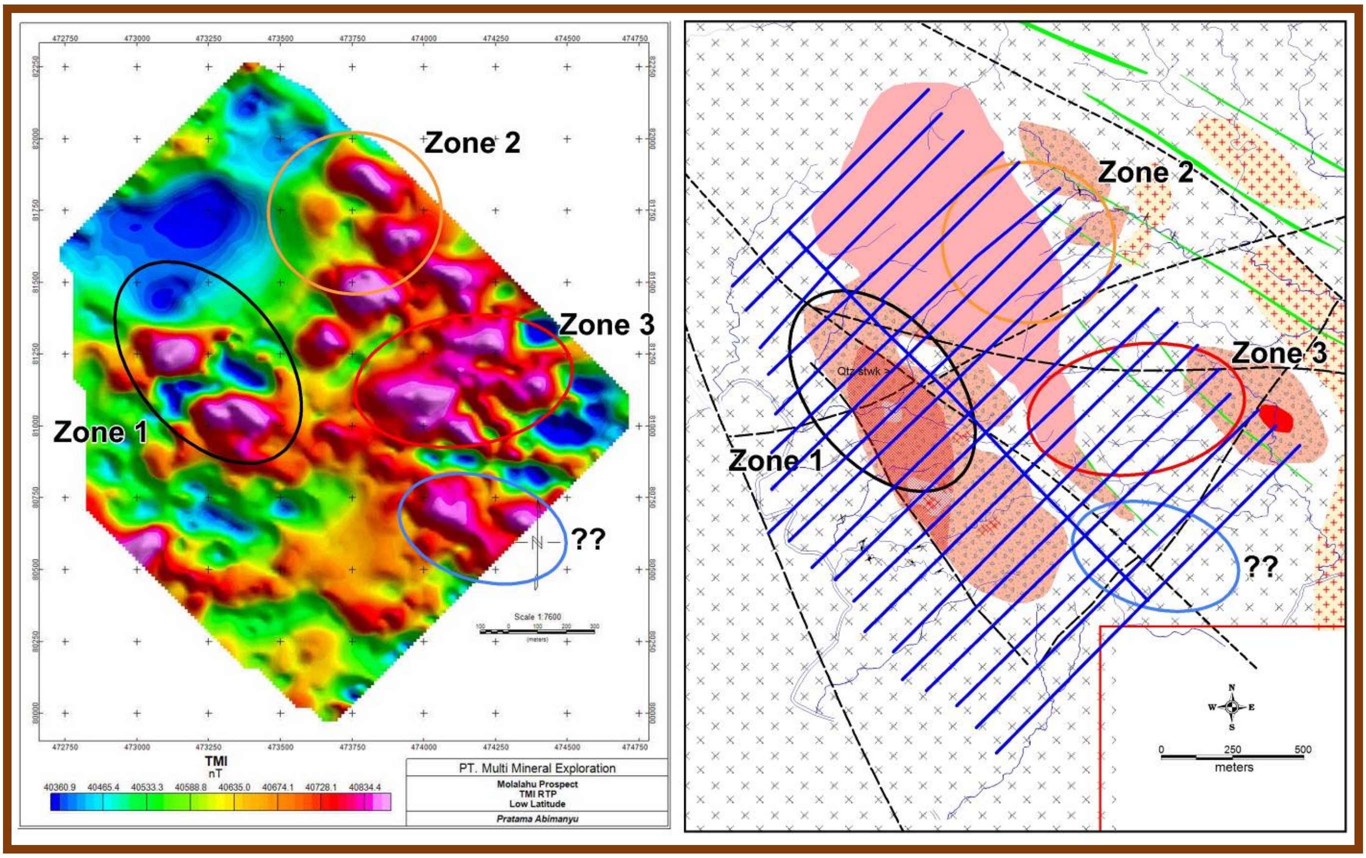
Three holes were completed to test porphyry-related copper-molybdenum targets defined by coincident high magnetic geophysical targets and visible copper-molybdenum in surface rock samples at the Molalahu prospect area.

Two holes (TLL15001 and TLL15002) were drilled to test an area of anomalous copper and molybdenum from rock samples. Both holes were abandoned due to drilling difficulties within a fault zone. However the core recovered confirmed the presence of quartz-magnetite veins containing minor molybdenite ± chalcopyrite. The veins are hosted within an altered andesite containing abundant secondary biotite and magnetite as an early phase of alteration and mineralisation. Assay results from sulphide bearing zones indicate the presence of low grade copper (<0.1% Cu) and molybdenum mineralisation. No further drilling is currently planned for this target.

The third drill hole (TLL15003) at Toluludu was situated approximately 600 metres to the north and was drilled to test beneath an area of extensive secondary copper in soil and rocks sampled on surface. The hole was drilled to a length of 167 metres and intersected 60 metres of 0.22% copper from 12 to 72 metres, including 12 metres of 0.34% copper and 0.12 g/t gold from 12 to 24 metres. Abundant secondary magnetite occurs from 120 metres to the end of the hole at 167 metres. The hole ended in 0.13% copper within a weakly potassic altered breccia. The drill results indicate the potential for secondary copper sulphides (chalcocite, covellite) near surface and primary sulphides (chalcopyrite) associated with deeper potassic alteration and further drilling is warranted.



Molalahu Prospect Zone 1 and Zone 2 drill locations with copper and gold surface rock samples and assay results shown.



Biyonga and Tahele IUP Properties

No further work was completed on these properties. The Company has applied to relinquish the IUP licences for both properties and recognised an impairment charge during the period of $59,711 in relation to expenditure on the two properties.

AUSTRALIAN PROJECTS

Collerina (100% Augur and subject to farm-out agreement)

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.

The Company and Helix Resources Limited ('Helix') have previously entered into an exploration and development agreement over the Collerina project. Helix receives 100% of the precious and base metal rights (excluding nickel laterite mineralisation), with Augur retaining a 1.5% net smelter royalty over any discoveries by Helix. Augur retains 100% ownership of the known nickel laterite mineralisation within the Homeville, Yethella and C1 Anomaly areas, however, Helix can explore these areas for precious metals and other base metals, subject to the terms of the agreement.

In July 2015 the Company announced the results of testing of representative resource samples from the Homeville project, which were conducted using a counter-current atmospheric leach ('CCAL') process, employing sulphuric acid. The combined CCAL results from testing of blended saprolite and limonite samples achieved overall extractions of 90% nickel and 96% cobalt. After accounting for the acid recycled from stage 2 to stage 1, the overall acid consumption was 710 kg/t ore which is very low when compared to co-current agitated atmospheric leaching (typically 900 to 1,000 kg/t ore).

The CCAL process offers higher nickel and cobalt extractions (14% and 11% higher respectively) than single stage leaching with an 11% reduction in acid requirement. Extractions of contaminant species - iron, magnesium and aluminium - are lower than nickel and cobalt.

Based on positive Homeville testwork results released during the year, Augur commissioned Boyd Willis Hydromet Consulting and Canopean Pty Ltd to undertake a scoping study for a 5,000 tonnes per annum nickel plant producing a mixed nickel-cobalt sulphide precipitate (59% nickel content) or alternatively a nickel metal product (cathodes) by the CMN process (a direct solvent extraction process named for its ability to process liquors rich in cobalt, manganese and nickel) based on the following criteria:

Design parameters	Design basis
Location	Collerina tenement (EL6336)
Ore (dtpa)	500,000
Source (ore)	Homeville deposit
Nickel grade (% using a 1% Ni cut off)	1.18
Cobalt grade(% using a 1% Ni cut off)	0.045
Iron grade(% using a 1% Ni cut off)	18

Three project configurations being evaluated are as follows:

- A process plant using imported sulphuric acid and producing a mixed nickel-cobalt mixed sulphide precipitate product.
- A process plant using imported sulphuric acid and employing CMN direct solvent extraction technology to produce LME grade nickel metal and high purity cobalt and copper by-products.
- A process plant with an integrated sulphuric acid plant and employing CMN direct solvent extraction technology to produce LME grade nickel metal and high purity cobalt and copper by-products.

Process Assumptions and Design Criteria

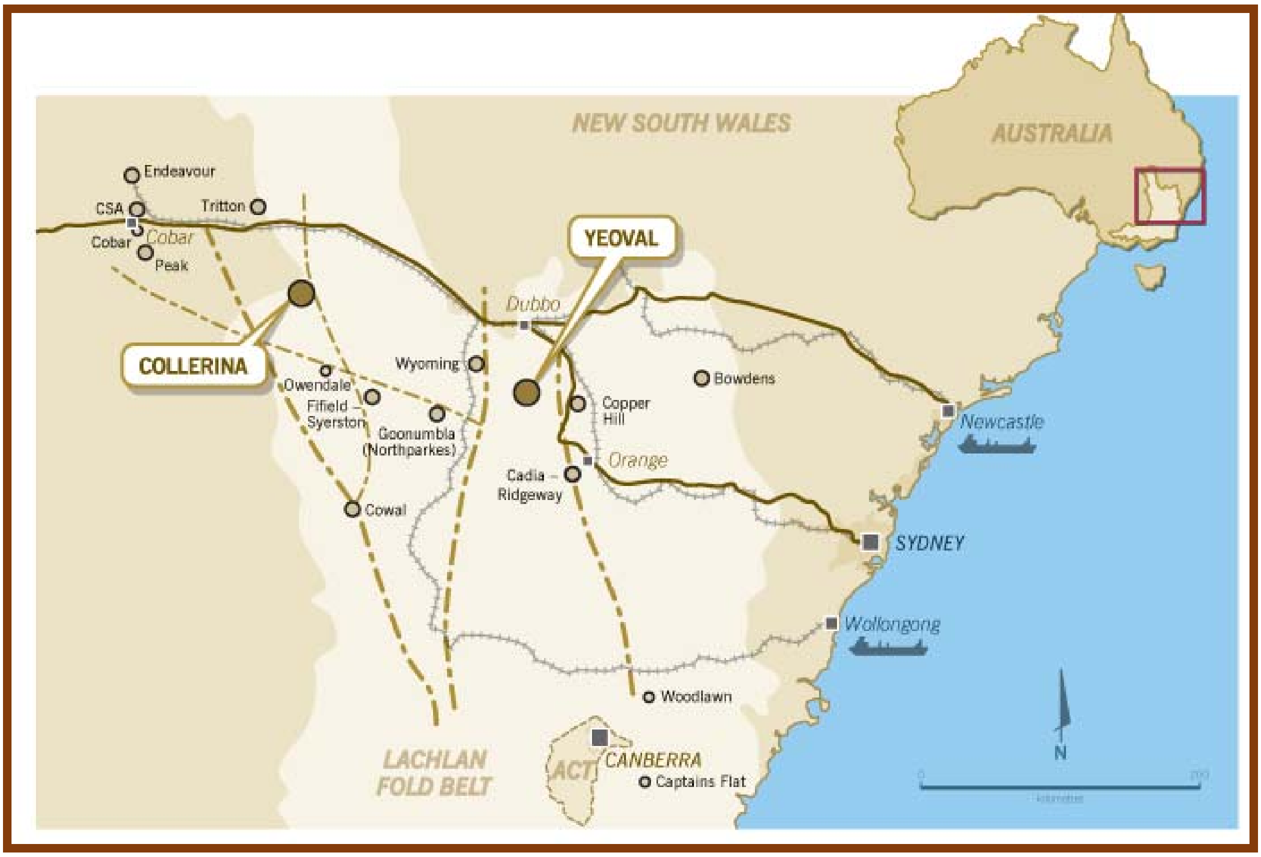
Previous bench-scale metallurgical testwork demonstrated that a CCAL process maximises nickel and cobalt extractions (90% and 96% respectively) with the most efficient use of sulphuric acid. The CCAL testwork was conducted on a blend of limonite and saprolite ores, representing a likely leach feed blend of the relative abundance of the two ore types at Homeville.

The scoping study design criteria was derived from these testwork results, Metsim metallurgical design software and from Boyd Willis Hydromet Consulting’s in-house knowledge of relevant flowsheet steps and returned an overall leach extraction of 90% nickel and 96% cobalt. The objective is to confirm the feasibility of producing a high purity nickel metal product with high purity cobalt carbonate and copper sulphate as value-added by-products. See ASX announcement dated 28 October 2015 for further information on the Scoping Study design criteria.

Review of Operations

Yeoval (25% Augur)

No exploration activities were undertaken on this project during the year and the Company was notified subsequent to the end of the year that the licence will be relinquished by the majority joint venture partner.



Location map of the Company's Australian projects.

CORPORATE ACTIVITIES

Research & Development Tax Incentive

In June 2016, Augur received $551,629 under the Australian Government's R&D Tax Incentive program, on its expenditure incurred during the 2015 financial year on the Company's Collerina and Wonogiri projects. Subsequent to the end of the year, the Company engaged Chartered Accountants Economos Pty Ltd ('Economos') to conduct a review of the R&D Tax Incentive refund claims made by Augur for the 2014 and 2015 financial years, which Augur made based on its previous tax agent's advice. Those reviews have now concluded and Economos's advice is that the claims were based on incorrect advice and that certain expenditures claimed do not meet the criteria of eligible R&D expenditure. Consequently, Augur is in the process of finalising a voluntary tax amendment and repayment arrangement with the Australian Taxation Office that will allow the Company to continue with the ongoing development of its projects, including the short term development of an aggregate operation at Wonogiri which is anticipated will generate positive cash flows for the Augur Group.

MINERAL RESOURCES STATEMENT

Summarised below by JORC category are the resource estimates for the Collerina and Wonogiri projects.

Wonogiri Project

Category	AuEq Cut-off (g/t)	Million Tonnes	Gold Equiv. g/t	Gold g/t	Copper (%)
Measured	1	4.88	1.36	1.28	0.23
	0.8	7.73	1.18	1.11	0.21
	0.6	12.74	0.99	0.91	0.18
	0.5	15.65	0.91	0.83	0.17
	0.4	18.54	0.84	0.76	0.16
	0.2	21.59	0.77	0.69	0.15
Indicated	1	0.25	1.37	1.39	0.16
	0.8	0.43	1.16	1.17	0.15
	0.6	0.92	0.9	0.89	0.12
	0.5	1.67	0.74	0.73	0.11
	0.4	2.43	0.65	0.64	0.1
	0.2	3.08	0.58	0.56	0.09
Inferred	1	0.1	1.37	1.49	0.09
	0.8	0.8	0.92	0.91	0.13
	0.6	1.9	0.78	0.75	0.12
	0.5	3.64	0.67	0.62	0.12
	0.4	8.59	0.54	0.47	0.12
	0.2	56.89	0.31	0.25	0.09
Total	**1**	**5.22**	**1.36**	**1.29**	**0.23**
	0.8	**8.95**	**1.16**	**1.09**	**0.2**
	0.6	**15.57**	**0.96**	**0.89**	**0.17**
	0.5	**20.95**	**0.85**	**0.79**	**0.16**
	0.4	**29.56**	**0.73**	**0.67**	**0.14**
	0.2	**81.56**	**0.44**	**0.38**	**0.11**

Resource estimated by Computer Aided Geoscience Pty Ltd.

Collerina Project - Homeville Deposit

Category	Million Tonnes	Nickel Cut-off (%)	Nickel (%)	Cobalt (%)	Iron (%)	Magnesium (%)
Indicated	4.4	0.7	0.99	0.06	20	8.8
Inferred	11.9	0.7	0.91	0.05	18	9.4
Total	**16.3**	**0.7**	**0.93**	**0.05**	**19**	**9.3**

Resource estimated by Hellman and Schofield Pty Ltd.

All tonnes and grade information in the resources statements has been rounded, hence small differences may be present in the totals.

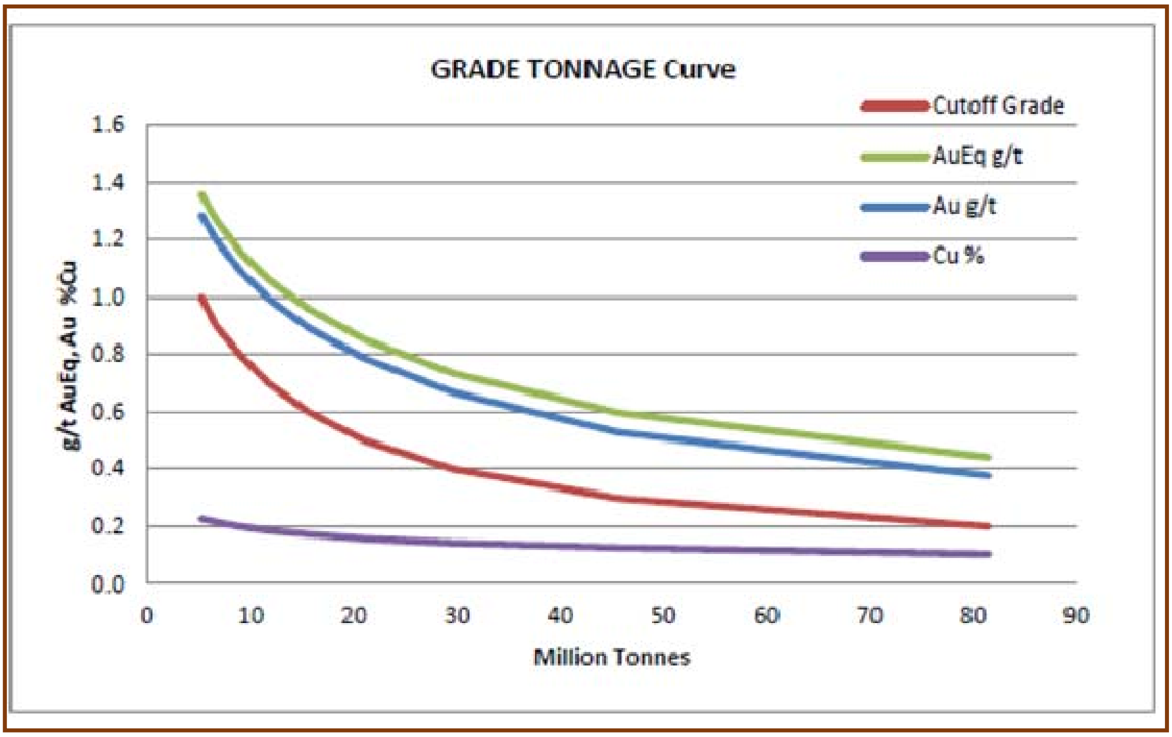
Resource Comparison 2016 to 2015

During 2016 the Company updated the resource estimate for the Randu Kuning deposit to comply with JORC 2012 requirements. The revised resource estimate was completed by Mr Trevor Leahey, of Computer Aided Geoscience Pty Ltd, who also completed the maiden JORC compliant resource estimate in 2014.

Below is a comparison of JORC compliant resource estimates for the Randu Kuning deposit. AuEq has been calculated using US$1,250 per ounce gold and $5,500 per tonne copper:

JORC 2012 Categories	Million Tonnes	AuEq Cut-off (g/t)	AuEq (g/t)	Gold (g/t)	Copper (%)	Gold (Ounces)	Copper (Mlbs)
Measured	21.59	0.2	0.77	0.69	0.15	478,976	71.25
Indicated	3.08	0.2	0.58	0.56	0.09	55,456	6.10
Inferred	56.89	0.2	0.31	0.25	0.09	457,286	112.64
Total	**81.56**	**0.2**	**0.44**	**0.38**	**0.11**	**996,489**	**190.00**

Maiden JORC Categories	Million Tonnes	AuEq Cut-off (g/t)	AuEq (g/t)	Gold (g/t)	Copper (%)	Gold (Ounces)	Copper (Mlbs)
Measured	28.3	0.2	0.84	0.56	0.15	509,549	93.39
Indicated	5.3	0.2	0.66	0.45	0.11	76,683	12.83
Inferred	57.1	0.2	0.36	0.23	0.07	422,256	87.93
Total	**90.9**	**0.2**	**0.53**	**0.35**	**0.10**	**1,022,925**	**200.00**



Grade-tonnage curve for the JORC 2102 compliant resource estimate of the Randu Kuning deposit within the Wonogiri project. AuEq calculated using US$1,250 per ounce gold and $5,500 per tonne copper.

The Yeoval project was relinquished subsequent to the end of the year. The annual review of Mineral Resources concluded that no adjustment to the resource estimate of the Homeville Deposit at the Collerina project was necessary at this time.

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 Michael Corey, PGeo., who is a Member of the Association of Professional Geoscientists of Ontario (APGO) in Canada. Mr Corey is employed by the Company and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Corey has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Information relating to the Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by Augur staff and contractors and approved by Mr Michael Corey, PGeo. The Mineral Resource Statement as a whole has been approved by Michael Corey and he has consented to the form and context in which it appears in this report.

[1] Gold Equivalent Calculation for the Randu Kuning JORC 2012 Compliant Resource

Where reported in relation to the Wonogiri mineral resource estimate, gold equivalent results are calculated using a gold price of US$1,250/ounce and a copper price of US$5,500/tonne. Silver is excluded from the gold equivalent calculation. In calculating gold equivalents for the JORC 2012 resource estimate, gold and copper recoveries are assumed to be 85%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 90% for gold and 94% for copper. It is the Company's opinion that all metals used in the equivalent calculation have a reasonable potential to be recovered in the event that material from the Wonogiri project was to undergo processing.

The gold equivalent calculation used is:

*AuEq = (Au_g/t *$40.20 *85% + Cu_ppm *$0.0055 *85%) / ($40.20)*

(i.e.: 1.0% Cu = 1.36 g/t Au)

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practises against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2016 corporate governance statement is dated as at 30 September 2016 and reflects the corporate governance practises throughout the 2016 financial year. The 2016 corporate governance was approved by the Board on 30 September 2016. A description of the Company's current corporate governance practises is set out in the Company's corporate governance statement which can be viewed at www.augur.com.au/index.cfm/about-us/corporate-governance/.

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 2016 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
Justin Charles Werner	-	Managing Director
Peter James Nightingale	-	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 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 $936,780 (2015 - $853,133 loss).

Review of Operations

A review of the Group's operations for the year ended 30 June 2016 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 2016. No dividends have been paid or declared during the financial year (2015 - 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 2016 were as follows:

- The continued exploration and development of the Group's projects.
- The completion of studies confirming the aggregate potential of the Randu Kuning deposit resulting in significantly enhanced project economics for the Wonogiri project.

After Balance Date Events

Subsequent to the end of the financial year:

- Augur completed an updated internal Scoping Study for the Randu Kuning deposit at the Wonogiri project taking into account the significantly enhanced project economics resulting from the aggregate potential of the project, metallurgical studies and current costings for fuel and equipment.
- Augur conducted a review of the R&D Tax Incentive refund claims made by Augur for the 2014 and 2015 financial years and is in the process of finalising a voluntary tax amendment and repayment arrangement with the Australian Taxation Office.

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

Likely Developments

The Group will continue to explore and evaluate the Company's exploration projects with the aim of identifying potential mineral resources and undertake further studies at the Wonogiri project ahead of an anticipated decision to mine.

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 and Equus Mining Limited, a mineral and development company operating in Chile.

Mr Seckold is currently Chairman of 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 listed company directorships: Planet Gas Limited and Santana Minerals Ltd.
Former directorships in the last three years: Equus Mining Limited.
Interests in shares and options: 52,082,903 shares indirectly held as at the date of this report.

Justin Charles Werner
Managing Director

Director since 23 December 2010. Appointed Managing Director on 8 August 2014.

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 discovered the highly prospective Romang Island in Indonesia which was acquired by Padiham resources from Robust Resources Limited in November 2014.

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 unlisted public company Nickel Mines Limited.

Other current listed company directorships: None.
Former directorships in the last three years: 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

Peter James Nightingale
Director and Chief Financial Officer
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, Sumatra Cooper & Gold plc and Cockatoo Coal Limited. Mr Nightingale is currently a director of Argent Minerals Limited, Planet Gas Limited and unlisted public companies Nickel Mines Limited and Prospech Limited.

Other current listed company directorships: Argent Minerals Limited and Planet Gas Limited.
Former directorships in the last three years: Cockatoo Coal Limited.
Interests in shares and options: 12,375,000 shares indirectly held as at the date of this report.

Meetings of Directors

Directors	Directors' Meetings	
	Nº eligible to attend	Nº attended
Norman A. Seckold	3	3
Peter J. Nightingale	3	3
Justin C. Werner	3	3

Company Secretary

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

Richard Edwards graduated with a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Governance Institute of Australia, is a member of CPA Australia and holds a Graduate Diploma of Applied Finance and Investment from FINSIA. 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. This has included as Company Secretary and Chief Financial Officer for Sumatra Copper & Gold plc and Callabonna Uranium Limited. He is also Company Secretary of ASX listed Indo Mines Limited and unlisted public companies Nickel Mines Limited and Prospech Limited.

Directors' Report

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
Norman A. Seckold	-	52,082,903
Peter J. Nightingale	-	12,375,000
Justin C. Werner	-	5,568,334
Total	**-**	**70,026,237**

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 there are no unissued ordinary shares of the Company under option.

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 2016 KPMG, the Company's auditor, has not performed other services in addition to their statutory audit duties.

Statutory Audit	**2016** **$**	**2015** **$**
Auditors of the Company		
Audit of annual and interim financial reports - KPMG	63,700	65,250

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

The lead auditor's independence declaration is set out on page 25 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. There are no outstanding options as at 30 June 2016.

There were no remuneration consultants used by the Company during the year ended 30 June 2016, or in the prior year.

Details of Remuneration for the Year Ended 30 June 2016 - (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	Year	Short term	Post-employment	Share based payments	Total	Proportion of remuneration performance related	Value of options as a proportion of remuneration
		Salary and fees $	Superannuation $	Options $	$	%	%
Norman A. Seckold	2016	90,000	-	-	90,000	-	-
	2015	90,000	-	-	90,000	-	-
*Grant L. Kensington	2016	-	-	-	-	-	-
	2015	15,967	-	-	15,967	-	-
Peter J. Nightingale	2016	90,000	-	-	90,000	-	-
	2015	90,000	-	-	90,000	-	-
Justin C. Werner	2016	150,000	-	-	150,000	-	-
	2015	150,000	-	-	150,000	-	-
Total	2016	330,000	-	-	330,000	-	-
Total	2015	345,967	-	-	345,967	-	-

*Grant L. Kensington resigned as a director on 17 November 2014.

Remuneration Report - (Audited) (Cont.)

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:

	2016	2015	2014	2013	2012
Loss attributable to owners of the Company	$832,714	$738,499	$2,316,023	$1,024,118	$9,853,450
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	$0.003	($0.02)	$0.015	($0.025)	($0.15)
Return on capital employed*	(9%)	(8%)	(23%)	(17%)	(153%)

* 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.

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.

No shares were granted to key management personnel during the reporting period as compensation in 2015 or 2016 and there are no options on issue.

Directors' Report

Remuneration Report - (Audited) (Cont.)

Movement in shares

No shares were granted to key management personnel during the reporting period as compensation in 2015 or 2016. The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 July 2015	Purchased shares	Sales	Held at 30 June 2016
Norman A. Seckold	52,082,903	-	-	**52,082,903**
Peter J. Nightingale	12,375,000	-	-	**12,375,000**
Justin C. Werner	5,568,334	-	-	**5,568,334**

Key management personnel	Held at 1 July 2014	Purchased shares	Sales	Held at 30 June 2015
Norman A. Seckold	52,082,903	-	-	**52,082,903**
Grant L. Kensington	1,001,000	-	-	**1,001,000***
Peter J. Nightingale	12,375,000	-	-	**12,375,000**
Justin C. Werner	5,568,334	-	-	**5,568,334**

* Number held at date of resignation on 17 November 2014.

Movement in options

There were no options on issue during the financial year ended 30 June 2016.

The movement during the prior financial year, 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 2014	Granted during period	Lapsed	Vested during period	Held at 30 June 2015
Norman A. Seckold	-	-	-	-	**-**
Grant L. Kensington	1,000,000	-	(1,000,000)	-	**-***
Peter J. Nightingale	-	-	-	-	**-**
Justin C. Werner	-	-	-	-	**-**

* Number held at date of resignation on 17 November 2014.

These key management personnel related entities transacted with the Group during the year as follows:

- During the year ended 30 June 2016, 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 administrative and accounting staff both within Australia and Indonesia, rental accommodation, services and supplies. Fees paid to Mining Services Trust during the year amounted to $292,356 (2015 - $345,099). At 30 June 2016 there were $33 of fees outstanding (2015 - $5,478).

Directors’ Report

Remuneration Report - (Audited) (Cont.)

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 2016 and 2015 financial years year and no amounts were outstanding at the year end (2015 - nil).

Signed at Sydney this 30th day of September 2016 in accordance with a resolution of the Board of Directors.

Justin C. Werner
Managing Director

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 2016, 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

Adam Twemlow
Partner

Brisbane
30 September 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Notes	Consolidated 2016 $	Consolidated 2015 $
Continuing operations			
Administration and consultant expenses		(587,313)	(637,749)
Audit and other professional fees	6	(63,700)	(65,250)
Depreciation and amortisation expenses	6	(6,329)	(5,716)
Directors' and company secretarial fees		(234,000)	(214,000)
Legal fees		(11,965)	(12,268)
Impairment loss - investments		-	(11,550)
Impairment loss - exploration and evaluation expenditure		(59,711)	-
Operating loss before financing income		**(963,018)**	**(946,533)**
Finance income	5	5,015	66,970
Other income		21,223	26,430
Loss before income tax expense		**(936,780)**	**(853,133)**
Income tax expense	8	-	-
Loss after income tax expense		**(936,780)**	**(853,133)**
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		300	(28,050)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		-	11,550
Foreign currency translation		220,439	92,266
Total other comprehensive income		**220,739**	**75,766**
Total comprehensive loss for the year		**(716,041)**	**(777,367)**
Loss is attributable to:			
Owners of the Company		(832,714)	(738,499)
Non-controlling interest		(104,066)	(114,634)
Loss for the year		**(936,780)**	**(853,133)**
Total comprehensive loss is attributable to:			
Owners of the Company		(741,013)	(685,625)
Non-controlling interest		24,972	(91,742)
Total comprehensive loss for the year		**(716,041)**	**(777,367)**
Earnings per share			
Basic and diluted loss per share (cents)	9	**(0.26)**	**(0.23)**

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 2016

	Notes	Consolidated 2016 $	Consolidated 2015 $
Current assets			
Cash and cash equivalents	10	262,657	2,013,672
Trade and other receivables	11	185,521	353,811
Prepayments		69,313	102,843
Total current assets		**517,491**	**2,470,326**
Non-current assets			
Available-for-sale financial assets	12	1,500	1,200
Property, plant and equipment	13	12,307	17,488
Exploration and evaluation expenditure	14	9,517,202	7,098,120
Other assets	15	15,000	15,000
Total non-current assets		**9,546,009**	**7,131,808**
Total assets		**10,063,500**	**9,602,134**
Current liabilities			
Trade and other payables	16	94,135	101,995
Provisions	17	1,185,267	-
Total current liabilities		**1,279,402**	**101,995**
Total liabilities		**1,279,402**	**101,995**
Net assets		**8,784,098**	**9,500,139**
Equity			
Issued capital	18	25,628,095	25,628,095
Reserves	18	74,959	(16,742)
Accumulated losses		(17,173,766)	(16,341,052)
Total equity attributable to equity holders of the Company		**8,529,288**	**9,270,301**
Non-controlling interest		254,810	229,838
Total equity		**8,784,098**	**9,500,139**

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 2016

Attributable to equity holders of the Group	Notes	Issued capital $	Reserves $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2014		**25,628,095**	**32,384**	**(15,704,553)**	**9,955,926**	**271,580**	**10,227,506**
Total comprehensive income for the year							
Loss for the year		-	-	(738,499)	(738,499)	(114,634)	(853,133)
Total other comprehensive income		-	52,874	-	52,874	22,892	75,766
Total comprehensive loss for the year		-	52,874	(738,499)	(685,625)	(91,742)	(777,367)
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners of the Company							
Transfer of expired options	19	-	(102,000)	102,000	-	-	-
Non- Controlling interest on acquisition of subsidiaries		-	-	-	-	50,000	50,000
Balance at 30 June 2015		**25,628,095**	**(16,742)**	**(16,341,052)**	**9,270,301**	**229,838**	**9,500,139**
Balance at 1 July 2015		**25,628,095**	**(16,742)**	**(16,341,052)**	**9,270,301**	**229,838**	**9,500,139**
Total comprehensive income for the year							
Loss for the year		-	-	(832,714)	(832,714)	(104,066)	(936,780)
Total other comprehensive income		-	91,701	-	91,701	129,038	220,739
Total comprehensive loss for the year		-	91,701	(832,714)	(741,013)	24,972	(716,041)
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners of the Company							
Balance at 30 June 2016		**25,628,095**	**74,959**	**(17,173,766)**	**8,529,288**	**254,810**	**8,784,098**

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 2016

	Notes	Consolidated 2016 $	2015 $
Cash flows from operating activities			
Cash payments in the course of operations		(806,889)	(1,166,868)
Interest received		5,015	66,970
Net cash used in operating activities	20	**(801,874)**	**(1,099,898)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(1,461,132)	(2,103,418)
Payments for property, plant and equipment		(202)	(8,793)
Receipt of R&D tax incentive		551,629	633,638
Payments for exploration prospects		-	(150,000)
Net cash used in investing activities		**(909,705)**	**(1,628,573)**
Cash flows from financing activities			
Transaction costs on share issue		-	(152,000)
Net cash used in financing activities		**-**	**(152,000)**
Net decrease in cash held		(1,711,579)	(2,880,471)
Cash and cash equivalents at 1 July		2,013,672	4,898,922
Effect of exchange rate adjustments on cash held		(39,436)	(4,779)
Cash and cash equivalents at 30 June	10	**262,657**	**2,013,672**

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 2016 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 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 2016.

(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) 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(e) - Going concern
- Note 8 - Unrecognised deferred tax asset
- Note 14 - Exploration and evaluation expenditure
- Note 17 - Provisions

(e) Going concern

The 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 recorded a loss attributable to equity holders of the Company of $832,714 for the year ended 30 June 2016 and has accumulated losses of $17,173,766 at 30 June 2016. The Group has cash and cash equivalents of $262,657 at 30 June 2016 and used $2,263,006 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2016. Additional funding will be required to meet the Group's projected cash outflows for a period of 12 months from the date of the Directors' Declaration.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION (Cont.)

(e) Going concern (Cont.)

The Company is also in the process of completing a review of Research & Development claims made for the 2014 and 2015 financial years and the Company is in the process of finalising a voluntary tax amendment and repayment arrangement with the Australian Taxation Office.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- the Group successfully negotiating a suitable repayment arrangement for the R&D tax liability; and
- the Group raising additional funding from shareholders or other parties; and
- 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 successfully negotiates a suitable repayment plan with the Australian Taxation Office for the R&D tax liability, obtains sufficient additional funding from shareholders or other parties and reduces expenditure in-line with available funding.

In the event that the Group does not successfully negotiate a suitable repayment plan with the Australian Taxation Office for the R&D tax liability, obtain additional funding and 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 financial statements.

(f) Changes in 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 entities in the Group.

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
Furniture and fittings	25.0%	Prime cost
Motor vehicles	25.0%	Prime cost
Office equipment	25.0%	Prime cost
Plant and equipment	25% to 37.5%	Prime cost

(e) Research and development

Grants
Where a rebate is received relating to research and development costs that have been expensed, the rebate is recognised as other income when the rebate becomes receivable and the Company complies with all attached conditions. If the research and development costs have been capitalised, the rebate is deducted from the carrying value of the underlying asset when the grant becomes receivable and the Group complies with all attached conditions.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) 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.

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.

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.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Financial instruments (Cont.)

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 Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which 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.

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.

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.

(h) 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.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(h) Tax (Cont.)

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.

(i) Cash and cash equivalents

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

(j) 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.

(k) 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.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(k) Impairment (Cont.)

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.

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.

(l) 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.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(m) 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.

(n) 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.

(o) 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.

Notes to the Consolidated Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(p) 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.

(q) 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 2015, 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.

AASB 9 Financial Instruments

AASB 9 published in July 2014, replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement.* AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group does not plan to adopt this standard early and the standard is not expected to have a significant effect on the 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.

Notes to the Consolidated Financial Statements

	Consolidated 2016 $	Consolidated 2015 $
5 FINANCE INCOME AND FINANCE COSTS		
Recognised in profit or loss		
Interest income on cash deposits	**5,015**	66,970
Net finance income recognised in profit or loss	**5,015**	66,970

	2016 $	2015 $
6 LOSS FOR THE YEAR		
Loss before income tax expense has been determined after:		
Depreciation of non-current assets		
- Plant and equipment	**6,329**	5,716
Foreign exchange gain	**(21,223)**	(51,179)
Remuneration of the auditors of the Company - KPMG		
- Audit of annual and interim financial statements	**63,700**	65,250
Total remuneration of the auditors	**63,700**	65,250

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 Chief Financial Officer 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.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

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	
	2016 **$**	**2015** **$**
Financial assets		
Cash and cash equivalents	**262,657**	2,013,672

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 interest bearing 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.

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

For the year ended 30 June 2016, 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 2016 $	Post tax loss (Higher)/Lower 2015 $	Total equity (Higher)/Lower 2016 $	Total equity (Higher)/Lower 2015 $
+ 1% higher interest rate	**11,382**	34,563	**11,382**	34,563
- 0.5% lower interest rate	**(5,691)**	(17,281)	**(5,691)**	(17,281)

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 Groups functional currency is Australian dollars. The Group is exposed to foreign currency risks due to the fact that the functional currency of its operating subsidiaries PT MME and PT Alexis is in Indonesian Rupiah and the intercompany transfers are denominated in United States Dollars.

The Group's gross financial position exposure to foreign currency risk at 30 June 2016 is as follows:
- US$65,091 (A$87,465) cash at bank;
- IDR154,390,694 (A$15,809) cash at bank;
- IDR221,543,095 (A$22,685) of trade and other payables.

The Group's gross financial position exposure to foreign currency risk at 30 June 2015 is as follows:
- US$25,862 (A$33,784) cash at bank;
- IDR168,152,183 (A$16,474) cash at bank;
- IDR402,936,419 (A$39,476) of trade and other payables.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Market risks (Cont.)

Currency risk

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
AUD	**2016**	**2015**	**2016**	**2015**
IDR	9,916	10,391	9,766	10,207
USD	0.7286	0.8328	0.7442	0.7658

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

For the year ended 30 June 2016, if the exchange rate between the Australian dollar to the United States dollar and Indonesian Rupiah 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 2016 $	Post tax loss (Higher)/Lower 2015 $	Total equity (Higher)/Lower 2016 $	Total equity (Higher)/Lower 2015 $
+ 10% higher AUD to USD exchange rate	**4,003**	1,372	**(4,003)**	(1,372)
- 5% lower AUD to USD exchange rate	**(2,318)**	(794)	**2,318**	794
+ 10% higher AUD to IDR exchange rate	**22,125**	19,137	**(22,125)**	(19,137)
- 5% lower AUD to IDR exchange rate	**(12,810)**	(11,079)	**12,810**	11,079

Price risk

The Group is exposed to equity securities price 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 loss		Impact on other components of equity	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
AFS Investments - 10% price increase	**150**	120	**150**	120
AFS Investments - 10% price decrease	**(150)**	(120)	**(150)**	(120)

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

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Market risks (Cont.)

Price risk (Cont.)

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

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.

At balance date, the Group has available funds of $262,657 for its immediate use.

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 2016						
Trade and other payables	**94,135**	**(94,135)**	**(94,135)**	**-**	**-**	**-**
30 June 2015						
Trade and other payables	101,995	(101,995)	(101,995)	-	-	-

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

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	
	2016	**2015**
	$	**$**
Cash and cash equivalents	**262,657**	2,013,672
Trade and other receivables	**185,521**	353,811
Other financial assets	**15,000**	15,000
	463,178	2,382,483

Other financial assets for the year ended 30 June 2016 and 30 June 2015 represent environmental bonds held with Government Departments.

All financial assets and liabilities are current, with the exception of environmental bonds totalling $15,000 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 except as described below.

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

Receivables

During the year, Augur has, at the Wonogiri project, been incurring expenditures on behalf of PT Smart Resources ('PT Smart'), holder of a 55% interest in PT Alexis Perdana Mineral, holder of the exploration IUP covering Wonogiri. At 30 June 2016, there was a receivable amount of $167,436 outstanding (2015 - $310,609). At 30 September 2016, monies owed by PT Smart Resources at 30 June 2016 had been fully repaid.

Cash and cash equivalents

The Group held cash and cash equivalents of $262,657 at 30 June 2016 (2015 - $2,013,672), 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 Aa2 ($209,669) to ba2 ($52,988), 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.

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 2016				
Available-for-sale financial assets	**1,500**	**-**	**-**	**1,500**
30 June 2015				
Available-for-sale financial assets	1,200	-	-	1,200

Notes to the Consolidated Financial Statements

7 FINANCIAL INSTRUMENTS (Cont.)

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 2016 and 30 June 2015.

	Consolidated	
	2016	**2015**
	$	**$**
8 INCOME TAX		
Current tax expense		
Current year	**(274,202)**	(250,111)
Tax losses not recognised	**274,202**	250,111
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(936,780)**	(853,133)
Prima facie income tax benefit at the Australian tax rate of 30% (2015 - 30%)	**(281,034)**	(255,940)
Increase in income tax expense due to:		
Non-deductible expenses	**89,849**	71,389
Tax losses not recognised	**274,202**	250,111
Effect of net deferred tax assets not brought to account	**(83,017)**	(65,560)
Income tax expense	**-**	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Taxable temporary differences (net)	**(275,636)**	(212,916)
Tax losses	**2,103,695**	1,413,701
Net	**1,828,059**	1,200,785

Deferred tax assets have not been recognised in respect of these items because it is not considered probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

9 LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

Net loss for the year attributable to equity holders of the Company	**(832,714)**	(738,499)
	Nº of shares	**Nº of shares**
Weighted average number of ordinary shares (basic and diluted)		
- Issued ordinary shares at the beginning of the year	**315,818,198**	315,818,198
Weighted average number of shares at the end of the year	**315,818,198**	315,818,198

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

Notes to the Consolidated Financial Statements

	Consolidated 2016 $	Consolidated 2015 $
10 CASH AND EQUIVALENTS		
Cash at bank	**262,657**	2,013,672
Cash and cash equivalents in the statement of cash flows	**262,657**	2,013,672

11 TRADE AND OTHER RECEIVABLES

Current		
GST receivable - Australia	**18,085**	18,223
Other receivables	**167,436**	335,588
	185,521	353,811

12 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Equity investments – available-for-sale at fair value	**1,500**	1,200

The Company holds 150,000 shares in Stonewall Resources Limited. At 30 June 2016, the directors compared the carrying value of the investment to market value and determined no adjustment to the carrying value was required. This followed a $300 gain recorded in equity at 31 December 2015 (2015 - $16,500 equity reduction). This was based on a closing bid price of 1.0 cent at 30 June 2016 (2015 – 0.8 cents).

13 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment		
At cost	**25,575**	25,370
Less accumulated depreciation	**(21,778)**	(19,535)
Exchange movements	**357**	122
Total plant and equipment	**4,154**	5,957
Motor vehicles		
At cost	**444**	444
Less accumulated depreciation	**(444)**	(444)
Exchange movements	**-**	-
Total motor vehicles	**-**	-
Office equipment		
At cost	**29,410**	29,410
Less accumulated depreciation	**(22,709)**	(18,866)
Exchange movements	**975**	294
Total office equipment	**7,676**	10,838

Notes to the Consolidated Financial Statements

13 PROPERTY, PLANT AND EQUIPMENT (Cont.)

	Consolidated 2016 $	Consolidated 2015 $
Furniture and fittings		
At cost	**925**	925
Less accumulated depreciation	**(493)**	(249)
Exchange movements	**45**	17
Total furniture and fittings	**477**	693
Total property plant and equipment	**12,307**	17,488

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 $	Motor vehicles $	Office equipment $	Furniture and fittings $	Total $
Balance at 1 July 2014, net	683	386	11,398	508	12,975
Reclassification	1,055	-	(1,055)	-	-
Additions	5,592	-	2,848	353	8,793
Depreciation expense	(2,017)	(421)	(3,053)	(225)	(5,716)
Exchange movements	644	35	700	57	1,436
Balance at 30 June 2015, net	5,957	-	10,838	693	17,488

Consolidated	Plant and equipment $	Motor vehicles $	Office equipment $	Furniture and fittings $	Total $
Balance at 1 July 2015, net	5,957	-	10,838	693	17,488
Additions	205	-	-	-	205
Depreciation expense	(2,242)	-	(3,843)	(244)	(6,329)
Exchange movements	234	-	681	28	943
Balance at 30 June 2016, net	**4,154**	**-**	**7,676**	**477**	**12,307**

Notes to the Consolidated Financial Statements

14 EXPLORATION AND EVALUATION EXPENDITURE

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

New South Wales – opening balance	**1,006,681**	958,479
Additions	**145,283**	48,202
Net book value	**1,151,964**	1,006,681
Indonesia – opening balance	**6,091,439**	4,734,671
Additions	**1,597,832**	1,918,207
R&D tax incentive rebate (refer Note 17)	**633,638**	(633,638)
Impairment	**(59,711)**	-
Exchange movements	**102,040**	72,199
Net book value	**8,365,238**	6,091,439
	9,517,202	7,098,120

Exploration programs in each area of interest continue but have not reached a stage which permits a reasonable assessment of economically recoverable reserves. 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 the Group assessed its exploration and evaluation expenditure assets for impairment and recorded $59,711 of impairment relating to the Biyonga and Tahele properties in Indonesia.

	Consolidated	
	2016	**2015**
	$	**$**
15 OTHER ASSETS		
Non-current		
Environmental bonds	**15,000**	15,000
16 TRADE AND OTHER PAYABLES		
Current		
Trade creditors	**69,135**	71,995
Sundry creditors and accruals	**25,000**	30,000
	94,135	101,995
17 PROVISIONS		
Current		
Provision for taxes payable [1]	**1,185,267**	-

[1] Subsequent to the end of the year a review of the R&D claims made by the Company for the 2014 and 2015 financial years indicated that the claims do not meet the criteria of eligible R&D expenditure. Consequently the Company has taken up a provision equal to the estimated amount repayable were it to be determined that there was no eligible R&D expenditure claimable. There is uncertainty in relation to interest and penalties, if any, which may be payable in relation to these R&D claims. In the event that interest and penalties are payable, the Directors do not consider these amounts to be material to the 30 June 2016 financial statements.

The Company is in the process of finalising a voluntary tax amendment with the Australian Taxation Office and will then seek to enter into a repayment arrangement with the Australian Taxation Office.

Notes to the Consolidated Financial Statements

18 CAPITAL AND RESERVES

Share capital

315,818,198 (2015 - 315,818,198) fully paid ordinary shares	**25,628,095**	25,628,095

	2016		2015	
Ordinary shares	**Nº of shares**	**$**	**Nº of shares**	**$**
Balance at the beginning of the year	**315,818,198**	**25,628,095**	315,818,198	25,628,095
Balance at the end of the year	**315,818,198**	**25,628,095**	315,818,198	25,628,095

Terms and conditions - shares

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

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.

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.

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

	Consolidated	
	2016	**2015**
	$	**$**
Fair value reserve	**300**	-
Foreign currency translation reserve	**74,659**	(16,742)
	74,959	(16,742)
Non-controlling interest	**254,810**	229,838

Movements during the period

Fair value reserve

Balance at beginning of period	**-**	16,500
Net change in fair value of available-for-sale financial assets	**300**	(16,500)
Balance at end of period	**300**	-

Notes to the Consolidated Financial Statements

18 CAPITAL AND RESERVES (Cont.)

Foreign currency translation reserve

Balance at beginning of period	**(16,742)**	(86,116)
Currency translation differences	**91,401**	69,374
Balance at end of period	**74,659**	(16,742)

Option premium reserve

Balance at beginning of period	**-**	102,000
Transfer of expired options	**-**	(102,000)
Balance at end of period	**-**	-

Non-controlling interests

Balance at beginning of period	**229,838**	271,580
Current period loss	**(104,066)**	(114,634)
Share of foreign currency translation reserve	**129,038**	22,892
Initial recognition of non-controlling interest on acquisition	**-**	50,000
Balance at end of period	**254,810**	229,838

19 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 2016 no options were issued under Executive Share Option Plan (2015 - nil).

Options outstanding at 30 June 2016

No options were outstanding at 30 June 2016.

Options outstanding at 30 June 2015

No options were outstanding at 30 June 2015.

Notes to the Consolidated Financial Statements

19 SHARE BASED PAYMENTS (Cont.)

Movement of options during the year ended 30 June 2015

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
1,000,000	-	-	-	(1,000,000)	-	-
1,000,000	**-**	**-**	**-**	**(1,000,000)**	**-**	**-**

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
$0.265	**-**	**-**	**-**	**$0.265**	**-**	**-**

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.

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.

20 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities		
Loss from ordinary activities after income tax	**(936,780)**	(853,133)
Adjustments for:		
Depreciation	**6,329**	5,716
Impairments	**59,711**	11,550
Effect of exchange rate adjustments	**39,436**	4,779
Changes in assets and liabilities:		
Trade and other receivables	**(37,360)**	77,169
Prepayments	**33,530**	(63,170)
Trade and other payables	**33,260**	(282,809)
Net cash used in operating activities	**(801,874)**	(1,099,898)

Notes to the Consolidated Financial Statements

21 RELATED PARTIES

Parent and ultimate controlling party

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

Key management personnel compensation

Information regarding individual key management personnel's compensation and some equity instruments disclosures as required by the *Corporations Act* and *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 2016 there were $27,500 of fees outstanding (2015 - $7,500).

Primary fees/salary	**330,000**	345,967

Key management personnel and director transactions

The following key management personnel holds a position in another entity that results in them having control or joint control over the financial or operating policies of that entity, and this entity transacted with the Company during the year as follows:

- During the year, Norman Seckold and Peter 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 $292,356 (2015 - $345,099). At 30 June 2016, there were $33 of fees outstanding (2015 - $5,478).

Notes to the Consolidated Financial Statements

22 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 2016, the Group had two segments, being minerals exploration in NSW and Indonesia.

The Group has two reportable geographical segments as follows:

	NSW $	Indonesia $	Total $
30 June 2016			
External revenues	-	-	**-**
Reportable segment loss before tax	-	(298,895)	**(298,895)**
Interest income			
Profit on sale of interest in tenement			
Depreciation and amortisation	-	(6,329)	**(6,329)**
Impairment of exploration and evaluation expenditure	-	(59,711)	**(59,711)**
Reportable segment assets	1,168,464	8,526,257	**9,694,721**
Reportable segment liabilities	-	22,685	**22,685**
30 June 2015			
External revenues	-	-	**-**
Reportable segment loss before tax	(12,063)	(225,595)	**(237,658)**
Interest income	-	-	**-**
Depreciation and amortisation	-	(5,249)	**(5,249)**
Impairment of exploration and evaluation expenditure	-	-	**-**
Reportable segment assets	1,022,881	6,327,935	**7,350,816**
Reportable segment liabilities	-	39,475	**39,475**

Notes to the Consolidated Financial Statements

22 SEGMENT INFORMATION (Cont.)

	Consolidated	
Reconciliations of reportable segment revenues and profit or loss	**2016**	2015
	$	$
Profit or loss		
Total loss for reportable segments	**(298,895)**	(237,658)
Unallocated amounts:		
Interest income	**5,015**	66,970
Other income	**21,223**	26,430
Net other corporate expenses	**(664,123)**	(708,875)
Consolidated loss before tax	**(936,780)**	(853,133)

Reconciliations of reportable assets and liabilities		
Assets		
Total assets for reportable segments	**9,694,721**	7,350,816
Unallocated corporate assets	**368,779**	2,251,318
Consolidated total assets	**10,063,500**	9,602,134
Liabilities		
Total liabilities for reportable segments	**22,685**	39,475
Unallocated corporate liabilities	**1,256,717**	62,520
Consolidated total liabilities	**1,279,402**	101,995

Geographical information

In presenting information on the basis of geography, segment revenue and segment assets are based on the geographical location of the operations.

23 COMMITMENTS AND CONTINGENCIES

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

Notes to the Consolidated Financial Statements

24 PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2016 the parent and ultimate controlling entity of the Group was Augur Resources Ltd.

	Company	
	2016	**2015**
	$	**$**
Result of the parent entity:		
Net loss	**(3,016,696)**	(627,539)
Other comprehensive income	**-**	-
Total comprehensive loss	**(3,016,696)**	(627,329)
Financial position of the parent entity:		
Current assets	**368,780**	2,317,055
Non-current assets	**1,148,958**	1,022,881
Total assets	**1,517,738**	3,339,936
Current liabilities	**1,256,717**	62,519
Total liabilities	**1,256,717**	62,519
Net assets	**261,021**	3,277,417
Total equity of the parent entity:		
Share capital	**25,628,095**	25,628,095
Investment premium reserve	**300**	-
Accumulated losses	**(25,367,374)**	(22,350,678)
Total equity	**261,021**	3,277,417

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.

25 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the year, the Company engaged Chartered Accountants Economos Pty Ltd ('Economos') to conduct a review of the R&D Tax Incentive refund claims made by Augur for the 2014 and 2015 financial years, which Augur made based on its previous tax agent's advice. Economos's preliminary advice indicates that the claims were based on incorrect advice and that certain expenditures claimed do not meet the criteria of eligible R&D expenditure. Consequently, Augur is in the process of finalising a voluntary tax amendment and repayment arrangement with the Australian Taxation Office.

Subsequent to the end of the year the Company completed an updated internal Scoping Study for the Randu Kuning deposit at the Wonogiri project taking into account the significantly enhanced project economics resulting from the aggregate potential of the project, metallurgical studies and current costings for fuel and equipment.

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

Notes to the Consolidated Financial Statements

26 GROUP ENTITIES

Particulars in relation to controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2016	2015
		%	%
Parent entity			
Augur Resources Ltd	Australia	-	-
Controlled entities			
Augur Investments Pty Limited	Australia	100	100
Bugis Pty Ltd	Australia	100	100
Goron Pty Ltd	Australia	100	100
MMG Exploration Singapore (Number One) Pte. Ltd.	Singapore	80	80
MMG Exploration Singapore (Number Two) Pte. Ltd.	Singapore	80	80
PT Alexis Perdana Mineral	Indonesia	45	45
PT Explorasi Indonusa Jaya	Indonesia	80	80
PT Gunung Mulia Mineral	Indonesia	80	80
PT Multi Mineral Explorasi	Indonesia	80	80
PT Oxindo Exploration	Indonesia	80	80
PT Panah Emas	Indonesia	80	80
Solindo Pty Ltd	Australia	100	100
Wonogiri Pty Ltd	Australia	100	100

27 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 26 to 55, and the Remuneration Report in the Directors Report, as set out on pages 21 to 24, 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 2016 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 2016.

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.

Signed at Sydney this 30th day of September 2016 in accordance
with a resolution of the Board of Directors.

Justin C. Werner
Managing Director

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 2016, 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 27 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(a), 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*.

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 2016 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(a).

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 2(e), 'Going Concern' in the financial report. The conditions disclosed in note 2(e), including the need to negotiate a suitable repayment arrangement for the Research & Development tax liability; raise additional funding from shareholders or other parties; and reduce 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 21 to 24 of the Directors' Report for the year ended 30 June 2016. 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 2016 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG
30 September 2016
Brisbane

Adam Twemlow
Partner

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 2015.

Distribution of Equity Securities

ORDINARY SHARES		
Range	**Number of Holders**	**Number of Shares**
1 - 1,000	35	5,956
1,001 - 5,000	56	183,646
5,001 - 10,000	109	1,025,750
10,001 - 100,000	174	7,327,788
100,001 - 9,999,999	122	307,275,058
Total	**496**	**315,818,198**

The number of shareholders holding less than a marketable parcel is 310.

Twenty Largest Shareholders

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

Nº	ORDINARY SHARES SHAREHOLDER	Nº OF SHARES	TOTAL %
1	PT Archi Indonesia	110,536,400	35.00
2	Permgold Pty Ltd	52,082,903	16.49
3	Citicorp Nominees Pty Ltd	13,565,985	4.30
4	Rosignol Pty Ltd <Nightingale Family A/C>	12,375,000	3.92
5	HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	10,203,854	3.23
6	Oon Peng Lim	10,000,000	3.17
7	Rigi Investments Pty Limited <The Cape A/C>	6,500,000	2.06
8	HSBC Custody Nominees (Australia) Limited	5,700,190	1.80
9	Company Fifty Pty Ltd <McDonald Super Fund A/C>	5,185,423	1.64
10	Ichiya Co Ltd	4,947,102	1.57
11	JP Morgan Nominees Australia Limited	3,333,334	1.06
12	BNP Paribas Nominees Pty Ltd <Jarvis A/C Non Treaty DRP>	3,323,333	1.05
13	R & C Australia Pty Ltd	3,050,000	0.97
14	Mrs Susan Holt	2,796,896	0.89
15	BNP Paribas Nominees Pty Ltd < UOB Kay Hian Priv Ltd DRP>	2,740,000	0.87
16	Mr Robert Simeon Lord	2,550,000	0.81
17	Adi Wijoyo	2,500,000	0.79
18	Quality Life Pty Ltd <The Bruce Neill Family A/C>	2,325,000	0.74
19	John Wardman & Associates Pty Ltd <The Wardman Super Fund A/C>	2,100,000	0.66
20	PT Bestindo Kwadratama	2,083,333	0.66
	Total	**257,898,753**	**81.66**

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	PT Archi Indonesia	110,536,400	35.00
2	Permgold Pty Ltd	52,082,903	16.49

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.

Tenement Schedule

Project	Tenement number	Interest %
Australia		
Collerina	EL 6336	100%
Yeoval	EL 6311 and ML 811	25%
Indonesia		
Wonogiri	IUP No. 545.21/054/2009	45%
Biyonga	IUP No. 66 Tahun/2009	80%
Tahele	IUP No.540/DPEBB/II/V/2010	80%
Tapadaa	IUP No.540/DPEBB/286/VIII/2009	80%
Toluludu	IUP NO.65 Tahun/2010	80%

Augur Resources Ltd
ABN 79 106 879 690

Corporate Directory

Directors:

Mr Norman A. Seckold (Chairman)
Mr Justin C. Werner (Managing Director)
Mr Peter J. Nightingale

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
Level 4, 60 Carrington Street
SYDNEY NSW 2000

Phone:	1300 787 272
Overseas Callers:	61-3 9415 4000
Fax:	61-3 9473 2500

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000