AUGUR Resources Ltd

ABN 79 106 879 690

Interim Financial Report

for the half-year ended 31 December 2016

Corporate Information

ABN 79 106 879 690

Directors
Norman A. Seckold - Chairman
Justin C. Werner – Managing Director
Peter J. Nightingale - Director

Company Secretary
Richard J. Edwards

Principal Place of Business and Registered Office
Level 2, 66 Hunter Street
Sydney NSW 2000
Australia

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

Bankers
Westpac Bank
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Minter Ellison
88 Phillip Street
Sydney NSW 2000

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117 Victoria Street
West End QLD 4101

Contents

Augur Resources Ltd and its controlled entities

Directors' Report

The Directors of Augur Resources Ltd ('Augur' or 'the Company') and its subsidiaries ('the Group') submit their report for the half-year ended 31 December 2016 and the Audit report thereon.

DIRECTORS

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

Norman A. Seckold – Director since 30 November 2009
Peter J. Nightingale – Director since 30 November 2009
Justin C. Werner – Director since 23 December 2010

RESULTS

The loss of the Group for the half-year after providing for income tax amounted to $505,103 (2015 - loss of $434,547).

REVIEW OF OPERATIONS

The Augur Group is a resource development group, with a focus on the Wonogiri gold and copper project in Indonesia and the Gorontalo properties, which are exploration properties in Gorontalo, North Sulawesi. The Group also has an interest in the Collerina project in central New South Wales and during the half-year incorporated a a wholly-owned subsidiary company Carlin Resources Pty Ltd to undertake exploration of gold-silver mineral tenements in Chile and Argentina.

Indonesia

Wonogiri Project (45% owned by Augur)

The 3,928 hectare Wonogiri project, one of the latest major discoveries in the highly mineralised Indonesian archipelago, is located in central Java.

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. The surrounding area has grid power, a large dam and numerous river and stream systems. Altitude of the Randu Kuning deposit is at approximately 200 metres above sea level.

The surface area above the Randu Kuning deposit has no forestry restrictions.

Detailed exploration has defined the Randu Kuning gold-copper porphyry deposit. Based on the updated JORC 2012 compliant resource estimate that was released during the half-year (see ASX announcement 9 September 2016), at 0.2g/t AuEq[1] cut-off grade the total contained resource is 81.56 million tonnes at 0.38g/t Au and 0.11% copper. This represents 1.15 million ounces of AuEq consisting of 996.5 thousand ounces of gold and 190 million pounds of copper. The deposit remains open at depth. Together with JV partner Rajawali and Indonesian consulting group Geomine, the Company has completed the submission of an Indonesian-compliant feasibility study for development of the Randu Kuning deposit at Wonogiri.

Resource Class	Tonnes (million)	AuEq (g/t)	Au (g/t)	Cu (%)	AuEq (million ounces)	Au (million ounces)	Cu (million pounds)	Cut off (AuEq g/t)
Measured	21.59	0.77	0.69	0.15	0.534	0.479	71.2	0.2
Indicated	3.08	0.58	0.56	0.09	0.057	0.055	6.1	0.2
Inferred	56.89	0.31	0.25	0.09	0.567	0.457	112.6	0.2
Total	**81.56**	**0.44**	**0.38**	**0.11**	**1.15**	**0.996**	**190.0**	**0.2**

JORC 2012 resource estimate of the Randu Kuning deposit within the Wonogiri project.

Category	cog g/t AuEq	Tonnes Millons	g/t AuEq	g/t Au	% Cu
MEASURED	1.0	4.88	1.36	1.28	0.23
	0.9	6.10	1.28	1.20	0.22
	0.8	7.73	1.18	1.11	0.21
	0.7	10.00	1.09	1.01	0.20
	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
	0.3	20.58	0.79	0.72	0.16
	0.2	21.59	0.77	0.69	0.15
INDICATED	1.0	0.25	1.37	1.39	0.16
	0.9	0.31	1.28	1.29	0.15
	0.8	0.43	1.16	1.17	0.15
	0.7	0.60	1.04	1.04	0.14
	0.6	0.92	0.90	0.89	0.12
	0.5	**1.67**	**0.74**	**0.73**	**0.11**
	0.4	2.43	0.65	0.64	0.10
	0.3	2.91	0.60	0.58	0.09
	0.2	3.08	0.58	0.56	0.09
INFERRED	1.0	0.10	1.37	1.49	0.09
	0.9	0.19	1.15	1.18	0.13
	0.8	0.80	0.92	0.91	0.13
	0.7	1.10	0.87	0.86	0.12
	0.6	1.90	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
	0.3	22.07	0.42	0.35	0.11
	0.2	56.89	0.31	0.25	0.09
TOTAL	1.0	5.22	1.36	1.29	0.23
	0.9	6.61	1.27	1.20	0.22
	0.8	8.95	1.16	1.09	0.20
	0.7	11.70	1.06	1.00	0.19
	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
	0.3	45.56	0.60	0.53	0.13
	0.2	81.56	0.44	0.38	0.11

Exploration of several adjacent porphyry-related Au-Cu occurrences has identified two prospect areas that warrant further detailed exploration.

Indonesian Scoping and Feasibility Studies

During the half-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.

Together with JV partner Rajawali and Indonesian consulting group Geomine, the Company submitted a feasibility report as required by the Indonesian Ministry of Mines & Energy (ESDM). Due to the current restrictions of the export of copper concentrates, the report provided detailed information for a proposed gold-only operation involving open-pit mining to produce gold bullion via gravity and CIL processing of ore. Under this scenario no by-product copper would be recovered. Under the current Indonesian Mining Law, the export of less than 99.99% copper is not permitted unless direct approval from the Indonesian Government is obtained and export tariffs paid. As such, the Company is in discussions with several domestic groups in regards to offtake of Wonogiri concentrate.

The feasibility study was approved by the ESDM and, the Company has now commenced its AMDAL (environmental impact study) which it aims to complete by mid-year, subject to approval of its AMDAL the Company will then receive a 20 year, plus a 10 year extension, mining operation IUP which would allow it to commence development of the Wonogiri mine.

However, it is the intention of the Company, pending completion of ongoing metallurgical tests, to determine the feasibility of production of a copper-gold concentrate via a gravity + flotation process flowsheet. This will also take into account potential revisions to the current Indonesian mining law regulations. The Company is also assessing the availability and suitability of second-hand processing plants for use at the Wonogiri project.

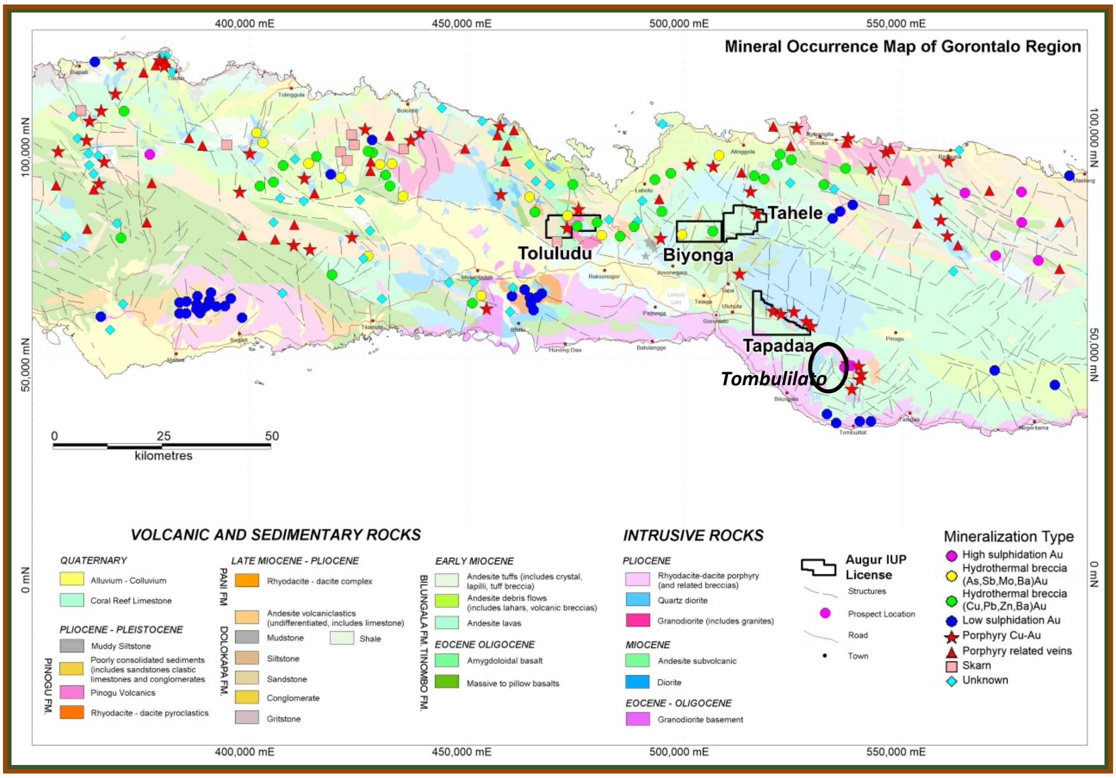
Wonogiri Metallurgical Studies

Additional testwork was started in mid-September 2016 to optimise recoveries of copper and gold via combined gravity and flotation processing to produce a gold-rich, copper concentrate. The current testing has established a baseline flowsheet and remaining work will involve locked cycle flotation tests. This work will indicate what recoveries and concentrate grades might be expected under actual operating conditions. The work is being completed at PT. Geoservices in Cikarang, West Java under the supervision of consultant Dr. Mark Steemson.

Aggregate Evaluation

The Central Java Provincial Government recently issued an exploration IUP for aggregate to the Joint Venture company. The area of the IUP covers both the Randu Kuning gold-copper deposit area and an area identified for a stand-alone quarry development adjacent to the deposit. The next step is to obtain an IUP Production permit to allow for quarry development. This requires completion of a base-line environmental study and a feasibility study, both of which will commence during the March 2017 quarter. The Company is also in discussions with aggregate users regarding potential offtake agreements.

Gorontalo Properties (80% owned by Augur)



Geologic map of the Gorontalo region showing Augur's IUP property locations and also locations of known mineral occurrences. The Tombulilato porphyry copper-gold deposit area currently in feasibility is also shown.

Due to exploration results and revised National Park boundaries the Biyonga and Tahele IUPs have been submitted for relinquishment. Consequently the Company will not have to pay further holding costs. However, the Toluludu and Tapadaa IUPs have recently been extended by the Central Government until July 2018 allowing for two more years of exploration activity before being converted to production status. No exploration activities were undertaken at these projects during the half-year. The Company is currently discussing potential joint ventures of these properties.

Australia

Collerina (EL 6336 - 100% owned by Augur and subject to farm-out agreement)

The central and western region of NSW hosts a number of world class deposits including the Cadia, Ridgeway and Northparkes deposits. At the Collerina project, located 40 kilometres south of Nyngan, Augur has defined a JORC compliant resource estimate for the Homeville nickel-cobalt deposit of 16.3 Mt at 0.93% nickel and 0.05% cobalt comprised of 4.4 Mt of Indicated Resource at 0.99% nickel and 0.06% cobalt and 11.9 Mt of Inferred Resource at 0.91% nickel and 0.05% cobalt of (using a 0.7% nickel cut-off)[2].

An estimated 40 shallow drill hole program is planned at the Collerina nickel-cobalt project to further define this resource which remains open at depth and along strike.

Counter-current atmospheric leaching testwork undertaken by the Company on Collerina ore has returned overall nickel recoveries of 90% and cobalt recoveries of 96% with very low overall acid consumption of 710 kg/tonne ore.

To further advance this testwork, the Company will further evaluate the Cobalt Manganese Nickel Direct SX Technology (CMN) which separates cobalt and nickel, to produce a high purity cobalt carbonate, cobalt sulphate or cobalt metal product and nickel cathodes.

Another opportunity that has been identified is the potential to recover about 1/3 of the aluminium in the ore as a high purity alumina (HPA) product. This would generate revenue exceeding the combined value of nickel and cobalt. This further testwork would involve counter-current atmospheric leaching or pressure leaching with sulphuric acid, followed by iron precipitation and forwarding of samples for solvent extraction testwork by Canopean Pty Ltd for the CMN process.

An alternative process option is the Direct Nickel nitric acid technology which has not been previously tested by the Company. The advantages this technology for an inland site are chiefly logistics. More than 90% of the nitric acid is regenerated in the process, minimising acid make-up, and the same process produces magnesia, MgO, from the magnesium contained in the ore which is subsequently used for all of the process pH control steps, eliminating the need for purchased limestone and lime. A variation of the CMN technology can be combined with the Direct Nickel nitric acid technology to separate cobalt from nickel. Recovery of aluminium as HPA is also possible with this process.

Based on the Collerina project's high grade and low stripping ratio, excellent leach characteristics and recoveries when compared to other Australian laterite projects and access to infrastructure and logistics the Company aims to advance the project to a scoping study stage during 2017.

South America

As detailed in the ASX announcement of 25 January 2017, the Company has incorporated a new wholly-owned subsidiary company, Carlin Resources Pty Ltd ('Carlin'), to undertake exploration of properties in Chile and Argentina. The properties were selected after evaluation of numerous mineral properties in Chile, Argentina and Peru. Due diligence property site visits are underway.

Becker Project – Talca District, Region VII Chile

The Company continues its review of exploration properties in Chile and Argentina. Following the completion of due diligence exploration of the Becker property in Region VII of Chile, a decision has been reached by the Company to exercise its option and proceed to a Joint Venture Earn-in agreement.

The 2,000 hectare Becker property covers 2 zones of intermediate to low sulphidation epithermal gold-silver veining that were discovered in 1995. The two zones extend over a strike length of approximately 3.0 kilometres. No geophysics or drilling have been completed.

Previous exploration of the main Veta Lajuelas prospect in late 1995 by Arauco Resources Corporation returned anomalous gold values along the entire trend, with maximum values ranging from 23.5 g/t Au to 79.0 g/t Au. Follow-up geological mapping and geochemistry at the time encountered a total of 11 individual, steeply-dipping, massive, drusy and bladed textured, quartz veins over a total strike length of 350 metres and widths varying from 0.5 to 7.5 metres, with associated quart-sericite-carbonate replacement of andesitic wall rocks. Extensive hand pitting and backhoe trenching across the veins along strike returned 12.2 g/t Au over 3.0 metres, 9.6 g/t Au over 7.5 metres and 4.5 g/t Au over 2.5 metres.

Tres Cerros Properties – Patagonia Region, Argentina

Carlin has also entered into an exclusive option to 31 March 2017 to complete evaluation of eight mineral properties in the Patagonia region of southern Argentina - four properties totalling 54,500 hectares in Rio Negro Province and four properties totalling 23,500 hectares in Santa Cruz Province. Subsequent to the option period, Carlin will have 15 days to finalise individual Joint Venture Agreements for selected properties.

Augur Resources Ltd and its controlled entities

Directors' Report

The Patagonia region was targeted by Carlin due to the region's large gold-silver mineral endowment hosted within Jurassic-aged volcanic rocks of the Deseado and Somuncura Massifs. The Deseado Massif in Santa Cruz Province in particular is a world-class gold-silver region hosting several operating and developing gold–silver mines, and advanced projects. These include; Goldcorp's Cerro Negro mine, Anglogold-Ashanti's Cerro Vanguadia mine, Pan American Silver's Manantial Espejo mine, the Cerro Moro (Yamana), Don Nicolas (CIMINAS), mine developments, and Coeur Mining's Joaquin silver advanced project.

CORPORATE ACTIVITIES

Research & Development Tax Incentive

As previously advised during the half-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 concluded and Economos's advice is that the claims were based on incorrect advice and that all expenditures claimed do not meet the criteria of eligible R&D expenditure. Consequently, Augur made a voluntary tax amendment and entered into a repayment arrangement with the Australian Taxation Office that will allow the Company to continue with the ongoing development of its projects.

The Company has also reached a settlement with a previous tax advisor regarding incorrect advice, which resulted in a settlement payment to the Company in February 2017.

Competent Person Statement

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.

[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/oz and a copper price of US$5,500/t. 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)

[2] Nickel Equivalent Calculation for Homeville JORC Resource

Where reported, Nickel Equivalent results are calculated using a nickel price of $9/lb and a cobalt price of $13/lb. In calculating Nickel Equivalents, nickel and cobalt recoveries are assumed to be 100%. 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 Homeville project was to undergo processing. The Homeville Resource was announced under JORC 2004. See ASX announcement on 23 June 2011 for full details. Augur is not aware of any new information or date that materially affects the information in this announcement.

SUBSEQUENT EVENTS

Subsequent to the end of the half-year, the Company successfully concluded a payment arrangement with the Australian Taxation Office to pay the shortfall amount arising from the Company's 2014 and 2015 R&D claims over a period of 18 months. The Company also successfully concluded a settlement with its previous tax advisors to cover some of the costs, including interest charges, arising from the need to amend the R&D claims, resulting in a settlement payment to the Company in February 2017.

Subsequent to the end of the half-year, the Company received firm placement commitments from sophisticated and professional investors to raise up to $1,200,000 (before paying associated costs) from a 2 tranche share placement. Tranche 1 of $473,727 was raised under the Company's existing placement capacity in accordance with ASX Listing Rule 7.1 and Tranche 2 of $726,273 has received firm placement commitments from sophisticated and professional investors. The issue of securities under Tranche 2 will be put before shareholders for approval at an EGM expected to be held on 24 April 2017.

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.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 11 as required under Section 307C of the *Corporations Act 2001* is attached to and forms part of the Directors' Report for the half-year ended 31 December 2016.

Signed in accordance with a resolution of the Directors.

Norman A. Seckold
Chairman
Sydney, 16 March 2017

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

To the Directors of Augur Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the half-year ended 31 December 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

16 March 2017

Augur Resources Ltd and its controlled entities
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016

	31 December 2016 $	31 December 2015 $
Continuing operations		
Administration and consultants' expenses	**(259,651)**	(275,733)
Audit and other professional fees	**(39,500)**	(32,000)
Depreciation	**(924)**	(2,710)
Director and company secretarial fees	**(117,000)**	(177,000)
Exploration and evaluation expenses – pre-licence costs	**(41,504)**	-
Legal expenses	**(19,376)**	-
Other expenses from ordinary activities	**(8,125)**	(9,178)
Operating loss before financing income	**(486,080)**	**(496,621)**
Finance income / (expense)	**(19,023)**	62,074
Net finance income / (expense)	**(19,023)**	**62,074**
Loss before income tax	**(505,103)**	**(434,547)**
Income tax	**-**	**-**
Loss for the period	**(505,103)**	**(434,547)**
Other comprehensive income for the period		
Items that may be classified subsequently to profit or loss		
Net change in fair value of available for sale financial assets	**900**	300
Foreign currency translation	**17,534**	27,371
Total other comprehensive income	**18,434**	**27,671**
Total comprehensive loss for the period	**(486,669)**	**(406,876)**
Loss attributable to:		
Owners of the Company	**(462,436)**	(379,081)
Non-controlling interest	**(42,667)**	(55,466)
Loss for the period	**(505,103)**	**(434,547)**
Total comprehensive loss attributable to:		
Owners of the Company	**(470,529)**	(363,996)
Non-controlling interest	**(16,140)**	(42,880)
Total comprehensive loss for the period	**(486,669)**	**(406,876)**
Earnings per share		
Basic and diluted loss per share attributable to ordinary equity holders (cents per share)	**(0.15)**	(0.12)

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

Augur Resources Ltd and its controlled entities
Condensed Consolidated Interim Statement of Financial Position
as at 31 December 2016

	Note	31 December 2016 $	30 June 2016 $
Current assets			
Cash and cash equivalents		**101,529**	262,657
Trade and other receivables		**266,620**	185,521
Prepayments		**91,928**	69,313
Total current assets		**460,077**	**517,491**
Non-current assets			
Available-for-sale financial assets		**2,400**	1,500
Property, plant and equipment		**9,238**	12,307
Exploration and evaluation expenditure	3	**10,202,543**	9,517,202
Other Assets		**15,000**	15,000
Total non-current assets		**10,229,181**	**9,546,009**
Total assets		**10,689,258**	**10,063,500**
Current liabilities			
Trade and other payables		**463,152**	94,135
Taxes payable	6	**717,587**	1,185,267
Total current liabilities		**1,180,739**	**1,279,402**
Non-current liabilities			
Taxes payable	6	**538,158**	-
Total non-current liabilities		**538,158**	-
Total liabilities		**1,718,897**	**1,279,402**
Net assets		**8,970,361**	**8,784,098**
Equity			
Issued capital	4	**25,628,095**	25,628,095
Reserves		**66,866**	74,959
Accumulated losses		**(17,636,202)**	(17,173,766)
Total equity attributable to equity holders of the Company		**8,058,759**	**8,529,288**
Non-controlling interest	9	**911,602**	254,810
Total equity		**8,970,361**	**8,784,098**

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

Augur Resources Ltd and its controlled entities
Condensed Consolidated Interim Statement of Cash Flows
for the half-year ended 31 December 2016

	Note	31 December 2016 $	31 December 2015 $
Cash flows from operating activities			
Cash payments in the course of operations		**(160,590)**	(403,187)
Interest received		**464**	4,499
Net cash used in operating activities		**(160,126)**	**(398,688)**
Cash flows from investing activities			
Payments for exploration expenditure		**(673,469)**	(876,009)
Payments for property, plant and equipment		**(2,193)**	(201)
Net cash used in investing activities		**(675,662)**	**(876,210)**
Cash flows from financing activities			
Contribution by non-controlling interest	9	**672,931**	**-**
Net cash from financing activities		**672,931**	**-**
Net decrease in cash and cash equivalents		**(162,857)**	**(1,274,898)**
Cash and cash equivalents at 1 July		**262,657**	**2,013,672**
Effect of exchange rate adjustments on cash held		**1,729**	**(39,907)**
Cash and cash equivalents at 31 December		**101,529**	**698,867**

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

Augur Resources Ltd and its controlled entities
Condensed Consolidated Interim Statement of Changes in Equity
for the half-year ended 31 December 2016

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $	Non-Controlling Interest $	Total Equity $
Balance as 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 period							
Loss for the period		-	-	(379,081)	(379,081)	(55,466)	(434,547)
Other comprehensive income		-	15,085	-	15,085	12,586	27,671
Total comprehensive loss for the period		-	15,085	(379,081)	(363,996)	(42,880)	(406,876)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Total contributions by and distributions to owners		-	-	-	-	-	-
Balance at 31 December 2015		25,628,095	(1,657)	(16,720,133)	8,906,305	186,958	9,093,263
Balance as at 1 July 2016		**25,628,095**	**74,959**	**(17,173,766)**	**8,529,288**	**254,810**	**8,784,098**
Total comprehensive income for the period							
Loss for the period		**-**	**-**	**(462,436)**	**(462,436)**	**(42,667)**	**(505,103)**
Other comprehensive income		**-**	**(8,093)**	**-**	**(8,093)**	**26,527**	**18,434**
Total comprehensive loss for the period		**-**	**(8,093)**	**(462,436)**	**(470,529)**	**(16,140)**	**(486,669)**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Contribution from non-controlling interest	9	**-**	**-**	**-**	**-**	**672,931**	**672,931**
Total contributions by and distributions to owners		-	-	-	-	**672,931**	**672,931**
Balance at 31 December 2016		**25,628,095**	**66,866**	**(17,636,202)**	**8,058,759**	**911,602**	**8,970,361**

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

Augur Resources Ltd and its controlled entities
Notes to the Condensed Consolidated Interim Financial Statements
for the half-year ended 31 December 2016

1. REPORTING ENTITY

Augur Resources Ltd (‘the Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2016 comprise the Company and its controlled entities (together referred to as 'the Group').

The Group is a for-profit entity and is primarily involved in the exploration of gold and copper projects.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2016 is available upon request from the Company’s registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.augur.com.au.

2. BASIS OF PREPARATION

(a) Statement of compliance
The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 '*Interim Financial Reporting'.*

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These condensed consolidated interim financial statements were authorised for issue by the Directors on 16 March 2017.

(b) Estimates
The preparation of the condensed consolidated interim 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 expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty were the same as those that applied in the consolidated annual financial report for the year ended 30 June 2016.

(c) Changes in accounting policies
The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2016.

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

The Group recorded a loss attributable to equity holders of the Company of $462,436 for the period ended 31 December 2016 and has accumulated losses of $17,636,202 as at 31 December 2016. The Group has cash and cash equivalents of $101,529 at 31 December 2016 and used $833,595 of cash in operations, including payments for exploration and evaluation, for the period ended 31 December 2016. At 31 December 2016 current liabilities exceeded current assets by $720,662.

During the period ended 31 December 2016 the Company submitted a voluntary tax amendment with the Australian Taxation Office (‘ATO’) relating to R&D claims for the 2014 and 2015 financial years. The Company has entered into a repayment arrangement with the ATO to repay $1,348,673 inclusive of interest over a period of 18 months.

2. BASIS OF PREPARATION (continued)

(d) Going concern (continued)

Subsequent to the end of the half-year, the Company received firm placement commitments from sophisticated and professional investors to raise up to $1,200,000 (before paying associated costs) from a 2 tranche share placement. Tranche 1 of $473,727 was raised under the Company's existing placement capacity in accordance with ASX Listing Rule 7.1 and Tranche 2 of $726,273 has received firm placement commitments from sophisticated and professional investors. The issue of securities under Tranche 2 will be put before shareholders for approval at an EGM expected to be held on 24 April 2017.

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 will raise additional funds from shareholders or other parties, the outcome of which is inherently uncertain, and reduces expenditures in-line with available funding as required to enable the Group to fund its existing obligations.

In the event that the Group does not obtain the necessary 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 consolidated interim financial statements.

3. EXPLORATION AND EVALUATION EXPENDITURE

	As at 31 December 2016 $	As at 30 June 2016 $
New South Wales	**1,157,583**	1,151,964
Indonesia	**9,044,960**	8,365,238
	10,202,543	**9,517,202**

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.

4. ISSUED CAPITAL

	As at 31 December 2016 $	As at 31 December 2015 $
Issued and paid up capital		
315,818,198 ordinary shares fully paid (31 December 2015 – 315,818,198)	**25,628,095**	**25,628,095**

	Nº of shares	$	Nº of shares	$
Ordinary shares				
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				
Balance at the beginning of the period	**315,818,198**	**25,628,095**	315,818,198	25,628,095
Balance at the end of the period	**315,818,198**	**25,628,095**	**315,818,198**	**25,628,095**

5. SEGMENT REPORTING

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 half-year ended 31 December 2016 the Group principally operated in Indonesia and NSW, Australia in the mineral exploration sector.

The Group has two reportable geographic segments, as described below:

	NSW $	Indonesia $	Total $
31 December 2016			
External revenues	-	-	**-**
Reportable segment loss before tax	-	(87,026)	**(87,026)**
Interest income	-	-	**-**
Reportable segment assets	1,174,983	9,251,579	**10,426,562**
Reportable segment liabilities	-	23,643	**23,643**
31 December 2015			
External revenues	-	-	**-**
Reportable segment loss before tax	-	(123,199)	**(123,199)**
Interest income	-	-	**-**
Reportable segment assets	1,121,254	7,200,498	**8,321,752**
Reportable segment liabilities	-	26,779	**26,779**

5. SEGMENT REPORTING (continued)

Reconciliations of reportable segment revenues and profit or loss	As at 31 December 2016 $	As at 31 December 2015 $
Profit or loss		
Total loss for reportable segments	**(87,026)**	(123,199)
Unallocated amounts:		
Interest income	**-**	-
Net other corporate expenses	**(418,077)**	(311,348)
Consolidated loss before tax	**(505,103)**	(434,547)

Reconciliations of reportable assets and liabilities		
Assets		
Total assets for reportable segments	**10,426,562**	8,321,752
Unallocated corporate assets	**262,696**	851,366
Consolidated total assets	**10,689,258**	9,173,118
Liabilities		
Total liabilities for reportable segments	**23,643**	26,779
Unallocated corporate liabilities	**1,695,254**	53,076
Consolidated total liabilities	**1,718,897**	79,855

6. TAXES PAYABLE

	As at 31 December 2016 $	As at 30 June 2016 $
Current taxes payables	**717,587**	1,185,267
Non-current taxes payable	**538,158**	-
	1,255,745	**1,185,267**

During the period ended 31 December 2016 a review of the R&D claims made by the Company for the 2014 and 2015 financial years was completed. This review indicated that the claims made did not meet the criteria for eligible R&D expenditure. The Company submitted a voluntary tax amendment with the Australian Taxation Office (‘ATO’) and have entered into a repayment arrangement with the ATO.

At 30 June 2016 a provision was recognised equal to the estimated amount repayable in the event it were determined that there was no eligible R&D expenditure claimable.

7. RELATED PARTIES

Key management personnel and Director transactions

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

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

- During the half-year year ended 31 December 2016, 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 and accounting staff both within Australia and Indonesia, services and supplies. Fees charged by Mining Services Trust during the half-year amounted to $145,735 (31 December 2015 - $145,330). At 31 December 2016 there was $100,000 outstanding (2015 - nil).

8. FINANCIAL INSTRUMENTS

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial report as at and for the year ended 30 June 2016.

Carrying amounts versus fair values

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

Financial instruments carried at fair value

Fair value hierarchy

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
	$	$	$	$
31 December 2016				
Available-for-sale financial assets	2,400	-	-	2,400
31 December 2015				
Available-for-sale financial assets	1,500	-	-	1,500

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.

9. CONTRIBUTION FROM NON-CONTROLLING INTEREST

During the half-year ended 31 December 2016, PT Smart Mining Resources, holder of a 55% non-controlling interest in PT Alexis Perdana Mineral provided contributions totaling $672,931 to the Group. These contributions are interest free, unsecured, there is no fixed term of repayment and has no maturity date. The contributions provided are repayable at the discretion of the Directors of PT Alexis Perdana Mineral.

10. SUBSEQUENT EVENTS

Subsequent to the end of the half-year, the Company successfully concluded a payment arrangement with the ATO to pay the shortfall amount arising from the Company's 2014 and 2015 R&D claims over a period of 18 months. The Company also successfully concluded a settlement with its previous tax advisors to cover some of the costs, including interest charges, arising from the need to amend the R&D claims.

The Company has also reached a settlement with a previous tax advisor regarding incorrect advice, which resulted in a settlement payment to the Company in February 2017.

Subsequent to the end of the half-year, the Company received firm placement commitments from sophisticated and professional investors to raise up to $1,200,000 (before paying associated costs) from a 2 tranche share placement. Tranche 1 of $473,727 was raised under the Company's existing placement capacity in accordance with ASX Listing Rule 7.1 and Tranche 2 of $726,273 has received firm placement commitments from sophisticated and professional investors. The issue of securities under Tranche 2 will be put before shareholders for approval at an EGM expected to be held on 24 April 2017.

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.

Augur Resources Ltd and its controlled entities
Directors' Declaration

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

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 12 to 21 are in accordance with the *Corporations Act 2001* including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

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

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

Signed in accordance with a resolution of the Directors.

Norman A. Seckold
Chairman

Sydney, 16 March 2017

Independent Auditor's Report

To the shareholders of Augur Resources Limited

Report on the audit of the Interim Financial Report

Opinion

We have audited the ***Interim Financial Report*** of Augur Resources Limited (the Company).

In our opinion, the accompanying Interim Financial Report of Augur Resources Limited is in accordance with the *Corporations Act 2001*, including

- giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the half-year period ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises the:

- Condensed consolidated statement of financial position as at 31 December 2016;
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of Augur Resources Limited (the Company) and the entities it controlled at the half-year end and from time to time during the half-year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related To Going Concern

We draw attention to Note 2(d), "Going Concern" in the Interim Financial Report. The conditions disclosed in Note 2(d), indicate a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past practices;
  - Assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical results, results since half-year end, and our understanding of the business, industry and economic conditions of the Group;
- Assessing significant non-routine forecast cash inflows and outflows including the expected impact of planned capital raisings for quantum and timing. We used our knowledge of the client, its industry and current status of those initiatives to assess the level of associated uncertainty.
- Reading Directors minutes and relevant correspondence with the Group's advisors to understand the Group's ability to raise additional shareholder funds, and assess the level of associated uncertainty;
- Evaluating the Group's going concern disclosures in the Interim Financial Report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Interim Financial Report of the current period.

These matters were addressed in the context of our audit of the Interim Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Exploration and evaluation expenditure ($10,202,543)
Refer to Note 3 of the Interim Financial Report

The key audit matter	How the matter was addressed in our audit
Exploration and evaluation expenditure is a key audit matter due to: • the significance of the balance (representing 95% of total assets) at 31 December 2016; • the level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources.* AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset, and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; and • the assessment of impairment of exploration and evaluation expenditure can be inherently difficult, particularly in uncertain market conditions such as Indonesia where the Group's major exploration projects are based. Areas of significant judgement for us and management included: • the assessment of specific areas of interest; • whether specific exploration licence requirements are complied with, particularly where there are complex agreements in place with other parties and/or where the licence is in a foreign jurisdiction; • whether expenditure meets the capitalisation carry forward conditions of AASB 6. This included consideration of management's assessment of whether exploration and evaluation expenditure is expected to be recouped through successful development and exploitation of the area of interest, or alternatively through sale; and • whether there are indicators of impairment, in particular:	Our procedures included: • We evaluated the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard; • We assessed management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest, including separation by geographical location and type of mineral deposit; • For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries or government correspondence. We also sample tested for compliance with any requirements to maintain the licences in good standing, such as consideration of any minimum spend requirements; • We tested capitalised exploration and evaluation expenditure for the period by evaluating a statistical sample of recorded expenditure for consistency to underlying records and the capitalisation requirements of AASB 6; • We considered the activities in each area of interest, and assessed the Group's planned future activities for each area of interest, by evaluating work programmes and budgets to determine whether the carry forward conditions of AASB 6 have been satisfied; • We assessed each area of interest for one or more of the circumstances, as described in left column that may indicate impairment of the capitalised expenditure. We did this through testing the status of the Group's tenure and documented planned future activities, reading board minutes, considering the results of exploration programmes completed to date, and discussion with

o licences for the right to explore expiring in the near future or are not expected to be renewed; o substantive expenditure for further exploration in the specific area is neither budgeted nor planned; o decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and o data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration assets is unlikely to be recovered in full from successful development or sale.	management.

Other Information

Other Information is financial and non-financial information in Augur Resources Limited’s interim reporting which is provided in addition to the Interim Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Interim Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Interim Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Interim Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

Responsibilities of Directors for the Interim Financial Report

The Directors are responsible for:

- preparing the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group’s ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Interim Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Interim Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Interim Financial Report.

A further description of our responsibilities for the Audit of the Interim Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Adam Twemlow

Partner

Brisbane

16 March 2017