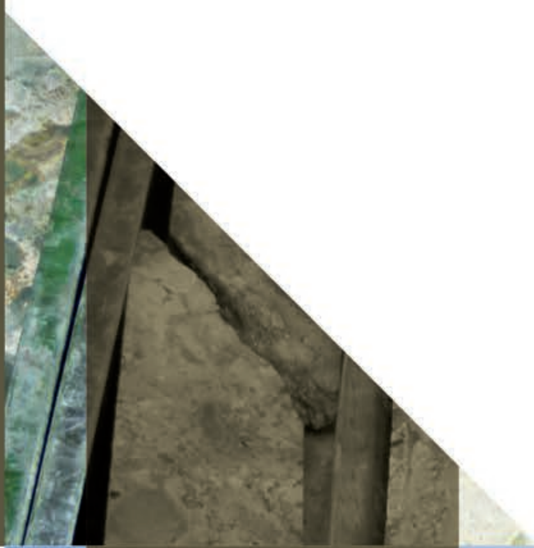
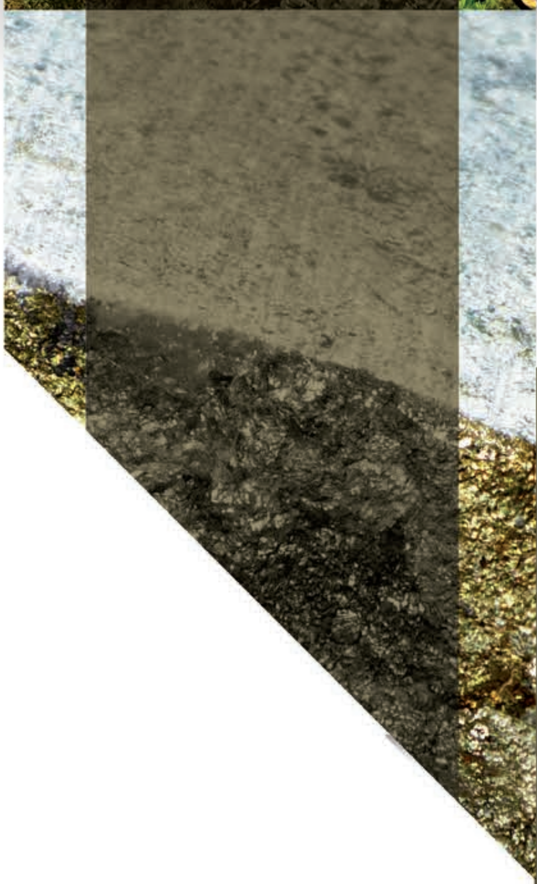


AUGUR Resources Ltd

ABN 79 106 879 690

Annual Report 2014



Contents

Corporate Directory

Directors:

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

Company Secretary:

Mr Richard J. Edwards

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Homepage: www.augur.com.au

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Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Share Registrar:

Computershare Investor Services Pty Limited
117 Victoria Street
WEST END QLD 4101
Phone: 61-7 3237 2100
Fax: 61-7 3229 9860

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000

Dear Fellow Shareholders

I am pleased to be able to report that 2014 has been a very positive one for your Company. The entry onto the register of Indonesia's Rajawali Group, as the now largest shareholder of the Company, sees Augur fully funded for a program of significantly increased exploration activity over the next twelve to eighteen months.

The Wonogiri project will remain a key focus. During the year, the Company announced the completion of a scoping study at the Randu Kuning deposit, part of the Wonogiri project, and this positive scoping study result was the trigger to the additional investment during the year by Rajawali.

Additionally, the acquisition during the year, for low consideration, of an 80% interest in four prospective copper and gold tenements in North Sulawesi, broadens significantly the Company's potential for exploration success within Indonesia.

Finally, I welcome the appointment of Justin Werner to the position of Managing Director and look forward to year ahead.

Yours sincerely

Norman A. Seckold
Dated this 16th day of September 2014

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.

Wonogiri Project (45% Augur)

The 3,928 hectare Wonogiri project, located in central Java, 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.

Lying within the Wonogiri project at an altitude of approximately 200 metres above sea level, Augur has discovered the Randu Kuning deposit, a highly altered wall rock porphyry gold-copper deposit with a defined JORC compliant resource of 1.54 million ounces gold equivalent ('AuEq'[1]), comprising 90.9 million tonnes ('Mt') at 0.53 g/t AuEq (0.35 g/t gold and 0.10% copper) using a cut-off of 0.2 g/t AuEq.

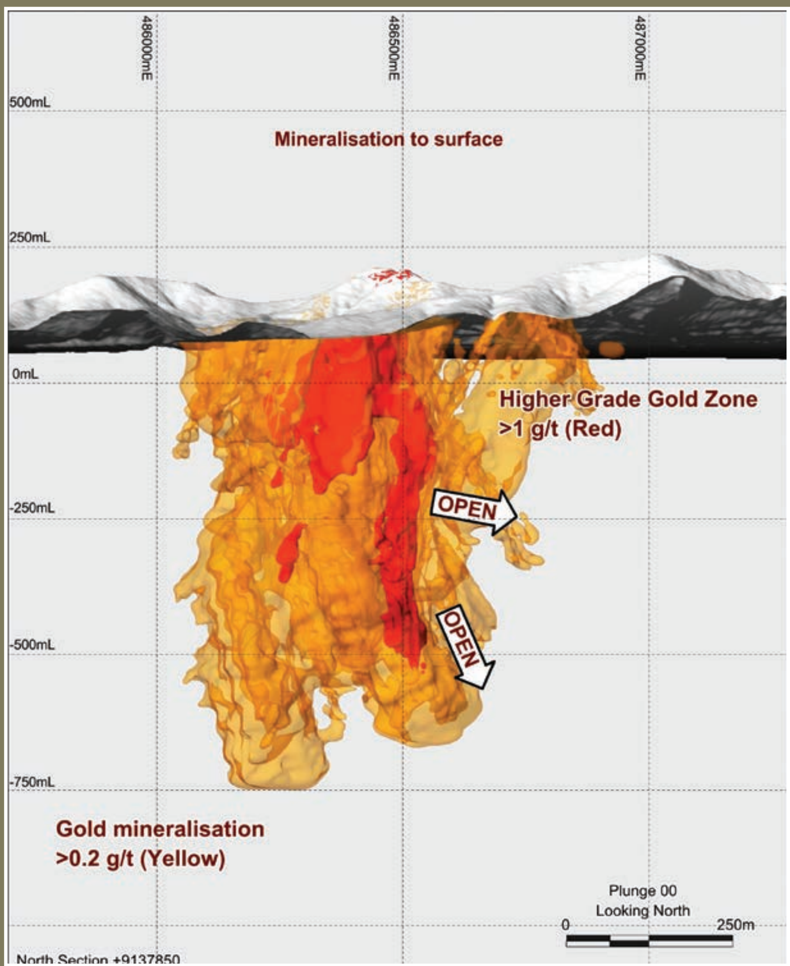
The surface area above the Randu Kuning deposit has no forestry restrictions.

Location map of the Company's Indonesian projects.

Scoping Study

In March 2014, Augur completed a scoping study of the Randu Kuning deposit. Highlights of the scoping study undertaken by Australian Mine Design and Development Pty Ltd ('AMDAD') (note the following cautionary statements) included:

- The Randu Kuning deposit generating a life of project positive net cash flow of US$143 million undiscounted, or US$102 million when a 5% discount factor is applied (excluding contingency) for relatively low capital expenditure.
- An open cut mine delivering approximately 9 years of production at 1.74 to 2.00 million tonnes per annum at 0.61 g/t gold and 0.16% copper.
- Life of mine production of 283,000 ounces of gold and 236,000 tonnes of copper in concentrate, or 426,000 ounces AuEq[2] at an average C1 cash cost[3] of US$786 per ounce AuEq using US$1,250 per ounce gold and US$7,900 per tonne copper.
- Low preliminary capital expenditure estimate of US$56 million (excluding contingency) to build a second hand plant and associated infrastructure costs due to excellent infrastructure and good access.
- Low strip ratio of 1.79 : 1.00.
- Total current Randu Kuning resource estimate is 90.9 million tonnes at 0.35 g/t gold and 0.10% copper.
- The Randu Kuning deposit remains open at depth, to the east and south with significant opportunity to expand the current resource and test other regional targets.



The Randu Kuning mineralised zone in 3D, showing the near surface high grade zone. Mineralisation occurs from surface to over 500 metres below surface.

In summary, the scoping study result indicated potential for an economic deposit which is driven by a low stripping ratio, good metallurgical recoveries and excellent access to infrastructure giving the potential to generate substantial cash flow for relatively low capital outlay.

Scoping Study Cautionary Statements

The Company cautions that production and cash flow estimates presented in the scoping study are indicative only. The following should be considered:

- Although the Randu Kuning Measured and Indicated resource categories exceed the scoping study production target, the mill feed schedule includes a proportion of Inferred category material which has a low level of geological confidence and no certainty that further exploration work will result in the determination of Indicated resources or that the production target will be realised.
- The mining loss and dilution estimates have not been assessed in detail against the deposit geometry.
- Pit optimisations and designs use assumed pit wall slopes. No geotechnical analyses have yet been undertaken.
- Process recoveries are extrapolated from limited test work results.
- The available metallurgical test work was done on a small composite with grades well in excess of the likely mill head grades for the project.
- Mining costs have not been developed in detail, although they have been reviewed by Leighton Contractors, Indonesia.
- Process operating costs are based on a USA cost database. While adjustments have been made for local conditions, AMDAD is a mining engineering consultancy and cannot accept responsibility for their accuracy.

Metallurgy

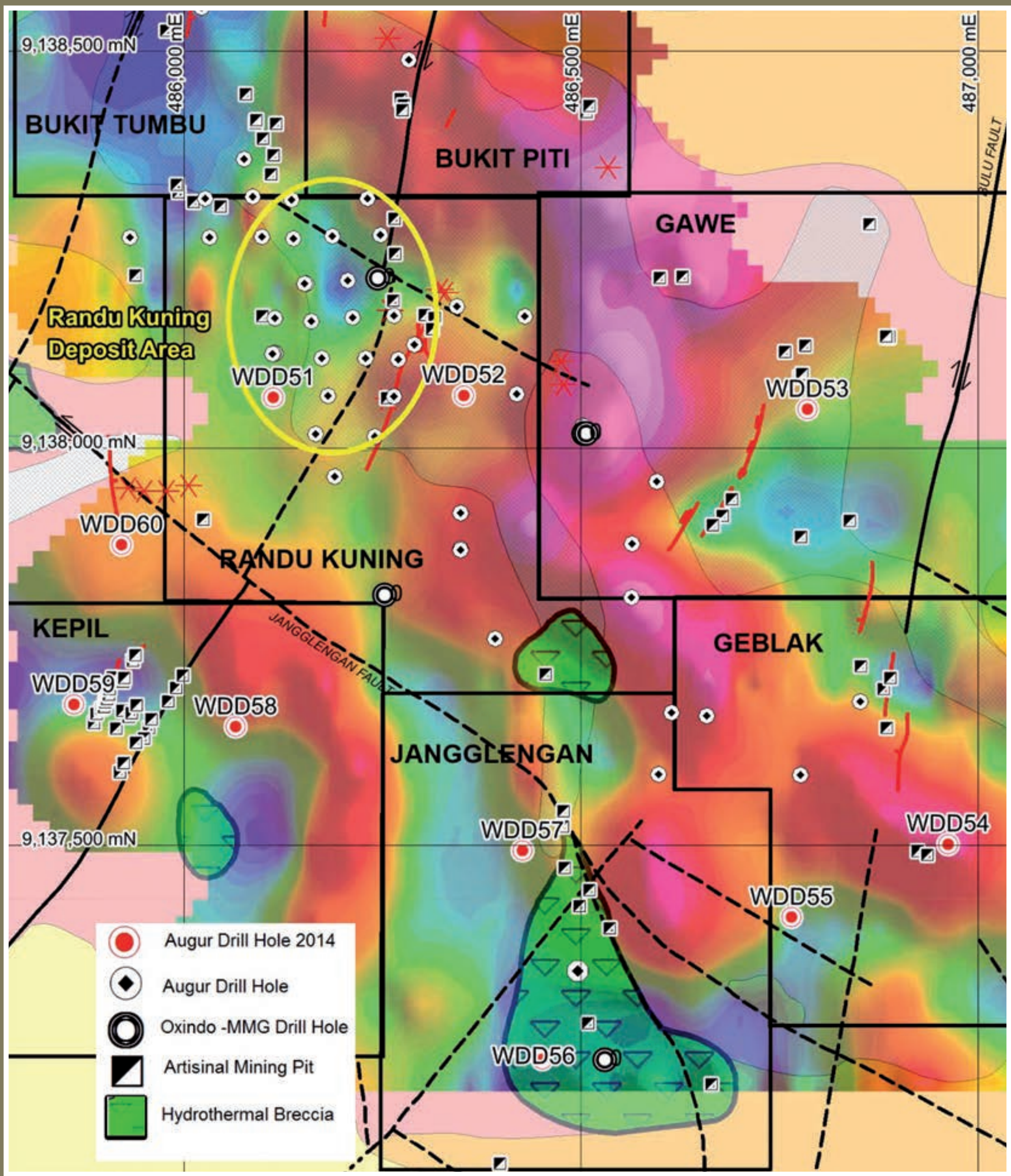
The Randu Kuning resource estimate includes oxide, transition and sulphide components of the deposit. The sulphide component accounts for 95.7% of the estimated resource tonnes and this has been the focus of ongoing metallurgical studies.

Metallurgical testing has been highly favourable with recoveries of over 89.0% of gold and 95.0% of copper. Concentrates of up to 90.6 g/t gold and 21.2% copper have been achieved during initial concentrate optimisation studies. Lower head grade material (0.62 g/t gold and 0.19% copper) also returned favourable results with recoveries of 90.1% of gold and 93.8% of copper.

Testing has indicated that the optimum grind size is approximately 106 micrometres (80% passing 106 micrometres) with 90.1% gold and 93.8% copper recoveries being achieved. Finer grinding resulted in no change to the gold recovery. Whilst metallurgical studies have focused on the sulphide portion of the deposit, additional metallurgical testing is being planned for the oxide component of the deposit.

Surrounding Prospects

The Wonogiri project also hosts a number of prospects where epithermal alteration and mineralisation has been identified in the immediate surrounds of the Randu Kuning porphyry deposit. Drilling has identified a number of epithermal vein systems containing wide zones of anomalous gold mineralisation.



Plan map of the Wonogiri project area with the surface IP Chargeability map as the background and showing prospect areas with epithermal type veins mapped on surface (red lines) and drill holes completed as part of the current drill program.

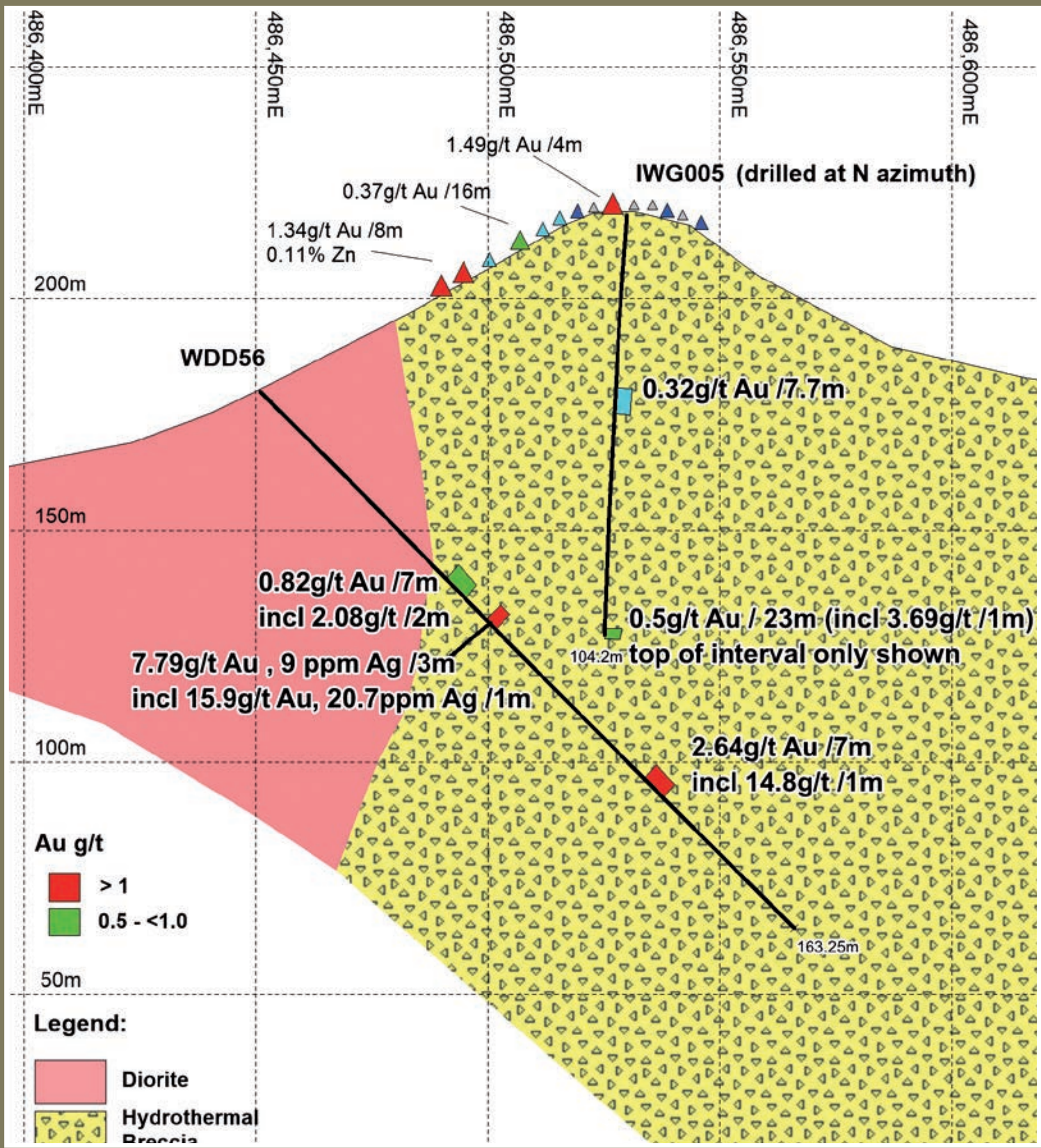
Jangglengan

Located about 1.0 kilometre south of Randu Kuning, previous exploration work in this area by Augur identified an area of exposed clay-pyrite alteration associated with gold-silver enrichment within a hydrothermal breccia host rock. Rock chip samples collected from trenches returned up to 0.32 g/t gold over 16.0 metres, including 8.0 metres of 1.34 g/t gold and 0.11% zinc.

WDD056, located about 70 metres west of an earlier hole, IWG005, drilled by PT Oxindo Exploration ('Oxindo'), was drilled towards the east to test an area of hydrothermal breccia with a coincident modelled magnetic high body.

IWG005, located about 50 metres south of the trenching carried out by Augur, was drilled towards the north, intersecting breccia and three distinct zones of gold+sulphide mineralisation associated with quartz-carbonate alteration, including 7.7 metres of 0.32 g/t gold from 42.3 metres, 23.0 metres of 0.5 g/t gold from 103.5 metres (including 1.0 metre of 3.69 g/t gold) and 5.0 metres of 0.71 g/t gold from 144.0 metres (including 2.0 metres of 1.50 g/t gold).

WDD056 returned 7.0 metres at 0.82 g/t gold and 3.5 g/t silver from 56.0 metres including 2.0 metres of 2.08 g/t gold and 10.2 g/t silver from 56.0 metres. A second zone from 70.0 metres returned 7.79 g/t gold, 9.0 g/t silver, 0.29% copper and 0.38% zinc over 3.0 metres, including 1.0 metre at 15.90 g/t gold and 20.7 g/t silver. A third zone was intersected from 120.0 metres and returned 2.64 g/t gold and 1.7 g/t silver over 7.0 metres, including 1.0 metre of 14.8 g/t gold and 4.0 g/t silver from 122.0 metres.

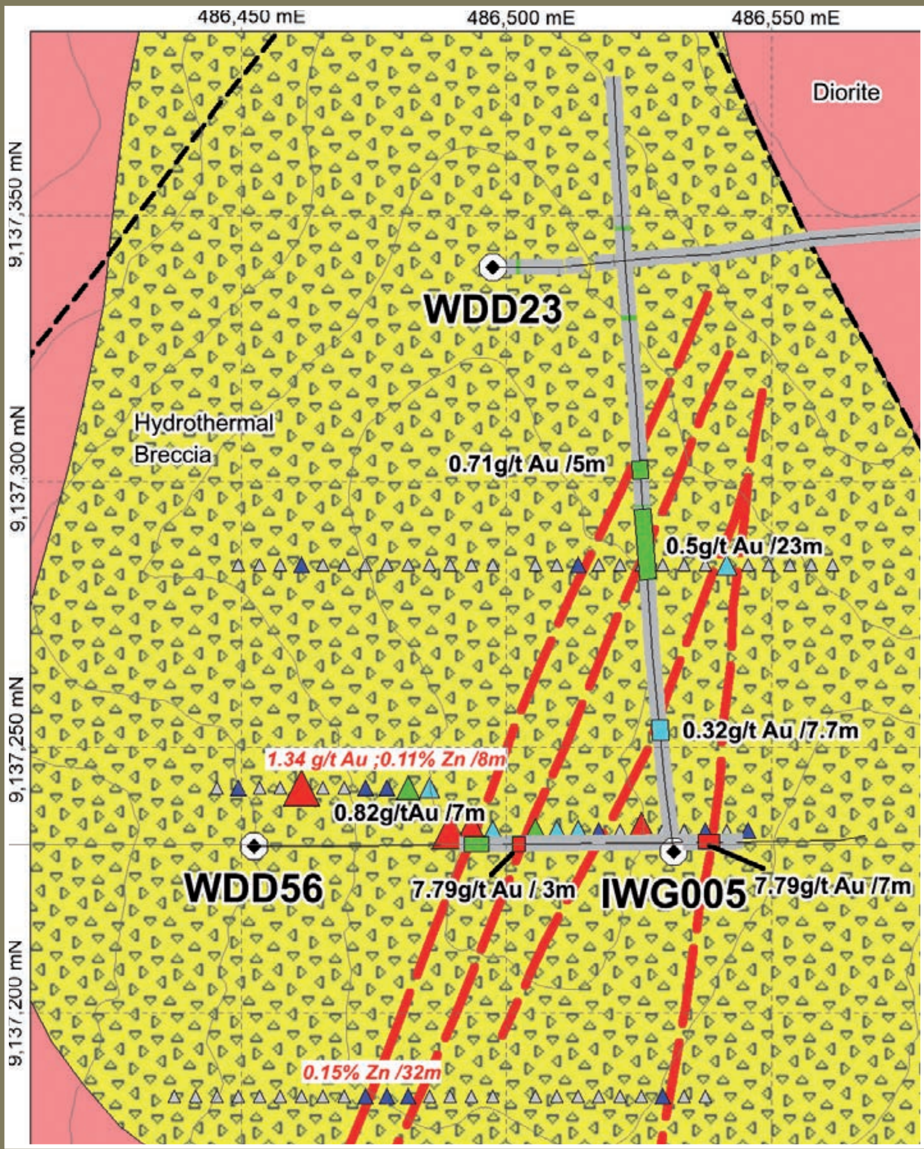


Interpreted geological cross section of WDD056 looking north.
Note that only partial Oxindo (IWG005) hole trace is shown in the section as it was drilled at north azimuth.
Section window is 50 metres in width. Trench chip samples intervals are also shown.

The host rock type for the mineralised zones intersected in both WDD056 and IWG005 is a polymictic, hydrothermal breccia, which is interpreted to be part of a diatreme breccia complex. Mineralisation is manifest as sulphide (pyrite, sphalerite, chalcopyrite) rich stringers and veins and less commonly as matrix infill between breccia clasts.

The sulphides are associated with quartz-carbonate alteration. The presence of gold+sulphide mineralisation within an interpreted diatreme breccia is considered notable given that diatreme complexes in Indonesia and elsewhere can host significant gold deposits.

Augur will plan for further follow-up drilling at the Jangglengan prospect to test the continuity of the gold zones at depth and along strike.



Surface geology plan of the Jangglengan prospect area showing location of drill hole WDD056. Sites of previous trenching with channel sample assays (red italics) and location of previous drill holes by Oxindo (IWG005) and Augur (WDD023). Compiled significant assays from drill core assays are indicated (bold). Interpreted trend of mineralised zones are shown by dashed red lines.

Kepil

Holes WDD058 and WDD059 were drilled at the Kepil prospect which is located approximately 500 metres southwest of Randu Kuning.

WDD058 intersected significant copper mineralisation including 36.0 metres at 0.28% copper from 25.0 metres.

WDD059 was drilled to test an area of clay-pyrite alteration and local mining activity. This hole intersected a shallow 6.0 metre wide zone of 0.83 g/t gold from 36.0 metres. In addition, several other lower grade (0.20 to 0.30 g/t gold) intercepts were also noted. Mineralisation occurs within a structurally controlled, quartz-carbonate and sulphide (pyrite, sphalerite) zone within intensely argillic altered diorite.

With significant mineralisation intersected in the first two holes at Kepil, additional drilling of targeted extensions of mineralised zones is planned.

Other Wonogiri Project Target Areas

Six further holes have been completed to test several areas of structurally controlled, quartz vein/alteration zones typical of low-sulphidation, epithermal type mineralisation. With the exception of several narrow (1.0 to 3.0 metres), low grade gold intercepts (<0.5 g/t gold) no significant gold mineralisation was intersected. However, given that such veins systems can vary in width and grade dramatically along strike, further assessment of the results is ongoing and additional drilling will be completed as warranted.

Gorontalo Properties (80% Augur)

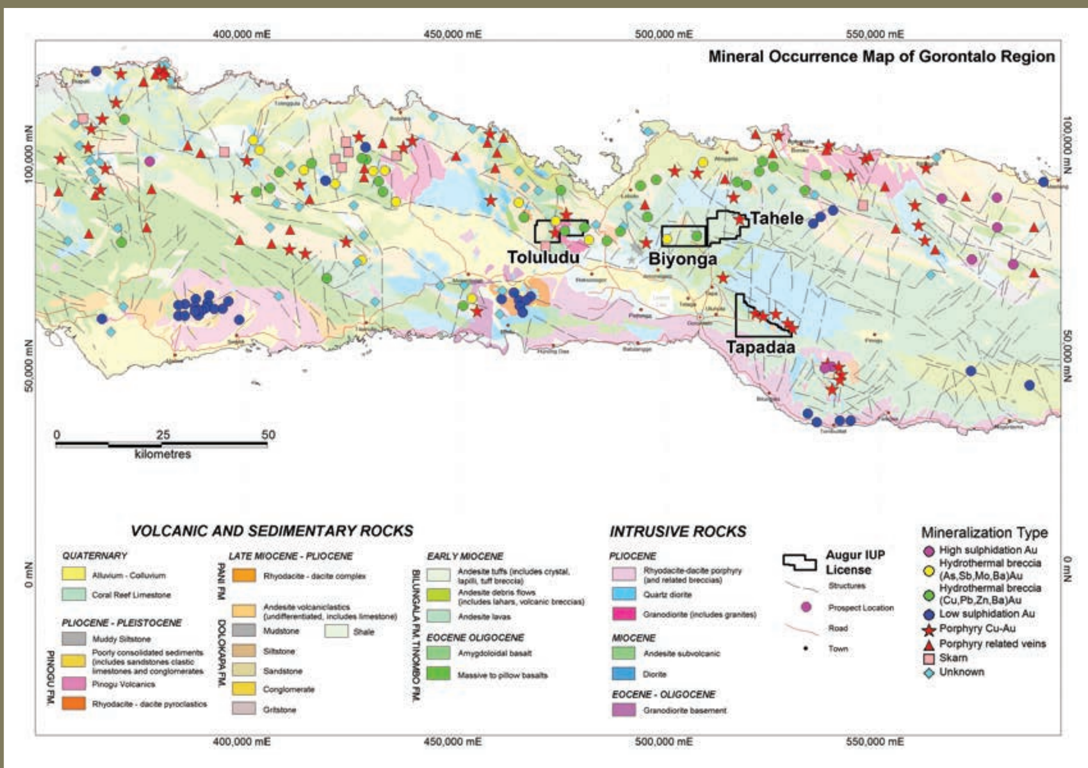
In May 2014, Augur entered into an agreement to acquire an 80% interest in four prospective copper and gold tenements in North Sulawesi, known as the Gorontalo properties, from MMG Exploration Pty Ltd ('MMG') following MMG's decision to withdraw from Indonesia due to a change in their global exploration strategy.

This transaction was completed subsequent to the end of the financial year by a total cash payment of $200,000.

Upon completion of a bankable feasibility study on any of the tenements being acquired, MMG must elect to either:

- contribute towards expenditure of the subsidiary company holding title to the relevant tenement in proportion to its remaining 20% interest; or
- convert the remaining interest to a 2% net smelter royalty based on all production from the tenements.

The four Gorontalo properties, Tapadaa, Toluludu, Biyonga and Tahele, are located in northern Sulawesi, near the city of Gorontalo.



Gorontalo properties.

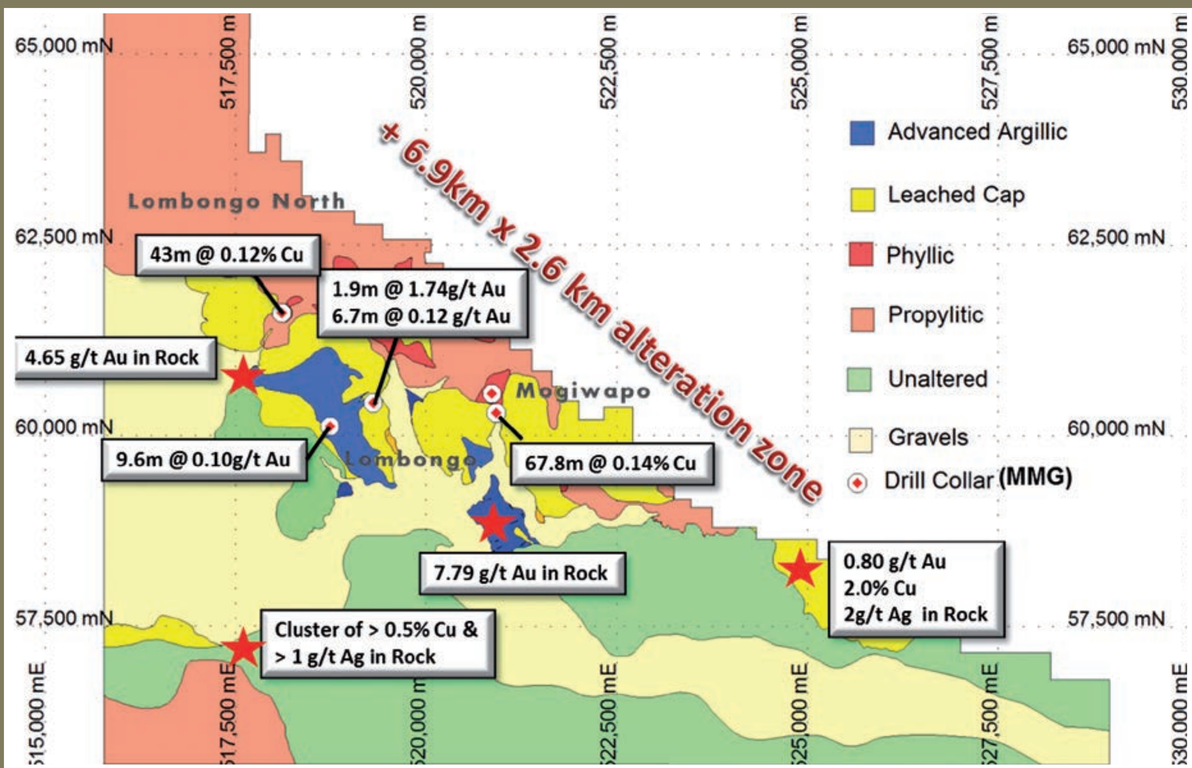
The Gorontalo property IUPs (exploration licences) are currently in the exploration phase which expires in 2016 after which the IUPs can be converted to exploitation licences. Each project area contains zones of alteration and mineralisation identified by historic exploration activities and previous workers indicative of copper-gold porphyry and/or related epithermal-type gold and silver and skarn-type mineralisation. However, due to a lengthy forest access permitting process MMG was only able to drill the Tapadaa property and further basic exploration is planned by Augur, including surface mapping, soil/rock sampling, trenching and ground geophysics, to define targets for drill testing.

Tapadaa

Previous exploration by PT. Tropic Endeavour Indonesia (1971) identified the 6,450 hectare Tapadaa district through stream sediment sampling. Following limited exploration activities by others, including initial drill testing by BHP-Utah in 1980, in 2010 MMG completed surface exploration and a ground magnetic survey which defined an extensive alteration system mapped over 6.9 kilometres in length and up to 2.6 kilometres wide related to several mineralised zones. MMG completed six widely spaced drill holes to test modelled magnetic anomalies interpreted as porphyry-type deposit targets. Holes from the Lombongo, Lombongo North and Mogiwapo prospect areas returned wide intervals of anomalous (≥ 0.1% copper).

MMG's exploration focus was for large porphyry copper deposits and did not follow up related epithermal type gold targets identified within the licence area. This includes mineralised zones identified by surface rock chip sampling which returned up to 7.79 g/t gold.

There are no forest restrictions on exploration activities within the Tapadaa IUP.



Tapadaa property map from MMG showing mapped alteration zones and MMG drill hole locations with significant intercepts

Tololudu

Previous exploration in the 5,029 hectare Tololudu property area has been undertaken by PT. Tropic Endeavour Indonesia (1971), BHP-Utah (1980) and Newcrest (1993). In 2011, MMG completed rock/stream sediment sampling which identified three prospect areas identified as Molalahu, Tolulудu East and Tiluti representing porphyry-type, epithermal-type and skarn-type mineralisation respectively. Previous mapping at Molalahu defined a 1,400 metre by 860 metre area of exposed stockwork-type quartz veins coincident with potassic-type alteration. This area has not been drill tested, however previous rock chip sampling in the Molalahu area returned up to 0.27 g/t gold, 0.60% copper and 0.50% 4,980 ppm molybdenum.

This area has not been drill tested, however numerous rock chips from the area have returned significantly anomalous results including:

- 10.60 g/t gold, 0.56% copper and 33.8 g/t silver.
- 0.27 g/t gold, 1.72% copper and 12.4 g/t silver.

Exploration activities have commenced in the Molalahu prospect area where there are no forestry restrictions.

Biyonga and Tahele

Surface exploration at the 5,023 hectare Biyonga property completed by BHP-Utah (1980) and Newcrest (1993) identified an extensive 3.0 kilometre by 5.0 kilometre argillic/advanced-argillic alteration zone with showings of secondary copper along the perimeter. Assays reported from surface rock sampling include 0.46 g/t gold and 0.09% copper.

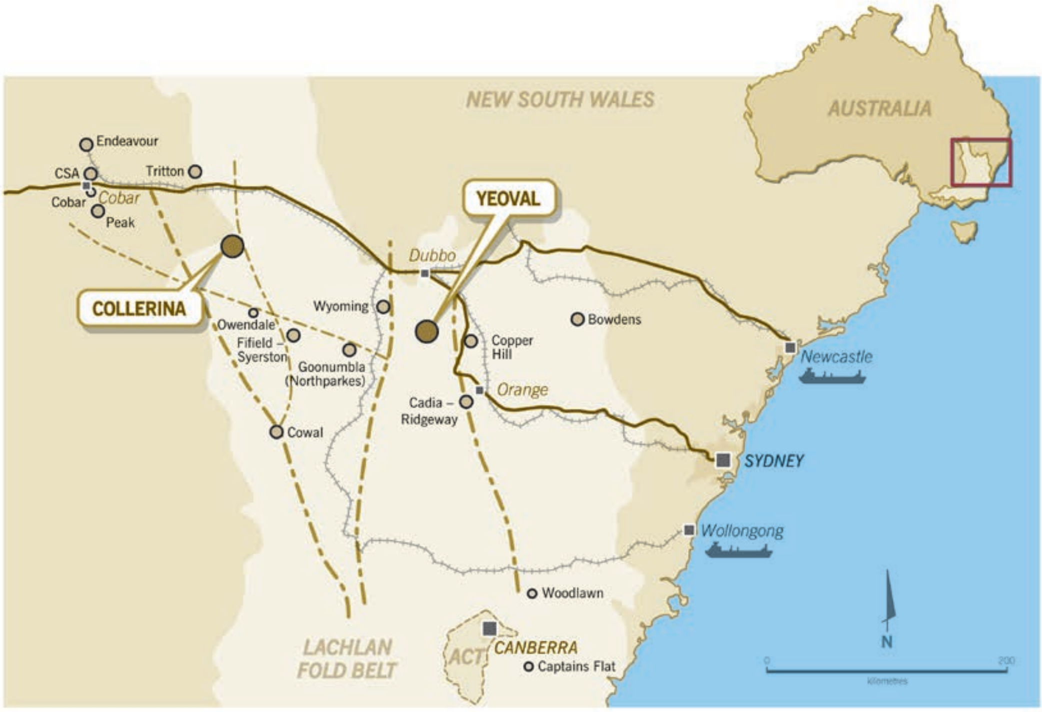
Surface exploration at the 5,436 hectare Tahele property by BHP-Utah (1980) and Newcrest (1993) identified a 900 metre by 300 metre zone of anomalous copper-gold in rock and soils. Assays reported from rock chips include:

- 0.37 g/t gold and 1.54% copper from rock chip assay.
- 128 metres @ 0.19% copper from trench channel samples.

Based on current data, both of these properties have potential for high-sulphidation epithermal-type gold-copper and porphyry-type copper-gold deposit styles.

No detailed exploration was completed by MMG due to forestry restrictions on both properties. Of the 5,023 hectare area at the Biyonga property, 4,051 hectares has no forestry restrictions, 472 hectares is currently permitted for exploration activity within production forest and 500 hectares is protected forest for which an access permit application will be made. The Tahele property lies entirely within protected forest.

AUSTRALIAN PROJECTS



Location map of the Company's Australian projects.

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

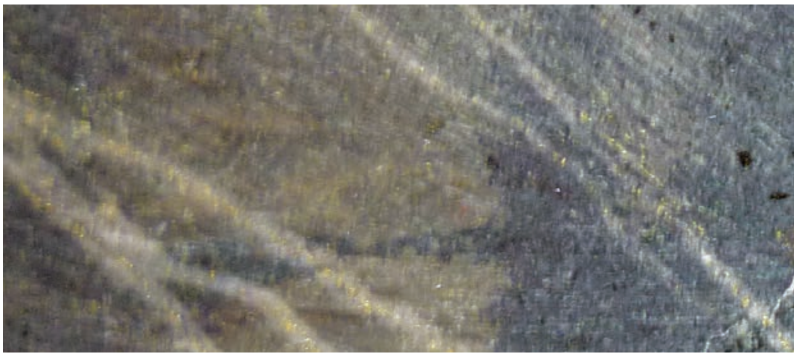
The Collerina project is located 40 kilometres south of Nyngan in central NSW, covering an area of 150km^2 within the Fifield Platinum Province. The tenement contains the Homeville nickel-cobalt deposit, which was discovered by Augur in 2008.

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.

During the year, the Company announced that it had into an exploration and development agreement over the Collerina project with Helix Resources Limited ('Helix'). Under the agreement, Helix paid Augur $20,000 for the sole right to explore the tenement for precious and base metal mineralisation and will spend a minimum of $100,000 over 12 months on the tenement. 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 clauses of the agreement.

An initial scoping study of the Homeville deposit found that a net present value of the project of $50.9 million based on a 12.5% discounted cash flow and an operation producing the nickel equivalent[4] of 5,150 tonnes per annum over a period of 10 years.



Two scenarios were evaluated to determine the operational inputs that had the greatest sensitivity to the project economics. Key project parameters used for each scenario were:

Attribute	Units	Scenario 1	Scenario 2
ROM throughput	Tonnes per annum	470,000	950,000
Total resource	Million tonnes	4.7	14.3
Life of operation	Years	10	15
Nickel	%	1.18	0.95
Cobalt	%	0.045	0.045
Overburden/ore ratio	Ratio of tonnes/tonnes	0.75	0.75
Nickel Equivalent produced	Tonnes per annum	5,150	8,500

The estimations for the total capital cost for Scenario 1 were $105.1 million and a nickel equivalent cash cost of $6.04 per pound. Augur is currently reviewing options for the Homeville deposit.

Yeoval (25% Augur)

The Yeoval tenement covers an area of approximately 147km^2 within the Lachlan Belt of New South Wales and has potential for a Cadia, Ridgeway or Northparkes style of porphyry copper-gold+molybdenum mineralisation, epithermal gold+silver mineralisation and magnetite rich copper-gold mineralisation. The primary areas of focus are the Yeoval Mine prospect, Goodrich prospect, Goodrich South and nine further targets.

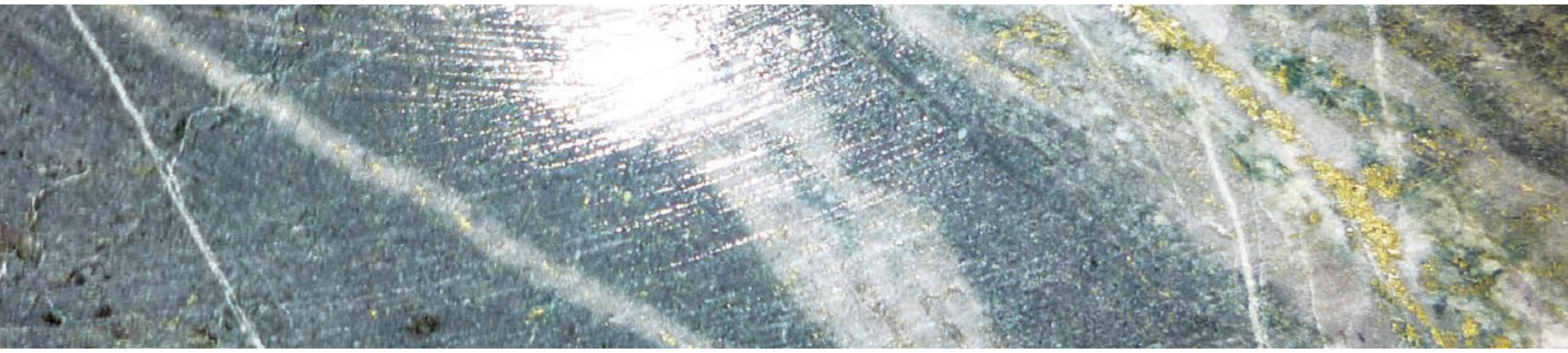
The Yeoval project area hosts numerous near surface copper+gold occurrences and several small historical mines, within altered Naringla Granodiorite of the Yeoval complex. Prior exploration has targeted shallow outcropping mineralisation. Significant potential exists in areas of shallow alluvial cover.

The current JORC compliant Inferred Resource for the Yeoval deposit has been estimated at 12.9 Mt at 0.38% copper, 0.14 g/t gold, 2.2 g/t silver and 0.01% molybdenum based on a cut-off of 0.2% copper.

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

The operators of the project are Zodiac Resources Pty Limited (‘Zodiac’), a subsidiary of Kimberly Diamonds Limited. Augur was free carried on the Yeoval project until May 2014 and is in discussions with Zodiac regarding a joint venture agreement and future plans in relation to the project.

No significant results were received during the year.



CORPORATE ACTIVITIES

Investment by Rajawali

During the year, Indonesia's Rajawali Group ('Rajawali') invested $6.8 million into the Company.

Founded in 1984, Rajawali is one of the largest privately owned conglomerates in Indonesia. Its core interests include mining, minerals, infrastructure, transportation, hospitality and agriculture. Rajawali have a 52.6% share in Archipelago Resources plc, owners of the Toka Tindung gold mine, which produced 139,012 AuEq ounces in 2012 at a cash cost of US$635 (net of silver credits) and a 57.1% ownership of Indo Mines Limited, owners of the Jogjakarta iron project in Java.

The investment in the Company by Rajawali, which was approved by shareholders at the Company's Annual General Meeting in November 2013, was conducted over two tranches. Under the first tranche Augur issued 60,000,000 new fully paid ordinary shares at $0.05 per share for total cash consideration of $3,000,000. At the same time, Augur granted Rajawali an option to subscribe for a further 50,536,400 fully paid ordinary shares for $3,750,000, at which point Augur would also cause its subsidiary, Wonogiri Pty Ltd to sell a 35% interest in its subsidiary PT Alexis Perdana Mineral, the holder of the Wonogiri project licence, to Rajawali for $50,000.

Following the release of the positive scoping study on the Randu Kuning deposit, part of the Wonogiri project, Rajawali exercised its option to make the second tranche investment in the Company and in June 2014, 50,536,400 fully paid ordinary Augur shares were issued for consideration totalling $3.75 million, or approximately $0.074 per share and the 35% interest PT Alexis Perdana Mineral was transferred to Rajawali.

Resignation and Appointment of Managing Director

In January 2014 the Company announced the resignation of Grant Kensington as Managing Director of the Company. Grant Kensington remains on the Board as a non-executive director. Subsequent to the end of the financial year the Company announced the appointment of Justin Werner as Managing Director

MINERAL RESOURCES STATEMENT

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

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.

Wonogiri Project

Category	Million Tonnes	AuEq Cut-off (g/t)	AuEq (g/t)	Gold (g/t)	Copper (%)	AuEq (Moz)
Measured	28.3	0.2	0.84	0.56	0.15	0.765
Indicated	5.3	0.2	0.66	0.45	0.11	0.113
Measured and Indicated	**33.7**	**0.2**	**0.81**	**0.55**	**0.15**	**0.878**
Inferred	57.1	0.2	0.36	0.23	0.07	0.66
Total	**90.9**	**0.2**	**0.53**	**0.35**	**0.10**	**1.538**

Resource estimated by Computer Aided Geoscience Pty Ltd.

Yeoval Project

Category	Million Tonnes	Copper Cut-off (%)	Copper (%)	Gold (g/t)	Silver (g/t)	Molybdenum (%)
Inferred	12.9	0.2	0.38	0.14	2.20	0.01
Total	**12.9**	**0.2**	**0.38**	**0.14**	**2.20**	**0.01**

Resource estimated by Fredericksen Geological Solutions 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 2014 to 2013

The annual review of Mineral Resources concluded that pending the outcome of the drilling program at Wonogiri and, absent any new drill data from the Collerina and Yeoval projects, that no adjustment to the resource estimates was necessary at this time.

Statement of Compliance

The information in this report that relates to Mineral Exploration 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. Michael Corey is a full-time employee of Augur 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'. Michael 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.

The information in this report that relates to 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. Michael Corey is a full-time employee of Augur 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Michael 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.

Information regarding Mineral Resources was prepared and first disclosed under the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. It has not been updated since to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that the Company is not aware of any new information or data that materially affects the information and, in the case of the resource estimate, all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

[1] Gold Equivalent Calculation relating to the Wonogiri Resource

Where reported in relation to the Wonogiri mineral resource estimate, Gold Equivalent results are calculated using a gold price of US$1,198/oz and a copper price of US$6,945/t. Silver is excluded from the gold equivalent calculation as no metallurgical testing of the recovery properties of silver from this project has occurred. In calculating Gold Equivalents, gold and copper recoveries are assumed to be 100%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 82.5% 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 (g/t) = Au (g/t) + ((Cu (%)*6,945)/38.51) (i.e.: 1.0% Cu = 1.80 g/t Au).

[2] Gold Equivalent Calculation relating to the Wonogiri Scoping Study

Where reported in relation to the Wonogiri scoping study, Gold Equivalent results are calculated using a gold price of US$1,250/oz and a copper price of US$7,900/t. Silver is excluded from the gold equivalent calculation as no metallurgical testing of the recovery properties of silver from this project has occurred. In calculating Gold Equivalents, gold and copper recoveries are assumed to be 100%. As previously reported, metallurgical testing has resulted in mean recoveries from sulphide material of over 82.5% 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 (g/t) = Au (g/t) + ((Cu (%)*7,900)/40.19) (i.e.: 1.0% Cu = 1.97 g/t Au).

[3] C1 cash costs

The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.

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

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

Principle 1 – Lay solid foundations for management and oversight

Board of Directors

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

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

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

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

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

The Group has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

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

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

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

Principle 2 – Structure the Board to add value

Board of Directors - Composition, Structure and Process

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

Independent Directors

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

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

Regular assessment of independence

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

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

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

Chairperson and Managing Director

Norman A. Seckold, a non-independent director, holds the office of Chairman. The Group does not follow Recommendation 2.2 because the small size of the Group does not warrant the appointment of more directors. However, the Board considers that Norman A. Seckold best serves the office of Chairman due to his extensive experience in the industry.

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

Grant Kensington resigned as Managing Director in January 2014, remaining on the Board as a non-executive director. Subsequent to the end of the financial year Justin Werner has been appointed to the position of Managing Director and is the Chief Executive Officer. Therefore the Group has followed Recommendation 2.3 that the roles of Chairman and Chief Executive Officer are not exercised by the same individual.

Board nominations

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

Performance review and evaluation

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

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

Induction and education

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

- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

Access to information

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

Skills, knowledge and experience

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

Professional advice

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

Term of appointment as a director

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

Remuneration

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

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

Internal controls

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

Principle 3 – Promote ethical and responsible decision making

Code of Conduct and Ethical Standards

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

Access to Group information and confidentiality

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

Share dealings and disclosures

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

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

The trading windows for restricted persons are 60 days after the release of the half year results, the full year results or the holding of the Annual General Meeting. Restricted persons are prohibited from trading in the Company's securities outside these trading windows unless in special circumstances and with the approval of the Chairman.

Conflicts of interest

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

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

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

Related party transactions

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

Board diversity

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

Principle 4 – Safeguard integrity in financial reporting

Audit Committee

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

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

Principle 5 – Make timely and balanced disclosure

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

Continuous Disclosure to the ASX

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

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

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

Principle 6 – Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed below.

Communication to the market and shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Board considers that information will be communicated to shareholders and the market through:

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

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

Principle 7 – Recognise and manage risk

The Group has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

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

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, Recommendation 7.2 is not relevant because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal control and risk management

The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

Appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

Internal audit function

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

CEO and CFO declarations

The Group has followed Recommendation 7.3. The Board has determined that the Managing Director and the Chief Financial Officer are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

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

Principle 8 – Remunerate fairly and responsibly

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

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

Remuneration responsibilities

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

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

Remuneration policy

The directors' remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group. All salaries of directors and officers are disclosed in the Annual Report.

In line with Recommendation 8.2, the Group has a policy to remunerate its directors and officers based on fixed and incentive component salary packages to reflect the short and long term objectives of the Group.

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

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

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 2014 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
Grant Leo Kensington	-	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 $2,322,319 (2013 - $1,028,008 loss).

Review of Operations

A review of the Group's operations for the year ended 30 June 2014 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 2014. No dividends have been paid or declared during the financial year (2013 - 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.

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 2014 were as follows:

- On 30 September 2013 the Company entered into a binding Subscription Agreement with the Rajawali Group ('Rajawali'), one of Indonesia's largest privately owned conglomerates. The agreement, which completed during the year, provided for Rajawali to initially subscribe for 60,000,000 Augur shares equivalent to 22.6% of the Company's issued shares for cash consideration of $3.0 million. Additionally, Rajawali had an option, which has now been exercised, to subscribe for an additional 50,536,400 Augur shares for $3.75 million ('Additional Consideration'). Upon receipt of the Additional Consideration, Augur caused Wonogiri Pty. Ltd, its subsidiary, to sell a 35% interest in its subsidiary PT Alexis Perdana Mineral, the holder of the Wonogiri project licence, to Rajawali for $50,000.
- In March 2014 the results of a positive scoping study for the Randu Kuning deposit, which forms part of the Wonogiri project, were released.
- In May 2014, Augur entered into an agreement to acquire an 80% interest in four prospective copper and gold tenements in North Sulawesi, known as the Gorontalo properties, from MMG Exploration Pty Ltd.

After Balance Date Events

Subsequent to the end of the financial year:

- In July 2014, administrative procedures to complete the acquisition of an 80% interest in four prospective copper and gold tenements in North Sulawesi, known as the Gorontalo properties were completed and a final payment of $150,000, bringing total cash consideration to $200,000, was made to MMG Exploration Pty Ltd.

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.

Information on Directors

Norman Alfred Seckold
Chairman
Director since 30 November 2009.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas.

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

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

Other current directorships: Equus Mining Limited, Planet Gas Limited and Santana Minerals Ltd.
Former directorships in the last three years: Cockatoo Coal Limited.
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 which is exploring the highly prospective Romang Island with ASX listed Robust Resources Limited.

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

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

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 Planet Gas Limited and unlisted public companies Equus Resources Limited and Nickel Mines Limited.

Other current directorships: Planet Gas Limited.
Former directorships in the last three years: Callabonna Uranium Limited, Cockatoo Coal Limited and Sumatra Copper & Gold plc.
Interests in shares and options: 12,375,000 shares indirectly held as at the date of this report.

Grant Leo Kensington
Non-Executive Director
Director since 18 February 2008 and Managing Director until 30 January 2014.

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

In 1993, Grant commenced with Mount Isa Mines, working in and around the Isa mine operations, undertaking exploration for extensions of the Isa ore bodies. Between 1994 and 2000, he worked for North Limited and was involved in exploration in Australia, Sweden, Argentina, Chile, Peru and North America.

Grant has previously worked at an executive level in the forestry industry in the areas of strategy, finance and business improvement.

Grant has consulted to the mining industry both in Australia and internationally since 2000. He has experience in exploration for porphyry, epithermal, IOCG, Carlin gold and Broken Hill type targets.

Grant is a graduate member of the Australian Institute of Company Directors.

Other current directorships: None.
Former directorships in the last three years: None.
Interests in shares and options: 1,001,000 shares directly held and 1,000,000 options directly held as at the date of this report.

Meetings of Directors

Directors	Directors' Meetings N° eligible to attend	Directors' Meetings N° attended
Norman A. Seckold	4	4
Grant L. Kensington	4	4
Peter J. Nightingale	4	4
Justin C. Werner	4	4

Company Secretary

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

Richard graduated with a Bachelor of Commerce degree from the University of New South Wales and is a member of CPA Australia and 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. He was Company Secretary and Chief Financial Officer for Sumatra Copper & Gold plc for a period of three years and Company Secretary and Chief Financial Officer of Callabonna Uranium Limited for two and a half years. He is also Company Secretary of an unlisted public company, Nickel Mines Limited.

Directors' Interests

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

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

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

Unissued Shares Under Option

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

Number of Unissued Shares	Exercise price	Expiry date
1,000,000	$0.265	16 November 2014

All options expire on the earlier of their expiry date or termination of the employee's employment. The person entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of the Company or any other body corporate.

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 2014 KPMG, the Company's auditor, has not performed other services in addition to their statutory audit duties.

Statutory Audit	2014 $	2013 $
Auditors of the Company		
Audit and review of financial reports - KPMG	**62,550**	51,600

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

The lead auditor's independence declaration is set out on page 36 as required under section 307C of the Corporations Act 2001.

Remuneration Report - (Audited)

Principles of Compensation - (Audited)

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

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

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

No directors or senior executives receive performance related remuneration. Options issued in prior periods as remuneration were subject to minimum service periods being met. All outstanding options have fully vested at 30 June 2014.

There were no remuneration consultants used by the Company during the year ended 30 June 2014, or in the prior year.

Details of Remuneration for the Year Ended 30 June 2014 - (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:

		Short term	Post-employment	Share based payments			
Key management personnel	Year	Salary and fees $	Super-annuation $	Options $	Total $	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
Norman A. Seckold	**2014**	**90,000**	-	-	**90,000**	-	-
	2013	45,000	-	-	45,000	-	-
Grant L. Kensington	**2014**	**80,718**	-	-	**80,718**	-	-
	2013	203,721	15,185	38,565	257,471	-	14.98
Peter J. Nightingale	**2014**	**90,000**	-	-	**90,000**	-	-
	2013	45,000	-	-	45,000	-	-
Justin C. Werner	**2014**	**150,000**	-	-	**150,000**	-	-
	2013	150,000	-	-	150,000	-	-
Total	**2014**	**410,718**	-	-	**410,718**	-	-
Total	2013	443,721	15,185	38,565	497,471	-	7.75

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:

	2014	2013	2012	2011	2010
Loss attributable to owners of the Company	$2,316,023	$1,024,118	$9,853,450	$2,141,428	$1,477,777
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	$0.015	($0.025)	($0.15)	$0.01	$0.16
Return on capital employed*	(23%)	(17%)	(153%)	(15%)	(34%)

* 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.

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

Remuneration Report - (Audited) (Cont.)

Analysis of Options and Rights Over Equity Instruments Granted as Compensation - (Audited)

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

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

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

The Employee Service Agreement between the Company and the then Managing Director Grant Kensington expired on 18 February 2013 and was not renewed. Mr Kensington's services are now provided to the Company on a contracting basis. There is no employment agreement in place with Managing Director Justin Werner.

Analysis of Movements in Options - (Audited)

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

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

Movement in shares

No shares were granted to key management personnel during the reporting period as compensation in 2013 or 2014. 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 2013	Purchased shares	Sales	Held at 30 June 2014
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

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

Remuneration Report - (Audited) (Cont.)

Movement in options

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

Key management personnel	Held at 1 July 2013	Granted during period	Lapsed	Vested during period	Held at 30 June 2014
Norman A. Seckold	-	-	-	-	-
Grant L. Kensington	2,000,000	-	(1,000,000)	-	1,000,000
Peter J. Nightingale	-	-	-	-	-
Justin C. Werner	-	-	-	-	-

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

No options held by key management personnel are vested but not exercisable at 30 June 2014 or 30 June 2013.

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

- During the year ended 30 June 2014, 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 $309,200 (2013 - $277,157). At 30 June 2014 there were $80,800 of fees outstanding (2013 - $147,257).

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 2014 and 2013 financial years year and no amounts were outstanding at the year end (2013 - nil).

Signed at Sydney this 16th day of September 2014 in accordance with a resolution of the Board of Directors.

Justin C. Werner
Managing Director

KPMG

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 2014, there have been:

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

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

KPMG

KPMG

Stephen Board
Partner
Brisbane
16 September 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

	Notes	Consolidated 2014 $	2013 $
Continuing operations			
Administration and consultant expenses		**(447,866)**	(453,244)
Audit and other professional fees	6	**(62,550)**	(51,600)
Depreciation and amortisation expenses	6	**(1,660)**	(575)
Directors' fees and superannuation expenses		**(371,318)**	(334,531)
Legal fees		**(19,515)**	(119,049)
Impairment loss - deposit		**-**	(73,827)
Impairment loss - exploration and evaluation expenditure	14	**(1,423,132)**	-
Share based payments expense	18	**-**	(38,565)
Other expenses		**(42,995)**	(64,831)
Operating loss before financing income		**(2,369,036)**	(1,136,222)
Finance income	5	**46,717**	108,214
Loss before income tax expense		**(2,322,319)**	(1,028,008)
Income tax	8	**-**	-
Loss from continuing operations		**(2,322,319)**	(1,028,008)
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		**11,250**	99,925
Net change in fair value of available-for-sale financial assets transferred to the profit or loss		**-**	(102,175)
Foreign currency translation		**(89,789)**	(5,895)
Total other comprehensive income		**(78,539)**	(8,145)
Total comprehensive loss for the year		**(2,400,858)**	(1,036,153)
Loss is attributable to:			
Owners of the Company		**(2,316,023)**	(1,024,118)
Non-controlling interest		**(6,296)**	(3,890)
Loss for the year		**(2,322,319)**	(1,028,008)
Total comprehensive loss is attributable to:			
Owners of the Company		**(2,385,583)**	(1,031,674)
Non-controlling interest		**(15,275)**	(4,479)
Total comprehensive loss for the year		**(2,400,858)**	(1,036,153)
Earnings per share			
Basic and diluted loss per share (cents)	9	**(0.97)**	(0.51)

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

		Consolidated	
	Notes	2014 $	2013 $
Current assets			
Cash and cash equivalents	10	**4,898,922**	327,444
Trade and other receivables	11	**120,371**	4,956
Prepayments		**39,673**	36,431
Total current assets		**5,058,966**	368,831
Non-current assets			
Available-for-sale financial assets	12	**29,250**	18,000
Property, plant and equipment	13	**12,975**	1,042
Exploration and evaluation expenditure	14	**5,693,150**	6,304,628
Other assets	15	**15,000**	55,000
Total non-current assets		**5,750,375**	6,378,670
Total assets		**10,809,341**	6,747,501
Current liabilities			
Trade and other payables	16	**581,835**	590,577
Total current liabilities		**581,835**	590,577
Total liabilities		**581,835**	590,577
Net assets		**10,227,506**	6,156,924
Equity			
Issued capital	17	**25,628,095**	21,011,416
Reserves	17	**32,384**	578,631
Accumulated losses		**(15,704,553)**	(15,428,644)
Total equity attributable to equity holders of the Company		**9,955,926**	6,161,403
Non-controlling interest		**271,580**	(4,479)
Total equity		**10,227,506**	6,156,924

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

Attributable to equity holders of the Group	Notes	Issued capital $	Reserves $	Accumulated losses $	Total $	Non-Controlling Interest $	Total equity $
Balance at 1 July 2012		19,946,161	1,617,235	(15,474,139)	6,089,257	-	6,089,257
Total comprehensive income for the year							
Loss for the year		-	-	(1,024,118)	(1,024,118)	(3,890)	(1,028,008)
Total other comprehensive income		-	(7,556)	-	(7,556)	(589)	(8,145)
Total comprehensive loss for the year		-	(7,556)	(1,024,118)	(1,031,674)	(4,479)	(1,036,153)
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners of the Company							
Ordinary shares issued	17	1,123,750	-	-	1,123,750	-	1,123,750
Transaction cost on issue of shares - cash	17	(58,495)	-	-	(58,495)	-	(58,495)
Transaction cost on issue of shares - options issued as consideration	17	-	38,565	-	38,565	-	38,565
Share based payment transactions	18	-	(1,069,613)	1,069,613	-	-	-
Balance at 30 June 2013		21,011,416	578,631	(15,428,644)	6,161,403	(4,479)	6,156,924
Balance at 1 July 2013		21,011,416	578,631	(15,428,644)	6,161,403	(4,479)	6,156,924
Total comprehensive income for the year							
Loss for the year		-	-	(2,316,023)	(2,316,023)	(6,296)	(2,322,319)
Total other comprehensive income	17	-	(69,560)	-	(69,560)	(8,979)	(78,539)
Total comprehensive loss for the year		-	(69,560)	(2,316,023)	(2,385,583)	(15,275)	(2,400,858)
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners of the Company							
Ordinary shares issued	17	3,777,356	-	-	3,777,356	-	3,777,356
Transaction cost on issue of shares - cash	17	(381,530)	-	-	(381,530)	-	(381,530)
Issue of options	17	-	1,800,000	-	1,800,000	-	1,800,000
Transfer of exercised options	17	1,220,853	(1,220,853)	-	-	-	-
Transfer of expired options	18	-	(476,687)	476,687	-	-	-
Disposal of non-controlling interest without a change in control	17	-	(579,147)	1,563,427	984,280	291,334	1,275,614
Balance at 30 June 2014		**25,628,095**	**32,384**	**(15,704,553)**	**9,955,926**	**271,580**	**10,227,506**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

	Notes	Consolidated 2014 $	2013 $
Cash flows from operating activities			
Cash payments in the course of operations		**(1,180,376)**	(590,106)
Interest received		**26,717**	6,039
Net cash used in operating activities	19	**(1,153,659)**	(584,067)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(841,820)**	(638,340)
Payments for property, plant and equipment		**(13,513)**	-
Receipts for security deposits		**40,000**	-
Payments for exploration prospects		**(50,000)**	-
Proceeds from the sale of exploration prospects		**1,821,791**	-
Proceeds from the sale of investments		**-**	327,175
Net cash provided by/(used in) investing activities		**956,458**	(311,165)
Cash flows from financing activities			
Proceeds from share and option issues	17	**4,998,209**	1,123,750
Transaction costs on share issue	17	**(229,530)**	(58,495)
Net cash provided by financing activities		**4,768,679**	1,065,255
Net increase in cash held		**4,571,478**	170,023
Cash and cash equivalents at 1 July		**327,444**	157,421
Cash and cash equivalents at 30 June	10	**4,898,922**	327,444

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

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 2014 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 16 September 2014.

(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 8 - Unrecognised deferred tax asset
- Note 14 - Exploration and evaluation expenditure

2. BASIS OF PREPARATION (Cont.)

(e) Changes in accounting policies

The Group has adopted the following standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

(i) AASB 10 Consolidated Financial Statements (2011)

As a result of AASB 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has the power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of AASB 10 (2011), the Group reassessed the control conclusion for its investees at 1 July 2013 and have concluded that no adjustments to the financial statements are required.

(ii) AASB 11 Joint Arrangements (2011)

As a result of AASB 11, the Group has changed its accounting policy for its interest in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Group has assessed the impact of this change and has concluded that there is no impact on the financial statements.

(iii) AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has assessed the disclosure requirements under this standard and has expanded its disclosures about non-controlling interests.

(iv) AASB 13 Fair Value Measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date.

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, however, this has not had a significant impact on the measurement of the Group's assets and liabilities.

(v) Presentation of transactions recognised in other comprehensive income

From 1 July 2013 the Group applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net loss. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the Statement of Profit or Loss and Other Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue

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

(b) Finance income and finance costs

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

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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Property, plant and equipment (Cont.)

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) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Financial instruments (Cont.)

Held-to-maturity investments

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

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss is reclassified to profit or loss.

Non-derivative financial liabilities

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

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

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares

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

(f) Basis of consolidation

Subsidiaries

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Basis of consolidation (Cont.)

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

Jointly controlled operations

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

Loss of control

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

Investments in associates and jointly controlled entities

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

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

Transactions eliminated on consolidation

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

(g) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(g) 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.

(h) Cash and cash equivalents

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

(i) 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.

(j) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) 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.

(k) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) 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.

(m) 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.

(n) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(o) 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.

(p) 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 2014, 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 (2010), AASB 9 Financial Instruments (2009)

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

AASB 9 (2010 and 2009) is effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. DETERMINATION OF FAIR VALUES

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

Equity securities

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

Share-based payment transactions

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

	Consolidated 2014 $	Consolidated 2013 $

5. FINANCE INCOME AND FINANCE COSTS

	2014 $	2013 $
Recognised in profit or loss		
Interest income on cash deposits	**26,717**	6,039
Profit on sale of available-for-sale financial assets	-	102,175
Profit on disposal of interest in tenements	**20,000**	-
Net finance income recognised in profit or loss	**46,717**	108,214
Recognised in other comprehensive income		
Net change in fair value of available-for-sale financial assets	**11,250**	99,925
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(102,175)
Foreign currency translation	**(89,789)**	(5,895)
Finance cost recognised in other comprehensive income, net of tax	**(78,539)**	(8,145)

6. LOSS FOR THE YEAR

	2014 $	2013 $
Loss before income tax expense has been determined after:		
Depreciation of non-current assets		
- Plant and equipment	**1,660**	575
Foreign exchange loss	**2,969**	11,926
Superannuation	-	23,120
Remuneration of the auditors of the Company - KPMG		
- Audit and review of financial statements	**62,550**	51,600
Total remuneration of the auditors	**62,550**	51,600

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.

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	
	2014 $	2013 $
Financial assets		
Cash and cash equivalents	**4,898,922**	327,444

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

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

7. FINANCIAL INSTRUMENTS (Cont.)

Market risks (Cont.)

Interest rate risk (Cont.)

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

For the year ended 30 June 2014, 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 2014 $	Post tax loss (Higher)/Lower 2013 $	Total equity (Higher)/Lower 2014 $	Total equity (Higher)/Lower 2013 $
+ 1% higher interest rate	**26,132**	3,038	**26,132**	3,038
- 0.5% lower interest rate	**(13,066)**	(1,519)	**(13,066)**	(1,519)

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rate on cash balances. The sensitivity is not significant for the years ended 30 June 2014 and 30 June 2013 because of the stable pattern of investing the surplus cash in high interest yield accounts throughout the years and the Group not being exposed to interest bearing financial liabilities.

Currency risk

The Group's largest exposure to currency risk is on deposits paid that are denominated in United States currency. The Group's gross financial position exposure to foreign currency risk at balance date was USD$10,877 (2013 - USD$626).

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

For the year ended 30 June 2014, if the exchange rate between the Australian dollar and the United States dollar had moved, as illustrated in the table below, with all other variables held constant, the post-tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

	Post tax loss (Higher)/Lower 2014 $	Post tax loss (Higher)/Lower 2013 $	Total equity (Higher)/Lower 2014 $	Total equity (Higher)/Lower 2013 $
+ 10% higher AUD to USD exchange rate	**1,088**	62	**1,088**	62
- 5% lower AUD to USD exchange rate	**(544)**	(36)	**(544)**	(36)

Price risk

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

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

7. FINANCIAL INSTRUMENTS (Cont.)

Market Risks (Cont.)

Price risk (Cont.)

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	
	2014 $	2013 $	2014 $	2013 $
AFS Investments - 10% price increase	-	-	**2,925**	1,800
AFS Investments - 10% price decrease	-	-	**(2,925)**	(1,800)

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

Post tax loss would increase as a result of impairments on equity securities classified as available-for-sale. However AFS investments held at 30 June 2014 have previously been impaired and then subsequently revalued. Consequently any subsequent impairment of these investments would not impact post tax loss unless the impairment was greater than the amounts carried in the fair value reserve in relation to the equity securities held (refer Note 17).

Liquidity risk

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

The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. During the year the Group received two tranches of investment by the Rajawali Group. Tranche 1, received in December 2013 totalled $3,000,000 and tranche 2, received in June 2014 totalled $3,800,000. See Note 17 for detail on the consideration given in return for funds invested. At balance date, the Group has available funds of $4,898,922 for its immediate use. Based on cash flow projections prepared by the Group and authorised by the Board, these available funds are expected to be sufficient for the Group to undertake anticipated activities for the next twelve months without the need to raise additional capital.

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 2014						
Trade and other payables	**581,835**	**(581,835)**	**(581,835)**	-	-	-
30 June 2013						
Trade and other payables	585,082	(585,082)	(585,082)	-	-	-

7. FINANCIAL INSTRUMENTS (Cont.)

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	
	2014 $	2013 $
Cash and cash equivalents	**4,898,922**	327,444
Trade and other receivables	**120,371**	4,956
Other financial assets	**15,000**	55,000
	5,034,293	387,400

Other financial assets for the year ended 30 June 2014 and 30 June 2013 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.

Receivables

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

Cash and cash equivalents

The Group held cash and cash equivalents of $4,898,922 at 30 June 2014 (2013 - $327,444), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA ($4,872,486) to ba2 ($26,436), 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.

7. FINANCIAL INSTRUMENTS (Cont.)

Estimation of fair values

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

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

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

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2014				
Available-for-sale financial assets	**29,250**	-	-	**29,250**
30 June 2013				
Available-for-sale financial assets	18,000	-	-	18,000

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 2014 and 30 June 2013.

8. INCOME TAX

	Consolidated 2014 $	 2013 $
Current tax expense		
Current year	**(301,374)**	(297,878)
Tax losses not recognised	**301,374**	297,878
	-	-
Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	**(2,322,319)**	(1,028,008)
Prima facie income tax benefit at the Australian tax rate of 30% (2013 - 30%)	**(696,696)**	(308,402)
Increase in income tax expense due to:		
Non-deductible expenses	**24,562**	57,804
Tax losses not recognised	**301,374**	297,878
Effect of net deferred tax assets not brought to account	**370,760**	(47,280)
Income tax expense	-	-

8. INCOME TAX (Cont.)

	Consolidated 2014 $	Consolidated 2013 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital Gains	-	-
Taxable temporary differences (net)	**3,140,212**	2,879,452
Tax losses	**816,505**	331,286
Net	**3,956,717**	3,210,739

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:

	2014	2013
Net loss for the year attributable to equity holders of the Company	**(2,316,023)**	(1,024,118)

	N° of shares	N° of shares
Weighted average number of ordinary shares (basic and diluted)		
- Issued ordinary shares at the beginning of the year	**205,281,798**	177,188,048
- Effect of shares issued on 12 September 2012	-	22,459,564
- Effect of shares issued on 11 December 2013	**33,131,868**	-
- Effect of shares issued on 30 June 2014	-	-
Weighted average number of shares at the end of the year	**238,413,666**	199,647,612

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

10. CASH AND EQUIVALENTS

	Consolidated 2014 $	Consolidated 2013 $
Cash at bank	**4,898,922**	327,444
Cash and cash equivalents in the statement of cash flows	**4,898,922**	327,444

11. TRADE AND OTHER RECEIVABLES

	2014	2013
Current		
GST receivable - Australia	**19,307**	4,956
Other receivables	**101,064**	-
	120,371	4,956

	Consolidated 2014 $	Consolidated 2013 $

12. AVAILABLE FOR SALE FINANCIAL ASSETS

	2014 $	2013 $
Equity investments – available-for-sale at fair value	**29,250**	18,000

The Company holds 150,000 shares in Stonewall Resources Limited. At 31 December 2013, the directors compared the carrying value of the investment to market value and recorded an increase in fair value within equity of $12,750 as disclosed in the half year report. At 30 June 2014, the directors compared the carrying value of the investment to market value and recorded a reduction in fair value within equity of $1,500 (2013 - $2,250 reduction). This was based on a closing bid price of 19.5 cents at 30 June 2014 (2013 - 12.0 cents).

13. PROPERTY, PLANT AND EQUIPMENT

	2014 $	2013 $
Plant and equipment		
At cost	**18,665**	17,912
Less accumulated depreciation	**(17,928)**	(17,912)
Exchange movements	**(54)**	-
Total plant and equipment	**683**	-
Motor vehicles		
At cost	**444**	-
Less accumulated depreciation	**(27)**	-
Exchange movements	**(31)**	-
Total motor vehicles	**386**	-
Office equipment		
At cost	**27,676**	14,854
Less accumulated depreciation	**(15,405)**	(13,812)
Exchange movements	**(873)**	-
Total office equipment	**11,398**	1,042
Furniture and fittings		
At cost	**572**	-
Less accumulated depreciation	**(24)**	-
Exchange movements	**(40)**	-
Total furniture and fittings	**508**	-
Total property plant and equipment	**12,975**	1,042

13. PROPERTY, PLANT AND EQUIPMENT (Cont.)

Movements in carrying amounts

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

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

	Consolidated				
	Plant and equipment $	Motor vehicles $	Office equipment $	Furniture and fittings $	Total $
Balance at 1 July 2013	-	-	1,042	-	1,042
Additions	753	444	12,822	572	14,591
Depreciation expense	(16)	(27)	(1,593)	(24)	(1,660)
Exchange movements	(54)	(31)	(873)	(40)	(998)
Balance at 30 June 2014	**683**	**386**	**11,398**	**508**	**12,975**

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2014 $	2013 $
Costs carried forward in respect of areas of interest in exploration phase:		
New South Wales	**2,376,641**	2,362,400
Additions	**4,970**	14,241
Impairment loss	**(1,423,132)**	-
Net book value	**958,479**	2,376,641
Indonesia	**3,927,987**	3,338,592
Additions	**918,528**	589,395
Exchange movements	**(111,844)**	-
Net book value	**4,734,671**	3,927,987
	5,693,150	6,304,628

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

During the year ended 30 June 2014, the Group fully impaired the carrying value of the Yeoval project by an amount of $1,423,132 due to the inherent uncertainty of the recoupment of these costs and the minimal activities undertaken at the project during the period. The impairment charge was allocated to the NSW segment result in Note 21.

	Consolidated 2014 $	Consolidated 2013 $

15. OTHER ASSETS

	2014 $	2013 $
Non-current		
Environmental bonds	**15,000**	55,000

16. TRADE AND OTHER PAYABLES

	2014 $	2013 $
Current		
Unsecured liabilities		
Trade creditors	**551,702**	444,562
Sundry creditors and accruals	**30,133**	146,015
	581,835	590,577

17. CAPITAL AND RESERVES

	2014 $	2013 $
Share capital		
315,818,198 (2013 - 205,281,798) fully paid ordinary shares	**25,628,095**	21,011,416

Ordinary shares	2014 Nº of shares	2014 $	2013 Nº of shares	2013 $
Balance at the beginning of the year	**205,281,798**	**21,011,416**	177,188,048	19,946,161
Shares issued during the period				
Fully paid ordinary shares issued 12 September 2012 at $0.04	-	-	28,093,750	1,123,750
Transaction costs	-	-	-	(58,495)
Fully paid ordinary shares issued 11 December 2013 at $0.02	**60,000,000**	**1,200,000***	-	-
Transaction costs	-	**(219,222)**	-	-
Fully paid ordinary shares issued 30 June 2014 at $0.07	**50,536,400**	**3,798,209***	-	-
Transaction costs	-	**(162,308)**	-	-
Balance at the end of the year	**315,818,198**	**25,628,095**	205,281,798	21,011,416

* In December 2013, the Company issued 60,000,000 new fully paid ordinary shares to PT. Archi Indonesia ('PT Archi'), following receipt of subscription consideration of $3,000,000 ('Tranche 1'). In addition, the Company granted to PT Archi the option to subscribe for a further 50,536,400 fully paid ordinary shares in the Company for $3,750,000 and to acquire 8,400 fully paid ordinary shares in a subsidiary of the Company, PT Alexis Perdana Mineral ('PT Alexis'), for $50,000. The $3,000,000 Tranche 1 subscription consideration received was recognised in equity with $1,200,000 classified within equity as issued share capital and $1,800,000 classified within equity to reflect the fair value of the option to subscribe for the further 50,536,400 fully paid ordinary shares in the Company and the option to acquire 8,400 fully paid ordinary shares in PT Alexis.

17. CAPITAL AND RESERVES (Cont.)

In June 2014 PT Archi exercised its option to subscribe for the further 50,536,400 fully paid ordinary shares in the Company and the option to acquire 8,400 fully paid ordinary shares in PT Alexis, paying to the Company the option consideration amounts totalling $3,800,000 ('Tranche 2').

As a result of PT Archi exercising its option, of the $1,800,000 classified within equity from Tranche 1 as the fair value of the option, $1,220,853 to was classified as issued share capital, being management's assessment of the fair value of the option exercised by Rajawali to acquire the 50,536,400 shares in the Company and $579,147 was recognised as the fair value of the option relating to the acquisition of 8,400 shares in PT Alexis and the disposal of a non-controlling interest.

Consideration of $3,800,000 was received from Tranche 2 with $2,577,356 being classified as issued share capital, being management's assessment of the fair value of the shares issued by the Company and $1,222,644 was recognised as the fair value of the 8,400 shares in PT Alexis.

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.

17. CAPITAL AND RESERVES (Cont.)

	Consolidated 2014 $	Consolidated 2013 $
Fair value reserve	**16,500**	5,250
Foreign currency translation reserve	**(86,116)**	(5,306)
Option premium reserve	**102,000**	578,687
	32,384	578,631
Non-controlling interest	**271,580**	(4,479)

Movements during the period

	2014 $	2013 $
Fair value reserve		
Balance at beginning of period	**5,250**	7,500
Net change in fair value of available-for-sale financial assets	**11,250**	99,925
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**-**	(102,175)
Balance at end of period	**16,500**	5,250
Foreign currency translation reserve		
Balance at beginning of period	**(5,306)**	-
Currency translation differences	**(80,810)**	(5,306)
Balance at end of period	**(86,116)**	(5,306)
Option premium reserve		
Balance at beginning of period	**578,687**	1,609,735
Employee share plan expense	**-**	38,565
Issue of options	**1,800,000**	-
Exercise of options	**(1,800,000)**	-
Transfer of expired options	**(476,687)**	(1,069,613)
Balance at end of period	**102,000**	578,687
Non-controlling interests		
Balance at beginning of period	**(4,479)**	-
Current period loss	**(6,296)**	(3,890)
Share of foreign currency translation reserve	**(8,979)**	(589)
Disposal of non-controlling interest without a change in control	**291,334**	-
Balance at end of period	**271,580**	(4,479)

18. SHARE BASED PAYMENTS

The Company established the Executive Share Option Plan on 30 June 2007 and modified the Plan at the 30 November 2009 Annual General Meeting. The Board may, from time to time, determine who is entitled to participate in the plan and may issue invitations to apply for the grant of options to the executive or a relative or associate nominated by the executive. The vesting conditions of options issued under the plan are based on minimum service periods being achieved. There are no other vesting conditions attached to options issued under the plan.

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

During the year ended 30 June 2014 no options were issued under Executive Share Option Plan (2013 - nil).

Options outstanding at 30 June 2014

Grant date	N° of options	Exercise price	Fair value at grant date	Contractual life of options	Vesting Date*
16 November 2011	1,000,000	$0.265	$0.102	3.0 years	15 November 2012

* Vesting conditions are based on minimum service periods being achieved.

Movement of options during the year ended 30 June 2014

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)	-	-
2,000,000	-	-	-	(2,000,000)	-	-
1,000,000	-	-	-	-	1,000,000	1,000,000
4,000,000	-	-	-	**(3,000,000)**	**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
$0.264	-	-	-	**$0.263**	**$0.265**	**$0.265**

18. SHARE BASED PAYMENTS (Cont.)

Options outstanding at 30 June 2013

Grant date	N° of options	Exercise price	Fair value at grant date	Contractual life of options	Vesting Date*
24 November 2010	1,000,000	$0.390	$0.207	3.0 years	7 December 2011
4 July 2011**	2,000,000	$0.200	$0.143	2.9 years	4 July 2011
16 November 2011	1,000,000	$0.265	$0.102	3.0 years	15 November 2012

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

Movement of options during the year ended 30 June 2013

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

Weighted average price of options

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

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

The weighted average remaining contractual life of share outstanding at the end of the year was 0.38 years (2013 - 0.91 years).

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.

Expenses arising from share-based payment transactions

Total expenses from share-based payment transactions recognised during the year ended 30 June 2014 as part of share-based remuneration expenses was nil (2013 - $38,565).

19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities		
Loss from ordinary activities after income tax	**(2,322,319)**	(1,028,008)
Adjustments for:		
Depreciation	**1,660**	575
Share based payment expense	**-**	38,565
Impairments	**1,423,132**	73,827
Profit on the sale of interest in tenement	**(20,000)**	(102,175)
Changes in assets and liabilities:		
Trade and other receivables	**(12,446)**	(4,956)
Prepayments	**13,763**	12,095
Trade and other payables	**(237,449)**	426,010
Net cash used in operating activities	**(1,153,659)**	(584,067)

20. RELATED PARTIES

Parent and ultimate controlling party

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

Key management personnel compensation

Information regarding individual key management personnel's compensation and some equity instruments disclosures as permitted by the Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report. Compensation paid to key management personnel during the year is set out in the table below. At 30 June 2014 there were $159,627 of fees outstanding (2013 - $201,094).

	2014 $	2013 $
Primary fees/salary	**410,718**	443,721
Superannuation	**-**	15,185
Share-based remuneration	**-**	38,565
	410,718	497,471

21. SEGMENT INFORMATION

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

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

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

Geographical segments

For the year ended 30 June 2014, the Group had one operating segment, being minerals exploration in NSW and Indonesia.

The Group has two reportable geographical segments as follows:

	NSW		Indonesia		Unallocated		Consolidated	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
External revenue		-		-	-	-	-	-
Interest income	-	-	-	-	**26,717**	6,039	**26,717**	6,039
Profit on the sale of interest in tenement	**20,000**	-	-	-	-	-	**20,000**	-
Depreciation and amortisation	-	-	**(1,085)**	-	**(575)**	(575)	**(1,660)**	(575)
Segment loss before income tax	**(1,403,132)**	-	**(74,699)**	(162,244)	**(844,488)**	(865,764)	**(2,322,319)**	(1,028,008)
Other material non-cash items								
Impairment of exploration and evaluation expenditure	**(1,423,132)**	-	-	-	-	-	**(1,423,132)**	-
Impairment of deposit	-	-	-	(73,827)	-	-	-	(73,827)
Reportable segment assets	**973,479**	2,431,641	**4,848,100**	3,962,745	**4,987,762**	366,630	**10,809,341**	6,741,501
Reportable segment liabilities	-	-	**100,101**	135,313	**481,735**	455,264	**581,835**	590,577

22. COMMITMENTS AND CONTINGENCIES

	Consolidated 2014 $	Consolidated 2013 $
Annual tenement expenditure commitments required within 12 months to maintain licences	**19,750**	6,563

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

23. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2014 the parent and ultimate controlling entity of the Group was Augur Resources Ltd.

	Company 2014 $	Company 2013 $
Result of the parent entity:		
Net loss	**(2,247,620)**	(1,562,434)
Other comprehensive income	-	-
Total comprehensive loss	**(2,247,620)**	(1,562,434)
Financial position of the parent entity at year end:		
Current assets	**4,900,841**	334,173
Non-current assets	**1,060,500**	2,450,683
Total assets	**5,961,341**	2,784,856
Current liabilities	**481,734**	558,653
Non-current liabilities	-	-
Total liabilities	**481,734**	558,653
Net assets	**5,479,607**	2,226,203
Total equity of the parent comprising of:		
Share capital	**25,628,095**	21,011,416
Investment premium reserve	**16,500**	5,250
Option premium reserve	**102,000**	578,687
Accumulated losses	**(20,266,988)**	(19,369,150)
Total equity	**5,479,607**	2,226,203

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.

24. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year:

- Administrative procedures to complete the acquisition of an 80% interest in four prospective copper and gold tenements in North Sulawesi, known as the Gorontalo properties were completed and a final payment of $150,000, bringing total cash consideration to $200,000, was made to MMG Exploration Pty Ltd in July 2014.

25. GROUP ENTITIES

Particulars in relation to controlled entities:

	Country of incorporation	Company interest in ordinary shares	
		2014 %	2013 %
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
PT Alexis Perdana Mineral	Indonesia	**45**	80
Solindo Pty Ltd	Australia	**100**	100
Wonogiri Pty Ltd	Australia	**100**	89

During the year the Company disposed of a 35% interest in PT Alexis Perdana Mineral, as approved by shareholders at the Company's Annual General Meeting in November 2013. The Company continues to control this subsidiary through the operation of a shareholders agreement.

During the year the Company's direct ownership interest in Wonogiri Pty Ltd increased from 89% to 100%.

26. COMPANY DETAILS

The registered office of the Company is:

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

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 37 to 68, and the Remuneration Report in the Directors Report, as set out on pages 32 to 35, 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 2014 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 2014.

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 16th day of September 2014 in accordance
with a resolution of the Board of Directors.

Justin C. Werner
Managing Director

KPMG

Report on the financial report

We have audited the accompanying financial report of Augur Resources Ltd (the 'Company'), which comprises the consolidated statement of financial position as at 30 June 2014, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, Notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

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 2014 and of its performance for the financial year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 32 to 35 of the Directors' Report for the year ended 30 June 2014. 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 2014 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG
16 September 2014
Brisbane

Stephen Board
Partner

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 2014.

Distribution of Equity Securities

ORDINARY SHARES

Range	Number of Holders	Number of Shares
1 - 1,000	33	5,746
1,001 - 5,000	57	187,534
5,001 - 10,000	115	1,077,466
10,001 - 100,000	185	7,700,456
100,001 - 9,999,999	135	306,846,996
Total	**525**	**315,818,198**

The number of shareholders holding less than a marketable parcel is 237.

There is one holder of the only class of options.

Twenty Largest Shareholders

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

Nº	Ordinary Shares Shareholder	Nº of Shares	Total %
1	PT Archi Indonesia	110,536,400	35.00
2	Permgold Pty Ltd	52,082,903	16.49
3	Rosignol Pty Ltd <Nightingale Family A/C>	12,375,000	3.92
4	JP Morgan Nominees Australia Limited	11,220,805	3.55
5	Oon Peng Lim	10,000,000	3.17
6	National Nominees Limited	9,909,836	3.14
7	Rigi Investments Pty Limited	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	Citicorp Nominees Limited	4,652,151	1.47
12	BNP Paribas Nominees Pty Ltd	3,323,333	1.05
13	UBS Wealth Management Australia Nominees Pty Ltd	3,055,000	0.97
14	R & C Australia Pty Ltd	3,050,000	0.97
15	UOB Kay Hian Private Limited <Clients AC>	2,740,000	0.97
16	HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	2,716,381	0.86
17	Adi Wijoyo	2,500,000	0.79
18	Mr Robert Simeon Lord	2,300,000	0.73
19	John Wardman & Associates Pty Ltd	2,100,000	0.66
20	PT Bestindo Kwadratama	2,083,333	0.66
	Total	**256,977,857**	**81.37**

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	N° 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%

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