



4 May 2009

**AUGUR RESOURCES LIMITED**

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**RENOUNCEABLE RIGHTS ISSUE NOTICE PURSUANT TO SECTION 708AA OF THE CORPORATIONS ACT 2001 (CTH) ("ACT") – CLEANSING NOTICE**

This notice is given by Augur Resources Limited ("**Augur**" or "**Company**") under section 708AA(2)(f) of the Corporations Act 2001 (Cth) ("**Act**") as modified by the Australian Securities and Investments Commission Class Order 08/35 ("**CO 08/35**").

The Company announced today a renounceable pro-rata rights issue ("**Rights Issue**") of two (2) fully paid ordinary shares in the Company ("**Rights Issue Shares**") for every one (1) ordinary share held by shareholders with a registered address in Australia or New Zealand recorded on the share register at 5.00pm AEST on 12 May 2009 ("**Eligible Shareholders**" at the "**Record Date**").

The Rights Issue Shares will be issued at a price of \$0.021. Shareholders will also be able to apply to subscribe for additional shares in respect of rights that lapse.

Approximately 103,000,026 Rights Issue Shares will be offered on the basis of two (2) fully paid ordinary shares for every one (1) ordinary share held on the Record Date, at an issue price of \$0.021 per Rights Issue Share. The Rights Issue will raise approximately \$2,163,000.55, before costs of the Rights Issue. The Rights Issue may be increased to a total of 128,749,984 Rights Issue Shares if holders of existing eligible listed options (ASX code: AUKO) exercise those options and are issued shares on or prior to the Record Date.

The Rights Issue Shares will rank equally with all other Augur shares on issue.

The Company confirms the Rights Issue is being made without a disclosure document, pursuant to section 708AA of the Act as modified by CO 08/35.

Proceeds from the Rights Issue are planned to be used primarily for developing the Company's Yeoval and Collierina Projects as well as continuing with advanced exploration within the Company's tenements. In addition to these projects, a portion of the net proceeds of the Rights Issue are expected to be applied to general exploration activities in southeast Australia and for working capital purposes.

In addition to being able to apply for Rights Issue Shares under the Rights Issue, Eligible Shareholders who take up their full entitlement under the Rights Issue will be able to apply for Rights Issue Shares that are not subscribed for in the Rights Issue ("**Shortfall Shares**"). The directors of the Company reserve the right to issue the Shortfall Shares at their discretion within 3 months ("**3 Month Period**") after the close of the Rights Issue offer period, under exception 3 to ASX Listing Rules 7.2.

Shareholders with registered addresses in countries outside of Australia and New Zealand will not be eligible to participate in the Rights Issue ("**Excluded Shareholders**"). The rights to acquire the Rights Issue Shares ("**Rights**") will not be offered to the Excluded Shareholders and will instead be issued to Bell Potter Securities Limited ("**Bell Potter**") (a nominee appointed by Augur, with the approval of the Australian Securities and Investments Commission), on the basis that Bell Potter will be required to sell those Rights and distribute to each of the Excluded Shareholders their proportion of the proceeds of the sale net of expenses.



Rights trading will commence on 6 May 2009 and will end on 29 May 2009.

A letter of offer and Entitlement & Acceptance Form in relation to the Rights Issue will be dispatched to Eligible Shareholders on 15 May 2009.

In accordance with section 708AA(2)(f) of the Act, the Company hereby gives notice that:

1. Augur will offer the Rights Issue Shares for issue without disclosure to investors under Part 6D.2 of the Act.
2. Augur is giving this notice under section 708AA(2)(f) of the Act;
3. As at the date of this notice, Augur has complied with:
  - (a) the provisions of Chapter 2M of the Act as they apply to Augur; and
  - (b) section 674 of the Act.
4. As at the date of this notice, there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) that investors and their professional advisers would reasonably require, for the purpose of making an informed assessment of:
    - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Augur; or
    - (ii) the rights and liabilities attaching to the Rights Issue Shares.
5. Eligible Shareholders may also apply for Shortfall Shares that are not taken up under the Rights Issue pursuant to a shortfall offer (**Shortfall Offer**). Such securities are being offered in addition to each Eligible Shareholder's entitlement under the Rights Issue and will be offered on the same basis as the Rights Issue. Importantly, the issue price will not be less than the issue price under the Rights Issue. The Shortfall Offer will be made no later than two months after the first offer under the Rights Issue. The Shortfall Shares issued pursuant to the Shortfall Offer will be issued within three months after the close of the Rights Issue. Allocation of Shortfall Shares pursuant to the Shortfall Offer will be subject to there being a shortfall under the Rights Issue and will otherwise take place at the sole discretion of the directors of the Company.
6. Set out below is information on the potential effect that the issue of the Rights Issue Shares will have on the control of the Company and the consequences of that effect:
  - (a) If all Eligible Shareholders take up their entitlements under the Rights Issue, then the Rights Issue will have no significant effect on the control of Augur.
  - (b) If particular Eligible Shareholders do not take up all of their entitlements under the Rights Issue, then the shareholding interests of those Eligible Shareholders in Augur will be diluted.
  - (c) The proportional interests of shareholders with registered addresses outside Australia and New Zealand may be diluted because (unless Augur determines otherwise) such shareholders are not entitled to participate in the Rights Issue.

(d) If the Rights Issue is undersubscribed, the placement of Shortfall Shares pursuant to the Shortfall Offer may result in a significant effect on the control of Augur depending on the level of the shortfall.

7. The major shareholder of Augur, Ichiya Co. Ltd (**Ichiya**), has indicated that it will take up its rights entitlement in full. Ichiya currently holds 41.4% of the ordinary shares in Augur.

The potential effect the issue of the Rights Issue Shares under the Rights Issue on the control of the Company is illustrated below:

If the Rights Issue is fully subscribed by Eligible Shareholders	As 12.34% of the shareholders of Augur are expected to be Excluded Shareholders, there will be limited effect on control for Eligible Shareholders. The shareholding of the Excluded Shareholders will be diluted from 12.34% to 4.11% if the Rights Issue is taken up in full.
If 75% of the Rights Issue are subscribed for by the Eligible Shareholders other than Ichiya, and Ichiya subscribes for its full entitlement	Ichiya's shareholding would increase from 41.4% to 45.88% if it takes its entitlement in full and to 51.16% if it also acquires all of the shortfall.
If 50% of the Rights Issue are subscribed for by the Eligible Shareholders other than Ichiya, and Ichiya subscribes for its full entitlement	Ichiya's shareholding would increase from 41.4% to 51.45% if it takes its entitlement in full and to 60.93% if it also acquires all of the shortfall.
If the Rights Issue is subscribed by no Eligible Shareholders other than Ichiya	Ichiya's shareholding would increase from 41.4% to 67.94% if it takes its entitlement in full and to 80.47% if it also acquires all of the shortfall.

**Ichiya has confirmed to the directors of the Company that it has no present intention to seek to modify or otherwise change the Company's present business and strategy following the Rights Issue, whatever the outcome.**

8. The Rights Issue is proposed to be conducted according to the following timetable:

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue	4 May 2009
Lodgement of Appendix 3B, Cleansing Notice and Offer Document with the ASX	4 May 2009
Despatch of notices to shareholders informing them of Rights Issue	5 May 2009
Shares trade on an "Ex" Entitlement basis and Rights commence to trade	6 May 2009
Record Date (books close) at 5.00 pm (AEST) for determining entitlements to Rights Issue Shares	12 May 2009
Rights Issue Offer Document and Entitlement and Acceptance Form dispatched to Shareholders	15 May 2009
Last day of Rights trading	29 May 2009



Trading on ASX of Rights Issue Shares on "deferred settlement" basis	1 June 2009
Acceptances and renunciations close at 5.00 pm (AEST)	5 June 2009
Allotment and issue of Rights Issue Shares	11 June 2009
ASX notified of under-subscriptions. Shortfall facility implemented	11 June 2009
Despatch holding statements to shareholders	16 June 2009
Trading of new shares expected to commence	17 June 2009

**This timetable is indicative only and may be subject to change.**

The Company reserves the right to amend this timetable including, subject to the Act and the ASX Listing Rules, extending the closing date.

9. As soon as practicable following the Record Date, Augur will dispatch a personalised Entitlement and Acceptance Form to Registered Shareholders. If you are eligible and wish to participate in the Rights Issue, it will be necessary for you to complete this personalised Entitlement and Acceptance Form and return it, with the appropriate application monies, to the Company's share registry before 5.00pm AEDT on the anticipated closing date of 5 June 2009.

If you have any questions in relation to the Rights Issue, please do not hesitate to contact the Company on 02 9267 8333.

A handwritten signature in blue ink, appearing to read 'G Kensington'.

Grant Kensington  
Managing Director