



Augur Resources Ltd.
(ASX: AUK)

**ASX Announcement
Renounceable Rights Issue**

May 4, 2009

Augur Resources advises that the attached letter relating to a renounceable rights issue is being posted to shareholders on 5 May 2009.

A handwritten signature in blue ink, appearing to read 'G Kensington', is positioned above the printed name and title.

Grant Kensington
Managing Director.



4 May 2009

AUGUR RESOURCES LTD

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Dear Shareholder,

AUGUR RESOURCES LIMITED: RENOUNCEABLE RIGHTS ISSUE – OFFER DOCUMENT

Overview of the offer

We are pleased to advise that today Augur Resources Limited (ASX:AUK) ("**Augur**" or "**the Company**") announced a pro-rata renounceable rights issue to raise up to \$2,163,000.55 (before costs and expenses) through the issue of up to 103,000,026 fully paid ordinary shares in the Company ("**Rights Issue Shares**") to existing shareholders at an issue price of \$0.021 per Rights Issue Share, on the basis of two (2) fully paid ordinary shares for every one (1) share held ("**Rights Issue**").

The offer is to be offered to all 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**").

Your entitlement to Rights Issue Shares is shown on the **enclosed** personalised Entitlement and Acceptance Form.

Augur has considerable assets in its Yeoval and Collierina Projects. In the last 12 months, Augur has successfully reported independent JORC compliant resources associated with deposits within each of these projects. Significant opportunity exists to increase each of these resources as well as finding new deposits.

Capital raised from the Rights Issue will be used to further develop these highly prospective projects as well as continue advanced exploration within our other promising tenements.

Our vision is to explore and develop economically viable deposits with the aim of growing Augur to a mid-tier resource company.

Further documents

As part of its announcement, the Company lodged an Appendix 3B and Cleansing Notice with the ASX on 4 May 2009. A copy of these documents and the Company's ASX releases are available at www.asx.com.au (ASX code: AUK). Information about the Company and its projects (including any ASX releases) are available at www.augur.com.au.

Eligibility

The Rights Issue will be open to existing shareholders of Augur with registered addresses in Australia and New Zealand.

As an Eligible Shareholder, Augur invites you to participate in the Rights Issue ("**Rights**"). The closing price of shares on the ASX on 1 May 2009 was \$0.04.



Approximately 103,000,026 Rights Issue Shares are being 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. If fully subscribed, 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.

As the Rights Issue is a renounceable rights issue, rights will be able to be traded or sold on your behalf. It will also be possible to purchase additional rights to permit Eligible Shareholders to increase their holding beyond their initial rights entitlement and other investors to become new shareholders.

The major shareholder of Augur, Ichiya Co. Ltd (**Ichiya**) has indicated that it will take up its rights entitlement in full. Ichiya currently holds **41.40%** 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.

Pursuant to section 708AA of the *Corporations Act 2001* (Cth) ("**Act**"), the Company is not required, and consequently, will not issue a prospectus or other disclosure document for the Rights Issue.

The Rights Issue will not be underwritten.

How to participate in the Rights Issue

Enclosed is a personalised Entitlement and Acceptance Form to Eligible Shareholders. If you 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.

You should carefully consider how to deal with this offer, and then take action in accordance with the alternatives referred to below. You may:

- take up your entitlement in full; or
- sell all of your entitlement on the ASX; or
- take up some of your entitlement and sell the balance on the ASX; or
- transfer your entitlement to another person or entity other than on the ASX; and/or
- apply for shortfall shares in the event of a shortfall; or
- allow your entitlement to lapse.

There is no obligation for you to participate in the Rights Issue. However, only those Eligible Shareholders who complete and return the Entitlement & Acceptance Form on or before the anticipated closing date will be eligible to participate in the Rights Issue.

If you intend to participate in the Rights Issue, we recommend that you allow time for processing and clearing of your application money. Accordingly, we recommend that, as soon as possible, you complete and return the Entitlement & Acceptance Form with the appropriate application monies to the Company's share registry by 5.00 pm (AEST) on 5 June 2009.

If you wish to sell all of your entitlement on the ASX

If you wish to sell your full entitlement on the ASX, forward the Entitlement and Acceptance Form to your broker with instructions to sell the whole of your entitlement. Please note that quotation of Rights on the ASX is expected to commence on 6 May 2009. Sale of your entitlement must be completed by the close of trade on 29 May 2009, when Rights trading ceases.

If your shareholding is broker sponsored, you can only sell your entitlement through your sponsoring broker.

If you wish to sell part of your entitlement on the ASX and take up the balance

If you wish to sell part of your entitlement on the ASX and take up the balance, please complete the section of the accompanying Entitlement and Acceptance Form marked "Instruction to your Stockbroker" and lodge the Form, together with your payment for the amount due in respect of the Rights Issue Shares subscribed for, with your broker. Cheques should be in Australian dollars for the amounts due in respect of the Rights Issue Shares you intend to accept.

If you wish to dispose of part of your entitlement to another person or entity other than on the ASX

If you wish to dispose of your entitlement to another person or entity other than on the ASX, shareholders holding shares registered on the issuer sponsored sub-register maintained by Computershare should forward a completed Australian Standard Renunciation and Acceptance Form (obtainable from your broker or Computershare) to Computershare Investor Services Pty Limited no later than 5:00 pm (AEST) on 5 June 2009.



Shareholders holding shares registered on the CHESS sub-register should contact their sponsoring participant.

If you wish to apply for shortfall shares in the Event of a Shortfall

Eligible Shareholders may also apply for shares, which are not taken up under the Rights Issue pursuant to a shortfall offer ("**Shortfall Offer**"). Such securities are being offered in addition to each shareholder's entitlement under the Rights Issue and will be offered on the same terms as the Rights Issue. A shortfall arises if the actual applications received for Rights Issue Shares are less than the number of Rights Issue Shares to be issued under the Rights Issue.

The Shortfall Offer will be made no later than two months after the first offer under the Rights Issue. The Rights Issue Shares issued pursuant to the Shortfall Offer, will be issued within three months after the close of the Rights Issue.

Allocation of new shares pursuant to the Shortfall Offer will be subject to there being a shortfall under the Rights Issue and will take place at the sole discretion of the directors of the Company.

If you wish to apply for shortfall shares, please complete the appropriate part of the Entitlement and Acceptance Form in accordance with instructions set out in that Form.

Allowing your entitlement to Lapse

If you do nothing and your Rights lapse, you will receive no benefit from the Rights Issue.

Overseas Shareholders

Augur has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited ("**Listing Rules**") that it would be unreasonable to make offers under the Rights Issue to all shareholders outside of Australia and New Zealand ("**Excluded Shareholders**"). Augur considers it unreasonable to extend the Rights Issue to those shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the number of holders outside of Australia and New Zealand and the cost of complying with the legal and regulatory requirements in those jurisdictions.

The rights to acquire the Rights Issue Shares that would have been offered to the Excluded Shareholders 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 (if there is a viable market) which would have been granted to Excluded Shareholders and distribute to each of the Excluded Shareholders their proportion of the proceeds of the sale net of expenses (if any).

Bell Potter at its sole discretion will determine the price at which the rights may be sold. Neither the Company nor Bell Potter will be subject to any liability for failure to sell the Rights or to sell the Rights at a particular price. If, in the opinion of Bell Potter, there is no viable market for the Rights of Excluded Shareholders, such Rights will be allowed to lapse with no payment to Excluded Shareholders.

Shareholders who are resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up their Rights does not breach the laws of the relevant overseas jurisdiction. The return of a duly completed Entitlement and Acceptance Form or payment of subscription monies will constitute a representation by the applicant that there has been no breach of such laws.

Effect of the Rights Issue on the Capital Structure of Augur

The capital structure of Augur following completion of the Rights Issue is summarised below:

Shares	Number
Shares on issue at the date of the offer document	51,500,013
Maximum Rights Issue Shares available under the offer	128,749,984
Maximum number of total shares potentially on issue at completion of the offer	180,249,997

Use of Proceeds

Proceeds from the Rights Issue are planned to be used primarily for the further focused advancement of the Yeoval deposits including reverse circulation (RC) drilling of the Crown porphyry zone at Yeoval which has already returned very significant results during the 2008 drilling program of 16m at 0.53% copper and 0.48 g/t gold and a further 16m at 0.72% copper and 0.84 g/t gold in hole YA019. Hole YA017 intersected 245m at 0.11% copper and 0.12% gold. These are currently the only two holes drilled within the Crown porphyry zone.

Further RC drilling will be undertaken to increase the resource at Yeoval (currently 12.9Mt at 0.38% cu and 0.14 g/t gold). Metallurgical work will also be commenced as the project is advanced to pre-feasibility after additional resource is determined.

Within the Yeoval tenement, Augur has a number of advanced targets which are ready to be drilled or are expected to be drill ready in the next six months. These include Goodrich (gold-copper target) and Goodrich South (copper-gold target).

At the Tullamore prospect, where significant gold (up to 11.4 g/t) has been found in rock chips proceeds will be used for extensive soil sampling and RC drilling, targeting high grade breccia hosted gold targets.

Further drilling is proposed to test for nickel sulphides in the vicinity of the Homeville nickel-cobalt deposit (12.2Mt at 0.91% nickel and 0.06% cobalt). Electro-magnetics will also be undertaken to target copper-gold mineralisation within the Collerina tenement.

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.

An indicative scenario for application of funds raised are shown in the table below:

• Drilling at Yeoval Crown porphyry zone	\$140,000
• Metallurgical testing Yeoval deposits	\$75,000
• Drilling eastern extent of the Sovereign Porphyry	\$110,000
• Drilling at Goodrich and Goodrich South	\$85,000
• Exploration at Collerina (including the Homeville deposit)	\$120,000
• Tullamore soil sampling and drilling	\$160,000
• Other exploration costs	\$710,000
• Working capital	\$763,000

Timetable

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

Event	Date
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
Normal trading of Rights Issue Shares commences	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.

Entitlement

The entitlement of Eligible Shareholders to participate in the offer will be determined at 5:00 pm (AEST) on 12 May 2009. Your entitlement to Rights Issue Shares is shown on the accompanying Entitlement and Acceptance Form. In calculating your entitlement to Rights Issue Shares, fractional parts of less than one half share have been disregarded, and fractional parts of one half share or more have been regarded as one share.



Renounceable Issue

The Rights Issue is renounceable. Accordingly, there will be trading of entitlements on the ASX meaning Eligible Shareholders may choose to sell or transfer all or any part of their entitlement instead of paying for the Rights Issue Shares.

It is proposed that rights entitlement trading will commence on 6 May 2009 and end on 29 May 2009.

That does not mean you have to sell your existing shares. Your right to subscribe for Rights Issue Shares may be sold or transferred without selling the Augur shares you currently hold.

Eligible Shareholders who do not take up their entitlement or who do not sell their Rights will find that their entitlement lapses.

Opening and Closing Dates

The offer opens on 15 May 2009. The Company will accept Entitlement and Acceptance Forms until 5:00 pm (AEST) on 5 June 2009 or such other date as the Directors of Augur in their absolute discretion shall determine, subject to the ASX Listing Rules.

Issue and Despatch

Shareholder statements will be despatched by 16 June 2009.

Application for Listing of Rights Issue Shares

Augur has applied to the ASX for the Rights Issue Shares to be quoted. If official quotation of the Rights Issue Shares is not obtained, all application monies will be refunded without interest and the issue will not proceed.

Further information

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', is positioned above the printed name of the Managing Director.

Grant Kensington
Managing Director