

Managing Director Address

As with all junior explorers, the 2008/09 financial year was indeed a challenging one particularly with regards to funding future exploration. A key achievement during the year was the raising of additional funds which allows us to continue to advance our prospects and mineral deposits. I thank all those that participated in the rights issue, particularly given the trying financial markets at the time. Indeed, I thank all shareholders for their support over the year.

I would now like to discuss some of our successes for the year, including the maiden JORC resource estimates for the Yeoval and Homeville deposits.

Key project highlights during the year have included the release of the first ever JORC resource estimate for the Yeoval porphyry deposit. Yeoval is situated approximately 80km north of Orange in central NSW. The announced JORC inferred resource estimate follows on from a successful drilling campaign at Yeoval during 2008 with an ASX release on 23 March 2009. The inferred resource estimate is currently 12.9Mt at 0.38% copper, 0.14 g/t gold, 120.1ppm molybdenum and 2.2 g/t silver, using a 0.2% copper cutoff. The resource is open at depth and mineralisation has not been closed off, particularly to the east. We expect that the resource could be further increased with additional drilling targeting the zones which remain open.

During the year an additional mineralised zone was reported approximately 280m south east of the Yeoval deposit. This mineralisation at the Crown zone is important as it shows mineralisation exists under shallow cover. The best intercepts thus far at Crown have been 16m @0.72% copper and 0.84 g/t gold and a further 16m @ 0.53% copper and 0.48 g/t gold.

I would now like to talk about the Collerina project, which is located approximately 50 km south of Nyngan in western NSW.

During the year we announced the maiden JORC inferred resource estimate for the Homeville nickel-cobalt deposit with an ASX Release on 21 August 2008. The deposit has an initial resource estimate of 12.2Mt at 0.91% nickel and 0.06% cobalt. The resource is open along strike and there is a strong possibility that the resource could be increased significantly in size. The deposit is very shallow and consists of a mineralised clay horizon and a lower mineralised saprock horizon.

We have commenced metallurgical testing of non-beneficiated mineralisation from the Homeville nickel-cobalt deposit. The results are encouraging with very high extraction rates of nickel from the lower saprock horizon. Acid consumption was high in some of these initial tests, however we are planning additional tests which are focused on improving acid consumption and improving the extraction of nickel from the clay horizon.

We are anticipating drilling at Collierina in the early part of next year to aid in the metallurgical testing and to further increase the size of the estimated resource.

In the latter half of last financial year we concentrated on our gold projects. This work led to the identification of a large soil gold anomaly at Lightning prospect which is within the Tullamore tenement. Drilling has been undertaken at Lightning and results should be released to the market once finalised.

Our exploration strategy remains focussed on our key projects and we will continue to prioritise targets within these project areas to maximise our success. Over the next twelve months we are planning to focus on defining additional resources within the Yeoval and Collierina project areas as well as further advancing our gold projects. At Yeoval in particular, we are aiming to drill test a number of advanced prospects prior to the end of the next financial year.

Augur Resources continues to focus on costs. We will remain focussed on reducing and controlling administration costs and maximising exploration expenditure.

On behalf of the Board I would like to thank all shareholders for their ongoing support, particularly given the trying financial times over the last year. I would also like to thank all those involved in advancing our projects and the company over the last year.

Grant Kensington
Managing Director
(ASX: AUK)

30 November 2009