

Augur Resources Limited
(formerly Champion Resources Limited)

ABN 79 106 879 690

Financial Report

For the year ended 30 June 2006

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Augur Resources Limited (formerly Champion Resources Limited)

ABN 79 106 879 690

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2006.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Joshua Simon Rogers (Appointed 18 May 2006)
Terrence John Shanahan (Appointed 18 May 2006)
Peter John Bradfield (Appointed 18 May 2006)
Kimikazu Yoshioka (Appointed 18 May 2006)
Robert Marshall McLennan (Resigned 30 October 2005)
Robert Edmund Coghill (Resigned 18 May 2006)
Andrew Brydon Skinner (Resigned 18 May 2006)
Kim Wright (Appointed 21 September 2005, resigned 18 May 2006)
Ian Bladen (Appointed 4 November 2005, resigned 18 May 2006)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the company during the financial year was mineral exploration.

No significant change in the nature of these activities occurred during the year.

Operating Results

The loss of the company for the financial year after providing for income tax amounted to \$852,999.

Review of Operations

The company holds nine Exploration Licence areas within the Lachlan Fold Belt in New South Wales, being the primary focus for most gold exploration in the State. The company continued to explore and evaluate those tenements during the year.

During the year, the company voluntarily changed its accounting policy to expense, rather than capitalised, all exploration expenditures as incurred. In accord with AASB 108, the comparative information has been restated to reflect that change.

Significant Changes in State of Affairs

In May 2006, Ichiya Co. Ltd. (of Japan) acquired 80% of the company issued capital to become the parent and major shareholder. Subsequently, Ichiya Co. Ltd. advanced significant loan funds to settle other creditors and provide working capital.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those Standards. No material adjustments arose from the transition to AIFRS.

After Balance Date Events

The company changed its name to Augur Resources Limited on 25 July 2006.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments

The company will continue its work towards identifying a commercially viable mineral resource in the granted prospects.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Information on Directors

The information on directors is as follows:

Augur Resources Limited (formerly Champion Resources Limited)

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Directors' Report (continued)

Joshua Simon Rogers

Executive Director, aged 37

Joshua has more than 15 years of experience in company development with a particular focus on resources and finance in both private and publicly listed companies. At senior executive or managing director level he has been involved in the resources, finance and telecommunications sectors in the development of medium to large scale companies.

In the late 1990's he was general manager of corporate advisory group, First Sydney Capital specialising in structured finance, corporate restructuring and public market raisings. Until 2003 he specialised in providing corporate restructuring advice to a variety of clients in which he often acted as managing director until project completion and which included publicly listed companies.

He is currently managing director of Mitchell Morgan, which he founded in 2003, a boutique corporate advisory firm and fund manager with offices in Sydney and Tokyo providing specialised services in the resources, finance and property development sectors. In addition he is also a director of a number of both public and private resources and finance companies.

Terrence John Shanahan

Executive Director, age 60

Terence has an extensive exploration and resources career spanning 35 years across all resource sectors in Australia. He started his career as an actuary in the late 1960's for Legal and General's Investment Division where he specialised in resources. In 1983 he managed natural resource investments on behalf of Development Finance Corporation.

From the late 1980's to mid 1990's Mr. Shanahan worked for Hambros Securities, where he operated within the company's equity division. He has also worked for Lennard Oil Ltd and Manga Group Ltd as company chairman.

In the last few years Mr. Shanahan has operated as a much respected consultant to various companies in the resource sector in capital raising and public company listings on the ASX.

Peter John Bradfield

Chairman, age 64

Mr. Bradfield was educated in Australia and Canada and he holds a law degree from the University of Melbourne with an extensive career in the resource and research and development industries. During his career he has worked for several corporations such as British Petroleum and CRA. During this time Mr. Bradfield was director of several CRA companies and resident manager in Japan from 1979 to 1981.

Mr. Bradfield later joined Energy Resources Australia as General Manager to become Chief Executive. Other appointments include Managing Director of the Elders Mining Group of companies.

Since 1991 he has been Managing Director of Bradfield Corporate Services Pty Limited providing strategic marketing and development advice to a range of corporate clients. During this period Mr. Bradfield was also a Director of Corporate Business at CSIRO

Kimikazu Yoshioka

Non Executive Director, Age 47.

From December 1985 he was a manager of Obiya-machi Main Store, Ichiya Co. Ltd. He worked in the retail business as manager of the main menswear store, the principal operation of the company, and was concurrently in charge of stores in the Kochi district. He transferred to General Affairs Department, Ichiya Co. Ltd in May 1990. He was responsible for the launch of the General Affairs Department and involved in the company's public offering. He was appointed as Managing Director in General Affairs Department, Ichiya Co. Ltd in June 2001. Currently, he was appointed as President and Representative Director, Ichiya Co. Ltd and Non Executive Director in Augur Resources Ltd.

Robert Marshall McLennan

Non Executive Director, Age 57.

From 1982 to 1988 he was Exploration Manager for Nationwide Resources Pty. Ltd, an exploration group based in Sydney. He has been involved in the public floatation of three exploration mining companies. Expertise includes exploration and mining tenement acquisition, formulating exploration and mine feasibility programmes, negotiating with prospective joint venture partners, supervising and carrying out field and mine exploration. Director of Champion Mines Limited, Montane Mines Limited and Australian Pacific Mines Limited. Resigned 18 May 2006.

Augur Resources Limited (formerly Champion Resources Limited)

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Directors' Report (continued)

Information on Directors (Continued)

Robert Edmund Coghill	Non Executive Director, age 57 Former seed shareholder and former director of the Equitilink Group of companies and has been involved in the listing of the mineral exploration companies Western Reefs Limited and Golden Deeps Limited. He has been involved in several IPOs and the commercialization of technologies including the Paracel Recompression Chamber for the US Navy. Director of Champion Mines Limited, Montane Mines Limited and Australian Pacific Mines Limited. Resigned 18 May 2006.
Andrew Brydon Skinner	Chairman Independent Non Executive Director, age 45 Accountant practicing in the areas of taxation and superannuation. Experienced in providing advice on the establishment, planning for, and administration of small superannuation funds, pension planning, income tax and superannuation structuring, income tax and business structuring. Director of Champion Mines Limited, Montane Mines Limited and Australian Pacific Mines Limited. Resigned 18 May 2006.

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Joshua Simon Rogers (Appointed 18 May 2006)	1	1
Terrence John Shanahan (Appointed 18 May 2006)	1	1
Peter John Bradfield (Appointed 18 May 2006)	1	1
Kimikazu Yoshioka (Appointed 18 May 2006)	1	1
Robert Marshall McLennan (Resigned 30 October 2005)	5	5
Robert Edmund Coghill (Resigned 18 May 2006)	6	6
Andrew Brydon Skinner (Resigned 18 May 2006)	5	5
Kim Wright (Appointed 21 September 2005, resigned 18 May 2006)	1	1
Ian Bladen (Appointed 4 November 2005, resigned 18 May 2006)	1	1

Options

At the date of this report, there are 1,956,250 options outstanding over unissued ordinary shares of Augur Resources Limited as follows:

	Number under Options	Director's interest
Ichiya Co. Ltd	NIL	Kimikazu Yoshioka
Sera Toka	1,281,250	N/A
Investment and Superannuation College Pty Ltd	NIL	N/A
Core Fund Management Pty Ltd	250,000	Robert Coghill (resigned 18 May 2006)
Gary L Lewis & Shirley A Lewis	156,250	N/A
Batter Peter	75,000	N/A
Richard Wynn Pritchard and Thomas Stock	56,250	N/A
John Wardman & Associates Pty Ltd	56,250	N/A
Westglade Pty Ltd	50,000	N/A
Morgan - Hunn, Chris John	31,250	N/A

Each option will give the holder the right to subscribe for one fully paid ordinary share in the capital of the Company at the exercise price of 20 cents per share not later than 31 March 2008.

Directors' Report (continued)

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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.

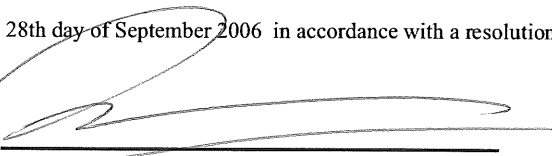
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed this 28th day of September 2006 in accordance with a resolution of the Board of Directors:

Director



Joshua Simon Rogers

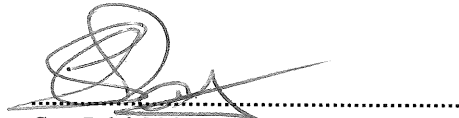
Augur Resources Limited (formerly Champion Resources Limited)
ABN 79 106 879 690

**Auditor's Independence Declaration under Section 307c
of the Corporations Act 2001 to the directors of Augur Resources
Limited (formerly Champion Resources Limited)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 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.

GOULD RALPH AND COMPANY
Chartered Accountants



Greg Ralph M.Com., F.C.A.
Partner

Dated this 28th day of September 2006

Augur Resources Limited (formerly Champion Resources Limited)

ABN 79 106 879 690

Income Statement
For the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Revenue	2	9,016	223
Advertising		(3,076)	-
Accountant fees		(32,796)	-
Audit fees		(7,800)	-
Share issue costs		(90,100)	-
Consulting fees		(410,961)	-
Directors fee		(45,040)	-
Legal fees		(33,524)	-
Management fees		(37,500)	-
Motor vehicle expenses		(2,326)	(17,629)
Rent expenses		(16,294)	-
Telephone		(24,773)	-
Travel expenses		(31,786)	(5,726)
Other expenses		(110,677)	(56,153)
Borrowing costs expense	3	<u>(15,362)</u>	<u>(562)</u>
Loss before income tax expense		(852,999)	(79,847)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss after income tax expense	3	(852,999)	(79,847)
Loss attributable to members of the entity	10	<u>(852,999)</u>	<u>(79,847)</u>

The accompanying notes form part of these financial statements.

Augur Resources Limited (formerly Champion Resources Limited)

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Balance Sheet
As at 30 June 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	437,165	15,336
Trade and other receivables	6	<u>104,125</u>	<u>16,106</u>
TOTAL CURRENT ASSETS		<u>541,290</u>	<u>31,442</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>4,953</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>4,953</u>	<u>-</u>
TOTAL ASSETS		<u>546,243</u>	<u>31,442</u>
CURRENT LIABILITIES			
Trade and other payables	8	<u>1,452,249</u>	<u>114,449</u>
TOTAL CURRENT LIABILITIES		<u>1,452,249</u>	<u>114,449</u>
TOTAL LIABILITIES		<u>1,452,249</u>	<u>114,449</u>
NET LIABILITIES		<u>(906,006)</u>	<u>(83,007)</u>
EQUITY			
Issued capital	9	31,040	1,040
Accumulated losses	11	<u>(937,046)</u>	<u>(84,047)</u>
TOTAL EQUITY	10	<u>(906,006)</u>	<u>(83,007)</u>

The accompanying notes form part of these financial statements.

Augur Resources Limited (formerly Champion Resources Limited)

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Statement of changes in equity
For the year ended 30 June 2006

	Ordinary \$	Accumulated Losses \$	Total \$
Balance at 1 July 2004	1,000	(4,200)	(3,200)
Ordinary share issued	40	-	40
Loss attributable to equity shareholders	<u>-</u>	<u>(79,847)</u>	<u>(79,847)</u>
Balance at 30 June 2005	1,040	(84,047)	(83,007)
Ordinary shares issued	30,000	-	30,000
Loss attributable to equity shareholders	<u>-</u>	<u>(852,999)</u>	<u>(852,999)</u>
Balance at 30 June 2006	<u>31,040</u>	<u>(937,046)</u>	<u>(906,006)</u>

The accompanying notes form part of these financial statements.

Augur Resources Limited (formerly Champion Resources Limited)

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**Cash Flow Statement
For the year ended 30 June 2006**

	Notes	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,591	-
Payments to suppliers and employees		(837,812)	(81,407)
Interest received		7,406	223
Borrowing costs		(15,362)	-
Income tax paid		-	(107)
Net cash used in operating activities	12(b)	<u>(842,177)</u>	<u>(81,291)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(4,963)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,963)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		30,000	40
Refund of exploration application deposits		-	20,175
Loans from shareholders		1,328,969	70,632
Payments of environment bonds		<u>(90,000)</u>	<u>-</u>
Net cash provided by financing activities		<u>1,268,969</u>	<u>90,847</u>
Net increase in cash held		421,829	9,556
Cash at beginning of financial year		<u>15,336</u>	<u>5,780</u>
Cash at end of financial year	12 (a)	<u><u>437,165</u></u>	<u><u>15,336</u></u>

The accompanying notes form part of these financial statements.

Augur Resources Limited (formerly Champion Resources Limited)

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Notes to the Financial Statements For the year ended 30 June 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Augur Resources Limited (formerly Champion Resources Limited) as an individual entity. Augur Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Augur Resources Limited as an individual entity has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the entity accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Augur Resources Limited to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those standards. No material adjustments arose from the translation to AIFRS.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(b) Property, Plant and Equipment

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Computer Equipment	37.5 %	Diminishing Value

(c) Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Augur Resources Limited (formerly Champion Resources Limited)

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Notes to the Financial Statements For the year ended 30 June 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Going Concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the directors have received a guarantee from major shareholders of continued financial support and the directors believe that such financial support will continue to be made available.

(f) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(g) Income Tax

The change for current income tax expenses is based on the profit for the year adjusted for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(h) Change in Accounting Policy

During the financial year, the company voluntarily changed its accounting policy with respect to exploration and evaluation expenditures. AASB 6 Exploration for and Evaluation of Mineral Resources provides that such expenditures be either expensed as incurred or capitalised as deferred expenditure with respect to each individual area of interest.

In order to provide reliable and relevant information regarding the effects of transactions, the company has decided to expense all such expenditures as incurred. Previously, these costs were treated as deferred expenditures.

In accordance with AASB 108 Accounting Policies Changes in Accounting Estimates and Errors, the comparative financial information has been restated to reflect this change.

The financial effect of this change in accounting policy has been increase to losses after income tax for the year by \$90,431 (2005: \$56,153) with a corresponding decrease in the net assets and accumulated losses.

Notes to the Financial Statements
For the year ended 30 June 2006

	Note	2006 \$	2005 \$
NOTE 2: REVENUE			
- interest	2(a)	7,406	223
- other revenue		<u>1,610</u>	<u>-</u>
		<u><u>9,016</u></u>	<u><u>223</u></u>
 (a) Interest from:			
- bank		7,142	223
- Australian Taxation Office		<u>264</u>	<u>-</u>
		<u><u>7,406</u></u>	<u><u>223</u></u>
 NOTE 3: PROFIT			
Profit (losses) before income tax expenses has been determined after:			
(a) Expenses			
Borrowing costs:			
- Ichiya Co. Ltd		3,096	-
- other persons		<u>12,266</u>	<u>562</u>
Total borrowing costs		<u><u>15,362</u></u>	<u><u>562</u></u>
 Depreciation of non-current assets			
- Computer Equipment		<u>10</u>	<u>-</u>
 Exploration and evaluation costs expensed		<u><u>90,431</u></u>	<u><u>56,153</u></u>
 Remuneration of the auditors for			
- audit or review services		<u><u>7,800</u></u>	<u><u>-</u></u>

Augur Resources Limited (formerly Champion Resources Limited)

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**Notes to the Financial Statements
For the year ended 30 June 2006**

	Note	2006 \$	2005 \$
NOTE 4: INCOME TAX EXPENSE			
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:			
Prima facie income tax payable on profit before income tax at 30.0% (2005 - 30.0%)			
		(255,900)	(23,954)
Add:			
Tax effect of:			
- Accruals audit fees		2,340	-
- Underprovided prior period		2,249	-
- Deferred tax asset not recognised		251,269	23,954
- other non-allowable items		<u>42</u>	<u>-</u>
Income tax expense attributable to profit		<u>-</u>	<u>-</u>
Deferred income tax			
Deferred tax assets have not been recognised in respect of the following items:			
Tax losses		<u>929,106</u>	<u>91,544</u>
The deductible tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the company can utilise the benefits from the deferred tax assets.			
NOTE 5: CASH AND EQUIVALENTS			
Cash at bank		<u>437,165</u>	<u>15,336</u>
NOTE 6: TRADE AND OTHER RECEIVABLES			
CURRENT			
Environment bonds		90,000	-
Other debtors		<u>14,125</u>	<u>16,106</u>
		<u>104,125</u>	<u>16,106</u>
NOTE 7: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
(a) Computer equipment			
At cost		4,963	-
Less accumulated depreciation		<u>(10)</u>	<u>-</u>
		<u>4,953</u>	<u>-</u>
Total property, plant and equipment		<u>4,953</u>	<u>-</u>

Augur Resources Limited (formerly Champion Resources Limited)

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**Notes to the Financial Statements
For the year ended 30 June 2006****NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Continued)****(a) Movements in Carrying Amounts**

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

	Computer equipment
	\$
2006	
Balance at the beginning of the year	-
Additions	4,963
Depreciation expense	<u>(10)</u>
Carrying amount at end of year	<u><u>4,953</u></u>

NOTE 8: TRADE AND OTHER PAYABLES**CURRENT**

Unsecured liabilities

Amounts payable to:

- Ichiya Co. Ltd (i)	1,418,009	-
- Mitchell and Morgan	14,881	-
- interest bearing amounts due to Ichiya Co. Ltd (i)	3,096	-
- amounts due to shareholders subordinated	-	67,027
- interest bearing amounts due to shareholders (subordinated)	-	39,990
Sundry creditors and accruals	<u>16,263</u>	<u>7,432</u>
	<u><u>1,452,249</u></u>	<u><u>114,449</u></u>

(i) Ichiya Co. Ltd is the major shareholder of the company. This loan is unsecured and attracts on interest rate of 3% per annum.

The loan has been subordinated behind all other creditors for reasons of providing financial support.

NOTE 9: CONTRIBUTED EQUITY

13,375,000 (2005: 1,040) Ordinary shares fully paid	<u><u>31,040</u></u>	<u><u>1,040</u></u>
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(a) Ordinary shares

	\$	\$
Balance at the beginning of the reporting period	1,040	1,000
Share issued during the year	<u>30,000</u>	<u>40</u>
Balance at the end of the reporting period	<u><u>31,040</u></u>	<u><u>1,040</u></u>

NOTE 10: EQUITY

Total equity at the beginning of the financial year	(83,007)	(4,200)
Total changes in equity recognised in the income statement	(852,999)	(79,847)
Transactions with owners as owners		
- Contributions of equity	<u>30,000</u>	<u>1,040</u>
Total equity at the reporting date	<u><u>(906,006)</u></u>	<u><u>(83,007)</u></u>

Augur Resources Limited (formerly Champion Resources Limited)

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Notes to the Financial Statements
For the year ended 30 June 2006

	Note	2006 \$	2005 \$
NOTE 11: ACCUMULATED LOSSES			
Accumulated losses at the beginning of the financial year		(84,047)	(4,200)
Net loss attributable to members of the entity		<u>(852,999)</u>	<u>(79,847)</u>
Accumulated losses at the end of the financial year		<u>(937,046)</u>	<u>(84,047)</u>
NOTE 12: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank		<u>437,165</u>	<u>15,336</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Loss from ordinary activities after income tax		(852,999)	(79,847)
Non-cash flows in profit from ordinary activities			
Depreciation		10	-
Prior year adjustments		-	7,230
Changes in assets and liabilities			
Decrease in receivables		1,981	20,279
Increase/(decrease) in payables		<u>8,831</u>	<u>(28,953)</u>
Cash flows from operations		<u>(842,177)</u>	<u>(81,291)</u>

Augur Resources Limited (formerly Champion Resources Limited)

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**Notes to the Financial Statements
For the year ended 30 June 2006**

	Note	2006 \$	2005 \$
NOTE 13: REMUNERATION AND RETIREMENT BENEFITS			
(a) Directors' remuneration			
Income paid or payable to all directors of the company by the company and any related parties		<u>141,290</u>	<u>-</u>
Number of directors whose income from the company or any related parties was within the following bands:			
		No.	No.
\$0 - \$9,999		6	3
\$10,000 - \$19,999		1	-
\$60,000 - \$69,999		2	-

The names of directors who have held office during the financial year are:

Joshua Simon Rogers (Appointed 18 May 2006)
Terrence John Shanahan (Appointed 18 May 2006)
Peter John Bradfield (Appointed 18 May 2006)
Kimikazu Yoshioka (Appointed 18 May 2006)
Robert Marshall McLennan (Resigned 30 October 2005)
Robert Edmund Coghill (Resigned 18 May 2006)
Andrew Brydon Skinner (Resigned 18 May 2006)
Kim Wright (Appointed 21 September 2005, resigned 18 May 2006)
Ian Bladen (Appointed 4 November 2005, resigned 18 May 2006)

NOTE 14: SEGMENT INFORMATION

The company principally operates in New South Wales, Australia in the mineral exploration and development sector.

Augur Resources Limited (formerly Champion Resources Limited)

ABN 79 106 879 690

**Notes to the Financial Statements
For the year ended 30 June 2006**

	Note	2006 \$	2005 \$
NOTE 15: RELATED PARTY TRANSACTIONS			
Transactions between related parties are on normal commercial terms with conditions no more favourable than those available to other parties unless otherwise stated.			
Transactions with related parties:			
Other Related Parties			
(a) Interest bearing advance from shareholders			
Ichiya Co. Ltd (refer to 7 (i))		1,418,009	-
R W Pritchard and R T Stock		-	9,990
Peter John Bartter		-	30,000
		<u>1,418,009</u>	<u>39,990</u>
(b) Interest free advance from shareholders			
Nationwide Mineral Consultants Pty Ltd		-	10,439
John Wardman and Associates Pty Ltd		-	100
Investment and super College Pty Ltd		-	53,915
Core Funds Management Pty Ltd		-	2,573
		<u>-</u>	<u>67,027</u>
Key Management Personnel			
(c) Management fees paid to Mitchell and Morgan in which Joshua Simon Roger (current director) has a beneficial interest.			
		<u>37,500</u>	-
		<u>37,500</u>	-

NOTE 16: COMPANY DETAILS

The registered office of the company is:

Augur Resources Limited

Level 45,

2 Park Street,

Sydney NSW 2000

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 17 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the financial year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing support of the major shareholder.

This declaration is made in accordance with a resolution of the directors.

Director



Joshua Simon Rogers

Dated this 28th day of September 2006

Augur Resources Limited (formerly Champion Resources Limited)

ABN 79 106 879 690

Independent Audit Report to the members of Augur Resources Limited (formerly Champion Resources Limited)

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the directors' declaration for Augur Resources Limited (formerly Champion Resources Limited), for the year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of their performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Audit Opinion

In our opinion, the financial report of Augur Resources Limited (formerly Champion Resources Limited) is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

GOULD RALPH AND COMPANY

Chartered Accountants



Greg Ralph M.Com., F.C.A.

Partner

Sydney, 28th September 2006

Liability limited by a scheme approved under Professional Standards Legislation