

Augur Resources Limited
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Thursday 21 February 2008

ASX ANNOUNCEMENT

RELATED PARTY TRANSACTION

Augur Resources Limited (Augur Resources) has entered into arrangements to provide financial accommodation to Ark Mines Limited ACN 123 668 717 (Ark Mines) in the form of a loan in the amount of \$500,000.00.

The loan to Ark Mines constitutes a Related Party Transaction which pursuant to the *Corporations Act 2001* (Cth) requires member approval unless the financial benefit is provided on terms that would be reasonable in the circumstances if the parties were dealing at arms length.

Augur Resources in recognition of its corporate responsibilities has applied standard commercial measures to ensure the proposed financial benefit to Ark Mines is provided on terms that would be reasonable in circumstances where Ark Mines and Augur Resources were dealing at arms length.

These terms are as follows:

1. The loan is documented pursuant to a facility agreement which provides for interest payments on the principal amount borrowed of 10 percent p.a. calculated daily.
2. The loan is to be secured by a first registered mortgage by Ark Mines in favour of Augur Resources in respect of five mining tenements located in New South Wales.
3. A caveat will be lodged with the New South Wales Department of Primary Industries in favour of Augur Resources in respect of the mining tenements which secure the loan amount.
4. The loan will be further secured by a mortgage over the mining tenements and a fixed and floating charge over the whole of the assets and undertakings of Ark Mines in favour of Augur Resources.

ENDS

For more information please contact:

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