



ANNUAL REPORT 2010

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Augur Resources Ltd

ABN 79 106 879 690

Chairman's Letter



Dear Fellow Shareholder

Your Company saw some significant developments in the 2010 Financial Year. The most obvious change came at Board level, with my colleague, Peter Nightingale and I joining the Board immediately after the last Annual Meeting of shareholders, at which time we and some associates acquired 30 million shares from Ichiya Co. Ltd. As you are probably aware, my company Permgold Pty Ltd has an option to acquire a further 30 million shares from Ichiya prior to 30 November 2010.

We also took our first step offshore, when we entered into an agreement over the Central Jampang gold project, which is located on the island of Java, Indonesia. We are currently drilling this project and hope to have our first JORC resource prior to the end of the year.

We believe that Indonesia hosts very prospective geology for gold and base metals, and we will continue to be alert for any further opportunities.

We have also conducted a second campaign of drilling at the Homeville nickel deposit. The results have been released to the market previously, and we expect to have an updated resource study completed soon.

Nickel laterites have been tremendously unfashionable in recent years, primarily due to process plants failing to achieve design forecasts. However, it is a simple reality that the world's nickel sulphide resources are limited, and therefore lateritic deposits will have to be developed in the future to meet the market demand. We expect processing routes that are far simpler than the complex HPAL technology will become viable at some point.

In summary, we have had a successful year, and trust that this positive momentum will continue in fiscal 2011.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Normal A. Seckold', with a large, stylized flourish at the end.

Normal A. Seckold

Dated this 24th day of September 2010

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Managing Director's Report

Dear Shareholder

Thank you for your support over the last financial year and welcome all those that joined as new shareholders of Augur Resources Ltd during the year.



I would also like to thank all the people that have been involved with Augur over the last twelve months including our personnel, contractors and suppliers. We look forward to their continued support in the future.

While it has been a challenging year, the Company is now positioned for an exciting period as it builds its resources and grows value for shareholders. During the year, Augur entered into a new phase of exploration with the acquisition of an option over the Central Jampang Gold project in Indonesia and an overall increase in exploration activity as we assess the potential of this exciting gold project.

Our Strategy

Augur has a clear strategy of focusing on advanced projects, which have a high probability of being developed in the future, to JORC compliant resources and subsequently to operating mines.

Our key commodities are gold, copper, molybdenum and nickel.

Augur has expanded its region of focus to include Indonesia and in particular gold projects in Indonesia. We will continue to seek advanced gold projects as we build a solid portfolio of projects and resources.

Growth

Augur will deliver growth by seeking investment opportunities and advancing projects in our portfolio.

During the year I was pleased to announce the acquisition of the Central Jampang Gold project. Augur will advance the Jampang project with the aim of defining a JORC compliant resource during the 2010/11 financial year. Recent drill results are encouraging and first pass resource drilling is underway. The Jampang project will be a platform for our focus on quality gold projects in Indonesia.

At Yeoval, in central New South Wales, Augur has previously defined a copper-gold-molybdenum resource which remains open at depth and to the east. An additional porphyry target at the Crown prospect requires further drill testing. Exploration during the year continues to highlight the potential of this area to host significant copper and gold mineralisation.

Additional drilling at the Homeville nickel-cobalt deposit has indicated that a significant increase in resource is likely at the completion of the resource modelling. An updated resource is expected in late 2010. We will review other targets in and around the Homeville deposit over the forthcoming year.

By the end of this new financial year, Augur expects to have increased its JORC compliant resources as we move towards becoming a producer in the resources sector.

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Managing Director's Report

Again, thank you for your support. We have plenty to do to maximise the value of your Company and I can assure you that we will continue to work towards achieving those goals as we build a sustainable mineral mining Company.



Grant Kensington

Managing Director

Dated this 24th day of September 2010

Operations Overview

During 2010, Augur's primary focus has been on the advancing the Central Jampang Gold project. During the year, Augur entered into a two year option agreement to acquire 90% of the company holding the Central Jampang Gold project in Java, Indonesia.

Historically the Central Jampang Gold project has undergone significant drilling and exploration. Issues outside of the project impacted on the previous owner being able to raise capital to develop the project. Augur is undertaking drilling and geophysics to confirm both the main mineralised areas and the location and extent of previously identified geophysical targets, which remain largely untested.

Augur has JORC compliant resources covering a copper-gold-molybdenum porphyry deposit at Yeoval and a nickel-cobalt laterite deposit at Homeville. Both deposits are 100% owned by Augur. Our expert team continues to progress these deposits towards development as well as continuing to advance a number of advanced gold and copper-gold prospects.

Central Jampang Gold Project (Indonesia)

Option to purchase 90%

Target: Epithermal, near surface gold.

The Central Jampang Gold project is located approximately 150 kilometres south of Jakarta, on the island of Java.



Location of the Central Jampang Gold Project, West Java, Indonesia.

The general geology of the area consists of Miocene/Oligocene andesite and dacite rocks overlain by recent volcanic tuffs. Historical mapping and drilling, indicates that epithermal gold bearing veins and hydrothermal breccias exist in the area.

The area covered by the IUPs (Izin Usaha Pertambangans or mining business licences) has undergone limited modern exploration, with the exception of a three year program undertaken between 1996 and 1998 by a Canadian junior exploration company.

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A major structural trend with numerous gold occurrences and zones of significant alteration within the project licence area has been identified. Historical drilling focused on a large alteration zone at Cigarú which covers the northern half of the licences and contains the Lipi and Puteran-Simpang gold prospects. Mineralisation identified by the historical drilling remains open at depth and along strike.

Furthermore, the previous holder undertook geophysical surveys subsequent to their main drilling program and identified anomalies associated with the known mineralisation and four additional anomalies which either have not been drill tested or have had only limited drill testing.

During the year, Augur commenced drilling at the Lipi, Puteran Simpang and Lipi North prospects. Historically, significant gold had been identified at Lipi and Puteran Simpang prospects.



Lipi Prospect.

Lipi Prospect

The Lipi prospect has been identified as the main gold bearing zone at Jampang. Historically the mineralisation has been identified over a strike length of approximately 470 metres with the southern extent open. Work by Augur suggests that the northern extent of mineralisation is also not closed off.

During the year, a total of five diamond drill holes were drilled within the Lipi prospect. Each hole intersected shallow gold mineralisation. In addition, anomalous silver, copper and zinc was detected.

The drilling indicates that gold is present within a series of multiple quartz veins and hydrothermal breccias. These gold enriched zones appear to be near vertical and remain open at depth. Holes JADD10 and JADD11 were targeted on the central portion of the Lipi zone. Each hole returned wide zones of gold mineralisation. Hole JADD10 in particular was encouraging, returning 36 metres at 1.74 g/t gold and 0.89% copper.

Hole	Easting	Northing	Dip	Azimuth (Mag)	From	To	Interval (m)	Gold g/t	Copper %	Silver g/t
JADD10	675,350	9,214,608	60	255	28.60	64.60	36.00	1.74	0.89	7.95
	and				84.00	88.70	4.70	0.34	1.48	11.22
JADD11	675,280	9,214,838	60	255	71.50	91.70	20.20	1.43	0.21	5.22
JADD13	675,284	9,214,901	60	255	23.40	39.70	15.30	0.83		4.82
	and				137.00	138.00	1.00	8.92		2.40
JADD14	675,254	9,214,893	60	255	63.20	75.50	12.30	3.70	0.19	12.71
	and				104.30	107.30	3.00	14.35	0.59	8.90
	and				114.30	119.50	5.00	0.57	0.67	5.50
JADD15	675,250	9,214,871	60	255	36.00	44.00	8.00	1.83	0.14	6.73
	and				52.20	56.00	5.60	2.43	0.21	4.70

Table 1. Results from the drilling at Lipi prospect during 2009-10.

Note that hole JADD12 was drilled at the Lipi North Prospect.

The copper mineralisation in hole JADD10 confirms the occurrence of significant copper at Lipi. A three metre zone between 41.6 metres and 44.6 metres returned 2.67% copper within a zone of 36 metres of 0.89% copper.

While copper had been historically noted at Lipi, limited systematic analysis of the copper content had been made. Results are indicating that there is increasing coincidence of copper mineralisation with the gold mineralisation in a southward direction.



Central Jampang Gold Prospect.

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Puteran Simpang Prospect

The Puteran Simpang prospect is located approximately 640 metres north-northwest of the Lipi prospect. Gold mineralisation at Puteran Simpang trends in a north-northwest direction and is known to be associated with hydrothermal breccias. Zones of high grade gold have previously been reported from the Puteran Simpang prospect.

A total of five diamond holes were drilled at Puteran Simpang during the year. The best results were 10 metres at 2.01 g/t gold from 63 metres and a further 8 metres at 2.75 g/t gold in hole JADD2 from 78 metres.

Further drilling will be undertaken at Puteran Simpang during the next financial year, with the aim of defining a near surface resource at Puteran Simpang.

Hole	Easting	Northing	Dip	Azimuth (Mag)	From	To	Interval (m)	Gold g/t	Copper %	Silver g/t
JADD1	674,838	9,215,424	60	75	41	44	3	1.79		2.58
	and				51	56	5	1.95		7.72
JADD2	674,816	9,215,420	60	75	70	73	3	5.99		5.90
	and				79	86	7	3.09		16.13
JADD3	674,878	9,215,494	60	210	171	172	1	4.22		36.30
JADD4	674,839	9,215,510	50	210	77	85	8	1.26		2.75
JADD5	674,805	9,215,527	50	210						No significant results

Table 2. Results from the drilling at Puteran Simpang prospect during 2009-10.

Lipi North

The Lipi North prospect is located between the Lipi and Puteran Simpang prospects. The prospect includes recently exposed quartz veins.

Augur drill tested two targets at Lipi North during the year. Hole JADD6 targeted shallow quartz veins and returned 0.5 metres at 56 g/t gold and 26.6 g/t silver from 7 metres.

Holes JADD7, JADD8, JADD9 and JADD12 were targeting possible undercover vein systems in the east of the Lipi North prospect. The best result was in hole JADD8 which intersected 10 metres at 7.47 g/t gold and 6.44 g/t silver from 73 metres depth.

The results from Lipi North are very encouraging as they indicate that gold mineralisation occurs outside of the historically defined gold zones. Additional assessment of the geology and further drilling at Lipi North will be undertaken during the forthcoming year to determine the extent of the mineralisation at Lipi North.

Augur's work to date highlights the significant potential of the Central Jampang Gold project area. Further work will be aimed at determining a JORC resource and commencing metallurgical testing of representative samples.

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Hole	Easting	Northing	Dip	Azimuth (Mag)	From	To	Interval (m)	Gold g/t	Copper %	Silver g/t
JADD6	675,183	9,215,098	50	270	7.0	7.5	0.5	56.00	0.25	26.60
JADD7	675,141	9,215,050	50	90	52.0	53.0	1.0	3.02		5.90
JADD8	675,161	9,215,062	50	90	73.0	83.0	10.0	7.47		6.44
	including				75.0	76.0	1.0	67.00	0.59	45.40
	and				138.0	140.0	2.0	1.50		13.65
JADD9	675,179	9,215,073	50	90	147.0	151.0	4.0	1.18		9.63
JADD12	675,170	9,215,100	50	90	58.3	61.0	2.7	1.01		1.67

Table 3. Results from the drilling at Lipi North prospect during 2009-10.

Yeoval - EL 6311

100% Augur Resources Ltd

Targets: Copper-gold and gold porphyry and epithermal deposits.

The Yeoval tenement covers an area of 147km² and has potential for a Cadia-Ridgeway or North Parkes style of porphyry copper-gold ± molybdenum mineralisation, epithermal gold ± silver mineralisation and magnetite rich copper-gold mineralisation. The primary areas of focus are the Yeoval Mine prospect, Goodrich prospect, Goodrich South and nine further targets which are being systematically explored.

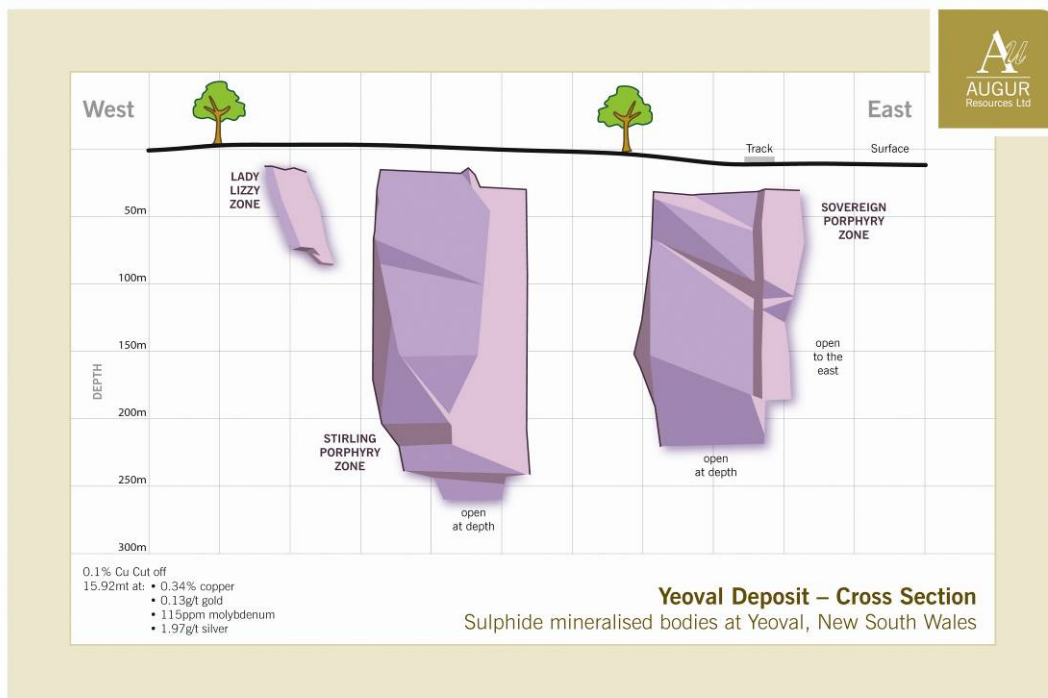
The Yeoval project area hosts numerous near surface copper ± gold occurrences and several small historical mines, within altered Naringla Granodiorite of the Yeoval complex. Prior exploration has targeted shallow outcropping mineralisation. Significant potential exists in areas of shallow alluvial cover.

Following on from the successful 2007/08 and 2008/09 drill programs, Augur completed the initial Inferred JORC Resource Estimate for the Yeoval copper-gold-molybdenum-silver deposit in 2009. A summary of the Inferred Resource Estimate is provided in Table 4.

Tonnes	Copper %	Gold g/t	Molybdenum ppm	Silver g/t	Copper Cut-off Grade %
15,921,000	0.34	0.13	115.3	1.97	0.10
12,881,000	0.38	0.14	120.1	2.20	0.20
9,878,000	0.42	0.15	129.0	2.47	0.25
7,318,000	0.48	0.17	140.9	2.75	0.30
4,523,000	0.56	0.19	161.8	3.26	0.40
2,515,000	0.65	0.22	192.3	3.83	0.50
477,000	0.88	0.26	285.3	5.25	0.75

Table 4. Summary of the JORC Inferred Resource for the Yeoval Copper-gold-molybdenum-silver deposit, Yeoval, New South Wales, Australia.

The resource has been calculated on the sulphide portion of the deposit. The oxide component was not included in the resource estimation as it is believed to be limited in volume. Potential exists for increased tonnage and grade as the higher grade zones have not yet been fully defined by the current drilling density and the deposit is open to the east and at depth.

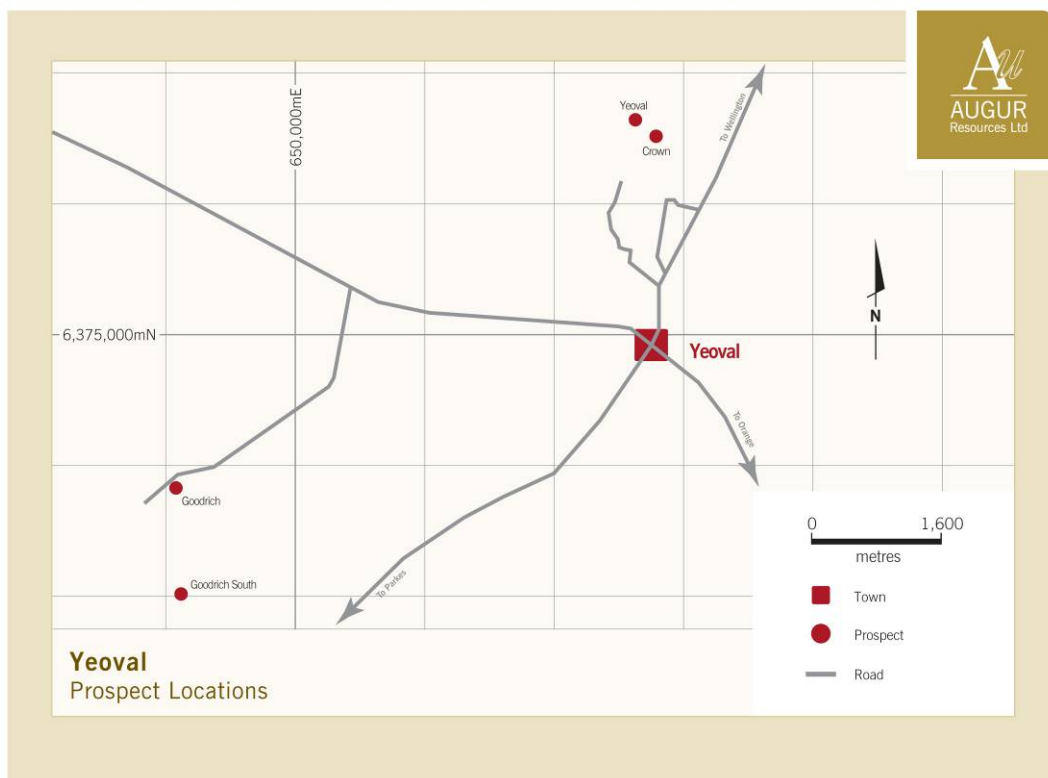


Cross section of the mineralised zones at Yeoval Mine Prospect.

During the year, a single hole was drilled approximately 95 metres east of the Crown porphyry zone at Yeoval. The aim of the hole was to test for extensions of mineralisation from the known Crown porphyry zone. The area is covered by a thin layer of alluvial sediments. The hole returned 4 metres at 0.42% copper, 0.51 g/t gold, 4.2 g/t silver and 102ppm molybdenum from 16 metres. The results are encouraging as they indicate that mineralisation may extend significantly east of the currently identified Crown mineralisation zone.

Additional drilling at the Crown prospect is warranted given the encouraging results to date.

Three holes were drilled at Goodrich South prospect, targeting a geochemical and magnetic anomaly. Goodrich South is approximately 950 metres south of the Goodrich mine and 810 metres northwest of the Mt Rose copper-gold workings. The holes intersected zones of intense alteration. Hole GS002 was anomalous in silver for almost the entire hole including 4 metres at 2.5 g/t silver. GS002 also intersected 20 metres at 0.1% copper. Holes GS001 and GS003 intersected zones of anomalous copper and silver.



Location of prospects in the Central Yeoval area.

Augur’s work to date highlights that the Yeoval district can be regarded as “under-explored” and Augur will continue to aim to advance prospects within the Yeoval district to JORC compliant resources and ultimately to operating mines.

Goodrich – ML811

100% Augur Resources Ltd

Targets: Gold-copper and gold porphyry deposit; structurally controlled gold deposit.

The Goodrich gold-copper mineralisation is complex, with samples from the Goodrich mine dumps and from core indicating that multiple phases of mineralisation has occurred.

A review of previous drilling and exploration at the Goodrich mine highlighted the possibility of deeper disseminated porphyry mineralisation. Evenly distributed disseminated chalcopyrite identified in core is highly encouraging and supports giving priority to this prospect.

Two holes were drilled at the Goodrich prospect to test for an extension of mineralisation to the south of the Goodrich pit. Hole GM002 intersected a number of mineralised zones including 12 metres at 0.54% copper, 0.33 g/t gold and 1.27 g/t silver from 112 metres and a further 12 metres at 0.31% copper and 0.24 g/t gold from 144 metres. The results from GM002 confirm the continuation of mineralisation south of the historical mine workings.

Hole GM001 at Goodrich ended at 154 metres in a geochemically anomalous zone which included 2 metres at 0.17 g/t gold, 856ppm copper and 0.6 g/t silver as well as anomalous molybdenum. Further drilling of to the south of Goodrich is warranted.

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Collerina EL 6336

100% Augur Resources Ltd

Targets: Nickel-cobalt laterite deposits, copper-gold sulphide deposits and vein related gold deposits.

The Collerina project consists to two tenements located 40 kilometres south of Nyngan in central NSW, which cover an area of 384km² within the Fifield Platinum Province. Deposits close to the tenement include the Syerston (nickel-cobalt), Tritton mine (copper-gold), Budgery mine (copper-gold) and Tottenham mine (copper).

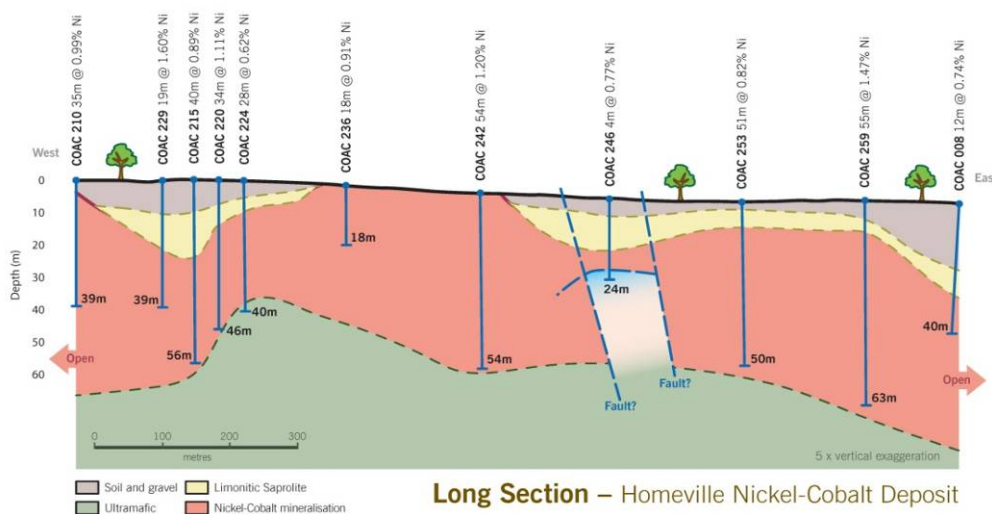
Homeville Deposit

During 2008/09 Augur announced the discovery of the Homeville nickel-cobalt deposit within the Collerina tenement. The JORC compliant Inferred Resource for the Homeville deposit has been estimated as 12.22 million tonnes at 0.91% nickel and 0.06% cobalt based on a cut-off of 0.7% nickel.

Tonnes	Nickel %	Cobalt %	Iron %	Magnesium %	Aluminium %	Nickel Cut-off Grade %
16,800,000	0.81	0.06	20.8	3.6	2.4	0.5
12,200,000	0.91	0.06	20.2	4.1	2.3	0.7
3,600,000	1.11	0.05	18.4	4.9	2.2	1.0

Table 5: Summary of the Inferred Resource for the Homeville Nickel-Cobalt deposit, Nyngan, New South Wales, Australia.

The mineralisation used in the resource estimation covers a 1,300 metre long portion of a 4,600 metre linear magnetic high. The magnetic high is associated with ultramafic serpentinite. The current resource is open at depth and along strike. The current resource has an average width of 150 metres, an average depth to mineralisation of approximately 10 metres and an average true thickness of 30 metres. Mineralisation extends to the surface in a number of areas.



Long section of the mineralisation of the Homeville Nickel-Cobalt deposit.

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During the year, Augur undertook a drill program with the aim of defining the extent of the mineralisation at Homeville. A total of 62 holes were drilled for a total of 2,403 metres. Drilling has identified further depth extensions of the mineralisation as well as extending the strike of the deposit.

Drilling to close off the depth extent of the mineralisation has resulted in some significant increases in the thickness of the mineralised zone. A summary of comparable results are shown in Table 6.

Most of the extension holes resulted in favourable increases to the known extent of the nickel mineralisation. Hole CORC284 resulted in a very significant increase in the known nickel extent. This hole was targeted on 2008 drill hole COAC237 which had intersected 38 metres at 0.93% nickel and ended in 1.27% nickel. Hole CORC284 drilled through the mineralisation and recorded a total of 60 metres at 1.53% nickel.

CURRENT DRILL PROGRAM					HISTORICAL DRILL RESULTS		
Current Drillhole	From (m)	Interval (m)	Nickel %	Cobalt ppm	Interval (m)	Nickel %	Cobalt ppm
CORC280	8	36	0.83	410	16	0.99	528
CORC282	4	12	1.01	1280	12	0.81	680
CORC284	0	60	1.53	1009	38	0.93	1395
CORC285	32	25	1.20	789	16	0.89	440
COAC286	20	57	1.59	394	43	1.49	425
COAC288	20	20	1.15	258	14	1.77	1237
COAC289	20	33	1.03	335	6	0.92	495
COAC290	8	32	1.05	810	14	0.86	726

Table 6: A comparison of the current 2010 drill hole results and the historical 2008 and 2007 drill results. The 2010 drill holes shown in this table were generally drilled within 5 metres of the corresponding 2008 or 2007 drill hole. All the historical holes included in this table were terminated in mineralisation.

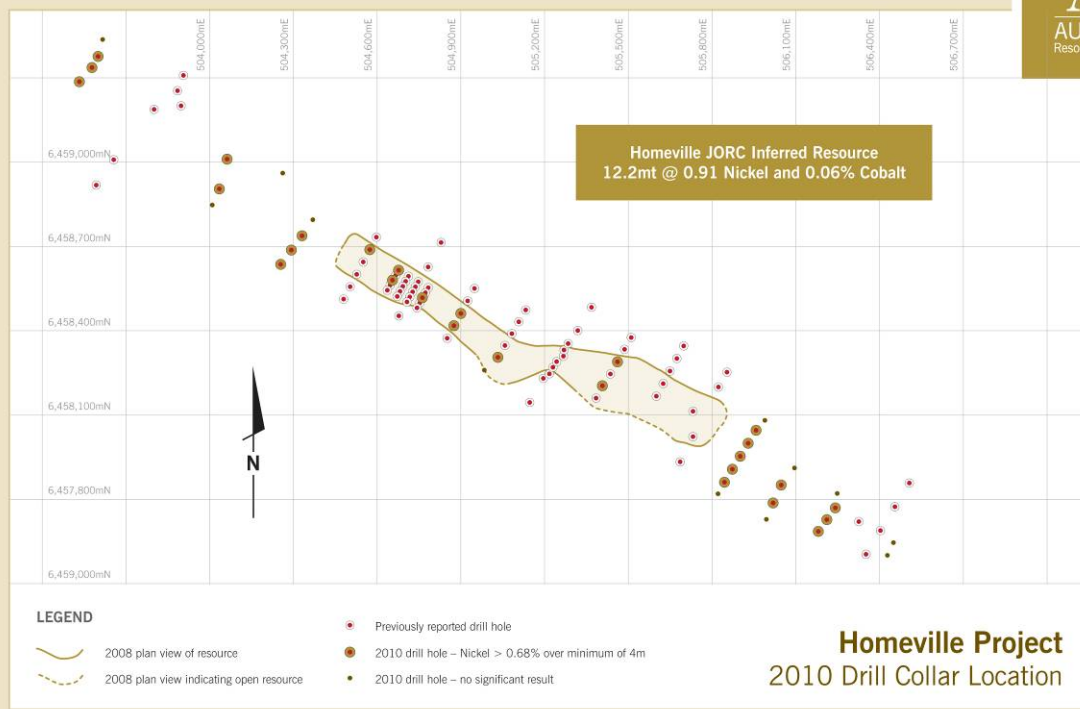
Along strike drilling has increased the known strike length of the deposit to approximately 2,850 metres. The zone has not been fully closed off to the northwest. Results drilled to the southeast of the current resource include:

- COAC262 (500 metres from the resource) 16 metres at 1.06% nickel and 478ppm cobalt;
- COAC266 (310 metres from the resource) 4 metres at 1.16% nickel and 2,640ppm cobalt;
- COAC267 (310 metres from the resource) 4 metres at 1.28% nickel and 380ppm cobalt;
- COAC269 (310 metres from the resource) 16 metres at 0.88% nickel and 250ppm cobalt;
- COAC311 (edge of resource) 16 metres at 1.03% nickel and 460ppm cobalt.

Results drilled to the northwest of the resource include:

- COAC292 (140 metres from the resource) 16 metres at 0.93% nickel and 1,100ppm cobalt;
- COAC293 (140 metres from the resource) 44 metres at 1.08% nickel and 814ppm cobalt;
- COAC295 (520 metres from the resource) 8 metres at 1.16% nickel and 110ppm cobalt;
- COAC277 (1,050 metres from the resource) 16 metres at 0.86% nickel and 345ppm cobalt;
- COAC278 (1,050 metres from the resource) 8 metres at 1.13% nickel and 1,090ppm cobalt;
- COAC279 (1,050 metres from the resource) 20 metres at 0.94% nickel and 744ppm cobalt.

Holes COAC278 and COAC277 also intersected anomalous silver, with hole COAC278 intersecting 4 metres at 31 g/t silver from 32 metres and hole COAC277 intersecting 4 metres at 8 g/t silver from 40 metres.



Drill hole collar locations and the outline of the current Homeville nickel – cobalt resource.



Reviewing chip samples from the Homeville drill program.

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Other Collierina Prospects

The Collierina project contains several additional advanced prospects including Yathella (nickel-cobalt), Swanson's Trouble (gold), C1 (scandium, platinum nickel-cobalt), Widgeland (copper) and Collierina Mine (copper).

Yathella prospect is located approximately 3 kilometres from the Homeville deposit. Significant historical exploration has identified shallow nickel and cobalt mineralisation at Yathella. It is envisaged that the mineralisation at Yathella will provide additional resource to the Homeville deposit if developed.

The Swanson's Trouble prospect covers an area of historical gold mining. The prospect has high grade gold associated with extensive quartz veining in volcanic host rock. Augur plans to undertake an induced polarisation survey at Swanson's Trouble to define the possible lateral and depth extent of mineralisation.

The C1 prospect was identified by Augur during drilling in 2006. A total of two drill holes have been drilled at the C1 prospect. Holes COAC033 and COAC034 intersected a broad zone of anomalous scandium, palladium, nickel, cobalt and chromium. Results for COAC033 included 28 metres at 170ppm scandium and COAC034 included 44 metres at 100ppm scandium and 44 metres of 0.22ppm platinum.

The Widgeland and Collierina Mine prospects are both highly prospective for copper-gold mineralisation. Both prospects remain untested for deep large sulphide copper deposits. Augur will utilise geophysical techniques to define drill targets at these prospects.

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Tullamore – EL 6312 and EL 7337

100% Augur Resources Ltd

Targets: Copper-gold and gold porphyry and epithermal deposits.

The Tullamore tenement is located 20 kilometres north of Fifield, the largest historical platinum producing region in Australia.

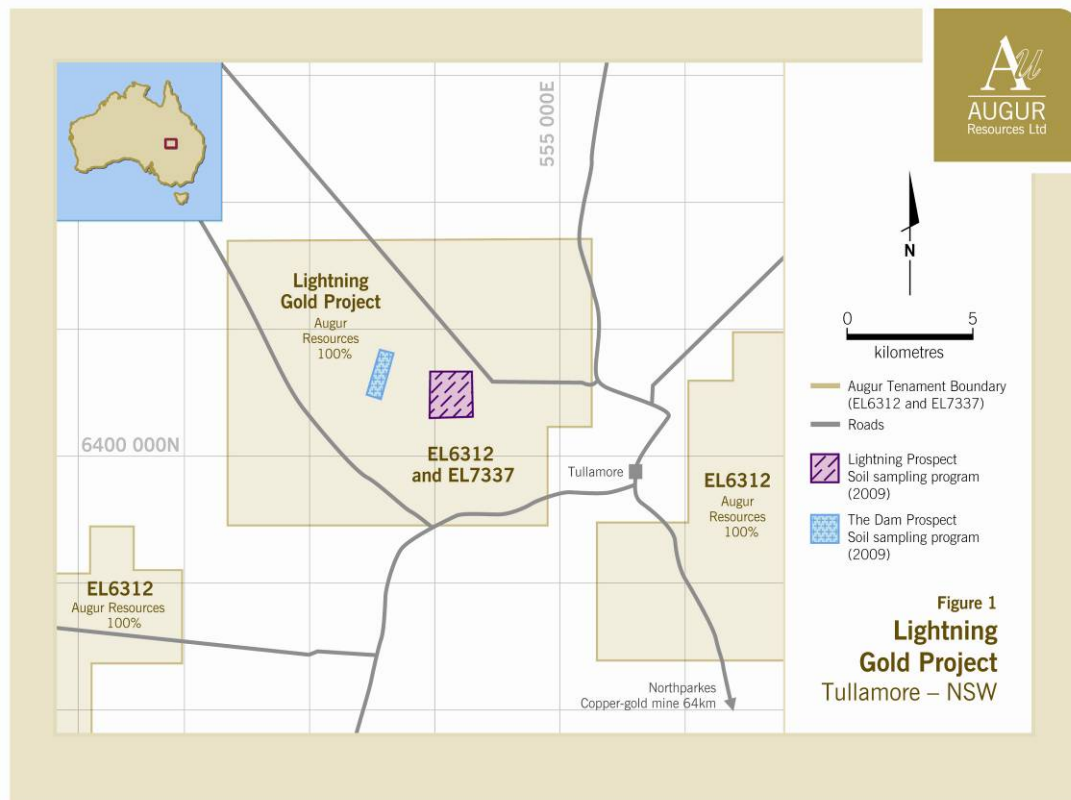
The tenement embraces two areas of gold mineralisation within volcanics and metasediments. These are the Tullamore Goldfield and the Burra Gold-tin-platinum field which are both interpreted to be associated with buried, near-surface intrusions.

Two advanced prospects exist within the Tullamore tenement, namely Lightning Gold project and Chert Ridge.

The Lightning Gold Project (LGP) covers a number of historical gold workings, including the Lightning and Tullamore gold mines. Previous explorers had identified a number of drill targets, with BHP drilling two of the targets. Rock chip sampling and systematic soil sampling undertaken by Augur identified a large gold-arsenic anomaly along strike of the Lightning gold mine.



Lightning Prospect.



Lightning Gold Project area.

The anomaly has a strike length of approximately 525 metres and a width of up to 200 metres. Values up to 8,230ppb gold were recorded. Additional anomalies were identified at Hail and Ryan’s prospects.

During the year, Augur drilled a total of eight reverse circulation (RC) holes at the Lightning Gold Project area. A total of five holes targeted the soil anomaly around the Lightning gold mine. Two holes targeted a smaller soil gold and arsenic anomaly at Hail prospect and one hole targeted an area of anomalous gold in both rock float and in soils at Ryan’s prospect. The best result from the Lightning mine area was 4 metres at 2.98 g/t gold from 40 metres in hole LGP005. LGP005 was the southern most drilled hole at the Lightning prospect and targeted both a soil gold anomaly and the down dip extension of a previously mined area.

Chert Ridge has previously been explored by Shell during the early 1980s, who identified several copper, silver and gold surface geochemical anomalous zones.

Shell conducted a shallow RAB drill program to the north of the geochemical anomalous zone targeting an aeromagnetic target. Petrology from two of the holes near the geochemical anomalous zones identified porphyry intrusive rocks. Shell does not appear to have followed up on the possibility of a deep mineralised porphyry at Chert Ridge itself.



Lightning Gold Prospect.

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Weelah – EL 6309

100% Augur Resources Ltd

Targets: Copper-gold and gold porphyry, gold +/- silver epithermal deposits.

The Weelah tenement (150km²) is situated on the Cowal Volcanics and a splay of the "Gilmore Suture", a focus for gold projects in the Lachlan Fold Belt. The Cowal Gold Mine (+4,000,000 ounces), owned by Barrick Gold Corporation, shares its perimeter with Augur's Weelah tenement.

Drilling by Augur has indentified intrusive porphyritic rocks which are targets for copper-gold porphyry mineralisation similar to that at Cadia and North Parkes.

Based on chip samples from the drilling, Ordovician age intermediate volcanics and limy volcanic sediments similar to those at the adjacent world class Cowal Gold Mine were identified. The rocks included limestone, chloritised, sericitised monzonite, altered mafics and carbonate breccias with scattered fine sulphides.

Airborne magnetic targets have been prioritised and systematic exploration of each of these targets is occurring. Drilling of four holes at Weelah during the year failed to detect significant copper or gold mineralisation.

A number of targets remain untested.

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Wallaby Rocks EL 6310

100% Augur Resources Ltd

Targets: Epithermal gold and structurally related gold deposits.

On Augur's Wallaby Rocks tenement (51km²) southeast of Mudgee, rocks of similar age and type to the gold producing regions at Sofala and Cadia out crop. Of particular interest on this tenement are the acid volcanics which contain a number of previously worked gold mines, including Mt Margaret Mine (where a historical ore dump sample returned 37.2 g/t gold), Prince Mine (where a dump sample gave 39.7 g/t gold) and Crown Mine (where previous production gave 4.6 g/t gold).

Augur continues to focus on potential gold-silver mineralisation around siliceous alteration at Mt Margaret prospect. Mapping and rock chip sampling was completed during the year. Best rock chip results included 89.1 g/t gold, 17.65 g/t gold and 14.35 g/t gold all from the Mt Margaret prospect.

Augur is considering options for drill testing at Mt Margaret.



Rock chip samples – Wallaby Rocks.

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and its controlled entities

Resource Summary

Copper-Gold Mineral Resource Summary					Contained Metal		
Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Silver (g/t)	Copper (t)	Gold (oz)	Silver (oz)
Measured							
Indicated							
Inferred	12.9	0.38	0.12	2.2	48,500	57,980	911,100
TOTAL	12.9	0.38	0.12	2.2	48,500	57,980	911,100

Nickel-Cobalt Mineral Resource Summary				Contained Metal	
Category	Tonnes (Mt)	Nickel (%)	Cobalt (%)	Nickel (t)	Cobalt (t)
Measured					
Indicated					
Inferred	12.2	0.91	0.06	111,000	7,300
TOTAL	12.2	0.91	0.06	111,000	7,300

Competent Person Statement

Information in this report that relates to the Mineral Resources and Ore Reserves is based on information compiled by Augur staff and contractors and approved by Mr Grant Kensington, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Kensington is an employee of Augur Resources Ltd and has had sufficient experience relevant to the styles of mineralisation and the type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Kensington consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

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Corporate Governance

The role and responsibilities of the Board of Directors is for the overall Corporate Governance of the Company and oversight of management, protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for the administration.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When Augur is not able to implement one of the Council's recommendations the company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at <http://www.asx.com.au>

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executives in the content of every new director and senior executive appointment.

BOARD OF DIRECTORS – ROLE AND RESPONSIBILITIES

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

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Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- the resourcing, review and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Company has adopted recommendation 1.2 of evaluating the performance of senior executives.

From January 2010 the Board reviewed face to face the performance of its senior executives.

Augur has taken the appropriate measure to provide each Director and senior executive with a copy of the Company's policies which spells out the rights, duties and responsibilities that they should follow.

The Company has adopted recommendation 1.3 by posting on the Company's website under the corporate governance sections the Board Charter.

The performance evaluation for the Managing Director was conducted on the process described in Recommendation 1.2 by the Chairman of the Board. No other evaluation was carried out.

Principle 2 – Structure the Board to add value

BOARD OF DIRECTORS - COMPOSITION, STRUCTURE AND PROCESS

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities.

INDEPENDENT DIRECTORS

Due to the small size of the Company, the Board is made up of three Directors all of which are either involved in management or are substantial shareholders in the Company.

Although that recommendation 2.1 is not followed, it is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective if they are independent or not.

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REGULAR ASSESSMENT OF INDEPENDENCE

An Independent Director, in the view of the Company, is a Non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

CHAIRMAN AND MANAGING DIRECTOR

Since January 2010 the office of Chair has been held by Mr Norman Seckold a Non-independent Director. The Company does not follow recommendation 2.2 because the small size of the Company does not warrant the appointment of more Directors. However the Board considers that the office of Chair is best served by Mr Seckold due to his extensive experience in the industry.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Company's management. Mr Grant Kensington is the Managing Director of the Company and performs the role of Chief Executive Officer.

BOARD NOMINATIONS

The Board has established a Remuneration and Nomination Committee Charter. The Charter considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

The Remuneration and Nomination Committee is appointed by the Board. The Committee has been suspended since November 2009. The roles and functions of the Committee have been performed by the Board.

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The responsibilities assumed by the Remuneration and Nomination Committee include:

- Board and senior executive functions;
- Board composition;
- number of Board members;
- criteria for nomination of Directors;
- selection and appointment of the Chairperson;
- selection and appointment of the Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee; and
- oversight of Board and executive succession plans.

PERFORMANCE REVIEW AND EVALUATION

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

INDUCTION AND EDUCATION

The Company has the policy to provide each new Director or officer with a copy of the following documents:

- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

ACCESS TO INFORMATION

Each Director has access to Board papers and all relevant documentation.

SKILLS KNOWLEDGE AND EXPERIENCE

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and, director-level business or corporate experience required by the Company.

INDEPENDENT DIRECTORS

The Company considers that as at 30 June 2010 no Director of the Company is classified as Independent.

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PROFESSIONAL ADVICE

Board members with the approval of the Chairman may seek from time to time external professional advice.

PERIOD OF OFFICE HELD BY EACH DIRECTOR

- Mr Norman Seckold since November 2009.
- Mr Grant Kensington since February 2008.
- Mr Peter Nightingale since November 2009.
- Mr Shinji Yamamoto since April 2009 (Resigned 30 November 2009).
- Mr Fye Hong since April 2009 (Resigned 30 November 2009).

TERMS OF APPOINTMENT AS A DIRECTOR

The current Directors of the Company have been appointed for 24 months and the Managing Director for 3 years. The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

MEETINGS OF THE REMUNERATION AND NOMINATION COMMITTEE

As mentioned under heading "Board Nominations" the functions of the Committee during the financial year ended 30 June 2010 were performed by the entire Board. Therefore no Committee meetings were held.

Principle 3 – Promote ethical and responsible decision making

CODE OF CONDUCT AND ETHICAL STANDARDS

The Company has adopted recommendation 3.1 by establishing a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

The code of conduct outlines:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account legal obligations and reasonable expectations of stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

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ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

SHARE DEALINGS AND DISCLOSURES

The Company adopted recommendation 3.2, establishing a policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

As at the date of this report the Company has modified its share trading policy as follows;

- The trading windows for restricted persons are now 60 days after the release of the following:
 - the half year results;
 - the full year results;
 - the holding of the Annual General Meeting.
- Restricted Persons are prohibited from trading in the Company's securities unless in special circumstances and with the approval of the Chairman.

CONFLICT OF INTEREST

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

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RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

PUBLIC AVAILABLE INFORMATION

The Company has adopted recommendation 3.3 by making publicly available on the Company's website, www.augur.com.au, the Code of Conduct and Share Trading Policy under the corporate governance section.

Principle 4 – Safeguard integrity in financial statementsing

AUDIT AND RISK COMMITTEE

The Company has established an Audit and Risk Committee which has a corresponding charter. The objective of the Committee is to make recommendation to the Board regarding among various matters the adequacy of the external audit, risk management and compliance procedures. The Committee is asked to evaluate from time to time the effectiveness of the financial statements prepared for the Board meetings and to insure that an independent judgement is always exercised. The Audit and Risk Committee was suspended in November 2009 because of the small number of available directors to form the Committee. No Committee meetings were held during the financial year.

At the time the Annual Report was prepared, Augur's Board structure was not large enough to adopt recommendation 4.2 because the Company had no Independent Directors.

The Company has followed recommendation 4.3 establishing an Audit Committee charter setting out the followings:

- duties and responsibilities of the Committee;
- complaints procedures;
- composition of the Audit Committee;
- structure of the Audit Committee;
- number of meetings; and
- membership requirements.

All duties and responsibilities of the Audit and Risk Committee are presently carried out jointly by the Board.

Because the functions of the Audit and Risk Committee are now performed by the Board recommendation 4.4 provides the name and qualification of all Directors.

- Mr Norman Alfred Seckold – Bachelor of Economics, University of Sydney.
- Mr Peter James Nightingale – Bachelor of Economics, University of Sydney.
- Mr Grant Leo Kensington – Master of Science with Honours, University of Waikato New Zealand and MBA, University of Queensland.

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Principle 5 – Make timely and balanced disclosure

The Company has adopted recommendation 5.1 by putting in place a continuous Disclosure Policy.

CONTINUOUS DISCLOSURE TO THE ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Augur has adopted recommendation 5.2 by making publicly available on its website a summary of the Continuous Disclosure Policy.

Principle 6 – Respect the rights of shareholders

COMMUNICATIONS

Augur has adopted recommendation 6.1 by establishing a formal Shareholders' Communication Policy that has been in place for this reporting period and made publicly available on the company's website.

The information indicated in recommendation 6.2 is adopted by Augur and described under the heading "Communication to the Market and Shareholders" below.

COMMUNICATION TO THE MARKET AND SHAREHOLDERS

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website, www.augur.com.au, and on the ASX website, www.asx.com.au, under ASX code 'AUK'. The Company also maintains an email list for the distribution of the Company's announcements via email.

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Principle 7 - Recognise and manage risk

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Due to the size of the Company, recommendation 7.2 is not relevant for Augur because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management. The paragraph below contemplates the principles incorporated in the Company's Audit and Risk Committee Charter.

INTERNAL CONTROL AND RISK MANAGEMENT

The primary vehicle for managing corporate risks is the Audit Committee appointed by the Board (currently performed by the Board). The Committee/Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company ensures that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The size of Augur does not warrant the need or the cost of appointing an internal auditor.

CEO AND CFO DECLARATIONS

The Company has adopted and complied with recommendation 7.3.

The Board has determined that the Managing Director and the Company Secretary are the appropriate persons to make the CEO and CFO declarations in respect of the year ended 30 June 2010, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Company has adopted and complied with recommendation 7.4 as follows.

- the Board conducted its evaluations regarding internal control and risk management;
- the Board has received the assurance from the Managing Director and Company Secretary;
- the Company does not have a written policy on risks oversight management of business material risks because the number of people engaged in the Company's operations is minimal; and
- independent professional advice - subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

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Principle 8 – Remunerate fairly and responsibly

The Board of Augur suspended the Remuneration Committee in November 2009. However for the financial year ended 30 June 2010 the functions and responsibilities listed below were carried out by the Board. Recommendation 8.1 was not followed because of the small size of the Company, it was not possible to constitute the Remuneration Committee.

REMUNERATION COMMITTEE CHARTER AND RESPONSIBILITIES

The Company has established a Remuneration and Nomination Committee charter. The role and responsibility of the Committee/Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- executive incentive plan;
- Non-executive Directors' Remuneration;
- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- required remuneration and remuneration benefits public disclosure.

COMPOSITION OF THE REMUNERATION COMMITTEE

Augur endeavours for the Remuneration Committee to be structured so that is made up of:

- only Non-executive Directors;
- a majority of Independent Directors;
- an independent Chairperson, who is not chairperson of the board; and
- at least two members.

The Company does not to fully comply with recommendation 8.1 because of the current size of the Company and the status of the current Board members.

REMUNERATION POLICY

The Directors remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. The Managing Director has entered into a Service Agreement for a term not exceeding three years (renewable). Consultants are engaged as required pursuant to service agreements. The Company ensure that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of Directors and statutory officers are disclosed in the Annual Report of the Company each year.

In line with recommendation 8.2 the Company has a policy to remunerate it Directors and officers based on a fixed and incentive component salary packages to reflect the short and long term objectives of the Company.

The salary component of the Managing Director's remuneration is made up of:

- fixed remuneration;
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company; and
- termination payment.

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The salary component of Non-executive Directors is made up of:

- fixed remuneration; and
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company.

The Company has adopted recommendation 8.3 as follows:

- the Company discloses the name of Directors in the Remuneration Committee and the attendance of each Director to the Remuneration Committee meetings, within its Directors' Reports - no meetings were held for the financial ended 30 June 2010;
- the Company does not provide any schemes for retirement benefits other than superannuation; and
- the Company has made publicly available a summary of the Remuneration Committee Charter on the Company's website.

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Directors' Report

The Directors present their report on Augur Resources Ltd for the financial year ended 30 June 2010.

Directors

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

Norman Alfred Seckold	-	Chairman (Since 30 November 2009)
Grant Leo Kensington	-	Managing Director
Peter James Nightingale	-	Director (Since 30 November 2009)
Fye Cheong Hong	-	Director (Resigned 30 November 2009)
Shinji Yamamoto	-	Director (Resigned 30 November 2009)

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

Company Secretary

The Company Secretary in office during or since the end of the financial year is Marcelo Mora.

Principal Activities

The principal activities of the Company during the financial year have been the continuing evaluation and exploration of minerals on its existing exploration tenements in the Lachlan fold Belt region of New South Wales and on the Jampang Project in Indonesia.

During the year, the Company announced the acquisition of the Central Jampang Gold project. Augur will advance the Jampang project with the aim of defining a JORC compliant resource during the 2010/11 financial year.

No other significant changes 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 \$1,477,777 (2009 loss after tax - \$729,277).

The Company has a sound financial position which is reflected in the statement of financial position as at 30 June 2010. The Board is of the opinion that the exploration program for the for the financial year ending 30 June 2011 can be completed from the existing cash position to enhance the existing JORC resources in Australia and establishing the preliminary JORC resources for the Central Jampang Gold project in Indonesia. Additional capital will need to be raised for the second half of the financial year to continue exploration beyond this period.

Dividends Paid or Recommended

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

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Directors' Report

Review of Operations

The Company holds seven exploration licence areas and one mining lease in Australia. All exploration tenements and the mining lease are located within the Lachlan Fold Belt region of New South Wales. Augur continued to explore and evaluate all its tenements during the year.

In addition, Augur has an option to acquire 90% of PT Golden Pricindo Indah which holds exploitation and exploration licences covering an area of approximately 390 hectares of the Central Jampang gold project in south western Java, Indonesia.

During the year Augur has paid \$723,880 in legal fees of which \$663,287 were in relation to the Hunamas acquisition in Indonesia, as at the date of this report this transaction is not completed.

Significant Changes in State of Affairs

On 30 June 2010, of the total 12,874,929 listed options (AUKO), 3,666,527 were exercised at 20 cents by the due date raising \$733,305. Augur now has a total of 109,722,569 listed shares on issue.

Augur has used its cash to explore and develop its mineral tenements in the Lachlan Fold Belt region in New South Wales consistent with the Company's objectives. In addition, since February 2010, Augur has commenced exploration on the Jampang gold project in Indonesia.

The Company has no secured debts or charges over its assets.

After Balance Date Events

On 17 August 2010, the Company received applications for 15,757,576 new fully paid ordinary shares for a total consideration of \$2,600,000 from professional and sophisticated investors.

The funds will be used by the Company to extend its exploration and testing program at the Central Jampang Gold Project in Indonesia and to provide additional working capital.

No other 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.

Future Developments

Augur will continue to enhance the JORC compliant resources at the Homeville project in Collierina and will continue exploration at all tenements with the aim of identifying potential mineral resources. In addition, the Company will work towards establishing the preliminary JORC resources for the Central Jampang Gold Project in Indonesia.

Environmental Regulations

Augur is subject to State and Federal environmental legislation. The Company has complied with its environmental obligations. No environmental breaches have been notified by any Government agency to the date of the Directors' Report and it does not anticipate any obstacles in complying with the legislation.

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Directors' Report

Information on Directors

Norman Alfred Seckold
Chairman, age 63



Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 26 years in the full time management of natural resource companies, both in Australia and overseas.

Mr Seckold has been the Chairman of a number of publicly listed companies including Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA, Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA, Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA, Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria, Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria, Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden, Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico and Bolnisi Gold N.L, which discovered the Palmarejo and Guadalupe gold and silver deposits in Mexico.

Mr Seckold is currently a Chairman of Cockatoo Coal Limited, an Australian coal mining and exploration company, Kings Minerals N.L., a company exploring for precious and base metals in Australia and its Canadian listed subsidiary San Anton Resources Corporation which is exploring for precious and base metals in Mexico and Planet Gas Limited, a coalbed methane and geothermal exploration and development company operating in Australia and the USA. Mr Seckold is also Chairman of Nickel Mines Limited, an unlisted public company with base metals exploration projects in the Solomon Islands and Indonesia.

Other current directorships: Cockatoo Coal Limited, Kings Minerals N.L., Planet Gas Limited.

Former directorships in the last three years: Bolnisi Gold N.L.

Special responsibilities: None.

Interests in shares and options: 20,000,000 shares indirectly held and an option to acquire 30,000,000 shares from Ichiya Co. Ltd.

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Directors' Report



Grant Leo Kensington
Managing Director, age 44

Grant completed a Master of Science with Honours, majoring in Earth Sciences in 1990 and an MBA in 2002. He commenced his professional career with Solo Geophysics in 1991 conducting surveys in Eastern and Northern Australia on tenements and mine sites held by BHP, CRA, Mount Isa Mines, Billiton and Homestake.

In 1993, Grant commenced with Mount Isa Mines, working in and around the Isa mine operation's, undertaking exploration for extensions of the Isa ore bodies. Between 1994 and 2000, he worked for North Limited and was involved in exploration in Australia, Sweden, Argentina, Chile, Peru and North America. Grant has experience in exploration for porphyry, epithermal, IOCG, Carlin gold and Broken Hill Type targets.

In more recent times Grant has consulted to the mining industry and worked at an executive level in the forestry industry in the areas of strategy, finance and business improvement. Grant is a graduate member of the Australian Institute of Company Directors.

Other current directorships: None.

Former directorships in the last three years: None

Special responsibilities: Managing Director.

Interests in shares and options: 626,000 shares directly held and 1,000,000 options directly held.

Peter James Nightingale
Director, age 53



Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 20 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining N.L. and Bolnisi Gold N.L.. Mr Nightingale is currently Chairman of Callabonna Uranium Limited, a company exploring for uranium in Australia, and a director of Cockatoo Coal Limited, Planet Gas Limited and Nickel Mines Limited.

Other current directorships: Cockatoo Coal Limited, Planet Gas Limited, Callabonna Uranium Ltd.

Former directorships in the last three years: Bolnisi Gold N.L.

Special responsibilities: None.

Interests in shares and options: 6,000,000 shares indirectly held.

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Directors' Report

Meetings of Directors and Committees

DIRECTORS	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	Nº eligible to attend	Nº attended	Nº eligible to attend	Nº attended	Nº eligible to attend	Nº attended
Norman Seckold	2	2	-	-	-	-
Grant Kensington	8	8	-	-	-	-
Peter Nightingale	2	2	-	-	-	-
Fye Cheong Hong	6	6	-	-	-	-
Shinji Yamamoto	6	6	-	-	-	-

Company Secretary

The Company Secretary as at 30 June 2010 and since listing is Marcelo Mora.

Marcelo holds a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance, is a Chartered Secretary ACIS and an associate member of CPA Australia ASA and has been the Company Secretary since October 2007. Mr Mora has been an accountant for more than 24 years and has experience in resources and mining companies both in Australia and internationally.

Audit Committee

The Charter of the Audit Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective. Because the present number of Directors is three, the Audit Committee was suspended on 30 November 2009 and the Committee's functions and responsibilities are now carried out by the full Board. No Committee meetings were held during the financial year.

Remuneration Report (Audited)

The Company's policy for determining the nature and the amount of remuneration for Directors, officers and executives is as follows:

The remuneration structure is set by the Board and is based on a number of factors to ensure reward for performance is appropriate when applicable and in line with market remuneration for comparable listed public companies. The Board ensures that the remuneration of its Directors and executives satisfies the criteria of good corporate governance practices by setting up a Remuneration Charter.

Augur Resources Ltd

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Directors' Report

Remuneration and Nomination Committee

Because the present number of Directors is three, the Remuneration and Nomination Committee was suspended on 30 November 2009 and the Committee's functions and responsibilities are now carried out by the full Board. No Committee meetings were held during the financial year.

The main functions for the Committee or the Board are: i) to review and make recommendations regarding Augur's policy for determining executive remuneration; ii) implement policies with the objective of retaining and attracting quality personnel in a competitive market; and iii) oversee the implementation of executive remuneration policy within Augur.

The ultimate responsibility stays with the Board ensuring that the Company has in place the following:

- performance linked to remuneration;
- transparency;
- competitiveness and reasonableness; and
- appropriate remuneration policies.

The Board remuneration for all Directors (Executive and Non-executive) is reviewed annually based on market prices or according to the service agreements in place with individual Directors. If required, the Board can seek independent external advice when required.

Short Term Incentive

The Company provides fees on a fixed basis and short term incentives ('STI'), the weight of each component differs for each executive entitled to STIs.

The STI was only applicable to the Managing Director Mr Grant Kensington and the conditions are as follows:

Pursuant to the terms of his Service Agreement, Mr Kensington may be entitled to a STI of 500,000 options based on key performance indicator (KPI) these options are payable at the completion of the Company's successful capital raising. This process was completed during September 2009 and approved at the November 2009 AGM by the members.

The new Director's Service Agreement signed by Mr Kensington on 18 February 2010 provides that Mr Kensington may participate in the Company's executive share option plan with an entitlement of 1,000,000 options (long term incentive) to be issued every year for the following three years with the approval of members at the AGM of each respective year.

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Directors' Report

Details of remuneration for the year ended 30 June 2010

Details of the remuneration of each key management personnel paid during the year are set below:

Key management personnel	Salary and Fees		Share Based Payments		Superannuation		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Norman Seckold	52,500	-	-	-	-	-	52,500	-
Grant Kensington	209,214	200,000	10,614	4,400	18,663	18,000	238,491	222,400
Peter Nightingale	52,500	-	-	-	-	-	52,500	-
Shinji Yamamoto	20,833	7,500	-	-	-	-	20,833	7,500
Fye Hong	20,833	7,500	-	-	1,875	675	22,708	8,175
Total	355,880	215,000	10,614	4,400	20,538	18,675	387,032	238,075

No bonuses were paid during the financial year and no performance based components of remuneration exist. No other key management personnel were employed by the Company.

Other Payments

Mr Norman Seckold and Mr Peter Nightingale had an interest in an entity, Mining Services Trust, which provided full administration services including staff, accounting services and office space accommodation, fees were paid at the monthly rate of \$25,000 plus GST. The total fees paid were \$150,000 plus GST from January 2010 to June 2010.

Managing Director Remuneration

Service Agreement conditions with Mr Grant Kensington are as follows:

(a) *Duration of the Contract*

The service agreement is for a period of three years commencing on 18 February 2010.

(b) *Remuneration*

- i. Fixed fees – \$222,018 for the first year of the contract plus 9% superannuation applicable to the fixed fee.
- ii. Short term incentive (STI) – None.
- iii. Long term incentive (LTI) – 1,000,000 options as per the Company's Executive Share Option Plan ('ESOP') issued annually after each AGM.

(c) *Termination of Employment*

Mr Kensington's service agreement may be terminated at any time by the Company giving to the employee not less than six months' prior written notice. In the event of termination, the Company must pay Mr Kensington an amount equal to the fee payable for so much of the notice period as the employee is not so retained.

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Directors' Report

This agreement may be terminated at any time by Mr Kensington giving to the Company not less than four weeks' prior written notice.

The Company may terminate Mr Kensington's service agreement immediately in certain events including serious misconduct and material breach of contract. On termination of this agreement for the reasons of serious misconduct and material breach of contract Mr Kensington is entitled to the fee payable up to, and including, the date of termination.

Options under the ESOP

The Company has an Executive Share Option Plan to provide an incentive for Directors and key management personnel, which it is believed, is in line with industry standards and practice and help to align the interest of management with shareholders.

Each option gives the optionholder the entitlement to subscribe for 1 ordinary share at the exercise price on or before the expiry date. The expiry date is five years from the date the Company's admission to the official list in the ASX. For subscribers after 30 November 2010, the expiry date is three years from the date the options are granted.

Under the terms of the plan, the Board may from time to time determine who is entitled to participate in the option plan and may issue invitations to an executive, or relative or an associate nominated by the executive. The exercise price for grantees is a 25% premium to the volume weighted average of the ordinary shares traded on the ASX for the previous 15 business days preceding the grant date of the option. The vesting date is 12 months after the grant date.

The following key management personnel were issued with the following options under the Company's ESOP program as follows:

Key management personnel	Grant date	Expiry date	Exercise price	Fair Value price	N° of options
Grant Kensington	18 March 2008	22 October 2012	\$0.1203	\$0.044	500,000
Grant Kensington	30 November 2009	22 October 2012	\$0.1025	\$0.080	500,000
Total					1,000,000

Total ESOP Options

The following table provide the total options held by key management personnel:

Key management personnel	As at 30 June 2009 Directly held	As at 30 June 2009 Indirectly held	As at 30 June 2010 Directly held	As at 30 June 2010 Indirectly held
Grant Kensington	500,000	-	1,000,000	-

Augur Resources Ltd

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Directors' Report

Shares

The following table provide the total ordinary shares held by management personnel;

Key management personnel	As at 30 June 2009	As at 30 June 2009	As at 30 June 2010	As at 30 June 2010
	Directly held	Indirectly held	Directly held	Indirectly held
Norman Seckold	-	-	-	20,000,000
Grant Kensington	626,000	-	626,000	-
Peter Nightingale	-	-	-	6,000,000
Total	626,000	-	626,000	26,000,000

Non-audit Services

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Risk and Audit Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and the CPA Australia's professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2010.

Taxation and compliance services \$4,278

Indemnification of Officer or Auditor

Each of the Directors and the Company Secretary has certain contractual rights of access to books and records of the Company. The Company has insured all of the Directors of Augur Resources Ltd.

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.

Augur Resources Ltd
and its controlled entities
Directors' Report

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 43.

Director

A handwritten signature in blue ink, appearing to be 'G. Kensington', written over a horizontal line.

Grant Leo Kensington

Signed Sydney 24th day of September 2010 in accordance with a resolution of the Board of Directors:

24 September 2010

Chartered Accountants
ABN 74 632 161 298
Level 42, Suncorp Place
259 George Street
Sydney NSW 2000
Australia
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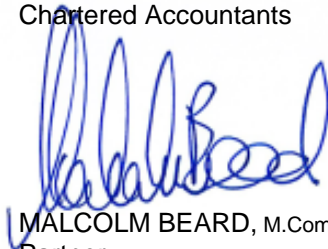
The Directors
Augur Resources Ltd
Level 2, 66 Hunter Street
SYDNEY NSW 2000

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Augur Resources Ltd for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- (b) No contraventions of the Code of Professional Conduct in relation to this audit.

GOULD RALPH ASSURANCE
Chartered Accountants



MALCOLM BEARD, M.Com., F.C.A.
Partner

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2010

	Notes	Consolidated	
		2010 \$	2009 \$
CONTINUING OPERATIONS			
Revenue	2	44,997	78,678
Accountancy fees	3	(3,889)	(4,008)
Audit fees	3	(34,802)	(35,040)
Depreciation and amortisation expenses	3	(3,888)	(10,707)
Management fees		(164,854)	-
Rent expenses	3	(48,750)	(52,000)
Share based payments expense		(3,232)	(37,720)
Share registry expenses		(20,494)	(26,698)
Consulting fees		(49,617)	(135,458)
ASX fees		(16,149)	(11,746)
Legal fees		(723,880)	(28,291)
Marketing		(14,498)	(29,620)
Directors fees and superannuation expenses		(340,265)	(341,834)
Travel expenses		(10,393)	(24,103)
Communication		(12,741)	(11,831)
Insurance		(24,209)	(22,905)
Other expenses		(58,270)	(35,994)
Loss from continuing operations before income tax expense		(1,484,934)	(729,277)
Income tax benefit	5	7,157	-
Loss from continuing operations		(1,477,777)	(729,277)
Other comprehensive income for the year			
Total comprehensive loss for the year		(1,477,777)	(729,277)
Earnings per share			
Basic loss per share (cents per share)	6	(1.40)	(1.34)
Diluted loss per share (cents per share)	6	(1.40)	(1.34)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As at 30 June 2010

	Notes	Consolidated	
		2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,063,138	2,008,997
Trade and other receivables	8	99,656	84,185
Other assets	9	183,403	3,998
TOTAL CURRENT ASSETS		1,346,197	2,097,180
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,384	5,272
Other financial assets	11	1,841,942	-
Deferred exploration and evaluation expenditure	12	4,001,608	3,151,130
TOTAL NON-CURRENT ASSETS		5,844,934	3,156,402
TOTAL ASSETS		7,191,131	5,253,582
CURRENT LIABILITIES			
Trade and other payables	13	510,265	97,432
Borrowings	14	2,253,567	-
TOTAL CURRENT LIABILITIES		2,763,832	97,432
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	-	7,157
TOTAL LIABILITIES		2,763,832	104,589
NET ASSETS		4,427,299	5,148,993
EQUITY			
Issued capital	15	7,861,061	7,188,321
Options reserve	17	142,111	72,294
Accumulated losses		(3,575,873)	(2,111,622)
TOTAL EQUITY		4,427,299	5,148,993

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity For the year ended 30 June 2010

Attributable to Equity Holders of the Group

	Consolidated			
	Issued Capital \$	Options Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2008	6,093,128	34,574	(1,382,345)	4,745,357
Total comprehensive income for the year				
Loss for the year	-	-	(729,277)	(729,277)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	6,093,128	34,574	(2,111,622)	4,016,080
Contribution by and distribution to owners				
Ordinary shares issued	1,114,178	-	-	1,114,178
Cost of the shares issued	(46,877)	-	-	(46,877)
Transaction cost on issue of shares refund from ATO	27,892	-	-	27,892
Cost of share based payment	-	37,720	-	37,720
Balance at 30 June 2009	7,188,321	72,294	(2,111,622)	5,148,993
Balance at 1 July 2009	7,188,321	72,294	(2,111,622)	5,148,993
Total comprehensive income for the year				
Loss for the period	-	-	(1,477,777)	(1,477,777)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	7,188,321	72,294	(3,589,399)	3,671,216
Contribution by and distribution to owners				
Ordinary shares issued	764,815	-	-	764,815
Cost of the shares issued	(11,964)	-	-	(11,964)
Transfer to option reserve expired options	(80,111)	80,111	-	-
Cost of share based payment	-	(10,294)	13,526	3,232
Balance at 30 June 2010	7,861,061	142,111	(3,575,873)	4,427,299

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
For the year ended 30 June 2010

	Notes	Consolidated	
		2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,281,844)	(730,728)
Interest received		43,017	101,991
Net cash used in operating activities	18(b)	(1,238,827)	(628,737)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(1,000)
Payment deposit for acquisition of investments		(1,862,972)	-
Payment for exploration expenditure		(850,478)	(830,423)
Net cash used in investing activities		(2,713,450)	(831,423)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		764,815	1,114,178
Transaction costs on share issue		(11,964)	(18,985)
Proceeds from related parties		-	500,000
Loans from related parties		2,253,567	-
Net cash provided by financing activities		3,006,418	1,595,193
Net increase/(decrease) in cash held		(945,859)	135,033
Cash at beginning of financial year		2,008,997	1,873,964
Cash at end of financial year	18 (a)	1,063,138	2,008,997

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes

**Notes to the Financial Statements
For the year ended 30 June 2010****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Augur Resources Ltd (the 'Company') is a company domicile in Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2010 comprises the Company and its subsidiaries (together referred to as the 'Group').

The financial statements of the Group entities comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements.

Accounting Policies**(a) Cash and Cash Equivalents**

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 Group 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
Plant and equipment	37.5%	Prime cost
Computer equipment	37.5%	Prime cost

Notes to the Financial Statements

For the year ended 30 June 2010

(c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entities 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.

(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) Income Tax

The charge for current income tax expense is based on the profit 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 statement of financial position.

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.

(f) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Notes to the Financial Statements

For the year ended 30 June 2010

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis.

(g) Financial Instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Group Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

(h) Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, contraction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(j) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

**Notes to the Financial Statements
For the year ended 30 June 2010****(k) Trade and Other Payables**

Creditors and other payables, including accruals for goods received but not yet billed, are recognised when the Group becomes obliged to make future payments principally as a result of the purchase of goods and services.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are carried at amortised cost.

(l) Comparative Figures

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

(m) Going Concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2010 the Group has incurred a trading loss of \$1,477,777 and has cash on hand of \$1,063,138 and used \$1,281,846 of cash in operations for the year then ended. As at 30 June 2010 the Group current liabilities exceeded current assets by \$1,417,635. During August 2010 the Group completed a private placement raising \$2,600,000.

The Group has entered into an agreement with PT Best Clean Energy to acquire an option to purchase a 90% interest in an Indonesian based company PT Golden Pricindo Indah, which holds Izin Usaha Pertambangans (IUP's) or mining business licences. The transaction will result in an upfront payment made by Augur of US\$250,000 and a conditional 2 year option to purchase 90% of PT Golden Pricindo Indah.

The option may be exercised by a further payment of US\$9 million within two years if Augur is satisfied, after conducting due diligence of the technical, legal, financial and tax situation of PT Golden Pricindo Indah and its licences. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The ongoing operation of the Company is dependent on:

- the Company raising additional funding from shareholders or other parties; and/or
- the Company not proceeding with the acquisition of PT Golden Pricindo Indah.

The Directors have prepared cash flow projections that support the ability of the Company to continue as a going concern. These cash flow projections assume the Company obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Company plans to reduce its capital and operational expenditure significantly.

In the event that the Group does not achieve positive cash flows from trading operations, it may not be able to continue its operations as a going concern and therefore the Company and the Group may not be able to realise their assets and extinguish their liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

**Notes to the Financial Statements
For the year ended 30 June 2010****(n) Equity Based Compensation Cost**

Augur allocates its employees share options as part of their remuneration package. Equity based compensation benefits are provided to employees via the Executive Share Option Plan. These payments are measured at the more readily determined fair value of the equity instrument.

An expense is recognised for all share based remuneration determined with reference to the fair value of the equity instruments issued. The fair value of equity instruments is calculated using market price where available, and where market prices are not available using a valuation technique consistent with the Black-Scholes methodology, to estimate the price of those equity instruments in an arm's length transaction between knowledgeable, willing parties. The fair value calculated in accordance with AASB 2 "Share-based Payments" is charged against profit over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting.

Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumption about probabilities of payment and compliance with and attainment of the set out terms and conditions. Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital.

(o) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates*Indonesian Transaction*

The Group assesses the transaction in Indonesia at an arm length transaction with no impairment to be recognised in respect of the fair value paid of \$1,459,701 after adjusting for foreign exchange fluctuation at the end of the reporting period.

Share based payments

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the Directors, officers of the Company becomes unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes formula, taking into accounts the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at \$4,001,608.

**Notes to the Financial Statements
For the year ended 30 June 2010**

	Consolidated	
	2010	2009
	\$	\$
NOTE 2: REVENUE		
Interest	43,017	78,678
Other income	1,980	-
	44,997	78,678
(a) Interest from:		
Bank	43,007	55,185
Other	10	23,493
Total interest	43,017	78,678
NOTE 3: PROFIT/(LOSS) FOR THE YEAR		
Profit/(Loss) before income tax expenses has been determined after:		
Depreciation of non-current assets		
- Plant and equipment	3,888	10,707
Rent expenses	48,750	52,000
Remuneration of the auditors for		
- audit and review services	34,802	35,040
- other services	3,889	4,008
Total remuneration of the auditors	38,691	39,048

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Policies

The Group's financial instruments comprise deposits with banks, short term loans to related parties and accounts payable. The company does not trade in derivatives or in foreign currency.

The Group manages its risk exposure of its financial instruments in accordance with the guidance of the Audit and Risk Committee which is under the directions of the Board of Directors. The main risks arising from the Company's financial instruments are interest rate risk and liquidity risks. The Group uses different methods to manage and minimise its exposure to risks. These include monitoring levels of interest rates fluctuations to maximise the return of bank balances and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The final approval and monitoring of any of the theses policies is done by the Board which review and agrees on the policies for managing each of the risks as summarised below.

The primary responsibility to monitor the financial risks lies with the Managing Director and the Company Secretary under the authority of the Board. The Board through the Audit and Risk Committee agrees and approved policies for managing each of the risks indentified below, including the setting up approval limits for purchases and monitoring projections of future cash flows.

Notes to the Financial Statements
For the year ended 30 June 2010

Risk Exposures

Interest rate risk

The Group's exposure to market interest rate relates to cash assets and short term lending. The Company does not have any short term lending for the year ending 30 June 2010.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	Consolidated	
	2010	2009
	\$	\$
Financial Assets		
Receivables	99,656	84,185
Cash and equivalents	1,063,138	2,008,997
	1,162,794	2,093,182
Financial Liabilities		
Loan from related party	(2,253,567)	-
Trade and other payables	(510,265)	(97,432)
Net Exposure	(1,601,038)	1,995,750

All assets and liabilities are current and are not past due or impaired and the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

The Group does not have interest rate swap contracts. The Group has two high interest yield accounts from where it draws cash when required to pay liabilities as they fall due. The Company normally invests its funds in at least two accounts to maximise the available interest rates. The Company always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

Mr Norman Seckold the Chairman of the Group has made available an unsecured interest free loan of \$2,253,567 with no maturity date.

The following sensitivity analysis is based on the interest rate risk exposures.

At 30 June 2010, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

Judgement of reasonable possible movements:

	Post Tax Loss (Higher)/Lower 2010	Post Tax Loss (Higher)/Lower 2009	Total equity 2010	Total equity 2009
+ 1% higher interest rate	12,888	11,748	12,888	11,748
- 0.5% lower interest rate	(6,452)	(5,881)	(6,452)	(5,881)

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rate on cash balances. The sensitivity is negligible for the periods ended 30 June 2010 and 30 June 2009 because of the stable pattern of investing the surplus cash in high interest yield accounts throughout the years.

**Notes to the Financial Statements
For the year ended 30 June 2010**

	Weighted Average Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash	3.02	3.38	1,063,138	2,008,997	-	-
Receivables	-	-	-	-	99,657	84,185
Total Financial Assets			1,063,138	2,008,997	99,657	84,185
Financial Liabilities						
Trade and sundry creditors			-	-	(510,265)	(97,432)
Total Financial Liabilities			-	-	(510,265)	(97,432)

Liquidity Risk

The Group's objective is to maximise its cash availability by adhering to the exploration program and evaluating current charges of various suppliers. The Group received \$733,315 from share options conversion and a placement of \$2,600,000 during August 2010. With the recently secured funds the Group has sufficient liquidity for at least the next 12 months to further develop all its tenements.

The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. At balance date, the Group has available funds of \$1,063,138 for its immediate use. Based on future Company announcements and future exploration results the Company will choose the most beneficial equity funding for the next two years.

Credit risk

The Group is not exposed to any credit risk.

	Credit Rating	Consolidated	
		2010	2009
		\$	\$
Australian Taxation Office	AAA	45,406	19,921
Department of Primary Industries	AAA	55,000	55,000
Other	Non rated	-	9,264
Total		100,406	84,185

Fair Value

Reconciliation of Level 3 fair value movements as disclosed in note 11.

	Consolidated	
	2010	2009
	\$	\$
Opening balance	-	-
Purchases	1,480,731	-
Foreign exchange	(21,030)	-
Closing balance	1,459,701	-

The Group has determined the fair value of the unlisted investments by arm length transactions.

Notes to the Financial Statements
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
NOTE 5: INCOME TAX		
(a) Income tax expense		
The major components of income tax expense are:		
Income statement		
Current income tax	-	-
Deferred income tax	(7,157)	-
	(7,157)	-
(b) The prima facie tax on (loss)/profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax (benefit)/expense on loss before income tax at 30% (2009- 30%)	(445,480)	(218,786)
Tax effect of:		
Option share based expense	970	11,316
Option rights issue costs	(2,918)	(2,918)
IPO share issue costs	(53,285)	(53,285)
Share rights issue costs	(3,530)	(2,813)
Temporary differences recognised – deferred mining costs and other items	176,556	138,165
Tax losses recognised	(176,556)	(148,662)
Tax losses not brought to account	504,243	276,983
Other non-allowable items	(7,157)	-
Income tax expense	(7,157)	-
(c) Deferred tax liability		
The major components of deferred tax liability are as follows:		
Deferred mining and exploration expenditure	1,111,395	945,339
Tax losses brought to account	(1,111,395)	(938,182)
Deferred tax liability	-	7,157
Deferred income tax assets not brought to account		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	808,260	254,933

	Consolidated	
	2010	2009
	\$	\$
NOTE 6: Earning per share		
Earning used to calculate basic EPS	(1,477,777)	(729,278)
	No of Shares	No of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	105,811,275	54,261,826
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	105,811,275	54,261,826

**Notes to the Financial Statements
For the year ended 30 June 2010**

	Consolidated	
	2010	2009
	\$	\$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank	1,063,138	41,237
Term deposits	-	1,967,760
Total Cash	1,063,138	2,008,997

	Consolidated	
	2010	2009
	\$	\$
NOTE 8: TRADE AND OTHER RECEIVABLES		
CURRENT		
Environmental bonds	55,000	55,000
Net GST receivable	44,656	19,921
Other receivables	-	9,264
Total trade and other receivables	99,656	84,185

	Consolidated	
	2010	2009
	\$	\$
NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	183,403	3,998
Total other assets	183,403	3,998

	Consolidated	
	2010	2009
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
(a) Plant and equipment		
At cost	17,912	17,912
Less accumulated depreciation	(17,912)	(16,566)
Total plant and equipment	-	1,346
(b) Computer equipment		
At cost	13,129	13,129
Less accumulated depreciation	(11,745)	(9,203)
Total computer equipment	1,384	3,926
Total property plant and equipment	1,384	5,272

**Notes to the Financial Statements
For the year ended 30 June 2010**
(a) Movements in Carrying Amounts

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

	Consolidated		
	Plant & equipment \$	Computer equipment \$	Total \$
Balance at 30 June 2008	8,066	6,913	14,979
Additions	-	1,000	1,000
Depreciation expense	(6,720)	(3,987)	(10,707)
Balance at 30 June 2009	1,346	3,926	5,272
Additions	-	-	-
Depreciation expense	(1,346)	(2,542)	(3,888)
Balance at 30 June 2010	-	1,384	1,384

	Consolidated	
	2010 \$	2009 \$
NOTE 11: OTHER FINANCIAL ASSETS		
Deposit on option agreement – Golden – fair value	291,940	-
Deposit on share profit agreement – Golden – fair value	1,167,761	-
Deposit for the purchase of Hunamas – fair value	382,241	-
Total investments	1,841,942	-

Augur Investments Pty Ltd has entered into an agreement with PT Best Clean Energy in Indonesian to acquire an option to purchase a 90% interest in an Indonesia based company PT Golden Pricindo Indah ('Golden') which hold the mining licences covering the central Jampang gold project area.

The agreement is made up of an option agreement with an upfront payment of US\$250,000. After the payment was made Augur has a conditional 2 year option to purchase 90% of Golden. The option may be exercised by a further payment of US\$9 million within the two years if Augur is satisfied after conducting a due diligence. The final payment will be reduced to US\$8 million in the event that the gold processing plant fails to reach production within the two years.

Augur provided US\$1 million (A\$1,167,761) in working capital to aid in the refurbishment and operating costs of the gold processing plant. Augur will share half of any profits generated from the sale of gold over the next 2 years in the event that Augur exercises the purchase option or 3 years in the event that Augur doesn't exercise the purchase option.

Augur Investment Pty Ltd has deposited on trust \$382,241 with the Company's lawyers Ali Budiardjo, Nugroho, Reksodiputro (ABNR) in Indonesia awaiting the final resolution for the acquisition of Hunamas property adjacent to Golden.

The deposit paid for the acquisition of Golden was an arm length transaction and is classified as a financial asset available for sale. The Company recognised the amount paid as fair value.

Notes to the Financial Statements
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
NOTE 12: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in exploration phase:		
New South Wales	3,739,651	3,151,130
Indonesia	261,957	-
Total	4,001,608	3,151,130
The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.		

	Consolidated	
	2010	2009
	\$	\$
NOTE 13: TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	172,669	47,594
Sundry creditors and accruals	337,596	49,838
Total trade and other payables	510,265	97,432

	Consolidated	
	2010	2009
	\$	\$
NOTE 14: BORROWINGS		
CURRENT		
Other directors loan	2,253,567	-
Total borrowings	2,253,567	-

During the year ended 30 June 2010 Mr Norman Seckold, a Director, advanced \$2,253,567 to the Company to fund the acquisition of PT Golden Pricindo Indah and for ongoing working capital. The total outstanding amount to the Company and its controlled entities is interest free with no fixed repayment date.

**Notes to the Financial Statements
For the year ended 30 June 2010**

	2010 \$	2009 \$
NOTE 15: ISSUED CAPITAL		
109,722,569 (2009: 104,555,992) Ordinary shares fully paid (a)	7,861,061	7,108,210
Nil (2009: 12,874,992) Options fully paid (b)	–	80,111
	7,861,061	7,188,321

	2010		2009	
	N° of Shares	\$	N° of Shares	\$
(a) Ordinary shares				
Balance at the beginning of the reporting period	104,555,992	7,108,210	51,500,000	6,013,016
Fully paid ordinary rights share issued Shortfall 7 September 2009 at \$0.021	1,500,000	31,500	-	-
Conversion of options to ordinary shares at \$0.20	3,666,577	733,315	13	2
Transaction cost on issue of shares – refund from ATO	-	-	-	27,893
Fully paid ordinary rights share issued 16 June 2009 at \$0.021	-	-	53,055,979	1,114,176
Cost of the share issued on 16 June 2009	-	(11,964)	-	(46,877)
Balance at the end of the reporting period	109,722,569	7,861,061	104,555,992	7,108,210

	2010		2009	
	N° of Options	\$	N° of Options	\$
(b) Options				
Balance at the beginning of the reporting period	12,874,979	80,112	12,874,992	80,112
Conversion of options to ordinary shares at \$0.20	(3,666,577)		(13)	-
Expiry of options 30 June 2010	(9,208,402)	(80,112)	-	-
Balance at the end of the reporting period	-	-	12,874,979	80,112

(i) Terms and conditions - Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(ii) Terms and conditions – Options

The Company's listed options expired at 5.00pm (EST) on 30 June, 2010. 3,666,527 options were exercised by the expiry date 30 June 2010. The balance of 9,208,402 listed options were not exercised by the due date and therefore lapsed.

Notes to the Financial Statements

For the year ended 30 June 2010

NOTE 16: CAPITAL MANAGEMENT

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. This strategy is to ensure that the Company's gearing ratio is very low or nil by having positive cash balance in excess of the Company's liabilities.

NOTE 17: OPTION RESERVE

The Company issued 500,000 options during the year under the ESOP program and cancelled 1,900,000 options of former Directors of the Company.

The Company established the ESOP program on 30 June 2007 and modified at the 30 November 2009 AGM. The Board may, from time to time, determine who is entitled to participate in the Option Plan and may issue invitations to apply for the grant of options to the executive or a relative or associate nominated by the executive.

	Weighted Average				
	Nº of Options	Exercise Price	Price Volatility	Fair Value	Risk Free Rate
Granted as at 30 June 2010	500,000	\$0.12	95%	\$0.044	7.5%
Granted as at 30 June 2010	500,000	\$0.10	178%	\$0.080	4.0%
Exercised 2010	-	-			
Expired 2010	-	-			
Outstanding at year end	1,000,000	\$0.11			
Exercisable at year end	1,000,000	\$0.11			

The Option Premium Reserve is used to record the options issued to Directors and executives of the Company. Options are valued using the Black-Scholes option pricing model:

- Weighted average exercise price \$0.11
- Weighted average life of the options 2.13 years
- Underlying share price \$0.18
- Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.
- Include under the share based payment expense in the income statement is \$3,232 (2009:\$37,720) and relates, in full, to equity-settled share-based payment transactions.

**Notes to the Financial Statements
For the year ended 30 June 2010**

	Consolidated	
	2010	2009
	\$	\$
NOTE 18: 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 balance sheet as follows:		
Cash at bank	1,063,138	2,008,997
(b) Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
(Loss)/Profit from ordinary activities after income tax	(1,477,777)	(729,278)
Non-cash flows in (loss)/profit from ordinary activities		
Depreciation	3,888	10,707
Share based payment expense	3,232	37,720
Foreign exchange loss	21,030	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(15,471)	73,438
(Increase)/decrease in prepayments	(179,405)	6,749
Increase in trade and other payables	412,833	(28,073)
Decrease in deferred tax liabilities	(7,157)	-
Net cash used in operating activities	(1,238,827)	(628,737)

	Consolidated	
	2010	2009
	\$	\$
NOTE 19: RELATED PARTY TRANSACTIONS		
Transactions with related parties:		
Other – Director loan		
Permgold Pty Ltd	750,000	-
Altinova Nominees Pty Ltd	1,503,567	-
Total	2,253,567	-

During the year ended 30 June 2010 Norman A, Seckold, a Director, advanced \$2,253,567 to the Company to fund ongoing working capital requirements and to fund the acquisition of PT Golden Pricindo Indah and for working capital. The total outstanding loan amount to the Company and its controlled entities of \$2,253,567 is interest free with no fixed repayment date.

During the year ended 30 June 2010, Norman A. Seckold and Peter J. Nightingale had an interest in an entity, Mining Services Trust, which provided full administration services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the year, which were in the ordinary course of business and on normal terms and conditions, amounted to \$150,000.

All related party transactions are on commercial terms and conditions unless otherwise stated.

**Notes to the Financial Statements
For the year ended 30 June 2010**
NOTE 20: SEGMENT INFORMATION

Segment information is presented in respect of the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical segments

For the year ended 30 June 2009 the Company principally operated in New South Wales, Australia in the mineral exploration sector.

For the year ended 30 June 2010 the operating segment of mineral exploration refers to the operations solely within the Indonesia geographical segment.

The Group has one reportable segment, as described below:

Operating Segments	NSW	Indonesia	Unallocated	Consolidated Total
	\$	\$		\$
30 June 2010				
Segment revenue				
Revenue – external	-	-	1,980	1,980
Finance income	-	-	43,017	43,017
Total revenue	-	-	44,997	44,997
Amortisation	-	-	-	-
Depreciation	-	-	3,888	3,888
Finance expense	-	-	-	-
Segment result	-	(765,597)	(712,180)	(1,477,777)
Segment assets	3,739,651	2,269,864	1,181,616	7,191,131

Notes to the Financial Statements
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
NOTE 21: OPERATING LEASE COMMITMENTS		
Payable - minimum lease payment for rental premises	-	45,600
Minimum payment not later than 12 months	-	45,600

	Consolidated	
	2010	2009
	\$	\$
NOTE 22: COMMITMENTS AND CONTINGENCIES		
Statutory commitments with respect to tenements	482,500	482,500

The Group does not have any contingent liabilities or contingent assets as at 30 June 2010.

NOTE 23: PARENT ENTITY DISCLOSURES

As at 30 June 2010 and since January 2010 the parent entity of the Group was Augur Resources Ltd.

	Company	
	2010	2009
	\$	\$
Result of the parent entity		
Net loss	(712,180)	(729,277)
Other comprehensive income	-	-
Total comprehensive loss	(712,180)	(729,277)
Financial position of the parent entity at year end		
Current assets	2,418,296	2,097,180
Non-current assets	3,741,036	3,156,402
Total assets	6,159,332	5,253,582
Current liabilities	966,435	97,432
Non-current liabilities	-	7,157
Total liabilities	966,435	104,589
Net assets	5,192,897	5,148,993
Equity		
Share capital	7,861,061	7,188,321
Option premium reserve	142,111	72,294
Accumulated losses	(2,810,275)	(2,111,622)
Total equity	5,192,897	5,148,993

Mr Norman Seckold and Mr Peter Nightingale had an interest in an entity, Mining Services Trust, which provided full administration services including staff, accounting services and office space accommodation, fees were paid at the monthly rate of \$25,000 plus GST. The total fees paid were \$150,000 plus GST from January to June 2010.

**Notes to the Financial Statements
For the year ended 30 June 2010****NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE**

On 17 August 2010, the Company received applications for 15,757,576 new fully paid ordinary shares for a total consideration of \$2,600,000 before transaction cost of \$146,500. The funds will be used by the Company to extend its exploration and testing program at the Central Jampang Gold Project in Indonesia and to provide additional working capital.

No other 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.

NOTE 25: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

Notes to the Financial Statements

For the year ended 30 June 2010

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for Group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

Notes to the Financial Statements

For the year ended 30 June 2010

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial statementsing Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTE 26: COMPANY DETAILS

The registered office of the Company is:
Augur Resources Ltd
Level 2, 66 Hunter Street
Sydney NSW 2000

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 44 to 68 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the financial year ended on that date of the Company and its controlled entities; and
 - (c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
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.
3. The Directors have been given the declarations required under section 295A of the Corporation Act 2001 for the financial year ended 30 June 2010.

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

Director



Grant Leo Kensington

Dated this 24th day of September 2010
Sydney

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUGUR RESOURCES LTD

Report on the financial statements

We have audited the accompanying financial statements of Augur Resources Ltd, which comprises the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled during that year.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial statements, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial statements we were engaged to undertake services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditors' opinion

In our opinion:

1. the financial statements of Augur Resources Ltd is in accordance with:
 - (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. the financial statements also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without qualification to the opinion expressed above, we draw attention to Note 1(m) in the financial statements which indicates that the consolidated entity incurred a net loss of \$1,477,777 during the year ended 30 June 2010 and, as of that date; the consolidated entity's current liabilities exceeded its current assets by \$1,417,635. These conditions, along with other matters as set forth in Note 1(m), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern.

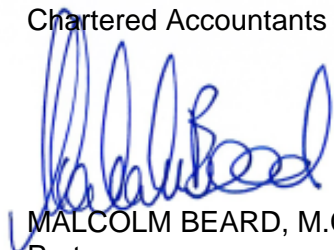
Report on The Remuneration Report

We have audited the Remuneration Report included in pages 37 to 41 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion on The Remuneration Report

In our opinion the Remuneration Report of Augur Resources Ltd for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

GOULD RALPH ASSURANCE
Chartered Accountants



MALCOLM BEARD, M.COM, FCA
Partner

Dated this 24th day of September 2010
Sydney

Additional ASX Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2010.

a) Distribution of equity securities

ORDINARY SHARES		
Range	Number of Holders	Number of Shares
1 - 1,000	17	2,547
1,001- 5,000	24	92,760
5,001 - 10,000	146	1,417,878
10,001 - 100,000	197	8,423,595
100,001 - 9,999,999	98	115,543,365
Total	482	125,480,145

Since listing the Company has issued 125,480,145 fully paid ordinary shares.

The number of shareholders holding less than a marketable parcel is 22

b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

ORDINARY SHARES			
Nº	SHAREHOLDER	Nº OF SHARES	% OF TOTAL
1	ICHIYA CO LTD	34,957,102	27.8
2	PERMGOLD PTY LTD	20,000,000	15.9
3	ROSIGNOL PTY LTD	6,000,000	4.8
4	COBUNGRA HOLDINGS PTY LTD	5,850,626	4.7
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,300,908	4.2
6	ALL STATES SECRETARIAT PTY LTD	3,030,303	2.4
7	COMPANY FIFTY PTY LTD	3,000,000	2.4
8	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES P/L	1,666,667	1.3
9	COLOWELL PTY LTD	1,550,000	1.2
10	BT PORTFOLIO SERVICES LIMITED	1,515,151	1.2
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,250,000	1.0
12	BOND STREET CUSTODIANS LIMITED	1,212,121	1.0
13	JOHN WARDMAN & ASSOCIATES PTY LTD	1,100,000	0.9
14	I E PROPERTIES PTY LTD	1,015,151	0.8
15	MR COLIN ROBERT HOOD + MRS ANN ROBYN HOOD	1,000,000	0.8
16	ENTERTAINMENT EQUITY GROUP PTY LTD	900,000	0.7
17	MRS SANDY NIGHTINGALE	875,000	0.7
18	RIGI INVESTMENTS PTY LTD	875,000	0.7
19	MR WILSON TSENG	842,500	0.7
20	MR JUSTIN CHARLES WERNER	790,000	0.6
	Total	92,730,529	73.9

Additional ASX Information**c) Substantial Shareholders**

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

	Shareholder	N° of Shares Held	% to Issued Shares
1	ICHIYA CO LTD	34,957,102	27.8
2	PERMGOLD PTY LTD	20,000,000	15.9

d) Class of Shares and Voting rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.