



ABN 79 106 879 690

## Half-Year Financial Report

for the half-year ended 31 December 2008

## Corporate Information

ABN 79 106 879 690

### Directors

Peter Bradfield - Chairman

Grant Kensington – Managing Director

Joshua Rogers

Kimikazu Yoshioka

### Company Secretary

Marcelo Mora

### Corporate Office

Level 45, 2 Park Street

Sydney NSW 2000

Australia

### Registered Office

Level 45, 2 Park Street

Sydney NSW 2000

Australia

### Auditors

Gould Ralph Assurance

Chartered Accountants

Level 42, Suncorp Place

259 George Street

SYDNEY NSW 2000

### Bankers

Westpac Bank

275 George Street

Sydney NSW 2000

Australia

### Solicitors

Home Wilkinson Lowry

Level 13, 175 Eagle Street

Brisbane QLD 4000

### Share Register

Computershare

Level 3, 60 Carrington Street

SYDNEY NSW 2000

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## **Directors' Report**

The Directors of Augur Resources Limited ("the Company" or "Augur") submit their report for the half-year ended 31 December 2008.

### **DIRECTORS**

The names of the directors of the Company in office during the half-year period and until the date of this report were:

Peter Bradfield  
Grant Kensington  
Joshua Rogers  
Kimikazu Yoshioka  
Tully Richards (resigned: 31 October 2008)

### **CONSOLIDATED RESULTS**

The Loss of the Company for the half-year after providing for income tax amounted to \$420,980 (2007: \$378,654).

### **REVIEW OF OPERATIONS**

Augur is an emerging mineral exploration company that has put together a portfolio of quality exploration tenements in the Lachlan Fold Belt in New South Wales. During August 2008, the company announced an initial JORC defined inferred resources estimate of 12.2Mt at 0.91% nickel and 0.06% cobalt for the Homeville prospect within its Collierina tenement.

Augur is also advancing mineralisation at Yeoval to JORC defined resources with an expected announcement later in the year.

Augur holds three less advanced tenements. Weelah, Tullamore and Wallaby Rocks are all located within favourable geological settings. Augur will continue to explore these tenements with the aim of defining an economic JORC compliant resource in the short to medium term.

### **SUBSEQUENT EVENTS**

No matters or circumstances have arisen since the end of the reporting period, 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.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration on page 4 as required under Section 307C of the Corporations Act 2001 is attached to and forms part of the Directors Report for the half-year ended 31 December 2008.

Signed in accordance with a resolution of the directors.



Grant Kensington  
Managing Director

Sydney, 11 March 2009

**Chartered Accountants**

ABN 74 632 161 298

Level 42, Suncorp Place

259 George Street

Sydney NSW 2000

Australia

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11 March 2009

The Board of Directors  
Augur Resources Limited  
Level 45, 2 Park Street  
SYDNEY NSW 2000

Dear Members of the Board

**AUGUR RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Augur Resources Limited.

As lead audit partner for the review of the financial statements of Augur Resources Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully  
GOULD RALPH ASSURANCE



GREGORY C RALPH M.Com., F.C.A.  
Partner

# Condensed Income Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

|                                                             |       | THE COMPANY               |                           |
|-------------------------------------------------------------|-------|---------------------------|---------------------------|
|                                                             | Notes | 31 DECEMBER<br>2008<br>\$ | 31 DECEMBER<br>2007<br>\$ |
| Continuing operations                                       |       |                           |                           |
| Interest received                                           | 2     | 60,821                    | 57,911                    |
| Less: Expenses from continuing operations                   |       |                           |                           |
| Administration fees                                         |       | (82,833)                  | (60,594)                  |
| Directors fees & Superannuation fees                        |       | (181,225)                 | (150,926)                 |
| Depreciation                                                |       | (5,628)                   | (4,608)                   |
| Accounting fees                                             |       | (4,008)                   | -                         |
| Audit fees                                                  |       | (17,500)                  | (13,540)                  |
| Management fees                                             |       | -                         | (37,500)                  |
| Share based payment expense                                 |       | (18,860)                  | (16,660)                  |
| Finance                                                     |       | -                         | (50,000)                  |
| Insurance                                                   |       | (11,457)                  | (9,727)                   |
| Communication                                               |       | (5,211)                   | (4,812)                   |
| Legal fees                                                  |       | (36,502)                  | (11,536)                  |
| Listing annual fees                                         |       | (11,513)                  | (9,919)                   |
| Advertising                                                 |       | (16,220)                  | (10,395)                  |
| Rent                                                        |       | (26,000)                  | (9,333)                   |
| Share administrator                                         |       | (16,492)                  | (13,088)                  |
| Travel                                                      |       | (18,356)                  | (23,798)                  |
| Other                                                       |       | (29,996)                  | (17,286)                  |
| LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE   |       | (420,980)                 | (385,811)                 |
| INCOME TAX (EXPENSE)/BENEFIT                                |       | -                         | 7,157                     |
| LOSS FROM CONTINUING OPERATIONS                             |       | (420,980)                 | (378,653)                 |
| NET LOSS ATTRIBUTABLE TO MEMBERS OF AUGUR RESOURCES LIMITED |       | (420,980)                 | (378,653)                 |
| EARNINGS PER SHARE                                          |       |                           |                           |
| Basic earnings per share (cents per share)                  |       | (0.82)                    | (1.05)                    |
| Diluted earnings per share (cents per share)                |       | (0.82)                    | (1.05)                    |

The accompanying notes form part of these financial statements.

## Condensed Balance Sheet

AS AT 31 DECEMBER 2008

|                                        | Notes | THE COMPANY<br>AS AT<br>31 DECEMBER 2008<br>\$ | AS AT<br>30 JUNE 2008<br>\$ |
|----------------------------------------|-------|------------------------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                  |       |                                                |                             |
| Cash and cash equivalents              | 3     | 1,218,115                                      | 1,873,964                   |
| Trade and other receivables            | 4     | 81,296                                         | 693,449                     |
| Other assets                           | 5     | 62,152                                         | 10,746                      |
| <b>TOTAL CURRENT ASSETS</b>            |       | <b>1,361,563</b>                               | <b>2,578,159</b>            |
| <b>NON-CURRENT ASSETS</b>              |       |                                                |                             |
| Property plant and equipment           | 6     | 9,351                                          | 14,979                      |
| Exploration and evaluation expenditure | 7     | 3,040,608                                      | 2,690,589                   |
| <b>TOTAL NON-CURRENT ASSETS</b>        |       | <b>3,049,959</b>                               | <b>2,705,568</b>            |
| <b>TOTAL ASSETS</b>                    |       | <b>4,411,522</b>                               | <b>5,283,727</b>            |
| <b>CURRENT LIABILITIES</b>             |       |                                                |                             |
| Trade and other payables               | 8     | 33,234                                         | 531,213                     |
| <b>TOTAL CURRENT LIABILITIES</b>       |       | <b>33,234</b>                                  | <b>531,213</b>              |
| <b>NON CURRENT LIABILITIES</b>         |       |                                                |                             |
| Deferred tax liabilities               |       | 7,157                                          | 7,157                       |
| <b>TOTAL NON CURRENT LIABILITIES</b>   |       | <b>7,157</b>                                   | <b>7,157</b>                |
| <b>TOTAL LIABILITIES</b>               |       | <b>40,391</b>                                  | <b>538,370</b>              |
| <b>NET ASSETS</b>                      |       | <b>4,371,131</b>                               | <b>4,745,357</b>            |
| <b>EQUITY</b>                          |       |                                                |                             |
| Issued capital                         | 9     | 6,121,021                                      | 6,093,128                   |
| Option reserves                        | 10    | 53,434                                         | 34,574                      |
| Accumulated losses                     |       | (1,803,324)                                    | (1,382,345)                 |
| <b>TOTAL EQUITY</b>                    |       | <b>4,371,131</b>                               | <b>4,745,357</b>            |

The accompanying notes form part of these financial statements.

## Condensed Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Notes

THE COMPANY  
31 DECEMBER 31 DECEMBER  
2008 2007  
\$ \$

### CASH FLOWS FROM OPERATING ACTIVITIES

|                                               |           |           |
|-----------------------------------------------|-----------|-----------|
| Interest received                             | 84,133    | 49,432    |
| Payments to suppliers                         | (889,963) | (671,048) |
| Finance costs                                 | -         | (50,000)  |
| NET CASH FLOWS (USED IN) OPERATING ACTIVITIES | (805,830) | (671,616) |

### CASH FLOWS FROM INVESTING ACTIVITIES

|                                             |           |           |
|---------------------------------------------|-----------|-----------|
| Payments for exploration expenditure        | (350,020) | (349,986) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (350,020) | (349,986) |

### CASH FLOWS FROM FINANCING ACTIVITIES

|                                          |           |           |
|------------------------------------------|-----------|-----------|
| Loans to other parties                   | -         | (50,000)  |
| Proceeds from loans repayments           | 500,000   | 290,743   |
| Proceeds from shareholder loans          | -         | -         |
| Proceeds from share issue                | 1         | 5,000,000 |
| Transaction costs on equity issue        | -         | (803,099) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | 500,001   | 4,437,644 |
| NET INCREASE IN CASH HELD                | (655,849) | 3,416,042 |
| Add opening cash brought forward         | 1,873,964 | 225,563   |
| CLOSING CASH CARRIED FORWARD             | 1,218,115 | 3,641,605 |

The accompanying notes form part of these financial statements.



## Condensed Statement of Changes in Equity

| FOR THE HALF-YEAR ENDED 31 DECEMBER 2008              | Issued Capital<br>\$ | Reserves<br>\$ | Accumulated losses<br>\$ | Total<br>\$ |
|-------------------------------------------------------|----------------------|----------------|--------------------------|-------------|
| As at 1 July 2007                                     | 1,928,986            | -              | (570,814)                | 1,358,172   |
| Loss for the period                                   | -                    | -              | (378,654)                | (378,654)   |
| Issue of shares                                       | 5,000,000            | -              | -                        | 5,000,000   |
| Transaction cost on issue of shares                   | (915,970)            | -              | -                        | (915,970)   |
| Cost of Share based payments                          | -                    | 16,660         | -                        | 16,660      |
| As at 31 December 2007                                | 6,013,016            | 16,660         | (949,468)                | 5,080,208   |
| As at 1 July 2008                                     | 6,093,128            | 34,574         | (1,382,344)              | 4,745,358   |
| Loss for the period                                   | -                    | -              | (420,980)                | (420,980)   |
| Issue of shares                                       | 1                    | -              | -                        | 1           |
| Transaction cost on issue of shares – refund from ATO | 27,892               | -              | -                        | 27,892      |
| Cost of Share based payments                          | -                    | 18,860         | -                        | 18,860      |
| As at 31 December 2008                                | 6,121,021            | 53,434         | (1,803,324)              | 4,371,131   |

The accompanying notes form part of these financial statements.

## Notes to the Half-Year Financial Statements

For the Half – Year Ended 31 December 2008

### 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

The half-year financial report should be read in conjunction with the 30 June 2008 annual report.

It is also recommended that the half-year financial report be considered together with any public announcements made by Augur Resources Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

#### (a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial statements have been prepared using the same accounting policies as used in the Full Year 30 June 2008 financial report.

# Notes to the Half-Year Financial Statements (Cont'd)

HALF-YEAR ENDED 31 DECEMBER 2008

| Notes | Period ended 31<br>December 2008 | Period Ended 31<br>December 2007 |
|-------|----------------------------------|----------------------------------|
|       | \$                               | \$                               |

## 2. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

Revenues from continuing operations

Interest received

Total revenues from continuing operations

|        |        |
|--------|--------|
| 60,821 | 57,911 |
| 60,821 | 57,911 |

|                           |                    |
|---------------------------|--------------------|
| As at 31 December<br>2008 | As at 30 June 2008 |
|---------------------------|--------------------|

|    |    |
|----|----|
| \$ | \$ |
|----|----|

## 3. CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, cash includes cash on hand, cash at bank and short term deposits at call, net of any outstanding bank overdraft, if any. Cash at the end of the half year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

|              |           |           |
|--------------|-----------|-----------|
| Cash at bank | 1,218,115 | 1,873,964 |
|              | 1,218,115 | 1,873,964 |

## 4. TRADE AND OTHER RECEIVABLES

Environmental bonds with DPI-MR

Other receivables

GST receivable

|        |         |
|--------|---------|
| 55,000 | 55,000  |
| -      | 524,512 |
| 26,296 | 113,937 |
| 81,296 | 693,449 |

## 5. OTHER ASSETS

Prepayments

|        |        |
|--------|--------|
| 62,152 | 10,746 |
| 62,152 | 10,746 |

## 6. PLANT AND EQUIPMENT

(a) Plant and equipment

At Cost

Less accumulated depreciation

|          |         |
|----------|---------|
| 17,912   | 17,912  |
| (13,206) | (9,846) |
| 4,706    | 8,066   |

(b) Computer equipment

At Cost

Less accumulated depreciation

|         |         |
|---------|---------|
| 12,129  | 12,129  |
| (7,484) | (5,216) |
| 4,645   | 6,913   |

Total plant and equipment

|       |        |
|-------|--------|
| 9,351 | 14,979 |
|-------|--------|

## 7. DEFERRED EXPLORATION EXPENSES

Exploration and evaluation phase – at cost

|           |           |
|-----------|-----------|
| 3,040,608 | 2,690,589 |
|-----------|-----------|

Prior to expiration of the licenses, the company lodged renewal applications and expects confirmation of the renewals from the Department of Primary Industries (DPI) in 2009. At the date of this report the Collerina license (EL 6336) had been renewed until 31 October 2010 and mining licenses in relation to Yeoval (EL 6311), Weelah (EL 6309), Tullamore (EL 6312) and Wallaby Rocks (EL 6310) are expected to be renewed prior to 30 June 2009 year end. In addition, the company now holds exploration licence 7227 (Five ways) and Mining licence ML 811.

# Notes to the Half-Year Financial Statements (Cont'd)

HALF-YEAR ENDED 31 DECEMBER 2008

As at 31 December  
2008

As at 30 June  
2008

\$

\$

## 8. TRADE AND OTHER PAYABLES

Notes

Trade Creditors  
Sundry Creditors and Accruals

|               |                |
|---------------|----------------|
| 3,234         | 420,884        |
| 30,000        | 110,329        |
| <u>33,234</u> | <u>531,213</u> |

## 9. ISSUED CAPITAL

Issued and paid up capital

51,500,007 Ordinary shares, fully paid (30 June 2008: 51,500,000)

12,874,985 Renounceable options, fully paid (30 June 2008: 12,874,992)

Total

|                  |                  |
|------------------|------------------|
| 6,040,909        | 6,013,016        |
| 80,112           | 80,112           |
| <u>6,121,021</u> | <u>6,093,128</u> |

| No. of shares | \$ | No. of shares | \$ |
|---------------|----|---------------|----|
|---------------|----|---------------|----|

(i) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue

Balance at the beginning of the period

Shares issued during the period

Issue of 25,000,000 shares at 20 cents 22 October 2007

Transaction costs

Issue of 7 shares at 20 cents upon conversion of options

Balance at end of the period

|                   |                  |                   |                  |
|-------------------|------------------|-------------------|------------------|
| 51,500,000        | 6,013,016        | 26,500,000        | 1,928,986        |
|                   |                  | 25,000,000        | 5,000,000        |
|                   | 27,892           |                   | (915,970)        |
| 7                 | 1                | -                 | -                |
| <u>51,500,007</u> | <u>6,040,909</u> | <u>51,500,000</u> | <u>6,013,016</u> |

(ii) Options

Fully paid options.

Movement in options on issue

Balance at the beginning of the period

Options converted to shares during the period

Balance at end of the period

|                   |               |                   |               |
|-------------------|---------------|-------------------|---------------|
| 12,874,992        | 80,112        | 12,874,992        | 80,112        |
| (7)               | -             | -                 | -             |
| <u>12,874,985</u> | <u>80,112</u> | <u>12,874,992</u> | <u>80,112</u> |

## 10. RESERVES

Employee share based payments reserve

Total

|               |               |
|---------------|---------------|
| 53,434        | 34,574        |
| <u>53,434</u> | <u>34,574</u> |

## 11. SUBSEQUENT EVENTS

No other matters or circumstances have arisen since the end of the reporting period, 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.

## 12. CONTINGENCIES AND COMMITMENTS

As at 31 December  
2008

As at 30 June  
2008

\$

\$

There are no contingent assets or liabilities as at the date of this financial report.

Annual tenement expenditure commitments required to maintain licenses

|         |         |
|---------|---------|
| 498,000 | 429,000 |
|---------|---------|

### 13. SEGMENT REPORTING

The economic entity operated wholly within the Mineral Exploration industry and within the geographic segment of Australia.

### 14. RELATED PARTY TRANSACTIONS

There have been no significant changes to the related party transactions disclosed in the last Annual Report. All transactions with related parties are conducted on normal commercial terms and conditions.

## Directors' Declaration

In accordance with a resolution of the directors of Augur Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes:
  - (i) give a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the entity; and
  - (ii) comply with Accounting Standard AASB 1034 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'G. Kensington', is written over a light blue rectangular background.

Grant Kensington  
Managing Director

Sydney, 11 March 2009

## **Independent Review Report to Members of Augur Resources Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Augur Resources Limited, which comprises the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of Augur Resources Limited.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report 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.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Augur Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review for a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. As a review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Augur Resources Limited is not in accordance with the *Corporations Act 2001* including:

- i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

GOULD RALPH ASSURANCE



GREGORY C. RALPH M.Com., F.C.A.  
Partner  
Sydney, 11 March 2009