

4 May 2012

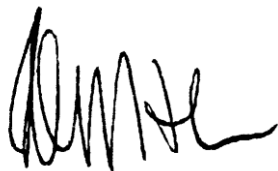
ASX Compliance Pty Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Attention: Anthony Ingegneri, Adviser, Listings (Sydney)

I refer to your letter dated 1 May 2012 and respond to your questions, using your numbering, as follows:

1. The Company's cash expenditure is based on particular exploration programs which are able to be managed within the Company's financial capabilities. Therefore, past cash expenditure rates are not an accurate guide to ongoing expenditure rates.
2. As noted above, future operating cash flows will be managed within the Company's financial capabilities. As the Company has exploration stage projects, cash flows will be negative and rely on equity injections. The Directors are currently considering the most effective form of a capital raising to support the continuing operations of the Company.
3. Refer 2 above.
4. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.
5. The Company is of the opinion that it remains in compliance with ASX Listing Rule 12.2. As disclosed in the most recent audit reviewed financial statements, the Company's assets total \$15,117,645 compared to liabilities which total \$60,660 and an appropriate form of a capital raising is currently being considered for the Company's ongoing activities

Yours faithfully



Peter Nightingale  
Director

pjn6695



ASX Compliance Pty Limited  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

1 May 2012

Marcelo Mora  
Company Secretary  
Augur Resources Limited  
Level 2  
66 Hunter Street  
SYDNEY NSW 2000

Telephone 61 2 9227 0441  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

By Email:

Dear Marcelo,

**Augur Resources Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2012, released to ASX Limited ("ASX") on 30 April 2012 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$NIL.
2. Net negative operating cash flows for the quarter of \$1,367,000.
3. Cash at end of quarter of \$393,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

**Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled “Continuous disclosure: listing rule 3.1”.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me **via email to [anthony.ingegneri@asx.com.au](mailto:anthony.ingegneri@asx.com.au)**. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **9:30 am A.E.S.T. on Tuesday, 8 May 2012**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company’s securities.

If you have any queries, please do not hesitate to contact me on 02 9227 0441.

Yours sincerely,

*{Sent electronically without signature}*

Anthony Ingegneri  
**Adviser, Listings (Sydney)**