Augustus Minerals Limited

ABN 43 122 911 399

Annual Financial Report

30 June 2009

Contents

Contents	Page

CORPORATE INFORMATION

ABN 43 122 911 399

Directors

Mr Garry Ralston
Mr Mathew Walker
Mr Jon Wild

Company secretary

Mr James Robinson

Registered office

Suite 9, 1200 Hay Street
WEST PERTH WA 6005

Telephone: (08) 6460 4960
Fax: (08) 9324 3045

Principal place of business

Suite 9, 1200 Hay Street
WEST PERTH WA 6005

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Bankers

National Australia Bank
Level 1, 1238 Hay Street
WEST PERTH WA 6005

Auditors

HLB Mann Judd
Level 2, 15 Rheola Street
WEST PERTH WA 6005

Website www.augustusminerals.com.au

DIRECTORS' REPORT

Your directors submit the annual financial report of the Company for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Garry Ralston	(appointed 10 May 2007)
Mr Mathew Walker	(appointed 29 November 2006)
Mr Jon Wild	(appointed 29 November 2006)

Names, qualifications, experience and special responsibilities

Mr Garry Ralston
Non-Executive Chairman
Age: 54
Qualifications: Licensed Finance Broker (CFB)

Mr Garry Ralston serves as Non-Executive Chairman of the Company and is based in Perth, Western Australia. Mr Ralston has been directly involved in the banking and finance industry for over 35 years. Mr Ralston was a co-founder and until recently a director of Finance and Systems Technology (FAST) which is one of Australia's premier mortgage aggregators. Mr Ralston is also a director and co-founder of Select Mortgage Services.

Mr Ralston was the founding chairman of Prudential West Pty Ltd which subsequently changed its name to Enviromission Ltd and is an ASX listed company.

During the last three years Mr Ralston has served as a director of the following listed companies:

- Fortuna Minerals Limited (appointed 29 November 2007)
- Tomahawk Energy Limited (resigned 23 May 2007)

Mr Ralston is a member of the non-executive directors committee, which deals with responsibilities usually set aside for Remuneration, Risk, Audit and Nomination committees.

Mr Mathew Walker
Executive Director
Age: 39
Qualifications: Bachelor of Business from the University of Technology Sydney

Mr Walker has extensive experience in public company management and in the provision of corporate advice. Specialising in the mining sector, he has served as executive Chairman or Managing Director for public companies with mining interests in North America, South America, Africa, Australia, and Central Asia. Currently he serves as Managing Director of Windy Knob Resources Limited, as Director of Imperium Minerals Limited and as Chairman of Fortuna Minerals Limited and Pacific Ore Limited. He is also a Director of boutique investment bank Alto Capital and corporate services firm Cicero Corporate Services Pty Ltd. Mr Walker is a member of the Australian Institute of Company Directors and holds a Bachelor of Business from the University of Technology, Sydney.

During the last three years, Mr Walker has served as a director of the following listed companies:

- Erongo Energy Limited (resigned 9 July 2007)
- Pacific Ore Limited (appointed 23 January 2009)
- Windy Knob Resources Limited (appointed 13 October 2006)
- Fortuna Minerals Limited (appointed 29 November 2007)

DIRECTORS' REPORT (continued)

Mr Jon Wild
Non-Executive Director
Age: 38
Qualifications: BCom

Mr Jonathon Wild has been in marketing and advertising for the last 14 years across a range of categories. He is currently working as the Marketing Director of HotelClub an online accommodation specialist owned by Orbitz Worldwide a NYSE listed company. Mr Wild has held a board position with the Australian Association of National Advertisers (AANA). The AANA represents the advertising community's rights to commercial freedom of speech.

During the last three years, Mr Wild has not served on any other ASX listed boards.

Mr Wild is a member of the non-executive directors committee, which deals with responsibilities usually set aside for Remuneration, Risk, Audit and Nomination committees.

Company Secretary

Mr James Robinson
Company Secretary
Age: 31
Qualifications: Bachelor of Economics from The University of Western Australia

Mr James Robinson joined the Company following 10 years with one of Western Australia's leading stockbroking firms. He holds a Bachelor of Economics from the University of Western Australia and is currently completing a Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia.

Mr Robinson was appointed joint Company Secretary in December 2008 and assumed the sole role in April 2009.

He is also currently Company Secretary of Windy Knob Resources Limited and Fortuna Minerals Limited.

Interests in the shares and options of the Company

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of options over ordinary shares*	Number of fully paid ordinary shares
Mr Garry Ralston	1,000,000[1]	850,000[2]
Mr Mathew Walker	4,000,000	3,500,000
Mr Jon Wild	500,000	500,000

**All options were issued in the 2007 year and are exercisable at 25 cents on or before 30 November 2010.*

During or since the end of the financial year no shares or share options were granted to directors or to the five most highly remunerated officers of the company as part of their remuneration.

[1] Options are held in the name of Mr Garry Benjamin Ralston & Mrs Toni Michelle Ralston ATF The Ralston Super Fund. Mr Ralston is the controller and is a beneficiary of the Super Fund.
[2] 750,000 shares are held in the name of Mr Garry Benjamin Ralston & Mrs Toni Michelle Ralston ATF The Ralston Super Fund. Mr Ralston is the controller and is a beneficiary of the Super Fund. 100,000 shares are held in the name of Mr Garry Benjamin Ralston.

DIRECTORS' REPORT (continued)

No ordinary shares were issued by the company during or since the end of the financial year as a result of the exercise of an option.

There are no unpaid amounts on the shares issued.

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	*Exercise price*	*Number of shares*
30 November 2010	$0.25	10,000,000
		10,000,000

Dividends

No dividends have been paid or declared since the start of the financial year and/or the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the year was the exploration for natural resources.

Review of operations

MT PALMER PROJECT, WESTERN AUSTRALIA, (100% OWNED)

Details of the Mt Palmer Project

The Company entered into an agreement to purchase a 100% interest in the Mt Palmer Tenements in May 2007 and this transaction was completed in July 2007. The Mt Palmer Tenements are located in the Yellowdine Greenstone belt which forms part of the Parker Range terrain in the Southern Cross Province of Western Australia. The Province is host to a number of significant gold and base metal deposits including Southern Cross, Marvel Loch, and Forrestania.

Gold mineralisation in the Yellowdine region is associated with quartz reefs within quartz-biotite schists as well as sheared contact margins between amphibolites and banded iron formations. The Project surrounds the historical Mt Palmer workings (excised from E77/987) which produced a total of 305,799 tonnes of ore for a return of 157,933oz at an average grade of 15.9g/t Au. The high grade deposit was mined over a distance of 360m. Sporadic drilling and surface geochemistry results have been returned along strike from the Mt Palmer mine suggesting that the mineralization continues.

At South Heaney's Find, a number of anomalous gold intersections were returned from RAB drilling of targets beneath extensive transported soil cover. Interpretation of aeromagnetic data in this area shows that the geology is structurally complex and may have the potential for significant gold mineralisation.

The western side of Lake Julia also appears to be shallowly underlain by greenstones which have been subject to only limited exploration. An indication of the potential is given by the gold anomalism located by Broken Hill Metals in lake sediments. Alluvial gold has also been located below Lake Julia.

Location and Tenure of the Mt Palmer Project

E77/987 and E77/1290 are centered about 8 km south of Yellowdine on the Great Eastern Highway, 36 km east of Southern Cross. The Mt Palmer Tenements cover a north-south strip of ground about 1.6 km wide and 14 km long and straddle the old Mt Palmer gold mine which is excised from the current ground. Granted Exploration License E77/987 covers 5 sub blocks (15.85 square km) and application E77/1290 covers 3 sub blocks (9.51 square km) bringing the total project area to 25.09 square km.

Activity at the Mt Palmer Project

On 17 August 2009 the Company announced an RC drilling program had commenced at the Mt Palmer project. This program consisted of 12 holes for 850m on 4 lines approximately 120m apart. Composite spear samples were collected on 4m intervals and assayed for gold by fire assay. Elevated gold results were received for the southern two drill lines, defining a weak to moderately mineralised zone to the immediate north of the historic Mt Palmer workings, with a best intersection of 4m at 1.1g/t from 8m. The northern two drill lines failed to intercept anomalous gold zones.

DIRECTORS' REPORT (continued)

The drilling appears to have downgraded the near surface potential of the area to the north of the historic Mt Palmer workings, however there remains some scope for down plunge extensions of the historic mineralisation at depth. There is also scope for the discovery of a southern extension to the historic Mt Palmer mineralisation beneath the tailings from the old workings and the edge of Lake Julia, however the proximity of the tenement boundary and results of previous exploration indicate that this is a low priority target.

The Board is now reviewing its strategy for the Mt Palmer project and a decision in respect of further exploration will be made in due course.

DOSTYK PROJECT, KAZAKHSTAN; (AUGUSTUS 19% beneficial interest prior to sale)
Details of the Dostyk Project

The Company entered into an agreement with Cigma Metals Corporation (Cigma) dated on or about 29 June 2007 to purchase a 19% participatory interest (Participatory Interest) in Dostyk Limited Liability Partnership (Dostyk Partnership Entity) in relation to the Dostyk Project (Binding Terms Sheet), which consists of gold and polymetallic deposits in the Maikubensk area of Pavlodar oblast of the Republic of Kazakhstan (Dostyk Project).

Pursuant to the Binding Terms Sheet, Cigma agreed to assign the Participatory Interest to the Company (Acquisition) in consideration for the payment of US$1,000,000 to Cigma or its nominee. The Binding Terms Sheet was subject to a number of conditions precedent, each of which was satisfied.

The Binding Terms Sheet was varied by a letter agreement executed on or about 22 October 2007 between the Company and Cigma (Variation Agreement), pursuant to which the parties acknowledged that it may take considerable time for Cigma to obtain all necessary regulatory approvals in Kazakhstan for the transfer of the Participatory Interest to the Company.

Disposal of Beneficial Interest

On 16 October 2008, the Company advised it had reached an agreement with Cigma for the disposal of its beneficially held 19% project interest in the Dostyk Project for USD $1,500,000. Settlement terms were:

US$100,000 within 14 days,
US$400,000 within 45 days,
US$1,000,000 by 31 December 2008.

Payments of US$100,000 and US$400,000 were subsequently received on 5 November 2008 and 18 December 2008 respectively.

As advised to the ASX on 1 April 2009, Cigma requested an extension to the settlement terms previously agreed and announced to the ASX on 29 December 2008. Under the terms of this revised Agreement, Cigma was due to make a final payment of US$1,015,000 on or before 31 March 2009 – this was not received. The Company took steps to protect its interests should Cigma fail to make the final payment. In that regard, during the June quarter the Company sought and obtained leave from the Supreme Court of Western Australia to commence legal proceedings against Cigma in Canada, and instructed its legal advisors to commence those proceedings.

On 13 August 2009 the Company received a payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. Of this amount, US$50,000 was applied as interest for the period 1 January 2009 to 31 October 2009 and US$50,000 will be applied to reduce the capital component of the amount outstanding.

On 2 September 2009 the Company received a further payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. These funds reduced the capital component of the amount outstanding to US$850,000 which is due and payable on 31 October 2009 in full and final settlement.

Operating results for the year

The profit of the Company for the financial period, after providing for income tax amounted to $114,364 (2008: Loss of $25,670).

Review of financial conditions

The Company currently has $7,776,754 in cash assets which the Directors believe puts the Company in a sound financial position with sufficient capital to effectively explore its tenements and pursue other resource based opportunities.

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in Directors' Report.

Corporate Governance

Details of the Company's Corporate Governance policies are contained within the Corporate Governance Statement in Directors' Report.

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs

On 16 October 2008, the Company advised it had reached an agreement with Cigma for the disposal of its beneficially held 19% project interest in the Dostyk Project for USD $1,500,000. Settlement terms were:

US$100,000 within 14 days,
US$400,000 within 45 days,
US$1,000,000 by 31 December 2008.

Payments of US$100,000 and US$400,000 were subsequently received on 5 November 2008 and 18 December 2008 respectively.

As advised to the ASX on 1 April 2009, Cigma requested an extension to the settlement terms previously agreed and announced to the ASX on 29 December 2008. Under the terms of this revised Agreement, Cigma was due to make a final payment of US$1,015,000 on or before 31 March 2009 – this was not received. The Company took steps to protect its interests should Cigma fail to make the final payment. In that regard, during the June quarter the Company sought and obtained leave from the Supreme Court of Western Australia to commence legal proceedings against Cigma in Canada, and instructed its legal advisors to commence those proceedings.

On 13 August 2009 the Company received a payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. Of this amount, US$50,000 was applied as interest for the period 1 January 2009 to 31 October 2009 and US$50,000 will be applied to reduce the capital component of the amount outstanding.

On 18 August 2009 the Company announced its intention to instigate an on market buy back of its own fully paid ordinary shares. The Company will buy back up to 4,000,001 fully paid ordinary shares during this process.

On 2 September 2009 the Company received a further payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. These funds reduced the capital component of the amount outstanding to US$850,000 which is due and payable on 31 October 2009 in full and final settlement.

Significant events after balance date

There has not been any matter or circumstance that has arisen after balance date that has 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 periods.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities.

The directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The company has agreed to indemnify all the directors of the company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT (continued)

Remuneration report

This report outlines the remuneration arrangements in place for directors and senior management of Augustus Minerals Limited (the "Company") for the financial year ended 30 June 2009.

The following persons acted as directors during or since the end of the financial year:

Mr Garry Ralston (Non- Executive Chairman)

Mr Mathew Walker (Executive Director)

Mr Jon Wild (Non- Executive Director)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

Mr Garry Ralston (Non- Executive Chairman)

Mr Mathew Walker (Executive Director)

Mr Jon Wild (Non- Executive Director)

Mr James Robinson (Company Secretary – appointed 3 December 2008)

Mr David Parker (Company Secretary – resigned 3 April 2009)

Remuneration philosophy

The performance of the company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration committee

The Remuneration Committee of the Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 18 November 2008 when shareholders approved an aggregate remuneration of up to $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the company.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

The remuneration of non-executive directors for the period ended 30 June 2009 is detailed in the Remuneration of directors and named executives section of this report on page 9 of this report.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition the Company employees and directors, the Company has contracted key consultants on contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the independent directors committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the 5 most highly remunerated Company executives is detailed in Table 1.

Employment Contracts

The Company currently has a services agreement with Mr Mathew Walker (Services Agreement) effective as from 1 January 2009. Under the Services Agreement, Mr Walker is engaged by the Company to provide services to the Company in the capacity of Executive Director. Mr Walker is to be paid an annual remuneration of $120,000 plus statutory superannuation. Mr Walker will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with the relevant provisions of the Service Agreement. The Services Agreement contains standard termination provisions under which the Company must give notice of termination, or alternatively, payment in lieu of service. In addition, Mr Walker is entitled to all unpaid remuneration and entitlements up to the date of termination.

Options

During the period ended 30 June 2009, there were no Options that were granted, vested or lapsed as part of director remuneration. Options currently on issue are unlisted and exercisable at $0.25 on or before 30 November 2010.

Remuneration of directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2009

	Short-term employee benefits			Post-employment benefits		Equity	Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options			Performance Related
Mr Garry Ralston	45,000	-	-	-	-	-	-	45,000	-
Mr Mathew Walker	110,045	-	-	28,800[1]	-	-	-	138,845	-
Mr Jon Wild	37,500[2]	-	-	-	-	-	-	37,500	-
Mr James Robinson	16,667	-	-	-	-	-	-	16,667	-
Mr David Parker	19,167	-	-	-	-	-	-	19,167	-
Total	**228,379**	**-**	**-**	**28,800**	**-**	**-**	**-**	**257,179**	**-**

Table 2: Directors' and named executives remuneration for the year ended 30 June 2008

	Short-term employee benefits			Post-employment benefits		Equity	Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options			Performance Related
Mr Garry Ralston	45,000	-	-	-	-	-	-	45,000	-
Mr Mathew Walker	100,000	-	-	-	-	-	-	100,000	-
Mr Jon Wild	30,000	-	-	-	-	-	-	30,000	-
Mr James Robinson	-	-	-	-	-	-	-	-	-
Mr David Parker	45,000	-	-	-	-	-	-	45,000	-
Total	**220,000**	**-**	**-**	**-**	**-**	**-**	**-**	**220,000**	**-**

[1] In addition to payments for the 2008/2009 financial year Mr Walker was paid superannuation owing for the 2006/2007 and 2007/2008 financial years. He was also prepaid for the December 2009 half year.
[2] In addition to payments for the 2008/2009 financial year Mr Wild was paid fees owing for the June 2008 quarter

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director Meetings		Independent Director Meetings	
Director	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**
Mr Garry Ralston	6	6	2	2
Mr Mathew Walker	6	6	0	0
Mr Jon Wild	6	6	2	2

In addition, one circular resolution was signed by the board during the period.

Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 19 and forms part of this directors' report for the year ended 30 June 2009.

Non-Audit Services

There were no non-audit services provided by the Company's auditors in the current financial year.

Signed in accordance with a resolution of the directors.

Mathew Walker
Director

Dated this 21st day of September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Augustus Minerals Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council ('CGC') published guidelines as well as its corporate governance principles and recommendations.

The CGC's published guidelines are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

Augustus Minerals Limited's corporate governance practices were in place throughout the year ended 30 June 2009 and were fully compliant with the Council's best practice recommendations.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Augustus Minerals Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, 'materiality' is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Augustus Minerals Limited are considered to be independent:

Name	Position
Mr Garry Ralston	Non-Executive Chairman
Mr Jon Wild	Non-Executive Director

There are procedures in place, agreed by the Board, to enable directors in the furtherance of their duties to seek independent professional advice at the company's expense.

CORPORATE GOVERNANCE STATEMENT (continued)

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
Mr Garry Ralston	2 years 4 months
Mr Mathew Walker	2 years 10 months
Mr Jon Wild	2 years 10 months

ASX BEST PRACTICE RECOMMENDATIONS AND COMMENTS

	BEST PRACTICE RECOMMENDATION	COMMENT
1	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Policies includes a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Company's Corporate Governance Policies includes a section on Performance Evaluation Practices, which discloses the performance evaluation criteria. During the period a Performance evaluation of senior executives (the Executive Director) was performed once during the year and was in accordance with the process described in the Corporate Governance Policies.
1.3	Companies should provide the information indicated in the Guide to reporting Principle 1.	Any departure from principle 1.1 and 1.2 are contained in the above points. A Performance evaluation of senior executives (the Executive Director) was performed once during the year and was in accordance with the process described in the Company's Corporate Governance Policies. The Corporate Governance Policies which discloses the board charter is available on the Company's web site.
2	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	Adopted. The Independent Directors are considered to be: Mr Garry Ralston Mr Jon Wild
2.2	The chairperson should be an independent director.	The chairperson Mr Garry Ralston. He is considered an independent director.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	The Company has an Executive Director; Mr Mathew Walker (considered to be the Chief Executive Officer). This position is separate from the Chairman.

CORPORATE GOVERNANCE STATEMENT (continued)

2.4	The board should establish a nomination committee.	The Board did not believe it was necessary to establish a nomination committee during the year, however the Board has established an Independent Directors Committee that has assumed the role of the Nomination Committee. The Independent Director Committee meets at least annually, to ensure that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The Independent Directors Committee comprised the following members and met twice throughout the year: Mr Garry Ralston Mr Jon Wild The Company has a formal Nomination Committee Charter, which is included in the Company's Corporate Governance Policy which is available on the Company's web site.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Companies Corporate Governance Policies include on Performance Evaluation Practices that are used to evaluate the performance of the board.
2.6	Companies should provide the information indicated in *Guide to Reporting on Principle 2.*	The Company has included details for each director, such as their skills, experience and expertise relevant to their position in the Directors Report (section 2). Any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 are included in the above sections.
3	**Promote ethical and responsible decision-making**	
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: (a) The practices necessary to maintain confidence in the Company's integrity (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Statement includes a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. GENERAL PRINCIPLES of the Code of Conduct include: 1. Employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole. 2. Employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment 3. Employees must recognise that their primary responsibility is to the Company's shareholders as a whole. 4. Employees must not take advantage of their position for personal gain, or the gain of their associates.

CORPORATE GOVERNANCE STATEMENT (continued)

		5. Directors have an obligation to be independent in their judgments. 6. Confidential information received by employees in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company. 7. Employees have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this code.
3.2	Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company's Corporate Governance Policy includes a section on Securities Trading Policy, which provides guidelines for transacting (buying and selling) securities in the Company, which has been posted on the Company's web site. The key policy items include: 1. General Restrictions when in possession of Inside Information, which includes sections dedicated to Insider Trading Laws and Confidential Information. 2. Additional Trading restrictions for directors and some employees. This section details times when Restricted Persons are prohibited from trading the Company's securities, and policies on exceptional circumstances where clearance is given to restricted persons. 3. Policies that Restricted persons must comply with prior to and after trading of the Company's securities. 4. Other sections of this policy include Notification of Trading, Breaches of Policy and General.
3.3	Companies should provide the information indicated in Guide to Reporting on Principle 3.	Any departures (if any) from best practice recommendations 3.1, 3.2 and 3.3 during the period are disclosed in the above sections. The Corporate Governance Statement which includes an applicable code of conduct or a summary and the trading policy or a summary, has been posted on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

4	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	The Board has not established an Audit Committee, however has established an Independent Directors Committee that has assumed the role of the Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Independent Director Committee. The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Independent Director Committee are non-executive directors. The Company has a formal Audit Committee Charter, which is included in the Company's Corporate Governance Policy which is available on the Company's web site.
4.2	The audit committee should be structured so that it: 1. consists of only non-executive directors 2. consists of a majority of independent directors 3. is chaired by an independent director, who is not the chair of the Company 4. has at least three members.	As described in section 4.1, the Independent Director Committee assumed the role of the Audit Committee during the year. The Independent Director Committee: 1. Does consist of only non-executive directors, Mr Garry Ralston and Mr Jon Wild. 2. Does consist of a majority of independent directors. 3. Is not chaired by an independent director, who is not the chair of the Company. This Committee is chaired by Garry Ralston who is the Chair of the Company. The Company did not think this was relevant at this point of the Company's development stage. 4. The Committee does not have three members, only two members. This is due to the Company only having two independent, non-executive directors to form the committee. The members of the Independent Directors committee that has the responsibility of the Audit Committee during the year were: Mr Garry Ralston Mr Jon Wild Qualifications of audit committee members: Mr Garry Ralston - Licensed Finance Broker (CFB) Mr Jon Wild - B.Com
4.3	The audit committee should have a formal charter.	The Company's Corporate Governance Policy includes a formal charter for the proposed audit committee.

CORPORATE GOVERNANCE STATEMENT (continued)

4.4	Companies should provide information indicated in the Guide to reporting on Principle 4.	This information is included in the above sections 4.1, 4.2 and 4.3. The Corporate Governance Statement has been posted on the Company's website.
5	***Make timely and balanced disclosure***	
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure the factual presentation of the Company's financial position and the development of the Company's assets and activities. There is a vetting and authorisation processes in place that is designed to ensure that the Company's announcements: 1. Are made in a timely manner 2. Are factual 3. Do not omit material information 4. Are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
5.2	Provide the information indicated in *Guide to Reporting on Principle 5.*	Any departures are included in section 5.1 and 5.2 of this report. The Corporate Governance Statement has been posted on the Company's website.
6	***Respect the rights of shareholders***	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of the policy.	The Company's Corporate Governance Policy includes a Shareholder Communications Strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Any departures are included in section 6.1 and 6.2 of this report. The Corporate Governance Statement has been posted on the Company's website.
7	**Recognise and manage risk**	
7.1	Companies should establish policies for oversight and management of material risks and disclose a summary of these policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's Corporate Governance Policies include policies for oversight and management of material risks under the section Risk Management and Internal Compliance and Control, which is disclosed on the Company's web site.
7.2	The board should require management to design and implement the risk management and internal control systems to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	1. Risk Management and internal control system. The Executive Director is responsible for Risk Management and internal control systems and reports material business risks to the board. 2. Internal audit function The Audit Committee / Independent Director committee described in section 4.1 and 4.2.

CORPORATE GOVERNANCE STATEMENT (continued)

		3. Risk Management Committee The Board has not established a Risk Committee, however has established an Independent Directors Committee that has assumed the role of the Risk Committee which operates under a charter approved by the Board. The Board is ultimately responsible for risk oversight and risk management. During the year, the Independent Directors Committee met twice and discussed the recognition and management of risk, and reported this to the board.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration in accordance with section 295A of the Corporations Act is founded on a and system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	At present, the Board believes that it has adequately addressed issues of Risk and the future management of risk.
7.4	Provide the information indicated in *Guide to Reporting on Principle 7.*	The Board considers it is appropriate to require the Managing Director and Chief Financial Officer (Company Secretary) to provide such a statement at the relevant time, i.e. as part of the annual and half yearly financial report process. Any departures from best practice recommendations 7.1, 7.2 7.3 and 7.4 are included in the above sections. The Corporate Governance Statement has been posted on the Company's website.
8	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	1. Purpose of the Remuneration Committee The Board has not established a Remuneration Committee, however has established an Independent Directors Committee that has assumed the role of the Remuneration Committee, which operates under a charter approved by the Board. This committee met twice during the year. 2. Charter The Company's Corporate Governance Policies includes a section on Remuneration Committee Charter, which form the charter that the Independent Directors Committee relies upon when discussing remuneration. 3. Composition of the Independent Director Committee The Independent Director Committee: 1. Does consists of only independent directors, Garry Ralston (Chair) and Jon Wild.

CORPORATE GOVERNANCE STATEMENT (continued)

		2. Is not chaired by an independent director, who is not the chair of the Company. This Committee is chaired by Garry Ralston who is the Chair of the Company. This Company did not think this was relevant at this point of the Company's development stage. 4. The Committee does not have three members, only two members. This is due to the Company only having two independent, non-executive directors to form the committee. 5. Remuneration Policy The remuneration policy is described in the Remuneration Committee Charter in the Corporate Governance Policies which is available on the Company's web site.
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	**Remuneration** It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are: • retention and motivation of key executives; • attraction of high quality management to the Company; and • performance incentives that allow executives to share the success of Augustus Minerals Limited. For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and executive team. The Board has not established a Remuneration Committee. Members of the Remuneration Committee throughout the year were: Mr Garry Ralston Mr Jon Wild
8.3	Provide the information indicated in *Guide to Reporting on Principle 8.*	The names of the members of the Independent Director Committee which assumed the role of the Remuneration Committee during the year is included in section 8.2 above.
		The Company does not currently have in existence any schemes for retirement benefits. Any departures from best practice recommendations 8.1, 8.2 and 8.3 are included above. The Company's Corporate Governance Policies, which includes a Remuneration Committee Charter is available on the Company's web site.

HLB Mann Judd
Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Augustus Minerals Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Augustus Minerals Limited.

Perth, Western Australia
21 September 2009

N G NEILL
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
Continuing operations			
Interest income	2	421,768	402,997
Administration expenses		(18,891)	(35,663)
Directors fees		(185,045)	(171,250)
Travel expenses		(13,415)	(42,198)
Other expenses		(379,612)	(179,556)
Loss before income tax expense	2	(175,195)	(25,670)
Income tax expense	3	-	-
Loss after tax from continuing operations		(175,195)	(25,670)
Profit after tax from discontinued operation	6	289,559	-
Net profit/(loss) for the period		114,364	(25,670)
Basic earnings per share (cents per share)	4	0.260	(0.001
Basic earnings per share from continuing operations (cents per share)	4	(0.398)	(0.001
Basic earnings per share from discontinued operations (cents per share)	4	0.658	-

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	2009 $	2008 $
Assets			
Current Assets			
Cash and cash equivalents	8	7,776,754	7,214,784
Interest receivable	9	29,918	9,424
Trade and other receivables	9	1,232,400	-
Other current assets	9	17,478	54,943
Total Current Assets		9,056,550	7,279,151
Non-Current Assets			
Deferred exploration and evaluation expenditure	10	162,971	1,873,590
Total Non-Current Assets		162,971	1,873,590
Total Assets		9,219,521	9,152,741
Liabilities			
Current Liabilities			
Trade and other payables	11	143	3,195
Accrued expenses		20,000	64,532
Total Current Liabilities		20,143	67,727
Non-Current Liabilities		-	-
Total Liabilities		20,143	67,727
Net Assets		9,199,378	9,085,014
Equity			
Issued capital	7	8,649,427	8,649,427
Reserves		672,752	672,752
Accumulated losses		(122,801)	(237,165)
Total Equity		9,199,378	9,085,014

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Issued Capital	Accumulated Losses	Option Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2007	852,101	(211,495)	83,163	723,769
Shares issued during the year	8,530,000	-	-	8,530,000
Options issued during the year	-	-	589,589	589,589
Share issue expenses	(732,674)	-	-	(732,674)
Loss attributable to members of the Company	-	(25,670)	-	(25,670)
Balance at 30 June 2008	8,649,427	(237,165)	672,752	9,085,014

Balance at 1 July 2008	8,649,427	(237,165)	672,752	9,085,014
Profit attributable to members of the Company	-	114,364	-	114,364
Balance at 30 June 2009	8,649,427	(122,801)	672,752	9,199,378

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(437,362)	(553,117)
Interest received		401,274	393,191
Net cash (used in) operating activities	8	(36,088)	(159,926)
Cash flows from investing activities			
Proceeds from disposal of exploration prospects		719,450	-
Payments for exploration and evaluation expenditure	10	(121,392)	(1,234,001)
Net cash provided by/(used in) investing activities		598,058	(1,234,001)
Cash flows from financing activities			
Proceeds from issue of shares		-	7,765,199
Net cash provided by financing activities		-	7,765,199
Net increase in cash held		561,970	6,371,272
Cash and cash equivalents at the beginning of the period	8	7,214,784	843,512
Cash and cash equivalents at the end of the period		7,776,754	7,214,784

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are Mining Exploration.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 21 September 2009.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(h) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Foreign currency translation

Both the functional and presentation currency of Augustus Minerals Limited and its Australian subsidiaries is Australian dollars. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences in the consolidated financial report are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(j) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(o) Share-based payment transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Augustus Minerals Limited (market conditions) if applicable.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Share-based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Cash settled transactions:
The Company also provides benefits to employees in its electronics segment in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Aspire Limited.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(s) Going concern

The directors are of the opinion that the company is a going concern due to the strong cash position and low ongoing operating costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 2: REVENUES AND EXPENSES

	2009 $	2008 $
(a) Revenue		
Interest income	421,768	402,615
(b) Other income		
Gain on disposal of Dostyk Project	394,289	-
(c) Expenses		
Consulting	51,400	34,600
Company Secretarial Costs	36,684	45,000
Insurance	26,380	15,920
General filing and administration costs	49,434	137,897
Rent	49,500	24,000
Directors' fees and superannuation	213,845	171,250
Loss/(Gain) on foreign exchange	274,450	(382)
	701,693	428,285

NOTE 3: INCOME TAX

Income tax recognised in profit or loss

The prima facie income tax expense / (benefit) on pre-tax accounting profit from operations reconciles to the income tax expense / (benefit) in the financial statements as follows:

	2009	2008
Accounting profit / (loss) before tax from continuing operations	(175,195)	(25,670)
Profit before tax from discontinued operations	289,559	-
Accounting profit/ (loss) before income tax	114,364	(25,670)
Income tax expense/ (benefit) calculated at 30%	34,309	(7,702)
Accrued expenses	6,000	18,557
Capital raising costs	-	(44,107)
Tenement expenses	(36,418)	(561,727)
Penalties and fines	-	81
Prior period income tax benefit carried forward	(594,898)	-
Income tax benefit not brought to account	591,007	594,898
Income tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

The Company has tax losses arising in Australia of $591,007 (2008: $594,898) that are available indefinitely to offset against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 4: EARNINGS PER SHARE

	2009 Cents per share	2008 Cents per share
Basic earnings per share:		
Continuing operations	(0.398)	(0.001)
Discontinued operations	0.658	-
Total basic earnings per share	0.260	(0.001)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	44,000,001	42,043,837

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

INOTE 5: SEGMENT INFORMATION

Geographical segments

The Company operated in 2 distinct geographical segments, Australia and Europe. These segments were determined based on the location of the Company's assets. The Company's geographical segment in Europe was in the Republic of Kazakhstan. The company acquired this segment in October 2007 and this was then discontinued in August 2008.

The following table presents expenditure and asset information regarding geographical segments for the years ended 30 June 2009 and 30 June 2008.

	Continuing operations	**Discontinued operation**	**Total**
	Australia $	**Europe** $	$
30 June 2009			
Segment revenue	421,768	297,439	719,207
Segment expenditure	(596,963)	(7,880)	(604,843)
Segment result	(175,195)	289,559	114,364
Segment assets	162,971	-	162,971

	Australia $	**Europe** $	**Total** $
30 June 2008			
Segment expenditure	(2,756)	(92,461)	(95,217)
Segment result	(2,756)	(92,461)	(95,217)
Segment assets*	97,401	1,776,189	1,873,590

* Cash and cash equivalents comprised the majority of the Company's assets. These were held in the geographical segment of Australia. These were excluded from the Australian segment as these were not exposed to the same risks as the other assets shown.

Geographical segments represent Augustus Minerals Limited's primary basis of segmentation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 6: DISCONTINUED OPERATION – DOSYTK PROJECT

On 16 October 2008 the Company reached an agreement with its joint venture partner, Cigma Metals Corporation, for the disposal of its beneficially held 19% project interest in the Dostyk Project in Kazakhstan for US$1,500,000.

On 5 November the Company announced the receipt of the first instalment of US$100,000 as part payment for the Dostyk Project in Kazakhstan.

On 18 December the Company announced the receipt of the second instalment of US$400,000 as part payment for the Dostyk Project in Kazakhstan.

On 29 December the Company announced the amendment of the terms of the final instalment of US$1,000,000. Settlement of the 19% beneficial interest will occur on the receipt of the final instalment.

The principal activity of the Dostyk Project during the period was exploration for natural resources.

The profit for the period from the discontinued operation is as follows:

	Period ended 16 October 2008 $	2008 $
Profit of Dostyk Project for the period	289,559	-
Gain on disposal of Dostyk Project	394,289	-
Foreign Exchange Loss	(96,850)	-

The components of the loss for the period from the discontinued operation are as follows:

	Period ended 16 October 2008 $	2008 $
Revenue - Gain on disposal of Dostyk Project	394,289	-
Foreign Exchange Loss	(96,850)	-
	297,439	-
Operating expenses	(7,880)	-
Profit before income tax	289,559	-
Income tax expense	-	-
Profit after income tax	289,559	-

NOTE 7: ISSUED CAPITAL

	2009 $	2008 $
Ordinary shares		
Issued and fully paid	9,400,001	9,400,001
Less share issue costs	(750,574)	(750,574)
	8,649,427	8,649,427

Movements in ordinary shares on issue	No.	No.
At 1 July	44,000,001	13,500,001
Movements during the period		
Shares at 25 cents issued on 23 June 2007	-	21,000,000
Shares at 2 cents issued on 7 August 2007	-	1,500,000
Shares at 25 cents issued on 23 October 2007	-	3,000,000
Shares at 50 cents issued on 20 February 2008	-	5,000,000
At 30 June	44,000,001	44,000,001

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 7: ISSUED CAPITAL (continued)

	2009 No.	2008 No.
Company options	10,000,000	10,000,000

Company options carry no voting rights and carry no right to dividends.

Share option Reserves	2009	2008
Movements in option reserve were as follows:	$	$
Balance 1 July	672,752	83,163
Value of options issued during the year	-	589,589
Balance 30 June	672,752	672,752
	No.	$
Movements in share options		
At 1 July 2008	10,000,000	672,752
Company options issued during the year	-	-
At 30 June 2009	10,000,000	672,752

The value of Options was calculated using the Black Scholes model, using the following variables:

Volatility:	60%
Spot price at date of valuation:	$0.50
Date of valuation:	20/02/2008
Date of expiry:	30/11/2010
Time until maturity:	2 years 10 months
Exercise price:	$0.25
Interest rate:	8.0%
Discount for lack of marketability	46%

NOTE 8: CASH AND CASH EQUIVALENTS

	2009	2008
	$	$
Cash at bank and on hand	276,754	714,784
Short-term deposits	7,500,000	6,500,000
	7,776,754	7,214,784

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company did not engage in any non-cash financing activities for the period ending 30 June 2009 was not party to any borrowing facilities for the same period.

All cash was available for use, and no restrictions were placed on the use of it at any time during the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 8: CASH AND CASH EQUIVALENTS (continued)

Reconciliation of loss for the year to net cash flows from operating activities	2009	2008
	$	$
Profit / (Loss) for the year	114,364	(25,670)
Change in net assets and liabilities:		
Gain on sale of tenement	(394,289)	-
Foreign exchange loss	274,450	-
Change in interest receivable	16,971	(9,424)
Change in trade and other receivables	-	53,593
Changes in trade and other payables	(47,584)	(178,425)
Net cash used in operating activities	(36,088)	(159,926)

NOTE 9: CURRENT TRADE AND OTHER RECEIVABLES

	2009	2008
	$	$
Amount due under contract	1,232,400	-
Other assets	17,478	59,943
Interest receivable	29,918	9,424
Trade and other receivables	1,279,796	69,367

Amount due under contract of $1,232,400 relates to the amount outstanding form the disposal of the Dostyk Project, (Kazakhstan). The outstanding final payment of US$1,000,000 as at 30 June 2009 is dependent on settlement and is subject to contract settlement risk and exchange rate risk.

On 13 August 2009 the Company received a payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. Of this amount, US$50,000 was applied as interest for the period 1 January 2009 to 31 October 2009 and US$50,000 will be applied to reduce the capital component of the amount outstanding.

On 2 September 2009 the Company received a further payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. These funds reduced the capital component of the amount outstanding to US$850,000 which is due and payable on 31 October 2009 in full and final settlement.

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2009	2008
	$	$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	1,873,590	50,000
Exploration expenditure	121,392	54,621
Acquisition costs	-	1,768,969
Reversal resulting from sale of Dostyk project	(1,832,011)	-
Total deferred exploration and evaluation expenditure	162,971	1,873,590

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)

	2009	2008
	$	$
Trade payables *	143	3,195

* Trade payables are non-interest bearing and are normally settled on 60-day terms.

NOTE 12: FINANCIAL INSTRUMENTS

	2009	2008
	$	$
Financial assets		
Receivables	1,279,796	9,424
Cash and cash equivalents	7,776,754	7,214,784

The following table details the expected maturity/s for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2009						
Non-interest bearing	-	1,754	-	-	-	-
Variable interest rate instruments	3.25	275,000	-	-	-	-
Fixed interest rate instruments	4	-	7,500,000	-	-	-
		276,754	7,500,000	-	-	-
2008						
Non-interest bearing	-	314,784	-	-	-	-
Variable interest rate instruments	6.50	400,000	-	-	-	-
Fixed interest rate instruments	7.46	-	6,500,000	-	-	-
		714,784	6,500,000	-	-	-

The following tables detail the Company's remaining contractual maturity/s for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2009						
Non-interest bearing	-	20,143	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		20,143	-	-	-	-
2008						
Non-interest bearing	-	67,727	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		67,727	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 13: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The Company has exposure to the following risks from their use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

This note presents the information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.
The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.
The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year ended 30 June 2009, it has been the Company's policy not to trade in financial instruments.

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company's only significant credit risk exposure is with Cigma Metals Corporation. Cigma is due to make a payment of US$850,000 on 31 October 2009 in full and final settlement of its purchase of the Company's interest in the Dostyk project.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The company did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The company is exposed to interest rate risk as the Company deposits the bulk of the Company's cash reserves in Term Deposits with the NAB. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term Deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(i) Interest rate sensitivity

At 30 June 2009, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2009 **$**
Change in Loss Change	
Increase in interest rate by 1%	(77,000)
Decrease in interest rate by 1%	77,000
Change in Equity Change	
Increase in interest rate by 1%	(77,000)
Decrease in interest rate by 1%	77,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 13: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit, and foreign currency movements on the trade receivables. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

NOTE 14: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

The Company entered into remuneration commitments with all the directors of the company on 1 July 2008, for all services rendered from this date forward. The Company also employs consultants who are contracted under standard consultancy rates. There were no other remuneration commitments made.

Guarantees

Augustus Minerals Limited did commit to nor make guarantees of any form as at 30 June 2009.

Western Australian Projects

The Company has minimum expenditure commitments on its 100% owned Western Australian granted tenements. These commitments include expenditure on annual rental fees (a total of $14,199.68) and minimum annual exploration expenditure (of $30,000) which are both detailed in the below table.

AUGUSTUS MINERALS LTD - FULL TENEMENT "GRANTS" SCHEDULE

HOLDER	PROJECT	TID	AREA	GRANT DATE	RENT	EXPCOM
AUGM	Mt Palmer	E77/0987	5	27/11/2006	$569.25	$15,000.00
*	Mt Palmer	E77/1290	3	17/11/2008	$341.55	$15,000.00
					$910.80	$30,000.00

* Bruce Robert Legendre (30%), Corporate & Resource Consultants Pty Ltd (60%) and TE Johnston & Associates Pty Ltd (10%).

NOTE 15: DIVIDENDS

The directors of the company have not declared any dividend for the year ended 30 June 2009.

NOTE 16: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2009.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2009 the Company received a payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. Of this amount, US$50,000 was applied as interest for the period 1 January 2009 to 31 October 2009 and US$50,000 will be applied to reduce the capital component of the amount outstanding.

On 17 August 2009 the Company announced an RC drilling program had commenced at the Mt Palmer project. This program consisted of 12 holes for 850m on 4 lines approximately 120m apart. Composite spear samples were collected on 4m intervals and assayed for gold by fire assay. Elevated gold results were received for the southern two drill lines, defining a weak to moderately mineralised zone to the immediate north of the historic Mt Palmer workings, with a best intersection of 4m at 1.1g/t from 8m. The northern two drill lines failed to intercept anomalous gold zones.

The drilling appears to have downgraded the near surface potential of the area to the north of the historic Mt Palmer workings, however there remains some scope for down plunge extensions of the historic mineralisation at depth. There is also scope for the discovery of a southern extension to the historic Mt Palmer mineralisation beneath the tailings from the old workings and the edge of Lake Julia, however the proximity of the tenement boundary and results of previous exploration indicate that this is a low priority target.

The Board is now reviewing its strategy for the Mt Palmer project and a decision in respect of further exploration will be made in due course.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE (continued)

On 18 August 2009 the Company advised that it intends to instigate an On Market Buy Back of its own fully paid ordinary shares. The Company intends to Buy Back up to 4,000,001 shares as the Board believes this will enhance shareholder value in the longer term. The Company has appointed Patersons Securities Ltd to act as its broker for this purpose.

Updates with respect to the progress of the Buy Back will be provided to the ASX in due course.

On 2 September 2009 the Company received a further payment of US$100,000 in relation to the settlement of the Company's sale of its beneficial interest in the Dostyk Project. These funds reduced the capital component of the amount outstanding to US$850,000 which is due and payable on 31 October 2009 in full and final settlement.

NOTE 18: AUDITOR'S REMUNERATION

The auditor of Augustus Minerals Limited is HLB Mann Judd.

	2009 $	2008 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial reports	18,800	13,500
An Independent Accountants Report – Company's Prospectus	-	5,000
	18,800	18,500

NOTE 19: DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of Key Management Personnel

Mr Garry Ralston	Chairman (non-executive)
Mr Mathew Walker	Executive Director
Mr Jon Wild	Director (non-executive)
Mr James Robinson	Company Secretary(appointed 3 December 2008)
Mr David Parker	Company Secretary (resigned 3 April 2009)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 19: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(b) Option holdings of Key Management Personnel

30 June 2009	Balance at beginning of period	Granted as remuneration	Options exercised	Net change Other #	Balance at end of period
Mr Garry Ralston	1,000,000	-	-	-	1,000,000
Mr Mathew Walker	4,000,000	-	-	-	4,000,000
Mr Jon Wild	500,000	-	-	-	500,000
Mr James Robinson	-*	-	-	-	-
Mr David Parker	500,000	-	-	(500,000)**	-
Total	**6,000,000**	**-**	**-**	**(500,000)**	**5,500,000**

* Balance at appointment
** Balance at retirement

All options were issued in the 2007 year, and are exercisable at 25 cents on or before 30 November 2010.

Option holdings of Key Management Personnel

30 June 2008	Balance at beginning of period	Granted as remuneration	Options exercised	Net change Other #	Balance at end of period
Mr Garry Ralston	1,000,000	-	-	-	1,000,000
Mr Mathew Walker	4,000,000	-	-	-	4,000,000
Mr Jon Wild	500,000	-	-	-	500,000
Mr David Parker	500,000	-	-	-	500,000
Total	**6,000,000**	**-**	**-**	**-**	**6,000,000**

All options were issued in the 2007 year, and are exercisable at 25 cents on or before 30 November 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 19: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Shareholdings of Key Management Personnel

Shares held in Augustus Minerals Limited

	Balance at beginning of period	Granted as remuneration	On Exercise of Options	Net Change Other	Balance at end of period
30 June 2009	Ord	Ord	Ord	Ord	Ord
Mr Garry Ralston	750,000	-	-	100,000	850,000
Mr Mathew Walker	2,000,000	-	-	1,500,000	3,500,000
Mr Jon Wild	500,000	-	-	-	500,000
Mr James Robinson	-*	-	-	100,000	100,000
Mr David Parker	500,001	-	-	(500,001)**	-
	3,750,001	**-**	**-**	**1,199,999**	**4,950,000**

* Balance at appointment (3 December 2009)
****** Balance at retirement (3 April 2009)

	Balance at beginning of period	Granted as remuneration	On Exercise of Options	Net Change Other	Balance at end of period
30 June 2008	Ord	Ord	Ord	Ord	Ord
Mr Garry Ralston	750,000	-	-	-	750,000
Mr Mathew Walker	2,000,000	-	-	-	2,000,000
Mr Jon Wild	-	-	-	500,000	500,000
Mr David Parker	500,001	-	-	-	500,001
	3,250,001	**-**	**-**	**-**	**3,750,001**

NOTE 20: RELATED PARTY DISCLOSURES

1. Disclosure of interest of Administration Agreement with Cicero Corporate Services Pty Ltd

- Mathew Walker and David Parker are the joint owners and directors of Cicero Corporate Services Pty Ltd.
- Services provided include office rent of the Company's principal place of business, bookkeeping and boardroom facilities.
- Cicero Corporate Services Pty Ltd is contracted to provide administration services on an ongoing basis, of approximately $4,500 (excluding GST) plus reimbursements per month.
- Cicero Corporate Services Pty Ltd provided administration services to the Company on commercial terms during the year. The Company made payments during the year on commercial terms totalling $57,018.04 ($13,062.50 – 2008) to Cicero Corporate Services Pty Ltd for administration services.

DIRECTORS' DECLARATION

In the opinion of the directors of Augustus Minerals Limited ('the Company'):

1. The financial statements and notes thereto, as set out on pages 20 to 41, are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

   b. giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year then ended.

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Mathew Walker

Executive Director

21 SEPTEMBER 2009

HLB Mann Judd
Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of

AUGUSTUS MINERALS LIMITED

We have audited the accompanying financial report of Augustus Minerals Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration as set out on pages 20 to 42.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 controls relevant to the preparation and fair presentation of the 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.

In Note 1(c), 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 report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 control. 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 report.

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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of Augustus Minerals Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2009 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; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 7 to 9 of the directors' report for the year ended 30 June 2009. 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

In our opinion the Remuneration Report of Augustus Minerals Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman Glad

Perth, Western Australia
21 September 2009

N G NEILL
Partner

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

There is one substantial holder listed on the Company's register as at 15 September 2009:

Mr Mathew Donald Walker holding 3,500,000 shares or 7.96% of the Company's issued capital.

2. Number of holders in each class of equity securities and the voting rights attached (as at 15 September 2009)

Ordinary Shares

There are 421 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

Options

There are 5 holders of options. There are no voting rights attached to these options.

3. Distribution schedule of the number of holders in each class of equity security as at 15 September 2009.

a) Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
NIL HOLDING			
1 - 1,000	3	1,101	0.00 %
1,001 - 5,000	58	246,849	0.56 %
5,001 - 10,000	112	943,641	2.15 %
10,001 - 100,000	186	7,272,876	16.54 %
100,001 -	62	35,511,534	80.75 %
TOTAL ON REGISTER	421	43,976,001	100.00 %

* The above distribution schedule includes 4,710,000 escrowed securities.

b) Unlisted Options exercisable at $0.25 on or before 30 November 2010

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
NIL HOLDING			
1 – 100,000	0	0	0.00 %
100,001 -	5	10,000,000	100.00 %
TOTAL ON REGISTER	5	10,000,000	100.00 %

* The above distribution schedule includes 9,500,000 escrowed securities.

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

4. Marketable Parcel

There are 5 shareholders with less than a marketable parcel.

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 15 September 2008) is as follows:

Ordinary Shares Top 20 holders and percentage held

	HOLDER NAME	UNITS	% OF ISSUED
1 *	WALKER MATHEW DONALD	3,500,000	7.96%
2 *	WALKER C D + L F WALKER SUPER A/C	2,000,000	4.55%
3 *	JOHN SINGLETON PROMOTIONS	2,000,000	4.55%
4 *	VERIGREEN PL	1,850,000	4.21%
5 *	MCNEIL NOM PL	1,500,000	3.41%
6 *	DONGRAY RICHARD S + J S/F A/C	1,500,000	3.41%
7	OPES PRIME GRP LTD	1,400,000	3.18%
8 *	VIENNA HLDGS PL RONJEN S/F A/C	1,200,000	2.73%
9 *	BATIO PL WILD S/F A/C	1,039,834	2.36%
10 *	LUNDY S/F NO 2 PL LUNDY NO2 S/F A/C	1,000,000	2.27%
11 *	VITICULTURAL PROP MGNT PL	1,000,000	2.27%
12 *	FOWLER PAUL TRAVIS	1,000,000	2.27%
13 *	YALTA AG	1,000,000	2.27%
14 *	CORPORATE & RES CONS PL	900,000	2.05%
15 *	JOHNJAC PL	900,000	2.05%
16 *	RALSTON GARRY B + T M RALSTON S/F A/C	750,000	1.71%
17 *	GMBH MARE	750,000	1.71%
18	VITICULTURAL PROP MGNT PL	600,000	1.36%
19	IGUANA RES PL ECKHOF S/F A/C	500,000	1.14%
20 *	MCELROY BRAD	500,000	1.14%
	*** TOP 20 TOTAL ***	24,889,834	56.60%

** ALL HOLDERS INCLUDED * - DENOTES MERGED HOLDER

Options exercisable at $0.25 on or before 30 November 2010 Top 20 holders and percentage held

	HOLDER NAME	UNITS	% OF ISSUED
1 *	WALKER MATHEW DONALD	4,000,000	40%
2 *	CORPORATE & RES CONS PL	4,000,000	40%
3 *	RALSTON GARRY B + T M RALSTON S/F A/C	1,000,000	10%
4 *	JON WILD	500,000	5%
5 *	COBBLESTONES CORP PTY LTD DRP INVESTMENT A/C	500,000	5%
	*** TOP 20 TOTAL ***	10,000,000	100%

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

1. Company Secretary

The name of the Company secretary is James Robinson.

2. Address and telephone details of the Company's registered administrative office and principle place of business:

Suite 9, 1200 Hay Street
WEST PERTH WA 6005
Telephone: (08) 6460 4960
Fax: (08) 9324 3045

3. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

4. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Stock Exchange.

5. Restricted Securities

The Company has issued the following restricted securities:

Class of Security	Number	Date Ceasing to be Restricted Securities
Fully paid ordinary shares	4,710,000	20 February 2010
Options exercisable at $0.25 on or before 30 November 2010	9,500,000	20 February 2010

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects. The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 29 November 2007.

8. Schedule of Tenements

Exploration Licences (Granted)

The following granted tenements are 100% owned by Augustus Minerals Ltd (AUGM).

HOLDER	PROJECT	TID	AREA
AUGM	Mt Palmer	E77/987	5
*	Mt Palmer	E77/1290	3

* Bruce Robert Legendre (30%), Corporate & Resource Consultants Pty Ltd (60%) and TE Johnston & Associates Pty Ltd (10%).