



Ressources minières

**AUGYVA**

Mining Resources

TSX-V : AUV

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## Press Release

### Q1 Financials filing reported AND Unanswered questions to Chairman Chim

**August 29, 2011 (Montreal)** – Augyva Mining Resources Inc. (TSX-V: AUV) (“**Augyva**”) announced that the Company will not be able to file its financial statements for the first quarter ended May 31, 2011 on time.

The MD&A for the year ended February 28, 2011 and prepared as of June 23, 2011, states on page 19, under **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)** that :

« *The Company’ action plan is as follows:*

#### **Step 1: Diagnosis**

*The diagnosis was made in June 2011 to understand, identify and assess the overall effort required to produce financial information under IFRS. As part of the transition to IFRS, **the Company has established a committee comprised of an officer and directors** and has designated external resources to conduct the implementation of the plan.*

#### **Step 2: Design and planning**

##### *Accounting Policies Impacted*

*Overall, a lot of efforts will be given to the financial statements presentation as IFRS require more disclosure. Set out below are the main areas where changes in accounting policies are expected to have a significant impact on the Company’s financial statements. This list should not be regarded as a complete list of changes that will result from the transition to the IFRS. The standards listed below are those existing based on current Canadian GAAP and IFRS. **At this stage, the Company is not able to reliably quantify all of the expected impacts of these differences on its financial statements.** »*

At the meeting of the Audit Committee held on June 27, 2011, all members of the Audit Committee (Kerry D Smith – Chairmain, Sandy C.K. Chim, CA – a non-independent member, and independent members Michael Skutezky and Louis-Philippe Mendes) approved the content of this MD&A. The Board of Directors, whose chairman is Sandy Chim, also approved the contents of the report at the meeting of the Board also held on June 27, also attended by the auditors of the Company (Raymond Chabot Grant Thornton) for the presentation of the annual audited financial statements of the company.

However, to date no committee has been formed and no intervention or action of any kind has been undertaken by members of the Audit Committee so that the committee be composed to implement the Company’s action plan. Consequently, the implementation of the plan for the transition to IFRS has not yet taken place.

In addition, the prevailing conflict situation also prevents us from producing the first quarterly financial statements on time.

## **Unanswered questions addressed to Sandy Chim**

In recent months, dissident appeared gradually on the Board of Directors since Sandy Chim is a director and CEO of Century Iron Ore Corporation ("Century") recently listed on the TSX Venture Exchange under the symbol FER and Michael Skutezky is the secretary. The conflict has intensified in recent weeks as when the questions have surfaced with greater insistence.

### **a) Financing with WISCO and MinMetals**

Time and again, for several months, Louis-Philippe Mendes, a member of the Audit Committee, and Messrs. Georges-Yvan Gagnon and René Dufour have addressed several questions to Sandy Chim, on behalf of shareholders of Augyva, among others:

- If he had tried to include Augyva in the funding agreement with WISCO and MinMetals, its Chinese partners in Century Iron Ore Corp.
- And if so, what steps have been taken in this direction so far;
- If not, why Augyva was not included in this agreement, while he was CEO, Director and Chairman of the Board of Augyva.

This information request was again reiterated officially on August 22, 2011 and Sandy Chim responded on August 26 that he would respond in due course.

### **b) Fully functioning Management Committee – Duncan Lake Property**

Despite repeated requests from Augyva, another formal request has been at Sandy Chim concerning the establishment of a fully functioning management committee in accordance with section 10 of the option and joint venture agreement signed in May 2008 in respect of the Duncan Lake Property. By failing to respect the rights of his partner, Century currently acts as if it had already taken control of Augyva.

In the interest of all shareholders of Augyva, it was formally requested on August 22, 2011 that Sandy Chim provides, within 48 hours, answers to Augyva's request and to Augyva's entire satisfaction. Failing to do so, Augyva will go forward with the arbitration process as per section 16 of the Joint Venture Agreement

Sandy Chim responded on August 26 that he was considering the contents of the demand and expect to respond in due course, however he objected to the statement and demands.

### **Annual and Special Meeting of Shareholders**

The annual and special meeting of shareholders will be held today Monday August 29, 2011 at 2:00pm (Montreal Time) at 1 Place Ville-Marie, 40<sup>th</sup> Floor, Montreal, Quebec.

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