Gold Aura Limited

A.B.N. 75 067 519 779

HALF-YEAR FINANCIAL REPORT

FOR THE HALF YEAR TO 31 DECEMBER 2004

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Company Directory

Directors

Robert Murdoch – Executive Chairman
Ken Chapple – Executive Exploration Director
Noel White – Non-Executive Director
Alan Tim Prowse – Executive Director

Company Secretary

Peter Russell Sauerberg B. Comm, FCPA, FCIS

Registered Office

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Share Registry

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BRISBANE QLD 4000

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Telephone: (07) 3228 4219
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Auditors

Pitcher Partners Accountants, Auditors & Advisors
Level 21
300 Queen Street
BRISBANE QLD 4000

Solicitors

Hopgood Ganim Lawyers
Level 8
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

Stock Exchange Listing & Options

Gold Aura Limited shares and options are quoted on the Australian Stock Exchange as code "GOA" and "GOAO" respectively.

Web Site

www.goldaura.com.au

Directors' Report

The Board of Directors' of Gold Aura Limited present their report of the financial half-year ended 31 December 2004.

DIRECTORS

The names and details of the directors of Gold Aura Limited in office at the date of this report are:

K G CHAPPLE B.Sc., B.Econ. **(Executive Exploration Director)**	**Ken Chapple** is the Director responsible for the implementation and supervision of the gold exploration program. Ken was previously the Exploration Manager with Union Resources Limited. From 1994-1997, Ken managed exploration activities in Papua New Guinea for Union Resources resulting in the discovery of the Gameta Gold Deposit in the D'Entrecasteaux Islands of Papua New Guinea. In 1998 he identified the Mehdiabad lead-zinc Deposit in Central Iran, which has now shown to be probably the world's largest undeveloped zinc resource. Before joining the Union group, Ken worked with BHP exploration for 23 years. Ken is currently a Director of Union Resource Management Pty Ltd and Union Zinc Pty Limited. Director since 2002.
R B MURDOCH B.A. (Earth Sciences) **M.A.I.M.M., M.A.I.G.** **(Chairman)**	**Robert Murdoch** is the Chairman and the Director responsible for the corporate activities and promotion of the company. He has been Managing Director of Union Resources Limited since 1992. He has over 30 years of international business experience in the management of public companies predominantly in the mining industry. Mr Murdoch is currently a Director of the economic entities within the Union Group, Jab Technologies Limited and Austex Mining NL. Director since 1995.
A T PROWSE B Eng (Mining) (Hons) **M Aus IMM** **(Non Executive Director)**	**Tim Prowse** is a qualified mining engineer and graduated from Sydney University with an honours degree in mining engineering in 1978. He has over 25 years experience in the industry primarily in gold mining, but with broad experience in coal and base metals. Mr Prowse has held senior positions with Australian and Overseas mining companies and has operated a private mining and earth moving contracting business. Director since November 2004.
N C WHITE B Sc (Hons), Ph D (Tasmania) **(Non Executive Director)**	**Noel White** has over 35 years experience in minerals exploration, of which 30 years were served with BHP Minerals Exploration, from which he retired as Chief Geologist in 1999. He holds a B.Sc Honours from the University of Newcastle and PhD from the University of Tasmania. Noel currently operates as an independent consultant and researcher and brings invaluable knowledge and experience to the Board, based on his extensive international experience and widely recognised technical knowledge. Mr White is a Non-Executive Director of Asia Now Resources an unlisted Canadian company. Director since May 2004.

All directors shown were in office for the entire half-year and up to the date of this report, unless otherwise stated.

Directors' Report Continued

REVIEW OF OPERATIONS

The consolidated entity recorded a net loss of $350,152 for the six months ended 31 December 2004 (2003: $325,867).

During the six months to December 2004, Gold Aura's activities related to:-

a) Completion of the Pre-Feasibility Study ("PFS") into the development of the Gameta and Wapolu Gold resource at Fergusson Island in Papua New Guinea.
b) Further evaluation and exploration of the Croydon Gold Projects in North Queensland.
c) Exploration within the Xingjian Autonomous Region of north-western China.
d) Evaluation of other investment opportunities.

The Company's main project is the Fergusson Island Gold Project in Papua New Guinea, comprising two known gold deposits (Gameta and Wapolu) and a large area considered prospective for further gold mineralisation.

During the half-year, the Company completed the Pre-Feasibility Study ("PFS") into the Fergusson Island project. The PFS indicated that a viable gold mine could be established with a production capacity of 55,000 ounces a year at an operating cost of approximately US$225 an ounce. The resources considered for mining were 7 million tonnes @ 2.1 g/t Au.

The PFS recommends the development of the Gameta Deposit first followed by the Wapolu Deposit. It is planned that three open cut pits will be mined intially at Gameta. The resources within these pits total 3 million tonnes @ 2.2 gms/tonne. Further pits or pit extensions are subject to drilling confirming additional resources suitable for mining. The potential is encouraging as many of the previous drill holes at Gameta failed to intersect the full gold bearing section and the deposit is considered open both along strike and down dip. There is also potential for further exploration to locate additional deposits within the tenments held.

The Company is now planning a full Bankable Feasibility Study ("BFS"). The estimated cost of completing a BFS is A$1.5 million. The company is seeking joint venture partners to develop this project.

The Company has completed further exploration and evaluation of its Croydon Gold Tenements in North Queensland. During the period the company has evaluated a number of targets and the following areas are of interest:

(a) Six targets within the known outcrop area of the gold field, including larger, vertical to steeply dipping structures and large areas of altered brecciated mineralised quartz-veined volcanic rocks, Both targets are characterised by broad zones of anomalous gold geochemistry.

(b) Two geophysical targets occurring under more recent cover rocks north of the outcrop area. These targets are regional magnetic lineaments that may reflect larger fault structures and circular features that could reflect volcanic calderas. Both targets could host larger deposits of gold mineralisation.

The Gilded Rose Project is the only gold target that has been drilled to date. It consists of a broad structural zone over 4kms in length and up to 300 metres in width. The eastern 500 metres of strike length has been drilled and the potential gold resource contained therein is considered to be around 70,000 ozs.

Gold Aura Limited ("GOA") is seeking joint venture partners to fund the further exploration of the targets.

GOA Joint Venture partner China EcoMine Resources Company Limited (CER), has been granted three adjoining Exploration Permits covering around 100 sq. kms within the Xingjian Autonomous Region of North-western China. GOA will hold a 90% interest in the tenements by expending the first US$2 million on exploration. The tenements are located along the Central Asian Black Shale Belt which hosts a number of world class deposits including the largest gold deposit in the world (Muruntau in Uzbekistan – 135 million ounces).

The Company also investigated a number of investment opportunities in Finland and Western Australia.

Mr Alan Tim Prowse was appointed as a director. Mr Prowse is a qualified mining engineer who graduated from Sydney University in 1978 with an honours degree in mining engineering.

Directors' Report Continued

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Gold Aura carries insurance that indemnifies directors and officers of the company in relation to all liabilities and expenses arising as a result of the performance of their duties in their respective capacities to the extent permitted by law.

AUDITORS' INDPEPENDENCE

Section 307C of the Corporations Act 2001 requires the Company's auditors, Pitcher Partners, to provide the directors with a written Independence Declaration in relation to their review of the financial report for the period ended 31 December 2004. The written Auditor's Independence Declaration is attached to the Directors Report and forms part of this Director's Report

ROUNDING

The amounts contained in the report and in the financial report have been rounded to the nearest $1 under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

Rob Murdoch

Chairman

Brisbane, 16 March 2005

Ken Chapple

Director

Brisbane, 16 March 2005

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Auditor's Independence Declaration to the Directors of Gold Aura Limited

In relation to our review of the financial report of Gold Aura Limited for the period ended 31 December 2004, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Pitcher Partners

R C Brown
Partner

Brisbane, 16 March 2005

An Independent Queensland Partnership. ABN 32 862 011 478
Formerly Douglas Heck & Burrell

Condensed Statement of Financial Performance

HALF-YEAR ENDED 31 DECEMBER 2004	Notes	CONSOLIDATED HALF YEAR	
		2004	2003
Revenues from ordinary activities	2	**13,390**	25,215
Expenses from ordinary activities	2	**(363,542)**	(351,082)
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**(350,152)**	(325,867)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		--	--
PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		**(350,152)**	(325,867)
NET PROFIT (LOSS)		**(350,152)**	(325,867)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**(350,152)**	(325,867)
Basic (loss) per share (cents per share)		**(1.55)**	(1.50)
Diluted (loss) per share (cents per share)		**(1.55)**	(1.50)
Franked dividends per share (cents per share)		**--**	--

The accompanying notes form an integral part of the Condensed Statement of Financial Performance

Condensed Statement of Financial Position

HALF-YEAR ENDED 31 DECEMBER 2004	Notes	CONSOLIDATED HALF YEAR	
		AS AT 31 DECEMBER 2004	AS AT 30 JUNE 2004
CURRENT ASSETS			
Cash assets		**296,036**	338,477
Receivables		**29,417**	5,923
Other assets		**22,669**	18,374
TOTAL CURRENT ASSETS		**348,122**	362,774
NON-CURRENT ASSETS			
Property, plant and equipment		**71,128**	85,018
Exploration and evaluation expenditure		**3,941,917**	3,789,121
Other		**165,599**	166,127
TOTAL NON-CURRENT ASSETS		**4,178,644**	4,040,266
TOTAL ASSETS		**4,526,766**	4,403,040
CURRENT LIABILITIES			
Payables		**192,533**	132,292
Provisions		**15,834**	17,574
TOTAL CURRENT LIABILITIES		**208,367**	149,866
NON-CURRENT LIABILITIES			
Provisions		**10,863**	15,230
TOTAL NON-CURRENT LIABILITIES		**10,863**	15,230
TOTAL LIABILITIES		**219,230**	165,096
NET ASSETS		**4,307,536**	4,237,944
EQUITY			
Contributed equity	6	**4,618,091**	4,198,347
Reserves		**1,021,998**	1,021,998
Accumulated Losses	7	**(1,332,553)**	(982,401)
TOTAL EQUITY		**4,307,536**	4,237,944

The accompanying notes form an integral part of the Condensed Statement of Financial Position

Condensed Statement of Cash Flows

HALF-YEAR ENDED 31 DECEMBER 2004	CONSOLIDATED HALF YEAR	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Deposits received	**--**	25,000
Interest received	**19,313**	21,928
Payments for administration	**(208,655)**	(291,767)
GST refunded	**14,563**	10,044
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(174,779)**	(234,795)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	**(3,362)**	--
Payment for mineral exploration, evaluation and development	**(284,043)**	(381,255)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(287,405)**	(381,255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	**430,464**	457,500
Share issue costs	**(10,721)**	(25,163)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**419,743**	432,337
NET INCREASE (DECREASE) IN CASH HELD	**(42,441)**	(183,713)
Add opening cash brought forward	**338,477**	945,423
CLOSING CASH CARRIED FORWARD	**296,036**	761,710

The accompanying notes form an integral part of the Condensed Statement of Cash Flows

Notes to the Half-Year Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2004

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

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

The half-year financial report should be read in conjunction with the Annual Financial Report of Gold Aura Limited as at 30 June 2004. It is also recommended that the half-year financial report be considered together with any public announcements made by Gold Aura Limited and its controlled entities during the half-year ended 31 December 2004 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 “Interim Financial Reporting” and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention and the going concern basis of accounting.

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

(b) Changes in accounting policies

The accounting policies applied are consistent with the Annual Financial Report of Gold Aura Limited as at 30 June 2004.

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2004	CONSOLIDATED HALF YEAR 2004	2003
2. PROFIT FROM ORDINARY ACTIVITIES		
(a) **Specific Items**		
Loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:		
(i) **Revenues from non-operating activities**		
Interest – unrelated parties	**13,390**	20,618
Other revenue	**--**	4,597
Total revenues from ordinary activities	**13,390**	25,215
(ii) **Expenses from ordinary activities**		
Employee benefits	**35,794**	89,898
Audit fees	**8,000**	6,350
Consulting fees	**58,889**	50,387
Directors' expenses	**3,578**	27,742
Share registry costs	**9,102**	8,881
ASX fees	**14,805**	5,806
Travel	**767**	12,127
Telephone	**6,122**	5,363
Depreciation and amortisation	**17,251**	15,020
Borrowing costs	**1,042**	225
Rent and outgoings	**12,107**	16,839
Exploration costs	**124,554**	32,061
Insurance	**19,136**	19,252
Carrying value of non current assets sold	**--**	5,870
Foreign exchange loss	**213**	283
General administration	**52,182**	54,978
Total expenses from ordinary activities	**363,542**	351,082

3. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES		
(a) **Dividends proposed and recognised as a liability**		
Franked dividends	**--**	--
(b) **Specific Items**		
Franked dividends	**--**	--
	--	--

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2004

4. SEGMENT INFORMATION

The economic entity's operating entities are organised and managed according to the nature of the products and services they provide. The economic entity operates solely with the mining and exploration industry. Geographically, the group operates within two predominant segments being Australia and Papua New Guinea. The investment opportunities of the group take place in Australia. The mining operations are conducted in Papua New Guinea and Australia.

Business segments	Australia		Papua New Guinea		Corporate		Consolidated	
	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003
Segment Revenue								
Other revenues from customers outside the consolidated entity	**–**	–	**–**	4,597	**13,390**	20,618	**13,390**	25,215
Total segment revenue	**–**	–	**–**	4,597	**13,390**	20,618	**13,390**	25,215
Segment result	**(138,966)**	(32,061)	**(339)**	(3,625)	**(210,847)**	(290,181)	**(350,152)**	(325,867)
Consolidated entity profit from ordinary activities before income tax expense							**(350,152)**	(325,867)
Income Tax Expense							**—**	—
Consolidated entity profit from ordinary activities after income tax							**(350,152)**	(325,867)
							December 31, 2004	June 30, 2004
Assets								
Segment Assets	**1,627,456**	1,594,837	**2,391,975**	2,291,180	**507,335**	517,023	**4,526,766**	4,403,040
Liabilities								
Segment Liabilities	**12,601**	12,601	**4,185**	6,216	**202,444**	146,277	**219,230**	165,094
Other segment information:								
Acquisition of property, plant and equipment, intangible assets and other non current assets	**242,289**	154,807	**59,795**	32,691	**—**	—	**302,084**	187,498

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2004	CONSOLIDATED HALF YEAR	
	AS AT 31 DECEMBER 2004	AS AT 30 JUNE 2004
5. CONTINGENT ASSETS AND LIABILITIES		
Contingent liabilities at balance date, not otherwise provided for in these financial statements are categorised as below:		
Security bonds:		
The maximum liability of the economic entity for security bonds lodged and to insurance bonds issued is $165,599 comprising:		
Bank guarantee held by the Queensland Department of Mines	**160,500**	160,500
Security bonds lodged with PNG Department of Mining & Petroleum	**5,099**	5,174
	165,599	165,674
6. ACCUMULATED LOSSES		
Reconciliation of accumulated losses		
Balance at beginning of the half year	**(982,401)**	(354,726)
Net profit attributable to members of Gold Aura Limited	**(350,152)**	(627,675)
Balance at end of half-year	**(1,332,553)**	(982,401)

	2004	
	Number of shares	**$**
7. EQUITY		
Issued and paid up capital		
(a) Ordinary shares fully paid	**26,951,728**	5,006,579
Less: share issue costs	**--**	(388,488)
Contributed equity	**26,951,728**	4,618,091
(b) Movements in shares on issue		
On issue at the beginning of the year	23,640,454	4,576,115
Placement of shares at 13 cents	1,000,000	130,000
Share Purchase Plan of shares at 13 cents	2,311,274	300,464
On issue at the end of the half year	**26,951,728**	5,006,579

8. SUBSEQUENT EVENT

On 16 March 2004 the Company issued 2,000,000 new ordinary shares at an issue price of 10 cents per share and 2,000,000 free attaching options in a private placement at an exercise price of 13 cents per share on or before 31 March 2009.

Notes continued

9. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The company is currently evaluating the key differences in accounting policies, identifying the changes to the company's financial reporting systems and commencing evaluation of the financial impact arising from key differences in accounting policies that are expected to arise from adopting Australian equivalents of IFRS. The potential impact on the Company's Financial position and Financial performance after the adoption of IFRS is not anticipated to be significant.

For first-time adoption of Australian equivalents to IFRS the date of transition will be 1 July 2004. The key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS are detailed below.

(i) Impairment of Assets
The Company will be required on an annual basis where impairment is indicated, to test the asset values for the smallest group of assets generating cash flows known as cash generating units ("CGU") and determine the recoverable amount for each CGU.

Recoverable amounts are determined using the higher of either "value in use" calculated using reliable estimates of future discounted cash flows or fair values. If the carrying amount of the CGU exceeds its recoverable amount an impairment loss would exist which must be recognised in Statement of Financial Performance.

The entity does not anticipate any additional write-downs for impairment of non-current assets on first-time adoption of IFRS, nor in the half-year to 31 December 2004.

(ii) Income Taxes
Under IFRS a balance sheet approach will be adopted under which temporary differences are identified for each asset and liability rather than accounting for the effect of timing and permanent differences between taxable and accounting profit. In addition, a future income tax benefit must be recognised for tax losses where their realization is considered probable. Under Australian accounting standards tax losses may only be recognized where realization is considered to be virtually certain.

The entity does not anticipate any additional write-downs for impairment of non-current assets on first-time adoption of IFRS, nor in the half-year to 31 December 2004.

(iii) The Effects of Changes in Foreign Exchange Rates
The parent entity has a foreign subsidiary, which was previously considered as a self-sustaining entity *(whose operations were previously considered to be integrated with the parent entity).* On first-time adoption of Australian equivalents of IFRS new rules apply for translation of the foreign subsidiary's results to be included in the consolidated financial statements.

On adoption of Australian equivalents of IFRS, retained earnings at 1 July 2004 and reported results for the half-year to 31 December 2004 will be adjusted for changes to the foreign currency translation rules.

The entity does not anticipate any additional write-downs for impairment of non-current assets on first-time adoption of IFRSs, nor in the half-year to 31 December 2004.

(iv) Exploration and Evaluation Expenditure
Under GAAP, the exploration and evaluation expenditure is capitalized in the statement of financial position. Currently there are no key differences in accounting polices expected to arise from adopting Australian equivalents to IFRS as the standard to apply to extractive industries, AASB 6, does not require change to current accounting practices.

The standard will permit an entity to use an alternative level of aggregation for exploration expenditure carried forward when testing for impairment in accordance with AASB 136. Even so it may be necessary to write down further exploration assets under IFRS.

(v) Financial Instruments
The entity currently measures all investments at fair value and recognises gains and losses in income for the period. On first-time adoption of Australian equivalents of IFRS investments that are not listed on a recognised securities exchange must be carried at cost. On adoption of Australian equivalents of IFRS, retained earnings at 1 July 2004 and reported results for the half-year at 31 December 2004 will be adjusted for changes in carrying value to those investments that are not listed on a securities exchange.

The entity does not anticipate any additional write-downs for impairment of non-current assets on first-time adoption of IFRS, nor in the half-year to 31 December 2004.

Directors' Declaration

In accordance with a resolution of the Directors of Gold Aura Limited, we state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity:

(i) give a true and fair view of the financial position of the consolidated entity as at 31 December 2004 and of the performance as represented by the results of its operations and its cash flows for the half-year ended on that date; and

(ii) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements.

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

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

Rob Murdoch
Chairman

Ken Chapple
Director

Brisbane, 16 March 2005

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GOLD AURA LIMITED

Scope

The Financial Report and Directors' responsibilities

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for the Gold Aura Limited group ("the consolidated entity") for the half-year ended 31 December 2004. The consolidated entity comprises Gold Aura Limited ("the company") and the entities it controlled at the end of, or during, the half-year.

The Directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have conducted an independent review of the financial report in order for the company to lodge the financial report with the Australian Securities & Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory financial reporting requirements in Australia and the Corporations Act 2001, a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

Our review procedures were limited to:

i) inquiries of the company's personnel of certain internal controls, transactions, significant accounting estimates and individual items; and
ii) analytical procedures applied to financial data.

An Independent Queensland Partnership. ABN 32 862 011 478
Formerly Douglas Heck & Burrell

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GOLD AURA LIMITED (continued)

Review Approach (continued)

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The Australian Auditing Standards do not require, and we have not undertaken, an analysis of the appropriateness of the business decisions made by the Directors or management.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Review Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the Gold Aura Limited group is not in accordance with:

a) the Corporations Act 2001, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
   ii) complying with Accounting Standard AASB 1029 : Interim Financial Reporting and the Corporations Regulations 2001; and

b) other mandatory financial reporting requirements.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF GOLD AURA LIMITED (continued)

Inherent uncertainty regarding capitalised mineral exploration costs

Without qualification to the statement expressed above, attention is also drawn to the capitalised exploration and development costs totalling $3,941,917 (6/2004: $3,789,121) that have been included in the consolidated entity's Statement of Financial Position as non-current assets.

The ultimate recovery of the carrying values of these assets is dependent upon their successful development and commercial exploitation or, alternatively, the sale of the relevant assets at amounts in excess of their book values.

PITCHER PARTNERS

R C Brown
Partner

Brisbane, 16 March 2005