



# Gold Aura Limited

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Company Announcements Officer  
Australian Stock Exchange Limited  
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Dear Sir

## QUARTERLY REPORT FOR THE QUARTER ENDING 30 JUNE 2006

During the June Quarter, Gold Aura Limited (GOA) continued its focus on securing gold production in the short term and exploring in areas that hold high potential for the discovery of world class gold deposits.

### HIGHLIGHTS

- GOA has now acquired an 80% participating interest in Gold Aura Kazakhstan (GAK), a Kazakhstan registered company that has won a tender giving GAK the exclusive right to negotiate an Exploration Contract with the Kazakhstan Government to acquire the gold exploration rights to the Southern Bayankol Concession area. Construction of road access to the Concession area has commenced and initial field work has identified secondary hardrock gold targets located to the north of the main Sazhen Prospect target area.
- A man portable drill rig has been secured for the Fergusson Island gold program. Following shipping delays encountered, the drilling program is expected to commence in the first half of August.
- Field work has commenced in the Saiyikale JV area in NW China. A number of prospective black carbonaceous shale horizons have been located and sampled.
- Due to weather delays and the significant potential of the area, the Option Agreement entered into over the Cachoeira Prospect and surrounding areas in Northern Brazil has been extended to the end of August 2006. Results of investigations undertaken to date continue to provide encouragement.

### 1. SAZHEN AND SAIYIKALE JV GOLD PROJECTS

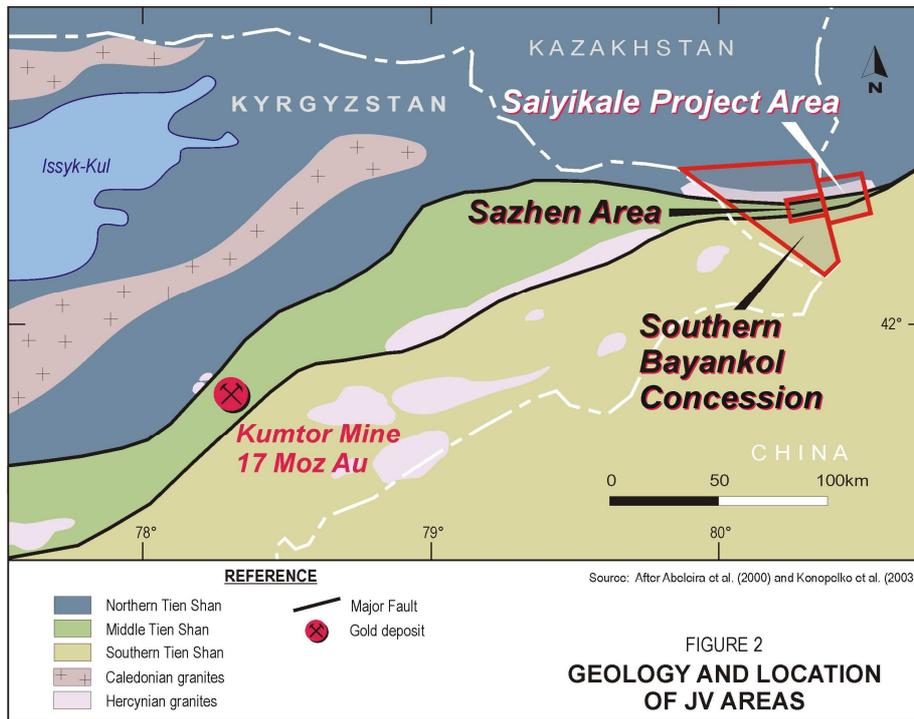
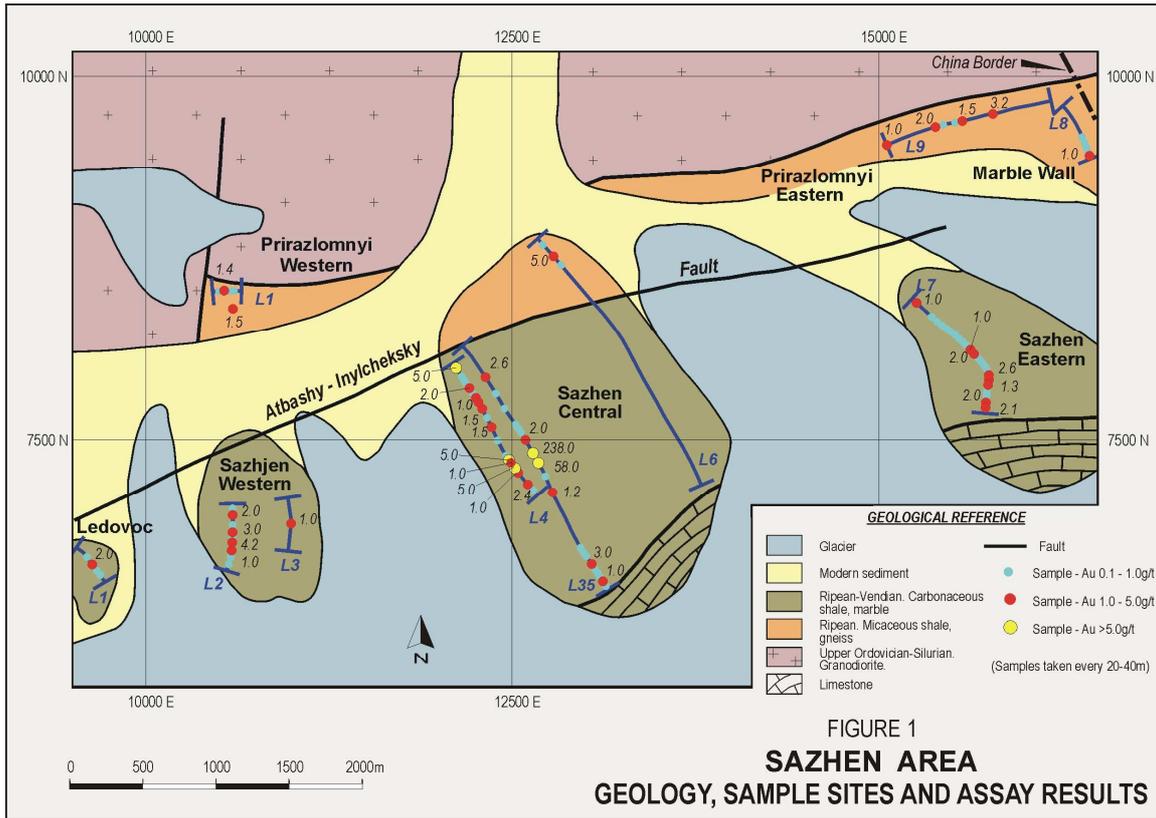
In accordance with an Agreement entered into with Gold Aura Kazakhstan (GAK), a Kazakhstan-registered company previously independent of Gold Aura Limited (GOA), GOA has now acquired an 80% participating interest in GAK. GAK has won a Tender giving GAK the exclusive right to negotiate an Exploration Contract with the Kazakhstan Government to acquire the gold exploration rights to the Southern Bayankol Concession area in SE Kazakhstan.

Negotiations by GAK on an Exploration Contract covering the Southern Bayankol Concession area are currently in progress with Kazakhstan Government officials and are not expected to be finalised for several weeks. However, the Government has advised that exploration in accordance with the Tender submission may be commenced prior to signing of the Contract provided that permission of the local authorities is obtained. As the latter permission has now been obtained, field work activities have been commenced. This has involved mobilisation of the earth moving contractor who has started road repair and road construction access to the Sazhen Prospect site. When the field site has been reached, which is expected by mid-August, construction of a field camp will be commenced followed by initial field work and an environmental base line study.

The geological field party has been mobilised to the Concession area and significant encouragement has already been generated from observations made to the north of Sazhen. The area has been previously reported to host narrow high grade gold quartz veins and in one locality these are currently being mined by a local company via a small underground operation. In particular, four zones of silicification and sulphide development have been located and sampled. These zones range in thickness from 3 to 10 metres and extend along strike for 200 to 400 metres. A wide, 20 to 25 metre, zone of alteration and silicification developed along a granite-sediment contact for up to 300 metres has also been located. A total of 105 rock samples have been collected for assay. Significant alluvial gold has also been noted in the main river draining the Sazhen Prospect area.

The Sazhen Prospect lies along a major ENE-WSW fault line developed within Middle Tien Shan lithologies of the Central Asia Black Shale Gold Belt (CABSGB) that extends along strike from the Kumtor Gold Mine area (17 Moz Au resource) located some 180 kilometres to the west. Further to the west, the CABSGB also hosts the largest gold deposit in the world (Muruntau in Uzbekistan –170 Moz Au resource). Although a 2.0 kilometre wide mineralised section of the Sazhen zone is bounded to the east by the Chinese border, the extension into China has been secured by tenements under Gold Aura's Saiyikale JV where a gold value of 1.0 g/t has already been obtained from a rock float sample (Figure 2).

Previous exploration undertaken within the Southern Bayankol Concession area has revealed significant and highly encouraging gold anomalism in rock outcrop samples collected over an extensive ENE-WSW trending zone 7.5 kilometres long and up to 2.5 kilometres wide in the Sazhen area (Figure 1). The anomalous zone is terminated to the east by the Chinese border but is open to the west. Anomalous gold values range from 0.1 g/t up to a high of 238.0 g/t.



GOA has also commenced field work in the Saiyikale JV area in NW China. GOA is acquiring 90% equity in three Mineral Exploration Rights held by JV partner China EcoMine Resources by the expenditure of US\$2.0 million on exploration. The Saiyikale Project is complementary to GOA's adjoining Southern Bayankol Gold Project in SE Kazakhstan and covers the expected further extension of the gold mineralised Middle Tien Shan lithologies from Kazakhstan into China.

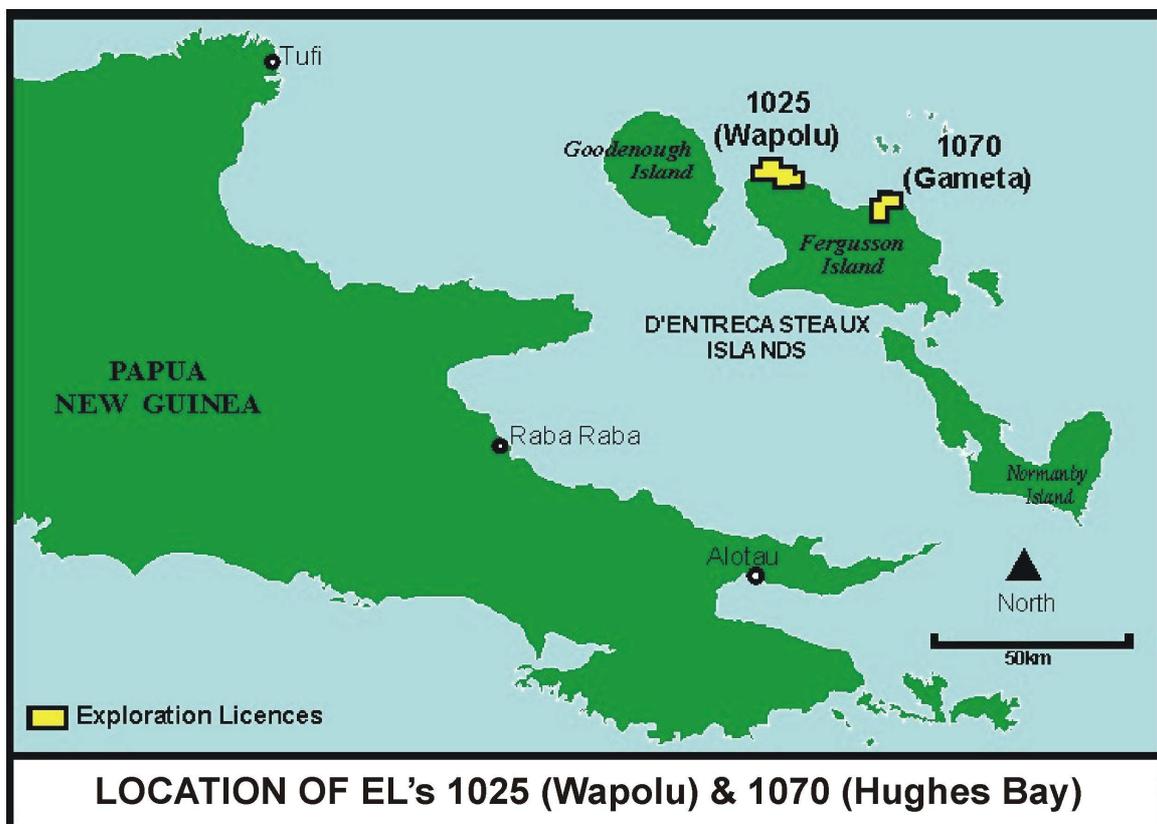
Field work which has been initially concentrated in the central on the three tenements has located three prospective black carbonaceous shale horizons. These are commonly altered and contain up to 1% sulphide. Two of the zones have visible surface exposure of over one kilometre strike length and 100 to 200 metres width, with the third zone exposed over 200 metres strike length and around 30 metres width. A total of 75 rock samples have been collected and submitted for assay.

## 2. FERGUSSON ISLAND GOLD PROJECT

GOA has commenced field work on its gold properties (Wapolu and Gameta) on Fergusson Island in the Milne Bay Province of PNG. The favourable findings of the Pre-Feasibility Study and the recent significant rise in the gold price have enhanced the attractiveness of the Fergusson Island Gold Project and the work is expected to progress to a Feasibility Study into its possible commercial development.

GOA has signed a drilling contract with PNG based firm, Paradise Drilling. The program of at least 4,000 metres was to be commenced in July 2006, but has now been delayed until the first half of August due to shipping delays. Initially several holes will be drilled at Wapolu in the highly prospective airstrip area where no previous drilling has been undertaken. Rock grab samples previously collected in this area have been found to contain highly anomalous gold grades with some in excess of 100 g/t.

Following the short Wapolu program, the rig will be relocated to Gameta where a program of infill drilling will be undertaken. This will involve at least 60 holes (minimum 4,000 metres) which are designed to upgrade the resource to JORC indicated and measured status. It is hoped that the Gameta program will also better define the high grade zones and increase both the resource size and the average gold grade.



### **3. TAPAJOS REGION, NORTHERN BRAZIL**

The Tapajos Mineral Province covers an area of 168,000 km<sup>2</sup> within the Amazon Basin region of Northern Brazil. The geology of the region comprises locally altered and mineralised Middle Proterozoic felsic volcanics and intrusive rocks with only minor sedimentary units. Primary gold mineralisation is strongly structurally controlled and is mainly of the fissure vein and vein-stockwork styles developed within regional shear zones.

The Tapajos Mineral Province has been a significant gold producer with total production from the relatively recent first discovery in 1958 up to the end of 1993 estimated to be around 18 Moz. Production peaked in the period 1983 to 1989 when more than 300,000 garimpeiros (local artisanal miners) produced about 1 Moz per year. This production has been predominately from alluvial and elluvial deposits although more recently the region has been recognised as a major hardrock gold province. It is widely believed that the Tapajos region has the potential to host a variety of medium (>0.5 Moz Au) to large (>3 Moz Au) gold deposits. GOA considers the region to offer considerable potential.

The main prospects selected for assessment in the Tapajos area were Cachoeira and Fazenda Paraiso. Significant gold deposits, extending to several hundred metres down-dip, occur adjacent to the Cachoeira Prospect area in similar geological/structural settings. These include the Palito deposit and the Sao Jorge deposit. The potential for similar high grade vein gold occurrences within the Cachoeira Prospect area is therefore considered to be high. Despite the Cachoeira and Fazenda Paraiso areas being amongst the most prolific alluvial gold producers in the Tapajos District, virtually no hard rock exploration has been undertaken.

At Cachoeira the main area of interest lies along the Nascimento Fault Zone either side of the Surubim River which is often highlighted by the presence of a 5 to 15 metre wide alteration zone. A shear zone developed along the fault is locally up to 2km wide. Alluvial gold associated with this shear is sourced from high grade quartz veins and stock works. Rock chip samples collected from the quartz veins have returned gold grades up to 42.4 g/t. Numerous quartz veins up to 4 metres in width (average 1 to 2m )have been observed. Significant alluvial cassiterite is also present with the gold in some areas.

GOA previously entered into a Memorandum of Understanding with a local Brazilian national which provided for a three month option period over a number of gold properties in the Tapajos region (Figure 4). At the end of the option period, GOA had the right to negotiate to undertake exploration for up to a maximum term of three (3) years on one or more of the projects selected prior to GOA deciding on whether or not to acquire equity in selected properties on terms to be negotiated.



Figure 4

Field work in both the Cachoeira gold and cassiterite areas has been hindered by flooding after the area experienced the heaviest rains for the last 30 years. As this delay has prevented a full assessment of the prospective areas and in view of the encouraging results obtained to date, an extension to the option period was sought and accepted. The option has now been extended to the end of August 2006.

#### **4. CROYDON PROJECT, NORTH QUEENSLAND**

GOA holds tenements over a significant area of the Croydon Goldfield which has historical production of just under one million ounces of gold and one million ounces of silver, ranking it amongst the more significant goldfields in Australia. The gold has been won from more than 300 separate structurally controlled small quartz reef occurrences, grouped in districts and spread over 250 sq km.

While one or more significant sized gold deposits might be expected in this situation, none have been located to date. However, the significant volume of felsic volcanics in the project area implies the presence of a major eruptive (caldera) centre. Centres of this scale elsewhere in the world have subsequently developed major caldera collapse structures, which are often associated with later extensive alteration, intrusive activity and significant gold mineralisation. The interpreted eruptive centre (Caldera Prospect) therefore offers a prime target in the project area. Two discrete “bullseye” aeromagnetic anomalies that occur under cover on the margin of the Goldfield at Wallabadah also offer potential.

When field inspections requested by the local Aboriginal Land Claimants have been completed, ground magnetic surveys will be undertaken to fine tune drill targets in the Caldera and Wallabadah Prospect areas.

**5. RIGHTS ISSUE AND PLACEMENT**

The Company's Rights Issue which closed 16 May 2006 was heavily oversubscribed. Of a total of \$3,600,713.46 received, \$1,012,854.26 was refunded after the issue of 23,421,951 ordinary shares and 11,711,117 options to eligible shareholders and the placement of 7,023,445 ordinary shares and 3,511,723 options to professional or sophisticated investors.

*The information contained in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Ken Chapple, Managing Director of Gold Aura Limited. Mr Chapple is a Member of the Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chapple consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Yours faithfully  
**GOLD AURA LIMITED**



**Ken Chapple**  
Managing Director