



# Gold Aura Limited

A.B.N. 75 067 519 779



## QUARTERLY ACTIVITIES REPORT For the Period Ended 31 December 2008

### ABOUT GOLD AURA (ASX CODE: GOA)

Gold Aura's principal activity is the global exploration for world class mineral resources.

Its current focus is evaluation of the polymetallic mineralisation discovered at Croydon, the BacTech Joint Venture on Fergusson Island in PNG and gold exploration at Sao Chico in Brazil.

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### EXPLORATION FOCUS ON THE CROYDON, PAPUA NEW GUINEAN AND BRAZILIAN PROJECTS

#### KEY POINTS (activities undertaken during the quarter)

##### Fergusson Island Gold Project, Papua New Guinea

- BacTech Mining Corporation (BacTech) has announced that it has received conditional approval for its proposed 33% interest in Gold Aura's (GOA) Fergusson Island Gold Project from Yamana Gold Inc.
- GOA is encouraged by this as the acquisition is nearing completion at which point BacTech will sole fund the evaluation program and pay CND\$500,000 to GOA and a further CND\$500,000 after 12 months.
- The Gameta EL 1070 has been renewed for a further two year term commencing 26 April 2008. A condition of renewal is that a Fully Bankable Feasibility Study be completed by the end of the term 25 April 2010.
- Renewal of the Wapolu EL 1025 is pending

##### Sao Chico, Brazil (60%)

- Activities have focused on stream-lining the ownership structure of the property and a positive announcement concerning this is expected in the March Quarter.
- GOA is considering near term (3-6 months) gold production from Sao Chico, with operating cash costs of less than US\$200 per ounce likely from alluvial/elluvial and hard rock mining. The cost of establishment will be low (approx US\$250K) as all mining equipment required can be hired locally.

##### Non-Renounceable Rights Issue

- A Non-Renounceable Rights Issue to raise approximately \$1.55 million closed 22 December 2008 with a total of \$153,386.42 being raised. To date, shortfall applications totaling \$154,248.38 have been received.
- GOA will now seek to place the available shortfall to investors

##### Western Australian Projects

- As only very limited work has been undertaken on one of the three projects, GOA has advised the vendors that it is withdrawing from all projects to rationalize exploration expenditure.

Only limited exploration activities were undertaken during the September 2008 Quarter. No Mining production or development activities were undertaken during the Quarter.

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## **FERGUSSON ISLAND GOLD PROJECT, PNG (GOA 67%)**

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### **BACTECH-GOA JOINT VENTURE AGREEMENT**

As previously advised, GOA has entered into a Joint Venture Agreement with BacTech (Barbados) Limited (BBL) a wholly owned subsidiary of BacTech Mining Corporation (BacTech) of Canada over its Fergusson Island Gold Project in Papua New Guinea. BacTech is a world leader in bioleaching, a commercially proven technology and environmentally safe way to treat refractory gold ores like those at Gameta and Wapolu.

BacTech has announced that it has received conditional approval from the Toronto TSX Venture Exchange for the proposed acquisition of a 33% interest in two gold deposits in Papua New Guinea from Yamana Gold Inc. ("Yamana").r its proposed 33% interest in Gold Aura's (GOA) Fergusson Island Gold Project from Yamana Gold Inc.

GOA is encouraged by this announcement as it indicates;

- . the acquisition by BacTech of a 33% interest in the Fergusson Island JV is proceeding and is now nearing completion
- . upon completion BacTech will commence sole funding (CND\$1.5 million) of the evaluation program and
- . upon completion BacTech will pay CND\$500,000 to GOA and a further CND\$500,000 after twelve months.

The relevant sections from the BacTech announcement are reproduced below;

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Toronto, Canada, January 21, 2009 - BacTech Mining Corporation ("BacTech" or the "Company", TSX.V: BM) today announced that it has received conditional approval from the TSX Venture Exchange (TSX-V) for the proposed acquisition of a 33% interest in two gold deposits in Papua New Guinea from Yamana Gold Inc. ("Yamana"). BacTech will issue to Yamana 15M shares for their interest, resulting in Yamana holding 19.97% of BacTech's common shares. The balance of ownership in the projects (67%), is held by the current operator, Gold Aura Limited ("Gold Aura", ASX: GOA), of Brisbane, Australia (see news release dated June 18, 2008 for additional details).

The conditions applied by the TSX-V are as follows:

- BacTech is to seek shareholder approval within 30 days supporting the transaction. This can be accomplished by obtaining written consent from at least 50.1% of its shareholders. Any shareholder wishing to vote on this matter should contact the Company at numbers provided below.
- BacTech must prove that it has the capital to carry out a work program on the projects in 2009.
- BacTech satisfies its first year payment to Gold Aura. It is anticipated that this will be done through the issuance of common shares to Gold Aura. Once completed, BacTech's stake in the projects will rise to 38%.

The Papua New Guinea ("PNG") assets are made up of 2 separate gold deposits, Wapula and Gameta, located on the north shore of Fergusson Island. Yamana has been involved with the project since the early 1990s, and is divesting its interest to focus on assets in North and South America.

Recently, BacTech completed a technical report on the assets at the request of the TSX-V which highlighted the need for additional drilling to confirm historical results generated by Yamana and Gold Aura (and its predecessors). The technical report is posted on SEDAR and also on the Company's web site.

In discussions between BacTech and Gold Aura, it was decided that BacTech should begin its initial work commitment by focusing on bioleach amenability work prior to any additional drilling taking place. The value of the assets could be enhanced through successful bioleach test work, thereby removing any potential metallurgical issues that exist.

#### **GAMETA EXPLORATION LICENCE (EL) 1070**

The Gameta EL 1070 has been renewed for a further two year term commencing 26 April 2008. A condition of renewal is that a Fully Bankable Feasibility Study be completed by the end of the term 25 April 2010.

#### **WAPOLU EXPLORATION LICENCE (EL) 1025**

A Wardens Hearing for the Wapulu EL 1025 has been held and advice of the renewal application for a further two year term is pending.



Location of the Wapulu & Gameta tenements, Fergusson Island, PNG

### **CROYDON PROJECT – NORTH QUEENSLAND (GOA 100%)**

No field work was undertaken on this project during the quarter.

Partial surrender of the Zinc Project tenements was undertaken during the Quarter to remove non-prospective ground but retaining most of the aeromagnetic anomalies and their immediate surrounds. This has reduced the number of sub-blocks held from 1,058 to 240. Included in the relinquished

ground were six aeromagnetic anomalies considered after further analysis to be either too deep or of low magnitude and hence non-prospective.

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## **SAO CHICO GOLD AND BASE METAL PROJECT – NORTHERN BRAZIL (GOA 60%)**

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During the quarter, work continued on the Sao Chico high grade gold and base metal property located in Para State in northern Brazil. During this time the Company has been focussed on stream-lining the ownership structure of the property and expects to be able to make a positive announcement concerning this in the March Quarter.

The current knowledge of the property has provided encouragement for the Company to consider commencement of planning for a small scale mining operation as provided for under Brazilian Mining Law. Early indications are that this could be strongly cash positive, with operating costs below US\$200/ounce. All labour, mining equipment and infrastructure can be sourced locally.

To date five (5) steeply dipping shear hosted veins have been identified. These are up to 3m wide and are expected to extend along strike for at least 1,000m at an average width of 1.5m. Previous alluvial mining above these veins by garimpeiro (local miners) activity has produced significant amounts of gold with some zones of spectacular grades (several ounces per tonne) being encountered, particularly in the uppermost portion of the veins where supergene gold enrichment has occurred.

General alluvial grades of around 5g/t have been claimed by the garimpeiro miners with higher grades in the alluvials immediately adjacent to the veins and within the alluvials directly overlying the veins. It is expected that mining of the alluvial portions of the veins and the immediately adjacent alluvials will provide a grade of at least 10g/t gold. Grades in the hard rock supergene enriched portions of the veins are expected to provide an average grade of 20g/t gold, with some zones of spectacular recoveries expected.

Open-pit mining of the alluvials/alluvials can take place on the current Authority to Prospect (AP) which covers the Sao Chico by applying for alluvial mining claims (PLGs). These could be granted within 2 to 3 months which would allow mining to commence within 3 to 6 months. It is proposed that the alluvials/alluvials could be mined at a rate of 1,500 tonnes/month at a grade of 10g/t for gold production of 482 ounces per month or approximately 6,000 ounce per annum. Over the expected strike length of the five veins there is sufficient tonnage available to sustain the operation until the end of 2011. Discovery of additional veins would extend the mine life.

Open-pit mining of the hard rock to a depth of approximately 12m can take place on the AP under a GIU which allows for the mining and processing of up to 50,000 tonnes per annum for 2 to 3 years while evaluation of the project is being undertaken. The grade obtained from surface sampling and channel sampling from within the shaft and drive developed on the Sao Chico veins has been determined to be 15g/t gold, with a reasonable expectation that in the supergene enriched portion of the vein it will be at least 20g/t. A GIU could be granted within 6 months, allowing production to commence shortly after. The hard rock operation would involve mining at a rate of 1,500 tonnes per month for production of 964 ounces per month or approximately 11,500 ounces per annum. Again some spectacular zones of high grade would be expected. There is sufficient tonnage available to sustain the operation well beyond the end of 2011. Discovery of additional veins would extend the mine life further.

As all required mining and processing equipment is locally available it can be hired without the need for capital expenditure. Tailings dam capacity is already available and there is an ample water supply available from dams. Access is excellent as the property lies within a cleared farm area and lies along the main arterial road in the region. It is estimated that costs prior to production would be less than US\$300K, although there would be some final payments associated with the project acquisition.

The company is now actively in the process of placing the Rights Issue shortfall to get the project into production.



## SAZHEN GOLD PROJECT – SOUTH EAST KAZAKHSTAN (GOA 80%)

As previously announced GOA has decided to further focus its available funds on Croydon by scaling back exploration expenditure on the Kazakhstan Project (and its extrapolated extension into China). Negotiations are continuing with one company that has expressed an interest in farming-into the project.

## WESTERN AUSTRALIAN PROJECTS (GOA 80%)

As only very limited work has been undertaken on one of the three projects, GOA has advised the vendors that they are withdrawing from all three projects to rationalize exploration expenditure.

## CAPITAL RAISING

A Non-Renounceable Rights Issue to raise approximately \$1.55 million on the basis of 1 new ordinary share for each ordinary share held, with a 1 for 1 attaching options (exercisable for 3 cents by 30 June 2012), was closed 22 December 2008. Shareholder entitlement acceptances under the Rights issue totalled 15,338,642 shares leaving a shortfall of 139,261,254 shares. In addition to all Directors taking up their full entitlement, the Directors have demonstrated their support of the company by applying for a combined total of 8,053,273 new shares under the Rights Issue shortfall. Issue of these shares will be subject to shareholder approval.

To date 6,753,364 shortfall shares have issued and taking into account the combined Directors' applications for 8,053,273 shortfall shares, this leaves a total of 124,454,617 shortfall shares available to be placed.

The combination of entitlement acceptances (\$153,386.42) and shortfall applications accepted (\$154,248.38) totals \$307,634.80. Of this total \$139,051 was received by shareholders who were also creditors and as a result was used for working capital purposes reducing their creditor balance. The balance of \$168,583 will be also be used for working capital purposes including reduction of other creditor balances and maintenance of normal business functions

The Company will now seek to place the balance of the shortfall shares.

## SHAREHOLDER MEETING

The Company's Annual General Meeting of the Company was held on 21 November 2008. All resolutions proposed were passed.

## CORPORATE

### Current Position

1. Due to the global financial crisis the take-up on the rights issue was less than the \$1.5M which the Company was seeking to raise.
2. As a result of the shortfall, the Company still has significant outstanding obligations with creditors and is working with those creditors to schedule payments for the amounts outstanding to coincide with the Company's on-going fund raising efforts and the receipt of funds from the sale of the 17% interest in Fergusson Island to Bactech. The amount to be received is C\$1M (A\$ 1.25M) with C\$500k (A\$ 625K) on all approvals being received and C\$500k (A\$ 625K) 12 months later. As indicated elsewhere in this report the Company believes it is in the final stages of receiving these approvals and hence the first payment.
3. The Company is also looking to place the Rights Issue shortfall - which it has until 22 March 2009 to do without shareholder approval. The company is currently in discussions with its financiers regarding this.

### Other Corporate Activity

During the Quarter the company has been approached by other companies about potential opportunities. The global financial crisis has resulted in some discussions being terminated due to lack of funds, whilst others are ongoing. Your Board will consider all alternatives to enable shareholders to benefit from its suite of assets.

## CORPORATE DIRECTORY

### Board of Directors

Ken Chapple	Managing Director
James Collins-Taylor	Director
Greg Starr	Chairman

### Company Secretary

John Lemon

*The information contained in this report relating to exploration results 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.*

### Issued Share Capital

Gold Aura Limited has 151.55 million ordinary shares currently on issue.

In addition, the following options are on issue:

1. 41.55 million listed options expiring 31 March 2009; exercisable at A\$0.13 (13 cents) per share;
2. 2.86 million unlisted options expiring 1 April 2009; exercisable at A\$0.20 (20 cents) per share.
3. 4.15 million unlisted options expiring 2 April 2009; exercisable at \$0.13 (13 cents) per share (ESOP)
4. 4.40 million unlisted options expiring 2 April 2009; exercisable at \$0.20 (20 cents) per share (ESOP)

### Quarterly Share Price Activity

	High	Low	Last
Sep 2006	8.6	6.2	6.4
Dec 2006	10.5	6.4	9.6
Mar 2007	19.0	7.8	9.0
Jun 2007	13.5	8.5	10.5
Sep 2007	11.0	7.1	8.0
Dec 2007	9.8	5.4	6.7
Mar 2008	6.7	3.5	3.5
June 2008	4.4	2.8	3.1
Sep 2008	3.6	1.3	2.3
Dec 2008	2.3	0.6	0.8

### Registered Office

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Please direct shareholding enquiries to the share registry.