



Gold Aura Limited

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3 November 2008

Dear Shareholder/Option Holder

NON-RENOUNCEABLE 1 FOR 1 RIGHTS ISSUE

On 31 October 2008 the Company notified the Australian Securities Exchange (ASX) that it will undertake a one (1) for one (1) non-renounceable rights issue to raise up to approximately \$1,546,000 through the issue of up to 154,599,896 fully paid ordinary shares at \$0.01 (1.0 cents) each. Shareholders will be offered the opportunity to purchase one share for every share held by them as at the record date of 5.00 pm (AEDST) 11 November 2008 (**Record Date**). The shares issued will rank equally in all respects with the existing shares on issue in the Company. Shareholders will also receive one free attaching option for every share subscribed for by them under the rights issue.

Only those shareholders with registered addresses in Australia and New Zealand will be entitled to participate in the rights issue. The Company's directors have determined that it would be unreasonable to make offers to shareholders in other countries given the number and value of shares that would be offered and the cost of complying with legal and regulatory requirements in other countries.

In order to participate in the rights issue option holders will need to exercise their options in accordance with the option terms and conditions prior to the Record Date.

The Company currently has 154,599,896 shares on issue, all of which are quoted on ASX, and 63,428,718 options on issue. However, 8,550,000 options are subject to vesting conditions, being 4,150,000 options vesting where the 5 day volume weighted average price of Shares exceeds 20 cents and a further 4,400,000 options vesting where the 5 day volume weighted average price of Shares exceeds 30 cents. The balance of 54,878,718 options may be exercised prior to the Record Date in order to participate in the rights issue.

The maximum number of Shares to be issued pursuant to this rights issue, assuming no options are exercised prior to the Record Date, is 154,599,896 bringing the total number of shares on issue in the Company to 309,199,792 shares. Application will be made to the ASX for quotation of all shares issued under the rights issue.

Funds raised from the rights issue will be used:

1. to undertake initial geophysics and subsequent drill testing of the two high priority gravity anomalies at the Company's Croydon Project;
2. to undertake initial assessment on several other co-incident magnetic/gravity anomalies at the Croydon Project;
3. to conduct exploration and evaluation of the Company's Sao Chico Project in Brazil;
4. to conduct evaluation of the Company's Western Australian projects; and
5. for working capital generally.

The timetable for the rights issue is as follows*:

1. Announcement of Rights Issue to ASX 2. Application to ASX for quotation of Shares (Appendix 3B) 3. Lodge Prospectus with ASX	<u>31 October</u>
Notice to Shareholders containing information in Appendix 3B	<u>3 November</u>
Shares trade "Ex" the entitlements issue on the ASX	<u>5 November</u>
Record Date to identify Eligible Shareholders and to determine Entitlements under the Prospectus	<u>11 November</u>
1. Despatch of Prospectus and Entitlement and Acceptance Form ("Opening Date") 2. Advise ASX that despatch completed	<u>17 November</u>
Closing Date	<u>8 December</u>
Securities quoted on a deferred settlement basis	<u>9 December</u>
ASX notified of under-subscriptions	<u>11 December</u>
Despatch Share Holding Statements	<u>16 December</u>

**The dates above are indicative only and, subject to the ASX Listing Rules and the Corporations Act 2001, the Company reserves the rights to change any date, including to extend the closing date or to close the offer early without prior notice.*

The Record Date for determining eligibility to participate in the rights issue is 5.00 pm (AEDST) on 11 November 2008.

Your share entitlement will be shown on the personalised Entitlement and Acceptance Form which will accompany the offer document when it is mailed to you. There is also provision to apply for further shares in addition to your entitlement as some entitlements may not be taken up, thus creating a shortfall.

The Company reserves the right, within 3 months after the close of the offer under the rights issue, to allot and issue any shortfall to eligible shareholders and non-shareholders at the discretion of the Directors.

The rights issue is not underwritten. There are no brokers to the rights issue. No handling fee will be paid to brokers.

Before making a decision whether to take up any of your rights to new shares, please read the offer document carefully when you receive it. The offer closes at 5.00 pm (AEDST) on 8 December 2008.

If you have any questions regarding your rights, or the mailing of the offer document and the accompanying Entitlement and Acceptance Form, please contact the Company Secretary, John Lemon (Tel 07 3833 3833).

Yours faithfully
GOLD AURA LIMITED



Greg Starr
Chairman