



Gold Aura Limited

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29 July 2005

Company Announcements Office
Australian Stock Exchange Limited
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Dear Sir

QUARTERLY REPORT FOR QUARTER ENDING 30 JUNE 2005

SUMMARY

During the June 2005 Quarter, Gold Aura Limited (GOA) commenced exploration on its Saiyikale Joint Venture in China. The initial fieldwork was encouraging with high-grade copper up to 4% being found in outcrop within the target fault zone. Further encouragement came from reports of ancient alluvial gold workings occurring downstream. Assessment of other gold and base metal opportunities within China and the highly prospective Central Asian Black Shale Gold Belt continued.

SAIYIKALE JOINT VENTURE, CHINA

During the quarter, GOA undertook a short programme of fieldwork in the Saiyikale Joint Venture area in the Xinjiang Autonomous Region of north-western China where GOA local Joint Venture partner, China EcoMine Resources Company Limited (CER), have been granted three adjoining Exploration Permits covering around 100 kms². Gold Aura will acquire 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 – resource of 170 million ounces). The tenements cover the faulted contact between dolomitic limestone and black shale/schist that has been interpreted as offering considerable potential for the discovery of black shale style gold mineralisation. Significant world-class gold deposits occur along strike in similar geological settings, including at Kumtor in Krygyzstan (17 million ounces), located some 180 km to the west.

While the Saiyikale area was not fully accessible due to snow cover, encouragement was generated by the presence of a similar geological setting to major gold deposits developed within the Central Asian Black Shale Gold Belt. The targeted fault zone was found to consist of a major 100 metre wide broken and sheared zone. Local development of copper mineralisation (chalcopyrite and malachite) was noted within the fault zone with assays of up to 4% Cu being obtained.

Encouragement was also generated from local reports that alluvial gold mining had been conducted in ancient times from a creek draining from the western-most tenement. It is not known if the source of this gold is from the granites in the northern part of the tenement or from the targeted prospective black shale lithologies.

A second phase program of more detailed field investigation, mapping and sampling will be undertaken from mid-August when the snow coverage is expected to be at a minimum.

CROYDON TENEMENTS, NORTH QUEENSLAND

During the quarter, GOA signed an Option Agreement with Gold Exploration and Finance Proprietary Limited (GFX), relating to most of GOA tenements at Croydon in North Queensland.

GFX will have a six-month option to acquire the tenements from GOA in exchange for 5 million ordinary shares in GFX at an issue price of 20 cents per share. A non-refundable option fee of A\$10,000 was paid to GOA upon signing the Option Agreement.

The option will be exercised by GFX at the time of listing. In the event that GFX does not list in the next six months, the option will expire.

During the option period, GFX will meet all the costs relating to the tenements and keep them in good order.

GFX plan to drill the major gold-bearing structures known in the field, including the Gilded Rose mineralisation defined by GOA. GFX will digitise all existing data and use this, along with new geological thinking, to bring a fresh exploration approach to the Croydon field.

GOA, however, will retain the Wallabadah area to the north of Croydon, where two "bulls-eye" aeromagnetic anomalies have been defined on the margin of a major gravity high. These anomalies are interpreted to present altered intrusives that offer potential targets for gold and base metal mineralisation.

FERGUSSON ISLAND GOLD PROJECT

During the quarter, GOA considered its options for moving forward with the Fergusson Island Gold project in Papua New Guinea. As previously announced, the Pre-Feasibility Study indicated that:

- (a) The expected gold production would be 55,000 ounces per annum over 7 years.
- (b) The ore processing plant circuit will be simple, involving primary crushing of the ore, followed by coarse grinding through a SAG mill and finally a standard flotation circuit that will produce a gold bearing concentrate (85% recovery) with gold being recovered elsewhere.
- (c) The operating cash cost would be around A\$300 (US\$225) per ounce.
- (d) Capital Cost of the mine and plant would be A\$23 million.
- (e) Cash operating surplus would be A\$15 million per annum, based on current gold prices.
- (f) The NPV would be A\$40 million at a discount of 12% per annum.

The cost of the Bankable Feasibility Study (BFS) was estimated to be A\$1.5 million. While drilling (mainly to delineate the higher grade zones) would form a large part of the expenditure, the BFS would also incorporate additional metallurgical and financial studies.

GOA is currently considering two alternatives, either commencing the BFS itself, or seeking joint venture partners. The board's preference is to locate a joint venture partner.

CENTRAL ASIAN BLACK SHALE BELT AND ELSEWHERE IN CHINA

During the quarter, GOA continued to evaluate gold project opportunities with the Central Asian Black Shale Belt and elsewhere in China. Acquisition negotiations have been commenced on several areas and a tenement application has been lodged.

IN SPECIES DISTRIBUTION OF UNION REROURCES SHAREHOLDING

GOA major shareholder Union Resources Limited (UCL) has announced an "In-species" distribution of its 36% holding in GOA to the UCL shareholders as at a record date expected to be in early September. GOA welcomes this distribution as several institutional investors in Australia, Hong Kong and United Kingdom will then hold shares directly in GOA and are expected to support the company activities.

Following the "In-species" distribution a major capital raising is planned to support GOA programs.

The mineral resources information in this Report is based on, and accurately reflects, information compiled by Mr Ken Chapple who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Chapple is an Executive Director of Gold Aura Limited and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

Yours Faithfully
GOLD AURA LIMITED



Rob Murdoch
Executive Chairman