



# Gold Aura Limited

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Company Announcements Office  
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Dear Sir

## QUARTERLY REPORT FOR THE QUARTER ENDING 31 DECEMBER 2006

The December 2006 quarter marked an important stage in the development of Gold Aura Limited into a successful exploration company.

### HIGHLIGHTS

- **Croydon Project, North Queensland**  
Gold Aura Limited (GOA) has discovered a significant poly-metallic (zinc-silver-copper-tin-lead) hydrothermal mineralised system in basement rocks below 115 metres of younger cover sediments within EPM 13775. The occurrence is located approximately 40 kilometres NNE of Croydon on the covered margin of the Croydon Goldfield.
- **Sazhen Project, Kazakhstan**  
Gold Aura Kazakhstan (GAK), a company in which GOA holds an 80% participating interest, has finalised and signed an Exploration Contract with the Kazakhstan Government covering the Southern Bayankol Concession area in SE Kazakhstan.
- **Tapajos Project, Brazil**  
GOA has signed an agreement to acquire up to an initial 60% equity in a high grade gold and base metal property in the Tapajos region of Para State in northern Brazil. The agreement is subject to confirmation of the vendor's tenement rights which is expected to be resolved in the next few months.

### CROYDON PROJECT NORTH QUEENSLAND

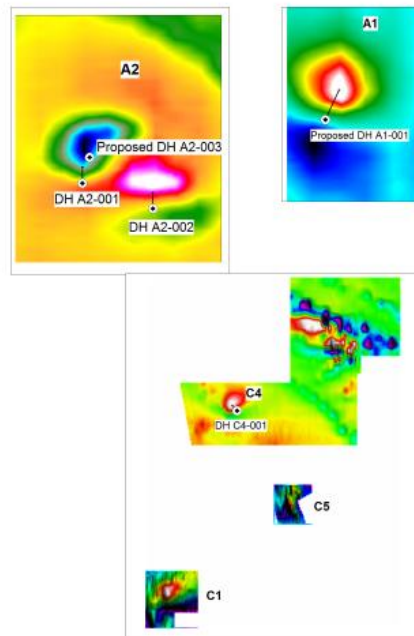
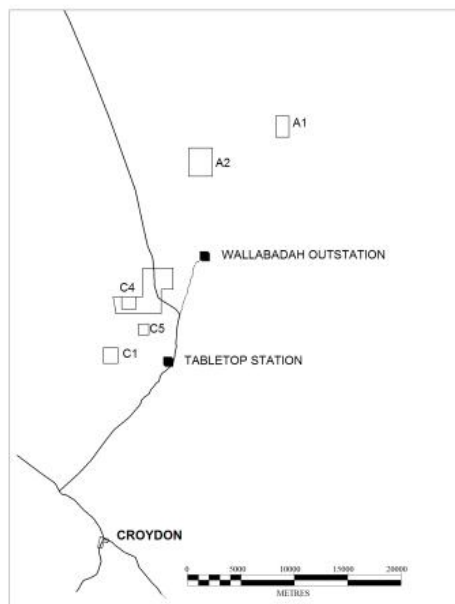
GOA has discovered a significant poly-metallic hydrothermal mineralised system in basement rocks under 115 metres of younger cover sediments within EPM 13775 ("Wallabadah"). The occurrence is located approximately 40 kilometres NNE of Croydon on the covered margin of the Croydon Goldfield. The first drill hole, A2-001, was drilled to a total depth 491.10m to test Anomaly A2, a prominent "bullseye" magnetic anomaly. The assay results show that the mineralised system is dominated by Zn-Ag-Cu-Sn-Pb, with associated elevated levels of As, Sb and Cd (refer to the Table 1 header for element identifications). The entire 369.5m of the mineralised shales intersected in the hole grades 0.55% Zn, 12.7 g/t Ag, 0.041% Cu and 0.032% Sn.



**First Drill Hole (A2-001) at Croydon**



**Location of the Croydon Project Area**



**Location of Anomalies A2 and C4 and Drill Holes A2-001, A2-002 and C4-003**

Individual assay highs obtained include 565 g/t Ag, 1.77% Pb and 1.3% Sb (over 0.73m), 32.0% Zn and 0.198% Cd (over 0.4m), 1.16% Sn and 1.13% Cu (over 0.5m), 3.28% As (over 1.0m) and 0.21 g/t Au (over 1.0m). Significant assays are as follows;

- . 3.5m (129.5-133.0m) at 91.8 g/t Ag, 0.066% Cu, 0.048% Sb
- . 133.0m (134.0-267.0m) at 1.11% Zn, 18.4 g/t Ag, 0.035% Cu, 0.041% Pb, 0.056% Sn including 0.73m (175.4-176.13m) at 26.40% Zn, 565 g/t Ag, 0.82% Cu, 1.77% Pb, 1.12% As, 1.3% Sb, 0.158% Cd, 1.58% Sn including 11.0m (211.0-222.0m) at 6.33% Zn, 67 g/t Ag, 0.13% Pb, 0.212% Sn including 1.0m (232.0-233.0m) at 0.19 g/t Au, 8.1 g/t Ag, 0.18% Zn
- . 1.0m (313.0-314.0m) at 217 g/t Ag, 0.21 g/t Au, 0.27% Zn, 0.55% Cu, 0.48% As, 0.07% Pb, 0.48% Sn

- 5.05m (409.05-414.10m) at 8.0% Zn, 180 g/t Ag, 0.05 g/t Au, 0.52% As, 0.57% Cu, 0.048% Cd, 0.57% Sn



**Vein from Hole A2-001. Contains 32.0% Zn, 212 g/t Ag, 0.46% Cu, 0.39% Pb, 0.36% Sn**

A second hole (A2-002) drilled to a depth of 502.4m and located approximately 850 metres to the SE has interested similar style poly metallic veining although the intensity of veining is somewhat less. The significant distance between the two holes suggests the mineralised system may be quite large.

The "Wallabadah" EPM 13775 was acquired to cover two prominent aeromagnetic anomalies delineated by a high resolution airborne survey undertaken by the Geological Survey of Queensland in 2000. These anomalies were considered to offer good potential as they are located on the margin of a regional gravity high delineated by earlier Government broad spaced ground surveys. The anomaly positions were confirmed by detailed ground magnetic traversing undertaken by GOA.

The first hole, A2-001, was sited to test the southern portion of Anomaly A2, a magnetically reversed feature represented by a doughnut shaped weakly magnetic halo around a central low of reversed remanent magnetism. Anomaly A2 is some 3.0 km<sup>2</sup> in area with an amplitude high of 150 nT and is located adjacent to narrow SE-NW trending, low amplitude, linear magnetic features. Owing to the complex nature of Anomaly A2, depths to the magnetic source(s) are difficult to estimate but were expected to be in the range 150 to 300 metres.

Hole A2-001, drilled at an inclination of 70° to the north, was pre-collared by reverse circulation (RC) drilling to basement (121.6m) before continuing with HQ coring using a UDR 1200 multi-purpose drill rig operated by Boart Longyear Pty Ltd. The hole was terminated at 491.1m. The entire basement intersection of 369.5m consists of a monotonous sequence of steeply dipping dark grey shale which appears to be striking approximately E-W. Laminations consisting of coarser, lighter grey, silt and fine sand are prominent throughout and typically display sedimentary disruptions. Bedding was intersected at a low angle to the core axis of between 0 to 30 degrees.

Mineralisation is present as both micro-veins (up to 1mm) and macro-veins (1mm up to 5.0m) which are steep dipping and appear to have an approximate N-S strike. The veins are poly-metallic and contain a number of sulphides including pyrite, marcasite, pyrrhotite, sphalerite, chalcopyrite, arsenopyrite, stannite, cassiterite (previously suspected to be tetrahedrite) and

galena all of which have been confirmed by petrological examination. No visible gold was noted. Gangue minerals consist of siderite, quartz, sericite and chlorite. However, there is no significant alteration evident.

There is a clear zonation present with sphalerite and pyrite dominant at the top of the hole and chalcopyrite and pyrrhotite more dominant in the middle and lower sections. Significant pyrrhotite is present after 200m and it is expected that this will be confirmed as the source of the magnetic anomalism.

The second drill hole (A2-002), drilled at an inclination of 70° to the north, was collared approximately 850m to the SE of hole A2-001 and was designed to test a prominent magnetic high associated with Anomaly A2. Basement was intersected at a similar depth (120.4m), from which HQ diamond coring was commenced and continued until the end of the hole at 502.4m. Similar poly-metallic veining was intersected except that the intensity is somewhat less and the gangue appears to be dominated by quartz rather than siderite. Assays are awaited but due to the heavy workloads being encountered by the laboratory, these are not expected until February.

The poly-metallic veining encountered is considered to be highly encouraging and in view of the two intersections located 850m apart, it is interpreted that the hydrothermal system may be of significant extent. While the mineralisation encountered to date is Zn-Ag-Cu-Sn-Pb dominated, it is expected that there will be zones of differing elemental dominance developed within the system. A number of tenement applications have been lodged in surrounding areas to acquire additional aeromagnetic magnetic anomalies similar to that encountered at Anomaly A2 using existing Government survey data.

A third hole (C4-003) was drilled to test a magnetic anomaly in the Caldera Prospect area, within EPM 11597, located to the SW of Anomaly A2. The hole, drilled on an inclination of 70° to the SSW, was completed at a depth of 443.4m. Basement volcanics were intersected at a depth of 59.0m, from which HQ coring was commenced and continued to the end of the hole. The hole intersected a thick sequence of magnetic, fine grained, dark grey to black, volcanic/intrusive from 273.9 to 417.2m. The magnetic mineral is expected to be magnetite and it is likely that this is the source of the anomaly. Although no obvious mineralisation was noted, selected intervals will be check assayed. Several samples will also be submitted for petrological examination.

The Croydon drilling program has now been postponed due to heavy rains in the project area. However, GOA is highly encouraged by the Croydon discovery and looks forward to recommencing the drilling program sometime late March or early April 2007 and weather permitting, continue it throughout the remainder of 2007. It is planned that a second drill rig will also be contracted from this period to accelerate this exciting project. Drilling will initially focus on the Anomaly A2 discovery area.

Significant drill intersection assays data are listed in Table 1. These have been updated from the initial announcement to include the remainder of the intervals not previously available for the first hole. Adjustments have also been made to some of the reported intervals to account for re-assay of the higher values with the main change being an increase of the Ag in the 133.0m interval from 12.0 g/t previously to 18.4 g/t. However, it should be noted that a limited number of the higher magnitude Sn assays determined by ICP scan have been checked by the more reliable X-Ray fluorescence method (XRF) and this has shown that the actual levels present are up to several times the scan indicated levels. Selected samples will now be checked by XRF and it is expected that the Sn levels now reported in Table 1 will increase. Checks for tungsten, commonly associated with Sn, will also be undertaken.

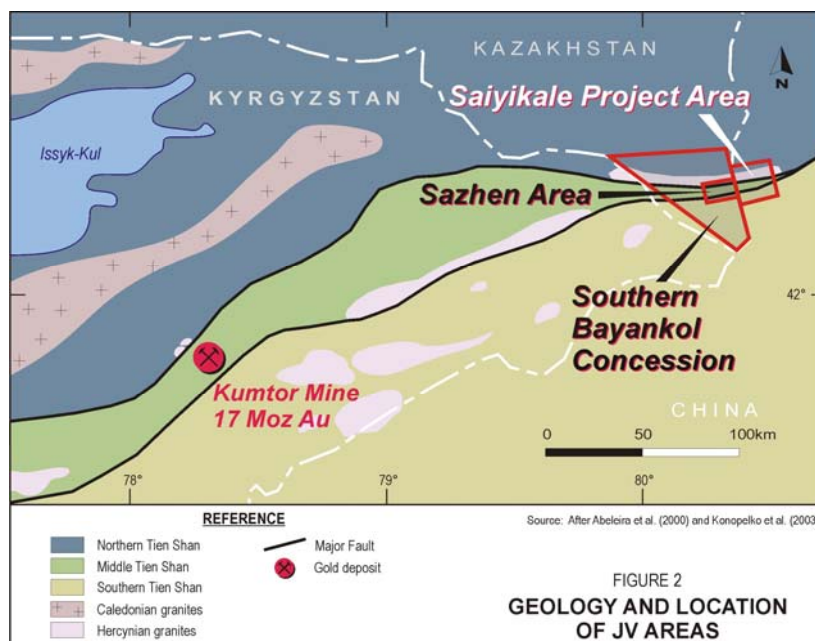


## **SAZHEN GOLD PROJECT, SE KAZAKHSTAN**

Gold Aura Kazakhstan (GAK), a company in which GOA holds an 80% participating interest, has finalised and signed an Exploration Contract with the Kazakhstan Government covering the Southern Bayankol Concession area in SE Kazakhstan. The Concession area contains the Sazhen Prospect where quartz carbonate mineralisation is developed within black carbonaceous shales. Previous rock chip sampling and sampling during the completed 2006 field program have located gold anomalous values over an area 7.5 km long by 2.5 km wide. The Exploration Contract covers a 5 year period and depending on results involves expenditure of up to US\$9.5 million.

The Sazhen Prospect lies along a major ENE-WSW fault zone 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).

Planning for the 2007 follow-up program in the prospective Southern Bayankol area is in progress.



## **SAIYIKALE GOLD PROJECT, CHINA**

Following completion of the field program within the adjacent Saiyikale Project within China it has been concluded that the best potential for containing extensions of the Sazhen mineralisation lies within the western-most tenement that abuts the Kazakhstan border. Accordingly the western tenement was renewed for another one year term and the central and eastern tenements were surrendered.

## **FERGUSSON ISLAND PROJECT, PAPUA NEW GUINEA**

The Fergusson Island project is a GOA operated joint venture between GOA and Yamana Gold, a Canadian listed company. Yamana is a non contributing partner who is currently diluting its interest down from an original 40%. Exploration to date has located two gold deposits within the Project area, Wapolu located in the NW corner of Fergusson Island and Gameta located in the NE corner.

A three hole drilling programme was completed at Wapolu in late 2006 for total of 166.4 metres. The 2006 holes were drilled to the east of the known Wapolu gold resource within the Ganiyana Anomaly, located to the western edge of the Wapolu airstrip. The Ganiyana Anomaly includes a circular gold in soil anomaly and an anomalous clay horizon. Surface rock sampling had located gold values of up to 4.56 g/t Au. Analytical results obtained are as follows;

**Hole UGD001:**

No samples submitted for assay

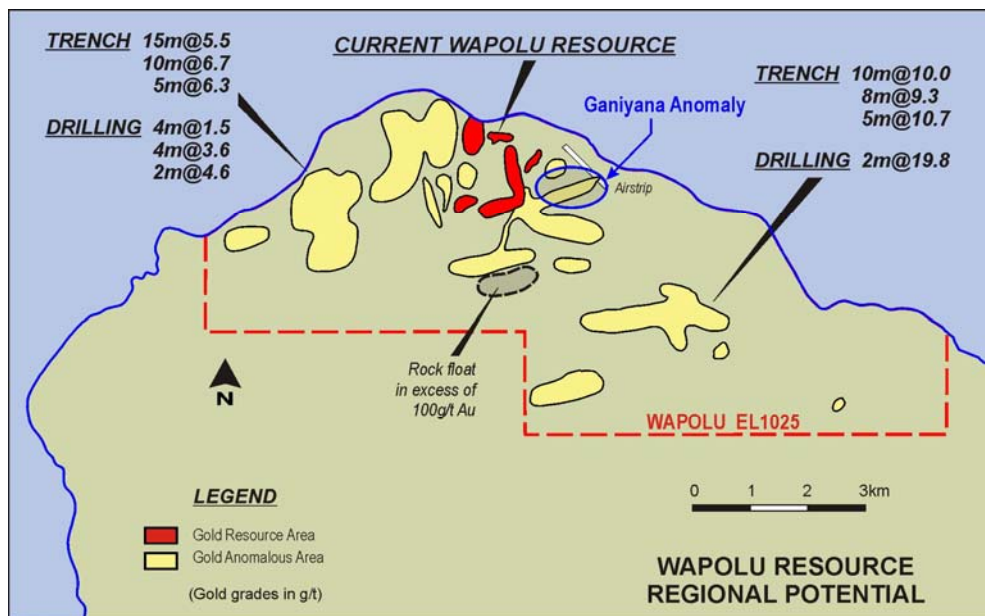
**Hole UGD002:**

22.0 metres (0.0-22.0m) at 0.55 g/t Au  
including 2.0 metres (0.0-2.0m) at 2.30 g/t Au

**Hole UGD003:**

22.0 metres (0.0-22.0m) at 0.26 g/t Au  
including 2.0 metres (0.0-2.0m) at 0.48 g/t Au

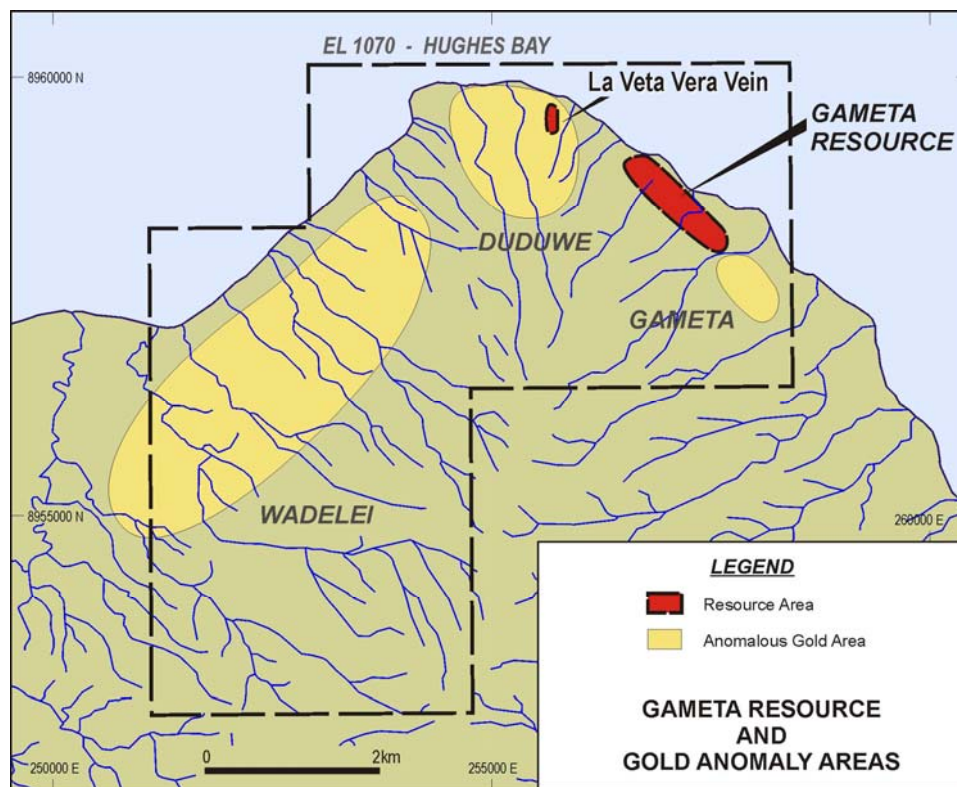
These results indicate the presence of a significant thickness of low grade gold mineralisation.



Following the Wapolu drilling program, the drill rig was relocated to Gameta. The first hole at Gameta, GDH011, was sited some three metres from previous RC hole GRC-191 which was abandoned in mineralisation due to difficult drilling conditions after intersecting 49 metres at 4.1 g/t Au. Unfortunately GDH011 was also abandoned at a depth of 65.9 metres after encountering difficult drilling conditions. Assays have been received for the interval from the alluvium-bedrock boundary to a depth of 60 metres. Results are as follows;

20m (40.0-60.0m) @ 2.54 g/t Au. This compares with the equivalent interval of 20 metres from 39 to 60 metres in hole GRC-191 @ 4.46 g/t gold. While there is an obvious discrepancy between the two adjacent intersections, a full assessment of this situation will await the additional assays from GDH011 and a re-drill of the interval. Assays are awaited for holes GDH012 and GDH013 and are expected by mid-February 2007.

The Fergusson Island drilling program has now recommenced for 2007 with the current hole (GDH-014) drilling ahead at 34.0m. Consideration is being given to the introduction of a second portable drill rig to accelerate the program.



### **TAPAJOS REGION, NORTHERN BRAZIL**

During the quarter, GOA signed an agreement to acquire up to an initial 60% equity in a high grade gold and base metal property in the Tapajos region of Para State in northern Brazil. The agreement is subject to confirmation of the vendor's tenement rights which is expected to be resolved in the next few months.

The Tapajos Mineral Province covers an area of 168,000 km<sup>2</sup> within the Amazon 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 Mineral Province has been a significant gold producer with total production from the 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 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 high grade medium (>0.5 Moz Au) to large (>3 Moz Au) open-pittable, oxide and mixed oxide/sulphide deposits.

### **GEORGETOWN**

As previously announced, GOA has entered into a contract with ASX-listed Company Plentex Limited ("Plentex") for the sale of GOA's Georgetown Gold Plant and associated Mining Leases to Plentex's wholly owned subsidiary company, Plentex (Operations) Pty. Ltd. Completion of the sale is awaiting finalisation of certain conditions.

**RIGHTS ISSUE**

On 18 December 2006, the Company lodged a prospectus for a "1 for 3" non-renounceable rights issue with the Australian Securities & Investments Commission ("ASIC"). A supplementary prospectus was subsequently lodged with ASIC on 11 January, 2007. Both the prospectus and supplementary prospectus have been despatched to the Company's eligible shareholders (those shareholders whose registered address is in Australia or New Zealand).

Under the rights issue eligible shareholders can receive one share for every three shares they hold in the Company at a cost of eleven cents per share, together with one free option for every two shares they receive. Shareholders may also apply to receive shares in addition to their entitlements in the event a shortfall exists.

The Company is seeking to issue up to approximately 25,797,431 shares to raise up to approximately \$2,837,717 under the rights issue. The closing date for shareholder acceptances is 2 February, 2007. Funds raised will be used to finance the exploration and development of tenements in the Company's existing portfolio and for working capital generally.

Two of the Company's directors, Messrs. Ken Chapple and Rob Murdoch, have indicated that they intend to sell shares they and/or associated entities hold in the Company to enable them to raise funds to take up their entitlements under the rights issue. They will sell the shares a reasonable time after the release of this quarterly report to the Market, provided they are not at the time in possession of potentially price-sensitive information which has not yet been released to the market.

*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



**SIGNIFICANT DRILL ASSAYS – HOLE A2-001, EPM 13775, CROYDON**

FROM m	TO m	INTERVAL m	Silver Ag (g/t)	Gold Au (g/t)	Zinc Zn %	Copper Cu %	Lead Pb %	Arsenic As %	Antimony Sb %	Tin Sn %	Cadmium Cd %
129.5	133.0	3.5	91.8			0.066			0.048		
133.0	135.0	2.0			0.09		0.13				
<b>134.0</b>	<b>267.0</b>	<b>133.0</b>	<b>18.4</b>		<b>1.11</b>	<b>0.035</b>	<b>0.041</b>	<b>0.06</b>	<b>0.018</b>	<b>0.056</b>	
including		13.2 (142.80-156.00)	29.3		1.60	0.041	0.021	0.096		0.092	
including		1.0 (160.00-161.00)	9.1		1.19						
including		1.0 (165.00-166.00)	24.4		1.11	0.053	0.05			0.047	
including		0.73 (175.40-176.13)	565.0		26.40	0.82	1.77	1.12	1.30	1.58	0.158
including		1.57 (176.13-177.70)	44.4		2.57	0.086		0.31		0.073	
including		1.0 (191.00-192.00)	12.4		1.29		0.086	0.06			
including		1.0 (195.00-196.00)	25.4		1.92	0.06	0.048			0.057	
including		0.35 (197.25-197.60)	325.0		17.90	0.61	0.087	0.37		0.45	0.108
including		1.0 (205.00-206.00)	66.9	0.05	1.19		1.12	0.36			
including		11.0 (211.00-222.00)	67.0		6.33		0.13			0.212	0.04
including		1.0 (231.00-232.00)	94.0		0.90	0.29		1.76		0.097	
including		1.0 (232.00-233.00)	8.1	0.19	0.18			0.09			
including		0.8 (238.20-239.00)	26.5		1.91		0.52	0.26	0.357	0.034	
including		1.0 (255.00-256.00)	48.3		1.43	0.09	0.24	0.10	0.069	0.042	
313.0	314.0	1.0	217.0	0.21	0.27	0.55	0.07	0.48		0.48	
335.0	340.0	5.0	23.5		0.08	0.17		0.43			
369.0	371.0	2.0	26.0		0.20	0.15		0.43			
384.0	385.0	1.0	15.9		0.10	0.24		0.10			
409.05	414.10	5.05	180.0	0.05	8.00	0.57		0.52	0.021	0.57	0.048
452.0	460.0	8.0	3.0		0.11	0.07		0.42			
473.2	480.0	6.8	1.7		0.24	0.06		0.14			