



Gold Aura Limited

A.B.N. 75 067 519 779

Tel: +61 7-38333833
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Level 6, 200 Creek Street, Brisbane

PO Box 728
Spring Hill Qld
Australia 4004

19 December 2006

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Re: Non-Renounceable Rights Issue – Letter to Share and Option Holders

Please find attached a copy of the letter sent to the Company's share and option holders.

Yours faithfully
GOLD AURA LIMITED

A handwritten signature in black ink, appearing to read 'J. Lemon'.

John Lemon
Company Secretary



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Dear Shareholder/Option Holder

NON - RENOUNCEABLE RIGHTS ISSUE

On 18 December 2006 Gold Aura Limited ("the Company") lodged a Prospectus with ASIC and the ASX, seeking to raise approximately \$2,837,717 (before costs) via a non-renounceable rights issue ("Issue") of approximately 25,797,431 new ordinary shares ("New Shares") at a price of 11.0 cents per share on the basis of 1 new share for every 3 shares held, together with 1 free attaching option per 2 New Shares. Each option will be exercisable at thirteen cents (\$0.13) on or before 31 March 2009. The New Shares and the shares issued upon exercise of the options will rank pari passu with existing shares on issue. All fractional amounts will be rounded up to the nearest whole number.

Gold Aura has 77,563,271 shares on issue which are quoted on the ASX. Approximately 170,978 shares are held by shareholders who do not have registered addresses in Australia and New Zealand and accordingly who are not eligible to participate in the Rights Issue. Gold Aura has 24,438,308 options on issue which are quoted on the ASX. Application will be made to the ASX for quotation of all securities issued pursuant to the Prospectus.

Holders of existing options may exercise their options prior to the Record Date if they wish to participate in the Issue.

Funds raised from the Issue are to be used to fund further evaluation and exploration of the Company's various projects and for working capital generally. During the remainder of the 2007 financial year (ending 30 June 2007), assuming that the Rights Issue is fully subscribed, the Company's proposed expenditure on the Company's project portfolio using the funds raised is:- Fergusson Island (PNG) – approximately \$650,000; Croydon (Queensland) – approximately \$400,000; Southern Bayankol (Kazakhstan) – approximately \$500,000; Saiyikale (China) – approximately \$50,000; and Brazil - approximately \$750,000. The balance of the funds raised will be used for working capital generally.

The timetable for the Issue is as follows:

Application to the ASX for quotation of Shares and Options under the Prospectus	15 December 2006
Lodgement of Prospectus with ASIC and the ASX	18 December 2006
Notice to Shareholders and Option holders	19 December 2006
Shares trade "Ex" the entitlements issue on the ASX	3 January 2007
Record Date to identify Eligible Shareholders and to determine Entitlements under the Prospectus	9 January 2007
Despatch of Prospectus and Entitlement and Acceptance Form ("Opening Date")	12 January 2007
Closing Date	2 February 2007
ASX notified of under-subscriptions	7 February 2007
Despatch of Share and Option Holding Statements	12 February 2007

The Record Date for determining eligibility to participate in the Issue is 9 January 2007.

It is anticipated that a Prospectus offering New Shares and Options for subscription will be mailed to Eligible Shareholders on 12 January 2007. Your Entitlement will be shown on the personalised Entitlement and Acceptance Form which will accompany the Prospectus when it is mailed to you. There is also a provision to take up more than your Entitlement, although you are not assured of receiving the New Shares applied for in excess of your Entitlement.

The Company reserves the right, within 3 months of the closing date of the Prospectus, to allot and issue any shortfall to eligible shareholders at the discretion of the Directors.

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

As stated, the Prospectus has been lodged with the ASX. The Prospectus may be viewed on the Australian Stock Exchange's website at www.asx.com.au, and on the Company's website at www.goldaura.com.au.

Before making a decision whether to take up any of these rights to New Shares, please read the Prospectus carefully when you receive it. The offer closes at 7pm (AEST) on 2 February 2007.

If you have any questions regarding your rights, or the mailing of the Prospectus and the accompanying Entitlement and Acceptance Form, please contact either the Company's share registry, Link Market Services Limited (Tel: 02 8280 7454) or the Company Secretary, John Lemon (Tel 07 3833 3833).

Yours Faithfully



Rob Murdoch
Chairman