



# Gold Aura Limited

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Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
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Dear Sir

## **Re: Fergusson Island Gold Project**

Gold Aura Limited (GOA) announces that it has commenced a pre-feasibility study into the commercial development of the Fergusson Island gold resources, in Papua New Guinea. The gold resources available for development total 880,000 ounces, with the potential for further drilling to increase that resource to well in excess of 1 million ounces.

Two separate resources occur on Fergusson Island. They both dip at an average 35 degrees NE and are amenable to open cut mining starting from surface and working down dip under alluvial cover until the marginal strip ratio is reached. One of the tasks of the pre-feasibility study will be to determine the optimum method of mining the deposit and the maximum commercially viable strip ratio.

The gold deposits are predominantly low grade, but enhanced by numerous higher grade zones that seem to coincide with major structural dilation. The pre-feasibility study will gain a better understanding of the structural geology of the higher grade zones.

It is envisaged that the project would involve the mining and processing of around one million tonnes of ore per annum. The gold contained with the ore mined is predominantly associated with sulphides. The pre-feasibility study will determine the optimum method of obtaining a low cost gold concentrate on site.

It is envisaged that the gold concentrate will be shipped from Fergusson Island for refining elsewhere. The study will determine the best method and location to refine the concentrate to produce gold bullion.

The pre-feasibility study will be supervised by GOA consultant mining engineer Mr Tim Prowse and is expected to be completed by the end of September 2004.

A preliminary assessment recently completed by GOA suggests that a highly profitable mining operation can be established. If the pre-feasibility study confirms that assessment, then GOA will move to a full feasibility study immediately thereafter.

The preliminary assessment suggests that an in pit cut off grade around 0.7 g/t Au may be possible. At a higher cut off of 1 g/t Au, the total combined gold resources are:

15.3 million tonnes at a grade of 1.8 g/t Au (880,000 ounces)

The Preliminary assessment suggests that up to 90% of the gold may be recovered by way of a sulphide concentrate. At a mining rate of 1 million tonnes per annum, the life of mine may be in excess of 10 years with annual gold production of 40,000 – 50,000 ounces per annum.

Yours faithfully

**GOLD AURA LIMITED**



Rob Murdoch  
Executive Chairman