GOLD AURA LIMITED




ANNUAL REPORT 2009

Building for the Future

COPORATE DIRECTORY

Directors
G B Starr (Non-executive Chairman)
K G Chapple (Managing Director)
J D Collins-Taylor (Non-executive Director)

Company Secretary
J A Lemon

Registered office
C\- KMW Accountants and Advisors
Level 1, 606 Sherwood Road
Sherwood QLD 4075
AUSTRALIA

Postal address
PO Box 1980
Sunnybank Hills QLD 4109
AUSTRALIA

Telephone	+ 61 7 3711 7720
	+ 61 418 758 301
Facsimile	+ 61 7 3711 7720

email: info@goldaura.com.au

ABN
75 067 519 779

Website address
www.goldaura.com.au

Share registry
Link Market Services Limited
Level 19
324 Queen Street
Brisbane QLD 4000
AUSTRALIA

Postal Address
GPO Box 2537
Brisbane QLD 4001
AUSTRALIA

Telephone: (02) 8280 7454
Facsimile: (07) 3228 4999

Auditors
Hacketts DFK Chartered Accountants

Stock exchange listings
Gold Aura Limited shares and options are quoted on the Australian Securities Exchange as codes "GOA" and "GOAOA" respectively.

SHAREHOLDER CALENDAR

Annual General Meeting: 10:00am, 20 November 2009,
Novotel Hotel
200 Creek Street
Brisbane, QLD
AUSTRALIA

Annual Report: September 2009

Half Yearly Report: March 2010

Quarterly Activities Report: last week of October, January, April and July

Gold Aura Limited's principal activity is the global exploration for world class mineral resources.

Its current focus is the development of the Sao Chico gold project in Brazil, evaluation of the mineralization discovered at Croydon and evaluating the Ferguson Island gold project in PNG.

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ANNUAL REPORT 2009

"The financial year just passed was a challenging but productive year for the Company"

"In the coming year we will build on our solid asset base to start generating the potential we see in our projects"

Chairman’s Overview

Dear Shareholders,

The financial year just passed was a challenging but productive year for the Company. Despite the worst financial crisis in many years, the Company has been able to survive and advance its Sao Chico project in Brazil. Recognising the market was not making funds available for exploration, the Company had to put all other projects on hold. This action is similar to the majority of other junior exploration companies in the industry worldwide.

The restriction on exploration activity did not slow down other potentially value adding corporate activity, with the Company advancing the JV with BacTech Mining on Fergusson Island PNG, and considering two merger opportunities.

The consideration of the merger opportunities reflects our strategy of transforming from a pure explorer which constantly relies on the market for financial support to a cash flow generating company that can maintain normal levels of exploration from operational cash flow.

“We aim to be in production at Sao Chico in the 2009/2010 financial year enabling cash flow from production to finance ongoing exploration”

As part of this transition, we recognised that we needed an asset that could begin production after the near term production potential of the Sao Chico gold project but before the long term potential of the Croydon Polymetallic project. This asset was needed so as to maintain a production and cash flow growth strategy while increasing our ability to generate potential production from internal sources. If approved by shareholders, the Crater Mountain assets that Gold Aura will acquire as part of the Anomaly Resources acquisition fits this strategy.

Crater Mountain is a significant asset which is under explored. It has had high quality exploration undertaken by BHP, Esso and CRA and was regarded as a tier-1 (high potential) asset. Rather than lack of prospectivity, it was other broader corporate strategic issues that have led to these premier multinational companies not completing their exploration programs. The Anomaly Resources Independent Geologist’s report outlines this in detail in the 30 January 2008 Prospectus. The report details the results of over 2,000 meters of drilling and trenching that has been undertaken to date. The historical work is estimated to have cost some $10m. The trenching results were so prospective it has led to locals achieving over 30g/t from rudimentary mining techniques.

One of the key assets of Anomaly Resources is its technical management team. As a result of the acquisition of Anomaly Resources, Peter Macnab will join the Gold Aura Board. Peter has been a discoverer or co-discoverer of other large projects in PNG such as Lihir, Wafi, Frieda River and Misima. Anomaly's Managing Director Robert McLean, who has also extensive experience in PNG, will also join the Board. With Ken Chapple, the Company will have a formidable exploration team to advance not only Crater Mountain but also Sao Chico and Croydon with expectation of maximising the value in these projects and leading to production.

We aim to be in production at Sao Chico in the 2009/2010 financial year enabling cash flow from production to finance ongoing exploration. We aim to arrange finance to fund any shortfall in exploration expenditure such that we can maximise the understanding and development of these projects in a short period of time.

In the coming year we will build on our solid asset base to start generating the potential we see in our projects. This will require funding however despite the resulting dilution we are of the strong belief that greater value will be generated.

I thank shareholders who supported the Company by remaining shareholders or increasing their stake by subscribing to the rights issue, which has proved very valuable for them. I also thank my fellow Directors who have endured a very difficult year and with me have supported the Company financially, enabling us to now be in a position to prosper from our assets.

G B Starr
Chairman

Dear Shareholders,

The Company has continued to operate in a market climate where the raising of exploration capital has been extremely difficult. As a result, the Non-renounceable Rights Issue to raise up to $1.545m was not fully subscribed, raising only $755k. In order to conserve funds, the Company has continued to scale back exploration on all projects except Sao Chico. Also, subsequent to 30 June 2009, the Company has signed a Merger Implementation Agreement with Anomaly Resources Limited and has issued Convertible Notes raising a total of $1.800m.

Sao Chico Gold and Base Metal Project, Tapajos Province Brazil (60%)

During the period the Company's wholly owned subsidiary, Gold Aura do Brasil Mineração Ltda. ("GOAB"), has moved to protect its interest in the Sao Chico gold property in Para State, Brazil, ("Sao Chico Project") by entering into an agreement to acquire an effective 60% interest in the Sao Chico Project via acquiring 100% of the Sao Chico Project and paying a 40% Net Profit Interest Royalty ("NPIR"). GOAB believes the Sao Chico Project can be put into limited production by the end of the calendar year, building up to an annualised gold production rate of some 20,000ozs per annum at a cash operating cost of less than US$200/oz and less than US$340/oz after the NPIR payment. As production is initially planned from near surface mining utilizing equipment that can mostly be hired from local sources, capital expenditure to commence production is expected to be less than US$450k.

"The Company has continued to operate in a market climate where the raising of exploration capital has been extremely difficult"

Location of Sao Chico project

Background

Previously GOAB had acquired a 60% interest in the Sao Chico Project via an Agreement entered into with Brazilian citizens Ademir and Jandira ("A&J") who had acquired 100% of the Sao Chico Project through a separate agreement entered into with the original owner Waldimiro.

Waldimiro then initiated court action in the Itaituba Court, Para State, to rescind his agreement entered into with A&J which had committed to transfer the Sao Chico Project to A&J.

Interim Court judgement

On 12 May 2009, the Itaituba Court handed down an interim court judgement in favour of Waldimiro whereby an injunction ("Liminar") was granted to suspend the agreement Waldimiro had entered into with A&J and provisionally transfer total control of the Sao Chico Project back to Waldimiro. This control includes the right for Waldimiro to undertake exploration on the granted Exploration Licence within the Sao Chico Project area and apply for the conversion of Garimpeira (local miner) Permits ("PLGs") into Exploration Licences for all those PLGs within the Sao Chico Project area that have their mineral rights confirmed by the Brazilian Department of Mines.

Following the Itaituba Court decision, GOAB also entered into a binding agreement with Waldimiro to protect its interest. The agreements with A&J and Waldimiro protect GOAB's interest in the Sao Chico Project regardless of which party wins the Court cases.

An interlocutory appeal was filed against the Liminar Ruling by A&J before the Para State Court of Appeals in early July 2009. The Court dismissed the appeal pending any further appeal being lodged. A&J then lodged a petition arguing against the dismissal of their appeal. This petition was subsequently dismissed late August 2009 and the Liminar was confirmed. A final Ruling of the Itaituba Court is now pending as to whether or not Waldimiro's Agreement with A&J will stand or be annulled. GOAB looks forward to commencing development of Sao Chico with whichever of the two contesting parties wins the right to ownership of the Sao Chico property.

Agreement with Waldimiro

As indicated above, GOAB has moved to further protect its interest in the Sao Chico Project by entering into an agreement with Waldimiro which details the operational and financial nature of the parties' relationship. This agreement would become operational upon a provisional court judgement in Waldimiro's favour coming into effect. Key terms of the agreement entered into with Waldimiro are as follows;

Acquisition of assets

Waldimiro will sell and GOAB will buy a 100% interest in Concessions currently controlled by Waldimiro. The Concessions include an Exploration Licence (or AP - approximately 15km^2) which covers the immediate Sao Chico area of interest as described in "About Sao Chico" below and Applications for PLGs which cover around 115km^2 including the Exploration Licence. Although the Exploration Licence can be transferred immediately to GOAB, the Applications for PLGs that have their mineral rights confirmed first have to be transformed into applications for exploration licences. When the respective exploration licences are granted they will be transferable into GOAB.

Mineral holding

The exploration licence will be transferred to GOAB immediately on the permanence of the injunction (noted above) being granted to Waldimiro. An extraction permit (guia de utilização) can then be applied for within the Exploration Licence which would enable mining and processing of up to 50,000 tonnes a year of gold ore for the term of validity of the exploration licence while evaluation of the property for a larger underground operation is undertaken.

As PLGs can only be held by Brazilian Nationals, Waldimiro will immediately apply for any Applications for PLGs, for which the mineral rights are confirmed, to be converted into one or more applications for Exploration Licences. Once so converted and the exploration licences having been granted, Waldimiro will then immediately transfer them into the Company.

Mining Facilities

Waldimiro to provide the land for all required facilities associated with production.

Obligations of Waldimiro

Transfer the existing Exploration Licence to GOAB, apply for Exploration Licences over the PLGs that have their mineral rights confirmed , transfer new Exploration Licences to the Company and apply for one or more extraction permits ("guias de utilização") which would allow a mining operation to be undertaken at Sao Chico up to the allowed levels;

Compensation payable by GOAB to Waldimiro

- BRL200k (A$127k) 14 days following the final ruling on A & J's interlocutory appeal and subsequent against the injunction being dismissed (to be paid in accordance with agreement with Waldimiro);
- BRL100k over 4 months following the ruling on A & J's interlocutory appeal against the injunction being dismissed;
- a Gold Royalty of BRL15 ($10) per oz of gold production; and
- a 40% Net Profit Interest Royalty. Both the Gold and NPIR are to be paid in the month following production.

About Sao Chico

The current knowledge of the property has provided encouragement for GOAB, in conjunction with the decreed owner, to commence planning for a small scale mining operation under an extraction permit (guia de utilização) as provided for under Brazilian mining law.

Evaluation of the Sao Chico Project for a larger underground operation will also be undertaken at this time. Early indications are that the small scale operation could be strongly cash positive, with operating costs below US$200/oz before NPIR payments. All labour, mining equipment and infrastructure can be sourced either locally or from within Brazil.

Five steeply dipping shear hosted veins have been identified in the SE corner of the Exploration Licence area and are covered by up to 5m of alluvial material. These are up to 3m wide and are expected to extend along strike for at least 1,000m at an average expected width of 1m.

Recently two further veins, 1.8km north and 1.65km NNE respectively of these five veins, have been identified. These vary from vein stringers several cms wide up to a single quartz vein 2m wide. Visible gold has been noted.

Small scale alluvial gold mining has been previously undertaken at Sao Chico by garimpeiros (local miners) who have encountered gold grades varying from a trace up to in excess of an ounce per tonne, particularly in the uppermost portion of the veins where supergene (secondary) gold enrichment has occurred.

Aerial View of Sao Chico

Recent investigation at Sao Chico have revealed that the veins are weathered to depths of up to 10m below the alluvial cover and are amenable to free digging by excavator. This has prompted a review of the procedure by which the property would be developed. It is now proposed that the veins would initially be open cut mined in the weathered zones in one or two benches down to the commencement of hard rock. As previous and current garimpeiro operations in the weathered portions of the veins at Sao Chico have encountered significant supergene enriched gold development, GOAB is targeting a gold grade of around 20g/t. While a grade of 20g/t is being targeted and that test work to determine if this is achievable will be undertaken, it should be noted that this grade is conceptual in nature and that there has been insufficient work undertaken to date to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The open cut (and later underground hard rock) operation would be undertaken under an extraction permit (guia de utilização) which provides for mining and processing of up to 50,000 tonnes a year of gold ore per year for the term of the exploration licence. It is anticipated that an extraction permit and the required accompanying environmental licence could be granted in time to allow mining to commence by December 2009. Over the expected strike length of the five veins (a combined length of at least 5km) it is anticipated that there is sufficient tonnage available to sustain the operation commencing at a rate of 50 tonnes per day and increasing to 100 tonnes per day after two months, until at least the end of 2012. Discovery of additional veins under the alluvial cover is considered likely and if this occurs it would extend the potential mine life.

It is proposed that underground hard rock mining would commence November 2011 at a rate of 50 tonnes per day and increasing to 100 tonnes per day after 6 months. The gold grade obtained by GOAB from surface rock sampling and channel rock sampling from within the shaft and drive developed on the Sao Chico vein has been determined to be around 15g/t. and this is the grade targeted in the underground operation. While a grade of 15g/t is being targeted and that test work to determine if this is achievable will be undertaken, it should be noted that extrapolation of this grade is conceptual in nature and that there has been insufficient work undertaken to date to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Surface ore piles at Sao Chico with channel sample locations indicated

Sampling comparisons for the main Sao Chico vein

Sample Location	Au (g/t)	Ag (g/t)	Pb %	Zn %	Cu %
Underground Channels in drive	15.15	7.8	0.86	0.44	0.03
Surface sampling of ore piles	19.01	39.3	1.96	1.27	0.11
Channel sampling of ore piles	17.54	13.2	1.66	0.51	0.07

"It is expected that all required mining and processing equipment is either locally available or available within Brazil and could therefore be hired without the need for any significant capital expenditure."

It is expected that all required mining and processing equipment is either locally available or available within Brazil and could therefore be hired without the need for any significant capital expenditure. Tailings dam capacity is already available and can be readily expanded and there is an ample water supply available from an on-site dam. Access is excellent as the property lies within a cleared farm area and lies along the main arterial road in the region. It is estimated that costs prior to production would be less than US$450k, although there would be some final payments associated with the project acquisition.

Review of Operations

Fergusson Island Gold Project, PNG (67%)

BacTech-Gold Aura joint venture agreement

In May 2008 the Company entered into a Joint Venture Agreement with BacTech (Barbados) Limited ("BBL") a wholly owned subsidiary of BacTech Mining Corporation (BacTech) of Canada over its Fergusson Island Gold Project in Papua New Guinea. However, during the quarter, BacTech advised that BBL is now being replaced by BacTech Gold Corporation ("BGC") under the same terms and conditions. BGC, also a wholly owned subsidiary of BacTech, has been specifically established to evaluate the commercial use of BacTech's bacterial oxidation expertise on acquired refractory gold projects.

Location of the Wapolu & Gameta tenements, Fergusson Island, PNG

BacTech is a world leader in bioleaching, a commercially proven technology and environmentally safe way to treat refractory gold ores like those at Gameta and Wapolu.

Revised documents for approval of BGC as the Company's new Joint Venture partner are being finalised for submittal to the PNG Government and all approvals are expected to be obtained before year end.

BacTech will be funding the initial C$500k payment of a C$1m payment for a further 10% of the Project (upon all approvals being secured) via the issue to the Company of 10m common shares in BacTech.

Croydon Gold and Minerals Project, North Queensland

The Croydon Project consists of two sub-projects, the Croydon Zinc Project which covers some 3,300m^2 north of Croydon and the Croydon Gold Project which covers most of the historic Croydon Goldfield (845,000oz gold and 950,000oz silver) in the immediate Croydon area.

The Croydon Zinc Project area is considered to be a covered extension of the Mt Isa Mineral Province that hosts world class mines (such as Mt Isa, Century, Ernest Henry, Cannington) and world class resources (such as Dugald River, Rocklands). If this interpretation is correct, the Project area holds considerable potential for further mineral the discovery of further mineral deposits. No field work was undertaken on this project during the quarter.

Unfortunately due to a lack of sufficient funding to undertake drilling of the high priority gravity targets, the offer period for the Queensland Government drilling subsidy of $25k has expired and cannot be extended.

Sazhen Gold Project, SE Kazakhstan (80%)

With no proposals having been being received for farm-in, the Company has decided to withdraw from the Kazakhstan Project (and its extrapolated extension into China).

Western Australian Projects (80%)

As only very limited work has been undertaken on one of the three projects, the Company has advised the vendors during the period that they were withdrawing from all three projects to rationalize exploration expenditure.

Corporate

Capital raising

During the period the Company raised funds through a Share Purchase Plan to shareholders which opened on 28 July 2008 and closed on 8 September 2008. A total of $165k was raised under the offer.

A Non-renounceable Rights Issue to raise up to $1.545m was undertaken during the second half of the period. The issue, which was not fully subscribed, raised $755k after the issue of 75.5m ordinary shares (at 1.0 cent per share) and 75.5m free attaching options (exercise price of 3.0 cents and expiring 30 June 2012.

The company also issued 9.5m ordinary shares (at 1.0 cent per share) and 9.5m free attaching options (exercise price of 3.0 cents per share, expiring 30 June 2012) to private investors raising $95k for working capital.

Also during the period the following unlisted options expired:

- 2.86m unlisted options expiring 1 April 2009, exercisable at 20 cents per share;
- 4.15m unlisted options expiring 2 April 2009, exercisable at 13 cents per share (ESOP); and
- 4.40m unlisted options expiring 2 April 2009, exercisable at 20 cents per share (ESOP).

Subsequent Events

Proposed takeover of Anomaly Resources Limited

On 15 July 2009 the Company announced its intention to make a takeover offer for all of the fully paid ordinary shares and Directors Shares in Anomaly Resources Limited ("Anomaly") (NSX: ANJ). Gold Aura and Anomaly also announced that they have entered into an agreement (the "Agreement") regarding Gold Aura's takeover offer (the "Offer") for all of the ordinary shares and Directors' shares of Anomaly.

Separate agreements will be entered into for the cancellation of the A, B and C Class shares in Anomaly on completion of the Offer.

The Offer has, subject to certain conditions precedent and in the absence of a superior offer, the unanimous support of the Anomaly Board of Directors. Under the proposed Offer, Anomaly shareholders would receive (pre-consolidation) 7.5 Gold Aura shares for every one Anomaly Resources ordinary share or Directors Share they hold. Following successful completion of the Offer, Anomaly shareholders holding ordinary and Directors shares would collectively hold an interest of approximately 61%[1] in Gold Aura.

Gold Aura believes that the proposed acquisition of Anomaly Resources provides an attractive addition to its asset base and enhances its growth profile as Anomaly Resources' Crater Mountain project is advanced to development status.

"Gold Aura believes that the proposed acquisition of Anomaly Resources provides an attractive addition to its asset base and enhances its growth profile as Anomaly Resources' Crater Mountain project is advanced to development status."

Gold Aura believes that the Anomaly assets are complementary to its own project portfolio. The combination of Anomaly Resources with Gold Aura will:

- add a potentially large long life asset complimenting the expected shorter life cash flow generating Sao Chico project;
- increase the Company's size and asset mix making it more attractive to a wider range of investors enabling financing of the Company's Sao Chico project into production sooner;
- create greater exposure to the gold price via Crater Mountain's potentially large deposit size; and
- increase the Company's technical expertise enhancing the operational capability for all three key projects Crater Mountain, Sao Chico and Fergusson Island.

It also gives Gold Aura access to Mr Peter Macnab, Chairman of Anomaly and the discover or co-discoverer of Lihir and discoverer of a number of other world class PNG projects such as Lihir, Wafi, Frieda River, Misima and Simberi.

[1] Based on Gold Aura ordinary shares of 239,649,833 and Anomaly Resources ordinary and director shares totalling 51,097,421.

The Offer would provide significant benefits to Anomaly shareholders. By accepting the Offer, benefits for Anomaly shareholders are expected to include:

- enhanced share trading liquidity;
- greater access to development finance;
- access to nearer term cash flow from the Sao Chico project; and
- access to corporate management.

Further details of this proposal are included in note 35 in the financial report.

The Crater Mountain gold project

The Anomaly project at Crater Mountain (Anomaly earning 70%) was identified as offering potential for significant long term sustained gold production.

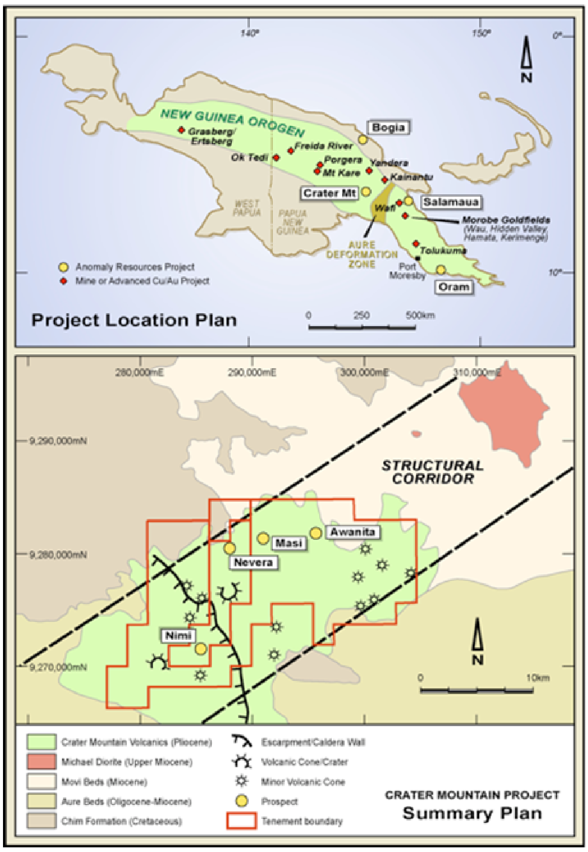
Crater Mountain is located within the same geological province which hosts many large world class copper-gold deposits in PNG such as Grasburg/Ertsburg, Ok Tedi, Porgera, Wafi Creek and Hidden Valley. Exploration to date has concentrated on the Nevera Prospect where sixteen wide-spaced drill holes over an area of 1,200 metres by 600 metres at the north of the Project have all intersected gold mineralisation. The average weighted grade for all holes (including internal waste zones) is 0.36g/t gold which demonstrates the large amount of gold potentially present in the system (a multi-million ounce gold target). The best gold drill intersections to date are:

- NEV 02: 121 m at 1.77g/t
- NEV 05: 151 m at 1.38g/t , including 24 m at 6.55g/t
- NEV 08: 178 m at 1.30g/t , including 32 m at 2.76g/t
- NEV 10: 129 m at 0.61 g/t , including 25 m at 1.60g/t
- NEV 11: 205 m at 0.86g/t , including 25.5 m at 2.36g/t

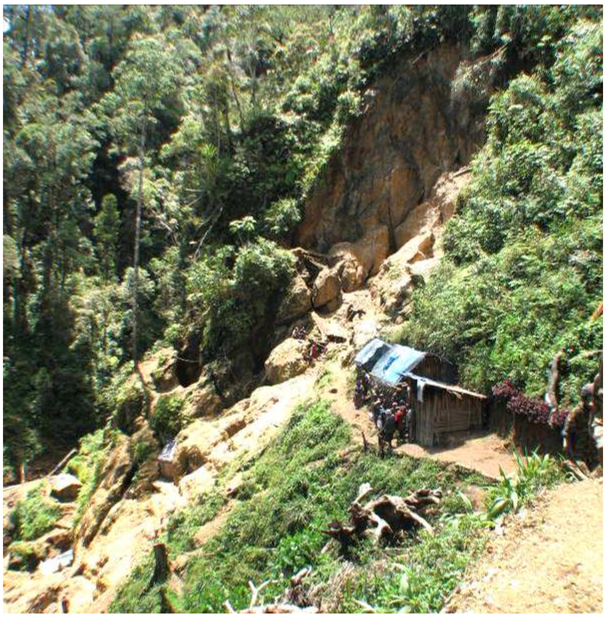
Within the Nevera Prospect area a high-grade near surface gold zone was discovered by trench sampling with results including:

- 48 m at 10.20g/t   26.5 m at 6.27/t
- 45 m at 2.90g/t   35 m at 3.10 g/t

This high-grade zone has been the site of artisanal mining operations since 2005 with annual production estimated (by local gold buyers) at 50kg of gold or 1,600oz. Anomaly is planning to undertake small scale mining of this zone in the short term.

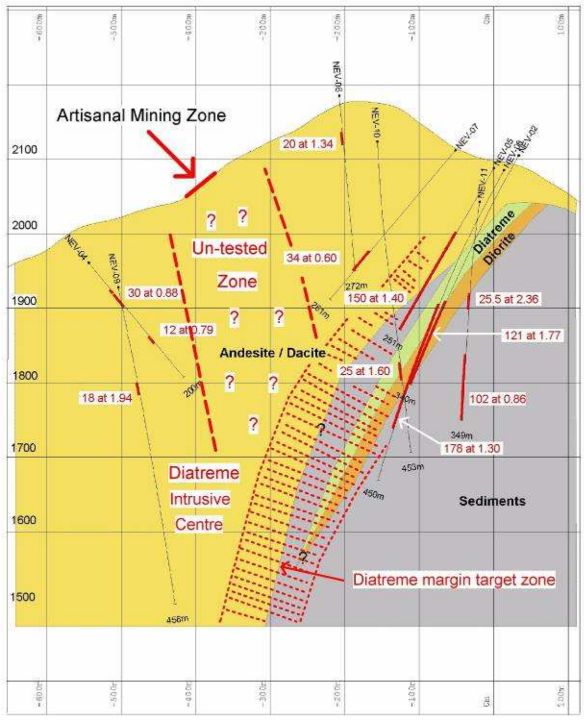


Crater Mountain project plan



Crater Mountain artisanal workings – Nevera Prospect

Management believes that production at Crater Mountain could commence on a small scale within 12 to18 months, with proceeds from production available as required for financing ongoing exploration.



Geological cross section and exploration results– Nevera Prospect

Crater Mountain exploration will be immediately financed by current fund raising activities and gold mining activities at Gold Aura's high grade Sao Chico property. Gold Aura believes that this 100% owned project can be put into limited production by the end of the calendar 2009, building up to an annualised production rate of some 20,000oz gold per annum at a cash operating cost of less than US$340/oz

The combination of Sao Chico and Crater Mountain production is expected to more than cover the ongoing exploration expenditure at Crater Mountain and regional Sao Chico. The company will therefore be cash flow positive after exploration with the potential for defining multimillion ounce deposits from its projects.

"The combination of Sao Chico and Crater Mountain production is expected to more than cover the ongoing exploration expenditure at Crater Mountain and regional Sao Chico. The Company will therefore be cash flow positive after exploration with the potential for defining multimillion ounce deposits from its projects."

Convertible Note issue

Subsequent to the period the company issued Convertible Notes raising a total of $1.8m. The purpose of this issue is to:

- meet short term working capital requirements;
- fund the development of the Sao Chico gold project in Brazil;
- fund any costs associated with any new corporate developments; and
- provide a loan to Anomaly pursuant to the MIA.

Further details regarding the Convertible Note issue are shown in note 35 in the financial report.

K G Chapple
Managing Director

Schedule of Tenements

Set out below is the schedule of tenements that Gold Aura Limited and its subsidiaries hold as at 28 September 2009:

Project	Tenements particulars	% ownership
Croydon (North Queensland)	EPM 8795	100%
	EPM 9438	100%
	EPM 10302	100%
	EPM 12302	100%
	EPM 13775	100%
	EPM 15989	100%
	EPM 16002	100%
	EPM 16003	100%
	EPM 16004	100%
	EPM 16046	100%
	EPM 16047	100%
	EPM 16062	100%
Fergusson Island (Papua New Guinea) [1]	EL 1025	67%
	EL 1070	67%

[1] The tenements were held in a joint venture with Yamana Gold Inc whose interest has diluted down from an initial 40% to 33% since their withdrawal from active funding of the projects. BacTech (Barbados) Limited is in the process of acquiring Yamana's interest in the projects.

The information contained on pages 2 to 8 of this report that relates to Exploration Results is based on information compiled by Mr K G 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.

Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Gold Aura Limited (referred to hereafter as "the Company") and its controlled entities for the year ended 30 June 2009.

Directors

The following persons were Directors of Gold Aura Limited during the whole of the financial year and up to the date of this report:

G B Starr (Chairman)
K G Chapple (Managing Director)
J D Collins-Taylor

Activities

The principal activities of the Group remained unchanged during the year and consisted of the exploration and evaluation of potential world class gold and other base metal projects. Further details of the Group's activities are included in the Chairman's Overview and Managing Director's Review of operation on pages 1 – 8 of this report.

Review of Operations and Results

The Group incurred a loss of $2,590,047 for the year ended 30 June 2009 (2008: $1,907,235). Further details of the Group's operations are included on pages 1 – 8 of this report.

Dividends

No dividends of the Company or any entity of the Group have been paid or declared or recommended since the end of the preceding year. The Directors do not recommend the payment of any dividend for the year ended 30 June 2009.

Significant Changes in the State of Affairs

The Directors are not aware of any significant change in the state of affairs of the Company that occurred during the financial year other than as reported elsewhere in the Annual Report.

Events Subsequent To Balance Date

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- the Group's operations;
- the results of those operations; or
- the Group's state of affairs

in subsequent financial years other than as disclosed on pages 1 – 8 of this report and at note 35 in the financial report.

Likely Developments

Likely developments in the Group's operations in future financial years and the expected results of those operations are referred to on pages 1 – 8. The Directors believe that additional information as to the likely developments in the Group's operations in future financial years, including the expected results of those operations, would result in unreasonable prejudice to the interest of the entity. Such information has not therefore been included in this report.

Information on Directors and Secretary

The Directors and Secretary of the Company in office at the date of this report and their qualifications, experience and special responsibilities are as follows:

G B Starr *(Non-executive Chairman)*

Mr Starr was appointed as a Director (Non-executive Chairman) on 19 February 2008. Mr Starr has over 20 years experience in corporate financial management, with the last 17 years focused on the resources and mining sector, including his most recent appointment as Chief Executive Officer and President of Golden China Resources Corporation, and previously as Chief Executive Officer of Michelago Limited and Chief Executive Officer of Emperor Mines Limited. Mr Starr is a member of the Australian Society of Certified Practicing Accountants, a fellow of the Association of Chartered Certified Accountants (UK) and a member of the Australian Institute of Company Directors.

Mr Starr is a member of the Audit Committee.

Mr Starr has an interest of 4,500,000 options and 5,000,000 ordinary shares in the Company.

K G Chapple BSc, BEcon *(Managing Director)*

Mr Chapple has been a Director since 2002 and been the Company's Managing Director since 20 April 2006. Prior to that appointment he was the Director responsible for the implementation and supervision of the Company's exploration programs. Mr Chapple has extensive experience in gold and base metal exploration. Before joining the Company, Mr Chapple worked for Union Resources Limited for 8 years and prior to that he was with BHP Exploration for 23 years.

Mr Chapple has an interest of 1,431,808 options and 2,863,616 ordinary shares in the Company.

J D Collins-Taylor BA Bus, ACA *(Non-executive Director)*

Mr Collins-Taylor has been a Director since 20 October 2005. He is a chartered accountant and was formerly with Deloitte Touche Tohmatsu for 12 years. Mr Collins-Taylor has worked in the private equity and venture capital fields in Asia since 1992. He has extensive finance experience, and has been involved in a number of major transactions involving companies listed on the London and Hong Kong Stock Exchanges. Mr Collins-Taylor has been a director of Union Resources Limited since May 2005 and its Chairman since November 2006.

Mr Collins-Taylor is Chairman of the Audit Committee.

Mr Collins-Taylor has an interest of 618,202 options and 1,236,404 ordinary shares in the Company.

J A Lemon BA LLB (Hons), GradDipAppFin (Finsia), GradDipAppCorpGov, FCIS *(Company Secretary)*

Mr Lemon has been Company Secretary since 13 February 2006. Mr Lemon is a qualified solicitor and has held a number of positions as Company Secretary and/or Legal Counsel with various companies, including roles with MIM Holdings Limited, General Electric Company and Bank of Queensland Limited. Mr Lemon has been a Director of Union Resources Limited since 2008. Mr Lemon has an interest of 570,000 ordinary shares in the Company

Directors' Interests in Shares and Options

The Directors' interests in shares and options of the Company are set out in note 29 in the financial report.

Directors' Meetings

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2009, and the numbers of meetings attended by each Director were:

Name	Board		Audit Committee	
	Held	Attended	Held	Attended
G B Starr[1]	19	19	3	3
K G Chapple	19	19	-	-
J D Collins-Taylor[2]	19	19	3	3

The meetings held represents the number of meetings held during the time the Director held office or was a member of the committee during the year.

1 Mr Starr is a member of the Audit Committee.
2 Mr Collins-Taylor is Chairman of the Audit Committee.

Environmental Regulation and Performance

The Group is subject to environmental regulation in relation to its former mining activities in North Queensland by the Environmental Protection Agency of Queensland. The Company complies with the Mineral Resources Act (1989) and Environmental Protection Act (1994).

Shares under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Expiry date	Issue price of shares ($)	Number of shares under option
30 June 2012	0.03	85,047,353 listed
1 April 2013	0.04	2,000,000 unlisted

Option holders do not have any rights under the options to participate in any share issue of the Company.

Shares Issued on the Exercise of Options

2,584 shares of the Company were issued during the year ended 30 June 2009 as a result of the exercise of options over unissued shares in the Company. They are as follows:

No of ordinary shares issued	Amount paid per share ($)	Amount unpaid per share
2,584	0.13	-

No further shares have been issued on the exercise of options since that date.

Indemnification and Insurance of Directors

During the year, the Company paid premiums of $16,864 to insure the Directors and officers of the Company in relation to all liabilities and expenses arising as a result of the performance of their duties in their respective capacities to the extent permitted by law.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditor (Hacketts DFK Chartered Accountants) for audit and non-audit services provided during the year are set out in note 32 in the financial report. Amounts paid for non-audit services are as follows:

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Tax compliance services	-	2,380	-	2,380
Total remuneration for non-audit services	-	2,380	-	2,380

There auditor did not provide any non-audit services for the financial year ended 30 June 2009. In prior years, the Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, has satisfied itself that the provision of non-audit services has been compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors have been satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Remuneration Report (Audited)

The information provided under headings (a) - (d) is provided in accordance with section 300A of the *Corporations Act 2001*. These disclosures have been audited.

(a) Principles used to determine the nature and amount of remuneration

As the Company has a relatively small Board, it has not established a formal nomination committee. The whole Board participates in the selection of Directors. The Board has adopted a Nomination and Remuneration Policy which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-executive Directors. The Corporate Governance Statement provides further information on the role of this Committee.

Executive Remuneration

The remuneration policy ensures that contracts for services are reviewed on a regular basis and properly reflect the duties and responsibilities of the individuals concerned. The executive remuneration structure is based on a number of factors including relevant market conditions, knowledge and experience with the industry, organisational experience, performance of the Company and that the remuneration is competitive in retaining and attracting motivated people. There are no guaranteed pay increases included in the senior executives' contracts.

Currently the executive remuneration comprises of a total fixed remuneration and does not comprise of any short term incentive schemes or equity based remuneration except the Managing Director. The Managing Director has been issued incentive options under the Company's Employee Share Option Plan. The exercise of these options is conditional of the Company's share price reaching certain prescribed conditions.

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. Non-executive Directors with the exception of the Chairman were issued incentive options under the Company's Employee Share Option Plan. Those options expired in April 2009.

Directors' Fees

The current base remuneration was last reviewed with effect from 23 November 2007.

Non-executive Director's fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $100,000 per annum and was approved by shareholders at the Annual General Meeting on 23 November 2007.

The following fees have applied for the year ended 30 June 2009:

- Chairman's base fee – $40,000 per annum.
- Work undertaken by the Chairman, in addition to that provided in his role as Chairman is charged at $2,500 per day or pro-rata for part thereof. As the Company has no full-time employees other than the Managing Director, to assist the Company, Mr Starr has managed all merger activities, investor relations and fund raising activities during the year. Given the financial position of the Company, Mr Starr has agreed to undertake this work at half of his contracted rate and on deferred payment terms with a portion of the payment to be taken as shares.
- Non-executive Director's base fee - $25,000 per annum.
- Work undertaken by the Non-executive Directors, in addition to that provided in their role as Non-executive Directors is charged at $2,000 per day or pro-rata for part thereof.
- Audit Committee – no additional fees payable.

The Chairman was issued 2,000,000 options during the year ended 30 June 2009 at an exercise price of 4.00 cents per share in with an expiry date of with an expiry date of 1 April 2013. These options vest in three equal tranches over a three year period on 19 February 2009, 19 February 2010 and 19 February 2011. Options over 666,667 shares vested in the financial year ended 30 June 2009.

Except for retirement benefits provided by the superannuation guarantee legislation, there are no retirement benefits for the Non-executive Directors.

Remuneration Report (Audited) (cont.)

(b) Details of remuneration

Details of the remuneration of the Directors and the key management personnel (as defined in section 300A *Corporations Act 2001*) of the Company and the Group are set out in the following tables.

The key management personnel of the Company and the Group includes the Directors as per page 10 and the following executive officers who have authority and responsibility for the planning, directing and controlling the activities of the Group.

Director / key management person	Short-term		Post-employment	Share-based payments[7]	Total
	Base fees/salary	Other[8]	Superannuation	Options	
	$	$	$	$	$
2009					
Non-executive Directors					
G B Starr, *Chairman* [1]	40,000	194,500	-	3,958	238,458
J D Collins-Taylor	25,000	-	-	-	25,000
Subtotal	65,000	194,500	-	3,958	263,458
Executive Directors					
K G Chapple, *Managing Director*	190,738	7,700	16,200	-	214,638
Other key management personnel					
J A Lemon[2]	45,600	-	-	-	45,600
I K White[3]	37,980	-	-	-	37,980
R Buckland	120,000	-	-	-	120,000
Total	**459,318**	**202,200**	**16,200**	**3,958**	**681,676**
2008					
Non-executive Directors					
G B Starr, *Chairman* [1]	14,355	36,000	-	-	50,355
R Murdoch [4]	3,667	2,500	-	-	6,167
J D Collins-Taylor	21,500	2,000	-	8,097	31,597
Subtotal	39,522	40,500	-	8,097	88,119
Executive Directors					
K G Chapple, *(Managing Director)*	180,000	-	16,200	32,387	228,587
Other key management personnel					
J A Lemon[2]	43,921	-	-	51	43,972
M Pratt [5,6]	51,154	-	4,603	-	55,757
R Buckland	120,000	-	-	-	120,000
Total	**434,597**	**40,500**	**20,803**	**40,535**	**536,435**

1 Mr Starr was appointed Chairman on 19 February 2008.
2 Mr Lemon was appointed Company Secretary on 13 February 2006.
3 Mr White was appointed as Chief Financial Officer on 2 February 2009.
4 Mr Murdoch resigned as Chairman on 17 August 2007.
5 Amounts shown are paid to Union Resources Limited.
6 Mr Pratt resigned as Chief Financial Officer and Director on 6 March 2008.
7 Share-based payments made to Directors were in the form of options.
8 Other relates to Board committee fees and/or consultancy services provided by Directors.

No other Directors, officers or executives of the Company received any share-based payments, other than those shown in the remuneration table above.

Remuneration Report (Audited) (cont.)

(b) Details of remuneration (cont.)

A summary of Director and key management personnel follows.

Remuneration component	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Short term	661,518	475,097	661,518	475,097
Post-employment benefits	16,200	20,803	16,200	20,803
Share-based payments	3,958	40,535	3,958	40,535
Total	**681,676**	**536,435**	**681,676**	**536,435**

(c) Service agreements

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for the Managing Director and other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below:

Key management personnel	K G Chapple *Managing Director*	J A Lemon *Company Secretary*	R Buckland *General Manager - Brazil*	I K White *Chief Financial Officer*
Commencement date	28 October 2005	13 February 2006	-	2 February 2009
Term of agreement	Three years	No fixed term	-	No fixed term
Base salary	$180,000 per annum	$150 per hour	$10,000 per month	$1,090 per day
MV Lease payments	$802 per month	-	-	-
Superannuation	9% of base salary	-	-	-
Period of notice	3 months	4 weeks	-	30 days

(d) Equity based compensation

Options granted as part of remuneration for the year ended 30 June 2009

The Employee Share Option Plan is designed to provide long term incentives for executives to deliver long term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

No options were issued under the Employee Share Option Plan during the financial year.

Options over 2,000,000 shares of the Company were issued during the year in accordance with an engagement agreement entered into with Mr Starr. There were no other shares issued as equity based compensation during the year.

Options granted

Director / key management personnel	Granted No.	Grant date	Value per option at grant date	Exercise price	Expiry date	Purpose
G B Starr	2,000,000	2 October 2008	$0.006	$0.04	1 April 2013	Part payment of Director's fees

Pursuant to Mr Starr's written engagement agreement, Mr Starr subscribed for and was issued 2,500,000 ordinary shares at an issue price of $0.04 cents per share. As a consequence of this issue and in accordance with Mr Starr's engagement agreement, Mr Starr received 1,250,000 free attaching options with an exercise price of $0.13, expiring on 31 March 2009. These terms were the same as those being offered to other investors by Australian Financial Services Licensee; Martin Place Securities Pty Ltd at that time. An independent valuation of the options valued the grant at $231 and shareholders approved the issue and the grant of free attaching options at a General Meeting held on 25 September 2008. The options lapsed on 31 March 2009.

(d) Equity based compensation (cont.)

The terms and conditions of the grant of 2,00,000 options to Mr Starr are as follows:

- Options exercisable at 4.0 cents before 1 April 2013.
- The options are options to subscribe for ordinary shares in the capital of the Company.
- The options were issued in consideration for the provision of Director's services.
- Shares issued on exercise of the option will rank pari passu with all existing shares of the Company from the date of issue.

Details of options over ordinary shares in the Company provided as remuneration to each Director of Gold Aura Limited and each of the key management personnel of the parent entity and the Group are set out below. When exercisable, each option is convertible into one ordinary share of Gold Aura Limited. Further information on the options is set out in note 30 in the financial report.

Name	Number of options granted during the year		Number of options vested during the year	
	2009	2008	2009	2008
Directors				
G B Starr	2,000,000	-	666,667	-
K G Chapple	-	4,000,000	-	4,000,000
J D Collins-Taylor	-	1,000,000	-	1,000,000
Other key management personnel				
J A Lemon	-	500,000	-	500,000
I K White	-	-	-	-
R Buckland	-	-	-	-

No options granted under the Employee Share Option Plan were exercised during the financial year.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Option pricing model

The following table lists the inputs to the models used for the year ended 30 June 2009.

Variable	G B Starr
Weighted average exercise price	$0.04
Weighted average life of the option	4.3 years
Underlying share price	$0.008
Expected share price volatility	144.81%
Risk free interest rate	3.99%

Historical volatility has been the basis for determining expected share price volatility as it is not expected that this volatility will change significantly over the life of the options.

The expected life of the options is taken to be the full period of time from grant date to expiry date as there is no expectation of early exercise of the options.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have not been rounded off in accordance with that Class Order to the nearest thousand dollars, but to the nearest dollar.

Corporate Governance

The Board of Directors is responsible for the Corporate Governance of the Group. The Board is committed to achieving the highest standards of corporate behaviour and accountability. The Company's corporate governance statement is contained in the following section of this report.

Signed for and on behalf of the Board in accordance with a resolution of the Directors.

G B Starr	**K G Chapple**
Chairman	**Managing Director**

28 September 2009

Corporate Governance Statement

The Listing Rules of ASX Limited require that the Company's Annual Report contain a statement disclosing the extent to which the Company has followed the corporate governance "Best Practice Recommendations" ("ASX Recommendations") of the ASX Corporate Governance Council during the financial year. There are 27 Recommendations, contained within 8 overall "Principles of Good Corporate Governance", and all are addressed in this Statement.

The Recommendations are guidelines rather than prescriptions, and a company has the flexibility not to adopt a particular Recommendation if the Company considers it inappropriate to the Company's particular circumstances, provided the Company explains why it has not followed the particular Recommendation.

Principle 1 – Lay solid foundations for management and oversight

The Board has formalised the functions reserved for the Board and those delegated to management in a "Board Charter". A copy of the Board Charter can be found on the Company's website (www.goldaura.com.au). Functions reserved for the Board are:

- setting the strategic direction and financial objectives of the Company and ensuring that appropriate resources are available;
- establishing the Company's corporate level and business level goals and monitoring and implementing strategies to achieve these goals;
- monitoring the implementation of policies and strategies and the achievement of financial objectives;
- reviewing the performance of all Board members and overseeing succession plans for the senior executive team;
- ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- ensuring that effective audit, risk management and internal controls are in place to protect the Company's assets;
- formulating risk management strategies and identifying, designing and implementing policies;
- monitoring the risk management process and strategies;
- setting specific limits of authority for the executive management to commit to new expenditure and enter into new contracts without Board approval;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- monitoring compliance with regulatory requirements (including continuous disclosures);
- reviewing the Board succession plans;
- monitoring ASX and regulatory disclosure requirements;
- monitoring the integrity of reporting including ensuring the preparation of accurate financial reports and statements;
- ensuring effective and timely reporting to stakeholders; and
- ensuring that shareholders are informed of all major developments affecting the Company's stare of affairs.

The Managing Director is responsible for the operations and administration of the Company and its subsidiaries. The performance of senior executives is monitored by the Board and in the case of the Managing Director, by the Non-executive Directors.

Principle 2 – Structure the Board to add value

The current Board of three members comprises two Non-executive Directors and one Executive Director. The names, skills and experience of the Directors in office at the date of this statement and the period of office of each Director are set out in the Directors' Report. The Directors believe that the composition of the Board is appropriate for its functions and responsibilities.

During the first part of the financial year a majority of the Board (Mr Collins-Taylor and Mr Starr) were considered to be Independent Directors in light of the considerations included in Box 2.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Mr Chapple, as an Executive Director (Managing Director) is not considered independent. As a result of the Company's small size Mr. Starr provided consulting services to the Company throughout the year to assist in the analysis and execution of material transactions of the Company, and would not, at least for the present, qualify as an independent director due to the extent of the consulting work undertaken by him for the Company.

The Board distinguishes between the concept of independence and issues of conflict of interest and material personal interest. The Board's policies and procedures ensure that interests in matters are disclosed by Directors and that Directors are excluded from voting on matters where conflicts of interest or material personal interests exist. All Directors are also able to obtain independent advice at the expense of the Company.

The composition of the Board is monitored to ensure that additional Independent Directors are appointed on a timely basis to fulfil specific skill sets needed by the Board to discharge its responsibilities competently and to meet its obligations.

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's senior executives. Regarding the Chairman's independence status, please see the comments above. The roles of Chairman and Chief Executive Officer are not exercised by the same person.

As Gold Aura Limited has a relatively small Board, it has not established a formal nomination committee. The whole Board participates in the selection of members of the Board. The Board has adopted a Remuneration and Nomination Policy, a copy of which appears on the Company's website (www.goldaura.com.au).

The Remuneration and Nomination Policy delegates to Non-executive Directors the responsibilities of:

- assessing the necessary competencies of Board members to add value to the Company;
- reviewing the Board's succession plans;
- evaluating the Board's performance; and
- providing recommendations for the appointment and removal of members of the Board and committees of the Board.

Principle 3 – Promote ethical and responsible decision making

The Company is firmly committed to ethical business practices, a safe workplace, and compliance with the law. Fair dealing with the Company's suppliers, advisors, customers, employees and competitors is expected at all levels of the organisation. All Directors, executive management and employees are expected to act with integrity to enhance the performance of the Group. The Company has established a Code of Conduct which provides a guide to the Directors and employees as to the practices necessary to maintain confidence in the Company's integrity and ethical practices. The Corporate Code of Conduct is contained in the "Corporate Governance Policy", a copy of which has been published on the Company's website (www.goldaura.com.au).

The Board has established written guidelines set out in its Corporate Ethics and Securities Funding Policy that sets guidelines for trading in the Company's shares by the Company's Directors. The policy restricts the buying or selling of Company Shares within seven days prior to the release of the half year and annual reports, and at any time during which the Directors are aware of unpublished price sensitive information.

The Corporate Ethics and Securities Trading Policy is also published on the Company's website (www.goldaura.com.au).

Principle 4 – Safeguard integrity in financial reporting

The Board requires the Managing Director and Chief Financial Officer to state in writing to the Board that the consolidated financial statements of the Company and its controlled entities present a true and fair view in all material respects of the financial condition and operational results and are in accordance with applicable accounting standards.

The Audit Committee has a formal written charter which sets out the Committee's role and responsibilities, composition, structure and membership requirements. A copy of the charter appears on the Company's website (www.goldaura.com.au).

The Audit Committee comprises Mr Collins-Taylor and Mr Starr, both of whom are Non-executive Directors. Mr. Collins-Taylor is an independent director. Mr. Starr was an independent director for the first part of the financial year but not so in the latter part – refer to the Principle 2 commentary (above). The Board believes that, given the financial expertise and independence usually of the two Committee members, two is an adequate number for the Committee at this time.

Details of the names and qualifications of the Audit Committee members and meetings attended by them are contained in the Directors' Report.

It is the Audit Committee's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

Meetings of the Committee are attended by invitation by the Managing Director, the engagement partner from the Company's external auditors and other senior staff or professional people considered appropriate.

The Audit Committee Charter charges the Audit Committee with responsibility for recommending to the Board the appointment, evaluation and termination of the external auditor, and reviewing and discussing with the external auditor all significant relationships the auditor has with the Company in order to ensure independence of the auditor.

The Company's current auditor complies with its obligations under of the *Corporations Act 2001 s324DA* and consequently any individual who plays a significant role in the audit of the Company will rotate off the audit after five years and will not participate in the audit again for a further two years. It was determined that no rotation was required for this financial year.

Principle 5 – Make timely and balanced disclosure

The Company has established policies and procedures designed to ensure compliance with the ASX Listing Rule requirements so that announcements are made in a timely manner, are factual, do not omit material information, are balanced, and are expressed in a clear and objective manner so as to allow investors to assess the information when making investment decisions. The Managing Director and Company Secretary are responsible for interpreting and monitoring the Company's disclosure policy and the Company Secretary is responsible for all communications with the ASX.

ASX announcements are also published on the Company's website. The Company's Corporate Governance Policy contains procedures relating to timely and balanced disclosure. A copy of this policy has been published on the Company's website (www.goldaura.com.au).

Principle 6 – Respect the rights of shareholders

The Company's policy is to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. The Company regularly communicates to its shareholders in a timely manner through a communications strategy that consists of:

- relevant disclosures made in accordance with ASX Listing Rule disclosure requirements;
- making documents that have been released publicly available on the Company's website;
- communicating with shareholders electronically through the Company's web-based application; and
- encourage shareholders to attend the Company's shareholder meetings.

The Company's website contains a Corporate Governance section that includes copies of policies, procedures and charters.

The Company has requested that the external auditor attend the Company's annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7 – Recognise and manage risk

The Company recognises that it is necessary to undertake activities that involve a level of risk in order to achieve high levels of performance. The Board and Audit Committee are responsible for the oversight of the Group's risk management and control framework.

The size of the Company and the comprehensive nature of its reporting systems have led the Board to conclude that a formal internal audit process would not be cost effective nor reduce risk. The Company has established policies for:

- the oversight of material business risks; and
- the Management of material business risks.

The Company's Managing Director, in consultation with the Company's management is charged with maintaining the Company's Risk Register and advising the Board of:

- recommended changes to the Risk Register;
- proposed measures to deal with material business risks faced by the Company; and
- the effectiveness of measures imposed to deal with the identified risks.

The Board in turn reviews the Company's Risk Register on a regular basis and:

- considers changes to the Risks Register and measures to deal with the risks proposed by the Managing Director; and
- makes decisions on those matters.

The Managing Director is charged with implementing the Board's decisions. The Managing Director reports to the Board on a regular basis as to the effectiveness of the Company's management of its material business risk.

The Board believes that there are adequate controls to ensure that financial reports provide a truthful and factual position for the Company.

The Managing Director and the Chief Financial Officer are required to make an annual written statement to the Board in accordance with section 295A of the Corporations Act that the section 295A declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material aspects in relation to financial risk.

Principle 8 – Remunerate fairly and responsibly

The Company has not established a formal Remuneration Committee. The whole Board is responsible for recommending and reviewing the remuneration arrangements for the Directors, Managing Director and key management personnel. The Board adopted a Remuneration and Nomination Policy, a copy of which has been published on the Company's website.

The Remuneration and Nomination Policy requires that a majority of Non-executive Directors must approve changes to the remuneration or contract terms of Directors, the design of new remuneration packages, equity-based remuneration packages, performance-based remuneration, any cash-based incentive plans and termination payments to Directors.

It is the objective of Gold Aura Limited to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration policy are:

- retention and motivation of key executives;
- attraction of quality management to the Company; and
- performance incentives which allow executives to share the rewards of the success of the Company.

Executive Directors are remunerated by means of a fixed base remuneration. The Company has previously issued under the Company's Employee Share Option Plan ("ESOP"), incentive options in the Company to each of the Company's Directors as a means of rewarding and incentivising the Company's Directors in a cost-effective way which helps to align their interests with those of the Company's shareholders. Those options have lapsed and none are currently on issue under the ESOP however the ability to issue more options under the ESOP exists.

As Non-executive Directors, Mr Collins-Taylor and Mr Starr are entitled to Director's fees. Non-executive Directors are not entitled to any retiring allowance payable upon their retirement as a Director of the Company. The details of the Directors' and senior executives' remuneration are set out in the Directors' Report and the financial report in note 30.

HACKETTS DFK

LEVEL 3
549 QUEEN STREET
BRISBANE QLD 4000

TELEPHONE « 07 3839 9733
FACSIMILE « 07 3832 1407

EMAIL « advice@hacketts.com.au
WEBSITE « www.hacketts.com.au

28 September 2009

The Chairman
The Board of Directors
Gold Aura Limited
Level 1, 606 Sherwood Road
Sherwood QLD 4075

AUDITOR’S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GOLD AURA LIMITED AND CONTROLLED ENTITIES

As lead audit partner for the audit of the financial report of Gold Aura Limited and controlled entities for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

HACKETTS DFK

Liam Murphy
Partner

AUDIT & ASSURANCE

HACKETTS DFK
ABN « 33 873 151 348

Consolidated Income Statement

For the financial year ended 30 June 2009

		Consolidated		Parent	
	Notes	2009 $	2008 $	2009 $	2008 $
Revenue from continuing operations	6	**4,496**	**40,687**	**4,496**	**40,687**
Expenses (excluding finance costs)	7	(845,648)	(761,929)	(617,823)	(857,617)
Impairment of assets		(1,731,119)	(1,178,267)	(814,056)	(1,615,895)
Finance costs		(17,776)	(7,726)	(7,484)	(4,794)
Loss before income tax		**(2,590,047)**	**(1,907,235)**	**(1,434,867)**	**(2,437,619)**
Income tax benefit	8	-	-	-	-
Loss from continuing operations		**(2,590,047)**	**(1,907,235)**	**(1,434,867)**	**(2,437,619)**
Loss from discontinued operations		-	-	-	-
Loss for the year		**(2,590,047)**	**(1,907,235)**	**(1,434,867)**	**(2,437,619)**

Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Company:

Basic loss - cents per share	9	-1.44	-1.51
Diluted loss - cents per share	9	-1.44	-1.51

Loss per share for profit attributable to the ordinary equity holders of the Company:

Basic loss - cents per share	9	-1.44	-1.51
Diluted loss cents - per share	9	-1.44	-1.51

The above consolidated income statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	11	60,798	175,598	60,601	175,598
Trade and other receivables	12	60,910	43,471	60,910	41,271
Total Current Assets		**121,708**	**219,069**	**121,511**	**216,869**
Non-Current Assets					
Receivables	13	162,421	134,995	3,851,745	3,272,956
Other financial assets	15	35,903	44,906	1,658,902	1,668,902
Exploration and evaluation	16	9,727,613	9,983,297	3,427,663	3,872,670
Property, plant and equipment	17	58,347	143,630	35,836	57,818
Total Non-Current Assets		**9,984,284**	**10,306,828**	**8,974,146**	**8,872,346**
Total Assets		**10,105,992**	**10,525,897**	**9,095,657**	**9,089,215**
LIABILITIES					
Current Liabilities					
Trade and other payables	18	566,866	667,772	343,792	615,416
Related party payables	19	498,288	94,590	498,288	94,590
Interest-bearing liabilities	20	59,943	28,040	37,160	-
Provisions	21	99,256	40,974	91,352	34,403
Total Current Liabilities		**1,224,353**	**831,376**	**970,592**	**744,409**
Non-Current Liabilities					
Interest-bearing liabilities	22	-	36,102	-	36,102
Provisions	23	-	47,530	-	47,530
Total Non-Current Liabilities		**-**	**83,632**	**-**	**83,632**
Total Liabilities		**1,224,353**	**915,008**	**970,592**	**828,041**
Net Assets		**8,881,639**	**9,610,889**	**8,125,065**	**8,261,174**
EQUITY					
Contributed equity	24	15,214,994	13,920,194	15,214,994	13,920,194
Reserves	25	1,113,959	547,962	1,066,780	1,062,822
Retained earnings	25	(7,447,314)	(4,857,267)	(8,156,709)	(6,721,842)
Total Equity		**8,881,639**	**9,610,889**	**8,125,065**	**8,261,174**

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the financial year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Total equity at the beginning of the year		**9,610,889**	**9,874,947**	**8,261,174**	**8,965,263**
Exchange differences on translation of foreign operations		562,041	(90,353)	-	-
Net income recognised directly in equity		**562,041**	**(90,353)**	**-**	**-**
Loss for the year		(2,590,047)	(1,907,235)	(1,434,867)	(2,437,619)
Total recognised income and expense for the year		**(2,028,006)**	**(1,997,588)**	**(1,434,867)**	**(2,437,619)**
Transactions with equity holders in their capacity as equity holders:					
Contribution of equity net of transaction costs	24	1,294,800	1,692,706	1,294,800	1,692,706
Fair value of options issued to employees		-	340	-	340
Fair value of options issued to Directors		3,958	40,484	3,958	40,484
Total equity at the end of the year		**8,881,641**	**9,610,889**	**8,125,065**	**8,261,174**
Total recognised income and expense for the year is attributable to:					
Members of Gold Aura Limited		(2,028,006)	(1,997,588)	(1,434,867)	(2,437,619)
Minority interest		-	-	-	-
		(2,028,006)	**(1,997,588)**	**(1,434,867)**	**(2,437,619)**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Cash flows from operating activities					
Payments to suppliers and employees		(598,197)	(695,275)	(573,585)	(646,337)
GST tax refunded		65,222	242,388	65,222	242,388
Interest received		4,438	47,454	4,438	47,454
Interest paid		(17,775)	(4,794)	(7,483)	(4,794)
Net cash (outflow) from operating activities	**34**	**(546,312)**	**(410,227)**	**(511,408)**	**(361,289)**
Cash flows from investing activities					
Payments for property plant and equipment		(5,770)	(11,048)	(5,770)	(10,220)
Proceeds from sale of plant and equipment		30,588	-	30,000	-
Proceeds from sale of investments		-	37,790	-	-
Payments for exploration and evaluation		(678,421)	(3,566,409)	(136,695)	(2,058,490)
Payments for / refund of security deposits		(2,500)	135,500	(2,500)	135,500
Loans to subsidiaries		-	-	(611,458)	(1,309,780)
Repayment of loans		-	36,361	-	-
Net cash (outflow) from investing activities		**(656,103)**	**(3,367,806)**	**(726,423)**	**(3,242,990)**
Cash flows from financing activities					
Proceeds from issue of ordinary shares and options		1,216,810	1,804,795	1,216,810	1,804,795
Share issue costs		(95,034)	(112,089)	(95,034)	(112,089)
Draw down of borrowings		-	-	-	-
Repayment of lease liabilities		(11,094)	(10,266)	(11,094)	(10,266)
Net cash (outflow) from financing activities		**1,110,682**	**1,682,440**	**1,110,682**	**1,682,440**
Net increase (decrease) in cash and cash equivalents		(91,733)	(2,095,593)	(127,149)	(1,921,839)
Cash and cash equivalents at beginning of the year		147,558	2,118,436	175,598	2,097,437
Effects of exchange rates		(29,962)	124,715	-	-
Cash and cash equivalents at end of the year	**11**	**25,863**	**147,558**	**48,449**	**175,598**

The above cash flow statement should be read in conjunction with the accompanying notes.

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial report includes separate financial statements for Gold Aura Limited (the 'Company') as an individual entity and the consolidated entity consisting of Gold Aura Limited and its subsidiaries ("Group"). Gold Aura Limited is a public company, limited by shares and domiciled in Australia.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASB), Australian Accounting Interpretation, and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted

The preparation of this financial report is presented below. They have been consistently applied unless otherwise stated.

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through the income statements, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of the financial report in conformity with Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company or parent entity as at 30 June 2009 and the results of all subsidiaries for the year then ended. Gold Aura Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

A list of consolidated entities contained in note 33 to the financial statements.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Gold Aura Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(f) Income Tax

The income tax expense or revenue for the year comprises current income tax expense or income and deferred tax expense or income.

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the income statements when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Gold Aura Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(g) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases (note 27).

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in other long term payables. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

(h) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at acquisition date, unless the notional price at which they could be placed in the market is a better indicator of fair value.

Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: loans and receivables, and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non current assets. Loans and receivables are included in receivables in the balance sheet (note 14). They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets, comprising principally equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories.

Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Recognition and derecognition

Purchases and sales of investments are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through income statements. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities which are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in income statements.

Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through income statements are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through income statements category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through income statements is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Fair value
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statements is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(l) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(m) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or when activities in the areas of interest have not yet reached a stage which permit reasonable assessment of the existence of economically recoverable reserves.

The ultimate recoupment of capitalised costs is dependent on the successful development and commercial exploitation, or sale, of the respective areas of interest. Accumulated costs in relation to an abandoned area are written off in full against profit/loss in the year in which the decision to abandon the area is made.

Where costs are capitalised on exploration, evaluation and development, they are amortised over the life of the area of interest to which they relate once production has commenced. Amortisation charges are determined on a production output basis, unless a time basis is more appropriate under specific circumstances.

Exploration, evaluation and development assets are assessed for impairment if:

(i) sufficient data exists to determine technical feasibility and commercial viability, and
(ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(n) Property, plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Asset	Depreciation rates
Plant and Equipment	4% – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payment transactions

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of option is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

(s) Rounding of amounts

The Company is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have not been rounded off in accordance with that Class Order to the nearest thousand dollars, but to the nearest dollar.

(t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as an operating cash flow.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

2 New Accounting Standards and Interpretations

The following standards and amendments were available for early adoption but have not been applied by the Group in these financial statements:

AASB amendment	Standards affected		Outline of amendment	Application date of standard	Application date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting has been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	01/01/2009	01/07/2009
	AASB 6	Exploration for and Evaluation of Mineral Resources			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	01/01/2009	01/07/2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	01/01/2009	01/07/2009
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	01/01/2009	01/07/2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	01/01/2009	01/07/2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	01/01/2009	01/07/2009

3 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below.

Exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed regularly to ensure that the capitalised expenditure is only carried forward to the extent that it is expected to be recouped through the successful development of the area of interest or when activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves. This policy is outlined in note 1.

4 Financial Risk Management

The Group's major area of risk is managing liquidity and cash balances and embarking on fundraising activities in anticipation of further projects.

The activities expose the Group to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other risks, ageing analysis for credit risk.

Risk management is carried out under policies set by the Managing Director and approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the US dollar, Papua New Guinean Kina and Brazilian Reals.

As the Group is still in the exploration and evaluation stage, it has not needed to use forward contracts to manage foreign exchange risk. The Board will continue to monitor the Group's foreign currency exposures.

Price risk

The Group is exposed to commodity price risk. The commodity prices impact the Group's capacity to raise additional funds.

4 Financial Risk Management (Cont.)

(b) Credit risk

The credit risk on financial assets of the Group which have been recognised in the consolidated balance sheet is generally the carrying value amount, net of any provisions for doubtful debts.

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the ability of the Group to raise funds on capital markets. The Managing Director and the Board continue to monitor the Group's financial position to ensure that it has available funds to meet its ongoing commitments (refer to note 5).

(d) Cash flow interest rate risk

The Group's exposure to interest-rate risk is summarised in the following table:

	Notes	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
		$	$	$	$
2009					
Financial assets					
Cash and cash equivalents	11	60,798	-	-	60,798
Other receivables (excluding prepayments)	12,13	-	-	196,781	196,781
Other financial assets	12	-	12,500	35,903	48,403
		60,798	12,500	232,684	305,982
Weighted average interest rate		*3.24%*	*6.19%*		
Financial liabilities					
Bank overdraft	20	34,935	-	-	34,935
Trade and other payables & related party payables	18,19	-	-	1,065,154	1,065,154
Lease liabilities	20, 22	-	25,008	-	25,008
		34,935	25,008	1,065,154	1,125,097
Weighted average interest rate		*7.65%*	*8.48%*	-	-
Net financial assets/(liabilities)		25,863	(12,508)	(832,470)	(819,115)
2008					
Financial assets					
Cash and cash equivalents	11	175,598	-	-	175,598
Trade and other receivables	12,13	-	-	157,834	157,834
Other financial assets	12	-	12,500	32,406	44,906
		175,598	12,500	190,240	378,338
Weighted average interest rate		*6.75%*	*7.40%*		
Financial liabilities					
Bank overdraft	20	28,040	-	-	28,040
Trade and other payables	18,19	-	-	762,362	762,362
Lease liabilities	20, 22	-	36,102	-	36,102
		28,040	36,102	762,362	826,504
Weighted average interest rate		*10.00%*	*8.48%*	-	-
Net financial assets/(liabilities)		147,558	(23,602)	(572,122)	(448,166)

Fixed interest rate items mature within 12 months.

4 Financial Risk Management (Cont.)

(e) Fair value estimation

The fair value of assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(f) Sensitivity analysis

Foreign currency risk sensitivity analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Change in profit				
Movement in AUD to USD by + 5%	137	693	-	-
Movement in AUD to USD by - 5%	(151)	(767)	-	-
Change in equity				
Movement in AUD to USD by + 5%	-	(219,956)	-	-
Movement in AUD to USD by - 5%	-	243,111	-	-

The Group is also exposed to fluctuations in the value of the Australian Dollar to the PNG Kina (PKG) and Brazilian Real (BRL). At 30 June 2009, the effect on profit and equity of the Consolidated Group as a result of changes in the value of the Australian Dollar to the PKG and BRL, with all other variables remaining constant is as follows:

Movement to AUD	*Change in profit $*	*Change in equity $*	Movement to AUD	*Change in profit $*	*Change in equity $*
PKG by + 5%	10	(5,234)	BRL by + 5%	527	(14,036)
PKG by - 5%	(11)	5,785	BRL by – 5%	(583)	15,514

5 Going Concern

The financial statements are prepared on a going concern basis not withstanding that the Group has incurred a net loss after tax of $2,590,047 for the full year with cash outflows from operating and investing activities of $1,202,415 and as at 30 June 2009, the Group had net current liabilities of $1,102,644 including cash on hand of $60,798.

In determining the appropriateness of the accounts being presented on a going concern basis the Directors have recognised that;

a) since the end of the financial year, the Company has raised a further $1.8m in cash by way of an issue of 2 year convertible notes (note 35);

b) the agreement entered into with BacTech Mining (as detailed on page 5 of the Review of Operations) where, on certain approvals and availability of sufficient capital, BacTech (Barbados) Limited will pay the Company C$1.0m;

c) the expected success of further fundraising to finance to the development of the Sao Chico project; and

d) the economic performance of the Sao Chico project which is expected to commence in the financial year ending 30 June 2010.

Directors note the recent success in raising funds, the improved valuation of the company by the market and the improved valuation of similar companies operating in similar environments. As a result, while there is recognition of the matters above given the improved outlook by the market on the Company's assets and strategies, they have an improved outlook on the Company continuing as a going concern. As a result, the Directors are of the opinion that the financial statements can be prepared on a going concern basis and the Group will be able to pay its debts as and when they fall due and payable.

The Directors are of the opinion that the Group has the ability to continue as a going concern so long as it is not materially affected by any adverse change in the external environment in which it operates. This would include, but not be limited to, its ability to raise sufficient capital to finance its exploration and development commitments and ongoing operational expenditure. Should the above assumptions not be achieved, the going concern basis may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial statements. No allowance for such circumstances has been made in the financial information.

6 Revenue From Continuing Operations

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Interest	**4,496**	**40,687**	**4,496**	**40,687**

7 Expenses

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Expenses, excluding finance costs, included in the income statement classified by nature				
Audit fees [1]	74,647	46,003	74,647	46,003
Accounting	45,754	17,610	45,754	17,610
BacTech Mining - Fergusson Island negotiations	25,000		25,000	
Consulting fees	129,147	117,150	129,147	117,150
Director related expenses				
- directors fees	65,000	39,522	65,000	39,522
- reimbursable expenses	8,091	5,125	8,091	5,125
- share-based payments to directors	3,958	40,535	3,958	40,535
Total director related expenses	77,049	85,182	77,049	85,182
Depreciation and amortisation expense	3,683	11,728	3,683	11,728
Employee benefits expense [2]	100,282	215,407	100,282	215,407
Foreign exchange losses (net)	(29,485)	30,437	(187,225)	128,770
Fundraising	25,000	-	25,000	-
General administration expenses	31,502	53,739	31,039	51,403
Insurance				
- directors & officers indemnity insurance	16,864	21,162	16,864	21,162
- other	2,166	5,175	2,166	5,175
Total insurance	19,030	26,337	19,030	26,337
Loss on disposals	87,596	1,491	17,974	1,182
Marketing and promotion expenses	13,036	35,105	13,036	35,105
Occupancy expenses	38,173	28,374	38,173	28,374
Other merger negotiations	75,000	-	75,000	-
Premier merger costs	34,500	-	34,500	-
Share registry / meeting costs	54,957	50,934	54,957	50,934
Telephone	12,448	10,412	12,448	10,412
Travel	28,329	32,020	28,329	32,020
	845,648	**761,929**	**617,823**	**857,617**

1. Audit fees for 2009 include a late charge of $20,602 that relates to the 2008 audit. Audit fees for 2009 adjusted for this amount is $54,045 (adjusted 2008: $66,605).

2. Included in this amount is:

- $29,261 administration employee costs recharged by Union Resources Ltd for the period 1 July 2008 to 31 December 2008 during which Union Resources provided administrative services to the Company;
- $67,877 employment cost for K G Chapple. Mr Chapple's technical time is capitalised and charged to the relevant tenement; and
- $3,144 workers compensation premium.

8 Income Tax

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
(a) Income tax				
Current tax expense/(revenue)	-	-	-	-
(b) Numerical reconciliation of income tax revenue to prima facie tax receivable				
Loss before income tax	(2,590,047)	(1,907,235)	(1,434,867)	(2,437,619)
Tax at the statutory income tax rate of 30% (2008 – 30%)	(777,014)	(572,171)	(430,460)	(731,286)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Effect of transactions within the Group that are not exempt from taxation	(8,641)	-	-	-
Non-deductible share based payments	1,187	12,247	1,187	12,247
Other	(36)	362	-	362
	(784,504)	(559,562)	(429,273)	(718,677)
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	784,504	559,562	429,273	718,677
Total income tax expense	-	-	-	-
(c) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	12,451,908	10,777,043	8,473,820	7,628,503
Potential tax benefits @ 30%	**3,735,572**	**3,233,113**	**2,542,146**	**2,288,551**
(d) Unrecognised temporary differences				
Temporary differences for which deferred tax assets and liabilities have not been recognised:				
Exploration and evaluation	(6,178,729)	(8,618,360)	(3,427,663)	(3,872,670)
Property, plant & equipment	(20,699)	(20,699)	(20,699)	(20,699)
Accruals	54,443	54,127	54,443	54,127
Employee entitlements	99,256	81,933	91,350	81,933
Lease liabilities	25,008	36,103	25,008	36,103
Capital raising costs	229,777	236,242	229,777	236,242
Interest receivable	-	(309)	-	(309)
Provision for write down of investment in subsidiary	-	-	633,049	633,049
Provision for write down of loan	-	-	1,537,034	1,332,781
Unrealised foreign exchange differences	-	-	43,802	232,563
Provision for write down of investment	125,000	125,000	125,000	125,000
Business related investment costs	162,139	-	162,139	-
Business related capital costs	51,390	-	51,390	-
Prepayments	-	(3,020)	-	(3,020)
Subtotal	(5,452,415)	(8,108,983)	(495,370)	(1,164,900)
Potential tax effect at 30%	**(1,635,725)**	**(2,432,695)**	**(148,611)**	**(349,470)**

The above deferred tax liability has not been recognised as there are sufficient tax losses for which no deferred tax asset has been recognised to offset the potential deferred tax liability.

Unused tax losses which have not been recognised as an asset will only be obtained if:

- the economic entity derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- the economic entity continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the economic entity in realising the losses.

	Consolidated 2009 Cents	Consolidated 2008 Cents
9 Earnings Per Share		
(a) Basic loss per share		
Profit / (loss) from continuing operations attributable to the ordinary shareholders of the Company	-1.44	-1.51
Profit / (loss) attributable to the ordinary shareholders of the Company	-1.44	-1.51
(b) Diluted loss per share		
Profit / (loss) from continuing operations attributable to the ordinary shareholders of the Company	-1.44	-1.51
Profit / (loss) attributable to the ordinary shareholders of the Company	-1.44	-1.51

The calculation of basic earnings per share at 30 June 2009 was based on the continuing operations loss attributable to ordinary shareholders of $2,590,047 (2008 loss: $1,907,235) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 179,608,243 (2008: 126,685,634), calculated as follows:

(c) Weighted average number of shares used as a denominator	2009 Shares	2008 Shares
	179,608,243	126,685,634

At the year end, the Company had 87,047,353 options on issue (refer note 24), representing:

- 85,047,353 listed options on issue with an exercise price of 3.0 cents; and
- 2,000,000 unlisted options with an exercise price of 4.0 cents.

It was unlikely that the options would have been converted into shares at the end of the financial year as the share price at that time was 1.1 cents, which was below the exercise price for the options. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share. The options have not been included in the calculation of diluted loss per share as they are anti-dilutive.

10 Segment Information

Accounting policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Description of segments

Business segments
The Group's operations are organised and managed by individual exploration and evaluation projects. Current projects are Croydon, Fergusson Island, Sazhen, Sao Chico and Western Australia.

Geographic segments
Geographically, the Group operations within three geographic segments, being Australia, Papua New Guinea, Central Asia and South America.

10 Segment Information (cont.)

(a) Primary reporting format – business segments

	Croydon	Fergusson Island	Sazhen	Sao Chico	Corporate	Elimination	Consolidated
	$	$	$	$	$	$	$
2009							
Other revenue	-	-	-	-	4,496	-	4,496
Total segment revenue	-	-	-	-	4,496	-	4,496
Segment result	(17,974)	529,050	962	(59,558)	(1,416,893)	(1,625,634)	(2,590,047)
Income tax benefit	-	-	-	-	-	-	-
Loss for the year	(17,974)	529,050	962	(59,558)	(1,416,893)	(1,625,634)	(2,590,047)
Segment assets	3,379,676	2,924,015	-	1,941,372	5,715,981	(3,855,052)	10,105,992
Segment liabilities	-	(2,814,094)	-	(1,646,655)	(970,591)	4,206,987	(1,224,353)
Acquisition of property, plant and equipment and other exploration assets	197,497	130,971	16,364	591,862	25,063	-	961,757
Depreciation and diminution in asset values	440,618	2,684	1,126,277	-	200,958	-	1,770,537
2008							
Other revenue	-	-	-	-	40,687	-	40,687
Total segment revenue	-	-	-	-	40,687	-	40,687
Segment result	-	(19,252)	-	4,685	(2,437,619)	544,951	(1,907,235)
Income tax benefit	-	-	-	-	-	-	-
Loss for the year	-	(19,252)	-	4,685	(2,437,619)	544,951	(1,907,235)
Segment assets	3,650,455	2,344,819	985,907	1,375,478	5,438,760	(3,269,522)	10,525,897
Segment liabilities	-	(2,693,174)	(985,913)	(1,013,762)	(828,040)	4,605,881	(915,008)
Acquisition of property, plant and equipment and other exploration assets	2,073,847	574,132	99,139	710,193	10,220	-	3,467,531
Depreciation and diminution in asset values	-	2,121	9,326	6,728	23,518	-	41,693

(b) Secondary reporting format – geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment and other non-current segment assets	
	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$
Australia	4,496	40,687	5,240,605	5,819,693	222,560	2,084,067
Papua New Guinea	-	-	2,924,015	2,344,819	130,971	574,132
Central Asia	-	-	-	985,907	16,364	99,139
South America	-	-	1,941,372	1,375,478	591,862	710,193
	4,496	**40,687**	**10,105,992**	**10,525,897**	**961,757**	**3,467,531**

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$

11 Current Assets - Cash and Equivalents

Cash at bank and on hand	**60,798**	**175,598**	**60,601**	**175,598**

The effective (weighted average) interest rate on short term bank deposit was 3.24% (2008: 7.08%).

Cash at the end of the financial year as shown in the cash flow statements is reconciled to items in the balance sheets as follows:

Cash at bank and in hand	60,798	175,598	60,601	175,598
Bank overdrafts	(34,935)	(28,040)	(12,152)	-
	25,863	**147,558**	**48,449**	**175,598**

12 Current Assets - Trade and Other Receivables

Interest receivable	-	309	-	309
GST receivable	34,360	22,530	34,360	22,530
Prepayments	14,050	20,632	14,050	18,432
Deposits	12,500	-	12,500	-
	60,910	**43,471**	**60,910**	**41,271**

13 Non-Current Assets - Other Receivables

Other debtors	162,421	134,995	-	-
Loans to controlled entities	-	-	4,200,100	4,605,737
Provision for doubtful debts	-	-	(348,355)	(1,332,781)
	162,421	**134,995**	**3,851,745**	**3,272,956**

14 Non-Current Assets - Available for Sale Financial Assets

At 1 July	-	125,000	-	125,000
Acquisitions	-	-	-	-
At the end of the year	-	125,000	-	125,000
Less: Provision for impairment	-	(125,000)	-	(125,000)
Closing value at 30 June	**-**	**-**	**-**	**-**

		Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
15 Non- Current Assets - Other Financial Assets					
Shares in subsidiaries		-	-	2,261,117	2,261,951
Provision against shares in subsidiaries		-	-	(632,215)	(633,049)
Security deposits	Note 28	35,903	32,406	30,000	27,500
Motor vehicle lease guarantee		-	12,500	-	12,500
		35,903	**44,906**	**1,658,902**	**1,668,902**
16 Non-Current Assets - Exploration and Evaluation					
At the beginning of the year					
Cost		9,983,297	7,564,214	3,872,670	2,811,679
Provision for impairment		-	-	-	-
Net book value		**9,983,297**	**7,564,214**	**3,872,670**	**2,811,679**
Opening net book value		9,983,297	7,564,214	3,872,670	2,811,679
Expenditure capitalised		903,987	3,497,722	164,791	2,114,258
Intercompany transfers		-	-	-	-
Disposals		-	-	-	-
Written-off		(1,731,234)	(1,053,266)	(609,798)	(1,053,267)
Effect of movement in exchange rates		571,563	(25,373)	-	-
Closing net book value		9,727,613	9,983,297	3,427,663	3,872,670
At the end of the year					
Cost		9,727,613	9,983,297	3,427,663	3,872,670
Provision for impairment		-	-	-	-
Net book value		**9,727,613**	**9,983,297**	**3,427,663**	**3,872,670**

The ultimate recovery of the carrying value of the capitalised exploration and evaluation expenditure is primarily dependent upon the successful development and commercial exploitation, or alternatively, the realisation of the relevant areas of interest at amounts in excess of their book values. In particular the net book value of the three key assets of the company comprise; a) Sao Chico b) Croydon and c) Fergusson Island.

Sao Chico

The net book value of the Sao Chico project in the consolidated balance sheet of $1.916m is supported by the expected cash flow generated from this project - planned to commence within the 2010 financial year.

Croydon

The net book value of the Croydon project in the consolidated balance sheet of $3.380m represents capitalised exploration and evaluation expenditure incurred to the end of the financial year. While activity in the area has not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, the exploration and evaluation activity is planned to continue with high quality drilling targets identified on the lease.

Fergusson Island

The net book value of the Fergusson Island project in the consolidated balance sheet of $2.751m represents capitalised exploration and evaluation expenditure incurred to the end of the financial year. While activity in the area has not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, the exploration and evaluation activity is planned to continue with high quality drilling targets identified on the lease.

Refer Review of Operations for further information on these key assets of the Company.

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $

17 Non-Current Assets - Plant and Equipment

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Plant and equipment				
Cost	112,981	225,177	68,253	66,236
Accumulated depreciation	(70,260)	(112,925)	(48,043)	(39,796)
Net book value	**42,721**	**112,252**	**20,210**	**26,440**
Equipment under finance lease				
Cost	47,190	47,190	47,190	47,190
Accumulated depreciation	(31,564)	(15,812)	(31,564)	(15,812)
Net book value	**15,626**	**31,378**	**15,626**	**31,378**

A reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and prior financial years is set out below.

	Plant and equipment	Equipment under finance lease	Total
Consolidated			
Carrying amount as at 1 July 2007	138,846	47,190	186,036
Additions	10,220	-	10,220
Disposals	(2,769)	-	(2,769)
Depreciation expense	(7,706)	(4,022)	(11,728)
Depreciation capitalised	(18,175)	(11,790)	(29,965)
Effect of movements in exchange rates	(8,164)	-	(8,164)
Carrying amount as at 30 June 2008	**112,252**	**31,378**	**143,630**
Additions	57,770	-	57,770
Disposals	(118,184)	-	(118,184)
Depreciation expense	(3,683)	-	(3,683)
Depreciation capitalised	(19,869)	(15,752)	(35,621)
Effect of movements in exchange rates	14,435	-	14,435
Carrying amount as at 30 June 2009	**42,721**	**15,626**	**58,347**
Parent			
Carrying amount as at 1 July 2007	28,264	47,190	75,454
Additions	10,220	-	10,220
Disposals	(1,162)	-	(1,162)
Depreciation expense	(7,706)	(4,022)	(11,728)
Depreciation capitalised	(3,176)	(11,790)	(14,966)
Carrying amount as at 30 June 2008	**26,440**	**31,378**	**57,818**
Additions	57,770	-	57,770
Disposals	(47,974)	-	(47,974)
Depreciation expense	(3,683)	(15,752)	(19,435)
Depreciation capitalised	(12,343)	-	(12,343)
Carrying amount as at 30 June 2009	**20,210**	**15,626**	**35,836**

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$

18 Current Liabilities - Trade and Other Payables

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Trade payables	256,008	399,485	254,406	400,438
Accruals [1]	54,443	108,107	54,443	92,034
Other payables [2]	256,415	160,180	34,943	122,944
	566,866	**667,772**	**343,792**	**615,416**

1. Audit fees; $35,200, legal fees; $6,083, salaries and wages; $5,285, FBT; $4,993, share registry services; $2,036, other; $846.
2. Includes $189,946 for the payment of BRL300,000 in respect of the Sao Chico project (Waldimiro) as part of the acquisition of the project.

19 Related Party Payables

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
J D Collins-Taylor (ACM Pty Ltd)	59,533	19,000	59,533	19,000
G B Starr (G Starr and Associates Pty Ltd)	225,248	55,391	225,248	55,391
K G Chapple	33,910	11,000	33,910	11,000
K G Chapple (K C Integrated Consulting Pty Ltd)	7,700	-	7,700	-
J A Lemon	30,938	9,199	30,938	9,199
I K White (Professional-Edge Pty Ltd)	41,821	-	41,821	-
R Buckland	99,138	-	99,138	-
	498,288	**94,590**	**498,288**	**94,590**

20 Current Liabilities - Interest Bearing Liabilities

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Bank overdraft	34,935	28,040	12,152	-
Lease liabilities	25,008	-	25,008	-
	59,943	**28,040**	**37,160**	**-**

21 Current Liabilities - Provisions

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Employee entitlements	**99,256**	**40,974**	**91,352**	**34,403**

22 Non-Current Liabilities - Interest Bearing Liabilities

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Lease liabilities	**-**	**36,102**	**-**	**36,102**

23 Non-Current Liabilities - Provisions

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Employee entitlements	**-**	**47,530**	**-**	**47,530**

24 Contributed Equity

	Parent			
	2009		2008	
	No. of shares	$	No. of Shares	$
(a) Share capital	239,649,833	15,214,994	137,424,896	13,920,194

(b) Movements in share capital

Date	Details	No. of shares	$
01-Jul-07	Opening balance	111,397,205	12,227,488
27-Jul-07	Exercise of options at 13.0 cents	57	7
31-Jul-07	Placement of shares at 9.0 cents	5,377,633	483,987
19-Sep-07	Placement of shares at 7.6 cents	1,800,000	136,800
11-Oct-07	Placement of shares at 8.0 cents	4,500,000	360,000
24-Oct-07	Placement of shares at 8.0 cents	6,250,000	500,000
24-Oct-07	Exercise of options at 13.0 cents	1	1
19-Mar-08	Placement of shares at 4.0 cents MPS	2,250,000	90,000
11 Apr-08	Placement of shares at 4.0 cents MPS	2,250,000	90,000
20 May-08	Placement of shares at 4.0 cents MPS	1,775,000	71,000
20 May-08	Placement of shares at 4.0 cents	625,000	25,000
30 Jun 08	Placement of shares at 4.0 cents MPS	1,200,000	48,000
	Less: Transaction costs arising on share issues		(112,089)
30-Jun-08	**Closing balance**	**137,424,896**	**13,920,194**
01-Jul-08	Opening balance	137,424,896	13,920,194
03-Jul-08	Placement of shares at 4.0 cents	2,500,000	100,000
04-Aug-08	Placement of shares at 4.0 cents	2,525,000	101,000
14-Aug-08	Placement of shares at 4.0 cents as consideration for fixed asset purchase	1,300,000	52,000
12-Sep-08	Issue of shares at 3.0 cents under Share Purchase Plan	5,500,011	165,000
02-Oct-08	Placement of shares at 4.0 cents in consideration for additional Director's services	2,500,000	100,000
02-Oct-08	Bonus shares at nil consideration	1,099,989	-
30-Oct-08	Placement of shares at 1.2 cents as consideration for corporate advisory services	1,750,000	21,024
02-Jan-09	Rights issue at 1.0 cent	14,720,441	147,204
02-Jan-09	Placement of rights issue shortfall at 1.0 cent	4,371,565	43,716
02-Jan-09	Placement of rights issue shortfall at 1.0 cent	3,000,000	30,000
09-Feb-09	Placement of rights issue shortfall at 1.0 cent	2,131,686	21,317
16-Feb-09	Placement of rights issue shortfall at 1.0 cent	6,882,320	68,823
26-Feb-09	Placement of rights issue shortfall at 1.0 cent	10,991,000	109,910
20-Mar-09	Placement of rights issue shortfall at 1.0 cent	30,000,000	300,000
20-Mar-09	Placement of rights issue shortfall at 1.0 cent	3,450,341	34,503
31-Mar-09	Exercise of options at 13.0 cents	2,584	336
14-May-09	Issue of shares at 1.0 cent in partial satisfaction of a liability	5,000,000	50,000
18-Jun-09	Placement of shares at 1.0 cent	4,500,000	45,000
	Less: Transaction costs arising on share issues		(95,033)
30-Jun-09	**Closing balance**	**239,649,833**	**15,214,994**

A total of 5,550,000 ordinary shares were issued to extinguish liabilities or acquire assets to the value of $173,024. Note 31 refers.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the share held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

24 Contributed Equity (cont.)

(d) Options

Date	Details	Listed	Unlisted	Total
01-Jul-07	Opening balance	37,256,276	-	37,256,276
27-Jul-07	Exercise of options at 13.0 cents	(57)	-	(57)
03-Aug-07	Option issued as part of commission of private placement at 20.0 cents		2,000,000	2,000,000
10-Oct-07	Options attaching to placement at 8.0 cents	1,800,000	-	1,800,000
24-Oct-07	Options attaching to placement at 8.0 cents	2,500,000	-	2,500,000
24-Oct-07	Exercise of options at 13.0 cents	(1)	-	(1)
22-Feb-08	Options issued as part of commission of private placement at 20.0 cents	-	200,000	200,000
22-Feb-08	Options issued as part of commission of private placement at 20.0 cents	-	660,000	660,000
19-Mar-08	Employee share options at 13.0 cents	-	4,150,000	4,150,000
19-Mar-08	Employee share options at 20.0 cents	-	4,400,000	4,400,000
30-Jun-08	**Closing balance**	**41,556,218**	**11,410,000**	**52,966,218**
01-Jul-08	Opening balance	41,556,218	11,410,000	52,966,218
02-Oct-08	Options issued as part of commission on private placement at 4.0 cents	8,462,500	-	8,462,500
02-Oct-08	Options issued as part consideration for professional services	-	2,000,000	2,000,000
02-Jan-09	Options attaching to Rights issue at 1.0 cents	14,720,441	-	14,720,441
02-Jan-09	Options attaching to Rights issue at 1.0 cents	4,371,565	-	4,371,565
02-Jan-09	Options attaching to Rights issue at 1.0 cents	3,000,000	-	3,000,000
09-Feb-09	Options attaching to Rights issue at 1.0 cents	2,131,686	-	2,131,686
16-Feb-09	Options attaching to Rights issue at 1.0 cents	6,882,320	-	6,882,320
26-Feb-09	Options attaching to Rights issue at 1.0 cents	10,991,000	-	10,991,000
20-Mar-09	Options attaching to Rights issue at 1.0 cents	30,000,000	-	30,000,000
20-Mar-09	Options attaching to Rights issue at 1.0 cents	3,450,341	-	3,450,341
31-Mar-09	Options expired	(50,016,134)	-	(50,016,134)
31-Mar-09	Options exercised at 13.0 cents	(2,584)	-	(2,584)
01-Apr-09	Options expired	-	(2,860,000)	(2,860,000)
02-Apr-09	Options expired	-	(4,150,000)	(4,150,000)
02-Apr-09	Options expired	-	(4,400,000)	(4,400,000)
14-May-09	Options attaching to Rights issue at 1.0 cents	5,000,000	-	5,000,000
18-Jun-09	Options attaching to Rights issue at 1.0 cents	4,500,000	-	4,500,000
30-Jun-09	**Closing balance**	**85,047,353**	**2,000,000**	**87,047,353**

Each option entitles the holder to purchase one share. The names of all persons who currently hold share options, granted at any time, are entered in the register kept by the Company, pursuant to Section 168 of the *Corporations Act 2001*, which may be inspected free of charge. Persons entitled to exercise these options have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

(e) Employee Share Option Plan

Information relating to the Employee Share Option Plan, including details of options issued, exercised, lapsed and outstanding during the financial year is set out in note 30.

25 Reserves and Accumulated Losses

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Reserves				
Asset revaluation reserve	1,021,998	1,021,998	1,021,998	1,021,998
Share based payment reserve	44,782	40,824	44,782	40,824
Foreign currency translation reserve	47,179	(514,860)	-	-
	1,113,959	**547,962**	**1,066,780**	**1,062,822**
Movements				
Asset revaluation reserve				
Balance 1 July	1,021,998	1,021,998	1,021,998	1,021,998
Movement	-	-	-	-
Balance 30 June	**1,021,998**	**1,021,998**	**1,021,998**	**1,021,998**
Share-based payments reserve				
Balance 1 July	40,824	-	40,824	-
Fair value of options issued to employees	-	340	-	340
Fair value of options issued to Directors	3,958	40,484	3,958	40,484
Balance 30 June	**44,782**	**40,824**	**44,782**	**40,824**
Foreign currency translation reserve				
Balance 1 July	(514,860)	(424,507)	-	-
Currency translation differences arising during the year	562,039	(90,353)	-	-
Balance 30 June	**47,179**	**(514,860)**	**-**	**-**
Retained earnings				
Movements in retained earnings were as follows:				
Balance 1 July	(4,857,267)	(2,950,032)	(6,721,842)	(4,284,223)
Net profit (loss) for the year	(2,590,047)	(1,907,235)	(1,434,867)	(2,437,619)
Balance 30 June	**(7,447,314)**	**(4,857,267)**	**(8,156,709)**	**(6,721,842)**

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve arose on revaluation of certain exploration tenements prior to the listing of the Company on the ASX.

Share-based payments reserve

The share-based payments reserve is used to recognise:

- The fair value of options issued to employees and Directors; and
- The fair value of options issued as consideration for goods or services rendered.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the profit and loss when the net investment is disposed.

26 Minority Interest

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Interest in:				
Share capital	209	209	-	-
Reserves	(12)	(12)	-	-
Accumulated losses	(197)	(197)	-	-
	-	-	-	-

27 Commitments

Finance leases

Commitments for minimum lease payments in relation to finance leases are payable as follows:

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Within one year	25,008	13,514	25,008	13,514
Later than one year but not later than five years	-	26,441	-	26,441
	25,008	**39,955**	**25,008**	**39,955**

Exploration expenditure

Commitments for minimum exploration expenditures are payable as follows:

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Within one year	710,714	1,322,402	633,972	1,116,333
Later than one year but not later than five years	143,889	782,487	143,889	762,861
	854,603	**2,104,889**	**777,861**	**1,879,194**

Sao Chico project agreement

Waldimiro previously authorised five persons to conduct informal mining activities in the Sao Chico project area, which covers approximately 22,500m^2. Under the agreement for the acquisition of mining rights entered into with Waldimiro (the "Agreement") Gold Aura Do Brasil Mineração Ltda ("Gold Aura Brazil") is responsible for all payments necessary for the removal of these persons. Payments will be negotiated by Waldimiro up to a limit determined by Gold Aura Brazil. Gold Aura Brazil may deduct 40% of all payments made to the persons from the Royalties on Gold to be paid to Waldimiro. Gold Aura Brazil has not yet determined the maximum amounts that would be payable to each of these persons but it is unlikely to exceed 10% of the gold produced in the areas allocated to each of these persons.

Under the Agreement, Gold Aura Brazil and Waldimiro will share the profits of the Sao Chico project on the basis of 60% to Gold Aura Brazil and 40% to Waldimiro. Under the Agreement, Gold Aura Brazil has agreed to pay BRL3,000 (A$1,900) per month to Waldimiro for the use of an office, cafeteria, lodging facilities and an additional building.

Brazilian interest payments

R Buckland, who is the Company's General Manager – Brazil negotiated in a personal capacity, a series of local Brazilian loans which he used for personal expenses as well as for Company expenditure in relation to the Sao Chico project. The Company agreed with Mr Buckland that it would reimburse him for the interest incurred on these loans and an amount of $A10k has been charged in the accounts for the financial year ended 30 June 2009. It is expected that the loans will be fully repaid by Mr Buckland by the end of September 2009 and the liability of the Company for interest reimbursements from 1 July to this date is estimated to be approximately $67k.

28 Guarantees and Deposits

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Deposit lodged with the Department of Mines	30,000	27,500	30,000	27,500
Deposit lodged with PNG Department of Mining and Petroleum	5,903	4,906	-	-
Motor vehicle lease guarantee deposit	12,500	12,500	12,500	12,500
	48,403	**44,906**	**42,500**	**40,000**

29 Director and Key Management Personnel Disclosures

(a) Directors

The following persons were Directors of the Company during the financial year:

Name	Position	Period
G B Starr	Chairman *(Non-executive)*	Full year
J D Collins-Taylor	Director *(Non-executive)*	Full year
K G Chapple	Managing Director *(Executive)*	Full year

(b) Key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position	Period
2009		
J A Lemon	Company Secretary	Full year
I K White	Chief Financial Officer	Appointed 2 February 2009
R Buckland	General Manager - Brazil	Full year
2008		
J A Lemon	Company Secretary	Full year
M Pratt	Chief Financial Officer	Resigned 6 March 2008
R Buckland	General Manager - Brazil	Full year

(c) Equity instrument disclosures relating to Directors and key management personnel

Options and rights over equity instruments

The number of options over ordinary shares in the Company held during the financial year by each Director and key management personnel of the Group, including their personally related parties are set out below:

Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
2009					
Directors					
G B Starr	**-**	2,000,000	-	2,500,000	**4,500,000**
K G Chapple	**4,390,171**	-	-	(2,958,363)	**1,431,808**
J D Collins-Taylor	**1,085,801**	-	-	(467,599)	**618,202**
Key management personnel					
J A Lemon	**650,000**	-	-	(650,000)	**-**
I K White	**-**	-	-	-	**-**
R Buckland	**-**	-	-	-	**-**
2008					
Directors					
G B Starr	**-**	-	-	-	**-**
K G Chapple	**388,671**	4,000,000	-	1,500	**4,390,171**
J D Collins-Taylor	**85,801**	1,000,000	-	-	**1,085,801**
Key management personnel					
J A Lemon	**-**	500,000	-	150,000	**650,000**
M Pratt	**-**	-	-	-	**-**
R Buckland	**-**	-	-	-	**-**

All options are vested and exercisable except for 1,333,333 of the 2,000,000 granted to G B Starr during the year as compensation.

29 Key Management Personnel Disclosures (cont.)

(c) Equity instrument disclosures relating to Directors and key management personnel (cont.)

Share holdings

The number of shares in the Company held during the financial year by each Director and key management personnel of the Group, including their personally related parties are set out below:

Name	Balance at the start of the year	Granted during the year as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
2009					
Directors					
G B Starr	**-**	-	-	5,000,000	**5,000,000**
K G Chapple	**1,311,808**	-	-	1,551,808	**2,863,616**
J D Collins-Taylor	**418,202**	-	-	818,202	**1,236,404**
Key management personnel					
J A Lemon	**570,000**	-	-	-	**570,000**
I K White	**-**	-	-	-	**-**
R Buckland	**-**	-	-	-	**-**
2008					
Directors					
G B Starr	**-**	-	-	-	**-**
K G Chapple	**1,280,808**	-	-	31,000	**1,311,808**
J D Collins-Taylor	**343,202**	-	-	75,000	**418,202**
Key management personnel					
J A Lemon	**-**	-	-	570,000	**570,000**
M Pratt	**-**	-	-	-	**-**
R Buckland	**-**	-	-	-	**-**

(d) Transactions with Directors and key management personnel

Mr K G Chapple is a Director and shareholder of KC integrated Consulting Pty Ltd. During the year, the Company entered into an agreement with KC Integrated Consulting Pty Ltd for the provision of office accommodation and office facilities. The cost of these services is currently $1,000 per month. The Board considers that these terms are reasonable and no more favourable than the alternatively arrangements available, or reasonably expected to be available.

30 Share Option Based Payments

(a) Recognised share option based payment expenses

The expense recognised for share options granted for employee services received during the year is shown in the table below:

	Consolidated		Parent	
	2009 $	**2008 $**	**2009 $**	**2008 $**
Expense arising from equity settled share-based payment transactions	3,958	40,824	3,958	40,824
Total expense arising from equity settled share-based payment transactions	**3,958**	**40,824**	**3,958**	**40,824**

(b) Employee Share Option Plan

The establishment of the Gold Aura Employee Share Option Plan ("the Plan") was approved by shareholders on 22 June 2007. The Plan is designed to provide long term incentives for executives, staff and contractors to deliver long term shareholder returns. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Options granted under the Plan carry no dividend or voting rights.

30 Share Option Based Payments (cont.)

Summary of options granted under the Employee Share Option Plan

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options issued during the year:

	Consolidated				Parent			
	2009		2008		2009		2008	
	No.	WAEP $	No.	WAEP $	No.	WAEP $	No.	WAEP $
Outstanding at the beginning of the year	**8,550,000**	**0.165**	**8,550,000**	**0.165**	**8,550,000**	**0.165**	**8,550,000**	**0.165**
Granted	-	-	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-
Expired	8,550,000	0.165	-	-	8,550,000	0.165	-	-
Outstanding at the end of the year	**-**	**-**	**8,550,000**	**0.165**	**-**	**-**	**8,550,000**	**0.165**
Exercisable at the end of the year	-	-	-	-	-	-	-	-

All 4,150,000 options exercisable at 13.0 cents each and all 4,400,000 options exercisable at 20.0 cents each, outstanding as at 30 June 2008, expired on 2 April 2009

There were no options granted under the Employee Share Option Plan during the year.

No options granted under the Employee Share Option Plan were exercised during the financial year.

Option pricing model – Employee Share Option Plan

The fair value of the equity-settled share options granted under the Employee Share Option Plan is estimated as at the date of grant using a Black-Scholes option pricing Model taking into account the terms and conditions upon which the options were granted. The model takes into account the historic dividends and share price volatilities and each comparator company to produce a predicted distribution of relative share performance.

Historical volatility has been the basis for determining expected share price volatility as it is not expected that this volatility will change significantly over the life of the options.

The expected life of the options is taken to be the full period of time from grant date to expiry date as there is no expectation of early exercise of the options.

The options are options to subscribe for ordinary shares in the capital of the Company. The options are issued for no consideration. Shares issued on exercise of the option will rank pari passu with all existing shares of the Company from the date of issue.

30 Share Option Based Payments (cont.)

(c) Share option based payments made to unrelated party

During the year, there were no options were issued to third parties.

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options on issue at the beginning of the year:

	Consolidated				Parent			
	2009		2008		2009		2008	
	No.	WAEP $	No.	WAEP $	No.	WAEP $	No.	WAEP $
Outstanding at the beginning of the year	**2,860,000**	**0.20**	**-**	**-**	**2,860,000**	**0.20**	**-**	**-**
Granted	-	-	2,860,000	0.20	-	-	2,860,000	0.20
Forfeited	-	-	-	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-
Expired	2,860,000	0.20	-	-	2,860,000	0.20	-	-
Outstanding at the end of the year	**-**	**-**	**2,860,000**	**0.20**	**-**	**-**	**2,860,000**	**0.20**
Exercisable at the end of the year	-	-	-	-	-	-	-	-

All 2,860,000 Options exercisable at 20.0 cents each outstanding as at 30 June 2008 expired on 1 April 2009.

31 Ordinary Share Based Payments

During the year, the Company issued 5,550,000 ordinary shares at a volume weighted average issue price of 3.1 cents per share to extinguish certain liabilities. Details of these issues and other relevant information required to be disclosed under accounting standard IFRS 2 are shown in the following table:

Date	Creditor	No. of shares	Valuation	Value per share	Total $	Purpose	Published share price at issue date	Value at published share price
Directors								
02-Oct-08	G B Starr[1]	2,500,000	In accordance with engagement agreement negotiated with Mr Starr	$0.040	100,000	Payment for services in addition to normal Director services as provided for in Mr Starr's engagement agreement	$0.019	47,500
Directors subtotal		2,500,000			100,000			47,500
Ordinary creditors								
14-Aug-08	Brent Stuart Brosseuk[2]	1,300,000	Fair value of the accommodation units acquired, as determined by the Directors at that time	$0.040	52,000	Purchase or accommodation units	$0.024	31,200
30-Oct-08	Pegasus Corp Advisory[3]	1,750,000	Fair value of the professional services provided	$0.012	21,024	Past outstanding for capital raising services	$0.010	17,500
Total		**5,550,000**		**$0.031**	**173,024**		**$0.017**	**96,200**

Note

1. Purchase resulting in these liabilities has been recognised in the profit and loss account of the Company in the current or previous financial year.
2. Purchase resulting in this liability was of a capital nature and recognised in the fixed asset account of the Company.
3. Purchases resulting in these liabilities were for capital raising and recognised as an offset to the contributed equity account of the Company.

32 Remuneration of Auditors

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Hacketts DFK (Pitcher Partners 2008)				
Audit and review of financial reports	74,647	36,685	74,647	36,685
Non-Hacketts DFK (Pitcher Partners) audit firms for the audit of financial reports of any entity in the Group	-	9,318	-	9,318
Total remuneration for audit services	**74,647**	**46,003**	**74,647**	**46,003**
Non-audit services				
Tax compliance services	-	2,380	-	2,380
Total remuneration to audit and non-audit services	**74,647**	**48,383**	**74,647**	**48,383**

Remuneration for audit services for 2009 includes a late charge of $20,602 that relates to the 2008 audit. Remuneration for audit services for 2009 adjusted for this amount is $54,045 (adjusted 2008: $66,605).

33 Subsidiaries

(a) Ultimate controlling entity

The ultimate controlling entity of the Group is Gold Aura Limited.

(b) Subsidiaries

Name of entity	Country of incorporation	Class of shares	Percentage ownership	
			2009 %	2008 %
Gold Aura (PNG) Limited (formerly Union Mining (PNG) Limited	Papua New Guinea	Ordinary	100	100
Gold Aura Kazakhstan LLP	Kazakhstan	Participating interest	80	80
Gold Aura do Brasil Mineracao Ltda	Brazil	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

34 Reconciliation of Profit / (Loss) After Tax to Net Cash Inflow / (Outflow) from Operating Activities

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Net profit / (loss)	(2,590,047)	(1,907,235)	(1,434,867)	(2,437,619)
Adjustments for non-cash income and expense items:				
Depreciation and amortisation	3,683	11,728	3,683	11,728
Loss on sale of investments	87,596	1,182	17,974	1,182
Diminution of value of investments	-	1,178,267	-	1,615,895
Write-back of provision for diminution on write-off of intercompany loan	-	-	32,670	-
Exploration written-off	1,731,234	-	609,798	-
Gain on sale of exploration and evaluation		-		-
Payables settled by equity payments	124,982	-	124,982	-
Foreign exchange (gains) / losses	(22,419)	(107,323)		-
Change in operating assets and liabilities:				
Decrease / (increase) in trade and other receivables	(4,939)	42,853	(7,139)	43,255
(Decrease) / increase in trade creditors and accruals	112,846	352,577	132,074	392,337
(Decrease) / increase in employee entitlements	10,752	17,724	9,417	11,933
Net cash inflow / (outflow) from operating activities	**(546,312)**	**(410,227)**	**(511,408)**	**(361,289)**

There were no finance facilities available to the Company as at 30 June 2009.

There were no non-cash investing or financing activities throughout the year.

35 Post Balance Date Events

Signing of agreement protecting interest in the Sao Chico Project and clearing the way for commencement of project development

On 2 July 2009, the Company's wholly owned Brazilian subsidiary, Gold Aura de Brasil Mineração Ltda. entered into an agreement to acquire an effective 60% profit interest in the Sao Chico Project through the acquisition of 100% of this project and the subsequent payment of a 40% Net Profit Royalty .

Signing of agreement regarding proposed take-over offer for Anomaly Resources Limited

On 15 July 2009, the Company announced its intention to make a take-over offer for all of the ordinary shares and Director's shares in Anomaly Resources Limited ("Anomaly") (NSX: ANJ). The offer has, subject to certain conditions precedent, the unanimous support of the Anomaly Board of Directors.

Under the proposed offer, Anomaly shareholders would receive 7.5 Gold Aura shares for every one Anomaly ordinary or Director's share held. Fractions would be rounded to the nearest whole share. Following successful completion of the offer, Anomaly shareholders holding ordinary and Director's shares will hold an interest of approximately 61% of Gold Aura.

The offer is subject to certain conditions including 90% minimum acceptance by Anomaly holders of ordinary and Director's shares, receipt of regulatory approvals on satisfactory terms, the approval of Gold Aura shareholders, the agreement of Anomaly A, B and C class shareholders to the cancellation of those shares for nil consideration on completion of the takeover, Gold Aura issuing a minimum of $600k in convertible notes and that there is no material adverse change or adverse event occurring. The key outcomes of the merger with Anomaly are;

- Near term gold production from high profit margin Sao Chico Project in Brazil;
- Medium term potential for significant sustained gold production at Crater Mountain PNG from a potential multi million ounce deposit;
- Combination of the two companies creates a unique junior. Cash flow from Sao Chico will fund exploration at Crater Mountain which is expected to yield significant exploration success reducing dilution from share issues to fund ongoing exploration expenditure;
- Potential for Fergusson Island gold project JV in PNG to develop into gold producer; and
- JV partner being sought for Gold Aura's encouraging polymetallic discovery at Croydon, north Queensland.

Formal documentation for the offer (Bidder's Statement) from Gold Aura was sent to shareholders on 16 September 2009. A meeting of Gold Aura shareholders to consider the approval of the takeover is scheduled for 16 October 2009.

Convertible Note Issue

From 28 August 2009 to 16 September 2009 inclusive, the Company issued a total of 3,599 Convertible Notes ("the Notes") to 64 investors. Each Note has a face value of $500 and is convertible into 20,000 shares. The issue raised a total of $1.8m. Part of the funds raised will be applied to a loan to Anomaly Resources to enable it to maintain its PNG assets in good standing and the balance will be used for working capital.

The Notes are unsecured with a face value $500 per Note. Interest is 10% per annum payable in cash, 6 monthly in arrears with the first payment payable on 15 January 2010. The Notes mature on 14 July 2011 and are redeemable at the election of the holder at any time before maturity or compulsorily if the Gold Aura share price in quoted ASX is greater $0.0325 for 20 consecutive business days, at a conversion price of 2.5 cents per share. Each Note converts into 20,000 ordinary shares.

Notes will be listed on the ASX on satisfaction of ASX listing requirements. The Notes do not carry a right to participate in an issue of new securities by the Company. The offer is only available to persons who fall within exclusion under section 708 Corporations act 2001.

Directors' Declaration

1 the financial statements and notes set out on pages 1 to 58 are in accordance with the *Corporations Act 2001*, including:

(a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Company's and Group's financial position as at 30 June 2008 and of their performance, as represented by the results of their operations, changes in equity and cash flows, for the year ended on that date; and

2 the Managing Director/Chief Executive Officer has declared that:

(a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and

(b) the financial statements and notes for the financial year comply with the Accounting Standards; and

(c) the financial statements and notes for the financial year give a true and fair view;

3 in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The audited remuneration disclosures set out on pages 15 to 18 of the Directors' report comply with Section 300A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

K. Chapple

K G Chapple
Managing Director

28 September 2009

Hacketts DFK

LEVEL 3
549 QUEEN STREET
BRISBANE QLD 4000

TELEPHONE « 07 3839 9733
FACSIMILE « 07 3832 1407

EMAIL « advice@hacketts.com.au
WEBSITE « www.hacketts.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GOLD AURA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Gold Aura Limited

(the company), which comprises the balance sheets as at 30 June 2009, and the income statements, cash flow statements and statement of changes in equity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a) the financial report of Gold Aura Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b) the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

Inherent uncertainty regarding continuation of going concern

Without qualification to the statement expressed above, attention is drawn to the following matter:

As a result of the matters described in Note 5 to the financial statements, there is inherent uncertainty as to whether the consolidated entity will be able to obtain additional funding to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Inherent uncertainty regarding capitalised mineral exploration costs

Without qualification to the statement expressed above, attention is drawn to the capitalised exploration and development costs (note 16) totalling $9,727,613 (2008: $9,983,297) that have been included in the consolidated entity's Balance Sheet as non-current assets.

The ultimate recovery of the carrying values of these assets is dependent upon their successful development and commercial exploitation or, alternatively, the sale of the relevant assets at amounts in excess of their book values.

Report on the Remuneration Report

We have audited the Remuneration Report (Sections A to D) included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report (Sections A to D) of Gold Aura Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration disclosures of Gold Aura Limited (the company) for the year ended 30 June 2009 included on Gold Aura Limited's web site. The company's directors are responsible for the integrity of the Gold Aura Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements and remuneration disclosures named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the remuneration disclosures. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration disclosures to confirm the information included in the audited financial report and remuneration disclosures presented on this web site.

Hacketts

HACKETTS DFK

Liam Murphy
Partner
Brisbane 28 September 2009

AUDIT & ASSURANCE

Liability limited by a scheme approved under Professional Standards Legislation

HACKETTS DFK
ABN « 33 873 151 348

The following information is required to be disclosed under ASX Listing Rule 4:10 and is not disclosed elsewhere in this Report

Substantial Shareholders

There are no substantial shareholders recorded in the Company's register of substantial shareholders.

Voting Rights

Ordinary shares – on a show of hands, are one vote for every registered holder and on a poll, are one vote for each share held by registered holders. Options holders have no voting rights.

Holders of Each Class of Security

Name	Code	No. of holders
Ordinary Shares	GOA	1,853
Listed Options	GOAOA	235
Unlisted Options	GOAO8	1

Top 20 Holders of Ordinary Shares

Name	Number of shares	% holding
ANZ Nominees Limited	18,849,251	7.87
Alcardo Investments Limited	11,594,994	4.84
National Nominees Limited	7,666,288	3.20
Martin Place Securities Staff Superannuation Fund Pty Ltd	6,875,000	2.87
WHI Securities Pty Ltd	5,900,000	2.46
Monk Nominees Pty Ltd	5,725,000	2.39
Gregory Barry Starr	5,000,000	2.09
Austock Nominees Pty Ltd	3,458,253	1.44
Tuxedo Investments Pty Ltd	3,105,000	1.30
Bigson Pty Ltd	2,838,222	1.18
Mr Kenneth Graeme Chapple	2,703,616	1.13
Mr Vincenzo Maio	2,700,000	1.13
Marloss Fifteen Pty Ltd	2,010,000	.84
John Wardman & Associates Pty Ltd	2,000,000	.83
Mr Christopher Lovett	2,000,000	.83
Butler & Company Architects Pty Ltd	1,844,444	.77
Mrs Julie Gay McCall	1,830,000	.76
Mr Alain Simon	1,820,000	.76
Mr Michael Reginald King	1,600,000	.67
Mr Paul Anthony O'Neill & Mrs Kathleen O'Neill	1,600,000	.67
	91,120,068	**38.03**

ASX Additional Information

As at18 September 2009

Top 20 Holders of Listed Options

Name	Number of options	% holding
Union Resources Limited	10,000,000	11.76
Super 1136 Pty Ltd	8,000,000	9.41
National Nominees Limited	5,000,260	5.88
Martin Place Securities Staff Superannuation Fund Pty Ltd	4,600,000	5.41
Gregory Barry Starr	2,500,000	2.94
Monk Nominees Pty Ltd	2,000,000	2.35
Tuxedo Investments Pty Ltd	2,000,000	2.35
Pegasus Corporate Advisory Pty Limited	1,540,000	1.81
Bermate Pty Ltd	1,500,000	1.76
Mr Matthew David Burford	1,500,000	1.76
Mr Wilfred Maurice Iddon	1,372,000	1.61
ANZ Nominees Limited	1,363,241	1.60
Mr Kenneth Graeme Chapple	1,351,808	1.59
Annemc Pty Ltd	1,340,000	1.58
Zipparo Holdings Pty Limited	1,200,000	1.41
Mr Paul Dominic Hillman	1,176,000	1.38
Bigson Pty Ltd	1,000,000	1.18
Crafers Connect Pty Ltd	1,000,000	1.18
Eastern & Pacific Capital Pty Ltd	1,000,000	1.18
Mr Michael Reginald King	1,000,000	1.18
	50,443,309	**59.32**

Holder of Unlisted Options

Name	Number of options	% holding
G B Starr	2,000,000	100.00
	2,000,000	**100.00**

Distribution of Equity Securities

Range	Ordinary shares	Class of securities Listed options	Unlisted options
1 – 1000	357	7	-
1,001 – 5000	95	20	1
5,001 – 10,000	209	20	-
10,001 – 100,000	832	97	-
100,001 and over	360	91	-
	1,853	**235**	**1**

Number of Holders holding less than a Marketable Parcel of Shares

A marketable parcel is defined by the Market Rule Procedures of the ASX as a parcel of securities with a value of not less than $500. The number of ordinary shareholders holding less than a marketable parcel of shares is 100.

On Market Buy-back

There is no current on market buy-back.

GOLD AURA LIMITED

ABN: 75 067 519 779