



Gold Aura Limited

A.B.N. 75 067 519 779

HALF-YEAR FINANCIAL REPORT

FOR THE HALF YEAR TO 31 DECEMBER 2003

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Company Directory

Directors

Brian Moller – Chairman
Robert Murdoch – Executive Corporate Director
Ken Chapple – Executive Technical Director
Thomas Roeggla – Non-executive Director

Company Secretary

Peter Russell Sauerberg

Registered Office

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200 Creek Street
BRISBANE QLD 4000
AUSTRALIA

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AUSTRALIA

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Share Registry

Pitcher Partners Share Registry
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300 Queen Street
BRISBANE QLD 4000

Postal Address:

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Telephone: (07) 3228 4219
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Auditors

Pitcher Partners Accountants, Auditors & Advisors
Level 21
300 Queen Street
BRISBANE QLD 4000

Solicitors

Hopgood Ganim Lawyers
Level 8
Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Web Site

www.goldaura.com.au

Stock Exchange Listing & Options

Gold Aura Limited shares and options are quoted on the Australian Stock Exchange as code “GOA” and “GOAO” respectively.

Directors' Report

The Board of Directors of Gold Aura Limited present their report of the financial half-year ended 31 December 2003.

DIRECTORS

The names and details of the directors of Gold Aura Limited in office at the date of this report are:

**B G MOLLER LLB
(Chairman)**

Brian Moller is a corporate partner in the Brisbane based law firm Hopgood Ganim. He was admitted as a solicitor in 1981 and was admitted partner in 1983. He is the non-executive Chairman of the Board and has over 20 years experience in the corporate area with a strong background in capital raisings, mergers and acquisitions. He holds a LLB (Hons) from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association. Brian acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in corporate regulatory and governance areas. He is also a director of D'Aguilar Gold Limited an ASX listed company and Western Pacific Gold Inc, a Canadian TSX listed company.

**K G CHAPPLE B.Sc., B.Econ.
(Executive Technical Director)**

Ken Chapple is the Director responsible for the implementation and supervision of the gold exploration program and budget of Gold Aura. Ken was previously the Exploration Manager with Union Capital Limited. From 1994-1997, Ken managed exploration activities in Papua New Guinea for Union Capital resulting in the discovery of the Gameta Gold Deposit in the D'Entrecasteaux Islands of Papua New Guinea. In 1998 he identified the Mehidiabad lead-zinc deposit in Central Iran, which has now shown to be probably the world's largest undeveloped zinc resource. Before joining the Union group, Ken worked with BHP exploration for 23 years. Ken is currently a director of Union Resource Management Pty Ltd and Union Zinc Pty Limited.

**R B MURDOCH B.A. (Earth Sciences)
M.A.I.M.M., M.A.I.G.
(Executive Corporate Director)**

Robert Murdoch has been appointed as the Director responsible for implementation and supervision of the corporate activities and promotion of the company. He has been Managing Director of Union Capital Limited since 1992. He has over 30 years of international business experience in the management of public companies predominantly in the mining industry. Mr Murdoch is currently a director of the economic entities within the Union Group and Austex Mining NL.

**T ROEGGLA
(Non Executive Director)**

Thomas Roeggla is based in Monaco and has an extensive background in business development, asset management and corporate finance. He is the founder of Aktieninvestor.com AG, an international equity investment organisation. Aktieninvestor.com AG is involved in investing in resource, high-tech and industrial sectors worldwide.

All Directors shown were in office for the entire year and up to the date of this report.

REVIEW OF OPERATIONS

The consolidated entity recorded a net loss of \$325,867 for the six months ended 31 December 2003 (2002: \$138,279).

During the six months to December 2003, Gold Aura's activities related to:

- (a) Drilling and trenching at Gilded Rose Project located 30kms NE of the township of Croydon in North Queensland.
- (b) Evaluation of high grade intersections within the Gameta gold resource Fergusson Island Papua New Guinea.
- (c) Evaluating a wide range of potential gold project investments located generally within the Asia-Pacific Area.

The drilling at Gilded Rose outlined a number of wide gold intersections within the eastern end of two gold bearing structural zones that extend over 1300 metres and 1000 metres respectively. The zones outlined have the potential to form part of a regional gold resource. Exploration will now focus on extending the gold resources to determine if sufficient occurs in the region to justify a study into the economics of commencing gold mining in the area.

Directors' Report Continued

Review of Operations continued

Activity at Gameta on Fergusson Island has focused on understanding the geology of the high-grade zones that occur within the resource. It is thought that it is possible that the high-grade zones occur in near vertical structural zones cutting a detachment fault. Previously Gold Aura drilled down dip in the detachment fault, several hundred metres from the high grade zones. Gold Aura now feel that further drilling is needed vertically below the high grade zones. Many of the holes drilled into the high grade resource terminated still in mineralization.

The Company is actively evaluating potential new gold projects.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Gold Aura carries insurance that indemnifies 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.

Signed in accordance with a resolution of the directors



Rob Murdoch

Director

Brisbane, 26 February 2004



Brian Moller

Director

Brisbane, 26 February 2004

Condensed Statement of Financial Performance

HALF-YEAR ENDED 31 DECEMBER 2003	Notes	CONSOLIDATED HALF YEAR	
		2003	2002
Revenues from ordinary activities	2	25,215	20,748
Expenses from ordinary activities	2	(351,082)	(159,027)
PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(325,867)	(138,279)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		----	—
PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(325,867)	(138,279)
NET PROFIT (LOSS)		(325,867)	(138,279)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(325,867)	(138,279)
Basic (loss) per share (cents per share)		(1.50)	(0.67)
Diluted (loss) per share (cents per share)		(1.50)	(0.67)

The accompanying notes form an integral part of the Condensed Statement of Financial Performance

Condensed Statement of Financial Position

HALF-YEAR ENDED 31 DECEMBER 2003

Notes

**CONSOLIDATED
HALF YEAR**
**AS AT
31 DECEMBER
2003**
**AS AT
30 JUNE
2003**

CURRENT ASSETS		
Cash assets	761,710	945,423
Receivables	25,488	14,478
Other	37,326	20,930
TOTAL CURRENT ASSETS	824,524	980,831
NON-CURRENT ASSETS		
Property, plant and equipment	103,244	116,482
Exploration and evaluation expenditure	3,668,876	3,542,639
Other	165,674	168,979
TOTAL NON-CURRENT ASSETS	3,937,794	3,828,100
TOTAL ASSETS	4,762,318	4,808,931
CURRENT LIABILITIES		
Payables	197,021	359,312
Provisions	10,314	5,721
TOTAL CURRENT LIABILITIES	207,335	365,033
NON-CURRENT LIABILITIES		
Provisions	15,231	7,748
TOTAL NON-CURRENT LIABILITIES	15,231	7,748
TOTAL LIABILITIES	222,566	372,781
NET ASSETS	4,539,752	4,436,150
EQUITY		
Contributed equity	6 4,198,347	3,768,878
Reserves	1,021,998	1,021,998
Accumulated Losses	5 (680,593)	(354,726)
TOTAL EQUITY	4,539,752	4,436,150

The accompanying notes form an integral part of the Condensed Statement of Financial Position

Condensed Statement of Cash Flows

HALF-YEAR ENDED 31 DECEMBER 2003

Notes

CONSOLIDATED
HALF YEAR

2003

2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Deposits received	25,000	--
Interest received	21,928	15,383
Payments for administration	(291,767)	(52,434)
Income tax paid refunded	10,044	--
NET CASH FLOWS FROM OPERATING ACTIVITIES	(234,795)	(37,051)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral exploration, evaluation and development	(381,255)	(304,166)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(381,255)	(304,166)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	457,500	2,128,578
Share issue costs	(25,163)	(314,321)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	432,337	1,814,257
NET INCREASE (DECREASE) IN CASH HELD	(183,713)	1,473,040
Add opening cash brought forward	945,423	--
Effects of exchange rate changes on cash	--	--
CLOSING CASH CARRIED FORWARD	761,710	1,473,040

The accompanying notes form an integral part of the Condensed Statement of Cash Flows

Notes to the Half-Year Financial Statements

HALF-YEAR ENDED 31 DECEMBER 2003

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Gold Aura Limited as at 30 June 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by Gold Aura Limited and its controlled entities during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 “Interim Financial Reporting” and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention and the going concern basis of accounting.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Changes in accounting policies

The accounting policies applied are consistent with the Annual Financial Report of Gold Aura Limited as at 30 June 2003.

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2003

Notes

CONSOLIDATED
2003 2002

2. PROFIT FROM ORDINARY ACTIVITIES

(a) Specific Items

Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

(i) Revenues from non-operating activities

Interest – unrelated parties	20,618	15,383
Other revenue	4,597	5,365
Total revenues from ordinary activities	25,215	20,748

(ii) Expenses from ordinary activities

Employee benefits expense	89,898	30,104
Audit fees	6,350	5,000
Consulting fees	50,387	27,194
Directors' expenses	27,742	9,166
Depreciation and amortisation charges	15,020	10,333
Insurance	19,252	4,601
Listing fees	5,806	--
Share registry costs	8,881	1,261
Telephone	5,363	3,922
Travel	12,127	2,766
Borrowing costs expense	225	--
Carrying value of non current assets sold	5,870	--
Exploration costs	32,061	8,803
Foreign exchange loss	283	--
General administration expenses	54,978	43,301
Rent and outgoings	16,839	12,576
Total expenses from ordinary activities	351,082	159,027

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2003

Notes

CONSOLIDATED
31 DECEMBER **30 JUNE**
2003 **2003**

3. CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities at balance date, not otherwise provided for in these financial statements are categorised as below:

Security bonds:

The maximum liability of the economic entity for security bonds lodged and to insurance bonds issued is \$165,674 comprising:

Bank guarantee held by the Queensland Department of Mines

Security bonds lodged with PNG Department of Mining & Petroleum

	160,500	160,500
	5,174	5,435
	165,674	165,935

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2003

4. SEGMENT INFORMATION

The economic entity's operating entities are organised and managed according to the nature of the products and services they provide. The economic entity operates solely with the mining and exploration industry. Geographically, the group operates within two predominant segments being Australia and Papua New Guinea. The investment opportunities of the group take place in Australia. The mining operations are conducted in Papua New Guinea and Australia.

Business segments	Notes		Australia		Papua New Guinea		Corporate		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Segment Revenue										
Other revenues from customers outside the consolidated entity	--	--	4,597	--	20,618	15,383	25,215	15,383	25,215	15,383
Total segment revenue	--	--	4,597	--	20,618	15,383	25,215	15,383	25,215	15,383
Segment result	(32,061)	--	(3,625)	(4,392)	(290,181)	(133,887)	(325,867)	(138,279)	(325,867)	(138,279)
Consolidated entity profit from ordinary activities before income tax expense									(325,867)	(138,279)
Income Tax Expense									--	--
Consolidated entity profit from ordinary activities after income tax									(325,867)	(138,279)
Assets										
Segment Assets	1,519,948	1,583,569	2,260,590	1,698,586	981,780	1,496,133	4,762,318	4,778,288	4,762,318	4,778,288
Liabilities										
Segment Liabilities	19,178	--	53,327	10,774	150,060	85,030	222,565	95,804	222,565	95,804
Other segment information										
Acquisition of property, plant and equipment, intangible assets and other non current assets	99,655	85,182	26,583	79,695	7,127	--	133,365	164,877	133,365	164,877

Notes continued

HALF-YEAR ENDED 31 DECEMBER 2003

Notes

CONSOLIDATED
AS AT 31
DECEMBER
2003

AS AT 30
JUNE
2003

5. ADDITIONAL INFORMATION

Reconciliation of accumulated losses

Balance at beginning of the half year	(354,726)	--
Net profit attributable to members of Gold Aura Limited	(325,867)	(354,726)
Total available for appropriation	(680,593)	(354,726)
Balance at end of half-year	(680,593)	(354,726)

Tax consolidation

The economic entity has decided to implement tax consolidations legislation during the 2004 financial year. The financial effect of the implementation of the legislation has not been recognised in the financial statements for the half year ended 31 December 2003.

2003
Number of
shares

\$

6. EQUITY SECURITIES ISSUED

Issued and paid up capital

(a) Ordinary shares fully paid	20,640,454	4,576,115
Less: share issue costs		(377,768)
Contributed equity		4,198,347
(b) Movements in shares on issue		
On issue at the beginning of the year	20,590,454	4,118,615
Placement of shares at 15 cents	3,050,000	457,500
On issue at the end of the year	23,640,454	4,576,115

Directors' Declaration

In accordance with a resolution of the directors of Gold Aura Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2003 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Rob Murdoch
Director



Brian Moller
Director

Brisbane, 26 February 2004

Independent Review Report to the Members of Gold Aura Limited

Scope

The Financial Report and Directors' responsibilities

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for the Gold Aura group ("the consolidated entity") for the half-year ended 31 December 2003. The consolidated entity comprises Gold Aura Limited ("the company") and the entities it controlled at the end of, or during, the half-year.

The Directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have conducted an independent review of the financial report in order for the company to lodge the financial report with the Australian Securities & Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and the Corporations Act 2001, a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

Our review procedures were limited to:

inquiries of the company's personnel of certain internal controls, transactions, significant accounting estimates and individual items; and
analytical procedures applied to financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The Australian Auditing Standards do not require, and we have not undertaken, an analysis of the appropriateness of the business decisions made by the Directors or management.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independent Review Report to the Members of Gold Aura Limited continued

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Review Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the Gold Aura Limited group is not in accordance with:

- a) the Corporations Act 2001, including:

giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

- b) other mandatory professional reporting requirements.

Inherent uncertainty regarding capitalised mineral exploration costs

Without qualification to the statement expressed above, attention is also drawn to the capitalised exploration and development costs totalling \$3,668,876 (6/2003: \$3,542,639) have been included in the consolidated entity's Statement of Financial Position 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.

Pitcher Partners



R C Brown
Partner

Brisbane, 26 February 2004