



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2005

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2005.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Phillip Jackson (Chairman)

Dr Robert Taylor (Managing Director)

Mr Garry O'Hara (Executive Director)

RESULTS

The operating loss for the Group for the half-year ended 31 December 2005 was \$405,374 of which \$263,509 related to exploration expenditure expensed.

REVIEW OF OPERATIONS

During the half year, the Group continued its exploration activities in New Zealand and in Australia.

New Zealand:

Hazelbrook:

Soil and rock chip samples from the Hazelbrook Project in the North Island, a joint venture between Aurora and Emerald Mining Limited, identified two new gold-in-soil anomalies, Eastern Anomaly 1 and Eastern Anomaly 2.

In addition, consent was received from the Northland Regional Council for drilling to commence on the Backyard Prospect.

Rockville:

Prospecting of the Company's wholly owned Rockville Project in the South Island returned encouraging gold assays. Visible gold was discovered in quartz veins in an exposed shear zone at the Junction prospect.

DIRECTORS' REPORT (continued)

Australia:

Ryansville:

Two deep reverse circulation drill holes were completed at the Ryansville Project south of Meekatharra in Western Australia. The Company is earning into a 51% interest in both the Ryansville and Weebacarry Projects from Hampton Hill Mining NL.

The results of the two holes were undergoing assessment at the end of the period.

Weebacarry:

The Heritage Survey was completed on this prospect during the quarter, with an extensive RAB drilling programme planned for early in 2006.

EVENTS OCCURRING AFTER REPORTING DATE

No events of a significant nature occurred after the reporting date other than that disclosed in Note 6 of the Financial Statements.

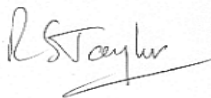
ADOPTION OF AUSTRALIAN EQUIVALENTS TO IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian Equivalents to IFRS has been included in Note 1 (d) of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 23 of the financial report.

Signed in accordance with a resolution of the directors.



Robert Taylor
Director
16 March 2006

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

	Note	31 December 2005 \$	31 December 2004 \$
Revenue from ordinary activities	2(i)	188,674	92,650
Exploration expenditure		(263,509)	(261,492)
Administration expenditure	2(ii)	(330,539)	(260,184)
Loss before income tax		(405,374)	(429,026)
Income tax expense		-	-
Loss attributable to members of the Company		(405,374)	(429,026)
Basic loss per share		(1.16) cents	(1.27) cents
Diluted loss per share		(1.16) cents	(1.27) cents

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

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005**

	31 December 2005	30 June 2005
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	2,887,068	2,833,144
Receivables	397,779	146,212
Financial Assets	8,000	-
Total Current Assets	<u>3,292,847</u>	<u>2,979,356</u>
Non Current Assets		
Plant and equipment	34,634	28,736
Financial Assets	-	93
Total Non Current Assets	<u>34,634</u>	<u>28,829</u>
Total Assets	<u>3,327,481</u>	<u>3,008,185</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	25,191	107,451
Total Current Liabilities	<u>25,191</u>	<u>107,451</u>
Total Liabilities	<u>25,191</u>	<u>107,451</u>
Net Assets	<u>3,302,290</u>	<u>2,900,734</u>
EQUITY		
Issued Capital	4,820,704	4,060,704
Option Reserve	55,055	8,125
Accumulated losses	(1,573,469)	(1,168,095)
Total Equity	<u>3,302,290</u>	<u>2,900,734</u>

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

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

	31 December 2005	31 December 2004
	\$	\$
Cash flows from operating activities		
Other payments to suppliers	(293,121)	(267,757)
Payments for exploration expenditure	(583,856)	(369,343)
Interest received	67,899	104,986
Receipts from operating activities	<u>121,338</u>	<u>47,660</u>
Net cash outflow from operating activities	<u>(687,740)</u>	<u>(484,454)</u>
Cash flows from investing activities		
Security Deposit	-	(85,140)
Payments for purchases of assets	(12,945)	(5,605)
Payments for listed investments	<u>(8,000)</u>	<u>(2,000)</u>
Net cash outflow from investing activities	<u>(20,945)</u>	<u>(92,745)</u>
Cash flows from financing activities		
Proceeds from issue of shares	800,000	2,500
Payments of share issue costs	<u>(40,000)</u>	<u>(45,400)</u>
Net cash inflow/(outflow) from financing activities	<u>760,000</u>	<u>(42,900)</u>
Net increase/(decrease) in cash and cash equivalents	51,315	(620,099)
Cash and cash equivalents at the beginning of the half year	2,833,144	3,881,531
Effects of exchange rate changes on balances held in foreign currency	<u>2,609</u>	<u>-</u>
Cash and cash equivalents at the end of the half year	<u><u>2,887,068</u></u>	<u><u>3,261,432</u></u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

	Issued Capital	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
At 1 July 2004	4,060,704	(231,199)	-	3,829,505
Loss for the period	-	(429,026)	-	(429,026)
Expense of share option	-	-	8,125	8,125
Issue of share capital	-	-	-	-
At 31 December 2004	<u>4,060,704</u>	<u>(660,225)</u>	<u>8,125</u>	<u>3,408,604</u>
At 1 July 2005	4,060,704	(1,168,095)	8,125	2,900,734
Loss for the period	-	(405,374)	-	(405,374)
Expense of share option	-	-	46,930	46,930
Issue of share capital	800,000	-	-	800,000
Expense of share issue	(40,000)	-	-	(40,000)
At 31 December 2005	<u>4,820,704</u>	<u>(1,573,469)</u>	<u>55,055</u>	<u>3,302,290</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

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 Aurora Minerals Limited and its subsidiaries (“the Group”) as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Aurora Minerals Limited as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 (‘AGAAP’).

It is also recommended that the half-year financial report be considered together with any public announcements made by Aurora Minerals Limited during the half-year ended 31 December 2005 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 134 “Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board”).

The half-year financial report has been prepared on the accruals basis and in accordance with the historical cost convention.

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

(b) Statement of compliance

As this is the first financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. A summary of the significant accounting policies of the Group under AIFRS are disclosed in Note 1(c) below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

Reconciliations of

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005 and
 - AIFRS loss for the half-year 31 December 2004 and full year 30 June 2005,
- to the balances reported in the 31 December 2004 half-year report and 30 June 2005 full-year financial report prepared under AGAAP are detailed in Note 1(d) below.

(c) Summary of Significant Accounting Policies

(i) Principles of consolidation

The consolidated Financial Statements incorporate the assets and liabilities of all entities controlled by Aurora Minerals Limited (“Company” or “Parent Entity”) as at 31 December 2005 and for the year ended 30 June 2005. Aurora Minerals Limited and its controlled entities together are referred to in this Financial Report as the Group. The effects of all transactions between entities in the Group are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated Statement of Financial Performance from the date on which control commenced. Where control of an entity ceased during a financial year its results are included for that part of the year during which the control existed.

(ii) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(iii) Revenue

Interest income is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised as it accrues.

All revenue is stated net of the amount of goods and services tax (GST)

(iv) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented on the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(v) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each fixed asset over its effective life.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	8.5% - 33.33%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(vi) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes:

- Cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts;
- Investments in money market instruments with less than one month to maturity; and
- Bills of exchange with short term to maturity which are readily convertible to cash.

(vii) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs are accumulated in respect of each area of interest or are written off as incurred. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Exploration, evaluation and development costs comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure but do not include general overhead expenditure which has no direct connection with a particular area of interest.

Revenue received from the sale or disposal of product, materials or services during the exploration and evaluation phase of operation is offset against expenditure in respect of the area of interest concerned.

When an area of interest is abandoned or the directors decide that it is not commercially viable, any accumulated costs in respect of that area are written off in a financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Restoration costs arising from exploration activities are provided for at the time of the activities which give rise to the need for restoration.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

(viii) Bills of Exchange

Bills of exchange have been purchased at a discount to face value. They are carried at cost. The discount is brought to account as interest received over the remaining term of the bill.

(ix) Valuation of non-current assets other than exploration and evaluation

The carrying amounts of all non-current assets other than exploration and evaluation expenditure are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have been discounted to their present value.

(x) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares outstanding during the financial period.

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.

(xi) Interest in Joint Ventures

The Groups share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the Income Statement and Balance Sheet.

(xii) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

(xiii) Comparative Figures

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

(xiv) Share Based Payments

The fair value of options granted by the Company is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder becomes unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

(xv) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASAB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

(d) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and loss after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ('AGAAP') are illustrated below.

(i) Reconciliation of total equity as presented under AGAAP to that under AIFRS at 30 June 2005

	AGAAP 2005 \$	Effect of change \$	AIFRS 2005 \$
Equity			
Issued capital	4,060,704	-	4,060,704
Option reserve	-	8,125	8,125
Accumulated losses	(1,159,970)	(8,125)	(1,168,095)
	<u>2,900,734</u>	<u>-</u>	<u>2,900,734</u>

The requirement under AIFRS to expense share option plans means that Consultant Options issued to Consultants during the year ended 30 June 2005 must be recognised as an expense. This constitutes a change to the AGAAP accounting policy, under which no expense is recognised for equity-based compensation.

A total of 550,000 Consultant Options exercisable at 30 cents each and expiring on 31 December 2006 were issued in December 2004, vesting immediately upon issue. The value of the options issued has been assessed at \$8,125 being the portion representing that part of the period that had elapsed as at 30 June 2005.

In addition, a further 3,000,000 Consultant Options were issued to a director and Consultants of the Company on 8 December 2005. The options, exercisable at 33.55 cents by 8 December 2008, and vesting 6 months from the date of issue, had a value assessed at \$371,358 of which \$46,930 was recognised as being the portion representing the vesting period that had elapsed as at 31 December 2005.

It has been assessed that there will be no impact of adopting AIFRS on the total equity as at 1 July 2004 and 31 December 2004.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

(ii) Reconciliation of loss after tax under AGAAP to that under AIFRS for the year ended 30 June 2005

	AGAAP 2005 \$	Effect of Change \$	AIFRS 2005 \$
Revenue from ordinary activities	171,174	-	171,174
Exploration expenditure	(698,008)	-	(698,008)
Administration expenditure	(337,659)	(8,125)	(345,784)
Other expenses from ordinary activities	<u>(64,278)</u>	<u>-</u>	<u>(64,278)</u>
Loss from ordinary activities before income tax expense	(928,771)	(8,125)	(936,896)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>
Net loss after income tax attributable to members of the Company	<u>(928,771)</u>	<u>(8,125)</u>	<u>(936,896)</u>
Total changes in the value of equity other than those arising from transactions with owners as owners	<u>(928,771)</u>	<u>(8,125)</u>	<u>(936,896)</u>
Basic loss per share	(2.75) cents		(2.77) cents
Diluted loss per share	(2.75) cents		(2.77) cents

There is no impact on the profit or loss for the half year ended 31 December 2004.

(iii) Explanation of material adjustments to the cash flow statements

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	31 December 2005	31 December 2004
	\$	\$

NOTE 2 – REVENUE AND EXPENSES

Loss before income tax expense includes the following revenue and expenditure, the disclosure of which is relevant to explaining the performance of the Group.

(i) Revenue from ordinary activities

Interest revenue from other persons	65,605	95,807
Administrative recharge	120,460	-
Other income	2,609	(3,157)
	<u>188,674</u>	<u>92,650</u>

(ii) Administration expenditure

Consulting	74,114	108,557
Administrative support to joint venture	79,707	-
Occupancy expenses	5,365	19,986
Depreciation	7,047	5,836
Insurance & legal	39,823	6,716
Listing fees	26,940	34,308
Share based compensation	46,930	8,125
Other Expenses	50,613	76,656
	<u>330,539</u>	<u>260,184</u>

NOTE 3 – EQUITY SECURITIES ISSUED

	Shares	Listed Option	Unlisted Options
At 1 July 2005	33,714,500	9,987,500	550,000
Issue of share capital	3,200,000		
Issue of options			3,000,000
At 31 December 2005	<u>36,914,500</u>	<u>9,987,500</u>	<u>3,550,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

NOTE 4 - SEGMENT INFORMATION

The Group operates predominately in one industry. The principal activities are gold exploration and prospecting.

The Group operates in Australia and New Zealand.

	Australia Half Year	New Zealand Half Year	Total
	\$	\$	\$
Segment revenue from operating activities	66,510	122,164	188,674
Segment result from ordinary activities	(423,711)	18,337	(405,374)

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.

NOTE 5 - COMMITMENTS FOR EXPENDITURE

In order to maintain the mineral covenants in which the Group and other parties are involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the covenants are granted. Since the last reporting date, there has been no material change to these commitments.

NOTE 6 - EVENTS OCCURRING AFTER BALANCE DATE

On 1 February 2006, the Company issued 650,000 Options to a consultant as an incentive component of his remuneration pursuant to a Prospectus dated 19 January 2006. The Options were issued at no charge and are exercisable on or before 7 December 2008 at an exercise price of 35 cents. The average value of the options was \$113,676 using Black-Scholes model assuming a share price of \$0.38, volatility of 65% and an annual risk-free rate of 5.5%.

Other than the event detailed above, there have been no material items, transactions or events subsequent to 31 December 2005 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

To the best of the Directors' knowledge and belief there have been no material items, transactions or events subsequent to 31 December 2005 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

NOTE 7 – CONTINGENT LIABILITIES

Since the last annual reporting date there has been no material change of any contingent liabilities or contingent assets.

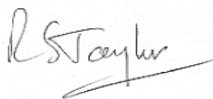
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Aurora Minerals Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group:
 - (i) give a true and fair view of the financial position as at 31 December 2005 and the performance for the half-year ended on that date of the Group; and
 - (ii) comply with Accounting Standard AASB 134 "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



Robert Taylor
Director

Perth, 16 March 2006.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF AURORA MINERALS LIMITED

Scope

The half-year financial report and directors' responsibility

The half-year financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements and the directors' declaration for the consolidated entity, for the half-year ended 31 December 2005. The consolidated entity comprises both the Aurora Minerals Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the half-year 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 half-year financial report.

Review approach

We conducted an independent review of the half-year financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the half-year financial report is not presented fairly in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory professional reporting requirements in Australia and statutory requirements so as to present 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, and in order for the company to lodge the half-year financial report with the Australian Securities & Investments Commission/ Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. 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.

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**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF AURORA MINERALS LIMITED (cont)**

Independence

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

In accordance with ASIC Class Order 05/ 83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our review opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aurora Minerals Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

GRANT THORNTON WESTERN AUSTRALIAN PARTNERSHIP



GREG LEGUIER
Partner

Dated 16 March 2006

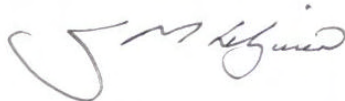
Grant Thornton Western Australian Partnership
ABN 21 965 022 882
Chartered Accountants, Business Advisers and Consultants

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Aurora Minerals Limited for the half-year ended 31 December 2005, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON WESTERN AUSTRALIAN PARTNERSHIP



GREG LEGUIER
Partner

Dated 16th March 2006

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