



31 October 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
PO Box H224 Australia Square  
SYDNEY NSW 2000

## **Quarterly Activities Report For the three months ended 30 September 2006**

### **HIGHLIGHTS**

- **Expansion of Minnie Creek and Yannarie Uranium Projects**
  - **grades up to 0.03% to 0.15% U<sub>3</sub>O<sub>8</sub>**
  - **acquisition of extra 230km of target calcrete in drainages**
  - **initial research suggests high prospectivity**
- **Project acquisitions continue in Western Australia**
- **Weebacarry Gold Project: 7,000m drilling program booked to commence early December**
- **Hazelbrook Epithermal Gold Joint Venture: Gold geochemical drilling commences in October. Drill access agreements completed for West Backyard and Eastern Anomalies.**
- **\$2 million raised via underwriting of July 2006 20 cent Listed Options.**

## **1. BUSINESS DEVELOPMENT**

### **Options Fully Underwritten**

Emerald Trust underwrote the Company's July 2006 20 cent Listed Options and took a placement of 196,645 fully paid shares at 20 cents per share, to take their holding in the Company to 19.9% of Aurora's issued capital.

The options underwriting, together with the placement and additional options exercise, raised \$2,032,829 before expenses associated with the underwriting and placement.

Emerald Trust is associated with the Emerald Group of companies which has international interests in Russia, the European Union, the UK and Australasia, including hotel and apartment developments, oil and gas, satellite remote sensing, engineering, farming, forestry and vineyards.

The Company's cash position at the end of the quarter was approximately \$3.6 million including receivables.

## **NEW PROJECTS**

### **Western Australia (Aurora 100%)**

#### **Uranium**

During the quarter, the Company continued with its major acquisition drive of 100% owned uranium projects in Western Australia.

The Company's extensive geo-technical databases, uranium channel radiometrics, air magnetics and geology, and surface geochemistry over large regions of Western Australia, have enabled the Company to identify areas for acquisition.

Further information will be provided in due course.

During the quarter the Company also reported that the Minnie Creek and Yannarie exploration license applications cover 30km of uranium-channel airborne radiometric anomalies coincident with calcrete drainages.

Research of Geological Survey of WA and Mines Department records of previous exploration is continuing where grades of up to 0.03% to 0.15% U<sub>3</sub>O<sub>8</sub> have been reported at Minnie Creek and up to 0.09%U<sub>3</sub>O<sub>8</sub> at Yannarie.

The two projects include up to 100km strike length of near-surface calcrete in the semi desert creek and river systems which drain nearby uranium enriched granites.

In the past two months the Company has significantly expanded its exploration license applications around Minnie Creek to cover an extra 230km strike of calcrete in similar drainages. Widths of the calcrete vary up to 6km.

Yannarie and Minnie Creek Projects lie north of the Paddy Well uranium prospect of U3O8 Limited, and south of the Manyingee uranium deposit of Paladin Resources (resource of 12,000t of contained U<sub>3</sub>O<sub>8</sub>).

Seventy kilometers south of Minnie Creek, Aurora has applied for exploration licenses covering extensive calcrete deposits with uranium potential in the Glenburgh Project area.

Research of mines department records of the new exploration license applications is continuing and further results are expected.

### **Gold, Base Metals, Magnetite**

Research of mines department records is also continuing on the Company's new gold, base metals and magnetite projects and more results will be released when available.

## **2. EXPLORATION**

### **Weebacarry & Ryansville Projects, Western Australia (Aurora earning 51%)**

Drilling is scheduled to recommence at the Weebacarry Project in early December 2006 with a 7,000 metre rotary air blast (RAB) program.

The Weebacarry Project covers a 12km jog, or kink, located centrally in the major Big Bell to Meekatharra shear zone. The Company is exploring for a Big Bell (production of 3.4million oz), Meekatharra (2moz) or Ghost Crab (1moz) style gold deposit.

During the quarter grab samples of rock material from an old prospector's pit at Weebacarry assayed up to 16g/t gold and quartz veining along strike to the south assayed up to 2g/t Au. Mapping and surface sampling identified a series of sheared, boudinaged and quartz-veined basalts in the western side of the Jungar Bore Shear Zone, quartz veins and porphyry dykes along the sheared western contact with the granite gneiss, and quartz-veined gossans to the north of the Miss Jane prospect.

The up-coming RAB drilling program plans to test these areas.

At the nearby Ryansville Project, Aurora has identified iron ore potential which includes approximately 2km of strike of the Weld Range. The Aurora-Hampton JV has pegged tenement applications over a further 2km of strike, giving the joint venture a total of 4km of strike of the target formation.

Western Australian Department of Industry and Resources approval is required for drilling for iron ore on the granted exploration licence in the central part of the prospective zone. The Company plans to initially drill under the easily accessible flat area in the middle of the 4km prospective zone.

Aurora Minerals and Hampton Hill Mining NL are in joint venture on the Weebacarry Project and the Ryansville Project which are both located in the Murchison Goldfields of Western Australia. Aurora can elect to earn a 51% interest through exploration expenditure of \$1 million by November 2007 of which approximately \$440,000 has been spent to date.

## **Hazelbrook Epithermal Gold Project, New Zealand**

### **Backyard, Toolshed and Eastern Anomaly Prospects**

During the September quarter, preparations advanced for a major soil auger geochemical drilling program which commenced in October. Exploration Permit 40 828 was approved on 18 September over the Eastern Anomaly area.

Access agreements with private landowners around Eastern and Backyard prospects were entered into and geochemical drilling commenced at the Backyard prospect during the second week of October to the south and south west of the main vein.

At Backyard the aim of the geochemical drilling is to locate the source of the gold mineralisation in the main quartz vein, up to 7g/t gold at surface.

The drilling aims to test the near surface material (regolith) beneath the ash cover for evidence of underlying gold mineralisation and a possible source for the Backyard gold grades. The depth of the geochemical drill holes is expected to average approximately 5 metres each.

Several samples of gold-bearing quartz outcrops at Backyard Prospect were submitted to the University of Auckland for petrological examination to determine the nature and possible origin of the mineralisation, to help guide depth and orientation of future drilling. Results are expected in the coming weeks.

The Company's cash position at the end of the quarter was approximately \$3.6 million including receivables.

Yours faithfully

Robert Taylor  
Managing Director

Garry O'Hara  
Executive Director

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining and Mr Garry P O'Hara, a corporate member of the Australasian Institute of Mining and Metallurgy.*

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*Robert Taylor and Garry O'Hara are both executive directors of Aurora Minerals Limited and consult to the Company through their respective consulting companies Able Kids Pty Ltd and Anketell Pty Ltd.*

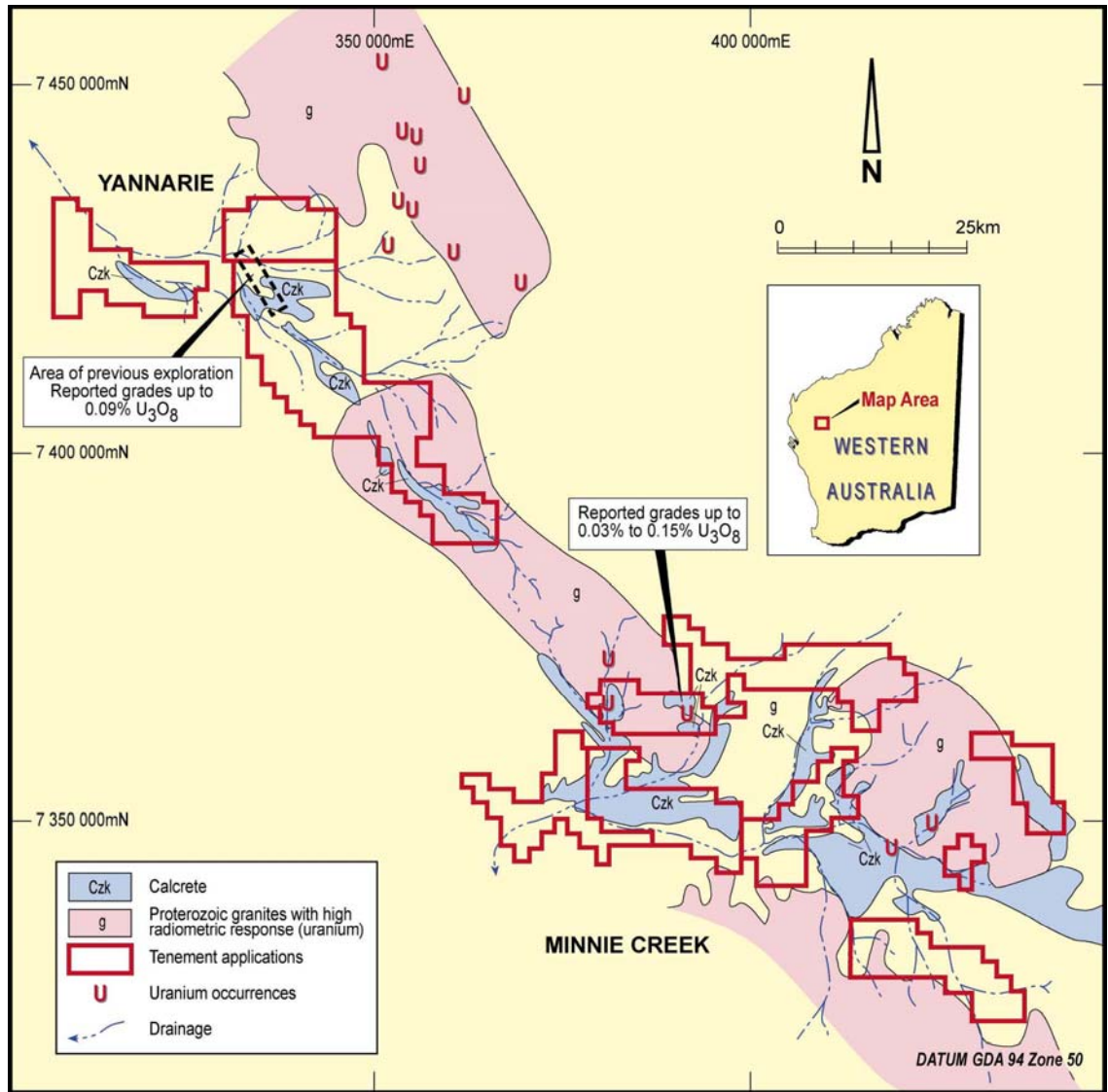
*Robert Taylor and Garry O'Hara have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robert Taylor and Garry O'Hara consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **CONTACTS**

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**Aurora Minerals Limited**  
**Yannarie & Minnie Creek Projects - Regional Setting**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

<b>Aurora Minerals Limited</b>
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ABN

<b>46 106 304 787</b>
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Quarter ended ("current quarter")

<b>30 September 2006</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(659)	(659)
(b) development		
(c) production		
(d) administration	(195)	(195)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	44	44
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Receipt - JV Management Fees	(3)	(3)
Payment - Security Deposit		
<b>Net Operating Cash Flows</b>	<b>(813)</b>	<b>(813)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(20)	(20)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	(20)	(20)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(833)</b>	<b>(833)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(833)	(833)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,989	1,989
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>1,989</b>	<b>1,989</b>
<b>Net increase (decrease) in cash held</b>			
		<b>1,156</b>	<b>1,156</b>
1.20	Cash at beginning of quarter/year to date	2,164	2,164
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>3,320</b>	<b>3,320</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.7 Receipt in respect of Joint Venture Management Fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	<b>200</b>
4.2 Development	-
<b>Total</b>	<b>200</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	<b>1,885</b>	<b>239</b>
5.2 Deposits at call	<b>1,434</b>	<b>231</b>
5.3 Bank overdraft	-	-
5.4 Other (provide details)	<b>1</b>	<b>1,694</b>
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,320</b>	<b>2,164</b>

### Changes in interests in mining tenements

Tenement Name & Location	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
<b>None</b>				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	<b>47,098,645</b>	<b>47,098,645</b>		<b>Fully Paid</b>
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	<b>10,164,145</b>	<b>10,164,145</b>	<b>20 cents</b>	<b>Fully Paid</b>
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	<b>550,000</b>	-	<b>30 cents</b>	<b>31 Dec 2006</b>
	<b>3,000,000</b>	-	<b>33.55 cents</b>	<b>7 Dec 2008</b>
	<b>650,000</b>	-	<b>35 cents</b>	<b>7 Dec 2008</b>
7.8 Issued during quarter				
7.9 Exercised during quarter	<b>9,967,500</b>	<b>9,967,500</b>	<b>20 cents</b>	
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Peter Rutledge  
(Company Secretary)

Date: 31 October 2006

Print name: Peter Rutledge

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 3 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 4 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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