

29 July 2005

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

Quarterly Activities Report For the 3 months ended 31 July 2005

HIGHLIGHTS

New Zealand - Hazelbrook Project

- Aurora enters new NZ\$10 million Joint Venture
- Soil sampling at Backyard, Te Mata and Toolshed prospects with results due in the next few weeks
- Aeromagnetic survey commences to help identify more targets
- Land access agreement signed for Backyard gold discovery area.
- Drilling approval process underway for Backyard prospect aimed at enabling drilling by the end of the year

Australia

- Drilling planned for Ryansville (RC drilling) and Weebacarry Projects (RAB drilling) in Western Australia.

June Quarter 2005 Operations

1 Hazelbrook Project, Northland Volcanic Zone, North Island, New Zealand.

Aurora Enters New NZ\$10 million Joint Venture

As announced on 20 June 2005, Aurora Minerals Limited ('Aurora') has been joined at the Hazelbrook Project in a joint venture with Emerald Mining Limited ("Emerald").

Under the terms of the joint venture agreement Emerald may provide NZ\$10 million (approximately A\$9.5 million) for expenditure on Aurora's Hazelbrook Project to earn a 50% interest. Key terms were announced on 20 June 2005 and include:

- Emerald will provide an initial NZ\$2 million to the Hazelbrook Joint Venture for expenditure on the project over the next 12 months and may provide additional funding of NZ\$2m per year for the next 4 years
- Emerald Mining will have earned a 50% interest in the Hazelbrook Joint Venture after providing a total of NZ\$10 million for expenditure. It may also choose to provide the NZ\$10 million to the Hazelbrook Joint Venture in advance of the 4 year timetable noted above.
- Aurora Minerals has the right to manage the Hazelbrook Joint Venture while it maintains a 50% or more interest and will have a casting vote on the joint venture operating committee while it maintains a 50% or more interest.
- Emerald may withdraw from the joint venture following the expenditure of the initial NZ\$2 million.

Following expenditure of Emerald's NZ\$10 million both Aurora and Emerald can each individually elect to contribute 50% of ongoing joint venture expenditure, or a party can elect to gradually dilute under a standard industry formula.

- Under the Crown Minerals Act the joint venture is subject to the consent of the Minister responsible for administering the Act.

Emerald is a part of the Auckland-based Emerald group of companies, a group with Russian and European financial connections and extensive investments in New Zealand including property development, power infrastructure and equipment, tourism and forestry. The Emerald group also has a dairy operation in the Hazelbrook area through Emerald Farming Limited.

The directors of Aurora believe the joint venture provides a funding mechanism to advance exploration, especially the expensive drilling phase, and potentially future development of the project.

Results to date

The new Hazelbrook Joint Venture will continue the exploration commenced by Aurora for a Martha-type epithermal quartz vein gold deposit at Hazelbrook. The Martha mine lies to the south of and in a similar geological setting to Hazelbrook, and has produced approximately 7.5 million ounces of gold to date at an average grade of approximately 7.4 g/t gold.

The Hazelbrook project is located in the Northland Volcanic Zone of New Zealand, forming part of the "Pacific Ring of Fire" which is known to host large epithermal gold deposits; for example the Martha mine.

Aurora commenced field exploration at Hazelbrook in October 2004 and is pleased with progress to date. The company's recent announcements include details of the discovery of surface gold in rock chip, soil and rock float samplings from the Backyard, Toolshed and Te Mata prospects.

The first stages of rock chip sampling and mapping produced encouraging grab sample results from epithermal quartz veins discovered at **Backyard with assays up to 6.9g/t gold**. A previous float sample of vein quartz assaying **7.8g/t gold** has now been sourced to Backyard.

The vein series at the **Backyard prospect** comprises at least 17 veins varying in width from a few cm's to 1.5metres with associated quartz boulders up to 2.5 metres in width. The zone has now been mapped over a strike of approximately 600 metres. To date only the western part of the quartz veins have been sampled to any degree. The vein series is approximately 150 metres wide in a north-south direction.

The **Backyard** gold-bearing quartz vein lies on the northwestern edge of an extensive grass covered plateau. The vein is vertical to steep southerly dipping and believed to extend to the east and northeast, beneath the plateau.

Current size estimates, based on the veins and other features identified so far are:

- 400m of strike for the main outcropping quartz vein up to 1.5m wide where 8 out of 27 samples taken by Aurora to date carry gold, from 1.1 g/t up to 6.9 g/t, in highly leached surface rock.
- Latest prospecting in early April has identified what is believed to be a further continuation of the main quartz vein, occurring in an overgrown creek some 200m to the east. This is in addition to subsidiary veins and shear zones previously identified.
- A gold in soil anomaly up to 27ppb extends the prospective zone a further 200m to the east again, up onto the grassy pastures of the plateau.
- Aurora's latest geological mapping has found evidence of quartz veins and silicified and brecciated volcanic sinters up to 1700 meters to the east-northeast of Backyard, suggesting elements of the Backyard system may potentially continue under the pastureland for a considerable distance in this direction.

The Company believes the work to date has outlined potential for a gold discovery under the grassy paddocks just south of the northern plateau margin and continuing in an east-northeasterly trend across the paddocks.

More Soil Sampling Underway

Approximately 2 kilometres to the west of **Backyard**, Aurora recently announced the discovery of a gold-in-soil anomaly from sampling at the new **Toolshed prospect**.

Recent work at the **Te Mata prospect**, located approximately 10km to the south of Backyard and Toolshed, is also showing encouragement with the identification of quartz veins and gold pathfinder elements in surface soil and rock samples.

Surface prospecting and soil and rock chip sampling is continuing and further results should be available for release over the coming days and months.

Aeromagnetic Survey Commences

An extensive aeromagnetic survey commenced in late July. Combined with the geology and known mineralisation, this will aid in identifying structural characteristics of and possible extensions to the Backyard, Toolshed and TeMata prospects.

The aim is to identify other targets within the large project area showing similar characteristics. Once identified, these new targets could be followed up with ground inspections, soil and rock chip sampling.

Land Access Agreement Signed For Backyard Prospect.

Aurora is also pleased to announce that as part of the joint venture negotiations the Hazelbrook Joint Venture has concluded land access agreements with the landowner (Emerald Farming) and with the occupier of Emerald Farming's large 550ha dairy farm. This farmland includes all of the current area of the **Backyard prospect**. Under these land access agreements the landowner and occupier agree to allow the joint venture to drill the **Backyard prospect** and to undertake development in the event of an economic discovery.

Drilling Approvals Process Underway For Backyard Prospect

The joint venture has met with local council officers to commence the application process for a drilling permit.

Drilling or mining is subject to the provisions of the Resource Management Act and the Crown Minerals Act which includes council approval, requiring the Hazelbrook Joint Venture to enter access agreements with relevant stakeholders including landowners and land occupiers, third party owners of non-precious minerals and consultation with Maori.

To date there has been good cooperation from local landholders for Aurora to conduct surface prospecting and, as noted above, access agreements have been completed with the landowner and occupier of the **Backyard prospect**. Negotiations have also commenced with other landowners in other parts of the large project area.

A minerals search shows there are no other third-party ownerships of non-precious minerals over the Backyard quartz veins or for a number of other properties now

under consideration for drilling at Backyard, Toolshed or Te Mata. Further searches will be conducted more broadly as required.

Consultation has commenced with Maori groups in the area, and is expected to continue over the coming months. Aurora maintains a positive approach with respect to Maori consultation and plans for this to continue over the life of the project.

More information regarding land access and related information is contained on the Company's website at <http://www.auroraminerals.com/default.aspx?l=2&p=39>.

All going well, the joint venture hopes to have consents for drilling in some key areas of the Hazelbrook project towards the end of the year.

2 Weebacarry Project, Western Australia

An extensive RAB drilling campaign has been planned over a series of gold targets at Weebacarry. Drilling has been delayed by bad weather and completion of a Heritage survey by Native Title Claimants.

The Heritage Clearance Survey is now scheduled to take place in the next few weeks to coincide with the end of winter. This should be followed soon after by RAB drilling.

Previous drill results with grades up to 8 metres at 6.1g/t gold were reported from the Miss Jane prospect by a major company which previously explored the area.

3 Ryansville Project, Western Australia

A two-hole deep reverse circulation drilling program is planned for the Ulysses East prospect (refer map), and was anticipated to commence in May or June. The drill rig became immobilized on a nearby property due to cyclonic rains and the Company is awaiting drier weather and a large reverse circulation drill rig. Holes are expected to average about 230m depth to test for a faulted, banded iron formation hosted gold deposit similar to the nearby Mt Magnet mine.

4 Macraes West Project, South Island, New Zealand

No field work was conducted during the Quarter.

