Aurora Minerals Limited
ABN 46 106 304 787

31 July 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 June 2006

HIGHLIGHTS

BUSINESS DEVELOPMENT

- **July 2006 20 cent listed options fully underwritten**
- **International investment group sub-underwrites $1.85 million of options**
- **Large increase in new projects acquired in Western Australia, targeting gold, base metals, uranium and iron ore**
- **Emerald Mining provides next round of Hazelbrook Project funding in revamped joint venture, New Zealand**

EXPLORATION

- **Drilling at Weebacarry Project intersects further gold and arsenic anomalies in 2km by 12km target zone. Next round of fieldwork in August to prepare for October drilling.**
- **High grade iron ore potential identified at Ryansville Project. Ground inspections in August for drilling planned in October.**
- **Initial field programs planned for September on new projects**

Aurora Minerals Limited
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1. BUSINESS DEVELOPMENT

FULL UNDERWRITING OF AURORA OPTIONS

Aurora Minerals Limited (ASX code ARM) announced last week that its 9,967,500 Listed Options (ASX code ARMO) each with an exercise price of 20 cents due to expire on 31 July 2006 have been fully underwritten by Melbourne stock broker Intersuisse Limited.

The main sub-underwriter for the Listed Options is Emerald Trust which is associated with the Emerald Group of companies. The group 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.

Immediately following this Intersuisse has been commissioned on a best endeavors basis to then place up to a further 6,250,000 ordinary fully paid shares in Aurora Minerals at a price of 20 cents to raise up to a further $1,250,000 by way of a placement.

Emerald Trust will subscribe for shares in the placement such that its percentage of shares does not exceed 19.9% of the Company's issued capital.

The underwriting of the Listed Options and a full placement would strengthen the Company's cash position to approximately $5.5 million (approximately 11 cents per share).

NEW PROJECTS

Western Australia (Aurora 100%)

The June Quarter marked a major acquisition drive by Aurora with a substantial increase in the Company's portfolio of 100% owned projects in Western Australia.

This followed the development of extensive geo-technical databases including state-wide air magnetic and geology, and surface geochemistry over large regions of Western Australia, by the Company over the past twelve months.

The four new major projects are located in the Proterozoic sedimentary basins of central West Australia. These projects are large in area and prospective for a range of commodities including gold, copper-lead-zinc, uranium and iron ore.

Previous exploration work has indicated these areas are anomalous in these metals. More details follow in this report.

Further data assessments are underway which will lead to the first round of field work and drill targeting.

Yannarie and Minnie Creek Project (Uranium)

Aurora has acquired seven new exploration licence applications comprising a total of 1011km^2 over a series of uranium-channel radiometric anomalies in the Gascoyne region of Western Australia.

Aurora is targeting near surface Yeelirrie–type uranium deposits hosted in valley-fill calcretes. The Yeelirrie uranium deposit was discovered by Western Mining Corporation near Agnew in the WA Goldfields and has a reported resource of 35mt grading 0.015% U_3O_8.

The location of the uranium radiometric anomalies coincides with calcrete deposits as mapped by the Geological Survey of WA, which flank present-day creek systems.

The creek systems drain significant areas of granite displaying high uranium background radiometric anomalies.

The Company's Yannarie and Minnie Creek prospects lie south of the Paddy Well uranium prospect of U3O8 Limited, and the Manyingee uranium deposit of Paladin Resources (resource of 12,000t of contained U_3O_8).

Paterson Project (Gold, Base Metals)

The Company has applied for eight large, contiguous exploration licences covering a total area of 2,618km^2 at the southern end of the Paterson Orogenic Province, central Western Australia.

The Paterson Project covers a series of ten gold anomalies resulting from pan concentrate samples of surface sediments taken by a previous explorer in the 1980s.

The maximum individual results from anomalies within Aurora's tenements are 64g/t Au and 21g/t Au from the north east of the project area. More subdued but still highly anomalous gold values occur on the far western side of the property coincident with the noses of folded and faulted sedimentary sequences from published geological mapping.

The target is large, structurally controlled and strata-bound gold/base metal sulphide deposits. Examples include the Nifty copper mine of Aditya Birla and the Telfer copper-gold mine of Newcrest Mining, both in the northern part of the Paterson Orogenic Province and hosted by similar-aged sediments to those in Aurora's Paterson Project.

Capricorn Project (Gold and Base Metals)

The Capricorn Project lies in the Ashburton region and comprises six exploration licence applications covering a total of 1,100km^2, and 115km of strike parallel to the main regional structural grain and the unconformable contact between older Ashburton Basin sediments and younger overlying Bangemall Basin rocks.

Individual prospects within the project area define four main clusters of gold and base metal anomalies. These prospects and their maximum anomalous values are:

- **Stockyard Creek** (3km long anomaly: max gold 13.2g/t)
- **Top Secret** (2.5km long anomaly: max gold 7.36g/t)
- **Boundary Well** (10km long anomaly: max copper 475ppm, lead 1032ppm, zinc 297ppm)
- **Windell** (5km long anomaly: max gold 1.57g/t, copper 215ppm, lead 650ppm, zinc 500ppm).

Camel Hills Project (Gold and Iron ore)

The Camel Hills Project comprises seven exploration licence applications for a total of approximately 1,100km^2. It lies approximately 150km west of the Fortnum Gold Mine and 220km northwest from the gold-mining town of Meekatharra. The Glenburgh Gold Deposit of Helix Resources is located 70km to the northwest of Aurora's project area in similar rocks.

On Camel Hills previous explorers have outlined several stream sediment and soil gold anomalies, following reports of gold in local creeks.

A soil sample survey over a 6km by 3.5km E-W grid outlined two parallel ENE trending gold-in-soil anomalies, both 800m long at the 5ppb gold contour, with values up to 240ppb gold. Rock chips in the northern soil anomaly are reported to grade up to 1.4g/t from a sheared quartz lens.

The soil and rock chip results are associated with the main stream sediment anomaly which contains BLEG values up to 21.2ppb, trends ENE for 13km and is about 3km wide. The anomaly is open to the east and NE where there are no samples recorded.

There appears to be no previous drilling on these anomalies.

Other BLEG stream sediment sample anomaly clusters lie to the south and far west in Aurora's tenements but have yet to be evaluated.

Interpretation of airmagnetic data has identified a sequence of prominent linear magnetic highs, striking for 40km east west through the Camel Hills project area.

The linear magnetic highs at Camel Hills appear to coincide with mapped calc-silicate horizons within the Camel Hills Metamorphic Suite as outlined on published GSWA maps, and also with the main soil and stream anomaly cluster (as above).

An 11.3km section of this magnetic high has a signature which the Company interprets as similar to that over the Southdown magnetite iron deposit, which is located in a similar geological setting in deformed Proterozoic rocks flanking the southern margin of the Yilgarn Craton.

Rafts of Banded Iron Formation have been identified in mapping along strike from both the Southdown magnetite deposit and Camel Hills.

ADDITIONAL NEW PROJECTS IN WA

In addition to the four new Projects outlined above, Aurora has applied for exploration licences over a number of other new project areas in Western Australia which are being reviewed to determine priority.

HAZELBROOK EPITHERMAL GOLD JOINT VENTURE, NEW ZEALAND

Emerald Mining Limited can elect to earn a 50% interest in the Hazelbrook Project by providing NZ$10 million for expenditure on the Project. During the June Quarter Emerald provided NZ$500,000 to the project manager, as part of the second NZ$2 million tranche.

The Joint Venturers have agreed to amend the joint venture agreement such that Emerald shall have the option to crystallize a participating interest in the joint venture on an ongoing basis as it provides funds for exploration on the project.

This equates to Emerald Mining having the option to have a 12.5% Participating Interest in the joint venture now that it has provided the first NZ$2.5 million for project expenditure. To date approximately NZ$2.05 million of these funds have been spent on the project.

As part of the amended agreement Emerald has given up the right to withdraw any funds after they have been provided to Aurora, the project manager.

Aurora Minerals believes this approach provides incentive, and has the potential to add to the flexibility for future financing of the joint venture.

The agreement is subject to any regulatory consents if applicable.

2. EXPLORATION

Weebacarry Project, Western Australia

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 June Quarter, Aurora completed an 84 hole, 6,700 metre RAB drilling program at Weebacarry. The drilling program focused on a small section of the 12km-long target zone and produced thick intersections up to 45m wide downhole, with gold values from 10ppb to 0.3g/t on both of Aurora's scout drill lines. Arsenic (to 2000ppm), copper (to 700ppm) and zinc (to 500ppm) are highly anomalous and commonly accompany the gold values.

A significant number of untested gold drill anomalies on wide spaced drill lines have been identified in previous drilling and Aurora's May program has added significantly to these anomalies and confirmed that the gold mineralisation is located preferentially within a 2km wide corridor on the west side of the project.

The depth of weathering is a common feature of the May drilling program. In many cases holes did not reach fresh bedrock and ended in deeply weathered schist, some ending in anomalous gold, arsenic or base metals values.

The Company is encouraged by these new results as the distances between the RAB gold anomalies in the 12km target zone suggests that there is space for the presence of a significant gold deposit.

The next phase of RAB drilling, planned to commence in the first half of the coming financial year, will include infilling between the anomalous drill results where there are large gaps of the order of 1.2km between lines of drill holes, and reconnaissance drilling in the open (undrilled) areas to the NE and SW.

Aurora Minerals and Hampton Hill Mining NL are in joint venture on the Weebacarry Project and the nearby 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.

Ryansville Project, Western Australia

There is currently intense activity in Western Australia in the iron ore industry and this includes the Murchison Goldfields where several Companies are very active in developing new deposits and infrastraucture.

These include Gindalbie Metals, Midwest Corporation and Murchison Metals.

Four kilometers to the north of the Ryansville Project is Midwest's Madoonga (W14) iron ore deposit which is part of its Weld Range iron ore project. The Madoonga deposit contains a reported 132 million tonnes of iron ore grading 55.6%Fe. The deposit appears from geological maps to have a strike length of approximately 1km to 2km in banded iron formation.

Aurora Minerals has just completed a first stage data review including analyzing detailed aeromagnetic surveys and exploration by other companies in the area.

The review has identified iron ore potential in the northern part of the Ryansville Project which includes approximately 2km of strike of banded iron formation of the Weld Range. The Aurora–Hampton JV has pegged tenement applications over a further 2km of strike of the banded iron formation giving the joint venture a total of 4km of strike of the target formation.

Aurora plans to finalise its data review and conduct field investigations over its part of the Weld Range, to be followed by drilling currently planned for October.

Hazelbrook Epithermal Gold Project, New Zealand

Te Mata Prospect

Further soil sampling has been conducted on the Te Mata prospect in the southern part of the Hazelbrook Joint Venture Project.

This work followed up a large, low to medium-level arsenic anomaly with a peak value of 430ppm, over a 1,500m long, northwest-trending zone, 500m wide identified last year.

The 2005 anomaly remained open to the north where an area of thick gorse hampered access during the first pass sampling programme. In the 2006 work this area has now been sampled on a 50m by 50m grid and recently assayed for Au, Ag, As, and base metals.

The area immediately north of the existing anomaly returned high levels of arsenic with anomalous gold and antimony adjacent to a deep drainage. One soil sample returned a peak As value of 1.58%, with 6ppb Au and 61ppm Sb. Other samples nearby assayed several hundred ppm As, with anomalous gold up to 24ppb. Refer to map

Toolshed and Eastern Anomaly Prospects

The Toolshed and Eastern Anomaly prospects are located to the west and east respectively of the Backyard prospect. Discussions with landowners are continuing with a view to gaining access to the properties for further exploration, including drilling.

Rockville Project, New Zealand

The Rockville Prospecting Permit (PP39-273) covers 148km^2 and is located NW of Nelson, South Island, New Zealand. The permit is 100% owned by Aurora.

A program of geological mapping and rock chip sampling commenced in early May 2006 to delineate the extent of the gold-bearing zone at the Junction prospect. Results to date have confirmed the previous gold-bearing areas.

Previously Aurora reported a number of NE trending, narrow quartz veins in a package of sheared and altered sericite-pyrite schists at the Junction prospect. Within this is a structurally controlled zone of intense silica/pyrite alteration, chip samples from which averaged 2.2g/t gold over 3.2 metres (highest assay 5.2g/t gold). The zone lies within the Aorere Goldfield in an area previously mined for alluvial gold but masked from prospecting by a veneer of variably thick glacial till and sand.

Aurora Minerals has greatly increased its exploration project portfolio in recent months, and now has extensive tenements and applications in Western Australia which are prospective for gold, base metals, uranium and iron ore, and an expanding business development strategy for new projects. Budgeting by the Company proposes a significant increase in expenditure and additional funding options are currently being considered.

Yours faithfully

Phillip Jackson	Dr Robert Taylor	Garry O'Hara
Chairman	Managing Director	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.

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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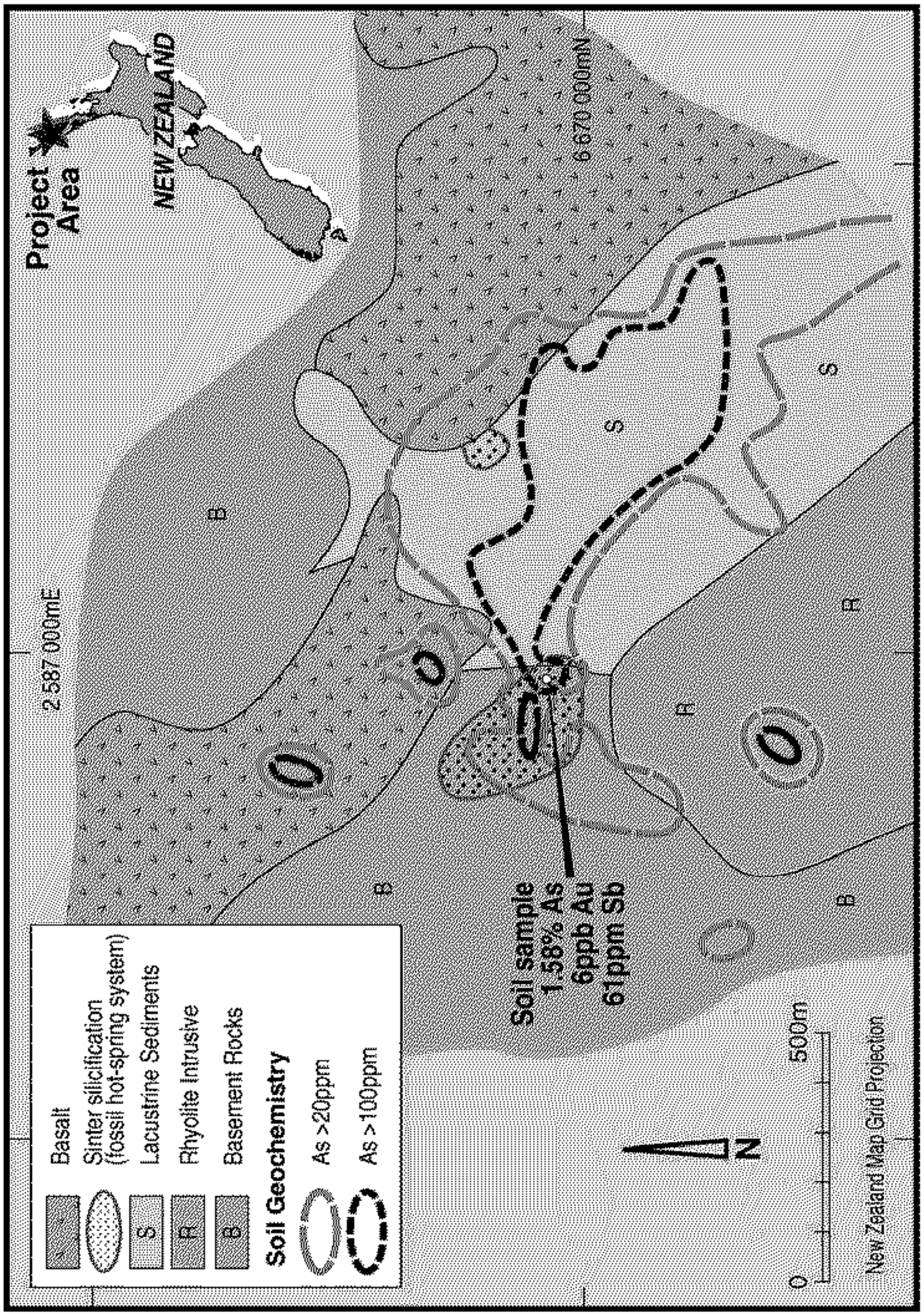

Hazelbrook PP39/270: Te Mata Prospect
Interpreted Geology and Soil Arsenic Anomalies

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Rule 5.3

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

Aurora Minerals Limited

ABN	Quarter ended ("current quarter")
46 106 304 787	**30 June 2006**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	**(579)**	**(1,231)**
	(b) development		
	(c) production		
	(d) administration	**(119)**	**(474)**
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	**28**	**128**
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	**73**	**221**
	Payment - Security Deposit		
	Net Operating Cash Flows	**(597)**	**(1,356)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		**(8)**
	(c) other fixed assets	**(10)**	**(28)**
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		**14**
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	**(10)**	**(22)**
1.13	Total operating and investing cash flows (carried forward)	**(607)**	**(1,378)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(607)**	**(1,378)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		**764**
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)		
	Net financing cash flows	-	**764**
	Net increase (decrease) in cash held	**(607)**	**(614)**
1.20	Cash at beginning of quarter/year to date	**2,793**	**2,833**
1.21	Exchange rate adjustments to item 1.20	**(22)**	**(55)**
1.22	**Cash at end of quarter**	**2,164**	**2,164**

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	**60**
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

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

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	**200**
4.2	Development	
	Total	**200**

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	**239**	**77**
5.2	Deposits at call	**231**	**248**
5.3	Bank overdraft		
5.4	Other (provide details)	**1,694**	**2,469**
	Total: cash at end of quarter (item 1.22)	**2,164**	**2,794**

Changes in interests in mining tenements

Tenement Name & Location	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
None				

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	**36,934,500**	**36,934,500**		**Fully Paid**
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	**9,967,500** **550,000** **3,000,000** **650,000**	**9,967,500** **-** **-** **-**	*Exercise price* **20 cents** **30 cents** **33.55 cents** **35 cents**	*Expiry date* **31 July 2006** **31 Dec 2006** **7 Dec 2008** **7 Dec 2008**
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Peter Ruttledge (Company Secretary) Date: 31 July 2006

Print name: Peter Ruttledge

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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