Aurora Minerals Limited

AURORA MINERALS LIMITED
AND CONTROLLED ENITIES

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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Your directors submit their report for the half-year ended 31 December 2009.

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 2009 was $3,974,703 (2008: $3,256,288) of which $2,573,332 (2008:$2,122,160) related to exploration expenditure expensed including expansion of the Company's tenement portfolio.

REVIEW OF OPERATIONS

CAPRICORN SOUTHEAST PROJECT – Manganese

Location and Background

Aurora's Capricorn Southeast Project is located over the northwestern arm of the mid-Proterozoic Bangemall Basin, approximately 950kms north of Perth, Western Australia. The project consists of 16 exploration licences (granted and applications).

A Heritage Agreement was successfully concluded with the local Wajarri Native Title Claimant Group in October. The exploration licence applications are now beginning to be granted by the Western Australian Department of Mines and Petroleum. Ten have been granted so far, with the remainder expected in the coming months. This is the first important step towards implementation of a drilling campaign.

Massive high-grade manganese oxide mineralisation was first discovered by Aurora in late 2008 and regional prospecting throughout 2009 has identified mineralisation within four parallel sedimentary sequences (informally termed Lower, Middle, Upper and 4th Horizon) within a corridor approximately 500m to 1500m wide over a strike of 53kms. The manganese mineralisation occurs as pods and lenses within the areas sampled.

A further 42kms strike of potentially mineralised sediments (the target Ullawarra Formation) is still to be prospected in the Even-Further-East Area.

REVIEW OF OPERATIONS (continued)

CAPRICORN SOUTHEAST PROJECT (continued)

Far East Area

First-pass prospecting and rock-chip sampling has now been completed over the Far East Area. Results from first-pass prospecting over the remaining 8km in the eastern part of the Far East Area complete approximately 53 strike-km of reconnaissance prospecting by Aurora on the Project in 2009. Of the 292 rock-chip samples collected east of Mango 116 prospect, 228 assayed over 20% Mn with 55 exceeding 40% Mn, up to a high of 56.5% Mn.

These results further extend the zone of high-grade mineralisation identified by Aurora in prospecting to date and complete the initial prospecting of the Far East Area.

Detailed mapping commenced of individual prospects in the 33km section of mineralisation from Mango 4 southeast to the new "Five Fingers" prospect (essentially all of the Far East Area plus the eastern part of the East-Of-Road Area). The detailed mapping will be used to locate drill holes over targeted pods and lenses, with an initial drill testing campaign planned for early in the 2010 field season assuming that all the necessary clearances, consents and permits are in place and dry weather prevails.

Five Fingers Prospect

Five Fingers is an 800m long portion of the Upper Ullawarra sedimentary sequence with massive manganese oxide up to 10m thick occurring as pods and lenses over that strike. Occurring centrally within the prospect are five subvertical veins or "fingers" of massive manganese oxide that crosscut the main east-west mineralisation, cropping out over an area 50m wide and 60m long. Individual veins are up to10m thick.

Seventy-seven rock-chip samples were collected along the 800m strike of the Five Fingers prospect. Of these, 45 contained more than 20% Mn, while 29 assayed over 40% Mn to a high of 55.1% Mn.

Additional prospecting results come from 1.8km along strike to the west of Five Fingers where massive manganese oxide mineralisation has been identified within a 700m strike zone containing the mineralised pods and lenses. Seventeen of the 19 rock-chip samples collected assayed over 20% Mn, 4 assayed over 40% Mn with a high of 51.4%.

Two kilometres east of Five Fingers a further 6 samples collected over a 400m strike of the Upper Ullawarra sequence all assayed over 20% Mn to a high of 46% Mn.

These new results confirm that the Five Fingers prospect area is well mineralised. Manganese mineralisation has now been identified within a strike of at least 4.5km, and the area is similar to the rest of the Far East, East-Of-Road and West-Of Road Areas in that massive manganese oxide mineralisation occurs as a series of pods and lenses, individually from cm scale up to several hundreds of meters long by up to 10m wide.

REVIEW OF OPERATIONS (continued)

CAPRICORN SOUTHEAST PROJECT (continued)

Heritage Survey

A Heritage Clearance survey was conducted in December in the East-Of-Road and Far East Areas and includes proposed drill targets from the prospecting completed to date by Aurora.

Manganese Mineralisation in Laterites

In November 2009, Aurora announced to the ASX that it had identified a number of apparent palaeochannels and laterites as remnants of a once extensive weathering surface now tilted 5° to the north. Surface float from these appeared to be rich in manganese.

Aurora then commenced reconnaissance prospecting of this laterite downslope from high-grade manganese mineralisation at its Mango 4 prospect in the East-Of-Road Area.

These first laterite samples came from an area approximately 2km long by up to 200m wide immediately downslope from the high-grade Mango 4 prospect. Where observed, massive manganese oxides form a 1m to 1.5m thick layer near the base of the laterite.

The laterite is 2 to 6m thick, dips at approximately 5° to the north and continues beyond the sampled area, yielding potential for large flat high-grade manganese bodies close to surface.

These sampled laterites form a small part of an old weathering surface, extensive remnants of which, including palaeochannel deposits, are present over an estimated area of at least 70km^2 to the north and northeast. Aurora believes these laterites hold excellent potential to host additional manganese oxide deposits. One sample of manganese-in-laterite was collected from north of Mango 21, in West-Of-Road Area, and assayed 51.6% Mn.

Importance of Laterite-Hosted Mineralisation

The new discoveries of high-grade massive manganese mineralisation hosted by laterite open up the potential for large areas north and northeast of the manganese-mineralised sedimentary sequence in the East-Of-Road and West-Of-Road Areas covered by extensive remnants of the old weathering surface.

The flat-lying laterite surfaces appear to be derived from weathering of the underlying bedrock which is mapped by the Geological Survey of Western Australia as Ullawarra Formation, and in which Aurora discovered intermittent bedrock exposures of massive manganese oxide mineralisation with rock-chip samples to 55.6% Mn, at the Northern Flats prospect as announced to the ASX in its September 2009 Quarterly Report.

Aurora estimates from analysis of aerial photographs and satellite images that the laterites, including downslope palaeochannel deposits, are present over an area of approximately 70km^2 to the north and northeast of the main manganese ridges.

REVIEW OF OPERATIONS (continued)

CAPRICORN SOUTHEAST PROJECT (continued)

Possible Detrital Potential

Besides the laterite-hosted mineralisation, which appears to concentrate to the north and northeast of the main Ullawarra Formation ridges, a number of alluvial or detrital concentrations are likely to exist in or beneath the recent sediments and detrital fans cloaking the southwestern flanks of the same ridges. Creeks dissecting some of these fans show accumulations of colluvial manganese which may be amenable to beneficiation.

Interpretation of Landsat and Airphoto images shows extensive alluvial, colluvial and detrital fans developed to the southwest of the main Ullawarra ridges prospected to date, over significant strike lenths and possibly continuing to the east.

These fans will be prospecting targets for the forthcoming field season.

Beneficiation Testwork

The nature of significant parts of the lateritic manganese mineralised material appears, from a preliminary visual inspection, to be potentially suited to upgrade to a higher grade product via beneficiation techniques involving Jigs and Heavy Media separation. This may also apply to parts of the primary manganese mineralisation. Aurora is liaising with a metallurgical laboratory in Perth on beneficiation (upgrade) testwork for a range of manganese mineralisation types at Capricorn Southeast from the upcoming drill samples.

New Joint Venture

In mid-December Aurora announced that it had signed a Joint Venture Agreement with a private syndicate to earn 80% of a key Exploration Licence at its Capricorn Southeast Project, Western Australia.

The licence, E09/1359, covers a 9km strike extension to the same mineralised horizon which hosts Aurora's high-grade manganese discovered this year over a strike of 53 km to the immediate west; see attached map. The new Joint Venture area links Aurora's Far East and Even-Further-East Areas.

Aurora has commenced reconnaissance prospecting of the new JV tenement and of 101 rock-chip samples collected, 29 assayed over 40% Manganese with a high of 56.3%.

The joint venture secures control for Aurora of the entire 95kms strike of the host rock to the manganese mineralisation (Ullawarra Formation) in this part of the Bangemall Basin and is a significant step in ensuring Aurora locks up the high-grade manganese in this new greenfields district.

REVIEW OF OPERATIONS (continued)

CAPRICORN SOUTHEAST PROJECT (continued)

Summary of New Joint Venture Terms and Conditions

- Aurora has the exclusive right to earn an 80% interest by exploring the project up to a Decision to Mine.
- Aurora is to spend a minimum of $1million over three years and will be the project Manager.
- Aurora is to pay $200,000 cash and issue 800,000 Aurora shares to the Syndicate Members.
- Aurora retains pre-emptive rights to purchase each of the Syndicate Members 10% shares, if, following a Decision to Mine, they wish to sell.
- From the date that a Decision to Mine is made, at the Syndicate's election, Aurora will carry the two Syndicate Members share of joint venture expenditure, each of 10%, through to, and during mining and processing.
- Aurora, as agent, will retain part of the Syndicate's share of mineral production, together with the selling rights, to reimburse Aurora for the Syndicates share of joint venture expenditure. Aurora will also be entitled to charge interest.
- Each Syndicate Member will be entitled to a 0.5% royalty from production if they sell their 10% interest.
- The joint venture is subject to Aurora's satisfaction that there is clear title on the tenement.

GLENBURGH PROJECT (Uranium, Copper, Gold)

A prospecting trip was conducted onto the Glenburgh Project during the quarter. The Glenburgh Project consists of seven recently-granted exploration licences in the Southern Gascoyne Metamorphic Complex, located about 50km north of Aurora's Camel Hills Gold Project in central Western Australia.

The target in this central part of the Glenburgh Project is copper-uranium mineralisation at or near the mid-Proterozoic unconformity contact between the Gascoyne Metamorphic Complex basement and the overlying Mt James Formation meta-sediments.

The best known examples of these "Unconformity Uranium deposits" are the Kintyre deposit in WA and the Ranger-Jabiluka deposits of the Alligator Rivers district, NT. As reported in The Australian newspaper of 6 April 2009 "Kintyre is estimated to hold between 62 million and 80 million pounds of uranium in total at average grades of between 0.3 per cent and 0.4 per cent."

Several target anomalies have been identified for field evaluation.

Two grab rock-chip samples from brown iron-stained, goethitic meta-sandstones at anomaly GB1, above the unconformity, assayed 1730ppm (0.17%) Copper and 48.7ppm Uranium, and 1120ppm (0.11%) Copper and 31.5ppm Uranium. There are the only samples collected from this prospect.

Anomaly GB1 is a 600m diameter circular iron-stained feature visible on Landsat and airphoto images, situated on a prominent East-West fault zone that appears to cut basement and the overlying

REVIEW OF OPERATIONS (continued)

GLENBURGH PROJECT (continued)

Mt James Formation sequences. It is coincident with a local, prominent East-West Uranium-channel radiometric anomaly.

Ground inspection located a purple-tinged medium to coarse grained sandstone with abundant dark brown iron (goethite) matrix, in contact with a pale yellow chert unit. From the airphotos, the staining can be seen to continue beyond the original prospect as a series of irregular patches covering a 3.5km by 1km area within the major East-West structure.

Further prospecting, sampling and mapping is planned for the 2010 field-season to follow-up and extend the mineralisation.

CAMEL HILLS PROJECT (Magnetite-iron, Gold, Uranium, Cu-Ni-PGE, REE)

Initial Metallurgical Testwork, Magnetite Iron

Very promising results have been received from the first beneficiation test work on high-grade Magnetite Iron samples from the southern part of Aurora's large Camel Hills Project in central Western Australia. Samples were collected from multiple ridges of magnetite quartzite (metamorphosed Banded Iron Formation) occurring over an area of 1400km^2 in the southern part of the project area.

Testwork on four selected samples has demonstrated that the magnetite is quite crystalline and would produce a high quality concentrate if crushed to -75µm. The best concentrate grades 70.2% iron and has combined SiO_2 plus Al_2O_3 of 1.8% with negligible P and S; the other three sample concentrates graded 67.4%, 68.4% and 69.3% iron, also with very low impurities. All four would be amenable to carbon cleaning usage which demands a premium price up to three times furnace Magnetite.

In order to minimize the high energy costs of grinding to -75µm it would be preferable to undertake an initial beneficiation to remove coarser impurities and upgrade the resulting mill-feed. Magnetic separation of the initial coarse grind wouldn't work as the results suggest that in the +1mm fraction the majority reports to the magnetic fraction. Additional testwork will be required

The Camel Hills Project comprises 15 granted exploration licences and 10 exploration licence applications, covering an approximately 3000km^2 area, located 670km north of Perth, Western Australia, and approx 50km west of the proposed new railroad at Jack Hills (Oakagee Infrastructure Project) planned for completion in 2014. Oakajee Port and Rail (OPR) is owned jointly by Chinese-backed Murchison Metals Ltd and Japanese-backed Mitsubishi Development Ltd, a subsidiary of the Mitsubishi Corporation.

In late 2008 Aurora conducted preliminary exploration at Camel Hills including low level detailed airborne magnetic and radiometric surveys, prospecting and rock chip sampling.

This work resulted in discovery of high-grade iron from a series of sub-parallel metamorphosed Banded Iron Formation ridges extending NNE through the southern half of the project area, which covers 70km EW by 20km (1400 km^2). As reported at the time, the samples were highly magnetic.

REVIEW OF OPERATIONS (continued)

CAMEL HILLS PROJECT (continued)

The beneficiation testwork results suggest that the Camel Hill magnetite may have economic potential and more work is justified to classify the different mineralisation types and consistency of grade throughout the project.

DESERT ENERGY LIMITED (Aurora holds 52% equity interest)

Calcrete-Uranium Projects, Northeast Yilgarn, Western Australia
Reconnaissance Aircore Drilling

In November 2009 reconnaissance aircore drilling was undertaken over uranium-channel radiometric and drainage anomalies at five projects, first at the Barrambie Project (28 holes), then the Kurrajong (111 holes), Bellview (56 holes), Maitland (67 holes) and Downs East Extended (85 holes) Projects.

Downs East Extended Project

The Downs East Extended project consists of one granted tenement, E53/1404, which covers part of the interpreted upper drainage system to the Yeelirrie deposit. The tenement forms the eastern part of the Downs East project. Previous exploration by Desert Energy at Downs East had discovered outcropping uraniferous calcrete with grab sample assays of 0.3% U_3O_8.

Wide spaced reconnaissance drilling at Downs East Extended has uncovered moderately thick (up to 5m thick) sheets of calcrete under wind-blown sand cover over the majority of the project area.

Hole number DEXAC069, in the south of the tenement, intersected 83ppm U in a 4-meter composite from 12m to 16m down-hole. Adjacent holes (on nominal 400m by 1600m spacing) had intercepts of up to 20ppm U, which the Company considers is a high background value. In addition, a grab sample of blue-ish silcrete intersected at 5m to 6m in the same hole, assayed 75.3ppm U with 6ppb gold.

This intersect is supported by a number of adjacent holes with assay grades grater than 20ppm over a strike length of 1.6km.

Desert Energy considers both these uranium values to be highly anomalous, given the wide spaced nature of the drilling and composite sampling, and worth follow-up drilling. The significance of the gold value is uncertain at this stage.

Kurrajong Project

The assay results from initial reconnaissance drilling at the Kurrajong Project reported a maximum uranium value of 40ppm (4m composite sample) within a 1.6km long zone of calcrete with thickness ranging from 5m to 9m. This anomalous result is supported over the strike length with further results greater than 20ppm U in adjacent holes.

This zone is open to the north and south and presents a possible target for follow-up with further drilling.

REVIEW OF OPERATIONS (continued)

DESERT ENERGY LIMITED (continued)

Bellview Project – Gold potential in new greenstone sequence identified-by drilling

The Bellview project is located in granitic basement immediately west of the Agnew-Lawlers Greenstone Belt, home to several major gold and nickel mineral deposits. The drilling was targeting calcrete hosted uranium in buried paleochannels.

The drilling did not intersect anomalous uranium values but two holes on lines separated by 2000m on the east side of the Project intersected a series of amphibolites, hornblende, tremolite gneisses with quartz+carbonate veining. The regional aeromagnetic images show a series of thin north-south concave-west linears, which may represent westward continuation of the greenstones (albeit at an increased metamorphic grade). The presence of quartz+carbonate veining is encouraging.

A more detailed evaluation of the granite-greenstone (gneiss) contact appears to be warranted at Bellview, with possible follow-up drilling (there is no outcrop) to test for slivers of greenstone/gneiss in a setting similar to the Ghost Crab gold deposit, south of Kalgoorlie.

Other Projects
Uranium results from the drilling at the Barrambie and Maitland projects were not considered to be anomalous , and surface sampling of the ungranted Chesterfiled tenements did not meet the Company's criteria . These projects will now be considered for relinquishment.

EVENTS OCCURRING AFTER BALANCE DATE

No events of a significant nature occurred after the reporting date other than that disclosed in Note 7 of the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 22 of the financial report.

Signed in accordance with a resolution of the directors.

RSTaylor

Robert Taylor
Managing Director
9 March 2010

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated Entity 31 December 2009 $	31 December 2008 $
CONTINUING OPERATIONS			
Revenue	2(i)	132,662	308,499
Gross Profit		132,662	308,499
Exploration expenditure		(2,573,332)	(2,122,160)
Administration expenditure	2(ii)	(1,534,033)	(1,442,627)
Loss before tax		(3,974,703)	(3,256,288)
Income tax expense		-	-
Loss for the period from continuing operations		(3,974,703)	(3,256,288)
Other comprehensive income			
Movement in foreign currency translation reserve		(444)	(7,752)
Income tax relating to components of other comprehensive income		-	-
Total comprehensive income for the period		(3,975,147)	(3,264,040)
Loss attributable to:			
Non-controlling interest		(766,071)	(927,854)
Owners of the parent entity		(3,208,632)	(2,328,434)
		(3,974,703)	(3,256,288)
Total comprehensive income for the period is attributable to:			
Non-controlling interest		(766,071)	(927,854)
Owners of the parent entity		(3,209,076)	(2,336,186)
		(3,975,147)	(3,264,040)
Basic loss per share (cents per share)		(4.10)	(3.32)
Diluted loss per share (cents per share)		(4.10)	(3.32)

The accompanying notes form part of these financial statements.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Consolidated Entity	
	31 December 2009 $	**30 June 2009 $**
ASSETS		
Current Assets		
Cash and cash equivalents	6,418,662	7,192,785
Trade and other receivables	504,339	402,810
Other current assets	96,868	43,787
Total current assets	7,019,869	7,639,382
Non Current Assets		
Plant and equipment	563,292	608,035
Total non current assets	563,292	608,035
Total Assets	7,583,161	8,247,417
LIABILITIES		
Current Liabilities		
Trade and other payables	136,888	108,963
Total current liabilities	136,888	108,963
Total Liabilities	136,888	108,963
Net Assets	7,446,273	8,138,454
EQUITY		
Issued capital	22,151,738	19,655,200
Reserves	4,980,172	4,292,873
Accumulated losses	(20,870,137)	(17,661,505)
Parent entity interest	6,261,773	6,286,568
Minority equity interest	1,184,500	1,851,886
Total Equity	7,446,273	8,138,454

The accompanying notes form part of these financial statements.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share-based payments	Non-controlling Interests	Total
	$	$	$	$	$	$
At 1 July 2008	19,158,057	(14,154,729)	(16,080)	4,026,544	3,435,178	12,448,970
Loss for the period	-	(2,328,434)	-	-	(927,854)	(3,256,288)
Other comprehensive income	-	-	(7,752)	-	-	(7,752)
Total comprehensive income for the period	-	(2,328,434)	(7,752)	-	(927,854)	(3,264,040)
Transactions with owners in their capacity as owners:						
Expense of share option	497,143	-	-	(113,314)	172,187	556,016
Expense of share issue	-	-	-	(977)	(1,033)	(2,010)
At 31 December 2008	19,655,200	(16,483,163)	(23,832)	3,912,253	2,678,478	9,738,936
At 1 July 2009	19,655,200	(17,661,505)	(15,189)	4,308,062	1,851,886	8,138,454
Loss for the period		(3,208,632)	-	-	(766,071)	(3,974,703)
Other comprehensive income	-	-	(444)	-	-	(444)
Total comprehensive income for the period	-	(3,208,632)	(444)	-	(766,071)	(3,975,147)
Transactions with owners in their capacity as owners:						
Expense of share option	-	-	-	687,743	105,916	793,659
Issue of share capital	2,647,250	-	-	-	-	2,647,250
Expense of share issue	(150,712)	-	-	-	(7,231)	(157,943)
At 31 December 2009	22,151,738	(20,870,137)	(15,633)	4,995,805	1,184,500	7,446,273

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Consolidated Entity	
	31 December 2009 $	**31 December 2008 $**
Cash flows from operating activities		
Payments to suppliers and employees	(695,593)	(1,203,494)
Payments for exploration expenditure	(2,674,509)	(2,760,600)
Interest received	236,483	372,899
Net cash used in operating activities	(3,133,619)	(3,591,195)
Cash flows from investing activities		
Payments for purchases of plant & equipment	(129,867)	(45,141)
Net cash used in investing activities	(129,867)	(45,141)
Cash flows from financing activities		
Proceeds from issue of shares	2,647,500	-
Payments of share issue costs	(158,137)	(8,970)
Net cash provided by/(used in) financing activities	2,489,363	(8,970)
Net decrease in cash and cash equivalents	(774,123)	(3,645,306)
Cash and cash equivalents at the beginning of the period	7,192,785	11,536,296
Effects of exchange rate changes on balances held in foreign currency	-	(7,752)
Cash and cash equivalents at the end of the period	6,418,662	7,883,238

The accompanying notes form part of these financial statements.

NOTE 1 - BASIS OF PREPARATION

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Aurora Minerals Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made by Aurora Minerals Limited during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not Previously Applied

The Group has adopted the new and revised Australian Accounting Standards issued by AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expenses not recognised in profit and loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected in equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard;

NOTE 1 - BASIS OF PREPARATION (continued)

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

As a result of the adoption of the revised AASB 8, certain cash generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

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.

	31 December 2009 $	31 December 2008 $
(i) Revenue		
Interest revenue from other persons	132,662	308,499
(ii) Administration expenditure		
Consultants fees	277,862	443,036
Occupancy expenses	27,215	33,473
Depreciation	13,962	17,360
Insurance & legal	43,044	40,727
Securities exchange and registry fees	71,604	56,753
Share based compensation	795,661	556,016
Other Expenses	304,685	295,262
Total administration expenditure	1,534,033	1,442,627

NOTE 3 – EQUITY SECURITIES ISSUED

	Shares	Listed Options	Unlisted Options
At 1 July 2008	70,195,722	-	24,140,000
Options issued	-	-	10,310,000
Options cancelled	-	-	(4,027,500)
At 31 December 2008	70,195,722	-	30,422,500
At 1 July 2009	70,195,722	-	33,272,500
Issue of share capital	10,529,000	-	-
Options issued	-	-	3,350,000
Options exercised	50,000	-	(50,000)
At 31 December 2009	80,774,722	-	36,572,500

- 13 August 2009 – placement of 10,529,000 ordinary fully paid shares at 25 cents each to professional investors to raise $2,632,250, to be applied to exploration at the Capricorn project and ongoing working capital
- 22 December 2009 – conversion of 50,000 options issued to consultants with an exercise price of 30 cents expiring 30 June 2013
- 2 October 2009 – 1,350,000 options issued to employees with an exercise price of 50 cents expiring 30 September 2013
- 16 November 2009 – 1,500,000 options issued to director with an exercise price of 100.5 cents expiring 15 November 2015
- 17 December 2009 – 500,000 options issued to consultants with an exercise price of 82.5 cents expiring 16 December 2012

NOTE 4 - SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the board of directors) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Company's principal activity is that of mineral exploration within Australia.

NOTE 5 - COMMITMENTS FOR EXPENDITURE

In order to maintain the mineral covenants in which the Consolidated Entity and other parties are involved, the Economic Entity 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 – CONTINGENT LIABILITIES

Farmin and Joint Venture Agreement

On 17 December 2009, the Company entered into a Farmin and Joint Venture Agreement with a private Syndicate for the exclusive right to earn 80% interest in a tenement and upon which the Syndicate and Aurora will form an unincorporated joint venture in respect of the tenement.

This agreement will not come into effect or become binding until 2 specified conditions are satisfied or waived by 27 March 2010 or such later date as the parties agree in writing.

Within 7 days following the satisfaction or waiver of the first condition, the Company must pay to each member of the Syndicate, or their respective nominees, the sum of $50,000 in cash. Subsequent to the satisfaction of the second condition, an additional sum of $50,000 will be payable to each member of the Syndicate. In the event that the second condition is not waived or satisfied, the agreement will not come into effect.

Should all conditions be satisfied, Aurora must pay to each member of the Syndicate, or their respective nominees, the sum of $50,000 in cash as detailed above and must as soon as reasonably possible issue and allot to each of the Syndicate members, or their respective nominees, 400,000 Shares and register each of the Syndicate members (or their nominees) as the holders of those Shares.

Share Price Performance Bonus

At the Annual General Meeting held on 30 November 2009, resolutions amending the terms of the Consultancy Agreements between Aurora Minerals Ltd and a number of consultants that provide significant services to the company were approved by shareholders. The resolutions included a provision for a Share Price Performance Bonus to be paid to Dr. R Taylor, Mr G O'Hara, Mr P Jackson and Mr K Banks in order to reward, motivate and seek to retain, the services of the consulting companies through which the consultants were employed.

The Share Price Performance Bonus is triggered at various share price hurdles, starting at an Aurora closing market share price of $1.00, averaged over 5 days, which represents an approximate 217% increase on the Share Price on the day that the Share Price Performance Bonus was drafted (29 September 2009), and then on each first only occasion that the closing market price of Aurora shares is equal to or greater than $0.50 above the prior hurdle. The bonus payable at each price hurdle will be $500,000 to each of Dr. Taylor, Mr O'Hara and Mr Jackson and $250,000 for Mr Banks.

NOTE 7 - EVENTS OCCURRING AFTER BALANCE DATE

With the satisfaction of the first condition stipulated in the Farmin and Joint Venture Agreement, an amount of $50,000 was made to each member of the Syndicate on 1 February 2010, totalling $100,000.

The market price of Aurora Shares exceeded $1.00 for 5 trading days in late January and early February 2010 resulting in the first instalment of $1.75 million Share Price Performance Bonus becoming due and payable.

The directors of the company declare that:

(a) the financial statements and notes, as set out on pages 11 to 19

  (i) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

  (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.

(b) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

R S Taylor

Robert Taylor
Managing Director

Perth, 9 March 2010

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AURORA MINERALS LIMTIED AND ITS CONTROLLED ENTITIES

REPORT ON THE HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Aurora Minerals Limited and its Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Aurora Minerals Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

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 and its Controlled Entities is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Principal

Perth, WA

Dated this 9th day of March 2010

Total Financial Solutions

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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 2009, 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.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Principal

Perth, WA

Dated this 9th day of March 2010

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