



Aurora Minerals Limited

**AURORA MINERALS LIMITED
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2013**

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
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AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2013.

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)

Mr Martin Pyle (Managing Director)

Dr Robert Taylor (Executive Director - resigned 20 February 2014)

Mr Peter Cordin (Director - appointed 20 February 2014)

RESULTS

The operating loss for the Group for the half-year ended 31 December 2013 was \$1,481,413 (2012: \$1,754,724) of which \$1,115,585 (2012:\$1,528,803) related to exploration and evaluation expenditure expensed.

REVIEW OF OPERATIONS

Glenburgh Copper/Gold Project

Aurora's Glenburgh Project consists of some 1,365km² of granted exploration licences and licence applications and is situated in the southern part of the Gascoyne Province, central Western Australia. Systematic prospecting and rock-chip sampling commenced in 2010 and discovered copper-gold-uranium mineralisation at the GBO Prospect during early follow-up of LANDSAT and airphoto colour anomalies. Visible copper minerals at Pink Elephant were discovered late in 2010, and the M&B Prospect in early 2011. The first drilling program took place in May 2011, and the second one in September and October. An airborne VTEM geophysical survey was completed mid-2011. Two drilling programs were undertaken during 2012, testing the Rubbah Duckie, NuFind, Green Dragon and Pink Elephant prospects.

In the first quarter of 2013, a 13 hole RC program was conducted on the NuFind Gold prospect. A total of 1,162 metres was drilled.

During the half year to December 2013 exploration activities were focussed on the Chance Gossan Prospect in the northern part of the Company's project area. Following a mobile metal ion (MMI) soil sampling survey in late 2012, several lead and zinc anomalies have been identified over the gossan extending under cover to the West. These were further resolved through a follow up MMI survey in the half year. Prospecting and sampling continued on the Chance Gossan Prospect and the Flint Hill tenement. Additional prospecting and possible drill testing of the Chance Prospect is scheduled for the 2014 field season. A Ground EM over the Velvet Monkey VTEM anomaly was undertaken which failed to resolve specific drilling targets.¹

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

Capricorn Southeast Manganese Project

There was no field activity for the half year and the tenement position has been further rationalised while retaining the extensive zones of high-grade surface manganese mineralisation.¹

Corporate

The company has lodged a claim for approximately net \$300,000 for research and development activities carried out in 2011/2012 in relation to the Glenburgh Project. Proceeds from this claim are expected in March 2014.

On 26 November 2013 Aurora announced an on market buy-back of up to 10% of the Company's shares ("**Buy-back**"). The Buy-back will be for up to 10,416,748 ordinary fully paid shares over a period not to exceed 12 months and pursuant to section 257(B)(4) of the Corporations Act does not require shareholder approval. The company need not buy-back the full amount of the Buy-back shares nominated above. Prominent broking firm Hartleys Limited had been appointed to undertake the Buy-back on behalf of Aurora.

The Buy-back commenced in December 2013. At the end of December 447,500 shares at an average price of \$0.061/share had been purchased.

Aurora is seeking to apply its cash reserves to advanced resource projects which demonstrate robust margins, and where Aurora's cash will make a meaningful contribution to the advancement of the project. Commodity focus is largely precious metals, base metals, mineral sands, coal and manganese. To date the country focus has been Australia, Asia and West Africa, however other jurisdictions are being considered as the project quality justifies.

While this strategy is ongoing the Directors believe a Buy-back will help improve returns to shareholders and complement our business development strategy.

DESERT MINES AND METALS (Aurora Minerals Ltd 37%)

Camel Hills Joint Venture (CHJV) (Desert 51% / Aurora Minerals Limited 49%)

Desert Mines and Metals Limited ("**Desert**") as the manager of the CHJV provided the following update.

Camel Hills is a large project covering some 560km² in the southern Gascoyne Region of Western Australia. The project covers part of the north-western margin of the Archaean Yilgarn Craton and adjacent Proterozoic Errabiddy Shear Zone.

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REVIEW OF OPERATIONS (continued)

Desert Mines and Metals Ltd (continued)

Following the reverse circulation drill programs at Main Grid gold and Innouendy copper-nickel prospects during the first half of 2013, there has been no further field exploration activity. Rehabilitation of drill sites continued during the period.

The JV has undertaken tenement rationalisation in the CHJV area but is seeking to retain the Innouendy copper-nickel prospects plus the large block in the south covering the Far West and CN2 copper-nickel prospects and the adjoining (Bean Counter) magnetite-iron prospects.

Desert was granted Western Australian Department of Mines and Petroleum Exploration Incentive Scheme co-funding for further drilling at Innouendy where the second, deeper EM anomaly remains untested.

Effective from 1 December 2013 Desert ceased to contribute to future programs and budgets in respect of the CHJV. Aurora's present intention is to continue to contribute to any the future programs and budgets of the CHJV. Accordingly, the dilution clause from the CHJV Agreement came into effect from 1 December 2013, with Aurora's participating interest increasing following expenditure on the CHJV, and Desert's participating interest reducing, in accordance with the formula contained in Clause 7 of the CHJVA. Additionally Desert has agreed that since Aurora is the sole contributing party, it should now act as Manager of the CHJV and Desert has resigned as the CHJV Manager.

DESERT - KOREAN OPERATIONS

During the 6 months to 31 December 2013 Desert continued with its exploration of the Daehwa molybdenum (Mo) and tungsten (W) project in South Korea. The Daehwa Project is located some 100km southeast of Seoul in Chungbuk Province in the centre of South Korea. Exploration in South Korea is conducted through wholly owned Korean Resources Limited ("KRL") and in turn its wholly owned subsidiary Suyeon Mining Company Limited ("SMCL").

In December 2013 Desert secured an option over the South Korean Jinan 89 tenement containing two former high grade historic mines with gold and silver up to 17g/t and 232g/t respectively⁹. Mining records indicate operations existed over several decades and Desert is of the view that the mineralisation extends below the current disused workings. This acquisition adds to and compliments Desert's Mo and W Daehwa project.

Daehwa Project

The Daehwa project consists of two former Mo-W mines, Daehwa and Donsan, and is comprised of three Mining Rights over Tenements 76166, 77226 and 77227, with granted tenure until 2027-2028 subject to meeting performance conditions. One of these conditions necessitated the application for and grant of mining permission within a specified time period of the original grant of a Mining Right. Desert announced on 14 August 2013 that this permission had been granted over tenement 76166 by the Chungbuk Provincial Government².

REVIEW OF OPERATIONS (continued)

Desert Mines and Metals Ltd (continued)

Background on Daehwa Project

In 1902, local prospectors discovered a quartz vein outcrop with molybdenite, wolframite and scheelite close to the Daehwa Mine site. The Daehwa underground operations commenced in 1904 and became the largest Mo mine in South Korea prior to its closure in 1984 due to declining Mo prices.

Historic production reported until 1979 is 2,022t of MoS₂ in a 95% concentrate and 793t of WO₃ (tungsten) in a 65-70% concentrate. Only limited records have been found for the adjacent Donsan Mine (which now forms part of the current Daehwa Project) but based on historic plans and surface artefacts including mine waste dumps it is believed that the mine also produced significant quantities of MoS₂ and WO₃. Numerous high grade MoS₂ specimens remain on the Daehwa and Donsan waste dumps indicative of the high grade nature of the mineralisation from the main lode structures. Many of the historic adits remain open and some remnants of the Donsan mine infrastructure still remain today.

Limited exploration including adit sampling has occurred since then with only partial records available to Desert. The project received a major impetus in 2010 when Korea Resources Corporation (“KORES”), a South Korean Government authority charged with the support and development of domestic and overseas mineral resources, commenced exploration activities on behalf of the then owners of the Daehwa Project. This work has included several phases of diamond drilling to assess the potential of the Mo-W mineralisation.

In late 2012, KORES, under the supervision of Desert’s subsidiary representatives, drilled 3 diamond core holes for ~1,300m into the Daehwa mineralisation. The holes were designed to traverse through the known lodes as evidenced from old workings. The Mo-W mineralisation consists of numerous veins that vary from sub millimetre scale to 0.6m in width and strike can be traced for over 1km in places. Up to 20 of the more significant veins identified to date have had some degree of historical development over the life of the mines, with development records suggesting up to ten of them being the main focus of mine production^{4,5,6,7&8}.

In August 2013, a 4 hole, 1,940 metre core drilling programme was completed. Sampling was underway during the 6 months to 31 December 2013, but no results had been received up to that date.

Daehwa Scoping Study

Following on from the August 2013 grant of the mining permission for tenement 76166, Desert announced on 11 October 2013 the commencement of a Scoping Study³ to investigate the early development of the Daehwa Mine. Among other matters, the study is considering:

- Trial mining and bulk sampling options along with detailed costing
- Optimal strategy for re-accessing historic underground workings
- Potential investment and off-take arrangements with strategic Korean parties
- Early mine development opportunities including drilling and underground sampling requirements in order to generate sufficient resources for an orderly development of the project

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REVIEW OF OPERATIONS (continued)

Desert Mines and Metals Ltd (continued)

- Infrastructure requirements such as power, water and waste disposal
- Community and government liaison

Desert continues to be very encouraged by the rapid progress being made in South Korea with the Daehwa project and the commencement of a Scoping Study will help direct the ongoing exploration and mine development options.

The Company has already received several expressions of interest with respect to financing and off-take and the company looks forward to the progress of these discussions along with the Scoping Study.

Jinan 89 Mining Right-Au and Ag

For some time Desert has been undertaking business development work in Korea across a range of commodities and on 18 December 2013 Desert announced the signing of an option agreement with the vendors of Mining Right Jinan 89, which contains the historic Dongjin and Indae Au and Ag mines⁸.

Mining records indicate operations existed over several decades and contained grades of gold and silver up to 17g/t and 232g/t respectively. Desert considers there is considerable potential for mineralisation to extend below the current abandoned workings.

The adjoining tenement Jinan 79 located to the east of the Indae line of lode has been applied for by Desert. It is likely that Indae lode has been fault offset to the east and now lies partially within block 79. A number of additional north south trending structures are expressed in the topographic map and aerial imagery. Future exploration may identify other North-South lode structures similar to the one mined at Indae.

Business Development

During the 6 months ending 31 December 2013 Desert evaluated an historic Au-Ag historic tailings deposit in the Wanju District as part of its Korean business development programme. More than 140 samples were collected from 20, 3m to 8m deep pits excavated across the deposit. Unfortunately the sampling failed to identify sufficient Au or Ag grades to encourage the company to make a formal offer for the project.

Corporate

All Desert directors and senior management agreed to take a 30% reduction in remuneration from 1 December 2013. These cuts will be reviewed in 6 months and are subject to further financing.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

Desert Mines and Metals Ltd (continued)

Summary List of all previous ASX releases referenced in this report

1. Aurora Quarterly Activities Report 28 January 2014
2. Grant of Mining Permission at Daehwa Project in Korea, 14 August 2013
3. Commencement of Scoping Study on Daehwa Mine Development, 11 October 2013
4. High Grade Molybdenum in Drilling from the Daehwa Project, 4 June 2013
5. High Grade Molybdenum in Drilling from the Daehwa Project, 8 July 2013
6. Daehwa Project Information Presentation, 24 July 2013
7. Additional High Grade Molybdenum Drill Intercepts from the Daehwa Project, 12 September 2013
8. Additional High Grade Molybdenum Drill Intercepts from the Daehwa Project, 19 December 2013
9. Term Sheet Signed in Korea Over Mining Right Jinan 89 Including the Historic High Grade Dongjin and Indae Gold and Silver Mines, 18 December 2013

There has been no material change to the information contained in the above listed releases.

The information in this review that relates to Australian 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. Consultant of Aurora Minerals Limited and Desert Mines and Metals Limited, Robert Taylor consults through his consulting company Able Kids Pty Ltd.

Dr Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'.

The information in this report that relates to Korean Exploration Targets and Exploration Results is based on information compiled by Mr Daniel Noonan, a Member of The Australian Institute of Mining and Metallurgy. Mr Noonan is employed as a consultant to the company and is working as the Exploration Manager for the Korean operations. Mr Noonan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'.

The background information on the location and history of the Daehwa project has not materially changed since it was first described in earlier releases that were issued prior to the adoption by the Company of the reporting practices outlined in the 2012 edition JORC code. All information relating to the latest round of KORES drill core assays has been compiled and presented to comply with the terms of 2012 edition JORC code. Mr Noonan consents to the inclusion in this report of information compiled and interpreted by him in the form and context in which it now appears.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is included within this financial report.

Signed in accordance with a resolution of the directors.



Martin Pyle
Managing Director
14 March 2014

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

		Consolidated	
	Note	31 December 2013 \$	31 December 2012 \$
Revenue	2(i)	600,164	345,146
Exploration expenditure		(1,115,585)	(1,528,803)
Administration expenditure	2(ii)	(965,992)	(571,067)
Loss before tax		<u>(1,481,413)</u>	<u>(1,754,724)</u>
Income tax expense		-	-
Loss for the period		<u>(1,481,413)</u>	<u>(1,754,724)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		5,348	-
Other comprehensive income for the period, net of tax		<u>5,348</u>	<u>-</u>
Total comprehensive loss for the period		<u>(1,476,065)</u>	<u>(1,754,724)</u>
Loss attributable to:			
Non-controlling interest		(482,525)	(291,476)
Owners of the parent entity		<u>(998,888)</u>	<u>(1,463,248)</u>
		<u>(1,481,413)</u>	<u>(1,754,724)</u>
Total comprehensive loss for the period is attributable to:			
Non-controlling interest		(479,160)	(291,476)
Owners of the parent entity		<u>(996,905)</u>	<u>(1,463,248)</u>
		<u>(1,476,065)</u>	<u>(1,754,724)</u>
Basic loss per share (cents per share)		(1.42)	(1.40)
Diluted loss per share (cents per share)		(1.42)	(1.40)

The accompanying notes form part of these financial statements.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Consolidated	
	31 December 2013	30 June 2013
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	9,868,186	11,411,634
Trade and other receivables	742,390	417,764
Other current assets	50,438	74,811
Total current assets	<u>10,661,014</u>	<u>11,904,209</u>
Non Current Assets		
Plant and equipment	<u>190,446</u>	<u>231,644</u>
Total non-current assets	<u>190,446</u>	<u>231,644</u>
Total Assets	<u>10,851,460</u>	<u>12,135,853</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	<u>363,263</u>	<u>264,641</u>
Total current liabilities	<u>363,263</u>	<u>264,641</u>
Total Liabilities	<u>363,263</u>	<u>264,641</u>
Net Assets	<u>10,488,197</u>	<u>11,871,212</u>
EQUITY		
Issued capital	36,543,995	36,577,518
Reserves	12,048,399	11,991,490
Accumulated losses	<u>(38,545,095)</u>	<u>(37,546,207)</u>
Parent entity interest	10,047,299	11,022,801
Non-controlling interests	<u>440,898</u>	<u>848,411</u>
Total Equity	<u>10,488,197</u>	<u>11,871,212</u>

The accompanying notes form part of these financial statements.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Consolidated	Issued Capital	Change in Ownership Interest	Accumulated Losses	Foreign Currency Reserve	Share- based payments	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2012	36,577,518	5,557,333	(34,801,440)	-	6,333,642	1,110,831	14,777,884
Loss for the period	-	-	(1,463,248)	-	-	(291,476)	(1,754,724)
Total comprehensive loss for the period	-	-	(1,463,248)	-	-	(291,476)	(1,754,724)
Transactions with owners in their capacity as owners:							
Expense of share option	-	-	-	-	33,247	(19,335)	13,912
Issue of share capital	-	250,549	-	-	-	283,645	534,194
Expense of share issue	-	(10,019)	-	-	-	(13,500)	(23,519)
Change due to issue of shares by subsidiary	-	(302,036)	-	-	-	-	(302,036)
At 31 December 2012	<u>36,577,518</u>	<u>5,495,827</u>	<u>(36,264,688)</u>	<u>-</u>	<u>6,366,889</u>	<u>1,070,165</u>	<u>13,245,711</u>
At 1 July 2013	36,577,518	5,583,741	(37,546,207)	341	6,407,408	848,411	11,871,212
Loss for the period	-	-	(998,888)	-	-	(482,525)	(1,481,413)
Other comprehensive income	-	-	-	1,983	-	3,365	5,348
Total comprehensive loss for the period	-	-	(998,888)	1,983	-	(479,160)	(1,476,065)
Transactions with owners in their capacity as owners:							
Share based payments	-	-	-	-	54,926	71,647	126,573
Buyback of share capital	(27,250)	-	-	-	-	-	(27,250)
Expense of share capital buyback	(6,273)	-	-	-	-	-	(6,273)
Change due to issue of shares by subsidiary	-	-	-	-	-	-	-
At 31 December 2013	<u>36,543,995</u>	<u>5,583,741</u>	<u>(38,545,095)</u>	<u>2,324</u>	<u>6,462,334</u>	<u>440,898</u>	<u>10,488,197</u>

The accompanying notes form part of these financial statements.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Payments to suppliers and employees	(817,334)	(574,386)
Payments for exploration expenditure	(1,106,026)	(1,500,208)
Receipts from security deposits and bonds	145,132	73,860
Other income	2,123	147,054
Interest received	248,890	400,367
Net cash (outflow) from operating activities	<u>(1,527,717)</u>	<u>(1,453,313)</u>
Cash flows from investing activities		
Proceeds from sale of plant and equipment	36,455	-
Payments for purchases of plant & equipment	(18,663)	(4,728)
Net cash (outflow) from investing activities	<u>17,792</u>	<u>(4,728)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	232,160
Payments for share buyback	(27,250)	-
Payments for share buyback/issue costs	(6,273)	(9,331)
Net cash inflow from financing activities	<u>(33,523)</u>	<u>222,829</u>
Net (decrease) in cash and cash equivalents	<u>(1,543,448)</u>	<u>(1,235,212)</u>
Cash and cash equivalents at the beginning of the period	<u>11,411,634</u>	<u>14,010,718</u>
Cash and cash equivalents at the end of the period	<u><u>9,868,186</u></u>	<u><u>12,775,506</u></u>

The accompanying notes form part of these financial statements.

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 1 - BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Aurora Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
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		
Interest received	206,305	318,824
Gain on sale of assets	40,424	-
Other revenue	353,435	26,322
	<u>600,164</u>	<u>345,146</u>
(ii) Administration expenditure		
Depreciation	57,930	78,277
Less: allocation to exploration and evaluation	(51,940)	(70,817)
	<u>5,990</u>	<u>7,460</u>
Salaries and wages	71,874	63,335
Consulting fees	404,131	252,501
Occupancy expenses	72,094	64,331
Insurance and legal	79,923	35,886
Securities exchange and registry fees	38,460	40,513
Share based compensation	126,573	13,912
Other expenses	166,947	93,129
Total administration expenditure	<u>965,992</u>	<u>571,067</u>

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – EQUITY SECURITIES ISSUED

(a) (i) Details of Equity – the Company

	Shares	Listed Options	Unlisted Options
At 1 July 2012	104,167,499	-	26,027,500
Options expired/cancelled	-	-	(3,182,500)
At 31 December 2012	104,167,499	-	22,845,000
At 1 July 2013	104,167,499	-	20,800,000
Shares cancelled	(447,500)	-	-
Issue of options	-	-	300,000
Options expired/cancelled	-	-	(800,000)
At 31 December 2013	103,719,999	-	20,300,000

(a) (ii) Details of Movements in Equity – The Company

Date	Action	Type	Quantity	Issued To	Exercise Price	Expiry Date
22 Aug 13	Issue	Options – unlisted	300,000	Consultants	\$0.12	22 Aug 2014
30 Sept 13	Expiry	Options – unlisted	800,000	Consultants	\$0.50	30 Sept 2013
06 Dec 13	Cancel	Shares – fully paid	50,000	-	-	-
13 Dec 13	Cancel	Shares – fully paid	60,000	-	-	-
20 Dec 13	Cancel	Shares – fully paid	336,000	-	-	-
27 Dec 13	Cancel	Shares – fully paid	1,500	-	-	-

(b) (i) Details of Equity – Desert Mines and Metals Limited

	Shares	Listed Options	Unlisted Options
At 1 July 2012	119,660,641	-	48,072,500
Issue of shares	19,604,777		
Options expired/cancelled	-	-	(4,667,500)
At 31 December 2012	139,265,418	-	43,405,000
As at 1 July 2013	159,965,418	-	41,350,000
Issue of share capital	-	-	16,500,000
Options expired/cancelled	-	-	(1,000,000)
At 31 December 2013	159,965,418	-	56,850,000

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – EQUITY SECURITIES ISSUED (continued)

(b) (ii) Details of Movements in Equity – Desert Mines and Metals Limited

Date	Action	Type	Quantity	Issued To	Exercise Price	Expiry Date
22 Aug 13	Issue	Options – unlisted	300,000	Consultants	\$0.05	22 Aug 2014
22 Aug 13	Issue	Options – unlisted	2,600,000	Consultants	\$0.0343	22 Aug 2015
22 Aug 13	Issue	Options - unlisted	5,500,000	Directors	\$0.0343	22 Aug 2015
22 Aug 13	Issue	Options – unlisted	2,600,000	Consultants	\$0.0457	22 Aug 2016
22 Aug 13	Issue	Options – unlisted	5,500,000	Directors	\$0.0457	22 Aug 2016
31 Oct 13	Expiry	Options – unlisted	1,000,000	Consultant	\$0.34	31 Oct 2013

NOTE 4 - SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates as two segments, which are mineral exploration and evaluation within Australia and South Korea.

The group is domiciled in Australia. Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

No operating revenue was derived during the year (2012: nil)

	Australia \$	South Korea \$	Consolidated \$
Half Year Ended 31 December 2013			
Sales to external customers	-	-	-
Other revenue/income	599,041	1,123	600,164
Total segment revenue	599,041	1,123	600,164
Segment result from continuing operations before tax	(1,235,813)	(245,600)	(1,481,413)
As At 31 December 2013			
Segment assets	10,726,087	125,373	10,851,460
Total assets of the consolidated entity			10,851,460
Segment liabilities	340,288	22,975	363,263
Total liabilities of the consolidated entity			363,263

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 4 - SEGMENT INFORMATION (continued)

	Australia \$	South Korea \$	Consolidated \$
Half Year Ended 31 December 2012			
Sales to external customers	-	-	-
Other revenue/income	345,146	-	345,146
Total segment revenue	345,146	-	345,146
Segment result from continuing operations before tax	(1,754,724)	-	(1,754,724)
As At 31 December 2012			
Segment assets	13,547,926	-	13,547,926
Total assets of the consolidated entity			13,547,926
Segment liabilities	302,215	-	302,215
Total liabilities of the consolidated entity			302,215

As the Daehwa Project in South Korea was only acquired in May 2013, the Group operated in only one segment, being mineral exploration and evaluation in Australia, during the half year ended 31 December 2012.

NOTE 5 - COMMITMENTS FOR EXPENDITURE

Mineral Tenements

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 the following change to these commitments:

	Consolidated Entity	
	31 December 2013 \$	30 June 2013 \$
Minimum estimated expenditure requirements	1,075,084	1,328,999

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 5 - COMMITMENTS FOR EXPENDITURE (continued)

Capital Commitments

Suyeon Mining Company Limited, a 100% controlled subsidiary of Korean Resources Pty Ltd, a subsidiary of the Company's controlled entity Desert Mines and Metals Ltd, is required to pay the vendor an amount of KRW 137,757,093 (30 June 2013: KRW 200,000,000) by 18 January 2014, to complete the purchase of the mining tenements on which the Daehwa Project in South Korea is located.

	Consolidated	
	31 December	30 June
	2013	2013
	\$	\$
Capital Commitments	146,622	188,463

Consultancy Agreements

During the half-year, the consolidated entity has revised the consultancy agreements with all the Directors and Executives. In the event of termination, there is a requirement to continue payment of their fees for various periods as determined by individual contracts with Directors and Executives. Should the services of the Directors and Executives not be required during the respective periods the cost to the consolidated entity would be \$449,451 (30 June 2013: \$449,424).

NOTE 6 – CONTINGENT LIABILITIES

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

NOTE 7 - EVENTS OCCURRING AFTER BALANCE DATE

On 23 January 2014, the Company's controlled entity, Desert Mines and Metals Ltd, completed the purchase of the mining tenements on which the Daehwa Project in South Korea is located.

On 17 February 2014 the Company's controlled entity, Desert Mines and Metals Ltd, announced its intention to raise up to \$799,827 (before costs) through a non-renounceable pro-rata Rights issue. Shares will be offered at 1.5 cents per share on the basis of one new share for every three shares held at the Record date of 28 February 2014.

Other than as stated above, there have been no material items, transactions or events subsequent to 31 December 2013 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 8 – DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the half-year.

**AURORA MINERALS LIMITED (ABN 46 106 304 787) AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

In the opinion of the directors of Aurora Minerals Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year then ended.
2. 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 signed in accordance with a resolution of the Board of Directors.



Martin Pyle
Managing Director

Perth, 14 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
AURORA MINERALS LIMITED**

We have reviewed the accompanying half-year financial report of Aurora Minerals Limited which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 half-year 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 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aurora Minerals Limited, 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aurora Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

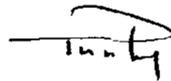
Conclusion

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 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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2014

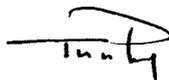
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Aurora Minerals Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2014