4 December 2013

HÄGGÅN URANIUM PROJECT SCOPING STUDY REMODELLED AT LOWER THROUGHPUT RATES

PROJECT FINANCIAL ROBUSTNESS CONFIRMED

SMALLER SCALE PROJECTS REMAIN IN THE LOWER HALF OF THE SECTOR COST CURVE

Aura Energy Ltd (ASX: AEE) is pleased to announce that additional financial modelling of its Häggån Project in Sweden has demonstrated robust project financials at all scales of operation with the derived C1 cash costs remaining in the lowest half of the uranium sector curve.

This additional project analysis continues to highlight the Häggån uranium project as one of the world's highest quality and strategic uranium development projects. This positions Aura Energy strongly in a recovering uranium sector.

Aura completed a Scoping Study for the Project in May 2012 at 30 Mtpa, but here has considered three smaller size options: 3.5Mtpa, 5.0 Mtpa and 7.5 Mtpa, in order to provide a number of additional development options with a substantially lower front end capital cost requirement. As Table 1 highlights the upfront capital costs are significantly reduced at all the modelled scales with operating costs remaining low in all cases.

Aura considered it prudent, given the current market conditions, to reassess the published Häggån Scoping Study, which was based on a conceptual 30Mtpa operation, with options which are more likely to attract funding than a project with a high initial capital cost. Its remains the overall objective, however, to progress Häggån to this ultimate project scale

In the analysis Aura's team used factored Scoping Study costs and published costs from similar heap leaching projects to develop the capital cost estimates. A peer review analysis of available information for comparable uranium and gold heap leach projects indicates that these cost estimates are appropriate in the current environment.

Heap leaching is a widely used low cost extraction technology that is well understood within the mining industry. Good comparative cost data is available. These highlight that unit operating costs show relatively little change when adopting lower production rates. Analysis of Häggån operating costs on this basis indicated the project will be in the lower half of the 2010 WNA cost curve (<$25/lb. U3O8) after by-product credits.

This analysis of lower throughput options for Häggån underlines the exceptional financial robustness of this remarkable project even at substantially lower levels of initial capital investment.

Aura has assumed similar metal recoveries to that used in the 2012 Scoping Study, namely 75% for uranium, 60% for nickel, and 25% for molybdenum. This gives U3O8 production in the range of 1.0-2.0 million lbs per annum for the mill capacities considered, as indicated in Table 1.

"Häggån has many of the requirements of an exceptional, long life mine – extensive, near-surface, easy to mine mineralisation, an extractive technology ideally suited to its type of mineralisation, and located in a stable developed country with centuries of mining tradition. Low capital and operating costs makes this strategic European based development a viable project for decades into the future", Managing Director of Aura, Dr Bob Beeson, said.

MTPA	APPROX CAPEX*	OPCOST	U3O8	Mo	Ni
	$m	US$/lb.	Mlbs	Mlbs	Mlbs
3.5	150	21.00-25.00	1.0	0.4	1.7
5	190	18.00-22.00	1.4	0.6	2.4
7.5	250	18.00-22.00	2.1	1.0	3.6
30.0	540	13.50	7.8	4.3	14.8

Table 1: Range of upfront capital costs at 3.5, 5.0 and 7.5 Mtpa and metal production of uranium, nickel and molybdenum* *+/- 35% accuracy level)*

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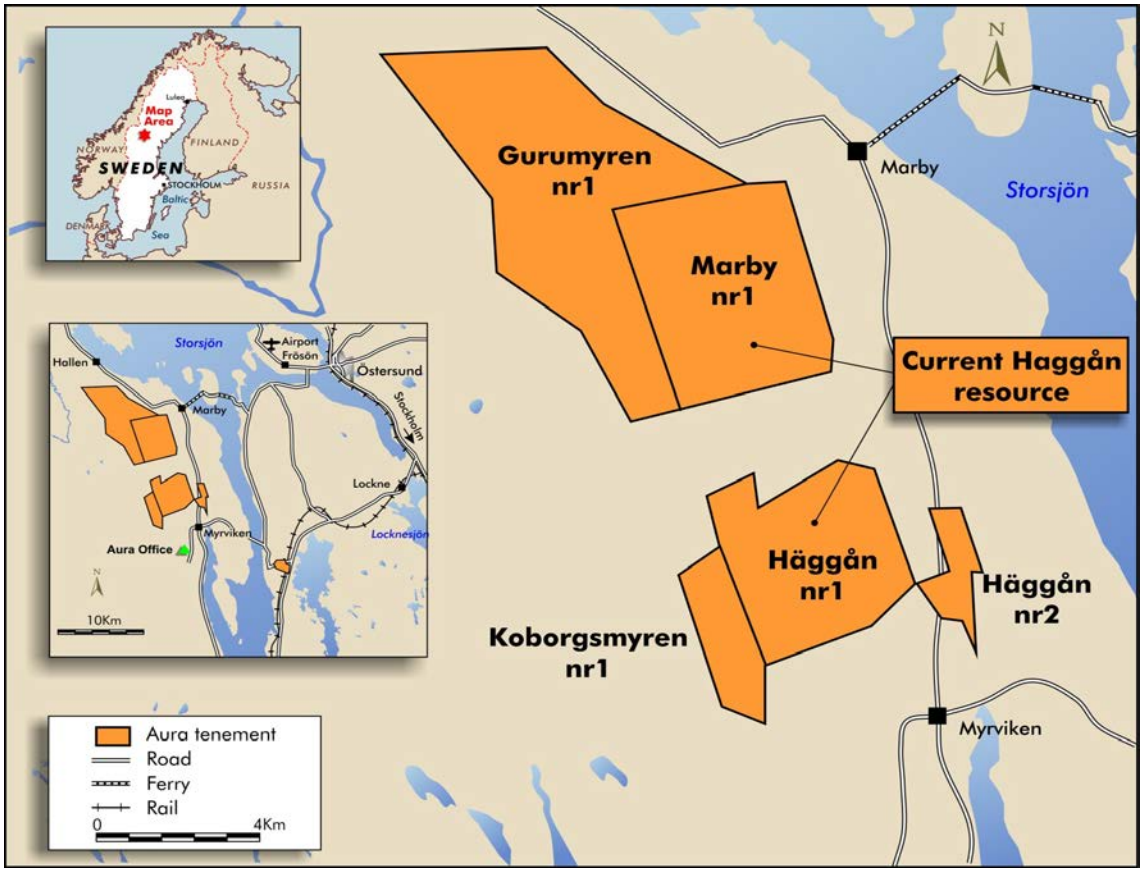
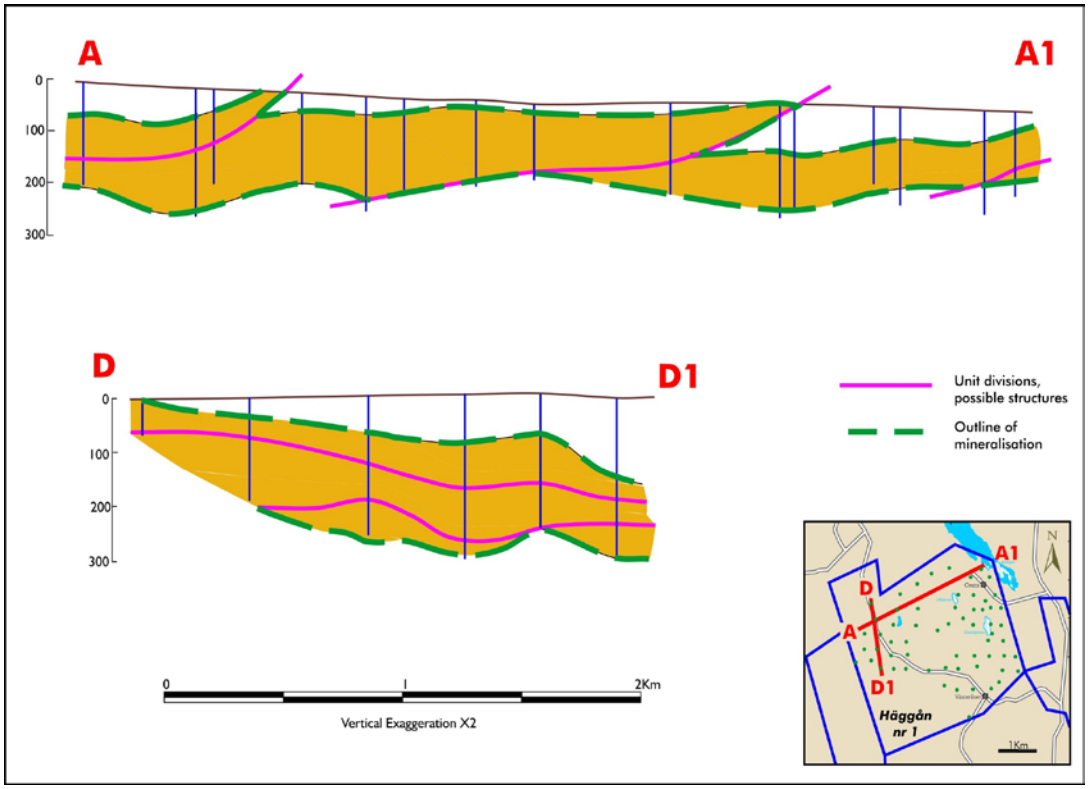


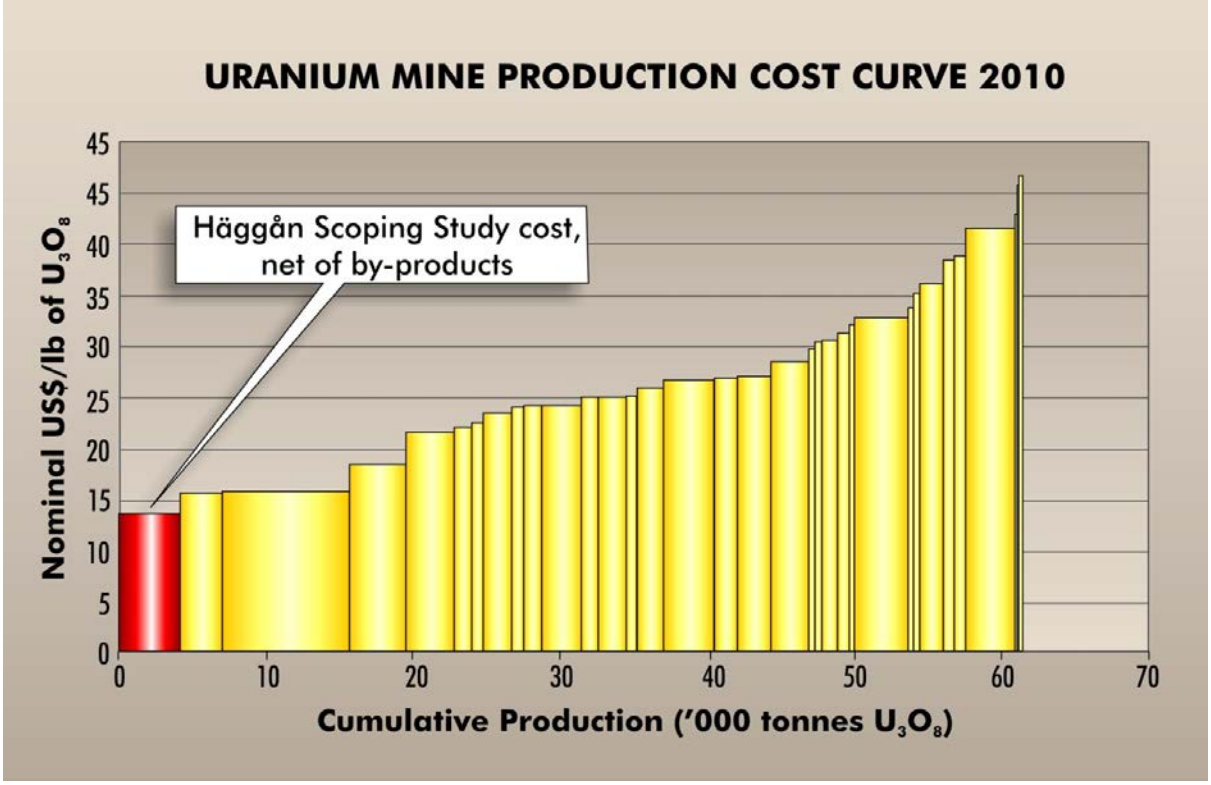
Location of the Häggån Project, Sweden

Häggån drilling in summer in commercial forest regrowth area



Section through the Häggån mineralisation showing the thickness and lateral continuity of the mineralisation

Successful 2 metre bioleach high columns which gave up to 85% recovery of the uranium



Häggån Project one of the lowest cost uranium producers based on independent Scoping Study

Category	Size	U_3O_8	Mo	V	Ni	Zn
	Mt	ppm	ppm	ppm	ppm	ppm
Inferred	2,350	155	207	1,519	316	431

Cut-off grade: 100ppm U_3O_8

Competent Persons for Häggån Resource

Mr. Simon Gatehouse takes responsibility for estimation of uranium and associated metals in the Häggån Resource. This work was completed while Mr. Gatehouse was a consultant geologist, and a fulltime staff member of H&S. He is a competent person in the meaning of JORC having had a minimum of five years relevant experience in exploration and estimation of uranium and other metal resources in many parts of the world. He is a member of the Australian Institute of Geoscientists. Mr. Gatehouse consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Dr Robert Beeson 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. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists. Dr Beeson takes responsibility for the requirement of "reasonable prospects for eventual economic extraction" for the reporting of Häggån Resources at the quoted cut-off grades.