AURA ENERGY LIMITED

ACN 115 927 681

Aura Energy Limited
and its controlled entities

31 December 2015
Consolidated interim financial report

Corporate Directory

DIRECTORS

PD Reeve (Executive Chairman and Chief Executive Officer)
R Beeson (Non-executive Director)
BF Fraser (Non-executive Director)
JC Perkins (Non-executive Director)

COMPANY SECRETARY

SF Zillwood

PRINCIPAL AND REGISTERED OFFICE

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Windsor, Victoria, 3181

CONTACT DETAILS

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SHARE REGISTRARS

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth Western Australia 6000

AUDITORS

Bentleys
Level 1, 12 Kings Park Road
West Perth Western Australia 6005

LEGAL ADVISORS

Steinpreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth Western Australia 6000

Contents

Directors' report

The Directors present their report together with the consolidated interim financial statements of Aura Energy Limited (the "Company or "Aura") and its consolidated entities (the "Group") for the half-year ended 31 December 2015 (the "Half-Year") and the auditor's review report of the condensed consolidated interim financial statements.

Directors

The Directors of the Company at any time during or since the end of the Half-Year are:

Name	**Period of directorship**
Executive	
PD Reeve Executive Chairman and Chief Executive Officer	Appointed 13 July 2014
Non-executive	
R Beeson Non-executive Director	Appointed 31 March 2006
BR Fraser Non- executive Director	Appointed 24 August 2005
JC Perkins Non-executive Director	Appointed 7 June 2011

Principal activities

The principal activity of the Group is mineral exploration, primarily the discovery and development of uranium deposits in Mauritania and Sweden.

Operating results

The consolidated interim statement of profit or loss and other comprehensive income shows a Loss after tax of $777,258 for the half-year ended 31 December 2015 (2014: $953,041).

Review of operations

<u>Introduction</u>

Aura is an Australian incorporated and listed company with its Tiris Project located in Mauritania and its Haggan Project located in Sweden. During the Half-Year, Aura completed a drilling campaign at its Tiris Project as it seeks to advance this project as a priority due to its low capital cost and expected strong cash flows. Aura also strengthened its balance sheet with a number of capital raising initiatives.

Aura Energy continued Feasibility Study (FS) activities on its Tiris uranium project in northern Mauritania with a focus on validation work to tighten the grade / tonnage confidence limits. This assessment is ongoing with additional field testwork likely during 2016 to complete the validation studies.

As part of this assessment, orebody models were constructed in order that new resource estimates can be quickly concluded when the validation work on the 2015 drilling program is complete.

In parallel with this resource validation work two important aspects of work on the Tiris Project are underway;

- Preliminary financial modelling of the various Tiris Project options using variables of project throughput and resource inventory is highlighting the intrinsic strength and significant upside the Tiris Project presents, and

- Detailed exploration planning to advance the Hippolyte South Project to an Inferred Resource to provide a strong growth option for the Tiris Project.

The greater understanding of Tiris mineralisation through the detailed resource drilling and validation work, the project upside demonstrated by financial modelling at various project sizes, and the excellent exploration upside in the Hippolyte South prospect continue to position Tiris as an excellent development project.

The Tiris FS continues to be progressed at a measured rate due to the state of both the listed market and the prevailing uranium market.

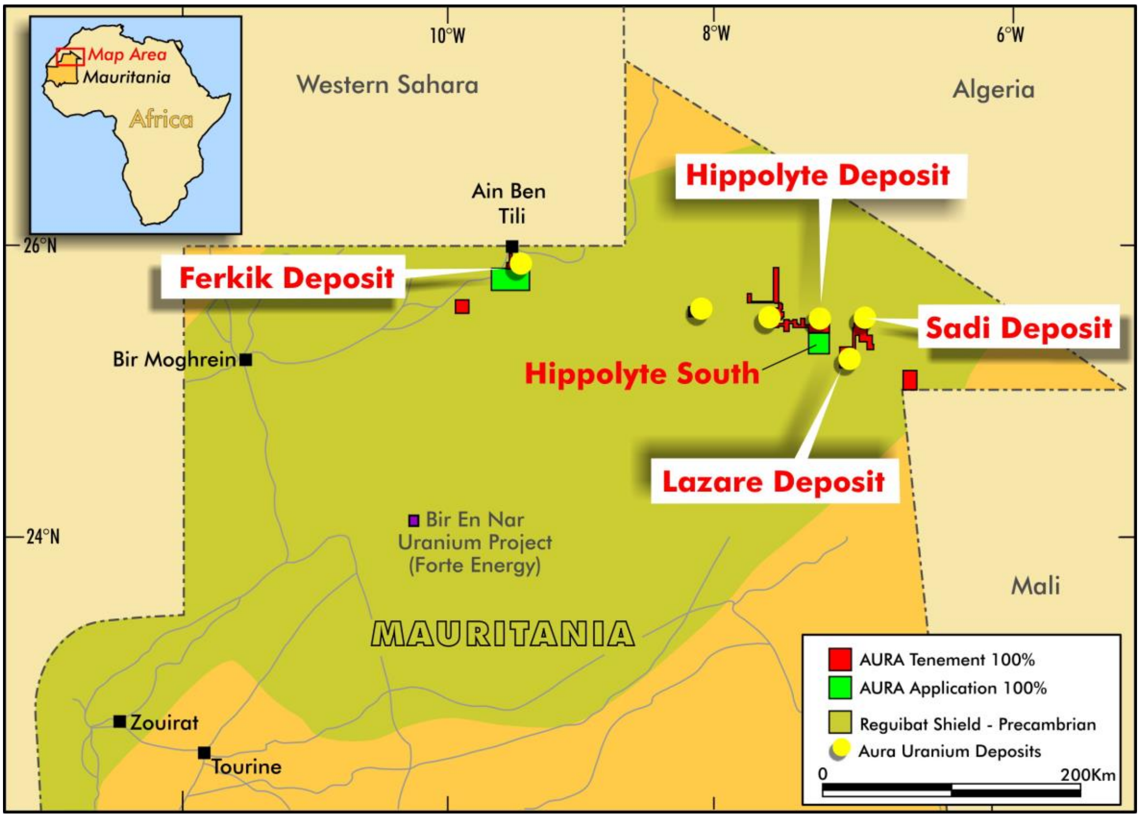
The Häggån Project in Sweden remains a key asset for the company and planning the next steps will be continued in the quarter.

A number of corporate initiatives were progressed for funding and development options in the Asian, Middle East and European regions which all have a strong interest and emphasis on nuclear power and uranium feedstock.

Tiris Project

Overview
Aura is conducting a Feasibility Study on its 100% owned 50 million pound U_3O_8 calcrete project in Mauritania. The project has low operating costs and low development capital with strong financial returns even at current low market prices.

Figure 1
Location of Aura's Tiris Project Uranium Resources



Tiris Project studies
The Tiris FS continued during the quarter with a focus on tightening confidence levels around resource tonnages and grades.

As Aura has stated previously the very fine nature of the uranium-bearing mineral, carnotite, is one of the key positive attributes of the Tiris Project as it is the basis of the low cost beneficiation processes which are key to the attractive economics of the project. However, this fine-grained character, together with the high short-range grade variability inherent in deposits of this type, presents challenges in sampling and handling analogous to those in a nuggetty high grade gold deposit.

Aura has been and is continuing to conduct testwork and validation work aimed at defining optimal protocols for the recovery of adequately representative samples. It is important that this work, while time consuming and expensive, is undertaken now so that Aura can optimise its material handling and sampling protocols to ensure the best project outcomes during operation.

In parallel with this additional verification work, Aura is currently examining two additional aspects of the project in order to fully assess project development options and to further quantify exploration potential:

- Detailed Financial Modelling of the Tiris Project options utilising Resources of 10, 20, 30, 40 and 50 million lbs U_3O_8 at throughputs of up to 3 mtpa.

- Planning and costing of evaluation work on the new Hippolyte South Exploration permit.

Calcrete uranium deposit characteristics
The carnotite in calcrete deposits tends to occur as small lenses, nuggets and coatings in or on the calcrete. Their distribution varies from deposit to deposit. Calcrete uranium deposits are typically lens-like in section, and hundreds of square meters in plan view.

Aura has seen significant grade variability in all its sampling programs, a common feature of deposits of this type. However, this inherent variability requires understanding and management in upgrading resources to Measured and Indicated status where tight grade tolerance is required. In general, variability reduces as sample size increases, and for that reason the 2015 drilling employed a larger diameter drill bit to that used in the earlier resource drilling programs resulting in a 50% greater sample size. However, even with the larger sample size grade variability is still relatively high.

Downhole gamma logging effectively measures an even larger sample volume and consideration is being given to downhole logging a proportion of the 2015 drillholes as a validation exercise.

In addition to the inherent grade variability, the very fine-grained nature of the carnotite requires that sample collection and transport is done in a way that minimises dust lost from drill rig cyclones, sample bags or assay sample preparation as these can all lead to loss of uranium. Downhole gamma logging together with some trenching and sampling will also assist in determining whether there has been significant loss of fine carnotite in any of the processes used in previous drilling programs.

The geologically young age of many calcrete uranium deposits and mobile radon gas in the gravels give rise to an effect called disequilibrium. Disequilibrium occurs because the various radionuclides which are part of the uranium radioactive decay series decay at different rates leading to a situation where the U_3O_8 grade determined by gamma logging can be lower than the actual U_3O_8 concentration in the orebody, a situation common in geologically young orebodies. This difference can be significant and an understanding of the degree to which the mineralisation is in radioactive disequilibrium is necessary for the reliable application of gamma logging in the determination of the resource grade.

Preliminary testwork carried out by the Australian Nuclear Science and Technology Organisation (ANSTO) on seven samples of Tiris mineralisation has demonstrated that gamma logging has, in some cases, understated the uranium content by up to 40%. Further disequilibrium analyses are in progress to better define the average disequilibrium in the Tiris orebody.

Tiris implications and additional testing
In order to attain the high level of confidence required for the grade applied in Measured Resources estimates, which is generally considered to be around +/- 10%, and given the inherent high grade variability in calcrete deposits, further verification/validation programs are under contemplation and planning. These include:

- Downhole gamma logging
- Further disequilibrium testwork
- Trenching of the Tiris mineralisation
- Detailed ground radiometric surveying

Aura's resource work to date has largely been based on chemical analysis of drillhole samples. For verification work by a completely unrelated technique, a program of downhole gamma logging on a proportion of drillholes is under contemplation and quotations for this work have been received.

As further validation a program of trenching and trench sampling is planned.

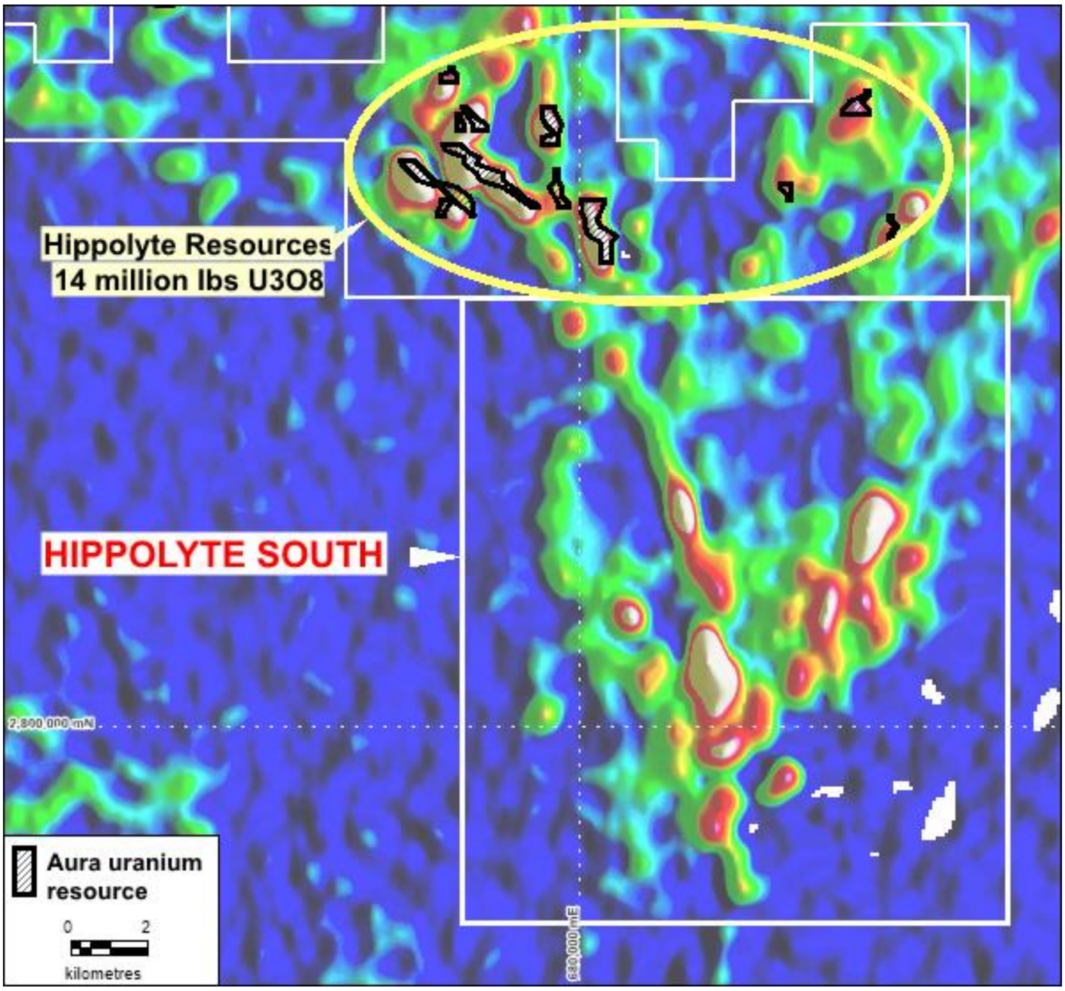
Ground radiometric surveying has been used previously by Aura to guide resource drilling. A program of ultra-detailed ground radiometric surveying is being planned to help provide more accurate definition of the mineralised lenses.

Aura is continuing to progress the Feasibility Study for the Tiris Project with a current target of end 2016 for completion, however the requirement for additional field work and market conditions may make this target challenging.

Tiris south evaluation
The Tiris South exploration permit application (Aura 100%) covers 224 km2 immediately to the south of the Hippolyte resources. The area covers strong responses in airborne radiometric survey data, and reconnaissance drilling by Aura has demonstrated that the Hippolyte mineralised system extends into this area.

The Hippolyte South targets will be tested by ground radiometric surveying followed by drill testing of the principal uranium anomalies.

Figure 2
Hippolyte South exploration permit application area
(Background image is uranium channel regional airborne radiometrics)



<u>Häggån Exploration</u>

Overview

The Häggån Project has an Inferred Resource of 803 million pounds of U_3O_8. Scoping studies previously completed by Aura have indicated that the Häggån Project has the potential be a very large low cost uranium producer.

Minimal work was carried on the ground at Häggån during the half-year however planning and evaluation continues in a number of areas to progress the project. These are:

- Planning of future phases of drilling at Häggån aimed at upgrading a portion of the existing Inferred Resources to Measured and/or Indicated status. This work will be carried out when funding permits.

- Evaluation of additional tenement acquisitions to ensure the development and operating phases are unimpeded.

- Creation of a 5-year Community Engagement Program.

- Development of an Economic Impact Statement (EIS) for the Häggån Project region.

- Creation of a site information centre for community knowledge and for education purposes.

Corporate

A number of corporate initiatives continue to be progressed for both funding and development options in the Asian, Middle East and European regions, which all have a strong interest and emphasis on nuclear power and uranium feedstock.

Aura is also canvassing funding and partner opportunities in the Middle East which is a high growth nuclear power region and has an affinity for funding in Arabic countries such as Mauritania. The Middle East offers a range of vanilla equity and debt opportunities and also more innovative funding packages.

As previously indicated Aura also continues to advance plans for a possible London AIM listing via an IPO. Aura has attracted significant funding and encouragement from this region with an AIM listing acting as an adjunct to this funding.

Subsequent events

On 4 February 2016, the Company executed a Memorandum of Understanding (MOU) for the development of the Tiris Project in Mauritania with China Energy Engineering Group Guangdong Power Engineering Co., Ltd. (GPEC).

The Company and GPEC have agreed in principle to enter into a binding equipment financing agreement which will provide for the engineering, equipment supply and finance service of plant and equipment required to develop the Tiris Uranium Project (Production Finance Package).

The MOU also contemplates that GPEC, in addition to provision of engineering services during the project's development, will also assist in the arrangement of project financing and potential for uranium offtake contract to support that financing. It is designed to provide an agreed framework to formalize arrangements for a long term strategic partnership to provide EPCM and associated finance services in order to facilitate

On 12 February 2016, the Company completed the Share Placement approved by shareholders on 5 November 2015 with the issue of 19,979,593 fully paid shares at 1.225

cents per share and 19,979,593 options over ordinary shares at an exercise price of 2.5 cents per option over ordinary shares.

In total, the Company raised $1,005,620, comprising $760,870 representing proceeds from the share placement to clients of WH Ireland Limited in the United Kingdom in November 2015 and $244,750 representing proceeds from other shareholders on 12 February 2016 from the share placement.

Australian Special Opportunity Fund LP, managed by The Lind Partners, LLC ("Lind") contributed $50,000 to the share placement this year with $35,000 contributed by way of cash proceeds and $15,000 by way of conversion of convertible notes held by Lind. The Company issued Lind 1,224,500 fully paid ordinary shares at 1.225 cents per share and 1,224,500 options over ordinary shares at 2.5 cents per option over ordinary share with an expiry date of 12 February 2017.

On 18 February 2016, Lind converted the remaining convertible notes it held in the Company, $35,000, into fully paid ordinary shares in accordance with the financing agreement between Lind and the Company, dated 28 February 2014.

Under the terms of the financing agreement, Lind was entitled to 2,916,667 fully paid ordinary shares of the Company, net of 2,200,000 collateral shares previously issued to Lind in accordance with the financing agreement.

The Company issued Lind 716,667 fully paid shares at 1.2 cents per share to extinguish its obligations under the financing agreement.

The board of directors approved the execution of a Mandate Letter with WH Ireland on 9 March 2016 for the company to fast-track a listing on the Alternative Investment Market in London by the end of the June 2016.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the half-year ended 31 December 2015.

Signed in accordance with a resolution of the board of directors pursuant to s.306 (3) of the *Corporations Act (Commonwealth) 2001*.

PD Reeve
Executive Chairman and Chief Executive Officer
Dated at Windsor this the 10th day of March 2016.

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Aura Energy Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 10th day of March 2016

Condensed consolidated interim statement of financial position

As at 31 December 2015

	Note	31 Dec 2015 $	30 Jun 2015 $
Assets			
Current assets			
Cash and cash equivalents	9	**365,062**	943,011
Trade and other receivables	10	**202,086**	96,282
Other	11	**34,835**	44,157
Total current assets		**601,983**	1,083,450
Non-current assets			
Exploration and evaluation	12	**14,138,283**	13,259,797
Property, plant and equipment		**-**	1,602
Total non-current assets		**14,138,283**	13,261,399
Total assets		**14,740,266**	14,344,849
Liabilities			
Current liabilities			
Trade and other payables	13	**261,487**	401,345
Borrowings	14	**56,704**	43,040
Provisions	15	**148,171**	138,639
Total current liabilities		**466,362**	583,024
Total liabilities		**466,362**	583,024
Net assets		**14,273,904**	13,761,825
Equity			
Issued and paid-up capital	16	**32,217,021**	31,311,988
Reserves		**1,285,556**	901,252
Accumulated losses		**(19,228,673)**	(18,451,415)
Total equity		**14,273,904**	13,761,825

The condensed notes on pages 17 to 28 are an integral part of these consolidated interim financial statements

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2015

	Note	6 months to 31 Dec 2015 $	6 months to 31 Dec 2014 $
Finance income		**2,970**	5,197
Other income		**-**	469
Administrative expenses		**(367,165)**	(266,985)
Depreciation expense		**(1,603)**	(3,539)
Employee benefits expense		**(379,803)**	(590,008)
Exchange fluctuation		**(614)**	3,562
Finance costs		**(5,008)**	(20,487)
Impairment of exploration and evaluation expenditure		**-**	(6,882)
Share-based payments		**(145,293)**	(8,536)
Other		**(20,742)**	(65,832)
Loss before tax		**(917,258)**	(953,041)
Income tax benefit	8	**140,000**	-
Total profit/(loss) for the period after tax		**(777,258)**	(953,041)
Other comprehensive income/(loss)		**204,758**	19,838
Total comprehensive income/(loss) attributable to members of Aura Energy Limited		**(572,500)**	(933,203)
Earnings/(loss) per share attributable to members of Aura Energy Limited			
Basic earnings/(loss) per share (cents)		**(0.21)**	(0.39)
Diluted earnings/(loss) per share (cents)		**(0.21)**	(0.39)

The condensed notes on pages 17 to 28 are an integral part of these consolidated interim financial statements

Condensed consolidated interim statement of changes in equity

For the six months ended 31 December 2015	Share Capital	Share-based Payments Reserve	Option-based Payments Reserve	Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2014	27,935,558	-	749,118	489,001	(16,474,803)	**12,698,874**
Share issues	2,173,689		-	-	-	**2,173,689**
Equity raising costs	(36,569)		-	-	-	**(36,569)**
Exercise of options over ordinary shares	18		-	-	-	**18**
Vest of options over ordinary shares	-		8,536	-	-	**8,536**
Transfer from share-based payments reserve	-		(488,064)	-	488,064	**-**
Loss after tax for the period	-		-	-	(953,041)	**(953,041)**
Other comprehensive income/(loss) for the period	-		-	19,838	-	**19,838**
Balance at 31 December 2014	30,072,696	-	269,590	508,839	(16,939,780)	**13,911,345**
Balance at 1 July 2015	31,311,988	-	398,924	502,328	(18,451,415)	**13,761,825**
Share issues	957,376		-	-	-	**957,376**
Equity raising costs	(52,343)		-	-	-	**(52,343)**
Exercise of options over ordinary shares	-		-	-	-	**-**
Vest of options over ordinary shares	-		-	-	-	**-**
Transfer to share-based payments reserve	-	34,253	-	-	-	**34,253**
Transfer to option-based payments reserve	-	-	145,293	-	-	**145,293**
Loss after tax for the period	-	-	-	-	(777,258)	**(777,258)**
Other comprehensive income/(loss) for the period	-	-	-	204,758	-	**204,758**
Balance at 31 December 2015	32,217,021	34,253	544,217	707,086	(19,228,673)	**14,273,904**

The condensed notes on pages 17 to 28 are an integral part of those consolidated interim financial statements

Condensed consolidated interim statement of cash flows

For the six months ended 31 December 2015

	6 months to 31 Dec 2015 $	6 months to 31 Dec 2014 $
Cash flows from operating activities		
Payments to suppliers and employees	**(659,193)**	(537,257)
Interest received	**2,970**	5,197
Interest and borrowing payments	**(1,211)**	(2,067)
Net cash from/(used in) operating activities	**(657,434)**	(534,127)
Cash flows from investing activities		
Exploration and evaluation payments	**(719,772)**	(395,807)
Acquisition of property, plant and equipment	**-**	(2,980)
Net cash from/(used in) investing activities	**(719,772)**	(398,787)
Cash flows from financing activities		
Share issues	**860,870**	1,722,855
Equity raising costs	**(52,343)**	(36,569)
Repayment of borrowings	**(8,656)**	(23,335)
Net cash from/(used in) financing activities	**799,871**	1,662,951
Net increase/(decrease) in cash and cash equivalents	**(577,335)**	730,037
Cash and cash equivalents at beginning of the period	**943,011**	570,478
Exchange fluctuation	**(614)**	3,562
Cash and cash equivalents at period end	**365,062**	1,304,077

The condensed notes on pages 17 to 28 are an integral part of these consolidated interim financial statements

Condensed notes to the consolidated interim financial statements

1. Reporting entity

Aura Energy Limited (the "Company") is a Company incorporated and the laws and regulations of the Commonwealth of Australia. The address of the Company's registered office is Level 1, 34-36 Punt Road, Windsor. The consolidated interim financial statements as at and for the six month period ended 31 December 2015 comprises the Company and its controlled entities (together referred to as the "Group" and individually as "Group entities"). The Group undertakes the exploration for and evaluation of uranium opportunities in Mauritania and Sweden.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2015 are available upon request from the Company's registered office or at www.auraenergy.com.

2. Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Australian Accounting Standards, AASB 134 Interim Financial Reporting, and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2015.

These consolidated interim financial statements were approved by the Board of Directors on 10 March 2016.

3. Significant accounting policies

The accounting policies applied by the Group in preparing the condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 June 2015.

4. Estimates and judgements

The preparation of the consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the condensed consolidated financial statements as at and for the year ended 30 June 2015.

Key judgement-Exploration and evaluation expenditure

Exploration and evaluation expenditure is carried forward where right of tenure of the area of interest is current. These expenditures are carried forward in respect of areas that have not, at the reporting date, reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The carrying value of capitalised exploration and evaluation expenditure at the reporting date is $14,138,283.

For the six month period to the 31 December 2015, the Group completed an assessment of its tenement assets and decided that there was no need to recognise any impairment of its exploration and evaluation expenditure carried forward.

5. Going concern

The consolidated interim financial statements have been prepared on a going concern basis, which envisages the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.
The group incurred a loss after tax for the six month period ended 31 December 2015 of $777,258 (2014: loss after tax $953,041) and net cash outflows from operating activities of $657,434 (2014: $534,127). As at 31 December 2015, the Group had working capital of $135,621 (June 2015: working capital $500,426).

These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of its exploration assets.

The Directors are confident of the ability of the Company to raise capital as and when required, which has been demonstrated by the Company raising $860,870 before costs during the half year with an additional $244,750 raised before costs subsequent to year end. The Company is currently investigating the possibility of undertaking an

Initial Public Offering on the AIM market within the coming months to obtain greater access to capital to fund feasibility studies for its projects.

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required. In particular, decision by the Board of Directors to pursue equity raisings in markets other than Australia.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the consolidated interim financial statements.

The consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

6. New and amended accounting standards adopted by the Group that are applicable to the present Half-Year reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’

The adoption of the above standard has not had a material impact on this half year financial report.

7. Operating segments

The Group conducts mineral exploration in two geographical segments being Mauritania and Sweden and operates in one industry mineral exploration and mining. Non-reportable segment financial information is reported as Corporate.

Segment information

For the six months ended 31 December 2015	Mauritania	Sweden	Corporate	Total
	$	$	$	$
Segment revenue	-	-	2,970	2,970
Segment result	-	(19,500)	2,970	(16,530)
Expenses attributable to Corporate				
Administrative expense			(347,665)	(347,665)
Depreciation expense			(1,603)	(1,603)
Employee entitlements			(379,803)	(379,803)
Exchange fluctuation			(614)	(614)
Finance cost			(5,008)	(5,008)
Share-based payments			(145,293)	(145,293)
Other			(20,742)	(20,742)
Government rebate on research and development			140,000	140,000
Loss after tax				(777,258)
As at 31 December 2015				
Segment assets	6,943,903	7,194,380	601,983	14,740,266
Segment liabilities	-	27,058	439,304	466,362
Segment asset movements for the period				
Additions	549,904	328,582	-	878,486
less Impairment	-	-	-	-
	549,904	328,582	-	878,486

Segment information

For the six months ended 31 December 2014	Mauritania	Sweden	Corporate	Total
	$	$	$	$
Segment revenue	-	-	5,666	5,666
Segment result	(2,080)	(3,230)	337	(4,973)
Expenses attributable to Corporate				
Administrative expense			(263,228)	(263,228)
Depreciation expense			(3,539)	(3,539)
Employee entitlements			(590,008)	(590,008)
Exchange fluctuation			3,562	3,562
Finance cost			(20,487)	(20,487)
Share-based payments			(8,536)	(8,536)
Other			(65,832)	(65,832)
Loss after tax				(953,041)
As at 30 June 2015				
Segment assets	6,943,902	6,311,094	991,969	14,246,965
Segment liabilities	115,753	5,032	462,239	583,024
Segment asset movements for the period				
Additions	1,326,688	252,046	-	1,578,734
less Impairment	(802,155)	(243,085)	-	(1,045,240)
	524,533	8,961	-	533,494

8. Income tax benefit

The Group recorded an estimated Commonwealth of Australia tax rebate for research and development activities as an income tax benefit for the six months to 31 December 2015 of $140,000.

9. Cash and cash equivalents

	31 Dec 2015 $	30 Jun 2015 $
Cash at bank	**336,928**	926,987
Short-term bank deposits	**28,134**	16,024
	365,062	943,011

10. Trade and other receivables

	31 Dec 2015 $	30 Jun 2015 $
Trade debtors	**16,386**	24,261
Value-added taxes receivable	**50,702**	72,169
Research and development tax rebate	**140,000**	-
Other receivables	**201**	4,890
less Doubtful debts	**(5,203)**	(5,038)
	202,086	96,282

Value-added taxes receivable is a generic term for broad-based consumption taxes that the Group is exposed to in the various countries in which it conducts its exploration activities – Australia (goods-and-service tax, Mauritania (value-added tax) and Sweden (value-added taxes).

11. Other current assets

	31 Dec 2015 $	30 Jun 2015 $
Other financial assets	**34,835**	44,157

12. Exploration and evaluation expenditure

	31 Dec 2015 $	30 Jun 2015 $
Exploration and evaluation expenditure carried-forward in respect of minerals exploration areas of interest		
Exploration and evaluation phases	**14,138,283**	13,259,797
Opening balance	**13,259,797**	12,726,303
Additions	**671,619**	1,620,992
Impairments	**-**	(1,045,240)
Foreign exchange fluctuation	**206,867**	(42,258)
Closing balance	**14,138,283**	13,259,797

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the continuation of the Group's right to tenure, future exploration and successful development and commercial exploitation of the respective area of interest or alternatively by their sale.

13. Trade and other payables

	31 Dec 2015 $	30 Jun 2015 $
Trade payables	**159,326**	232,876
Accrued expenses	**22,875**	102,223
Other payables	**79,286**	66,246
	261,487	401,345

Trade and other payables are unsecured and non-interest bearing obligations of the Company which arise from the business activities. Trade payables and other accruals, with the exception of amounts due to directors of the Company, are settled within the lower of terms or 30 days.

14. Borrowings

	31 Dec 2015 $	30 Jun 2015 $
Loans-Insurance	**9,867**	-
Convertible note	**46,837**	43,040
	56,704	43,040

On 28 February 2014, the Company entered into a financing arrangement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC (“Lind”). Under the financing arrangement, Lind agreed to provide up to $3,775,000 over 24 months. The Company has received $325,000 in the form of a $250,000 convertible note and $75,000 as a prepayment for placement of fully paid ordinary shares in Aura. Lind has the right, under the financing arrangements, to invest in shares of the Company in tranches of $75,000 on a monthly basis up until 24 May 2016.

The keys terms of the financing arrangements between the Company and Lind are as follows:

- The $250,000 convertible note is secured by the issue of 2,200,000 fully paid ordinary shares. The Company has the ability to repurchase the convertible note at a premium to the issue price during the first 30 days of the agreement.

- The Company issued 2,946,378 fully paid ordinary shares as a commencement fee to Lind by the Company for the provision of funding under the facility.

- The Company issued Lind 2,600,000 options over ordinary shares with an exercise price of 4.8 cents and an expiry date at 24 May 2016.

The convertible note is measured at its present value.

During the financial ended 30 June 2015, Lind converted $200,000 of the $250,000 convertible note into 11,111,111 fully paid ordinary shares of the Company.

On 11 February 2016, Lind converted $15,000 of its convertible notes into shares under the terms of the Share Placement approved by shareholders at the general meeting on 5 November 2015.

Lind was issued 1,224,500 fully paid shares at 1.225 cents per share and 1,224,500 options over ordinary shares at an exercise price of 2.5 cents per option over ordinary share

On 18 February 2016, Lind converted the remaining balance, $35,000, of the convertible notes into ordinary shares of the Company in accordance with the financing agreement executed on 28 February 2014. Under the terms of the financing agreement, Lind was entitled to 2,916,667 fully paid ordinary shares of the Company, net of 2,200,000 collateral shares previous issued to Lind in accordance with the financing agreement.

The Company issued Lind 716,667 fully paid shares at 1.2 cents per share to extinguish its obligations under the financing agreement.

15. Short-term provisions

	31 Dec 2015 $	30 Jun 2015 $
Employee benefits	**148,171**	138,639

16. Issued capital and reserves

(i) Movement in shares on issue

The Company has shares on issue of 410,467,606 (30 June 2015: 335,065,783) and paid-up capital of $32,217,021 (30 June 2015: $31,311,988). All shares on issue are fully paid ordinary shares at no par value.

	Date of Issue	Number of Shares	Exercise Price/$	$
Opening balance at 1 July 2014		195,825,149		27,935,558
Shares issued during the period:	09-Jul-14	4,166,667	0.0180	75,000
	27-Jul-14	9,722,222	0.0180	175,000
	09-Sep-14	52,428,510	0.0300	1,572,855
	10-Oct-14	1,527,303	0.0394	60,232
	13-Oct-14	292	0.0616	18
	20-Oct-14	3,571,429	0.0210	75,000
	05-Dec-14	355,104	0.0320	11,357
	19-Dec-14	6,874,752	0.0297	204,245
Costs of equity raisings				(36,569)
Closing balance at 31 December 2014		274,471,428		30,072,696
Opening balance at 1 July 2015		**335,065,783**		**31,311,988**
Shares issued during the period:	**29-Sep-15**	**48,660,000**	**0.0123**	**596,085**
	15-Oct-15	**851,442**	**0.0214**	**18,253**
	25-Nov-15	**13,451,801**	**0.0123**	**164,785**
	09-Dec-15	**1,008,004**	**0.0181**	**18,253**
	14-Dec-15	**3,267,311**	**0.0184**	**60,000**
	15-Dec-15	**8,163,265**	**0.0123**	**100,000**
Equity raising costs				**(52,343)**
Closing balance at 31 December 2015		**410,467,606**		**32,217,021**

(ii) Movement in options on issue

The Company has options over ordinary shares on issue of 157,246,232 (30 June 2015 113,385,171), including 43,921,904 options over ordinary shares issued to directors (30 June 2015: 43,921,904).

During the six month period to 31 December 2015, the Company granted shareholders, pursuant to a share placement, 62,111,801 options over ordinary shares at 2.5 cents per option on 25 November 2015 and 8,163,265 options over ordinary shares at 2.5 cents per option on 23 December 2015 (31 December 2014: 45,683,713). The options over ordinary shares granted to shareholders under the share placement are unlisted and vested on the date of grant. The expiry date for the options over ordinary shares is the 25 November 2016.

No options over ordinary shares were granted to employees.

During the six month period to 31 December 2015, 26,414,005 options over ordinary shares lapsed (31 December 2014: nil).

No options over ordinary shares were exercised by employees and shareholders during the six months to 31 December 2015 (2014: 292 options over ordinary shares were exercised).

	Date of Issue	Number of Options	Exercise Price/$	Expiry Date
Opening balance at 1 July 2014		26,745,000		
Options granted:	01-Sep-14	26,414,005	0.060	01-Sep-15
	12-Nov-14	12,500,000	0.070	12-Nov-18
	10-Jun-15	8,750,000	0.100	09-Jun-18
	10-Jun-15	6,250,000	0.100	09-Feb-19
	10-Jun-15	2,500,000	0.150	09-Feb-19
	10-Jun-15	8,750,000	0.150	09-Feb-20
	10-Jun-15	8,750,000	0.150	09-Feb-21
	17-Jun-15	27,226,166	0.050	17-Jun-17
Options lapsed:	23-Dec-09	(375,000)	0.300	24-Dec-14
	24-Nov-11	(3,500,000)	0.310	31-Oct-14
	24-May-12	(1,000,000)	0.200	31-May-15
	15-Jan-14	(3,000,000)	0.200	01-Dec-14
	20-Dec-13	(6,625,000)	0.150	13-Jan-15
Closing balance at 30 June 2015		113,385,171		
Opening balance at 1 July 2015		**113,385,171**		
Options granted:	**25-Nov-15**	**62,111,801**	**0.025**	**25-Nov-17**
	23-Dec-15	**8,163,265**	**0.025**	**25-Nov-17**
Options lapsed	**01-Sep-14**	**(26,414,005)**	**0.060**	**01-Sep-15**
Closing balance at 31 December 2015		**157,246,232**		

17. Financial instruments

The Group's financial instruments consist of financial assets and liabilities which are measured at amortised cost including trade and other receivables and trade and other payables and convertible notes.

The carrying amount of the financial assets and liabilities included in these condensed consolidated interim financial statements approximate their fair value.

18. Contingent liabilities

The Group has a contingent consideration of US$2,000,000 to the vendors of GCM Africa Uranium Limited if the uranium resource it holds exceeds 75,000,000 pounds and an additional contingent consideration of US$4,000,000 plus 4,000,000 fully paid ordinary shares if the resource significantly exceeds this 75,000,000 pound threshold.

19. Events subsequent to reporting date

On 4 February 2016, the Company executed a Memorandum of Understanding (MOU) for the development of the Tiris Project in Mauritania with China Energy Engineering Group Guangdong Power Engineering Co., Ltd. (GPEC).

The Company and GPEC have agreed in principle to enter into a binding equipment financing agreement which will provide for the engineering, equipment supply and finance service of plant and equipment required to develop the Tiris Uranium Project (Production Finance Package).

The MOU also contemplates that GPEC, in addition to provision of engineering services during the project's development, will also assist in the arrangement of project financing and potential for uranium offtake contract to support that financing. It is designed to provide an agreed framework to formalize arrangements for a long term strategic partnership to provide EPCM and associated finance services in order to facilitate

On 12 February 2016, the Company completed the Share Placement approved by shareholders on 5 November 2015 with the issue of 19,979,593 fully paid shares at 1.225 cents per share and 19,979,593 options over ordinary shares at an exercise price of 2.5 cents per option over ordinary shares.

In total, the Company raised $1,005,620, comprising $760,870 representing proceeds from the share placement to clients of WH Ireland Limited in the United Kingdom in November 2015 and $244,750 representing proceeds from other shareholders on 12 February 2016 from the share placement.

On 18 February 2016, Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC ("Lind"), informed the Company that it wished to convert the remaining convertible notes it held in the Company, $35,000, into fully paid ordinary shares in accordance with the financing agreement between Lind and the Company, dated 28 February 2014.

Under the terms of the financing agreement, Lind was entitled to 2,916,667 fully paid ordinary shares of the Company, net of 2,200,000 collateral shares previously issued to Lind in accordance with the financing agreement.

The Company issued Lind 716,667 fully paid shares at 1.2 cents per share to extinguish its obligations under the financing agreement.

Lind had earlier requested and the Company duly approved the conversion of $15,000 in convertible notes pursuant to the terms and conditions of the share placement approved by shareholders on 5 November 2015. The Company issued Lind 1,224,500 fully paid ordinary shares at 1.225 cents per share and 1,224,500 options over ordinary shares at 2.5 cents per option over ordinary share with an expiry date of 12 February 2017.

The board of directors approved the execution of a Mandate Letter with WH Ireland on 9 March 2016 for the company to fast-track a listing on the Alternative Investment Market in London by the end of the June 2016.

Directors' declaration

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 13 to 28 are in accordance with the Corporations Act 2001 and

    (a) Comply with Accounting Standard AASB 134 Interim Financial Reporting; and

    (b) Give a true and fair view of the financial position as at 31 December 2015 and of the performance for the half-year ended on that date of the Group.

2. 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 made pursuant to section 303(5) of the Corporations Act 2001 and is signed for and on behalf of the directors by:

PD Reeve
Executive Chairman and Chief Executive Officer

Dated this the 10th day of March 2016.

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Aura Energy Limited

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled 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 gives a true and fair view and 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 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 2015 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 the Consolidated Entity, 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.

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 Aura Energy Limited and 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 2015 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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 5 of the half-year financial report which indicates that the Consolidated Entity incurred a net loss after tax of $777,258 during the half-year ended 31 December 2015. This condition, along with other matters as set forth in note 5, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 10th day of March 2016