

## EXPLORE, DISCOVER, DEVELOP

**JUNE QUARTERLY REPORT** 30 JUNE 2016

### KEY POINTS:

#### TIRIS PROJECT (Mauritania)

- Initial planning conducted for restart of Tiris Feasibility Study
- Soda Ash / Lithium position secured near to Tiris

#### HÄGGÅN PROJECT (Sweden)

- Plans developed for Community Liaison program and Economic Impact Statement

### CORPORATE

- Acquisition of significant tenement position on the underexplored Mauritanian Archean Greenstone belts – multi million ounce gold potential
- Secured tenements for potential Soda Ash and Lithium sources
- Funding and development initiatives continue to be pursued
- Detailed final execution steps for AIM (Alternative Listing Market) listing in the UK undertaken – August listing target

## QUARTER OVERVIEW

Aura Energy's main activity during the June quarter was focussed on progressing the AIM listing in the UK. The company believes this is the best option for a sustained progression of the Tiris Project as it will provide the funds to advance the feasibility study towards completion. Substantial progress was made in the quarter on this listing which is on target for August completion.

With the potential of a funding path for the Tiris Feasibility Study (FS) looking likely to be achieved preliminary planning steps around management structure and priority programs were undertaken to recommence the study in the third quarter.

Additionally, discussions were held in Stockholm for planning of a community liaison program for the Häggån Project in Sweden which remains a key asset for the company.

Aura also undertook two important asset and tenement acquisitions in Mauritania during the quarter which broadened its asset base and were in line with its Mauritanian mineral development strategy. The two transactions were;

- Securing a significant position on the 2 major Archean Greenstone belts just south of Kinross' large Tasiast Gold Mine and,
- A tenement position on a Sabkha adjacent to Aura's uranium projects for a possible Soda Ash source required for leaching the Tiris uranium ore. Sabkha's are known Lithium sources

Aura believes these acquisitions strengthen Aura's asset base and provides additional opportunities for creation of value without distraction from its core focus of achieving production from the Tiris Uranium Project.

## TIRIS PROJECT, MAURITANIA (AURA 100%)

### 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.

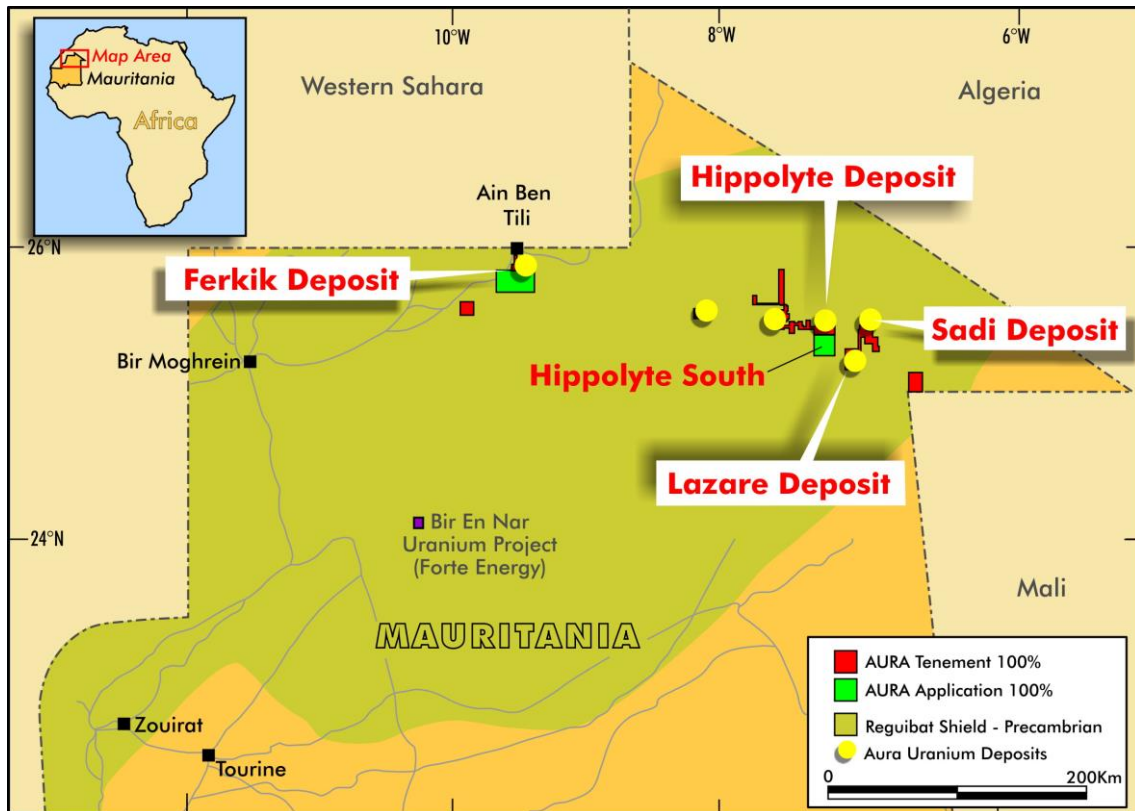


Figure 1: Location of Aura's Tiris Project Uranium Resources.

## **Tiris Project Studies**

The Tiris Feasibility Study has been ongoing but at a constrained rate to conserve cash.

With the potential for possible funding via the AIM listing, Aura has commenced preliminary planning steps to recommence the study in the third quarter.

The key areas are;

- The optimum management structure for the study and project
- Determining the priority technical programs to be undertaken
- Detailing work required to move the Mineral Resource to the Measured category
- Immediate recommencement the Environmental Study
- Continue the planned water study program
- Planning for permitting steps within a 12 month window

This program of work will commence as soon as possible and most likely early in the 3<sup>rd</sup> quarter 2016.

This definitive program of works will aim to have the Tiris Feasibility Study complete within 12 months of commencement and leading to a possible decision to mine in late 2017.

## **HÄGGÅN PROJECT, SWEDEN (AURA 100%)**

### **Häggån Development**

The Häggån Project in central Sweden has an Inferred Resource of 803 million pounds of U<sub>3</sub>O<sub>8</sub>. 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 quarter, however, discussions were held in Stockholm for planning of a community liaison program for the Häggån Project.

Aura continues to press the Häggån Project as a unique and strategic energy source in Europe which the European nuclear energy sector understands can play an important role as a uranium source in the future.

Aura believes Häggån is a 5-7 year proposition as a development project and is scoping its work program around that time frame.

During the quarter, discussions were held on the preliminary steps required for programs to build an understanding of the Håggån Project in both the local project area, the local Östersund region and in Stockholm.

The key aspects of the program are two fold;

- Recruitment of an appropriate representative to further the education and understanding of Aura's project in those areas and,
- The completion of an economic development study to outline clearly the benefits of the project in terms of direct and indirect jobs, capital outlay and broader contribution to the local and regional economy

It is expected this work will commence in the 4<sup>th</sup> quarter 2016.

## **CORPORATE**

As previously advised, a number of corporate initiatives have been pursued over several months. It is pleasing to report that several of these have now materialised and were concluded in the recent quarter. A number of project funding and development options continue to be progressed for both Aura's projects focussed on development capital options.

### **AIM Listing**

Aura has believed for some time that given the European and African location of Aura's projects, the UK markets retain a greater affinity with these regions and as such can in the long term provide the main development capital to get these projects to production. Aura's recent exhaustive work in this area has confirmed this belief and the company envisages great support for Aura going forward in this market.

Over the past 6 to 8 months Aura has completed the major work elements required for the company to be listed on the AIM market following the significant UK funding it achieved last year. Aura is now poised to complete this listing, achieve funding from the UK and commence trading on the AIM market. We would expect this to be in place during August. This will be achieved with the support of a key cornerstone UK based investor.

As previously flagged, the AIM listing will target a raising of at least A\$1 million and if the conditions, and support, were favourable up to a maximum of A\$5m. Indications from meetings recently held have been positive and the company believes it will achieve a satisfactory level of support. This will allow the company to progress its Tiris Feasibility Study and its suite of other projects.



## Acquisition of Gold Exploration Permits on the Mauritanian Archean Greenstone Belts

During the quarter Aura Energy Limited announced that it has secured rights to acquire 175 km<sup>2</sup> covering two under-explored mineralised greenstone belts in Mauritania (See Figure 2). The areas lie along strike from Kinross' giant Tasiast Gold Mine and also from Algold's Tijirit gold deposits. The two areas are currently held under exploration permit applications and are expected to be granted in the near future.

These highly prospective gold areas represent an excellent opportunity in lightly explored Archean greenstone belts and will leverage Aura's extensive operating experience in this part of the world. The project is favourably located 200 km from Aura's Nouakchott office, 60 km from the coast, and can be managed efficiently within the company's existing management resources without distraction from Aura's core uranium focus.

The prospects cover portions of the Tasiast and Tijirit Greenstone Belts and have been explored previously by only one other company which was forced to suspend activities in the mineral industry downturn in 2012, despite having located zones of significant gold mineralisation. Members of Aura's current technical team were involved in this previous work and are well acquainted with the area.

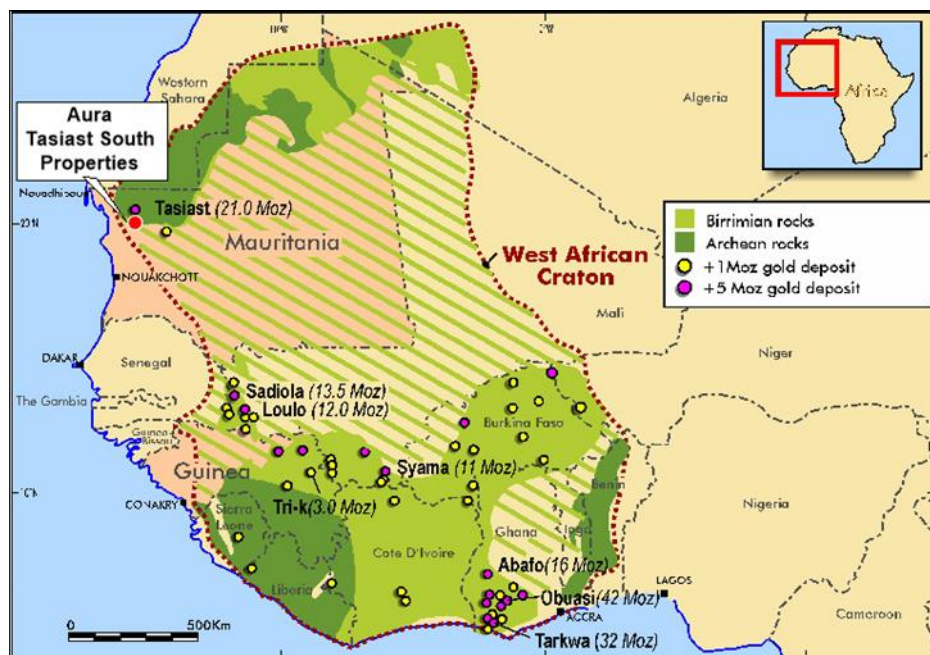
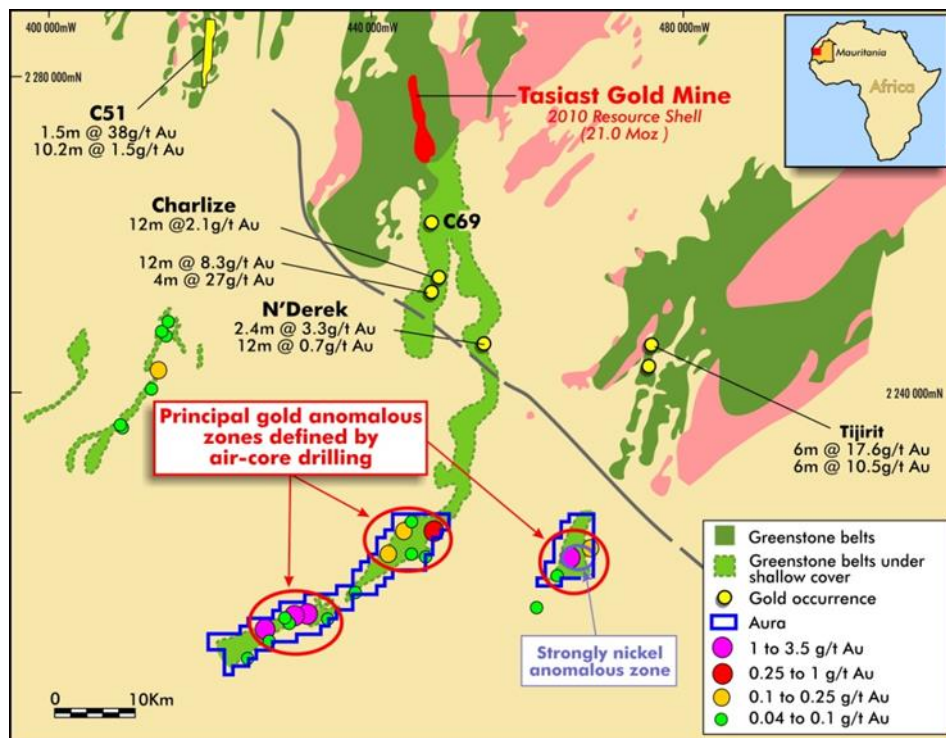


Figure 2: Location of the Tasiast South project

Aura's Tasiast South project area has the following attributes;

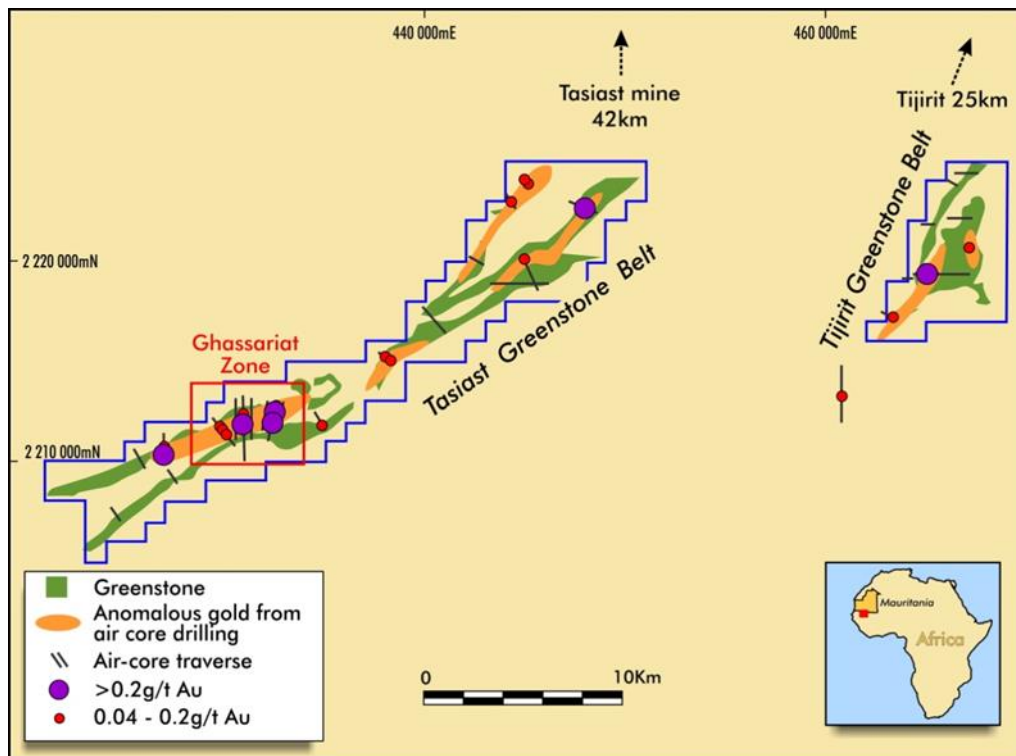
- Tenements over two lightly explored greenstone belts covering 175 km<sup>2</sup>
- The +20 Moz Tasiast gold deposit is nearby on the same greenstone belt and highlights the potential for major deposits in the region (See Figure 3)
- \$3m has been expended by the previous explorer on airborne geophysics, reverse circulation and air-core drilling, and sampling
- Broad zones of gold mineralisation have been identified with strong similarities to the Tasiast Gold Mine mineralisation and alteration
- No testing deeper than 150m with most previous holes less than 100m
- High grade drill intersections have been reported by others in the district from both past and current programs, including one in progress with Algold Resources (TSX), which highlight the current interest and potential in these poorly tested belts



**Figure 3: Location of Aura areas in relation to known mineralisation**

Air-core drilling to bedrock by the previous explorer located several anomalous gold zones, up to eight kilometres in length (See Figure 4). Of particular interest is the Ghassariat Zone, which has 1-3 g/t gold values on three of the four air-core traverses drilled. This anomaly extends over about eight kilometres parallel to the strike of the greenstone belt.

The Ghassariat Prospect intersections occur in strongly sulphidic and quartz-veined mafic volcanics and have marked similarities with some of the ore zones and near-ore alteration zones at the neighbouring Kinross Tasiast Mine (See Figure 5).



**Figure 4: Ghassariat Zone location and gold anomalous zones defined by air core drilling**

Drilling on the prospect previously has generally been shallow with very limited deeper testing below the gold anomalous zones defined by air core drilling. A number of RC holes have provided very good results however the density of drilling is very low averaging approximately one hole per 20 km<sup>2</sup>. A systematic program to ensure both deeper drilling under existing drill results and further shallow drilling on new targets highlights the long term prospectively on these tenements.

Intersections in the Ghassariat Zone reported by the previous explorer include:

**TGRC 022 - 71m @ 0.3 g/t Au including:**

- 5m @ 1.2 g/t Au,
- 3m @ 1.0 g/t Au
- 11m @ 0.5 g/t Au

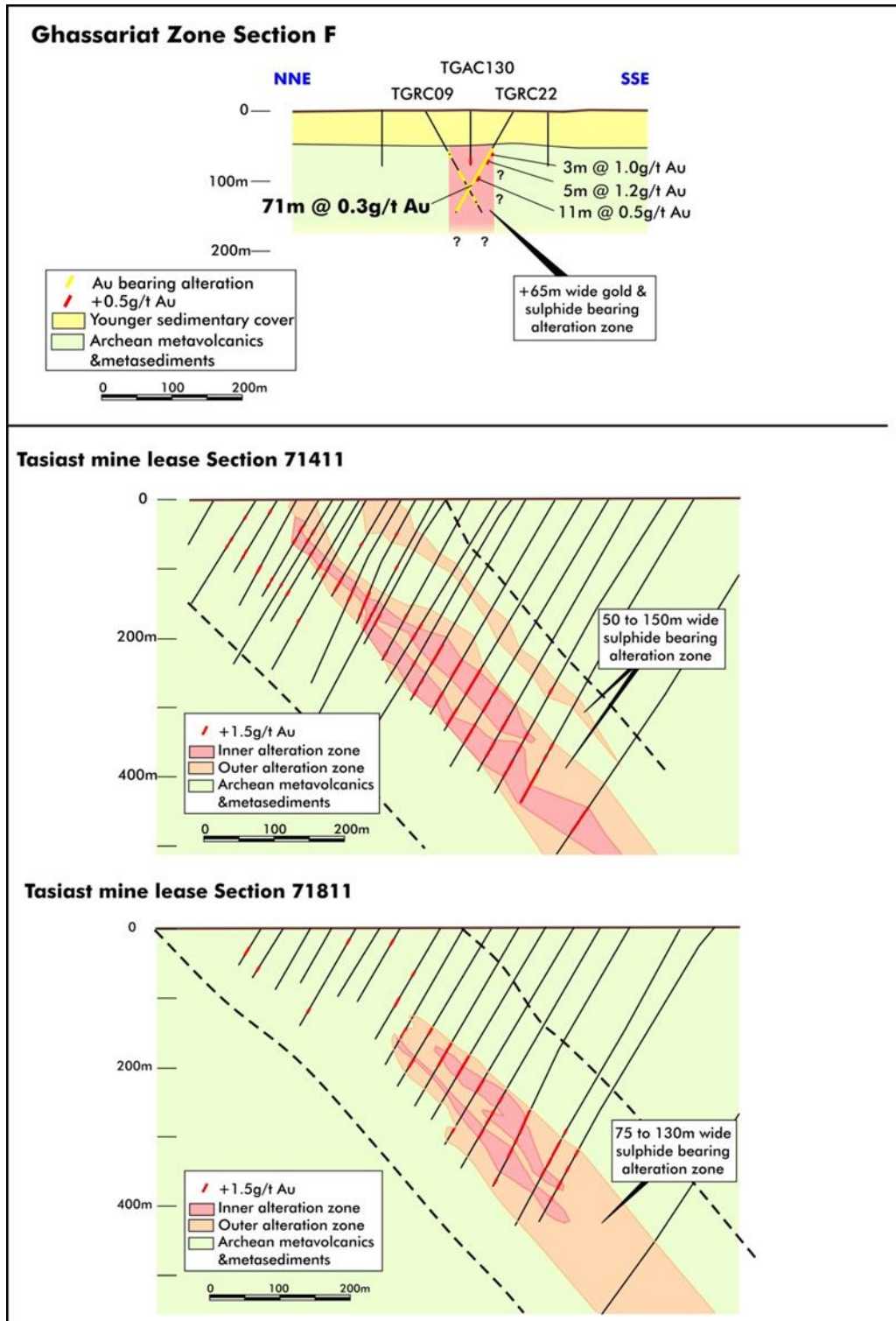
**TGRC 007 - 38m @ 0.4 g/t Au including:**

- 1m @ 6.1 g/t Au
- 6m @ 0.7 g/t Au

Aura’s Chief Geologist, Neil Clifford, led the previous exploration in these areas, and has extensive and successful experience in international minerals discovery and deposit evaluation particularly in gold. He has played key roles in the discovery of at least 9 major mineral deposits in Australia, South America and Africa, for a variety of

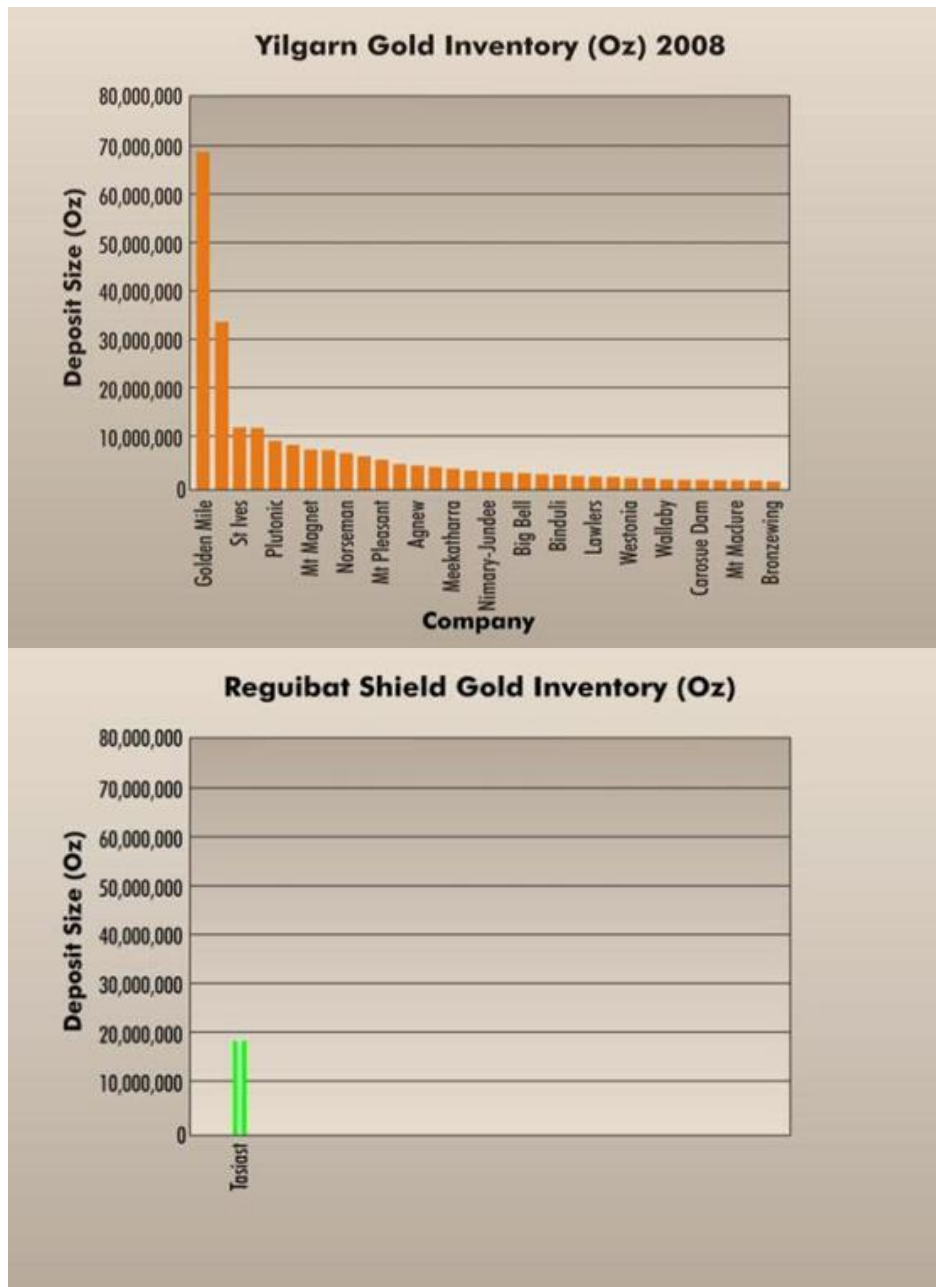


commodities including gold, uranium, copper and tin. These discoveries have included 20 million ounces of gold, including Sunrise Dam, and seven have subsequently become mines. He also played the lead role in the discovery of Aura's Tiris uranium deposits in Mauritania. He has been involved in West Africa since 2005.



**Figure 5: Sections (all at same scale) comparing Aura's Ghassariat Prospect's broad zones of sulphidic & gold alteration to the Tasiast gold mines alteration & mineralised shells**

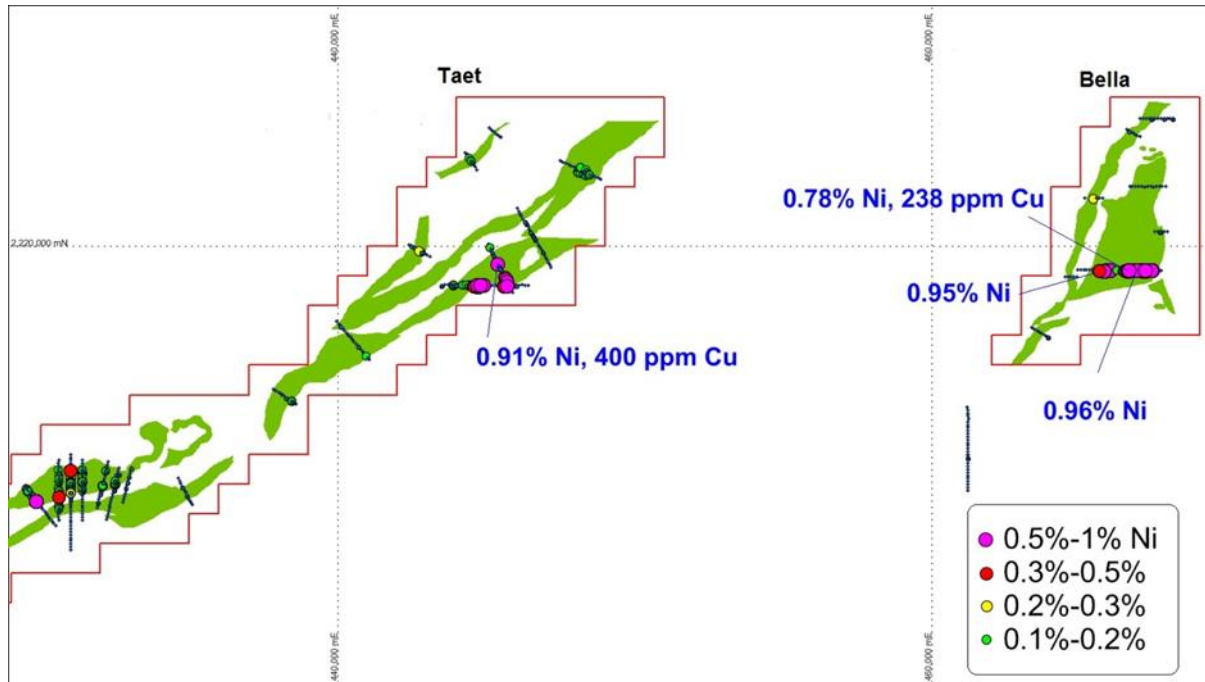
"Interestingly the Tasiast gold mineralisation is in Archean greenstones with strong similarities in terms of rock types, structure and mineralisation style with the great gold provinces in the Archean belts of Australia and Canada in which there have been many hundreds of gold mines. In the Tasiast district there has only been one discovery, reflecting how little explored this belt is (See Figure 6). Clearly the potential for additional and substantial discoveries in the Tasiast district is very high", Mr Clifford said.



**Figure 6: Zipf's Law comparison highlighting the lack of major gold deposits discovered in the lightly explored Tasiast district versus the well explored Yilgarn Province of Western Australia**

## Nickel and Base Metal Potential

Previous exploration for gold on these permit areas also located strongly anomalous nickel values in several areas, associated with ultramafic rocks (See Figure 7). In parts of the tenements high nickel values are associated with anomalous copper highlighting potential for nickel-copper sulphide mineralisation, as occurs also in the greenstone belts of Australia and Canada. At this stage there has been no follow-up work carried out on these nickel targets.



**Figure 7: Key nickel results in bedrock sampling by air-core drilling**

## Acquisition Terms

Aura has executed an agreement to acquire 100% of these permit areas (currently under application) by making 4 staged payments over 12 months totalling US\$100,000.

Additional financial terms are:

- If Aura defines an Indicated Resource of greater than 1 million ounces a further payment to the vendor of US\$250,000
- A royalty of \$5/oz on gold and 0.4% NSR on other commodities is payable on production from the permits, capped at US\$5 million.

The deal is conditional upon a successful AIM Listing or other fund raising mechanisms.

## **Future Work Program and Other Opportunities**

Next steps envisaged at Tasiast South are:

- Ground electrical geophysics to locate the strongest zones of disseminated sulphide development for drill targeting
- Additional bedrock sampling by air-core or auger-drilling to better define the high nickel ultramafics and zones of copper/nickel for follow up drilling
- Deep drill testing (RC and DD) of targets defined

Aura's timing for this work is dependent on financing however some of the work described is relatively low cost and may be funded from existing resources. Aura will also explore other financing options to progress this work plan including joint ventures, royalties and work-for-equity funding.

## **Sabkha (Salt Pan) Tenements in Mauritania – Soda Ash and Lithium Potential**

Aura recently announced that as part of a continual review of mineral opportunities in Mauritania, it has taken a position in 2 large Sabkhas (salt pans) in the region of its Tiris Uranium Project with a view to exploring them for soda ash and other minerals.

Soda ash is the leach agent proposed for Tiris and if the source were confirmed it would provide significant benefits to the Tiris Project economics.

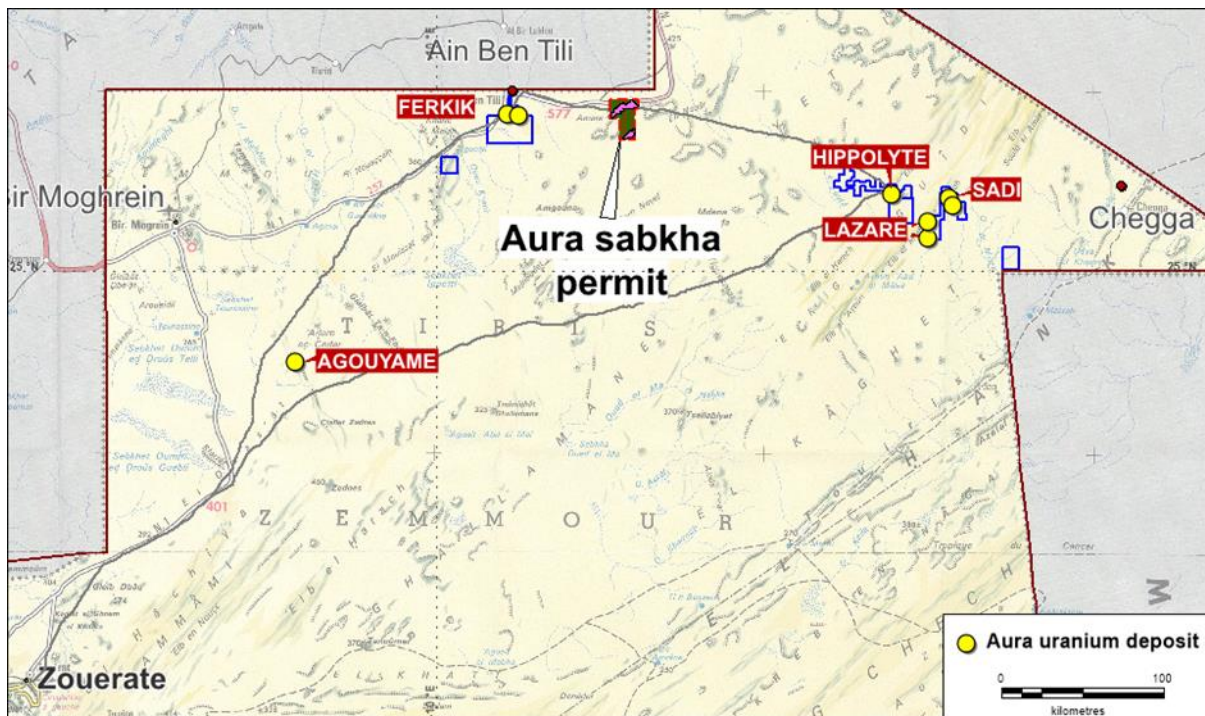
### **Importantly Sabkha's are known sources of other minerals including lithium.**

The Sabkha was identified by the Independent Expert, Wardell Armstrong's (WAI) geological consultant Greg Moseley who is conducting a review of Aura Energy's projects, as part of the Competent Persons Report for its AIM listing. Mr Moseley has previously conducted reviews of lithium and other valuable salts potential in Sabkhas and is currently involved in such a review elsewhere in Africa.

The WAI review noted;

*"On the return trip from the Tiris East uranium project, the route crosses a very wet clay-rich "pan" or Sabkha. The surface and geological setting of the pan was strongly reminiscent of pans known to Mr Moseley in other parts of Africa that are being investigated for lithium and other valuable salts."*





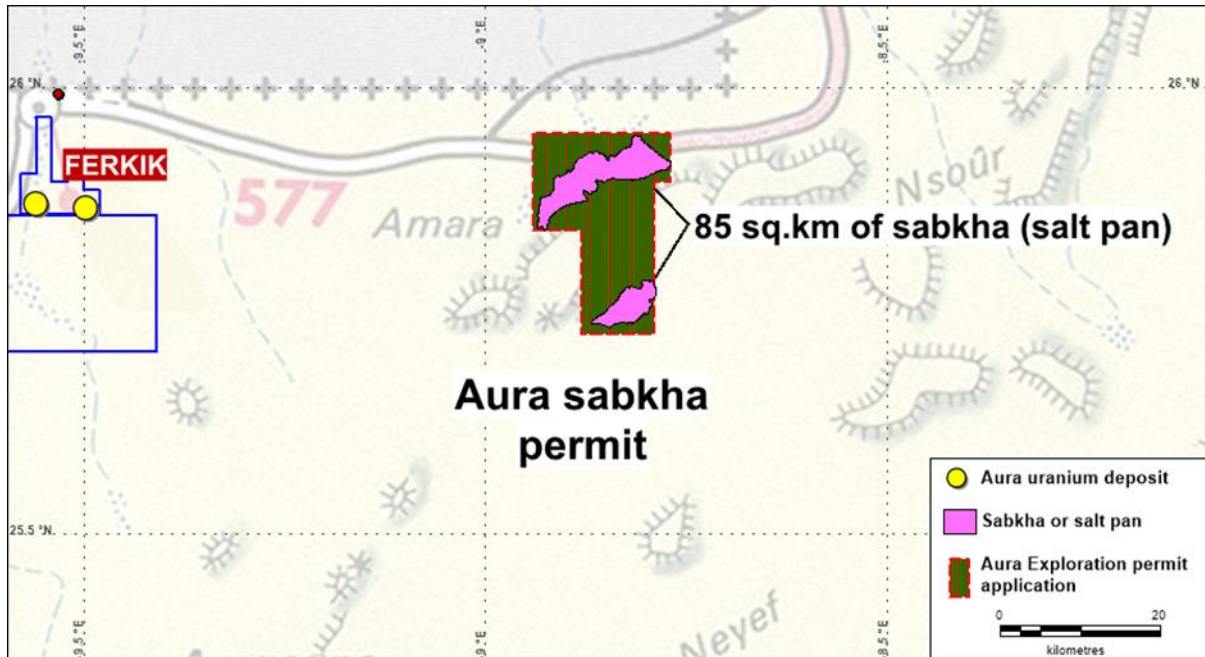
**Figure 8: Location of the Sabkha targets relative to the Aura Uranium Exploration Licences**

The Sabkhas which are 165 km from Hippolyte are large on a relative basis covering an area of over 85 km<sup>2</sup> (See Figure 8). Sabkha is an Arabic name for a salt-flat that has come into general use in sedimentology. They are also known as “Salars” in South America and generically as salt pans or flats. The valuable salts can occur in the Sabkha environment either in clays at or near surface or in brine reservoirs deeper in the lake sediments.

The location of the Sabkha between Aura’s Tiris Project East and West tenements provide a favourable location should a source of soda ash (Na<sub>2</sub>CO<sub>3</sub>) be identified (See Figure 9). Aura’s 2014 Scoping Study identified the need for up to 16,000 tonnes of soda ash which, including transport, would account for approximately 25% of Tiris’ operating costs. Utilising a nearby source of soda ash has the potential to significantly reduce these costs. Additionally, potential for revenue from other minerals such as lithium or back-loading soda ash to port for export would further reduce the Tiris operating cost.

Similar to Aura’s recent gold acquisition of the Tasiast South prospect, the location of the Sabkha soda ash and lithium prospect means that the exploration/evaluation of the prospect can be managed efficiently within the company’s existing management resources without distraction from Aura’s core uranium focus. In fact, it forms a key synergy with the Tiris Uranium Project development given its potential impact on the project via logistical simplification and the potential for lowering operating costs on Tiris even further.

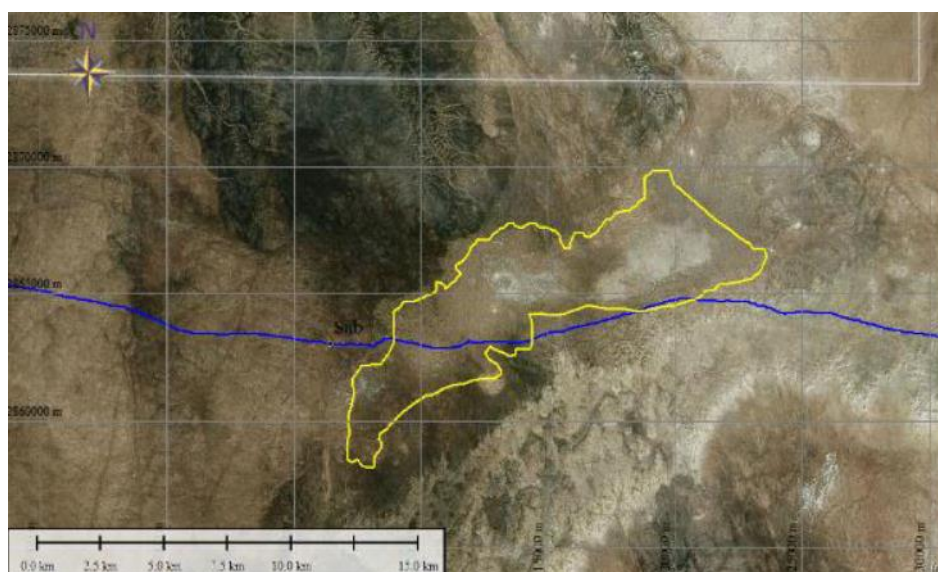




**Figure 9: Location of the Sabkhas relative to the Aura Uranium Exploration Licences**

The Sabkhas concerned, appears to exhibit many of the characteristics required when considering the potential for the associated economic mineralisation, e.g. closed drainage basin, favourable geological environment, arid climate.

Consequently, the exploration potential for the two possible styles of mineralisation, viz: surficial lithium (-sodium-potassium-boron)-rich clays or brine “pools” deeper within the enclosed basin, appears to be good (See Figure 10).



**Figure 10: Satellite Image of the Sabkha (yellow outline) GPS track of the CPR site visit in blue**

Aura's Sabkha soda ash and lithium prospect has the following attributes;

- Prospect is located in the centre of Aura's Tiris Project area
- The Sabkhas area is large at 85 km<sup>2</sup> relative to typical Sabkhas
- If a soda ash source is revealed it could reduce operating costs significantly for Tiris
- Lithium is a known co-product in such Sabkhas
- Wardell Armstrong's consultant who identified the prospect is experienced in these occurrences and is currently evaluating similar lithium bearing Sabkhas in other regions of Africa
- The initial evaluation cost for the Sabkha is inexpensive

### **Future Work Program and Other Opportunities**

Next steps envisaged for evaluation of the Sabkha include:

- Limited surface pitting/sampling and assay of the Sabkha to establish the potential
- Shallow auger drilling – probably hand augering to 3-4 metres to confirm the pit results.

Given the limited scope and low cost of the initial evaluation phase Aura hopes to conduct this program in the third quarter 2016 with initial results soon after that.

## Aura Energy Directory

**ASX Code:** AEE  
**Shares on issue:** 457,048,412  
**Options on issue:** 190,724,702

### Board of Directors:

Peter Reeve	Executive Chairman
Bob Beeson	Non-Executive Board Member
Brett Fraser	Non-Executive Board Member
Jules Perkins	Non-Executive Board Member

**Website:** [www.auraenergy.com.au](http://www.auraenergy.com.au)

### For further information contact:

**Mr Peter Reeve**  
**Executive Chairman and CEO**  
**Phone +61 3 9516 6500**  
[info@auraenergy.com.au](mailto:info@auraenergy.com.au)

## Competent Persons

The Competent Person for the Tiris Metallurgical Testwork is Dr Will Goodall.

The information in the report to which this statement is attached that relates to the testwork is based on information compiled by Dr Will Goodall. Dr Goodall has sufficient experience that is relevant to the testwork program and to the activity which he is undertaking. This qualifies Dr Goodall as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Goodall is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Competent Person for the Tiris and Häggån Resources is Mr Neil Clifford.

The information in the report to which this statement is attached that relates to the resource is based on information compiled by Mr Neil Clifford. Mr Clifford has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Clifford as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Top 20 Shareholders

### Top 20 Shareholders

15 July 2016

Rank	Name	Units	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	63,180,277	13.82
2.	BNP PARIBAS NOMINEES PTY LTD <ALBERT FRIED CUSTOMER DRP>	51,855,234	11.35
3.	PRE-EMPTIVE TRADING PTY LTD	31,250,000	6.84
4.	ONE MANAGED INVESTMENT FUNDS	13,776,875	3.01
5.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	13,764,895	3.01
6.	ONE MANAGED INVESTMENT FUNDS	13,482,919	2.95
7.	PASAGEAN PTY LIMITED	12,180,612	2.67
8.	MR PETER DESMOND REEVE	9,718,304	2.13
9.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	9,303,349	2.04
10.	MR MICHAEL BUSHELL	5,474,903	1.20
11.	MRS KERRYN PATRICIA DELEN	4,937,827	1.08
12.	MRS LINDA YE & MR DAVID XIAO DONG YE	3,710,000	0.81
13.	DR ROBERT BEESON	3,129,071	0.68
14.	MRS JENNY LEE BUSHELL	3,091,182	0.68
15.	MR PETER ROBERT OTTON + MRS CAROLE ANNE OTTON <OTTON SUPER FUND A/C>	3,000,000	0.66
16.	MS MICHELLE ANNE PAINE	3,000,000	0.66
17.	MR JULIAN CHRISTOPHER PERKINS + MS MARGARET SU-PING FONG <FONG SUPER FUND A/C>	2,861,990	0.63
18.	DIRDOT PTY LIMITED <GRIFFITH SUPER FUND A/C>	2,827,500	0.62
19.	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	2,777,873	0.61
20.	MR JOSHUA ADAM TOMLINS	2,768,000	0.61
<b>Total Top 20 Shareholders</b>		<b>256,090,811</b>	<b>56.06</b>
<b>Remaining Shareholders</b>		<b>200,957,601</b>	<b>43.94</b>
<b>GRAND TOTAL</b>		<b>457,048,412</b>	<b>100.00</b>

**Top 20 Shareholders**
**31 March 2016**

Rank	Name	Units	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	64,346,617	14.92
2.	BNP PARIBAS NOMINEES PTY LTD <ALBERT FRIED CUSTOMER DRP>	46,391,205	10.76
3.	UBS NOMINEES PTY LTD	31,459,794	7.30
4.	PRE-EMPTIVE TRADING PTY LTD	27,200,000	6.31
5.	PASAGEAN PTY LIMITED	10,000,000	2.32
6.	MR PETER DESMOND REEVE	7,852,250	1.82
7.	DRAKE RESOURCES LIMITED	7,473,306	1.73
8.	ABN AMRO CLEARING NOMINEES PTY LTD SYDNEY	6,803,348	1.58
9.	MR MICHAEL BUSHELL	5,975,903	1.39
10.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	5,000,000	1.16
11.	MRS KERRYN PATRICIA DELEN	4,937,827	1.15
12.	MRS LINDA YE + MR DAVID XIAO DONG YE	3,410,000	0.79
13.	DR ROBERT BEESON	3,129,071	0.73
14.	MRS JENNY LEE BUSHELL	3,091,182	0.72
15.	MR PETER ROBERT OTTON + MRS CAROLE ANNE OTTON <OTTON SUPER FUND A/C>	3,000,000	0.70
16.	MR JULIAN CHRISTOPHER PERKINS + MS MARGARET SU-PING FONG <FONG SUPER FUND A/C>	2,861,990	0.66
17.	DIRDOT PTY LIMITED <GRIFFITH SUPER FUND A/C>	2,787,500	0.65
18.	MR JOSHUA ADAM TOMLINS	2,768,000	0.64
19.	DUNDEE COURT INVESTMENTS PTY LTD <SUPERANNUATION FUND A/C>	2,650,000	0.61
20.	CRX INVESTMENTS PTY LIMITED	2,646,875	0.61
<b>Total Top 20 Shareholders</b>		<b>243,784,868</b>	<b>56.54</b>
<b>Remaining Shareholders</b>		<b>187,378,998</b>	<b>43.46</b>
<b>GRAND TOTAL</b>		<b>431,163,866</b>	<b>100.00</b>



## ABOUT AURA ENERGY'S PROJECTS

### TIRIS PROJECT, MAURITANIA (AURA 100%)

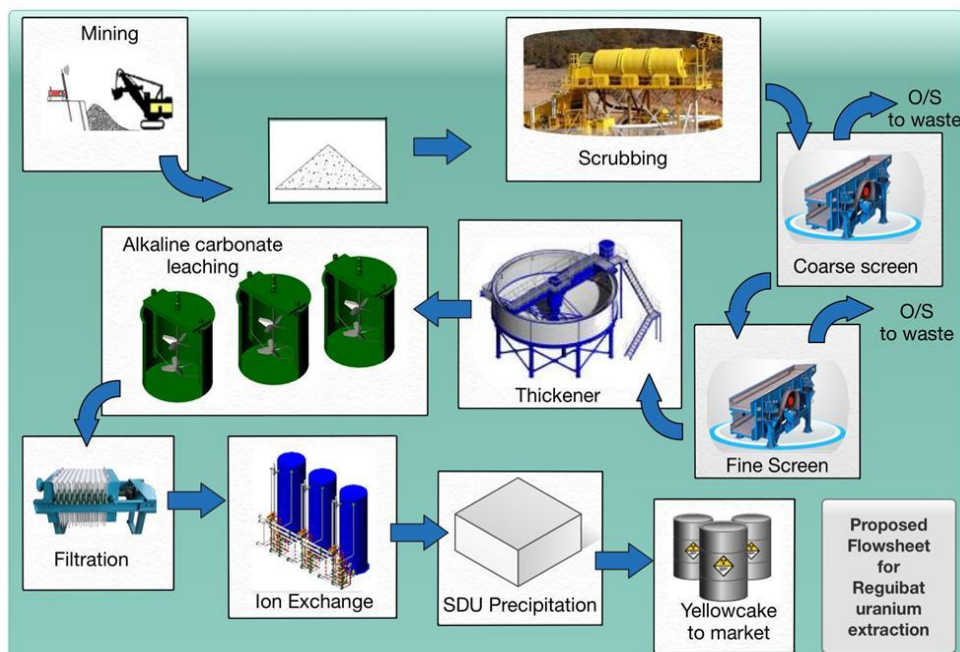
The Tiris Uranium Project is based on a major greenfields uranium discovery in Mauritania, with 49 Mlb  $U_3O_8$  in current resources from 66 million tonnes @ 334 ppm  $U_3O_8$ . The project has several natural attributes which result in low capital and operating costs. These attributes are:

- Shallow flat-lying surface mineralisation (only 1-5 metres deep) within unconsolidated gravels
- Low cost mining with no blasting and negligible overburden
- Uranium ore can be simply (wash and screen) upgraded by up to 700%; from 335 ppm to 2500ppm
- Leads to a very small plant, small footprint and minimal supporting infrastructure
- Leach feed grade 2,000-2,500 ppm  $U_3O_8$  with 94% leaching recovery in 4 hours

The conceptual 1 Mtpa mine and plant project described in the Scoping Study was designed to take full advantage of these unusual characteristics, whilst providing a low capital cost and rapid project development and construction. Significantly, a water study by Golders has indicated that potential sources of water in the immediate vicinity will satisfy the demands of the project.

The Study, which indicates 11 million pounds of uranium will be produced over an initial mine life of 15 years, only utilises 20% of the known Global Mineral Resource resulted in the following outputs;

- Low capital cost – US\$45 million
- Low operating cost – A\$30/lb
- Easily scalable
- Mining at ~120 tph (1.0 Mtpa)
- Small 25 tph leach facility
- Mined grade >420ppm  $U_3O_8$  for 15 years
- Produce 0.7-1.1 Mlbs  $U_3O_8$  per year
- Expand project from cashflow



## HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån is located in central Sweden and is one of the largest undeveloped uranium projects in the world. The project has a resource of 803 million pounds uranium with significant base metal by-products.

Sweden remains a nuclear friendly jurisdiction with 10 operating nuclear power reactors. In 2013, Sweden generated 152.5 TWh, of which 65.8 TWh (43%) was from nuclear and 61.3 TWh (40%) from hydro. Sweden imports most of its nuclear fuel, including all enrichment. It is one of the few countries that has the opportunity, within its sovereign borders, to be vertically integrated from nuclear power generation down to the U<sub>3</sub>O<sub>8</sub> fuel source. Public opinion polls in the last few years had shown steady majority (over two-thirds) support for nuclear power<sup>(1)</sup>.

The Häggån project is located in a sparsely populated area of swamp and forest used mainly for commercial forestry. Sweden's has a current and active mining industry, with a clear regulatory position and a well-established path from exploration to production.

A Scoping Study was completed in May 2012 suggests that the Häggån Project has excellent potential to become a major, low cost producer of uranium, with by-product nickel and other metals. Aura's discovery that the mineralisation is ideally suited to bioleach metal extraction was the major breakthrough to creating a robust and economic project. Bioleaching, including bioheap leaching, is a proven technology widely used in copper and gold industries with some application to the uranium industry.

The Häggån Inferred Resource contains **2.35 billion tonnes** at the grades shown in the table below. Metal content is also shown.

Metal	Grade	Content
	ppm	M lbs
U <sub>3</sub> O <sub>8</sub>	155	803
Ni	316	1640
Zn	431	2230
Mo	207	1070
V	1519	7870

The project contemplated in the Scoping Study was a large scale heap leach with recovery of base metals as separate and high purity sulphide precipitates. The Scoping Study outcomes were as follows;

- Capital cost – US\$540 million
- Low operating cost – A\$13.50/lb U<sub>3</sub>O<sub>8</sub>
- Mining rate 30 Mtpa
- Mined grade 160 ppm U<sub>3</sub>O<sub>8</sub> for 30 years
- Production 7.8 Mlbs U<sub>3</sub>O<sub>8</sub> per year

Last year the Aura considered it prudent, given the current market conditions, to reassess the May 2012 Häggån Scoping Study, on smaller scales more likely to attract funding. The company considered three smaller size options; 3.5 Mtpa, 5.0 Mtpa and 7.5 Mtpa, which could be used provide a staged development alternative with a substantially lower front end capital cost requirement. The 5.0 Mtpa project option had the following metrics;

- Capital cost – US\$190 million
- Low operating cost – A\$18-22/lb U<sub>3</sub>O<sub>8</sub>
- Mining rate 5 Mtpa
- Mined grade 160 ppm U<sub>3</sub>O<sub>8</sub>
- Production 1.4 Mlbs U<sub>3</sub>O<sub>8</sub> per year

(1) <http://www.world-nuclear.org/info/Country-Profiles/Countries-O-S/Sweden/>

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Aura Energy Limited

ABN

90 115 927 681

Quarter ended ("current quarter")

June 2016

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (nine months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(84)	(1,084)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	5
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		
1.7 Other (R&D rebate)		149
<b>Net Operating Cash Flows</b>	<b>(242)</b>	<b>(1,794)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(242)	(1,794)

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(242)	(1,794)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	281	1,372
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Equity raising costs)	(59)	(118)
	<b>Net financing cash flows</b>	222	1,254
	<b>Net increase (decrease) in cash held</b>	(20)	(540)
1.20	Cash at beginning of quarter/year to date	427	943
1.21	Exchange rate adjustments to item 1.20	(6)	(2)
1.22	<b>Cash at end of quarter</b>	401	401

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.



## Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
4.3 Production	
4.4 Administration	150
<b>Total</b>	<b>200</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1	129
5.2 Deposits at call	372	270
5.3 Bank overdraft		
5.4 Other (Bank Guarantees)	28	28
<b>Total: cash at end of quarter (item 1.22)</b>	<b>401</b>	<b>427</b>

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference</b>			
	<b>+securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	457,048,412	457,048,412	
7.4	Changes during quarter	22,943,877	22,943,877	\$0.01225
	(a) Increases through issues	1,074,615	1,074,615	\$0.02792
	(b) Decreases through returns of capital, buy-backs	1,099,578	1,099,578	\$0.01660
		766,476	766,476	\$0.01745
				* Shares issues for consideration other than cash
7.5	<b>+Convertible debt securities</b>			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	200,000	-		<b>\$0.20</b>	4 Dec 16
	6,625,000	-		<b>\$0.20</b>	13 Jul 16
	2,600,000	-		<b>\$0.048</b>	6 Mar 17
	12,500,000	-		<b>\$0.07</b>	17 Jun 18
	8,750,000	-		<b>\$0.10</b>	9 Jun 18
	6,250,000	-		<b>\$0.10</b>	9 Feb 19
	2,500,000	-		<b>\$0.15</b>	9 Feb 19
	8,750,000	-		<b>\$0.15</b>	9 Jun 20
	8,750,000	-		<b>\$0.15</b>	9 Jun 21
		-			
	27,226,166	-		<b>\$0.05</b>	17 Jun 17
	62,111,801	-		<b>\$0.025</b>	25 Nov 17
	8,163,265			<b>\$0.025</b>	23 Dec 17
	19,979,593			<b>\$0.025</b>	5 Feb 18
7.8	Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
	22,943,877			\$0.025	9 May 2018
7.9	Exercised during quarter				
7.10	Expired during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Sign here:  .....  
(Director/Company secretary)

Date: 27 July 2016

Print name: JM Madden

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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