22 September 2016

AURA ENERGY NOTES EXCEPTIONAL GOLD DRILLING RESULTS BY ALGOLD AT TIJIRIT PROSPECT, MAURITANIA

AURA RECENTLY SECURED ADJACENT TENEMENTS TO ALGOLD (TSX) ON PRIME UNDER EXPLORED ARCHEAN GREENSTONE BELTS

AURA'S TASIAST SOUTH TENEMENTS OFFER MULTI MILLION OUNCE GOLD & BASE METAL POTENTIAL ALONG 45 KMs OF GREENSTONE BELT WITH STRONG DRILL RESULTS

- **Aura Energy recently secured rights to acquire 2 exploration permits (Tasiast South Project 27th June 2016) on extensive Archean Greenstone belts in Mauritania along strike from the +20 Moz Kinross Tasiast Gold Mine**
- **Excellent drilling results showing both system size and elevated gold grades from previous work at Tiris South**
- **TSX listed Algold Resources has recently reported excellent drilling results in tenements adjacent to Aura's**
- **Aura will soon commence an exploration program on both its highly prospective tenements**

Level 1 34-36 Punt Rd Windsor VIC 3181 Tel: +61 3 9516 6500 Email: info@auraenergy.com.au Website: www.auraenergy.com.au

Aura Energy Limited (ASX:AEE / AIM:AURA) notes the exceptionally strong gold exploration results achieved by Algold Resources (TSX) at its Tijirit gold exploration prospect in Mauritania.

Aura's prospects cover portions of the Tasiast and Tijirit Greenstone Belts adjoining the Algold tenement and have been only lightly explored by one other company which suspended activities 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.

Aura's Tasiast South project consists of two tenements covering 175 km^2 One tenement of 134 km^2 lies 50 kilometres south of Kinross' giant 21 Moz Tasiast Gold Mine, along strike on the same greenstone belt. (See Figure 1)

The second tenement of 41 km^2 is adjacent to Algold tenement package which has recently been reporting spectacular drilling results in several locations. (See Figure 1)

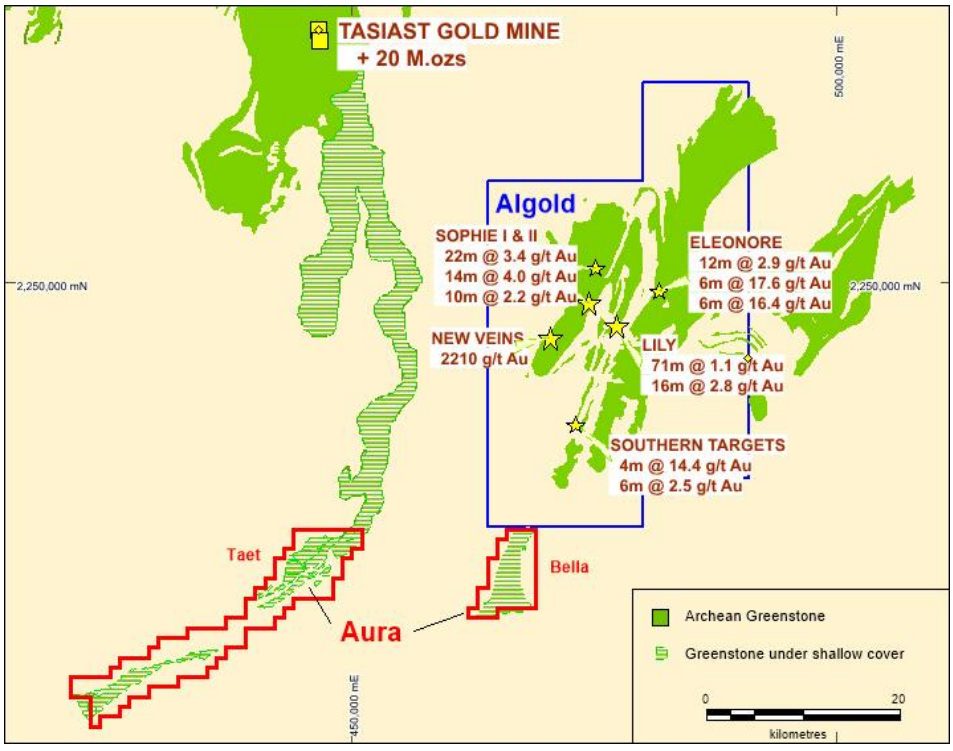

Figure 1: Location of the Aura Tasiast South Tenements and Algolds Tenements

The recent Algold results have included the following drill assays;

- T16RC071 - 6 m @ 39.85 g/t Au,
- T16RC070 - 3 m @ 30.03 g/t Au
- T16RC045 - 5 m @ 6.64 g/t Au
- T16RC035 - 7 m @ 3.2 g/t Au
- T16RC069 - 3 m @ 2.03 g/t Au
- T16RC024 - 6 m @ 4.23 g/t Au
- T16RC072 - 4 m @ 1.35 g/t Au
  - and 2 m @ 1.94 g/t Au
- T16RC083 - 2 m @ 5.47 g/t Au
- T16RC027 - 6 m @ 16.4 g/t Au
- T16RC031 - 6 m @ 9.64 g/t Au
- T16RC024 - 6 m @ 4.23 g/t Au

The full press releases on September 8th and 14th and August 16th 2016 explaining these results in detail can be found at; http://algold.com/press-release/

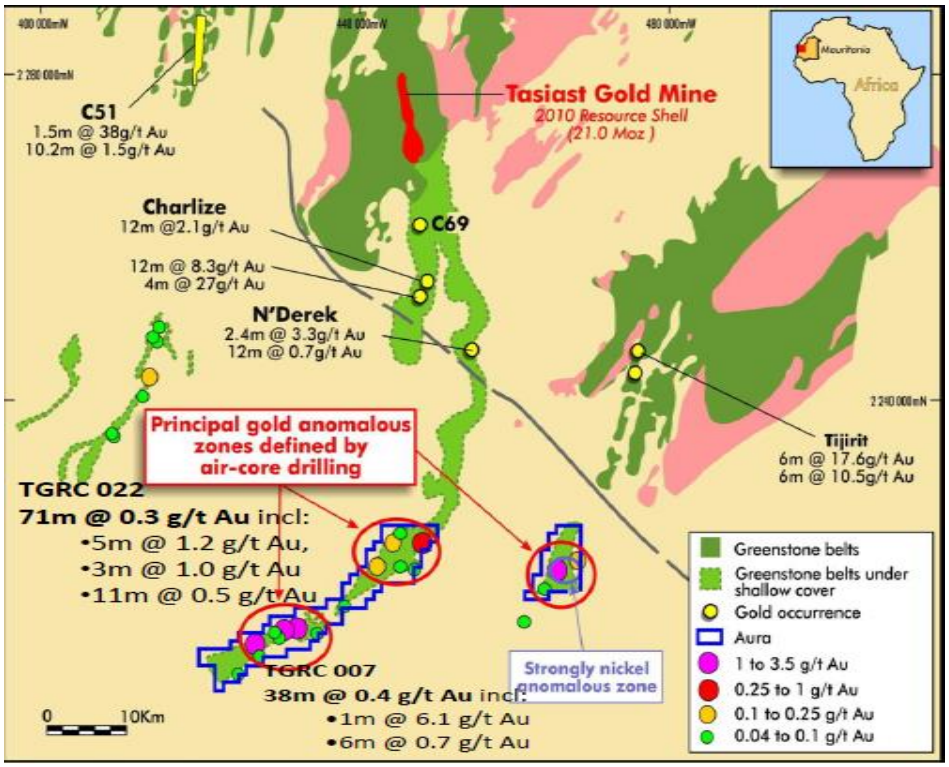

Figure 2: Location of Aura areas in relation to known mineralisation

Peter Reeve, Aura Energy's Executive Chairman said "Aura remains extremely optimistic about its recently acquired gold prospects in Mauritania. The exceptional gold exploration results of Algold, and in the region generally, are compelling for the future of Aura's gold exploration program given the similarity in the geological setting of each company's tenements and the very limited exploration of these extensive greenstone belt packages (See Figure 2). With the large Tasiast Gold Mine on the same belt just north of our project, and a maiden gold resource and very positive drilling results emerging on the Algold ground, the potential for multi-million ounce discoveries, in the eyes of our technical people, is high".

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
- Deeper drill testing (RC and DD) of the mineralised targets already located

About Aura's Tasiast South Gold Project

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

- Tenements over two lightly explored greenstone belts covering 175 km^2
- The +20 Moz Tasiast gold deposit and strong gold mineralisation at Algold's Tijirit project are nearby on the same greenstone belts and highlight the potential for major deposits in the region (See Figure 3)
- A$3m has been expended in a well conceived program by the previous explorer on airborne geophysics, reverse circulation and air-core drilling, and sampling
- Broad zones of gold mineralisation have been identified in previous exploration with strong similarities to the Tasiast Gold Mine mineralisation and alteration. (See Figure 5)
- 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, which highlight the current interest and potential in these poorly tested belts

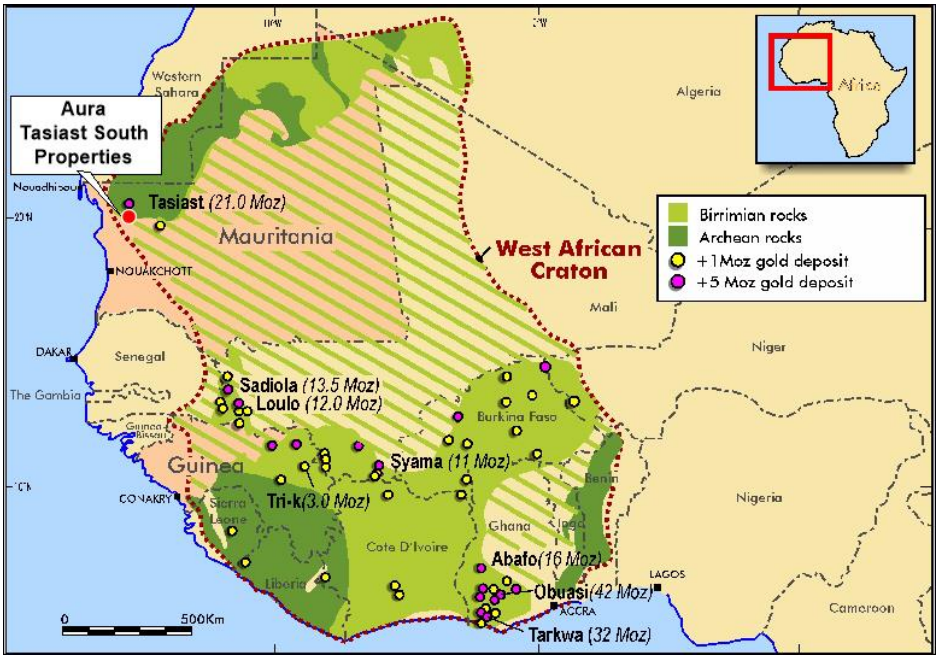

Figure 3: Location of the Tasiast South project

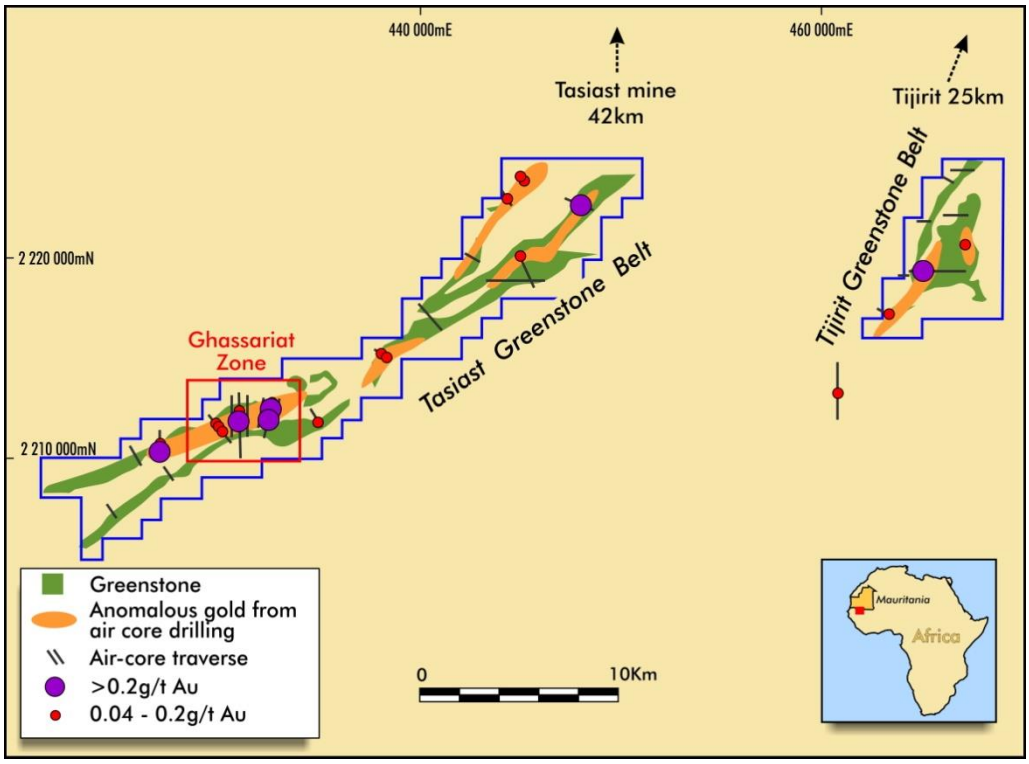

Figure 4: Aura's Ghassariat Zone location and gold anomalous zones defined by air core drilling

Air-core drilling to bedrock by the previous explorer located several anomalous gold zones, up to eight kilometres in length (See Fig 4). Of particular interest is Aura's 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 altered mafic volcanics and have marked similarities with some of the ore zones and near-ore alteration zones at the neighbouring Kinross Tasiast Mine (See Fig 5).

Drilling to date has generally been shallow with a near absence of deeper testing below the air core drilling. A very small number of RC holes have provided very good results however the density of drilling is very low averaging approximately one hole per 20 km^2. A systematic program of infill drilling and drilling beneath existing positive drill results, and further shallow drilling on new targets is required to evaluate the long term potential on these tenements.

Intersections in the Ghassariat Zone reported by the previous explorer, in the only program of RC drilling completed, 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

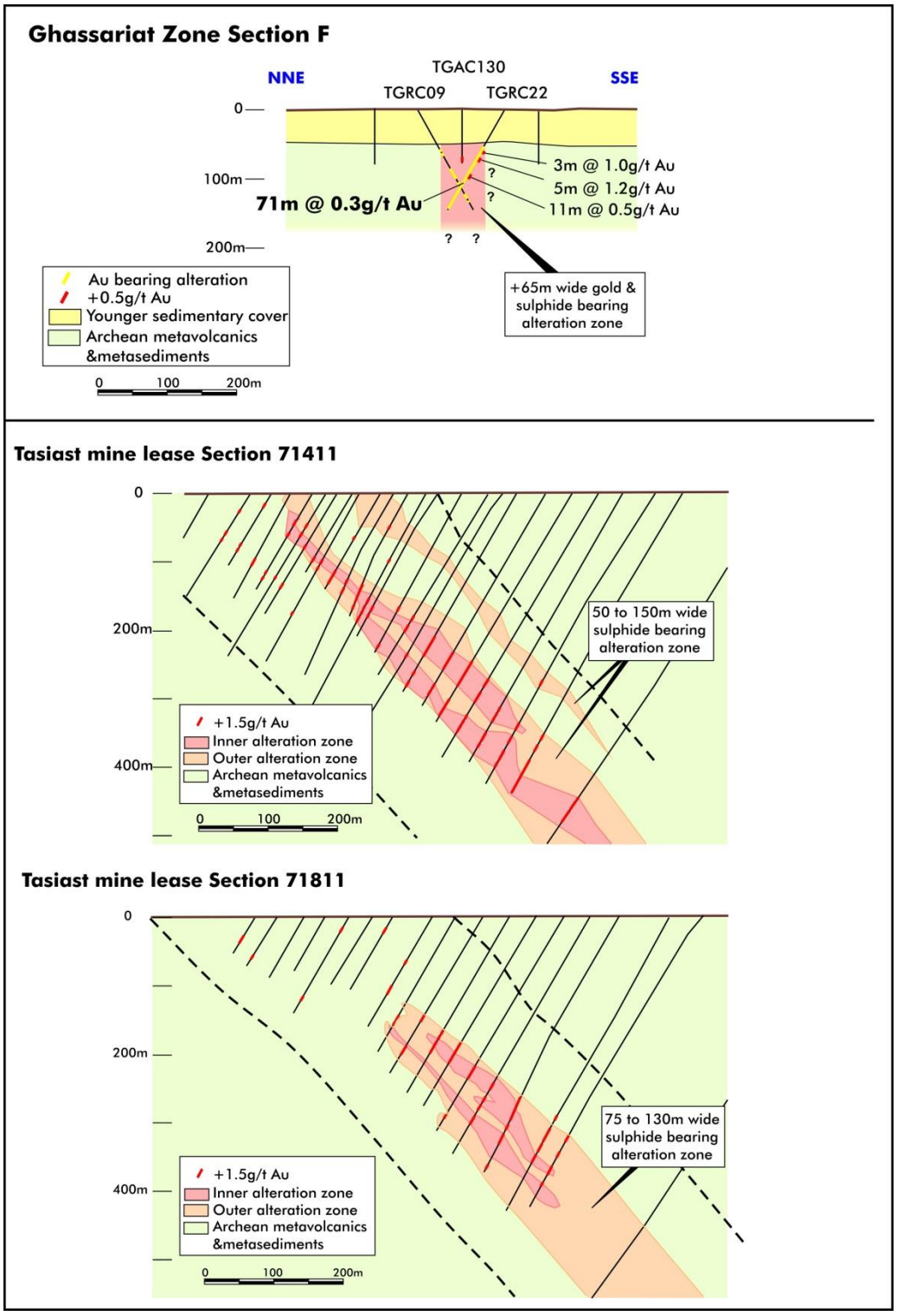

Figure 5: Sections (all at same scale) comparing Aura's Ghassariat Prospect's broad zones of sulphidic & gold alteration to the Tasiast gold mines alteration & mineralised shells

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 Fig 6). The Directors believe the potential for additional and substantial discoveries in the Tasiast district is very high.

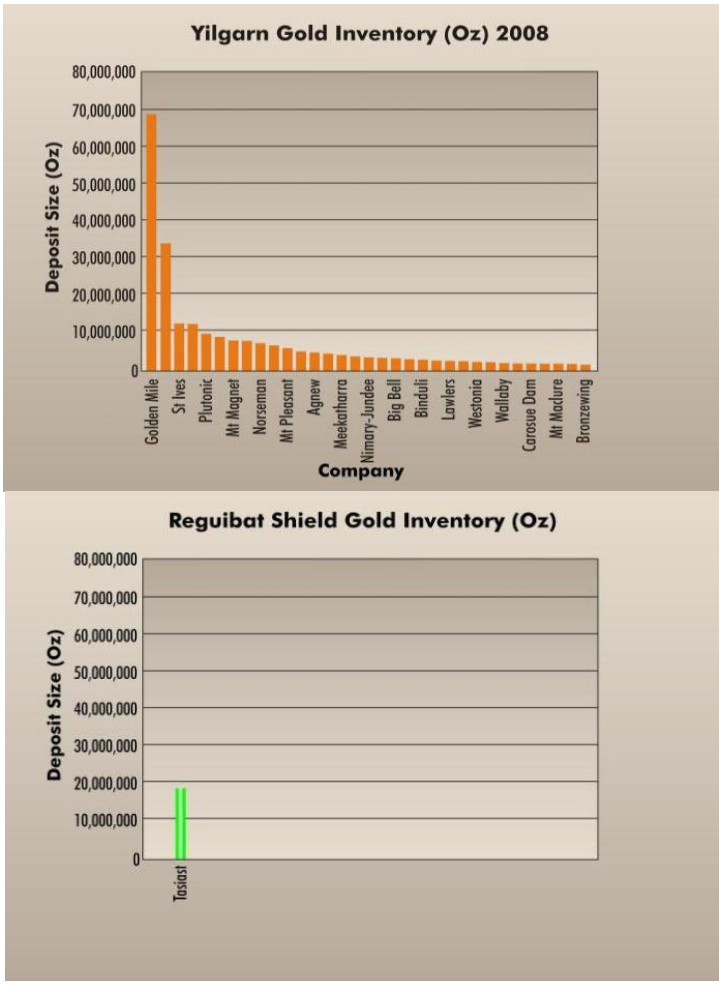

Figure 6: Comparison highlighting the lack of major gold deposits discovered in the lightly explored Tasiast district versus the well explored Yilgarn Province of Western Australia

Nickel and Base Metal Potential

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

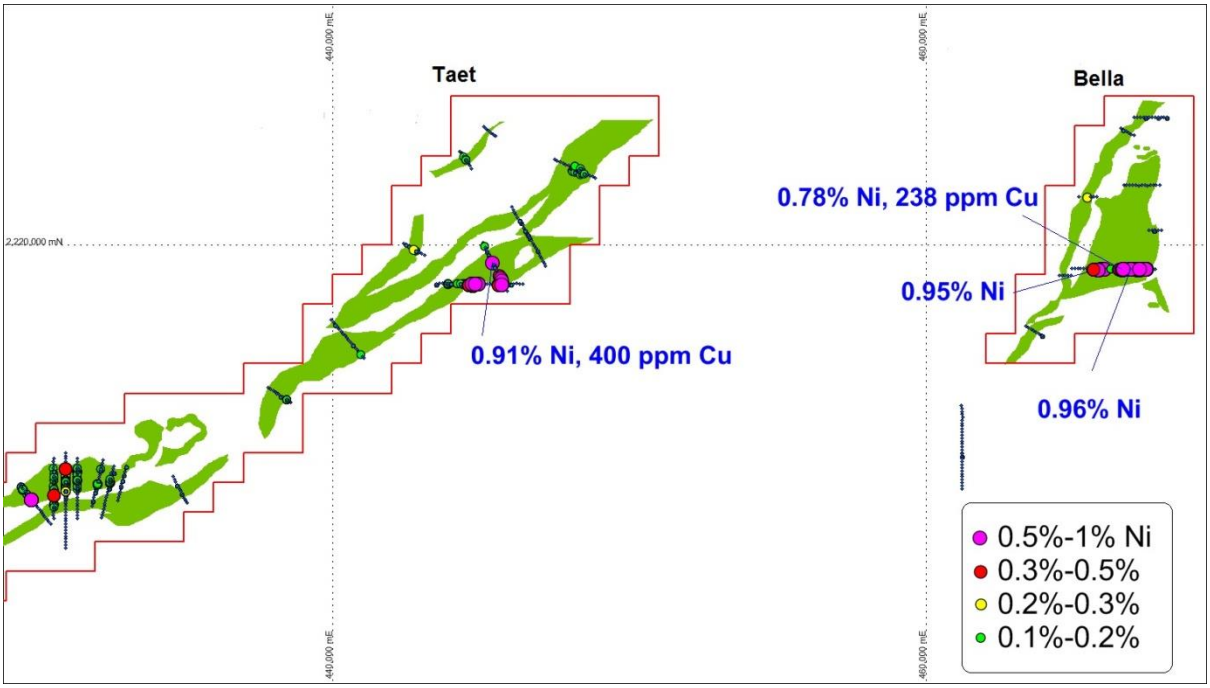

Figure 7: Key nickel results in bedrock sampling by historical air-core drilling

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.

References in this announcement to exploration results and potential have been approved for release by Mr Neil Clifford (Geologist and Member of the Australasian Institute of Mining and Metallurgy) who has more than 40 years relevant experience in the field of activity concerned. Mr Clifford is a Member of the Australasian Institute of Mining and Metallurgy. Mr Clifford has consented to the inclusion of the material in the form and context in which it appears.

For more information please visit www.auraenergy.com.au or contact the following:

Aura Energy Limited Peter Reeve (Executive Chairman)	Telephone: +61 (3) 9516 6500 info@auraenergy.com.au
WH Ireland Limited Adrian Hadden Katy Mitchell James Bavister	Telephone: +44 (0) 207 220 1666
Yellow Jersey PR Pty Limited Felicity Winkles Joe Burgess	Telephone: +44 (0) 7748 843 871 +44 (0) 7769 325 254