

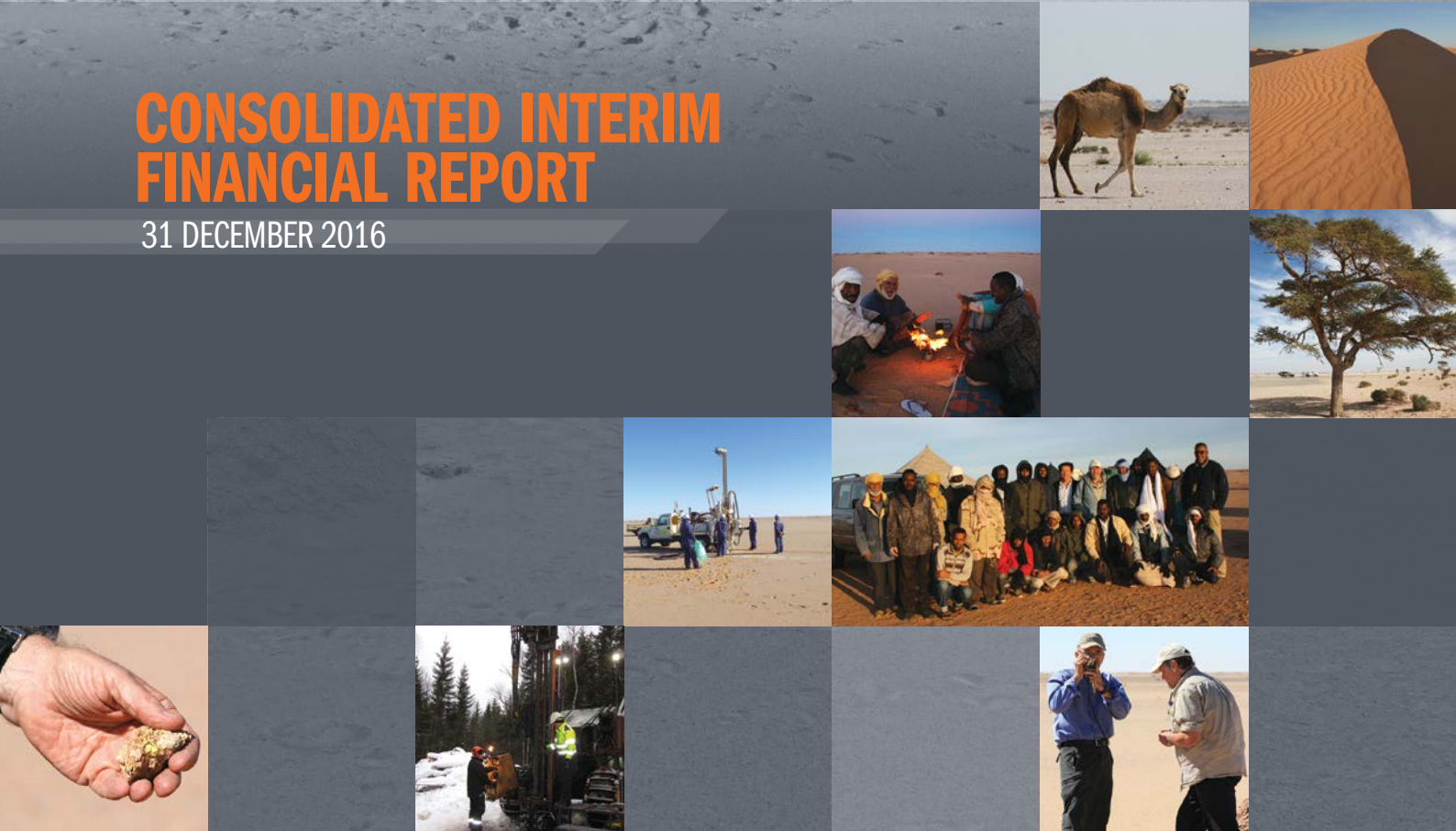


ACN: 115 927 681



CONSOLIDATED INTERIM FINANCIAL REPORT

31 DECEMBER 2016





CORPORATE DIRECTORY

DIRECTORS

Peter Reeve - Executive Chairman and Chief Executive Officer
 Bob Beeson - Non-Executive Director
 Brett Fraser - Non-Executive Director
 Julian Perkins - Non-Executive Director

COMPANY SECRETARY

John Madden

PRINCIPAL AND REGISTERED OFFICE

Aura Energy
 Level 1, 34-36 Punt Road
 Windsor VIC 3181
 Telephone: +61 3 9516 6500
 Facsimile: +61 3 9516 6565
 Email: info@auraenergy.com.au
 Website: www.auraenergy.com.au

SHARE REGISTRY

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

AUDITOR

Bentleys
 Level 3, 216 St Georges Tce,
 Perth WA 6000

LEGAL ADVISORS

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



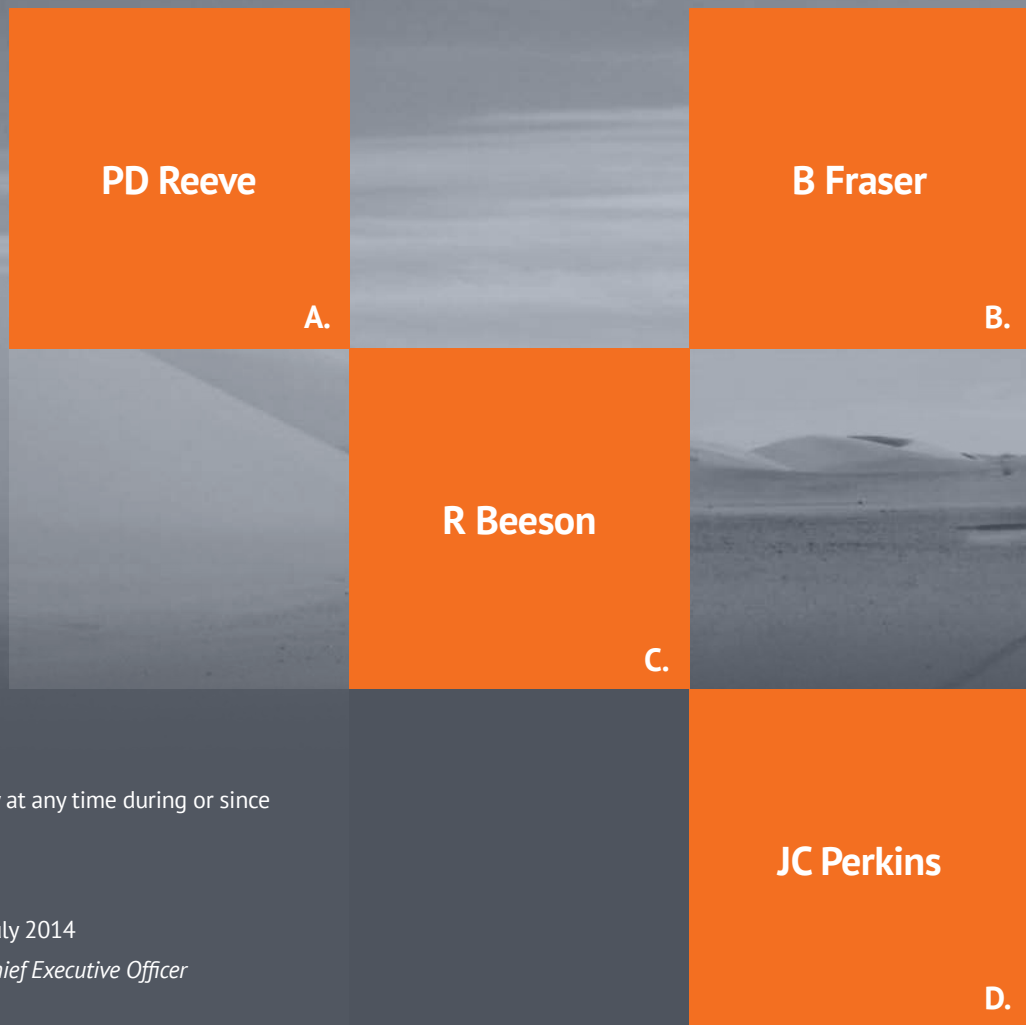
CONTENTS

2	DIRECTORS' REPORT
8	AUDITOR'S INDEPENDENCE DECLARATION
9	CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
9	Condensed consolidated interim statement of profit or loss and other comprehensive income
10	Condensed consolidated interim statement of financial position
11	Condensed consolidated interim statement of changes in equity
12	Condensed consolidated interim statement of cash flows
13	Notes to the consolidated financial statements
20	DIRECTORS' DECLARATION
21	INDEPENDENT AUDITOR'S REPORT
23	ASX ADDITIONAL INFORMATION



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 2016 (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:

EXECUTIVE

- A. **PD Reeve** Appointed 13 July 2014
Executive Chairman and Chief Executive Officer

NON-EXECUTIVE

- B. **B Fraser** Appointed 24 August 2005
Non-executive Director
- C. **R Beeson** Appointed 31 March 2006
Non-executive Director
- D. **JC Perkins** Appointed 7 June 2011
Non-executive Director



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 \$1,514,366 for the half-year ended 31 December 2016 (2015: \$777,258), including one-off costs associated with the Alternative Investment Market (AIM) admission of \$683,121.

REVIEW OF OPERATIONS

Aura is an Australian incorporated and listed entity with its Tiris Project located in Mauritania and its Haggan Project located in Sweden. During the Half-Year, Aura completed a successful listing on the Alternative Investment market as well as an Australian Placement to raise \$5 million and diversified its portfolio with the acquisition of the Tasiast South gold prospects and the application for Lithium and Soda Ash research permits.

With the funding from the AIM admission, the Company recommenced its Feasibility Study (FS) activities on its Tiris uranium project in northern Mauritania and began planning for further drilling activities at its Haggan project in Sweden.

TIRIS PROJECT (MAURITANIA)

Aura re-commenced the feasibility study of its 100% owned 49 million pound U₃O₈ calcrete project in Mauritania (see Figure 1). The project has low operating costs and low development capital with strong financial returns under long-term pricing scenarios.

TIRIS PROJECT STUDIES

The Tiris FS restarted across many critical areas of the project during the period. In general terms, the main areas remaining in the study are resource upgrade and validation, leaching test work and process design, environmental and social impact study and infrastructure.

During the Half-Year the main aspects of work were:

- Recruitment of a Study Manager who has developed projects in the relevant regions of Africa.
- Permanent appointment of Dr Will Goodall as Principal Metallurgist for the Company.
- Completion of a downhole logging survey as part of the resource validation assessment.
- Ultra-detailed ground radiometric surveying over the key resource zones to establish more precisely the outlines of, and zonation within, mineralisation across the major resources.
- This ground radiometric survey work was continued over the Hippolyte South prospect, currently under application, which hosts extensive and strong radiometric anomalies south of the main Hippolyte resource. This will define drill targets for future resource drilling on this very prospective target.
- Planning for continuation of previous metallurgical studies for leaching and beneficiation.
- Environmental and social impact assessment field work was undertaken with consultants on all resource sites. Associated meetings with relevant government officials have also taken place and are continuing.
- The Terms of Reference for the Environmental and Social Impact Statement was submitted to the government.
- Water search consultants have commenced work which involves an initial program of ground geophysics to select drill targets prior to drill testing of these sites. The study will focus principally on the basal sedimentary units of the Taoudeni Basin to the south of the project area. These are known to host substantial water supplies elsewhere in the region. A few favourable sites on Reguibat Shield rocks closer to the project site will also be tested in this program.

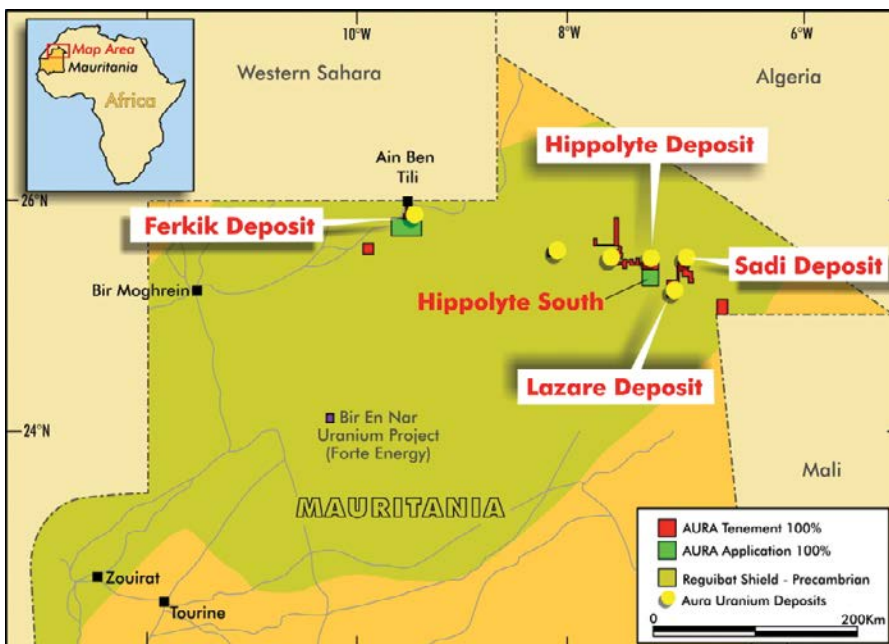


Figure 1: Location of Tiris Project Uranium Resources



- Preparation of documents for the Mining Lease Application.
- Two additional Exploration Permits were granted to Aura during the Half-Year. One, Oum Ferkik South, covers the extension to the south of the mineralised zone that contains Aura's Ferkik Resource. The other, Ageulet, contains an Inferred Resource of 0.7 million lbs U₃O₈ at 240 ppm U₃O₈.

AMARE LITHIUM AND SODA ASH PROJECT (MAURITANIA)

During the Half-Year, the Company 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 the Tiris project and if the source were confirmed it would provide significant benefits to the project economics.

The Sabkha's which are 165 km from Hippolyte are large on a relative basis covering an area of over 85 km² (see Figure 2). 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 (Na₂CO₃) be identified.

Initial sampling of the Amare lithium and soda ash prospect was undertaken during the Half-Year and assaying is underway.

Aura will continue to review other opportunities for similar mineral occurrences throughout the local region given the favourable conditions for the numerous Sabkha's close to its project areas.

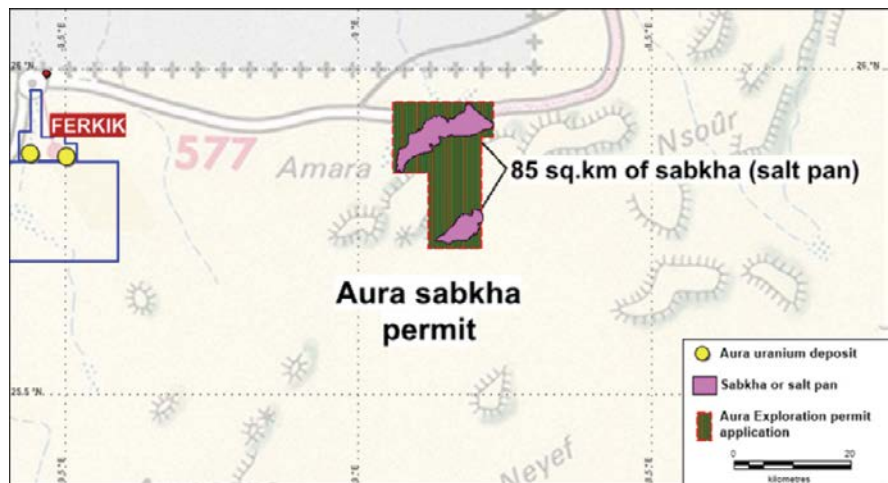


Figure 2: Location of the Sabkha targets relative to the Aura Uranium Exploration Licences

TASIAST SOUTH GOLD PROJECT (MAURITANIA)

The Company announced on 27 June 2016 that it has secured rights to acquire 175 km² covering two under-explored mineralised greenstone belts in Mauritania (see Figure 3). The areas lie along strike from Kinross' giant Tasiast Gold Mine and 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.

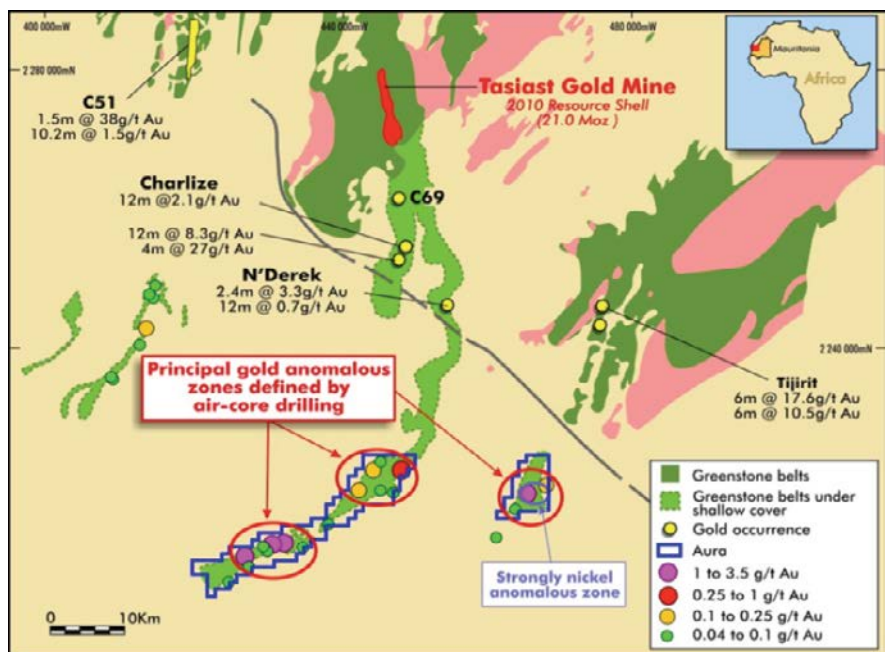


Figure 3: Location of Aura areas in relation to known mineralisation



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.

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

- Tenements over two lightly explored greenstone belts covering 175 km².
- 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.

Half-Year Aura continued to plan and assess the best approach to the exploration of these tenements.

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 4). 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.

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 granting of the permits and 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.

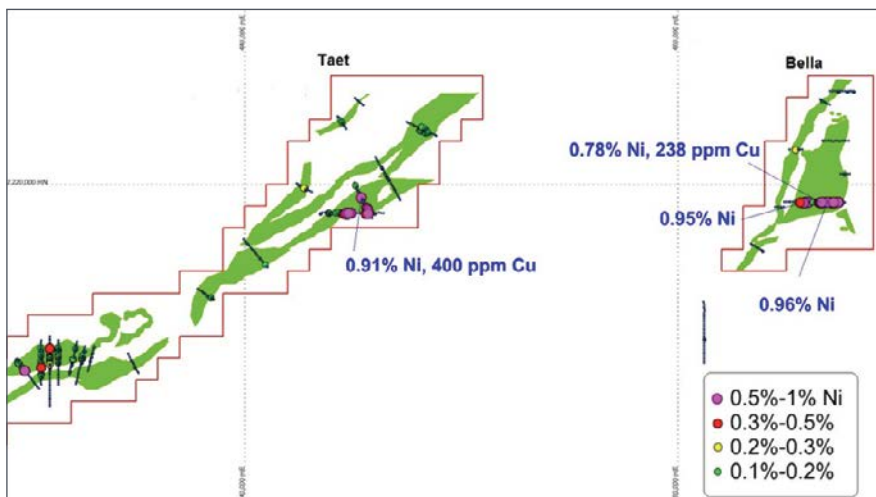


Figure 4: Key nickel results in bedrock sampling by air-core drilling



HAGGAN PROJECT (SWEDEN)

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 to be a very large low cost uranium producer.

Work continued regarding a community engagement for the Häggån Project.

The key aspects of the community liaison program are twofold:

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

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

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

A program of 750m of diamond drilling in 3 holes is programmed for the first Quarter 2017 for geostatistical and resource upgrade purposes.

URANIUM SECTOR AND PRICE

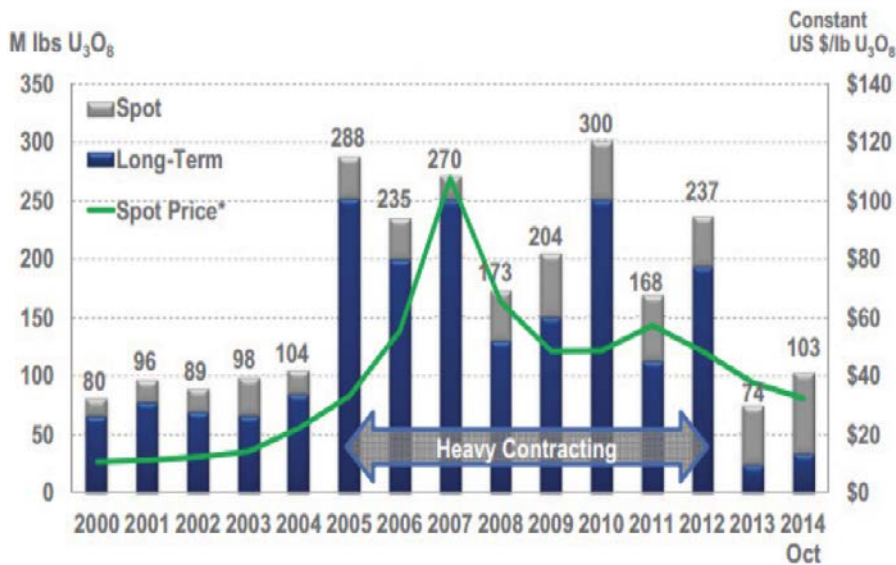
The price of uranium has enjoyed improved sentiment and recovered from its recent lows in the face of producer cutbacks. The current price series is as follows:

- Spot Price - US\$23.65/lb
- Mid Term - US\$22.00/lb
- Long Term - US\$30.00/lb

Key points of interest to note from the uranium sector have been:

- KazAtomProm stated it would cut output by 10%, equivalent to 2000t or 3 % of global supply, because of low prices.
- The Trump presidency may result in a more pro-nuclear stance by the US and policy shifts in the US under a new administration are likely to play an important role in the nuclear industry over the next few years.
- Over the next 2-3 years, many of the long-term supply contracts will expire requiring renegotiation at prices unlikely to be done at current midterm or long-term pricing

A key point worth repeating and highlighting is the lack of term contracting in 2013 and 2014 as shown in the chart below. This remains a key risk for utilities going forward and will need to be filled at some stage. This contracting phase will strongly impact the Long-Term price as evidenced in the chart below between 2004 and 2007.



CORPORATE

MAURITANIDES CONFERENCE- MAURITANIA

Aura Energy attended the Mauritanides conference in Nouakchott Mauritania in October 2017. The government sponsored bi-annual conference is the key resources conference in the country and is attended by the President, Prime Minister and Mines Minister.

Key points of the conference and trip were:

- Excellent company meetings with the Mines Minister demonstrating strong support for Aura's activities in the country.
- The depth of resource industry involvement in the country including significant oil and gas activity.
- Recent success of Algold's gold exploration and its significance to Aura's gold properties

SUBSEQUENT EVENTS

During the course of February 2017, the Company secured the support of a number of option holders to advance its newly secured gold project in Mauritania. The option holders exercised 72,642,413 options over ordinary shares at an exercise price of 2.5 cents per option over ordinary share. The exercise of the options over ordinary shares has provided the Company with \$1,816,060 to dedicate to the advancement of its gold projects and specifically, undertaking a detailed drilling campaign.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the half-year ended 31 December 2016.

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 16th day of March 2017



AUDITOR'S INDEPENDENCE DECLARATION



**Bentleys Audit & Corporate
(WA) Pty Ltd**
London House
Level 3,
216 St Georges Terrace
Perth WA 6000
PO Box 7775
Cloisters Square WA 6850
ABN 33 121 222 802
T +61 8 9226 4500
F +61 8 9226 4300
bentleys.com.au

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 2016, 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
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2017



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.





CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	NOTE	6 MONTHS TO '31 DEC 2016	6 MONTHS TO '31 DEC 2015
Finance income		1,784	2,970
Other income		-	-
Administrative expenses		(324,543)	(367,165)
Depreciation expense		-	(1,603)
Employee benefits expense		(320,014)	(379,803)
Exchange fluctuation		(72,191)	(614)
Finance costs		-	(5,008)
Listing costs on AIM market		(683,121)	-
Share-based payments		(120,458)	(145,293)
Other		4,177	(20,742)
Loss before tax		(1,514,366)	(917,258)
Income tax benefit		-	140,000
Total profit/(loss) for the period after tax		(1,514,366)	(777,258)
Other comprehensive income/(loss)		(237,156)	204,758
Total comprehensive income/(loss) attributable to members of Aura Energy Limited		(1,751,522)	(572,500)
Earnings/(loss) per share attributable to members of Aura Energy Limited			
Basic earnings/(loss) per share (cents)		(0.25)	(0.21)
Diluted earnings/(loss) per share (cents)		(0.25)	(0.21)

The condensed notes on pages 13 to 19 are an integral part of these consolidated interim financial statements

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2016

	NOTE	31 DEC 2016 \$	31 DEC 2015 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,432,754	317,758
Trade and other receivables	9	74,351	57,708
Other	10	43,594	43,625
Total current assets		3,550,699	419,091
Non-current assets			
Exploration and evaluation	11	14,160,331	14,137,710
Property, plant and equipment		20,808	-
Total non-current assets		14,181,139	14,137,710
Total assets		17,731,838	14,556,801
Liabilities			
Current liabilities			
Trade and other payables	12	372,358	550,844
Provisions	13	160,992	165,251
Total current liabilities		533,350	716,095
Total liabilities		533,350	716,095
Net assets		17,198,488	13,840,706
Equity			
Issued and paid-up capital	14	37,750,260	32,784,203
Reserves		890,935	1,029,542
Accumulated losses		(21,442,707)	(19,973,039)
Total equity		17,198,488	13,840,706

The condensed notes on pages 13 to 19 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 2016

	SHARE CAPITAL \$	SHARE-BASED PAYMENTS RESERVE \$	OPTION-BASED PAYMENTS RESERVE \$	TRANSLATION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
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
Balance at 1 July 2016	32,784,203	-	495,651	533,891	(19,973,039)	13,840,706
Share issues	5,157,183	-	-	-	-	5,157,183
Equity raising costs	(318,167)	-	-	-	-	(318,167)
Exercise of options over ordinary shares	127,041	-	-	-	-	127,041
Expiry of options over ordinary shares	-	-	(44,698)	-	44,698	-
Vest of options over ordinary shares	-	-	-	-	-	-
Transfer to share-based payments reserve	-	-	-	-	-	-
Transfer to option-based payments reserve	-	-	143,247	-	-	143,247
Loss after tax for the period	-	-	-	-	(1,514,366)	(1,514,366)
Other comprehensive income/(loss) for the period	-	-	-	(237,156)	-	(237,156)
Balance at 31 December 2016	37,750,260	-	594,200	296,735	(21,442,707)	17,198,488

The condensed notes on pages 13 to 19 are an integral part of those consolidated interim financial statements



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	NOTE	6 MONTHS TO '31 DEC 2016	6 MONTHS TO '31 DEC 2015
Cash flows from operating activities			
Payments to suppliers and employees		(1,533,891)	(659,193)
Interest received		1,784	2,970
Interest and borrowing payments		-	(1,211)
Net cash from/(used in) operating activities		(1,532,107)	(657,434)
Cash flows from investing activities			
Exploration and evaluation payments		(253,339)	(719,772)
Acquisition of property, plant and equipment		(20,808)	-
Net cash from/(used in) investing activities		(274,147)	(719,772)
Cash flows from financing activities			
Share issues		5,129,719	860,870
Equity raising costs		(137,624)	(52,343)
Repayment of borrowings		-	(8,656)
Net cash from/(used in) financing activities		4,992,095	799,871
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		317,758	943,011
Exchange fluctuation		(70,845)	(614)
Cash and cash equivalents at period end		3,432,754	365,062

The condensed notes on pages 13 to 19 are an integral part of these consolidated interim financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 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 2016 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 2016 are available upon request from the Company's registered office or at www.auraenergy.com.

NOTE 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 2016. 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 2016.

These consolidated interim financial statements were approved by the Board of Directors on 16 March 2017.

NOTE 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 2016.

NOTE 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 2016.

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 \$14,160,331.

For the six month period to the 31 December 2016, 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.

NOTE 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 2016 of \$1,514,366 (2015: loss after tax \$777,258) and net cash outflows from operating activities of \$1,532,107 (2015: \$657,434). As at 31 December 2016, the Group had working capital of \$3,017,349 (June 2016: working capital deficit \$297,004).

The Company has also raised \$1,816,060 since balance date to advance its gold projects.

Based upon cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments.

NOTE 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.



NOTE 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 2016

	MAURITANIA \$	SWEDEN \$	CORPORATE \$	TOTAL \$
Segment revenue	-	-	1,784	1,784
Segment result	-	-	1,784	1,784
Expenses attributable to Corporate				
Administrative expense			(390,243)	(390,243)
Depreciation expense			-	-
Employee entitlements			(254,314)	(254,314)
Exchange fluctuation			(72,191)	(72,191)
Listing costs on AIM Market			(683,121)	(683,121)
Share-based payments			(120,458)	(120,458)
Other			4,177	4,177
Loss after tax				(1,514,366)
As at 31 December 2016				
Segment assets	7,868,525	6,287,004	3,576,309	17,731,838
Segment liabilities	-	-	533,350	533,350
Segment asset movements for the period				
Additions	220,609	32,730	20,808	274,147
less Impairment	-	-	-	-
	220,609	32,730	20,808	274,147



NOTE 7. OPERATING SEGMENTS (CONT)

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

NOTE 8. CASH AND CASH EQUIVALENTS

	31 DEC 2016 \$	30 JUN 2016 \$
Cash at bank	27,352	317,758
Short-term bank deposits	3,405,402	-
	3,432,754	317,758

**NOTE 9. TRADE AND OTHER RECEIVABLES**

	31 DEC 2016 \$	30 JUN 2016 \$
Trade debtors	18,604	18,782
Value-added taxes receivable	60,574	43,346
Other receivables	61	648
less Doubtful debts	(4,888)	(5,068)
	74,351	57,708

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).

NOTE 10. OTHER CURRENT ASSETS

	31 DEC 2016 \$	30 JUN 2016 \$
Other financial assets	43,594	43,625

NOTE 11. EXPLORATION AND EVALUATION EXPENDITURE

	31 DEC 2016 \$	30 JUN 2016 \$
Exploration and evaluation expenditure carried-forward in respect of minerals exploration areas of interest		
Exploration and evaluation phases	14,160,331	14,137,710
Opening balance	14,137,710	13,259,797
Additions	253,339	840,195
Impairments	-	-
Foreign exchange fluctuation	(230,718)	37,718
Closing balance	14,160,331	14,137,710

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.



NOTE 12. TRADE AND OTHER PAYABLES

	31 DEC 2016 \$	30 JUN 2016 \$
Trade payables	136,783	242,496
Accrued expenses	86,600	257,527
Other payables	148,975	50,821
	372,358	550,844

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.

NOTE 13. SHORT-TERM PROVISIONS

	31 DEC 2016 \$	30 JUN 2016 \$
Employee benefits	160,992	165,251

**NOTE 14. ISSUED CAPITAL AND RESERVES****(I) MOVEMENT IN SHARES ON ISSUE**

The Company has shares on issue of 719,715,374 (30 June 2016: 457,048,412) and paid-up capital of \$37,750,260 (30 June 2016: \$32,784,203). 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 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
Opening balance at 1 July 2016		457,048,412		32,784,203
Shares issued during the period:				
AIM listing	12-Sep-16	196,883,849	0.0200	3,937,679
WHI Ireland	12-Sep-16	3,937,677	0.0200	78,754
Australian Placement	16-Sep-16	53,250,000	0.0200	1,065,000
Martin Place Securities	16-Sep-16	200,000	0.0200	4,000
Exercise of options	05-Oct-16	4,581,633	0.0250	114,541
Exercise of options	19-Oct-16	500,000	0.0250	12,500
Directors emoluments	21-Dec-16	871,335	0.0154	13,375
Directors emoluments	21-Dec-16	559,623	0.0239	13,375
Consultant	21-Dec-16	1,882,845	0.0239	45,000
Equity raising costs				-318,167
Closing balance at 31 December 2016		719,715,374		37,750,260



(II) MOVEMENT IN OPTIONS ON ISSUE

The Company has options over ordinary shares granted on issue of 167,580,825 (30 June 2016: 174,405,825 options over ordinary shares), including 37,600,000 options over ordinary shares issued to directors (30 June 2016: 44,425,000 options over ordinary shares).

No options over ordinary shares were granted to shareholders or employees for the six-month period ended 31 December 2016 (31 December 2015: 70,275,066 options over ordinary shares were granted).

	DATE OF ISSUE	NUMBER OF OPTIONS	EXERCISE PRICE/\$	EXPIRY DATE
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	23-Dec-17
Options lapsed:	01-Sep-14	(26,424,005)	0.060	01-Sep-15
Closing balance at 31 December 2015		157,236,232		
Opening balance at 1 July 2016		197,349,702		
Options granted:		-		
Options exercised:	05-Feb-16	(4,581,633)	0.025	05-Feb-18
	05-Feb-16	(500,000)	0.025	05-Feb-18
Options lapsed:	20-Dec-13	(6,625,000)	0.200	13-Jul-16
	04-Dec-12	(200,000)	0.200	04-Dec-16
Closing balance at 31 December 2016		185,443,069		

The Company granted WH Ireland Limited 6,578,699 warrants over ordinary shares at an exercise price of 2 cents per warrant and with an expiry date of 3 years from the date of grant, 12 September 2016 pursuant to the Warrant Instrument Deed between the Company and WH Ireland Limited.

NOTE 15. 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.

NOTE 16. CONTINGENT LIABILITIES

On 15 October 2010, the Company and Global Coal Management plc entered into a Share Sale and Purchase Agreement which resulted in the Company acquiring all the shares on issue in GCM Africa Uranium, the entity which held the beneficial interest of GCM in the above-mentioned research permits in Mauritania.

The Company paid GCM US\$100,000 on execution of the Share Sale and Purchase Agreement; US\$472,183 in cash plus 2,000,000 fully paid ordinary shares in the Company on completion (due diligence); and, US\$500,000 on the first anniversary of completion.

The Company also agreed to pay a contingent consideration:

- (i) US\$2,000,000 (in cash and shares as determine by the Company) on the delineation of 75 million pounds or more Initial Resource (not defined in the Letter Agreement) under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves; and
- (ii) US\$400,000 in cash and 400,000 fully paid ordinary shares in the Company for each Subsequent Resource of 6,500,000 pounds up to a maximum of US\$4,000,000 in cash and 4,000,000 in fully paid ordinary shares.

The obligations to make the contingent consideration payments are held by the Company and the contingent consideration is only payable if the Initial Resource and Subsequent Resource are achieved within 10 years of the date of the Share Sale and Purchase Agreement. Accordingly, the obligation to pay the contingent consideration expires on 15 October 2020.

There are no other contingent liabilities as at 31 December 2016.

NOTE 17. EVENTS SUBSEQUENT TO REPORTING DATE

Shareholders exercised 72,642,413 options over ordinary shares during the course of February 2017 with an exercise price of 2.5 cents per option over ordinary share. The proceeds from the exercise of options over ordinary shares total \$1,816,060 and will be dedicated to the advancement of the Company's gold projects in Mauritania.



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 9 to 19 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 2016 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 16th day of March 2017

INDEPENDENT AUDITOR'S REPORT



Bentleys Audit & Corporate (WA) Pty Ltd
 London House
 Level 3,
 216 St Georges Terrace
 Perth WA 6000

 PO Box 7775
 Cloisters Square WA 6850

 ABN 33 121 222 802
 T +61 8 9226 4500
 F +61 8 9226 4300
 bentleys.com.au

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 2016, 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 2016 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.



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.

-  Accountants
-  Auditors
-  Advisors



Independent Auditor's Review Report To the Members of Aura Energy Limited (Continued)



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 2016 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.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2017

ASX ADDITIONAL INFORMATION

TENEMENT REPORT

COUNTRY	TENEMENT NUMBER	NAME	ORIGINAL DATE OF GRANT	EXPIRY DATE	SQ KMS	HOLDER	EQUITY INTEREST
Mauritania	561	Oum Ferkik	16-Apr-08	20-Nov-17	60	Aura Energy Limited	100%
	563	Oued El Foule Est	16-Apr-08	24-Mar-18	313	Aura Energy Limited	100%
	564	Ain Sder	16-Apr-08	09-Jun-18	330	Aura Energy Limited	100%
	1482	Oum Ferkik Sud	17-Jan-17	17-Jan-20	476	Aura Energy Limited	100%
	2002	Aguelet	17-Jan-17	17-Jan-20	100	Aura Energy Limited	100%
	2366	Agouyame	20-May-15	(Application)	34	Aura Energy Limited	100%
	2479	Amare	21-Jun-16	(Application)	150	Aura Energy Limited	100%
	Sweden	2007:243	Haggan nr 1	28-Aug-07	28-Aug-17	18.3	Aura Energy Sweden AB
2007:244		Marby nr 1	30-Aug-07	30-Aug-17	22.4	Aura Energy Sweden AB	100%
2009:23		Koborgsmyren nr 1	23-Jan-09	23-Jan-19	5.4	Aura Energy Sweden AB	100%
2016:7		Skallbole nr 1	20-Jan-16	20-Jan-19	7.8	Aura Energy Sweden AB	100%
2016:9		Mockelasen nr 1	21-Jan-16	21-Jan-19	17.6	Aura Energy Sweden AB	100%

RESERVES

TIRIS RESOURCE - MAURITANIA

100PPM U ₃ O ₈ CUT-OFF	TONNES (MT)	GRADE	MLBS U ₃ O ₈
Indicated	2	300	2
Inferred	64	335	47
Total	66	334	49

HÄGGÅN RESOURCE

100PPM U ₃ O ₈ CUT-OFF	TONNES (BT)	U ₃ O ₈ (PPM)	MO (PPM)	V (PPM)	NI (PPM)	ZN (PPM)
Inferred	2.35	155	207	1,519	316	431

Uranium - 803 Mlbs (U₃O₈)

Nickel - 1,640 Mlbs

Zinc - 2,230 Mlbs

Molybdenum - 1,070 Mlbs



ACN: 115 927 681



AURA ENERGY

Level 1, 34-36 Punt Road
Windsor VIC 3181

Telephone: +61 3 9516 6500

Facsimile: +61 3 9516 6565

Email: info@auraenergy.com.au

Website: www.auraenergy.com.au