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**AURA –MEGA JOINT VENTURE DISCOVERS NEW URANIUM  
– BEARING PALAEOCHANNEL IN WESTERN AUSTRALIA**

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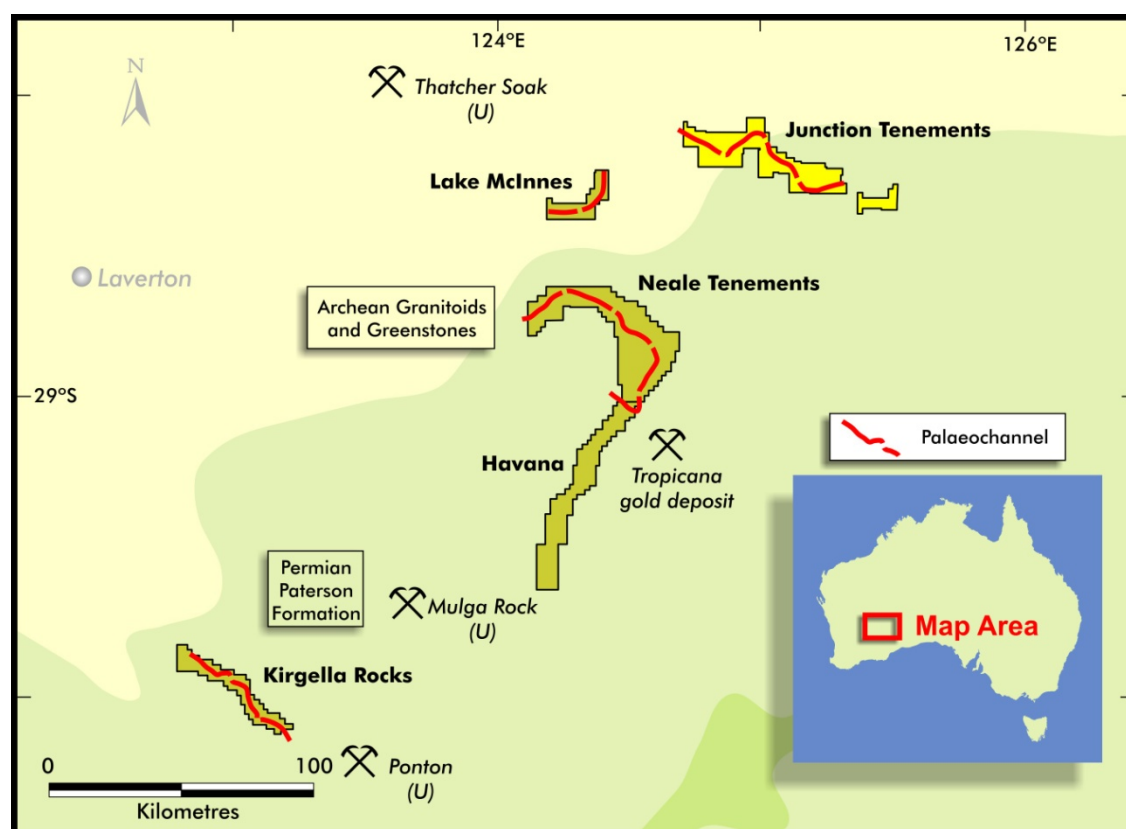
- **The first ever uranium drilling in the Junction palaeochannel west of Laverton has intersected radiometrically anomalous values over a 14 metre thickness in hole JUAC 020**
    - **Within this anomalous zone the highest equivalent uranium value over a one metre sample length is 168ppm eU<sub>3</sub>O<sub>8</sub>, contained within, the two metre interval from 99-101m which averages 147 ppm eU<sub>3</sub>O<sub>8</sub>**
  - **The discovery hole was drilled close to the margin of the palaeochannel. Most of the interpreted 1000-2000 metre width of the palaeochannel at this point remains to be tested**
  - **The following characteristics of the palaeochannel in the discovery hole are considered favourable for sandstone-hosted uranium mineralisation, and have been found in the discovery drill hole**
    - **Increasing depth of palaeochannel into the basement**
    - **Increasing proportion of reduced carbonaceous sands and gravels in the palaeochannel in relation to clays**
    - **Zones of oxidation in the basal sands and gravels**
  - **The discovery hole has the geological and mineralisation characteristics of the margins of the Double 8 deposit, for which Manhattan has recently released a maiden resource of 11 Mlb**
  - **The closest drill lines in this programme crossing the whole palaeochannel are 7 kilometres up channel and 30 kilometres down channel**
  - **Aura is developing a programme and budget to systematically test the palaeochannel in the vicinity of the discovery**
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Aura Energy Lt (ASX code: AEE) has completed the first ever uranium drilling programme to test the Junction palaeochannel in Western Australia for sandstone-hosted uranium of the Beverly/Four Mile/Double 8 type. The palaeochannel is approximately 220 kilometres in length, is entirely held by Aura and forms part of the Gunbarrel Basin Joint Venture with Mega Uranium Ltd (TSX:MGA) ("Mega"). Mega is funding the programme to earn an initial 50% interest and has the option to increase its interest to 70%.

The Gunbarrel Basin contains a large endowment of sediment-hosted uranium mineralisation at Energy and Minerals Australia Ltd's Mulga Rock deposits and Manhattan's Double 8 deposit. Despite the amount of uranium present, the Basin is significantly less explored than the other major uranium provinces of Australia. EMA recently announced a JORC compliant inferred resource of 24,500 t U<sub>3</sub>O<sub>8</sub> at a cut off grade of 200 ppm U<sub>3</sub>O<sub>8</sub> for the Mulga Rock deposits.

The reconnaissance drill programme was designed to test the prospectivity of the Junction Palaeochannel, based on its similarity with the palaeochannels hosting Mulga Rock and Double 8, and also on the presence of the Thatcher Soak calcrete deposit up-drainage in the channel. Thatcher Soak, held by UraNex NL and Eleckra Mines Ltd, contains almost 20 million pounds of U<sub>3</sub>O<sub>8</sub> in JORC compliant resources.

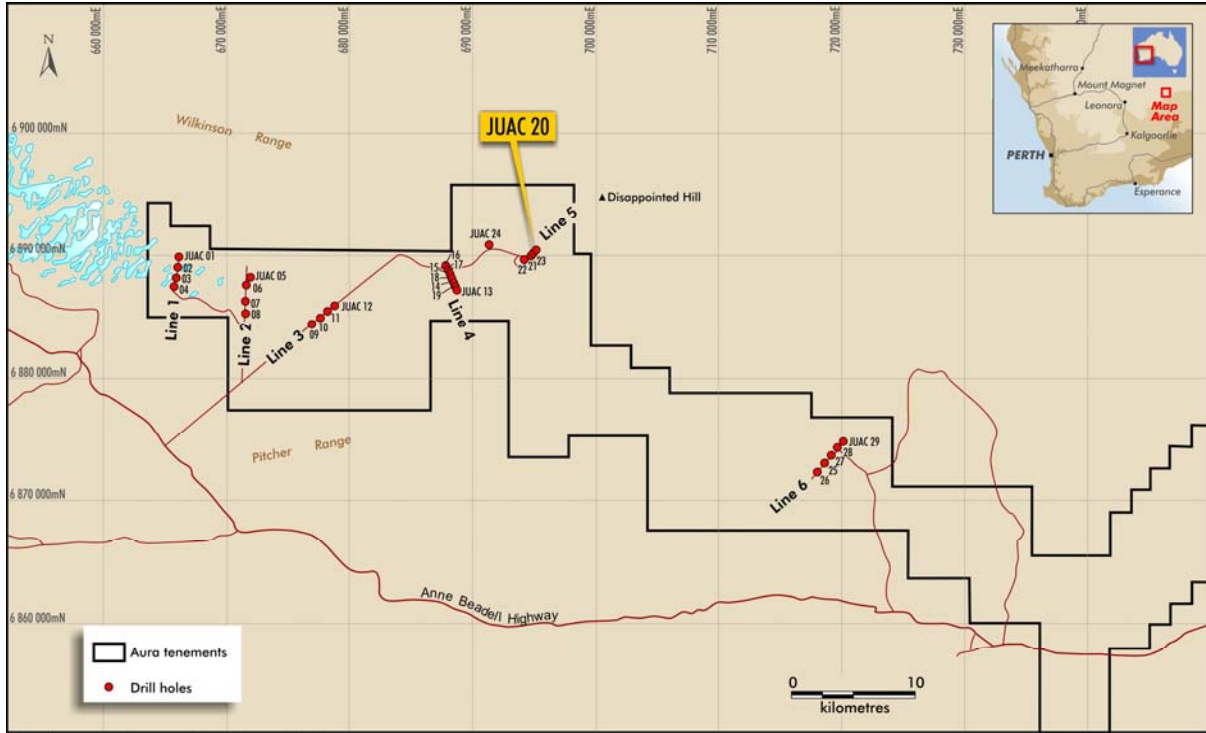
The reconnaissance programme comprised 30 holes of approximately 2225 metres of drilling which were gamma logged with a downhole probe. The downhole gamma logging identified significant anomalism in hole JUAC020 only with minor anomalism in holes JUAC015 and 017. Selected radiometrically anomalous samples have been despatched for chemical analysis.



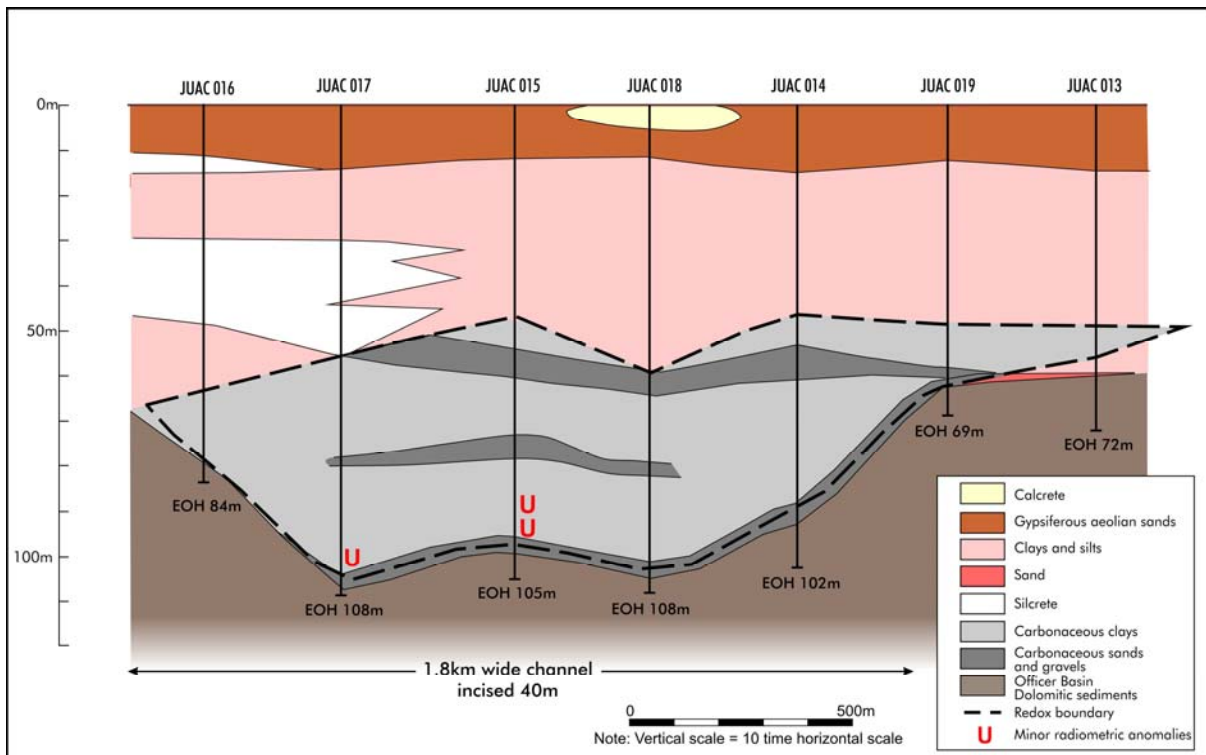
### Drill programme results

Because of the considerable length of the Junction palaeochannel, Aura commenced its drill testing in its more accessible western portion. Five lines were drilled in the upper parts of the palaeochannel where old access tracks for copper exploration already existed.

The programme comprised 30 drill holes on six lines. The western three lines contain favourable reduced carbonaceous sediments but there was no evidence of uranium mineralisation from downhole gamma logging.



**Gunbarrel Area - Junction Project**  
**Location of drill lines**



**Junction Project - Line 4**  
**Line 4 drill section, showing the broad channel, and minor uranium anomalies at its base**

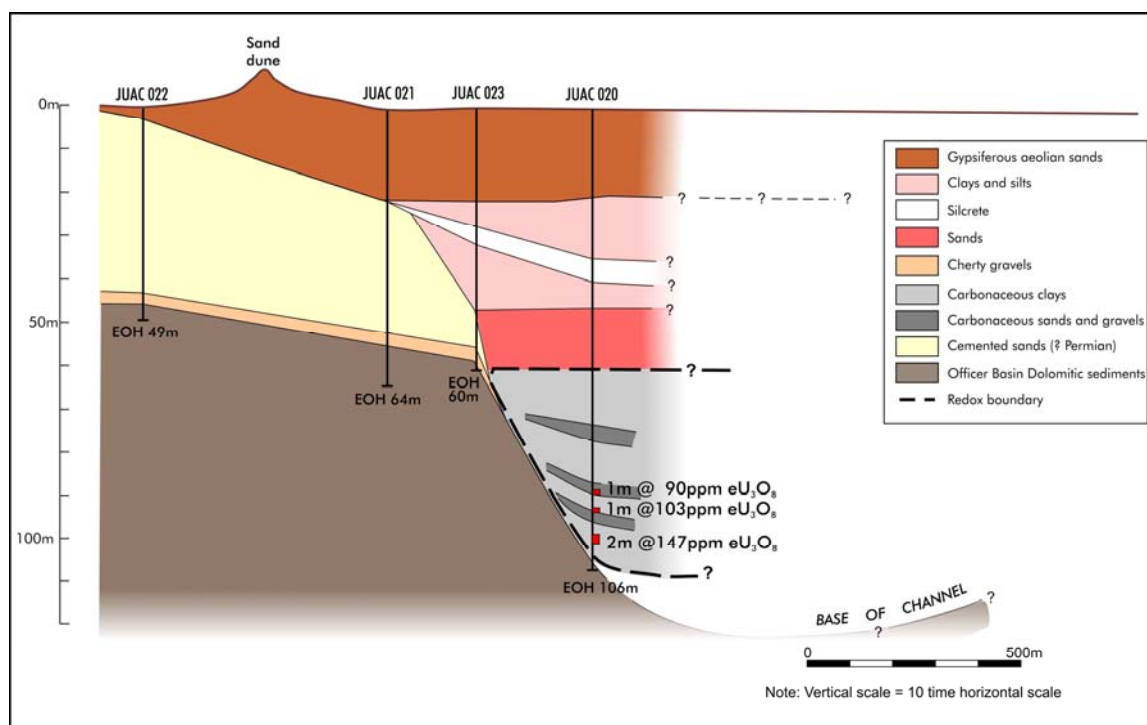
**Li**

Line 4 contained a well developed reduced sediment bearing palaeochannel with minor radiometric anomalism near its base, incised into the underlying Proterozoic basement. However, the palaeochannel was relatively broad, 1800 metres in width, and was only incised to depths of approximately 40 metres into the palaeosurface. Furthermore, most of the palaeochannel sediments were clays, which restrict the entry of mineralising waters, and hence are poor host rocks.

The most northerly hole of Line 5, JUAC020, intersected uranium anomalism over a length of 14 metres down the hole, including 3 individual metre intercepts containing values of greater than 100ppm eU<sub>3</sub>O<sub>8</sub>. The best intersection was 2 metres at 147ppm eU<sub>3</sub>O<sub>8</sub> from 99 to 101m. The equilibrium state of the uranium is unknown.

Samples from the anomalous intervals have been submitted for chemical assay.

The remaining three holes drilled on the section were not in the palaeochannel, and consequently the palaeochannel's edge must be between hole JUAC020 and hole JUAC023, only 200 metres to the south. The bulk of the palaeochannel, estimated to be at least 1000 metres wide at this point, lies to the north of JUAC020.



**Junction Project - Line 5**

**Line 5 drill section, showing the discovery hole JUAC020 on the southern side of the interpreted channel**

The position of the palaeochannel had been interpreted from the topography and the airborne electromagnetic survey completed in 2007. However, the area is relatively flat-lying, and the palaeochannel is now interpreted to be approximately two kilometres north-east of the original interpretation. Unfortunately Aura had not cleared access lines for the drill rig any further north than JUAC020, so was unable to test the remainder of the palaeochannel at this point in the programme just completed.



## Discussion

This reconnaissance drilling programme has achieved its purpose – to identify sandstone-type uranium mineralisation within the Junction palaeochannel. Because of the very considerable length of the palaeochannel (220 kilometres), and the issue of specifically locating the actual channel within the interpreted five kilometres width where it may occur, Aura designed a drill programme at a wide line spacing and distance between drill holes on lines such that one hole would intersect a typical uranium deposit in the Gunbarrel province should one be present. This strategy has proved to be successful, as indicated by the results.

The implementation of a follow up programme requires the drilling of at least 160 holes along the length of the palaeochannel..

Aura sees analogues between the geology and mineralisation intersected in hole JUAC020 and the discovery of Manhattan's Double 8 deposit in 1986. In particular the presence of radiometric anomalism over a 14 metre thickness at the edge of a channel is seen as being particularly encouraging. Anomalous uranium values do occur in palaeochannels that are not related to significant mineralisation, but these are commonly limited in thickness.

## Western Australia government co-funding

The Aura Energy / Mega Uranium, Junction palaeochannel aircore drilling program in the Gunbarrel Basin Joint Venture was one of 35 drill programs out of some 168 submissions to receive W.A Department of Mines and Petroleum Exploration Incentive Scheme support.

The criteria by which the programmes were assessed included the following:

- Innovation in exploration
- The exploration model and targeting criteria
- The data to be produced
- The more remote geographic locations were regarded more favourably

Aura's proposal was one of only two successful uranium drill programme applications.

The Aura/Mega GBJV is pleased that its uranium palaeochannel exploration programme in the region has been recognised as one that meets the criteria of *"high quality, technically and economically sound proposals that promote new exploration concepts and new exploration technologies"* that will be preferentially funded.

## For further information contact

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## Corporate Information

### Directors

B Fraser	Non-Executive Chairman
Dr B Beeson	Managing Director
S O'Loughlin	Non-Executive Director
J Stephenson	Non- Executive Director & Company Secretary

### Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

64,482,659 fully paid ordinary shares  
3,050,000 unlisted options

**aura energy** ASX Media Announcement

*The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists.*

*Equivalent uranium values presented here were calculated by David Wilson of 3D Exploration Pty Ltd. All holes were logged with an Auslog A75 total count gamma tool. The gamma tool was calibrated in Adelaide at the Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of the CSIRO. These calibration pits have been shown to provide calibration standards for drill hole logging tools that are comparable to those at the DOE facility in Grand Junction, Colorado USA.*

*The gamma tool measures the total gamma ray flux in the drill hole. Readings are averaged over 2 or 5 centimetre intervals and the reading and depth recorded on a portable computer. The gamma ray readings are then converted to equivalent U3O8 readings by using the calibration factors derived in the Adelaide calibration pits. These factors also take into account differences in hole size and water content.*

*The gamma radiation used to calculate the equivalent U<sub>3</sub>O<sub>8</sub> is predominately from the daughter products in the uranium decay chain. When a deposit is in equilibrium, the measurement of the gamma radiation from the daughter products is representative of the uranium present. It takes approximately 2.4M years for the uranium decay series to reach equilibrium. Thus, it is possible that these daughter products, such as radium, may have moved away from the uranium or not yet have achieved equilibrium if the deposit is younger than 2.4M years. In these cases the measured gamma radiation will over or under estimate the amount of uranium present. The gamma radiation from the uranium daughter products measured at Junction may not be in equilibrium due to one of the above factors. Aura Energy will be conducting further studies to determine the disequilibrium if present.*

*The information in this report that relates to uranium grades is based on information compiled by David Wilson MSc MAusIMM from 3D Exploration Ltd based in Western Australia.*

*Mr. Wilson is a full-time employee of 3D Exploration Pty Ltd a consultant to Aura Energy Limited. Mr. Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

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## About Aura Energy

**Aura Energy** (ASX: AEE, "Aura") is a uranium explorer with projects in Australia, Sweden and Africa. The Company has assembled an exceptional portfolio of properties on three continents, including a major presence in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world. The Company continues to be very active, with drilling completed on all three continents in 2008.

Aura is a major landholder in the mineralised Alum Shale of central Sweden. The Alum Shale is widely distributed throughout the Baltic States and locally contains exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Aura's Storsjön Project adjoins Continental Precious Metals' (TSX: CZQ) Viken Project, which has a published resource of 1.05 billion pounds  $U_3O_8$  grading 0.017%. This size of resource makes Viken the second largest published uranium deposit in the world after Olympic Dam.

Aura's considers that it holds approximately half of the uranium field, and anticipates defining resources of similar size to Viken in its Storsjön Project.

In an alliance with GCM Resources plc (LSE & AIM: GCM), Aura is exploring in West Africa. Under the alliance, Aura has been granted four exploration licences in Mauritania and applied 10 further licences. Two phases of fieldwork at Its Requibat Project has demonstrated the presence of large areas of calcrete-type uranium mineralisation at surface, with grade averaging in excess of 500 ppm  $U_3O_8$ .

The Company has also made applications for three in Niger on the margin of the Air Massif. Uranium mineralisation has been observed in all three Mauritanian licences.

In Australia, Aura is exploring prospective uranium districts of Western Australia targeting calcrete deposits in the Murchison and Goldfields regions and lignite/sandstone Mulga Rock style in the Gunbarrel Basin. Aura has a joint venture with Mega Redport (TSX: MGA) and exploration is continuing at palaeochannel targets defined by EM and radiometrics. Aura has completed three drilling programmes at its Wondinong Project (100%), located near Mt Magnet.

Aura's management team and staff are highly experienced in uranium exploration, including involvement in a number of historical discoveries.



*Drilling the Junction palaeochannel, July 2009*