



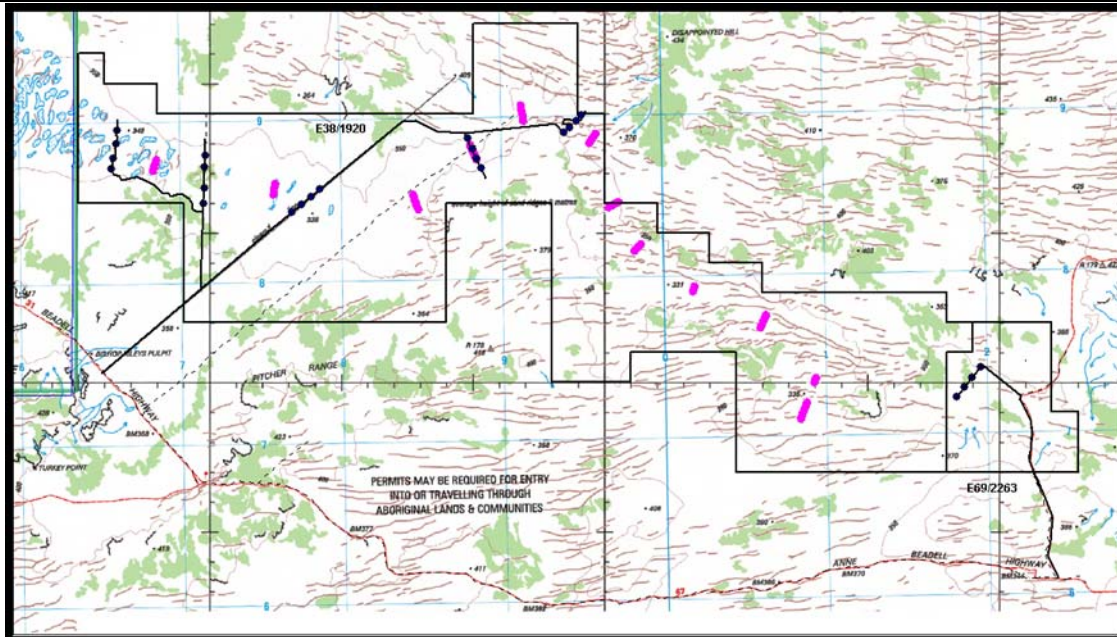
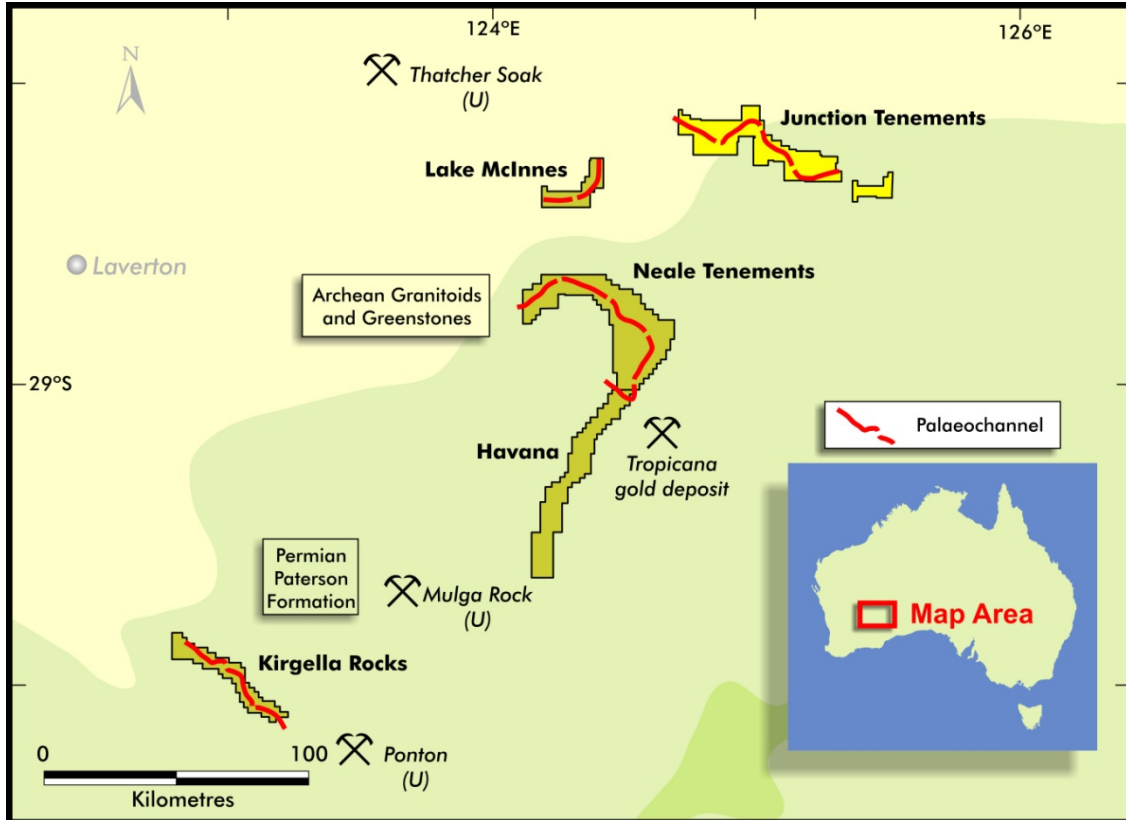
JUNCTION PALAEOCHANNEL DRILLING STARTS

The Aura Energy / Mega Uranium, Junction palaeochannel drilling program in the Gunbarrel Basin Joint Venture has commenced, with the first two holes being completed.

The programme, with joint venture partner Mega Uranium Ltd, comprises 24 holes of approximately 2000 metres in the Gunbarrel Basin Joint Venture (GBJV) with Aura Energy Ltd (ASC Code: AEE).

The Gunbarrel Basin, located east of and in part overlying the Archaean Yilgarn Block, contains a large endowment of sediment-hosted uranium mineralisation at Mulga Rock, Ponton, and Thatcher Soak. Despite the amount of uranium present the Basin is significantly less explored than the other major uranium provinces of Australia. Energy and Minerals Australia Ltd have recently announced a JORC compliant inferred resource of 24,500 t U₃O₈ at a cut off grade of 200 ppm U₃O₈ for the Mulga Rock deposit.

The drill programme is designed to test the prospective Junction Palaeochannel. This prospectivity is based on the similarity of the palaeochannels to those at Mulga Rock and Ponton, and also the presence of the Thatcher Soak calcrete deposit up-drainage in the channel. Thatcher Soak, held by Uranerz Ltd and Eleckra Mines Ltd, contains almost 20 million pounds of uranium in JORC compliant resources.



Plan showing location of drillholes (blue dots) relative to EM defined palaeochannel (pink).



For further information contact

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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.

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:

54,482,659 fully paid ordinary shares
3,050,000 unlisted options