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FIRST BIOLEACHING TESTS RESULTS SUCCESSFUL IN SIGNIFICANTLY ENHANCING METAL EXTRACTIONS

The first bioleach results for Aura's giant Häggån Uranium-Molybdenum-Nickel-Vanadium-Zinc Project in Sweden indicate that significantly higher extraction of these metals has been achieved compared with non-bioleach reference tests.

- Initial work demonstrates that uranium, molybdenum, nickel and zinc have improved extraction rates using bacteria relative to samples without bacteria.
- Results indicate the Alum Shales within the Project are likely to be amenable to bioheap leaching.
- This method of extraction will potentially provide a low capital and low operating cost treatment route.
- Previously Aura has reported conventional acid leach recoveries up to 93% for uranium.
- This is an important first step to demonstrate a commercial route for multi-metal extraction of the initial inferred resource estimate compliant with the JORC code:
 - 291 million pounds uranium
 - 583 million pounds molybdenum
 - 570 million pounds nickel
 - 4,693 million pounds vanadium

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Storsjön Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects. Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

Introduction

Aura Energy Limited (ASX Code AEE, "Aura") is continuing work on its giant Haggan uranium deposit in central Sweden (inferred resource estimate 291 million pounds U_3O_8 , exploration target 800-1200 million pounds).

The company is currently undertaking a multi-directional metallurgical test programme to determine the optimal uranium extraction route for the project, while also trying to maximise the recovery of co-products.

Aura has previously reported that high levels of recovery (up to 93%) of uranium have been obtained from initial bench-scale conventional acid leaching tests on samples from drill hole 08DD-HG001.

Bioleach Testing

Aura commenced bioleaching testwork with the Parker Cooperative Research Centre for hydrometallurgical research in Perth, Western Australia in late 2009. Bacterial cultures have been established from three sources: the ore; waters from the Project Area in Sweden; and from a coal mine in Western Australia.

These preliminary small-scale tests are encouraging, confirming that bacterially-assisted leaching of uranium from the mineralisation may be technically feasible.

The initial work using bacteria has also shown, evidence of improved extraction percentages of other metals, particularly molybdenum, zinc and nickel using bacteria relative to samples without bacteria.

Aura's Managing Director, Dr Bob Beeson, commented that these initial results represent a significant breakthrough for the processing of the mineralisation.

"The Alum Shale material at Haggån has characteristics that, we believe, make it amenable to bioleaching technologies. The high sulphur content, which the bacteria use to acidify and oxidise ores, and the similarities to ores being processed by bioleaching elsewhere, were the impetus to commence the testwork programme.

"The initial, qualitative results see enhanced extraction of not only the uranium, but also the molybdenum, nickel and zinc. These metals will add considerable value to the resource if they can be economically extracted.

"We are continuing to investigate bioheap leaching as it will potentially provide a low capital and low operating cost treatment route," Dr Beeson added.

Next Steps

Aura will now extend bioleaching studies at the Parker Centre to begin heap column tests on fresh samples of crushed core from across the resource. This work is aimed at further increasing confidence in the technical amenability and economic viability of the bioheap leaching option.

Work on pre-concentrating the uranium and other metals for conventional acid leaching will continue in parallel, as will mineralogical analysis, to ascertain the optimum treatment method.

Aura also continues to undertake scoping studies in Sweden. In Mauritania, the next drill programme is expected to commence in September or October 2010 with the aim of establishing a JORC compliant resource statement in early 2011 on Aura's uranium in calcrete deposits.

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Competent Persons

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.