A S X A N N O U N C E M E N T

Quarterly report - 30 June 2008

HIGHLIGHTS

Sweden

- **Alum Shale Projects**
  - Five drill holes with a cumulative length of 1050 metres completed
  - Assays have been received for the first 2 holes and have confirmed the radiometrically anomalous shale as containing in excess of 200ppm U3O8.
  - Assays for the first hole include:
    - 70 metres at 204ppm U_3O_8, 0.34% V_2O_5, 429ppm MoO_3
    - Within an overall intersection of 180 metres at 150ppm U_3O_8
    - Within 3 kilometres of a 437 million pound uranium resource (Continental Precious Minerals)
  - Assays for the second hole contained 24m at 183ppm U_3O_8, 0.43% V_2O_5, 400ppm MoO_3
  - Assay results for the remaining 3 holes which intersected between 86 and 152m of anomalous shale are expected in the next few weeks.
  - Initial drilling program temporarily on hold due to spring thaw following completion of 5 holes in the Häggån Licence.
  - Drilling due to commence again in first week of July in Alum Shale projects.

Western Australia

- **Gunbarrel JV**
  - Anomalous uranium was intersected in two of the holes drilled in the Kirgella Rocks licences in the southwest of the joint venture area.
  - KRAC 006 intersected:
    - 0.26m @ 142.8ppm eU3O8 from 66.44m
  - KRAC 017 intersected:
    - 0.24m @ 112.4ppm eU3O8 from 72.05m
    - 0.12m @ 139.5ppm eU3O8 from 74.95m
    - 0.12m @ 228.7ppm eU3O8 from 88.15m
  - The two holes were on lines 7kms apart testing the Kirgella Channel upstream of the Ponton Uranium Deposit.
  - Although no JORC-compliant resource is available for the Ponton deposit, it is believed to constitute one of the larger known sandstone uranium deposits in Australia.

West Africa

- Three uranium exploration licences have been granted to Aura Energy Limited, in alliance with GCM Resources plc, in Mauritania.
- Recent field reconnaissance by Aura within these areas located visible uranium mineralisation (uranium vanadate) in each of 7 shallow pits (to 1.2m) on 5 separate radiometrically anomalous zones.

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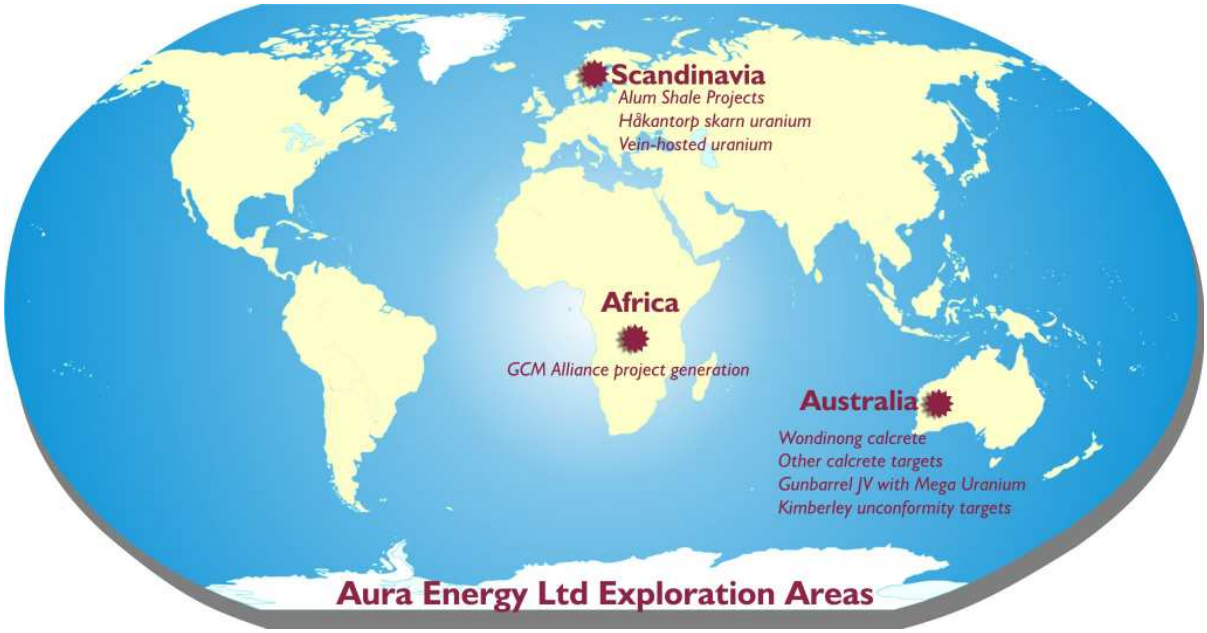
- Uranium grades associated with visible uranium mineralisation in the 7 shallow pits range from 158 ppm to 3270 ppm U (from individual 2 kg samples), with four of the pits returning assays greater than 2000 ppm U.
- The licences contain multiple strongly anomalous uranium-channel radiometric zones outlined by airborne survey ranging individually in area up to 3.5 square kilometres.
- The 7 mineralised pits lie on 5 of these anomalous zones.
- The licences cover 3600 km^2 in the uranium-bearing Requibat Shield in northern Mauritania.



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SWEDEN – ALUM SHALE PROJECTS

Aura Energy Ltd has a significant land position in the mineralised Alum Shale of northern Sweden. The Alum Shale is widely distributed throughout the Baltic States, and locally contains exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Drilling Results – Häggån Exploration Permit

Assay results from the first 2 holes of its drilling programme in its Häggån exploration licence in Sweden have confirmed the substantial intersections of uranium-mineralised Alum Shale previously reported.

To date assay results have only been received for the first two drill holes.

The first hole in the program DDHG-001 intersected radiometrically anomalous shale from 22-162 metres, with a second, thinner zone from 180 to 202 metres. Uranium assays from these zones include:

Results from DDHG-001

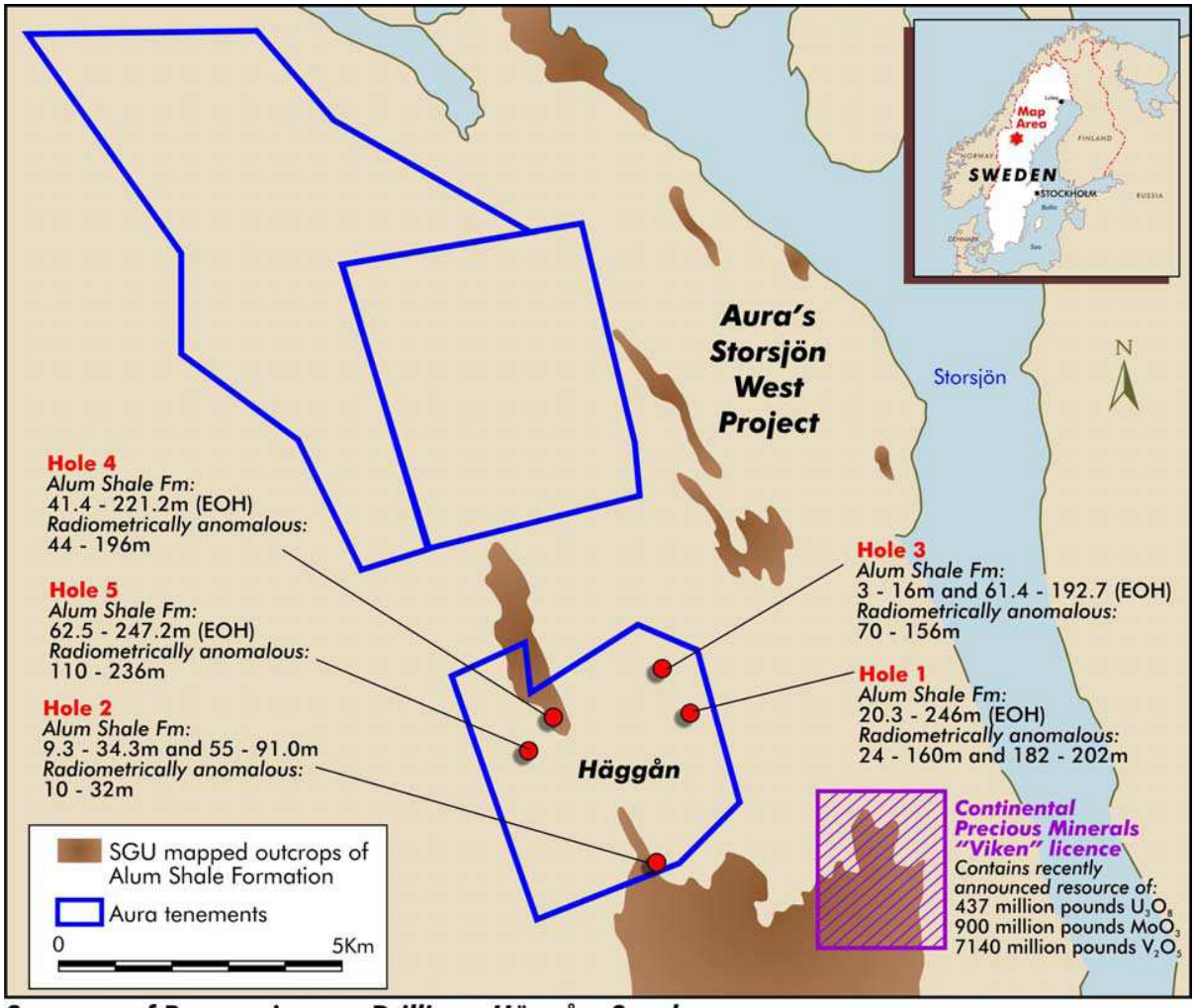
Interval	**From**	**U_3O_8 (ppm)**	**V_2O_5 (ppm))**	**MoO_3 (ppm)**	**Ni (ppm)**
180m	22	150	2458	318	376
Including 70m	*54*	*204*	*3427*	*429*	*424*
and 38m	*128*	*138*	*1975*	*293*	*252*
and 20m	*182*	*176*	*2434*	*360*	*347*

The sample interval for the assays was 2.0 metres. Maximum assays received for DDHG-001 are 243ppm U_3O_8, 0.45% V_2O_5, and 530ppm MoO_3.

Results from DDHG-002

Interval	**From**	**U_3O_8 (ppm)**	**V_2O_5 (ppm))**	**MoO_3 (ppm)**	**Ni (ppm)**
24	10	183	4292	400	442

The uranium grades in several two-metre samples from hole DDHG-002 are encouraging, although the Alum Shale has a thinner development in this hole. The zone of radiometrically anomalous shale intersected in this hole averaged 183ppm U_3O_8.



Summary of Reconnaissance Drilling - Häggån, Sweden

Assays for the remaining 3 holes, which contained between 86 and 152m of radiometrically anomalous shale, are expected within the next two weeks

All holes were drilled vertically to ensure representative thicknesses of the largely flat lying stratigraphy were intersected.

The assays for the first two shale-hosted uranium drill holes confirmed the logging at site when the holes were drilled, and returned substantial thicknesses in excess of 200ppm U_3O_8 These are significant intersections of mineralised shale in an area where the sub-surface geology was not known. There had been no previous drilling within the Häggån exploration licence prior to this current programme.

Aura will recommence its drilling programme in Jämtland in the near future.

Aura has extensive licences for shale-hosted uranium-vanadium-molybdenum-nickel mineralisation in central Sweden in addition to that at Häggån.

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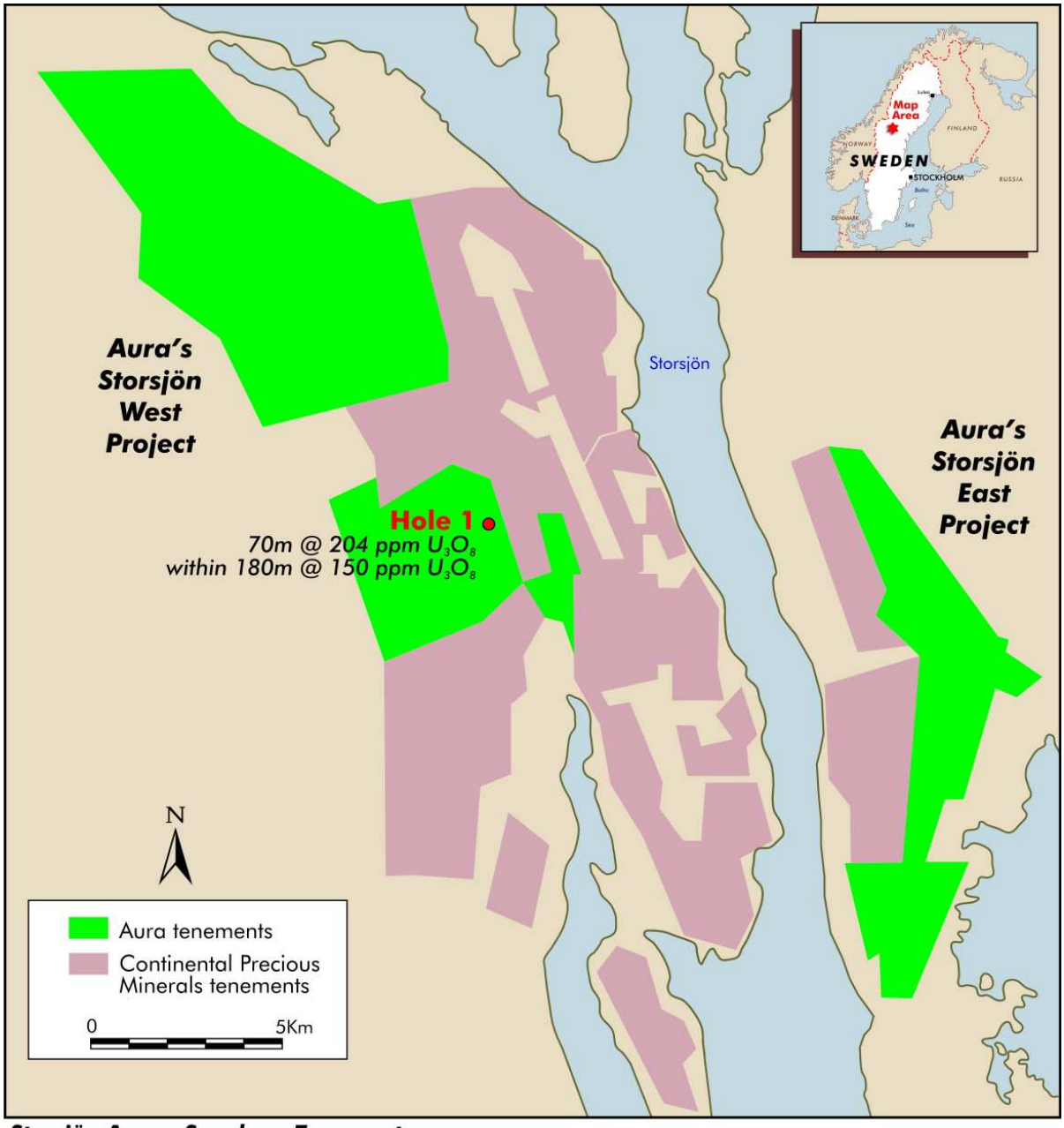

Storsjön Area - Sweden : Tenements

Major uranium resource nearby

Continental Precious Metals have recently announced an inferred resource of 437 million pounds of U_3O_8, 900 million pounds of MoO_3 and 7.14 billion pounds of V_2O_5 in the adjoining licences to Aura's land package in Jämtland.

The province is considered to contain Europe's largest resources of uranium.

SWEDEN – VIRKA PROJECT

Aura Energy's wholly owned Virka Project was applied for in early 2007 and granted later that same year. The Project lies in northern Sweden in the resource-rich Norrbotten area, approximately 50 kilometres northwest of Arvidsjaur and the Arvidsjaur uranium province

and some 45 kilometres southeast of the Pleutajokk Uranium Deposit where in excess of 20MIbs of uranium has been defined by previous drilling.

The main features of the Virka Project are as follows:

- 20 holes drilled between 1980 and 1982 by the Swedish Geological Survey (SGU) intersected high grade mineralisation with the highest 0.1m interval giving 3.12% e U_3O_8 (from radiometric logs).
- Aura Energy has since assayed the holes with higher radiometric responses and confirmed the presence of high grade mineralisation.
- Although some of the best mineralised intervals could not be sampled (insufficient core remained) the results are still spectacular, including:
  - 17m @ 707ppm U_3O_8, including 9m @ 1,087 ppm U_3O_8
  - 9m @ 396ppm U_3O_8, including 3m @ 855 ppm U_3O_8
  - 12m @ 380ppm U_3O_8, including 2.5m @ 1,344 ppm U_3O_8
  - 24m @ 231ppm U_3O_8, including 3.5m @ 1,066 ppm U_3O_8
- Mineralisation remains open along strike and at depth and additional airborne radiometric anomalies remain untested.

Fieldwork at Virka will commence in the next quarter.

WESTERN AUSTRALIA - GUNBARREL BASIN JOINT VENTURE

The Gunbarrel Joint Venture between Aura Energy Ltd (ASX code: AEE) and the Toronto listed Mega Uranium Inc (TSX code MGA) has obtained encouraging results in its Stage 1 reconnaissance drill testing for sandstone-hosted uranium within palaeochannels in the Gunbarrel Basin. Aura is the operator of the Joint Venture.

Anomalous uranium was intersected in two of the holes drilled in the Kirgella Rocks licences in the southwest of the joint venture area, as follows;

- KRAC 006 intersected:
  - 0.26m @ 142.8ppm eU3O8 from 66.44m
- KRAC 017 intersected:
  - 0.24m @ 112.4ppm eU3O8 from 72.05m
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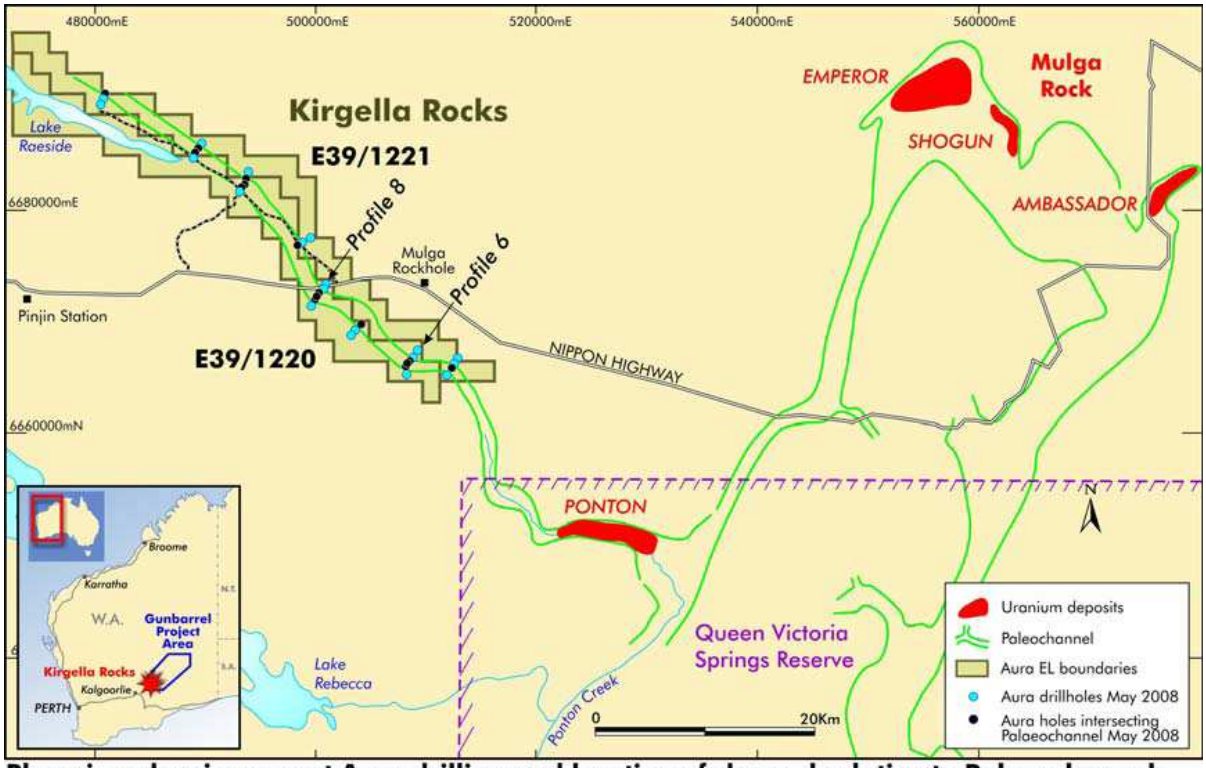

Plan view showing recent Aura drilling and location of channel relative to Palaeochannels & Ponton and Mulga Rock uranium deposits

As the drill sections are approximately 7 kilometres apart, the anomalies intersected are regarded as encouraging indications of the uranium potential of the Kirgella channel. Although no JORC-compliant resource is available for the Ponton deposit, it constitutes one the larger known sandstone uranium deposits in Australia.

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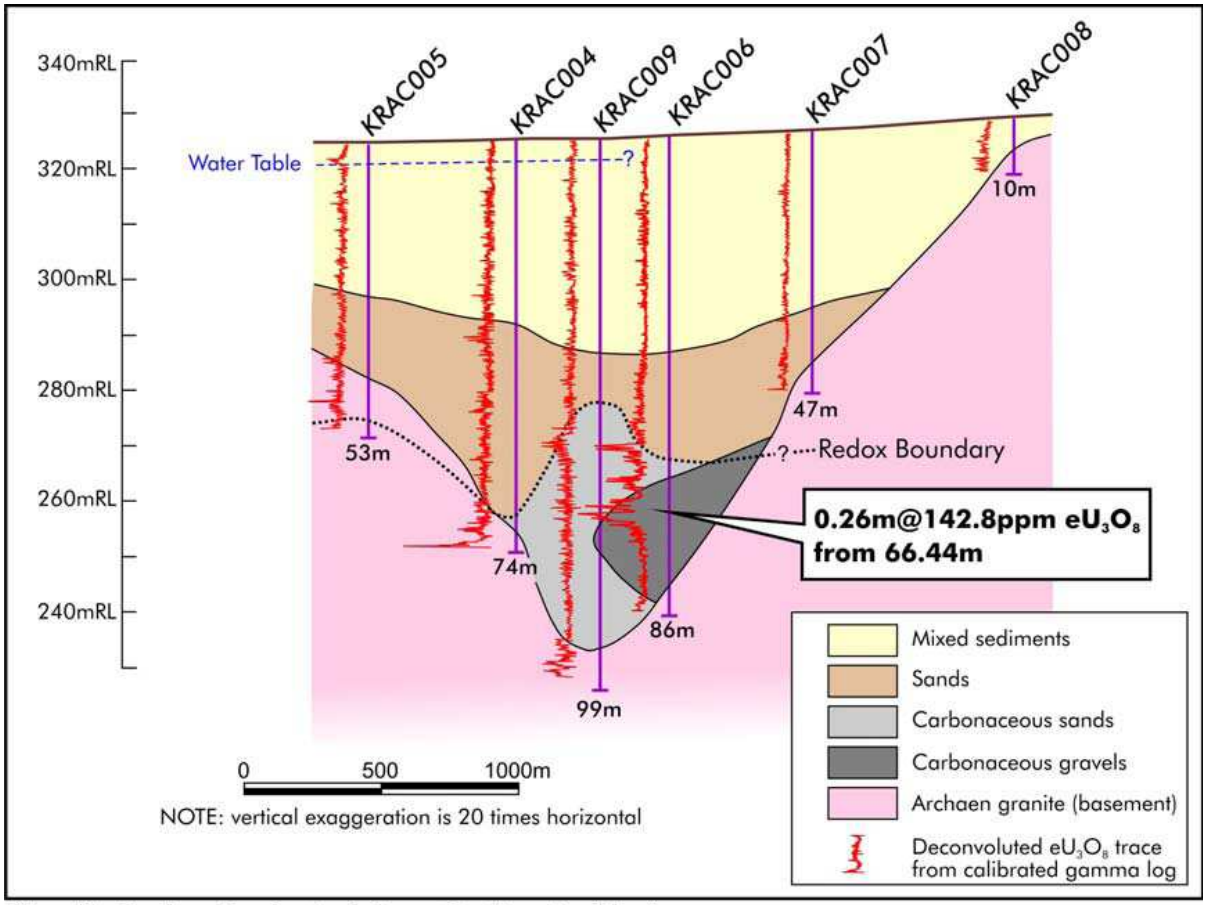
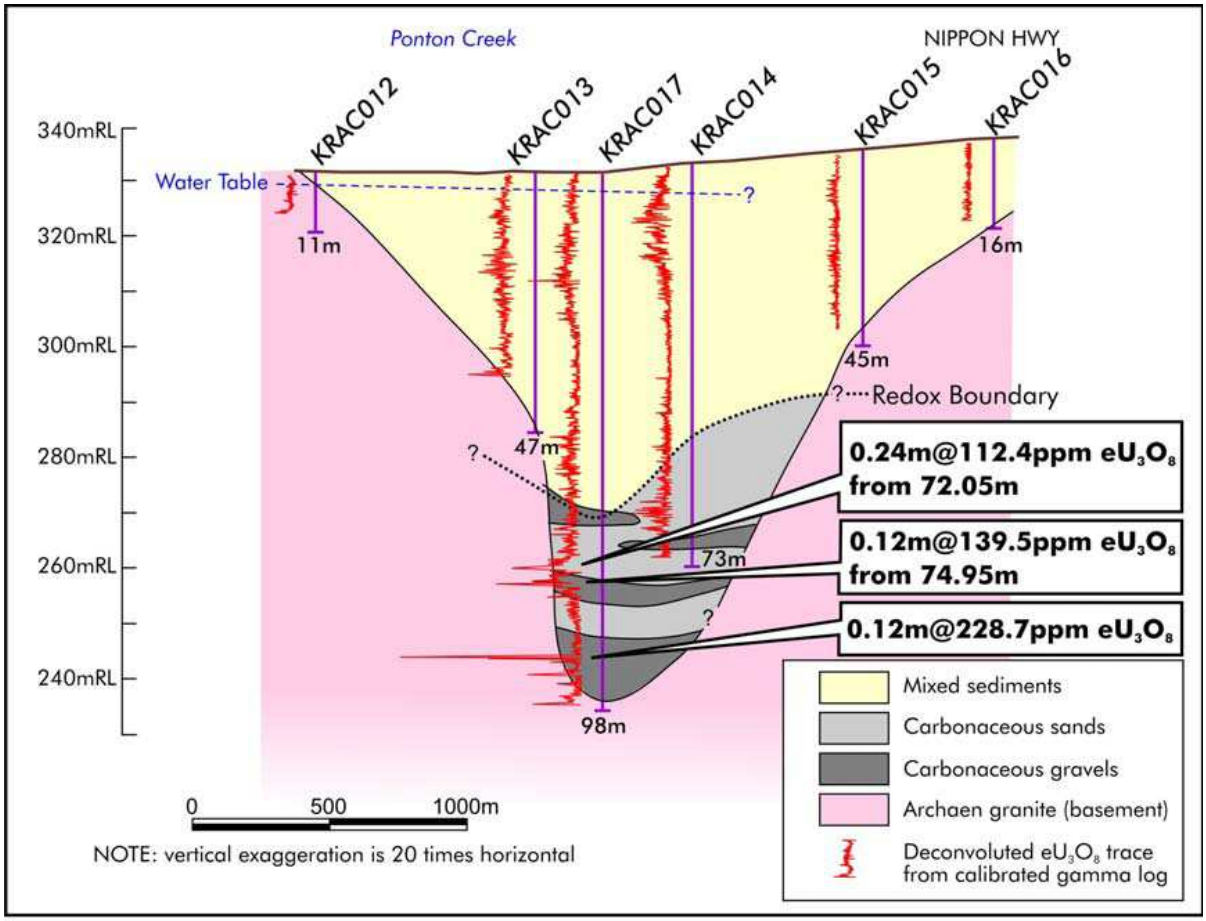


Kirgella Rocks- Geological Cross Section Profile 6



Kirgella Rocks- Geological Cross Section Profile 8

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A programme is being developed to follow up these anomalies with further drilling.

The Gunbarrel Basin, located east of the Archaean Yilgarn Block, contains a large endowment of sediment-hosted uranium mineralisation, but is significantly less explored than the other major uranium provinces of Australia. The combined uranium resources of the two largest known deposits in the region, Mulga Rock and Ponton, are reported to exceed 100 million pounds.

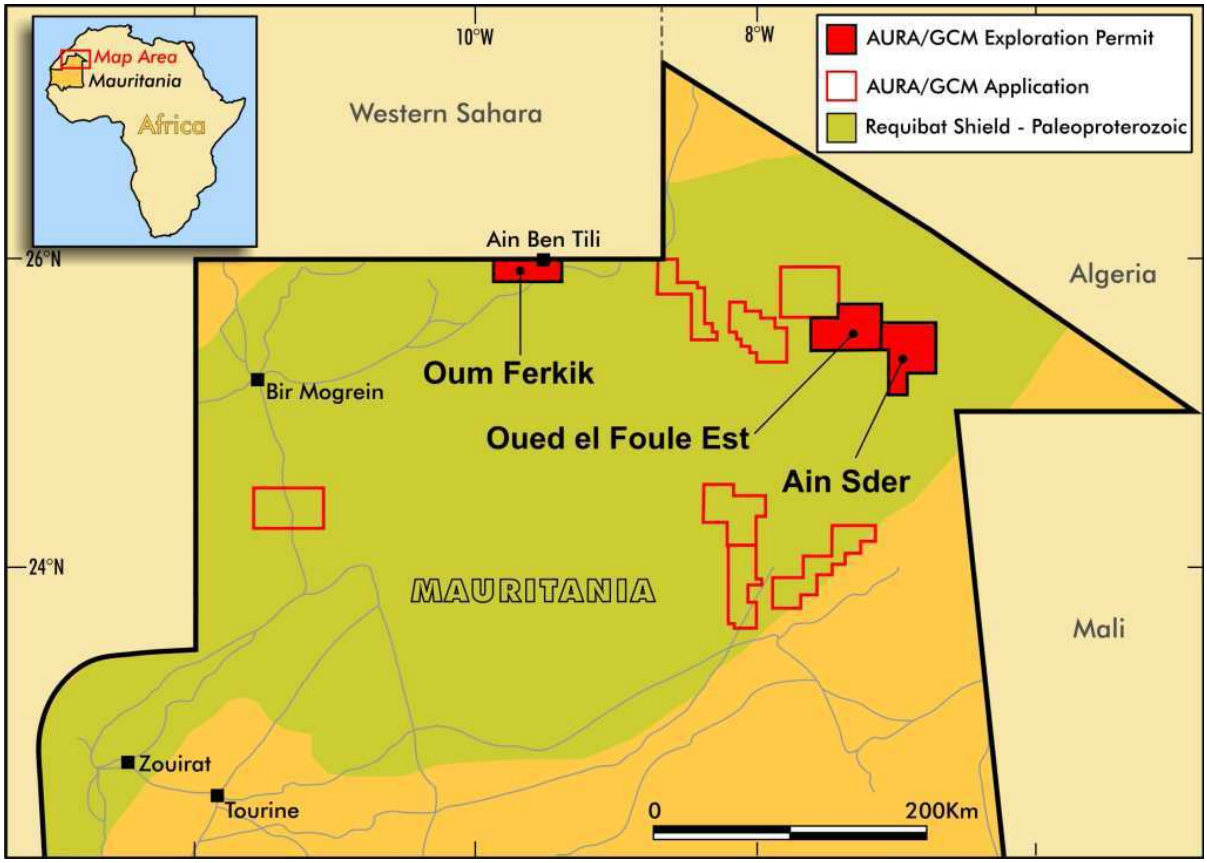
The Stage 1 drilling programme has clearly defined the palaeochannel upstream of the Ponton deposit. This channel is up to 118metres in depth, and contains the favourable carbonaceous sands and gravels typical of this style of uranium mineralisation.

Aura's Gunbarrel Basin exploration is a joint venture with Mega Uranium Ltd (TSX CODE: MGA), whereby Mega can earn up to 50% in Aura's tenements by sole-funding exploration to a level of $3.0 million. The joint venture properties, totalling 3750 km^2, cover extensive portions of three of the four main palaeochannels in the region.

AFRICA ALLIANCE – GCM RESOURCES plc

Mauritania

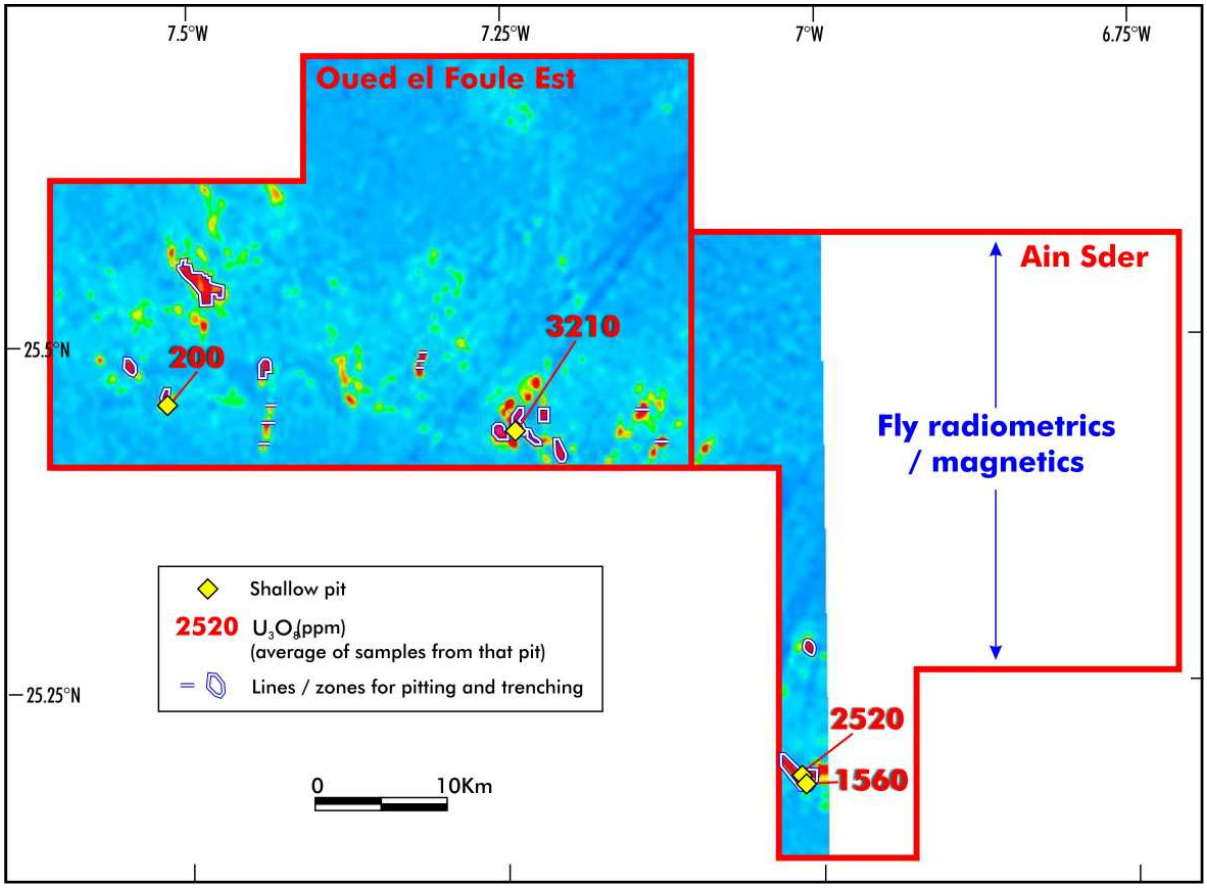
Aura Energy, in alliance with GCM Resources plc, has been granted 3 uranium exploration licences covering 3600 km^2 in Mauritania. The licences cover known uranium mineralisation and multiple radiometric uranium anomalies. The Aura / GCM Alliance has been actively pursuing opportunities in Mauritania, and has a further 11 applications for uranium exploration licences pending in the country.



Key features of the licenses are:

- The 3 newly awarded licences contain strongly anomalous uranium-channel radiometric zones ranging in area up to 3.5 square kilometres, as defined by airborne radiometric surveys.
- Recent field reconnaissance by Aura within these areas located visible uranium mineralisation (uranium vanadate) in each of 7 shallow pits (to 1.2m) on 5 separate radiometrically anomalous zones.
- Uranium grades associated with visible uranium mineralisation in the 7 shallow pits range from 158 ppm to 3270 ppm U (from individual 2 kg samples), with four of the pits returning assays greater than 2000 ppm U. The limited reconnaissance work to date has not indicated whether the uranium mineralisation extends below these shallow pits.
- The licences cover predominantly Precambrian granitic intrusive rocks with remnants of meta-sedimentary and volcanic rocks.
- Drainage channels and calcrete occurrences occur within the licences and offer sites for uranium concentration.
- Two of the licences (Oum Ferkik and Oued el Foule Est) have been covered by high quality regional airborne radiometric / magnetic survey on 700m spaced lines.
- Most of the third licence (Ain Sder) has not been covered by this airborne survey. However, the small portion of the Ain Sder licence which does have airborne survey coverage has strong radiometric anomalies associated with visible uranium mineralisation located in Aura's pits.
- As far as Aura is aware the areas have had little, if any, previous systematic exploration for uranium.
- Mauritania has a developed mining industry, a government keen to attract foreign investment and supportive of exploration and development, and extensive geological, geophysical and geochemical databases. The country was ranked 11th in the world in terms of investment risk in a recently published survey of resource company

executives (ahead of countries with very active mining industries such as Mexico, Argentina, Brazil, Tanzania).



Ain Sder and Oued el Foule Est Exploration licences, northeast Mauritania, showing reconnaissance pits in relation to U-channel radiometrics. Red zones signify high uranium-channel response. U values shown are the average of samples from that pit (where more than 1 sample was taken).

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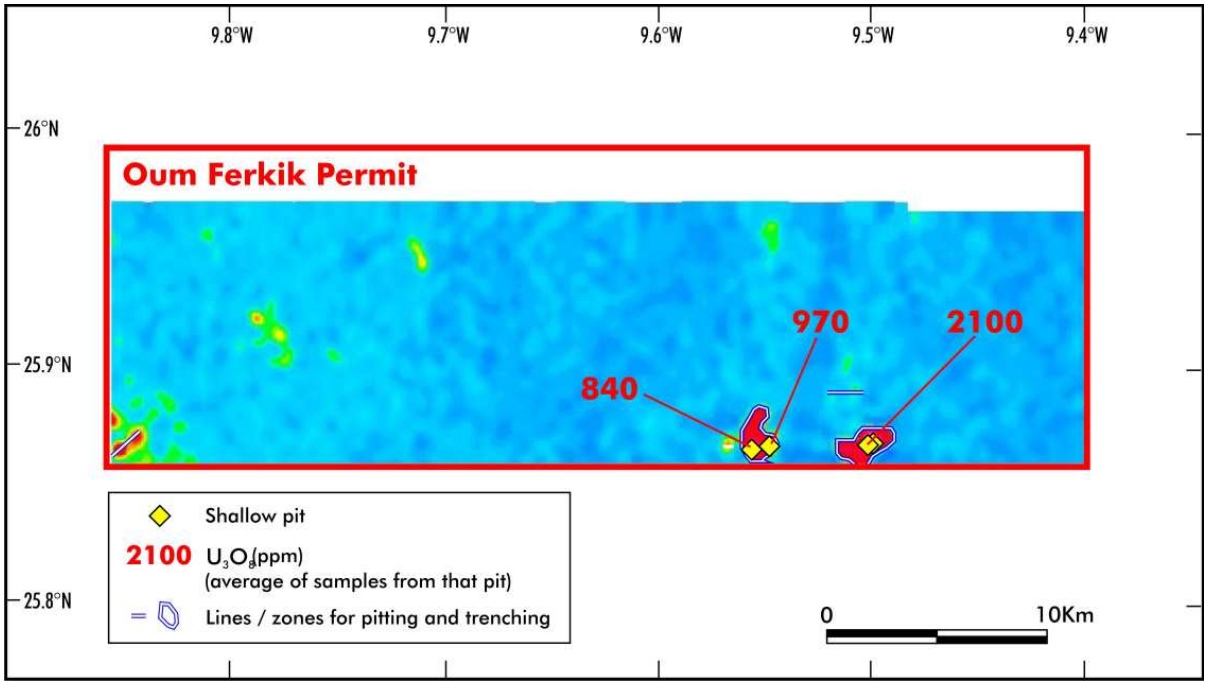

Oum Ferkik Exploration Licence, northern Mauritania, showing reconnaissance pits in relation to U-channel radiometrics. Red zones signify high uranium-channel response. U values shown are the average of samples from that pit (where more than 1 sample was taken).

Niger

Aura recently announced during the quarter that applications for 3 uranium exploration permits had been lodged, and accepted by the Department of Mines, in Niger. The applications cover geological settings favourable for uranium mineralisation in the major Tim Mersoi Basin uranium province.

The application areas (known as Ebadargene 1, 2 & 3) lie close to and south of the Air Massif, and are close to alkaline volcanic and intrusive rocks within the Massif. Alkaline intrusives within the Air Massif are thought to be a likely source of the Tim Mersoi uranium.

It is clear that fault structures, particularly east-northeast and north-south trending faults, have been influential in providing conduits for the mineralising ground waters within the Tim Mersoi Basin. A number of uranium deposits and occurrences lie within these structures. The Aura/GCM areas contain a swarm of east-northeast fault structures that are associated with uranium and copper further to the west around Agadez. The application areas therefore appear to contain extensions to known mineralised structures.

As far as Aura is aware the areas have had no meaningful previous exploration.

Aura and GCM are waiting on advice from the Niger government on the progress of these applications.

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.

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