



ASX ANNOUNCEMENT

Quarterly report - 31 March 2008

HIGHLIGHTS

Aura Energy has made a solid start to 2008, with exceptional results in its initial drilling in Sweden, the commencement of drilling in its Gunbarrel Basin JV, an initial resource announcement for its Wondinong calcrete project, applications for initial land holdings from its African alliance, and the identification of a high grade uranium deposit at Virka in northern Sweden.

Sweden

- Alum Shale Projects

- Intersected 130m average thickness of radiometrically anomalous shale in four of the first five holes in Storsjön Project, Sweden
- This preliminary drilling infers large thicknesses of shale exist throughout the northern half of Aura's Häggån licence
- Continental Precious Minerals announced an inferred resource of 437 million pounds uranium oxide, 900 million pounds of molybdenum oxide, and 7.14 billion pounds vanadium oxide in Alum Shale within their nearby Viken licence.

- Virka Project

- Virka Project lies 45kms south east of the Pleutajokk Uranium Deposit in northern Sweden.
- 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 U₃O₈ (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 U₃O₈, including 9m @ 1,087 ppm U₃O₈
 - 9m @ 396ppm U₃O₈, including 3m @ 855 ppm U₃O₈
 - 12m @ 380ppm U₃O₈, including 2.5m @ 1,344 ppm U₃O₈
 - 24m @ 231ppm U₃O₈, including 3.5m @ 1,066 ppm U₃O₈
- Mineralisation remains open along strike and at depth and additional airborne radiometric anomalies remain untested.

Western Australia

- **Gunbarrel JV**
 - Drilling has commenced in the Gunbarrel JV
- **Wondinong**
 - An inferred resource in accordance with the JORC guidelines of 2.6 million pounds at a 150ppm U₃O₈ cut-off Grade
 - 7.0 million pounds of uranium at 100ppm U₃O₈ cut-off grade
 - Potential to significantly increase the resource with further infill drilling
 - Potential to increase the resource in the untested areas to the south and west

West Africa

- Three exploration applications by Aura Energy- GCM Resources Alliance, covering 1500 km² in the uranium-bearing Tim Merso Basin, Niger.



Sweden : Map showing Aura Energy's tenement locations

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.

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.

Drilling Results – Häggån Exploration Permit

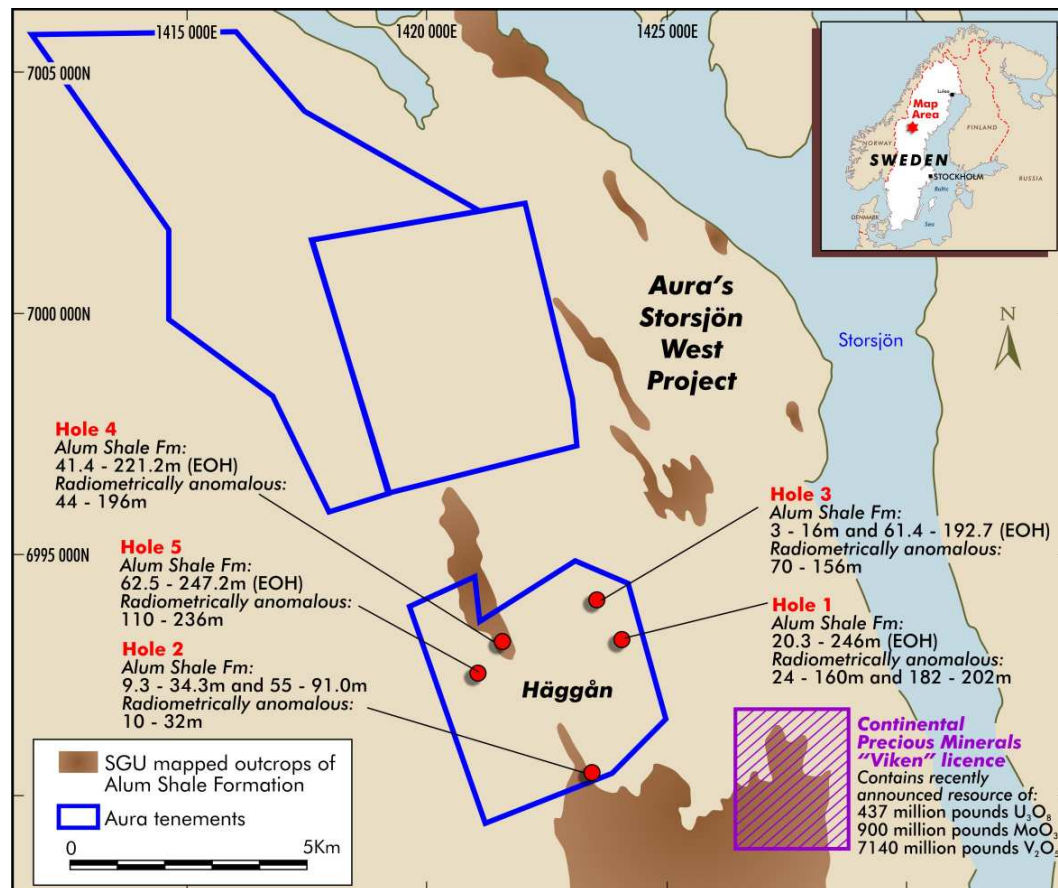
During the period Aura Energy commenced drilling in its Häggån exploration licence in Sweden and intersected thicknesses of uranium-mineralised Alum Shale averaging 130m over 4 of 5 holes drilled.

The drill results for the first five holes are as follows:

Hole No.	Alum Shale Formation	Radiometrically anomalous shale	Total anomalous shale
DDHG-001	20 – 246m (EOH)	<i>24 - 160m, and 182 - 202m</i>	<i>156m</i>
DDHG-002	9 - 34 and 55 - 91m	<i>10 – 32m</i>	<i>22m</i>
DDHG-003	3 – 16m, and 61 – 193m (EOH)	<i>70 – 156m</i>	<i>86m</i>
DDHG-004	41 – 221m (EOH)	<i>44 – 196m</i>	<i>152m</i>
DDHG-005	63 – 247m (EOH)	<i>110 – 236m</i>	<i>126m</i>

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

The Alum Shale Formation contains predominantly radiometrically anomalous black shale typically containing 100-300ppm U₃O₈, 0.13-0.61% V₂O₅ and 250-660ppm MoO₃, in this area. The full intersections of the Formation are given in the second column, and the uranium-enriched shale intersections are given in the right hand column



Summary of Reconnaissance Drilling - Häggån, Sweden

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.

The thickness and aerial extent of these intersections continues to exceed Aura's expectations. The drilling suggests that the northern half of the Häggån exploration licence contains a substantial development of the prospective, mineralised Alum Shale. Further drilling is planned to test this suggestion.

The drill core has been despatched for splitting, and samples will be sent to the laboratory for assay.

The drill rig was been temporarily stood down because of the difficulty of vehicle access in the northern Spring thaw season and drilling is expected to restart in late-May or early June.

Alum Shale Metallurgical Testwork

Aura has collected samples from past drill core held in the core library of the Swedish Geological Survey in Malå. The Australian Nuclear Science and Technology Organisation ("ANSTO") has been engaged to carry out a preliminary programme of metallurgical testwork on these Alum Shale samples.

The aim of this work is to undertake a preliminary assessment of the potential for extraction of uranium, vanadium, molybdenum and nickel from the mineralised shale.

Virka Project

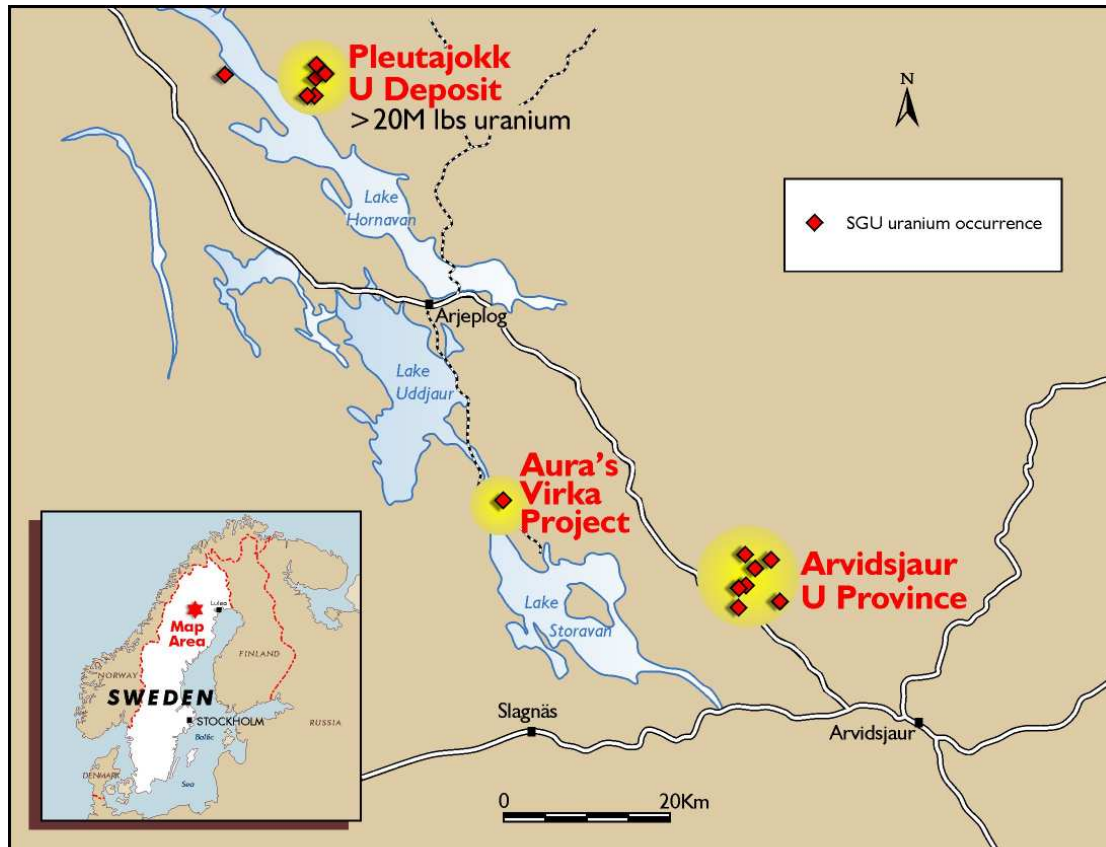
Aura Energy's wholly owned Virka Project was applied for in early 2007 and granted later that same year. The Project lies in northern Sweden in the resource-rich Norrbotten area, approximately 50 kilometres northwest of Arvidsjaur and the Arvidsjaur uranium province and some 45 kilometres southeast of the Pleutajokk Uranium Deposit where in excess of 20Mlbs of uranium has been defined by previous drilling.

Virka is one of a number of high grade uranium projects which Aura has in Sweden, which include the previously reported Stripa, Håkantorps, Blankagruvan and Tälletjärnet.

The Virka Project was discovered by the Swedish Geological Survey (SGU) during the 1970s whilst following up uranium mineralised boulders. Initially soil and rockchip sampling defined a broad area of anomalism which was later followed up with diamond core drilling. Drill holes 80-005, 80-009 and 80-010 intersected high grade mineralisation associated with a northeast striking structure with a south-east dip. Subsequent drilling was then directed towards intersecting this structure and 8 of the total 20 holes drilled in the area intersected high grade uranium mineralisation (See Table 1).

Downhole radiometrics and conductivity surveys were completed on all drillholes. However, these holes were never sampled as the SGU relied on radiometrics to estimate the amount of U_3O_8 present in each hole. The estimated U_3O_8 from radiometrics (e U_3O_8) completed in the early 1980s returned a peak over a 0.1m interval of 3.12% e U_3O_8 in drillhole 80-005 and additional intervals including:

- 1.7m @ 0.386% e U_3O_8 in drillhole 80-013
- 2.0m @ 0.333% e U_3O_8 in drillhole 81-002.



Virka Project Area : Plan showing SGU uranium occurrences

Aura Sampling

The Virka drill core was reviewed and sampled by Aura Energy and samples sent for analysis. Although the core from some of the best mineralised zones was missing in holes 80-009, 80-013 and 80-015, sampling of the remaining core returned high grade uranium intersections (See Table 1).

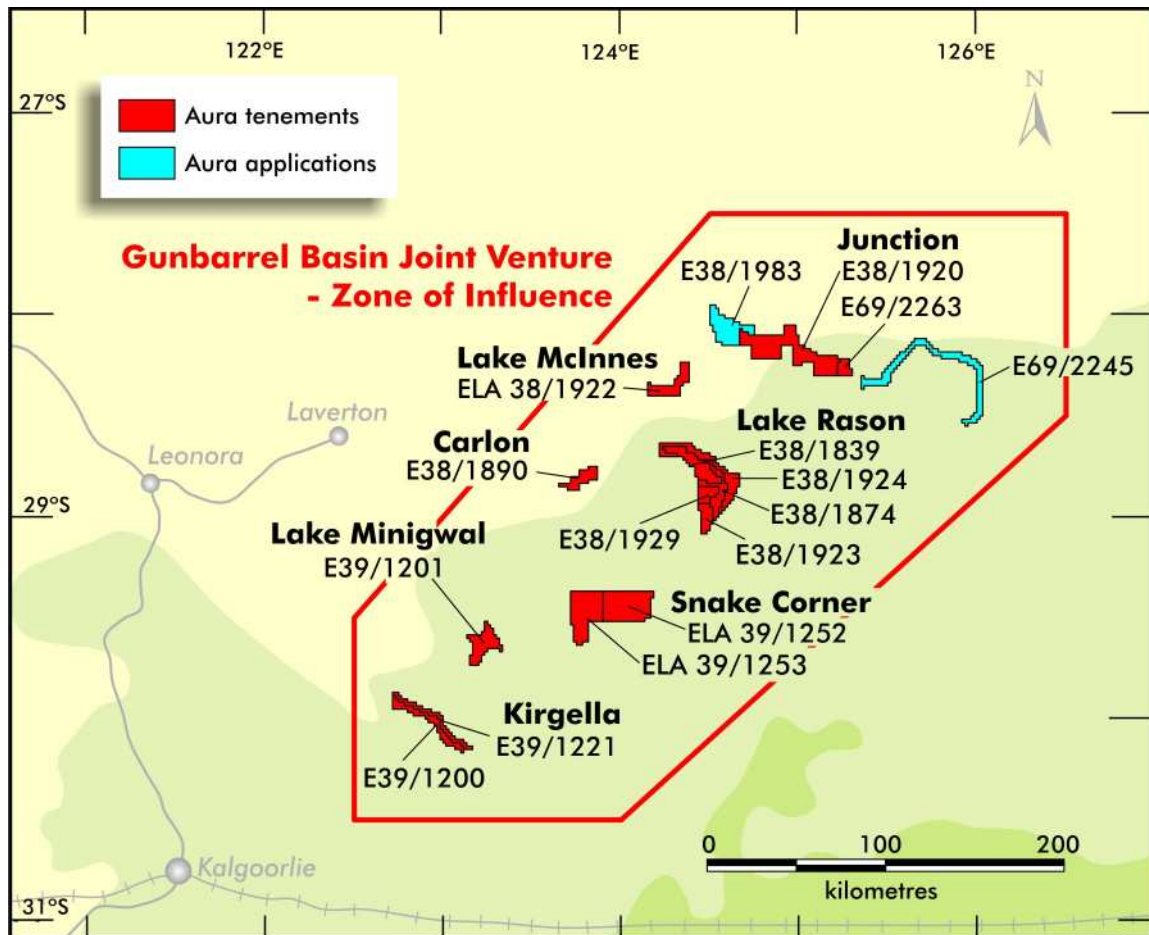
Table 1 – Summary of Assay Results from Virka Project, Northern Sweden

Hole Number	Intervals
80-013	<p>23.0 – 40.0m, 17.0m @ 707ppm U_3O_8* (including: 9m @ 1,087 ppm U_3O_8**, 24.5 – 33.5m and 4m @ 400 ppm U_3O_8, 36.0 – 40.0m)</p> <p>* Three 0.5m samples missing and assumed zero in the above interval calculations. Radiometrics across these intervals suggests:</p> <ol style="list-style-type: none"> 1. 24-24.5m - radiometrics suggests 524ppm eU_3O_8 for 23.9-24.5m 2. 25-25.5m – radiometric result not calculated for this interval 3. 26-26.5m – radiometrics suggests 3860ppm eU_3O_8 for 25.4-27.1m <p>50.0 – 52.0m, 2.0m @ 465ppm U_3O_8</p>

Hole Number	Intervals
80-010	<p>31.3 – 33.8m, 2.5m @ 414ppm U₃O₈</p> <p>40.0 – 64.0m, 24.0m @ 231ppm U₃O₈ (including: 6m @ 700 ppm U₃O₈, 52.5 – 58.5m Or: 3.5m @ 1,066 ppm U₃O₈, 52.5 – 56.0m)</p> <p>70.5 – 71.0m, 0.5m @ 492 ppm U₃O₈</p> <p>79.0 – 98.5m, 19.5m @ 208 ppm U₃O₈ (including: 5m @ 346 ppm U₃O₈, 79.0 – 84.0m and 3.5m @ 442 ppm U₃O₈, 94.0 – 97.5m)</p>
80-015	<p>36.0 – 40.0m, 4.0m @ 339ppm U₃O₈ <i>Interval 25-26m missing – radiometrics suggests: 248ppm eU3O8 for 33.6-35.2m 476ppm eU3O8 for 35.9-39.8m</i></p> <p>43.0 – 55.0m, 12.0m @ 380ppm U₃O₈ (including: 5.5m @ 740 ppm U₃O₈, 45.0 – 50.5m or 2.5m @ 1344 ppm U₃O₈, 48.0 – 50.5m)</p>
81-001	<p>40.0 – 50.0m, 10.0m @ 208ppm U₃O₈ (including: 2.5m @ 423 ppm U₃O₈, 41.5 – 44.0m)</p> <p>69.8 – 78.8m, 9.0m @ 396ppm U₃O₈ (including: 3.0m @ 855 ppm U₃O₈, 69.8 – 72.8m and 2.0m @ 442 ppm U₃O₈, 76.8 – 78.8m)</p> <p>85.0 – 86.5m, 1.5m @ 448 ppm U₃O₈</p>
80-005	<p>22.5 – 30.5m, 8.5m @ 375ppm U₃O₈ (including 4.5m @ 560ppm U₃O₈, 26.0 – 30.5m)</p> <p>36.5 – 38.5m, 2m @ 225ppm U₃O₈</p>
81-002	<p>69.9 – 74.4m, 4.5m @ 468 ppm U₃O₈</p> <p>105.1 – 108.1m, 3.0m @ 143 ppm U₃O₈</p> <p>120.5 – 121.5m, 1.5m @ 306 ppm U₃O₈</p>
80-009	<p>27.0 – 34.5m, 7.5m @ 274ppm U₃O₈* (Including 3.0m @ 391ppm U₃O₈, 27.0 – 30.0m) * Likely best 1.0m of sample missing and assumed zero</p>
80-011	<p>120.5 – 124.5m, 4.0m @ 257ppm U₃O₈</p>

The results are significant as the mineralisation has not yet been tested at depth and also remains open in both directions.

In addition to the zone drilled to date there are other higher intensity airborne radiometric anomalies in the area which are yet to be followed up.



Western Australia : Gunbarrel Project Area

Phase 1 Drilling Programme

WESTERN AUSTRALIA - YILGARN CALCRETE URANIUM PROJECTS

Wondinong

Resource Announcement

Aura Energy Ltd engaged Hellman & Schofield Pty Ltd to undertake a resource estimation on the Wondinong uranium project. During the last quarter inferred uranium resources for the Wondinong lake margin carnotite uranium deposit have been estimated for U₃O₈ cut-off grades between 100 and 250ppm.

Hellman & Schofield has assigned panels above a cutoff grade of 150ppm in the OK mineral resource estimate to an Inferred category in accordance with the JORC (2004) guidelines.

Table 2 reports Inferred Resources for the Wondinong Project, in accordance with the JORC 2004 Code.

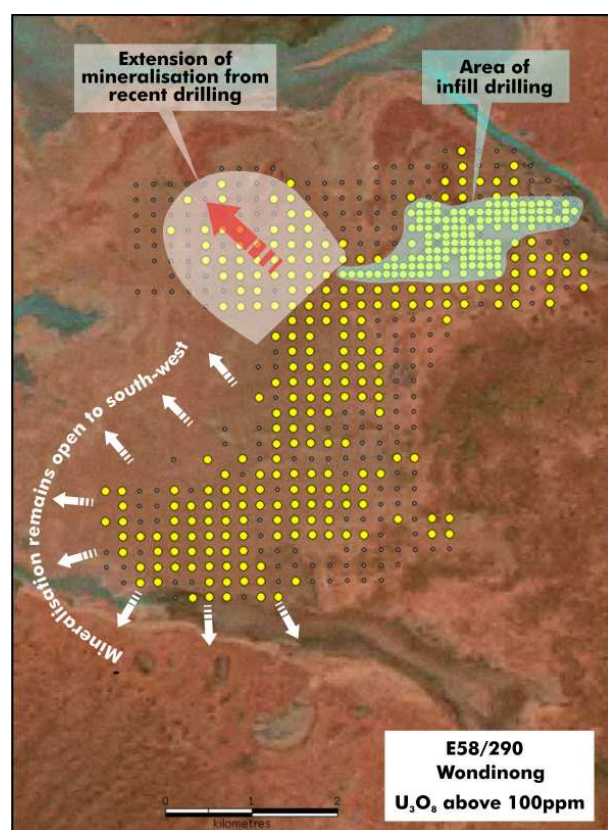
Cutoff Grade ppm U ₃ O ₈	Millions Tonnes	of Grade ppm U ₃ O ₈	Thousands tonnes U ₃ O ₈	of	Millions of pounds U ₃ O ₈
100	22.6	140	3.16		7.0
150	6.5	185	1.2		2.6
200	1.9	225	0.43		0.9
250	0.3	270	0.08		0.2

Table 2. Ordinary Kriging Inferred resources Wondinong Project, WA February 2008

The common drill spacing for the prospect is 200m north-south and 200m east-west. A portion of the resource in the north east of the mineralised area been drilled with 100 x 100m spacing. Estimation has been conducted in panels of 200m x 200m x 1m. Approximately 85% of the resource is shallower than 2m. These shallow depths of the Wondinong deposit will facilitate low cost mining

All resources have been categorised as Inferred. This reflects a number of remaining uncertainties that are not adequately addressed with the available data.

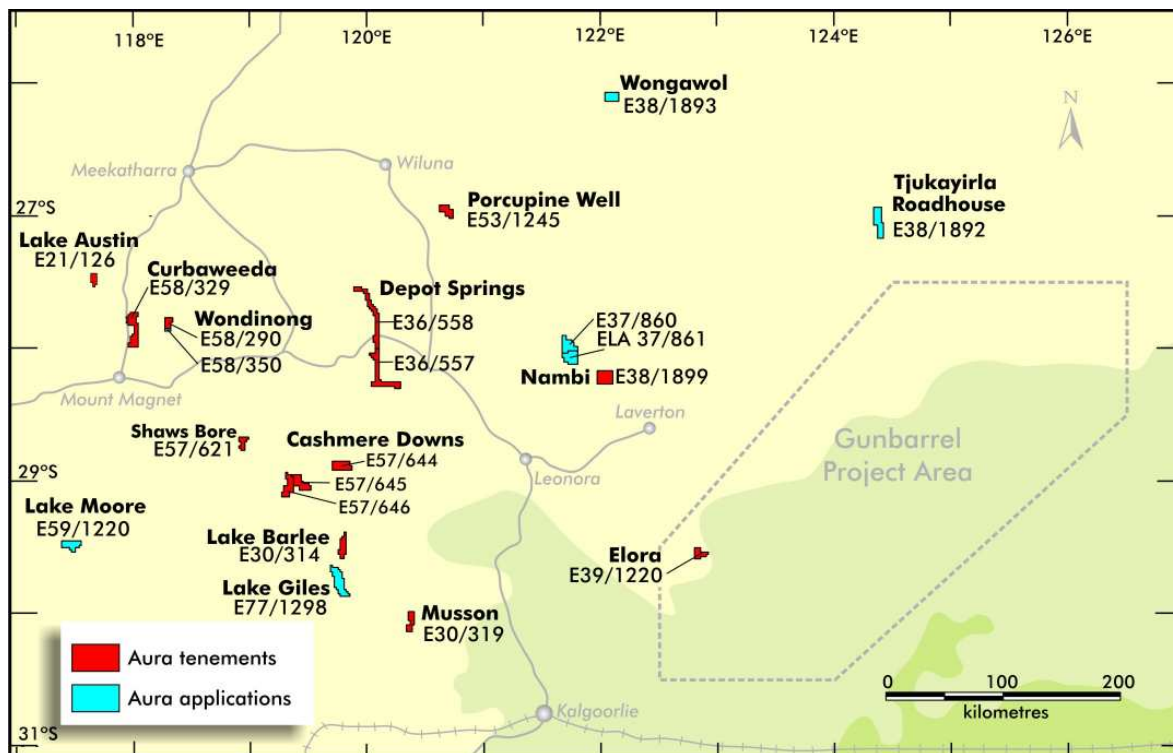
Hellman & Schofield have also made preliminary estimates of mining recoverable resources that might be achieved using mining selectable units of 50 x 50 x 0.5m, compared with non selective estimates. The results of this work are encouraging and signifying potential for a



significant improvement in the resource. However, Hellman & Schofield believe that these results should be considered with caution until further information on continuity of mineralisation and the economic viability of discrimination and mining for a mining recoverable resource.

Radiometric eU₃O₈ grades from borehole logging significantly underestimate XRF assay grades determined on 0.5m air-core samples. Consequently, the use of radiometric eU₃O₈ grades has largely been avoided in resource estimation. The restricted use of eU₃O₈ in some locations peripheral to mineralisation, and only in the absence of chemical assays, will have caused a minor diminution of estimated grade.

Bulk density has not been measured in the Wondinong project. Mineralisation is largely hosted in mixed clay lithologies rather than cavity riddled calcrete and this type of lithology has been reported with a density of approximately 1.9 t/cubic meter in Lake Way and Lake Maitland. Mineralisation is contained within a semi-continuous mineralised layer above and often separated from the current water table.



Western Australia : Yilgarn Calcrete Projects

WESTERN AUSTRALIA - KIMBERLEY URANIUM PROJECTS

Aura is continuing to evaluate the potential of the Kimberley region and is working closely with traditional owners and native title claimants to negotiate heritage and access agreements to its licence application areas in order that they may be granted.

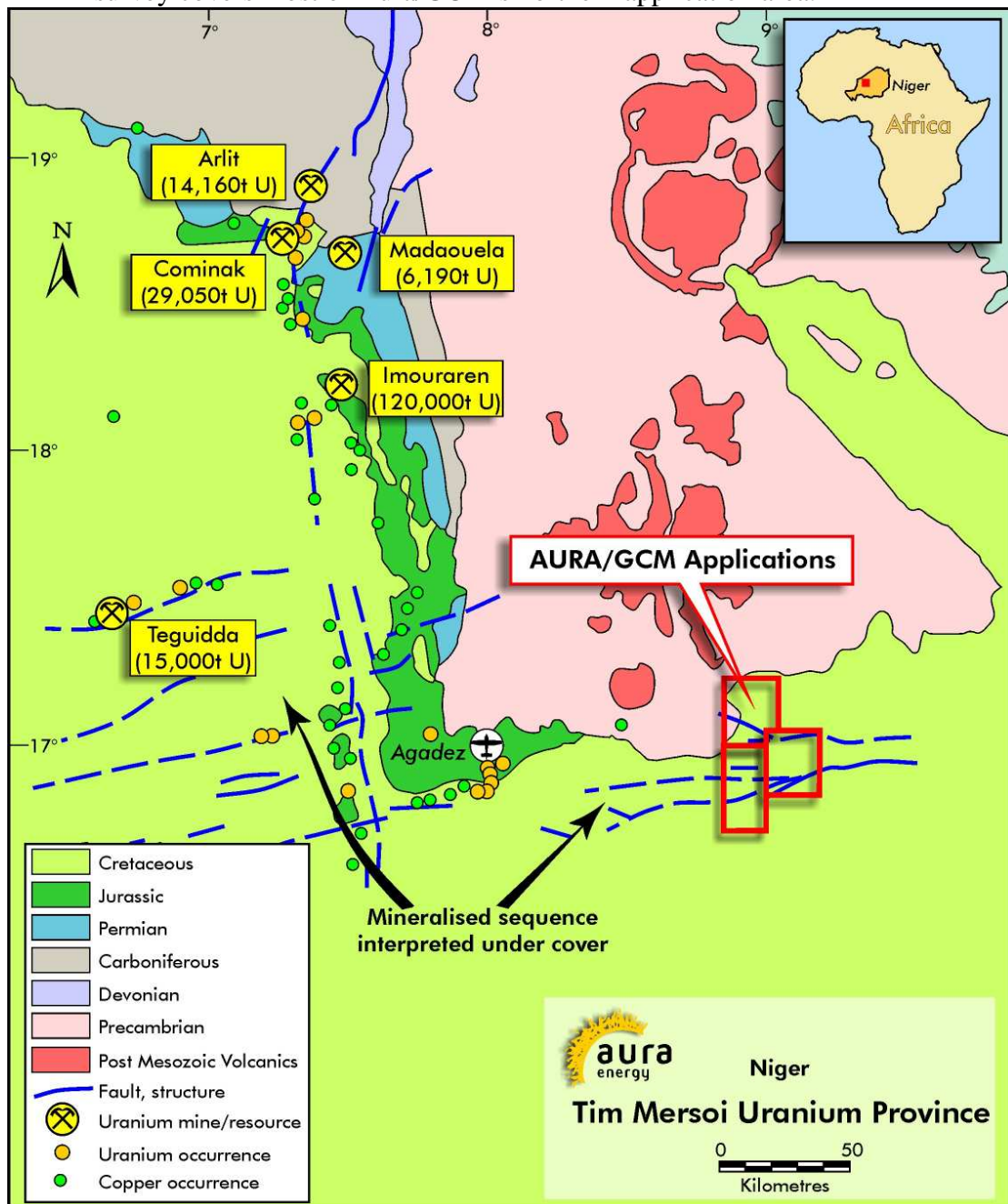
AFRICA ALLIANCE – GLOBAL COAL MANAGEMENT

Aura Energy Limited (ASX Code AEE), in alliance with GCM Resources plc (AIM Code GCM), 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 Mersoï Basin uranium province.

Key features of the applications include:

- Niger is the world's 4th largest uranium producer.
- All production is from sandstone hosted deposits within sediments of the Tim Mersoï Basin which are adjacent to and overlie rocks of the Air Massif.
- At least 13 individual uranium deposits are known in the Tim Mersoï Basin
- The deposits have attractive uranium grades typically grading 0.3 to 0.6% U₃O₈.
- The abundance of uranium in the district, the attractive grades, and the relative paucity of exploration clearly make this area an attractive exploration target.
- The Niger government actively encourages uranium exploration and mining, with 2 new mines under development.
- 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 Mersoï 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 Mersoï 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.
- An airborne radiometric / magnetic survey has recently been flown under European Aid funding over the Air Massif, and the data is soon to be publically released. The survey covers most of Aura/GCM's northern application area.



Aura / GCM African Uranium Alliance.

On behalf of its Uranium Alliance with GCM, Aura has been actively developing high quality uranium exploration targets in West Africa since April 2007. The Alliance brings together the technical uranium experience, targeting and exploration skills of Aura with the project development and mining experience of GCM. The Alliance is managed and exploration conducted by Aura with funding provided jointly by Aura and GCM in cash and in kind. GCM's obligation is to provide funding of A\$400,000 (£165,000) for the first two years' activities of the alliance. Projects generated by the Alliance are initially solely funded by GCM, with Aura retaining the right to participate in any Joint Venture with 30% (or, at Aura's election, lower) interest.

GCM is a London-based resource development company with shares traded on the Alternative Investment Market. GCM's principal activity is developing the coal project at Phulbari in Northwest Bangladesh. GCM has a Board and management with over 100 years of mine financing, development, operational and management experience at coal, iron ore, copper, lead/zinc, gold and lateritic nickel projects. This encompasses mines in Australia, Indonesia, Zambia, and PNG, and includes senior managerial positions with Rio Tinto and Barclays Capital.

For further information contact:

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Managing Director

Stephen McCaughey
Exploration Manager

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:

35,641,500 fully paid ordinary shares
17,858,500 listed options
4,050,000 unlisted options

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.