

Aura Energy (ASX: AEE)

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 has been very active in the past year, with drilling and pitting on all three continents, and has approved funding to continue the evaluation of the main projects.

Listed on the Australian Stock Exchange

Market capitalisation A\$8 m (at 13c)

Cash position 10 July 2009 \$2.2 million

Shares: 64 million

Options: 3 million

Main shareholders

GCM Resources plc 12.3%

ANZ Nominees 8.2%

UBS Nominees 7.4%

Drake Resources Ltd 5.5%

Board and Management 7.6%



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HIGHLIGHTS

Corporate

- Aura completed a share purchase plan, with strong uptake by existing shareholders
- The balance of the shares in the Share Purchase Plan, plus an additional 10 million shares, have been placed with institutions in Australia and Canada, and existing Aura shareholders
- Shareholders approved the issuing of the additional shares at a General Meeting of the Company on 10 July 2009

Sweden

- Aura continues to discuss investment in the Storsjön Project with several parties

Africa Alliance

- GCM Resources plc has agreed to fund the programme and budget for the Aura-GCM Africa Alliance for the second half of 2009.

Mauritania

- The Aura Board has approved a budget of \$670,000 for the next phase of exploration at its Africa JV Projects
 - Drilling of Requistat calcrete uranium project to determine extent, continuity and grade of mineralisation
 - Drilling at the recently announced Fai Project to determine the extent of the mineralisation
 - Metallurgical testwork for the Fai mineralisation
- Drilling planned to commence in September

Western Australia

- A drilling programme concluded this week on the Junction palaeochannel in the Gunbarrel Joint Venture with Mega Uranium Ltd
- The programme comprised approximately 30 holes for 2200 metres of drilling
- The programme is receiving co-funding from the Western Australian government Exploration Incentive Scheme



AURA CORPORATE

Aura Energy Limited (ASX Code AEE, “Aura”) has completed a Share Purchase Plan.

The results of the SPP Offer were as follows:

Total number of shares on offer:	12,876,667
Total number of shares applied for:	4,454,000

Aura has placed the balance of the share purchase plan shortfall of 7,100,000 Shares at \$0.10, raising \$710,000 to existing and new Aura shareholders.

In addition Aura entered into subscription agreements to place 10,000,000 Shares at 10 cents per Share to raise a further \$1.0 million. The subscription was made to sophisticated investors pursuant to Section 708A of the Corporation Act 2001.

The placements were approved at a general meeting of the company on 10 July.

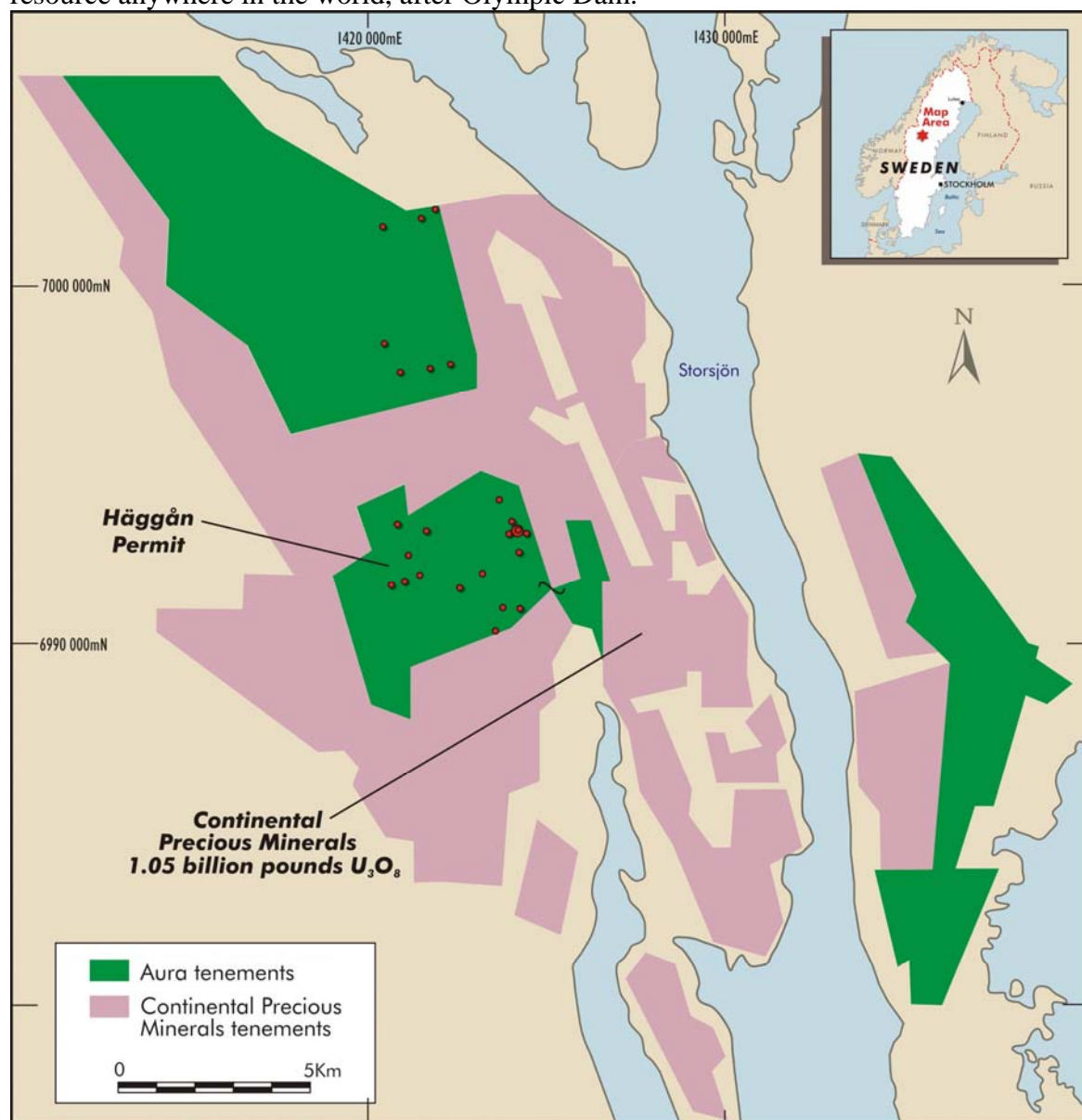
The Managing Director, Dr Bob Beeson, made a presentation on the company to the Fremantle Uranium Conference in July. This presentation has been placed on the Aura website. The company also had a booth at the conference, which was well attended.

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.

Aura completed two phases of drilling in the Storsjön Project during 2008. This exploration demonstrated the thickness and continuity of the Alum Shale throughout the part of the Aura permits that were tested.

Recent resource upgrades on the neighbouring permits held by a Canadian company to 1.05 billion pounds of uranium are believed to make this the second largest compliant uranium resource anywhere in the world, after Olympic Dam.



Storsjön Area - Sweden : Tenements

Storsjön Project area, including Aura's tenements and 2008 drill holes

Aura reported assays from 24 drill holes completed in its Storsjön Alum Shale Project in Sweden in 2009. The technique used was a four-acid digest giving “near total” element values (ALS Chemex Method ME-MS61).

As part of its ongoing due diligence for the Project Aura has completed a series of check assays. It became clear during this work that the original assay method did not report a total assay for the Alum Shale samples.

Twelve samples were submitted for assay by methods generally considered to give “total” analyses: fusion/ICPMS, neutron activation, and XRF. Different methods reported average increases of between 3% and 16%. No method reported lower average uranium values.

Consistent assay results for the twelve samples were obtained by two methods: Actlabs neutron activation: and ALS Chemex fusion then ICP-MS.

Average uranium content by routine method:	158ppm U ₃ O ₈
Average uranium content by neutron activation:	170ppm U ₃ O ₈
Average uranium content by fusion/ICP-MS:	178ppm U ₃ O ₈

These latter two methods give average values 7% and 12% higher than the method used during the drilling programme last year. This indicates that reported assays may be understating the actual uranium contents of the shale samples by approximately 10%.

While the differences between assay types are relatively minor, small increases in grade are very important for very large, moderate grade deposits such as Storsjön. A 10% increase in grade will be of considerable importance to the economic viability of a future project. In addition, by defining a total grade, future testwork will provide information on the actual recoverable uranium from the project.

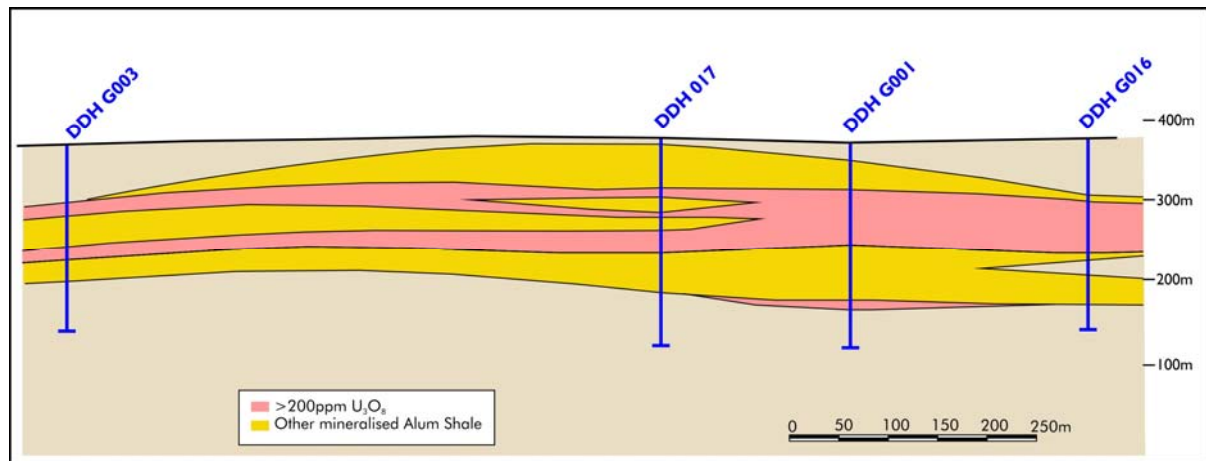
An example of the interpreted increase in grade on Aura's 2008 drilling in the eastern part of its Häggån permit is given below. The seven holes in this area of approximately six square kilometres have an average thickness of 46 metres of greater than 200ppm U₃O₈. If this average thickness represents what is typical in this part of the permit, then Aura has hundreds of millions of tonnes of better grade Alum Shale just in this area alone. Aura has over 100 square kilometres of permits in the Storsjön field.

Table: Overall uranium intersections for drill holes in the eastern Häggån permit, and intersections of 200 ppm U₃O₈ or greater, assuming an increase in grade of 10% as suggested in this release

Drill hole	Intersect (m)	Depth from (m)	ppm U₃O₈
DDHG001	180	22	165
<i>Incl</i>	<i>70</i>	<i>54</i>	<i>224</i>
<i>Incl</i>	<i>14</i>	<i>188</i>	<i>202</i>
DDHG003	94	64	174
<i>Incl</i>	<i>20</i>	<i>64</i>	<i>205</i>
<i>Incl</i>	<i>12</i>	<i>122</i>	<i>200</i>
DDHG010	128	82	171
<i>Incl.</i>	<i>44</i>	<i>110</i>	<i>209</i>
<i>Incl.</i>	<i>8</i>	<i>164</i>	<i>209</i>
DDHG011	86	124	155
<i>Incl.</i>	<i>14</i>	<i>134</i>	<i>200</i>
DDHG015	156	44	155
<i>Incl.</i>	<i>26</i>	<i>84</i>	<i>205</i>
<i>Incl.</i>	<i>6</i>	<i>116</i>	<i>212</i>
<i>Incl.</i>	<i>10</i>	<i>190</i>	<i>205</i>
DDHG016	70	70	192
<i>Incl</i>	<i>60</i>	<i>76</i>	<i>201</i>
and	34	168	160
DDHG017	174	8	166
<i>Incl.</i>	<i>6</i>	<i>60</i>	<i>201</i>
<i>Incl.</i>	<i>6</i>	<i>86</i>	<i>200</i>
<i>Incl.</i>	<i>26</i>	<i>110</i>	<i>200</i>
and	10	212	187

Minimum intersection included 6 metres

In Aura's 18 square kilometre Haggån permit alone the average thickness of the Alum Shale of 116 metres, infers a total tonnage of mineralised Alum Shale of greater than 3 billion tonnes. This is approximately the tonnage reported by Continental Minerals Inc. for their inferred resource of 1.05 billion pounds of U_3O_8 . The magnitude of these resources will provide fuel for the nuclear power industry for the decades, possibly the centuries, to come.



Section showing higher grade Alum Shale in the northeast Haggån permit

As can be seen from the drill section above the Alum Shale forms a continuous flat lying sheet, and higher grade parts of the Shale (>200 ppm U_3O_8) also appear to be continuous laterally. If this the five drill holes completed in the area of the section are representative of this part of the Haggån permit then this 2.5 square kilometres alone will contain more than 300 Mt at greater than 200ppm U_3O_8 . This higher grade part will be within an envelope of more than twice this amount of mineralised Shale.

Although there has been no drilling in 70% of Aura's permits in the Storsjön Project Aura the company believes that it holds at least half of the resources in the uranium field in this district.

AFRICA ALLIANCE – GCM RESOURCES plc

Mauritania

Aura Energy, in alliance with GCM Resources plc, has now been granted four uranium exploration licences covering 5100 km² 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 10 applications for uranium exploration licences pending in the country.

The Aura Board has approved and will fund the next phase of exploration at its projects in Mauritania and West Africa.

The projects are joint ventures between Aura and GCM Resources plc (AIM Code GCM). GCM has approved, but will not fund the programmes. This will end GCM's right to sole fund the joint ventures, and will enable Aura to earn back equity in the projects.

Requibat Project Programme

Aura carried out a field programme in December 2008 on its Oued el Foule Est exploration permit in Northern Mauritania. The objective of the programme was to test the extent of uranium mineralisation, high grade in places, encountered during previous reconnaissance surveying by Aura.

A programme of pitting and sampling was conducted in the programme. In total 85 shallow pits were excavated to an average depth of approximately 0.7m. Samples were taken for analysis from pit walls and bottoms.



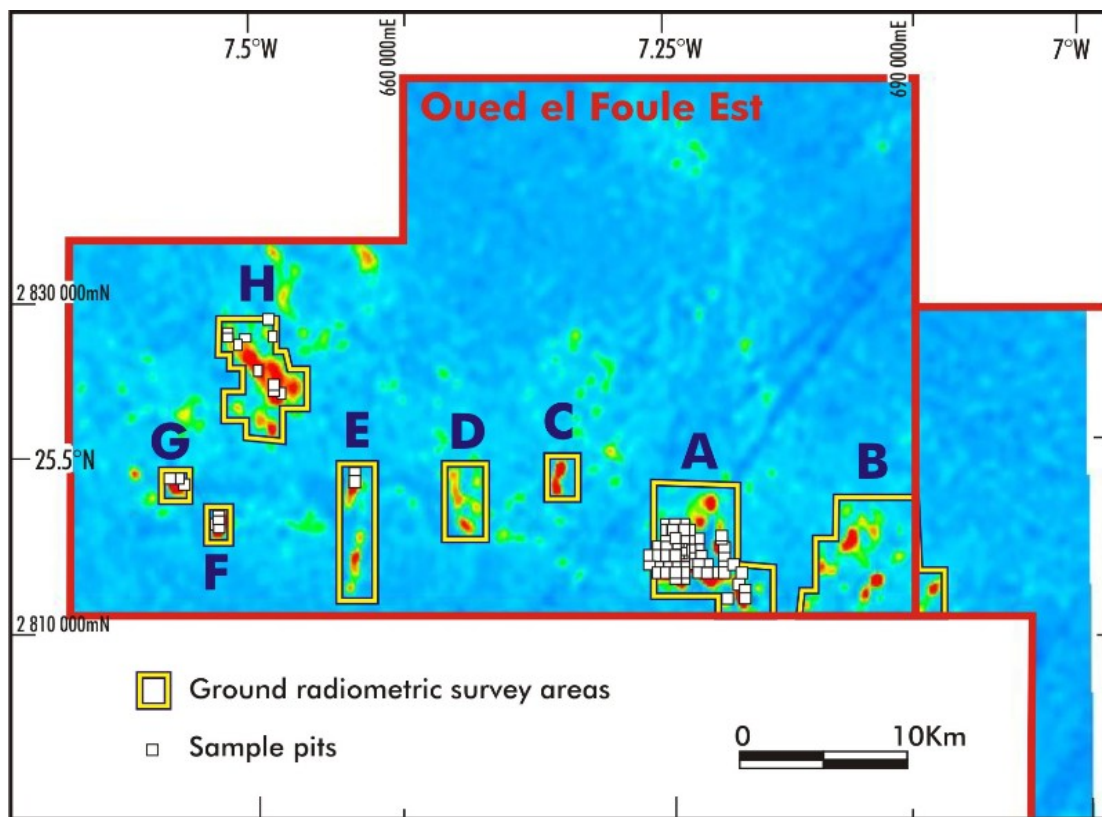
Map showing the Aura-GCM Joint Venture Projects in Mauritania

In total, 19 of the pits contained elevated uranium values ranging from 119 ppm U_3O_8 to 2217 ppm U_3O_8 , with wall samples of these pits averaging 535 ppm U_3O_8 .

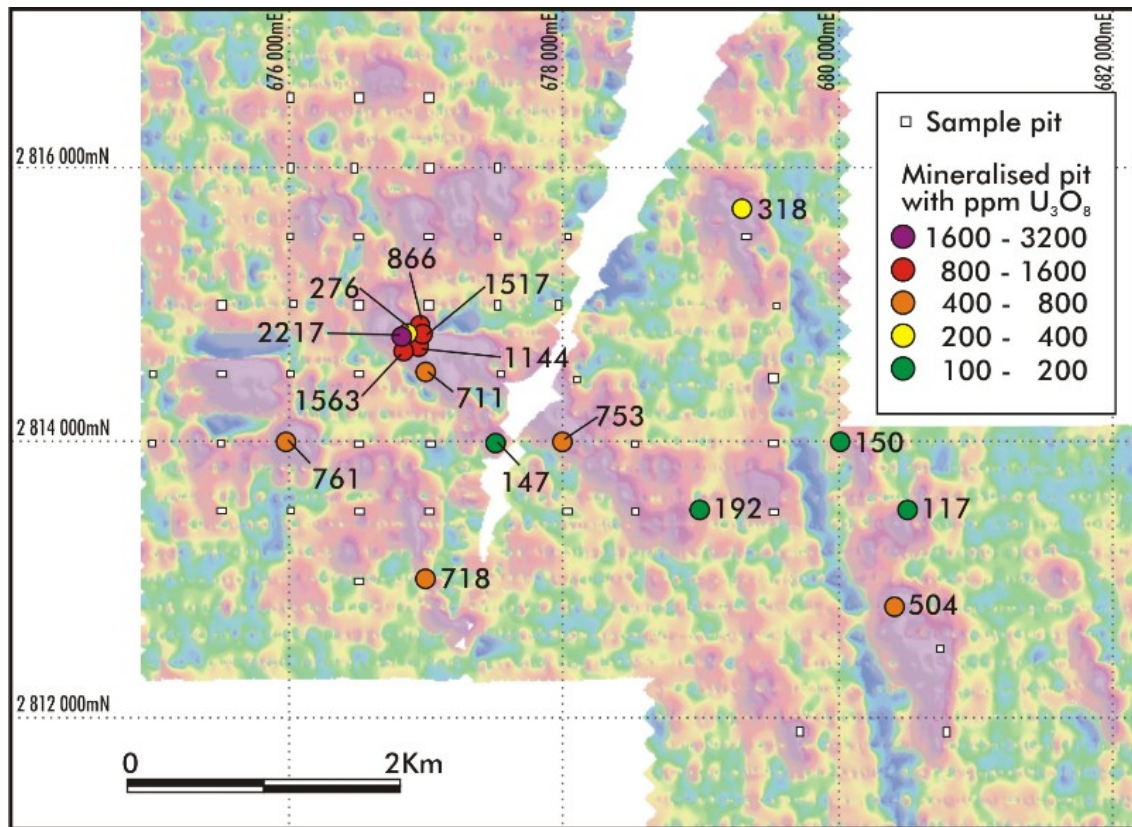
Within an area where the majority of the sampling was completed, one strong radiometric zone approx 3.0 km in length with width varying between 100 to 500m, returned evidence of uranium mineralisation in 10 of 15 pits. These 10 pits averaged 810 ppm U_3O_8 in pit walls and 780 ppm U_3O_8 from pit floor samples.

Peak wall sample was 1700 ppm U_3O_8 and peak floor sample was 2217 ppm U_3O_8 . The uranium mineralisation occurs within weathered lower Proterozoic granites and is commonly associated with calcrete.

Aura and GCM jointly hold 2 other granted permits in northern Mauritania, and on both located similar strong uranium mineralisation during reconnaissance in 2008. Follow-up to test the extent of the mineralisation on the other 2 licences remains to be carried out.



Oued el Foule Exploration Permit showing location of December ground geophysical surveys and sample pits. Background image is uranium-channel radiometrics from airborne survey



Survey Area A showing sample pits and mineralised pits (greater than 120 ppm U_3O_8). Background image is total count radiometrics from ground surveying.

The programme at Requibat will:

1. determine continuity and grade of uranium mineralisation within selected mineralised zones defined by the December 08 programme by shallow drilling (to approximately 5m depth) on patterns ranging from 200m x 100m to 200m x 200m.
2. determine continuity and grade of uranium mineralisation within other strong radiometric zones known to contain near surface uranium mineralisation.

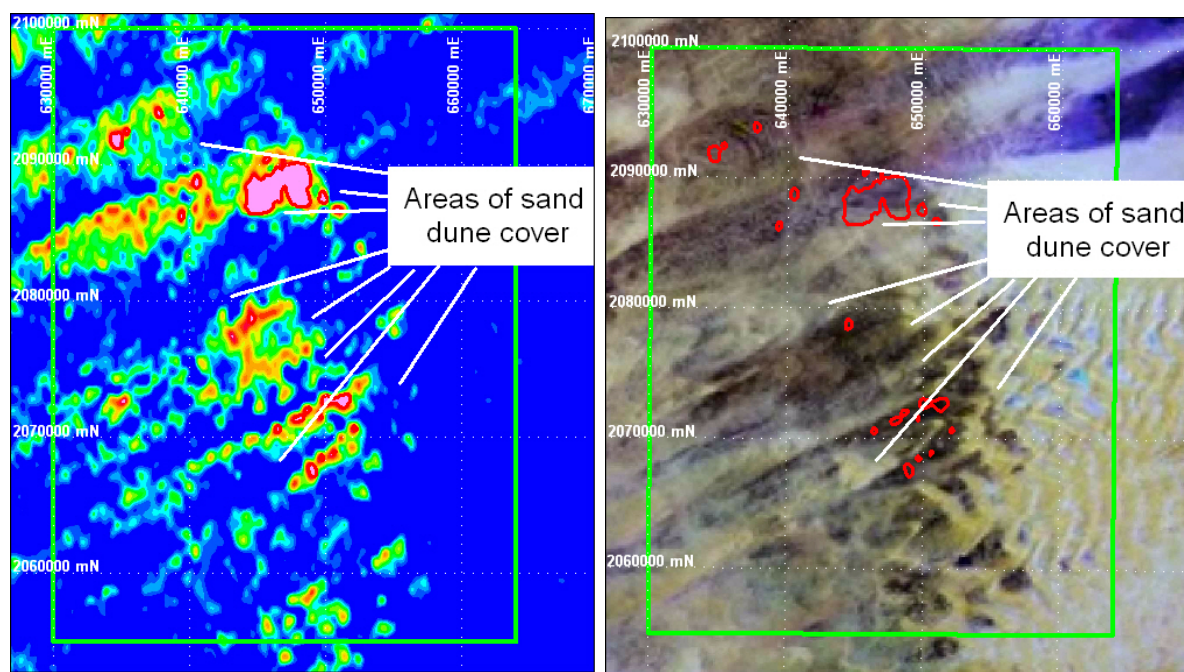
Fai Permit Programme

Aura was awarded the Fai Est Exploration Permit in central Mauritania earlier in 2009. The Joint Venture had made application for the permit because it contains one of the largest and strongest radiometric anomalies in Mauritania. The permit covers approximately 1500 square kilometres, and is situated 250 kilometres east of the capital Nouakchott.

The preliminary fieldwork in the permit has indicated the presence of laterally extensive uraniferous gravels at the position of the radiometric anomaly. Only the main radiometric anomaly has been visited to date.

Aura has completed three reconnaissance visits to the area. This preliminary fieldwork in the permit has indicated the presence of laterally extensive uraniferous gravels at the position of the radiometric anomaly. Only the main radiometric anomaly in the permit has been visited to date.

Three pits which have been dug within the anomaly contain gravels to depths between 0.80 and 1.05 metres. The average uranium oxide content of seven sub-surface samples of gravel taken from these three pits is 137ppm U_3O_8 . The uranium-bearing gravels overlie calcrete.



Airborne radiometric and satellite views of the Fai Permit, Mauritania, indicating the positions of the strong radiometric anomalies

The main radiometric anomaly is 17 square kilometres in size. However, the anomaly is bounded by sand dune fields, which mask radiometric response, on its western, southern and eastern margins. The uranium-bearing gravels are therefore anticipated to be much more extensive than the area without sand cover.

Radiometric anomalies occur in the Fai Est Permit scattered over an area 30 kilometres in length (north-south) and up to 12 kilometres in width. The uranium-bearing gravels will not extend completely throughout this larger area, but it is considered that they will be more extensive than known in the main outcropping area.

At present the bedrock source of the uranium is not known. The region is part of the Pan-African Orogenic Belts that occur throughout Africa, including the uranium province of Namibia.

This gives the potential for a large, moderate grade deposit of uranium at surface. The loose gravels will readily be minable using scrapers. The friable, porous nature of the gravels may lend this material to being amenable to heap leach technology.

Two similar grade deposits in Namibia are currently being trialled for heap leach processing:

- Areva's Trekkopje deposit, Namibia: 552 Mt @ 127ppm U_3O_8 , containing 156 million pounds U_3O_8
- Forsys Valencia Project, Namibia: 279Mt @ 107ppm U_3O_8 containing 66 million pounds U_3O_8

The Joint Venture has also applied for further areas to the west with similar uraniferous gravels.

The programme will include systematic drilling on an 800 by 400 metres grid within the radiometric anomaly and under the adjacent sand cover. This will indicate the extent of the system, and whether the grades and thickness found in the reconnaissance programmes is typical of the system. The work may provide sufficient information to determine an inferred resource compliant with the JORC code, but this depends on the continuity of the mineralisation.

The programme will also include preliminary metallurgical testwork to evaluate the possibility that the gravels will be amenable to heap leach extraction.

Mauritania has a developed mining industry, a government keen to attract foreign investment, and extensive geological, geophysical and geochemical databases.

SWEDEN – HIGH GRADE URANIUM PROJECTS

Aura holds a number of high grade uranium projects in Sweden in addition to Timansberg.

Virka

The Virka Project lies 45kms south east of the +10M lb Pleutajokk Uranium Deposit in northern Sweden. 20 holes drilled between 1980 and 1982 by the Swedish Geological Survey 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.

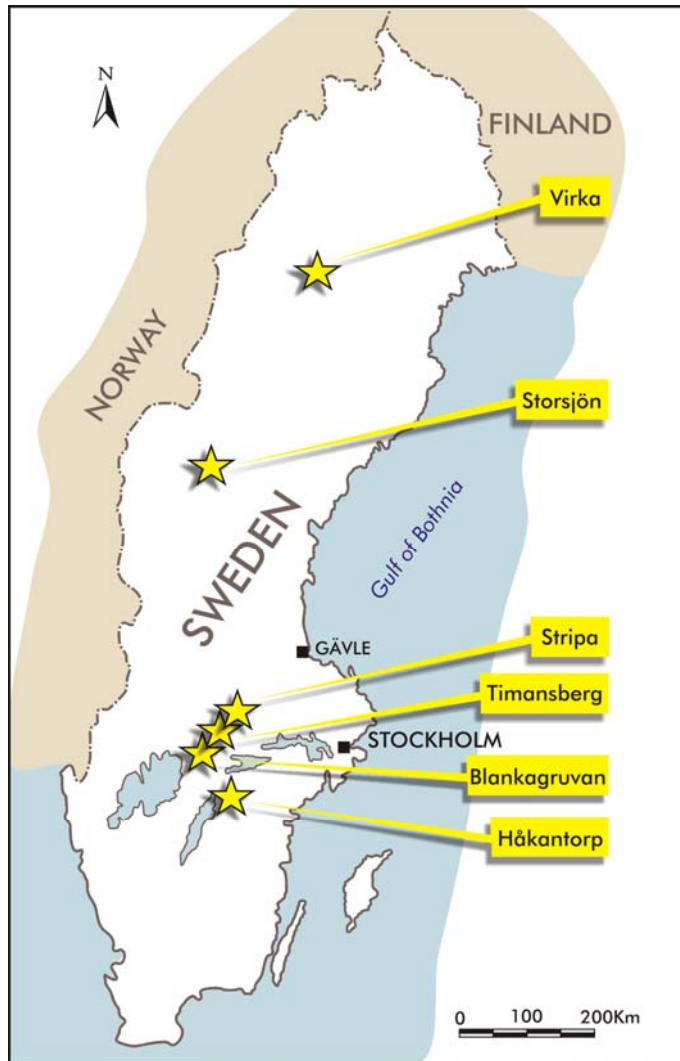
Hakantorp

Aura holds five exploration permits in the area east of the town of Askersund in south-central Sweden. The Hakantorp Prospect occurs in an iron formation that was mined for its iron in historic times. It was investigated in some detail by the Sweden Atomic Energy Agency in the 1950s.

Aura's is interested in both the several uranium in ironstone occurrences, and the uraniumiferous granites and volcanics that host the iron formations.

Stripa

Uranium was discovered in the Stripa iron ore mine in the 1950s. Mapping at that time identified "a few hundreds of tonnes" of uranium mineralisation at grades between 0.2 and 1.0% U_3O_8 . There has been no reported exploration for uranium at the site since 1960.



Location of the Uranium Projects, Sweden

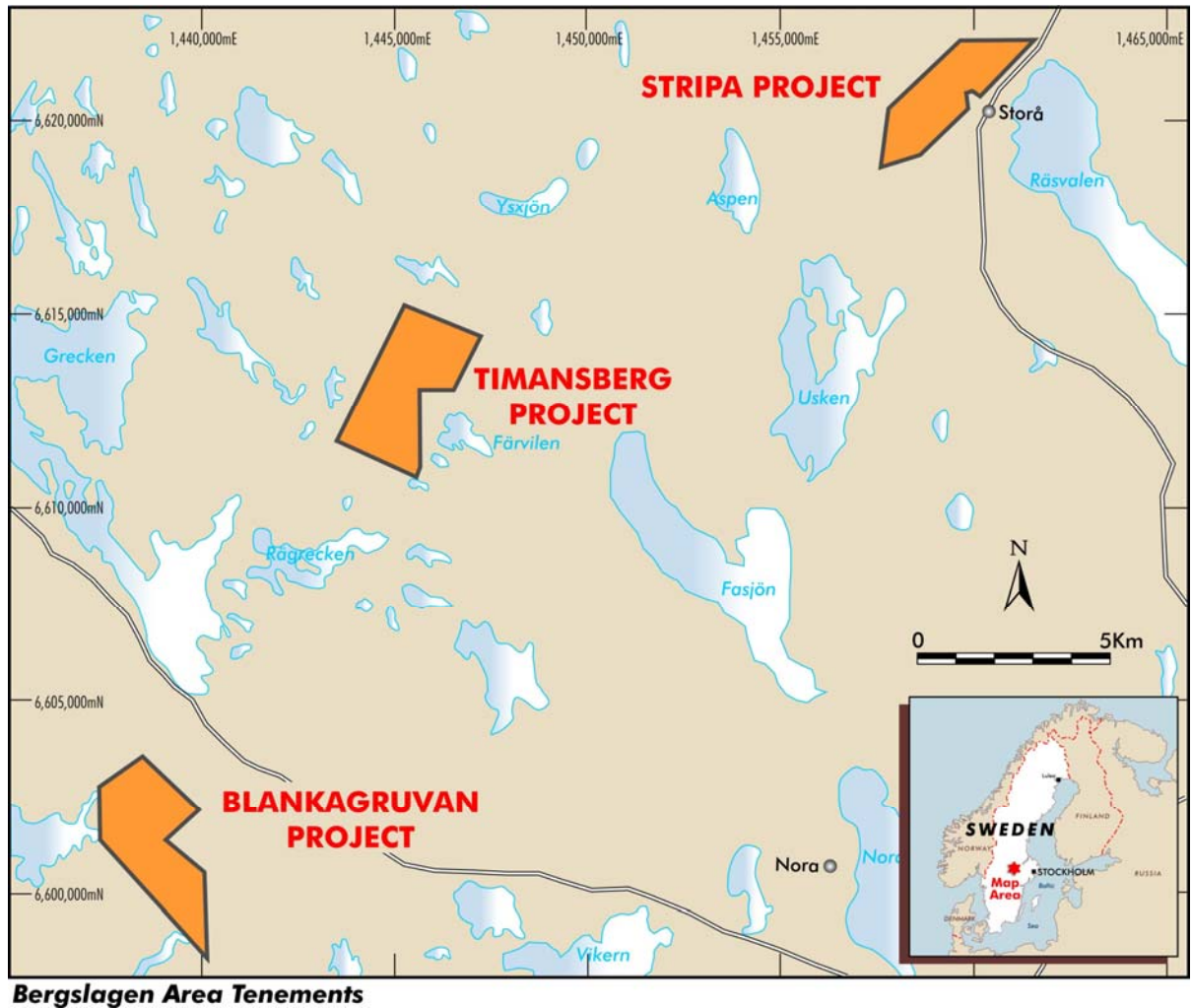
Mineralisation occurs in ironstone bodies which can be delineated using magnetics surveys. Potential exists for additional zones along and across strike

Blankagruvan

High grade iron ore bearing uranium mineralisation occurs in the Blankagruvan area close to the Timansberg Project. A sample collected by the Swedish Geological Survey (SGU) in the 1970s contained 2.97% U_3O_8 .

Aura sampling has reported grades up to 2.83% U_3O_8 from sampling of waste dumps at the mines. The SGU sample also contained 0.46% yttrium, 1320ppm Mo and 596ppm tungsten, and the mineralisation type may therefore be similar to Timansberg.

The uranium mineralisation occurs in a zone of iron ore workings which extends for at least 500 metres along strike



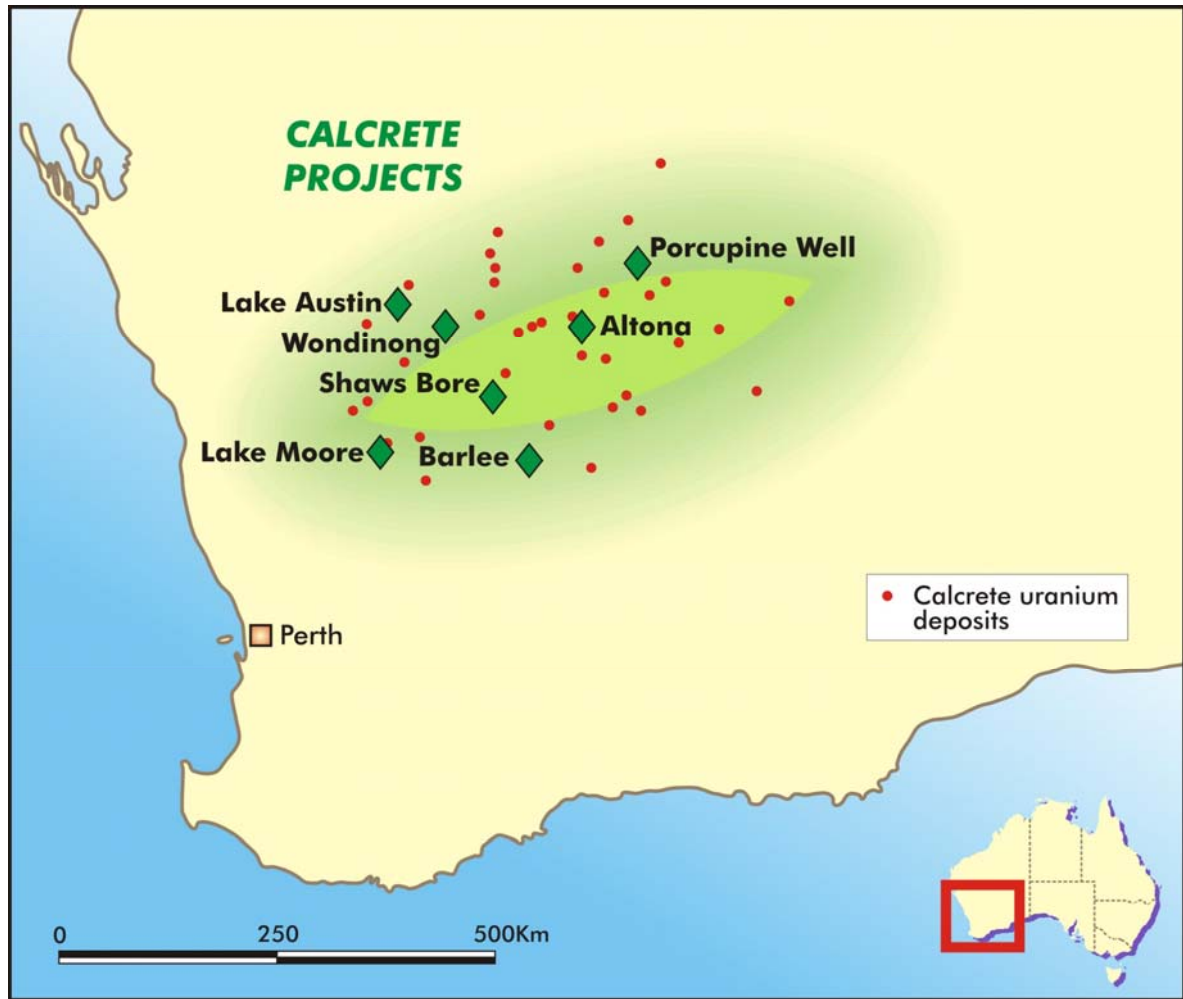
WESTERN AUSTRALIA CALCRETE PROJECTS

The change of government at the 2008 State Election in Western Australia has renewed Aura's interest in its portfolio of advanced calcrete uranium projects in the state. Aura announced an inferred resource compliant with the JORC Code for its Wondinong Project earlier in 2008.

The main features of the Wondinong deposit are:

- An Inferred Resource 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
- Further potential to increase the resource in the untested extensions of the deposit to the south and west

Wondinong is one of several calcrete projects in Western Australia held by Aura. The company is examining synergies with other deposit owners in the district with regard to progressing these projects.



New exploration at Porcupine Well demonstrates that the system is more extensive than the findings of the first reconnaissance programme indicated. This prospect is situated midway between the Lake Way/Centipede deposits (Toro Energy – 23.9 million pounds U_3O_8) and Lake Maitland (Mega Uranium - 23.7 million pounds U_3O_8). In addition Liberty Resources Ltd has recently identified a new zone of calcrete uranium mineralisation that is only a few kilometres from the Porcupine Well discovery.

Detailed groundwork located a radiometric anomaly close to the western boundary of the Aura tenement. Six shallow auger holes tested the anomaly to a maximum depth of 3 metres. All holes contained uranium, with values in the range 29 to 233ppm U_3O_8 .

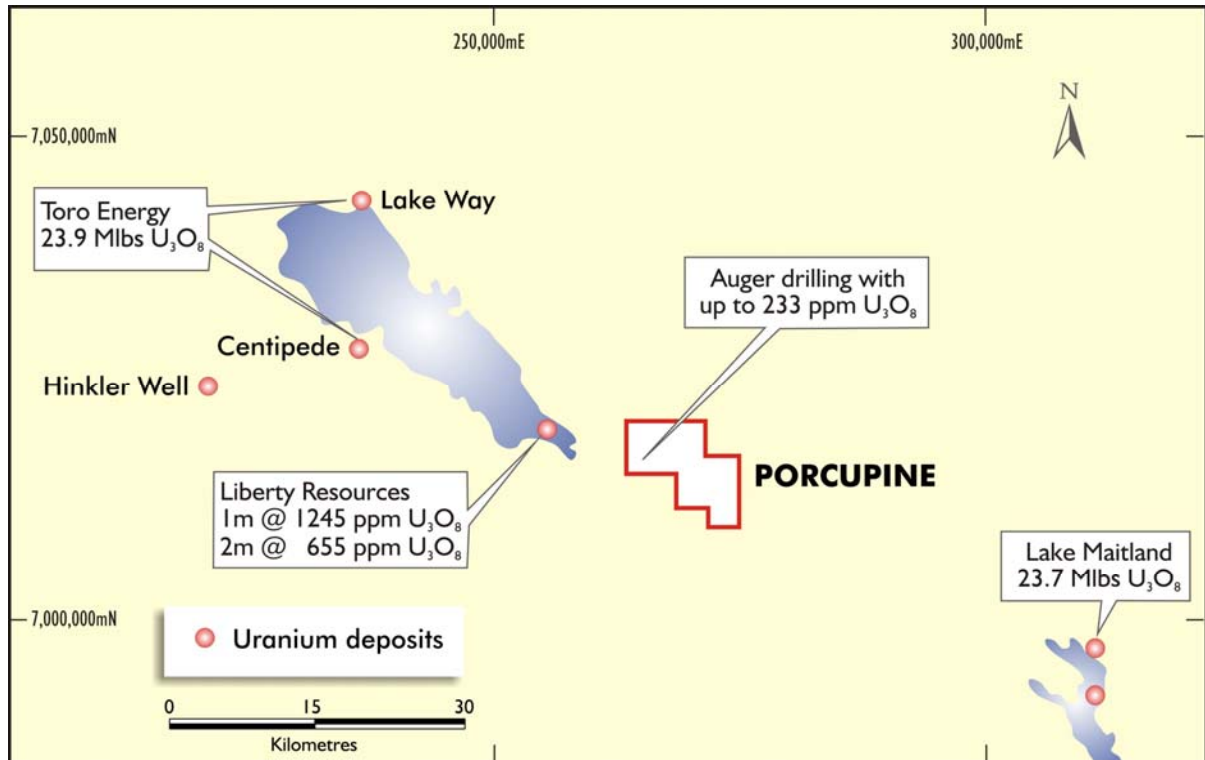


Figure 1: Locality map showing Porcupine in relation to Lake Way and Lake Maitland deposits.

The initial results from Porcupine Well indicated that:

- Anomalous uranium values occur throughout the area tested
- All samples testing below 1.5 metres contain values above 67ppm U_3O_8
- All holes end in mineralisation
- The highest value of 233ppm U_3O_8 , at 1-2 metres depth in PA05, is the southernmost hole drilled
- PA05 is on the southern margin of the surface radiometric anomaly

The new exploration in the Project Area suggests that similar mineralisation to that drilled extends to the south and east. The area covered by Kopi dunes masks the radiometric response, but may also be underlain by mineralisation.

Aura plans to drill the Porcupine Prospect in 2009.

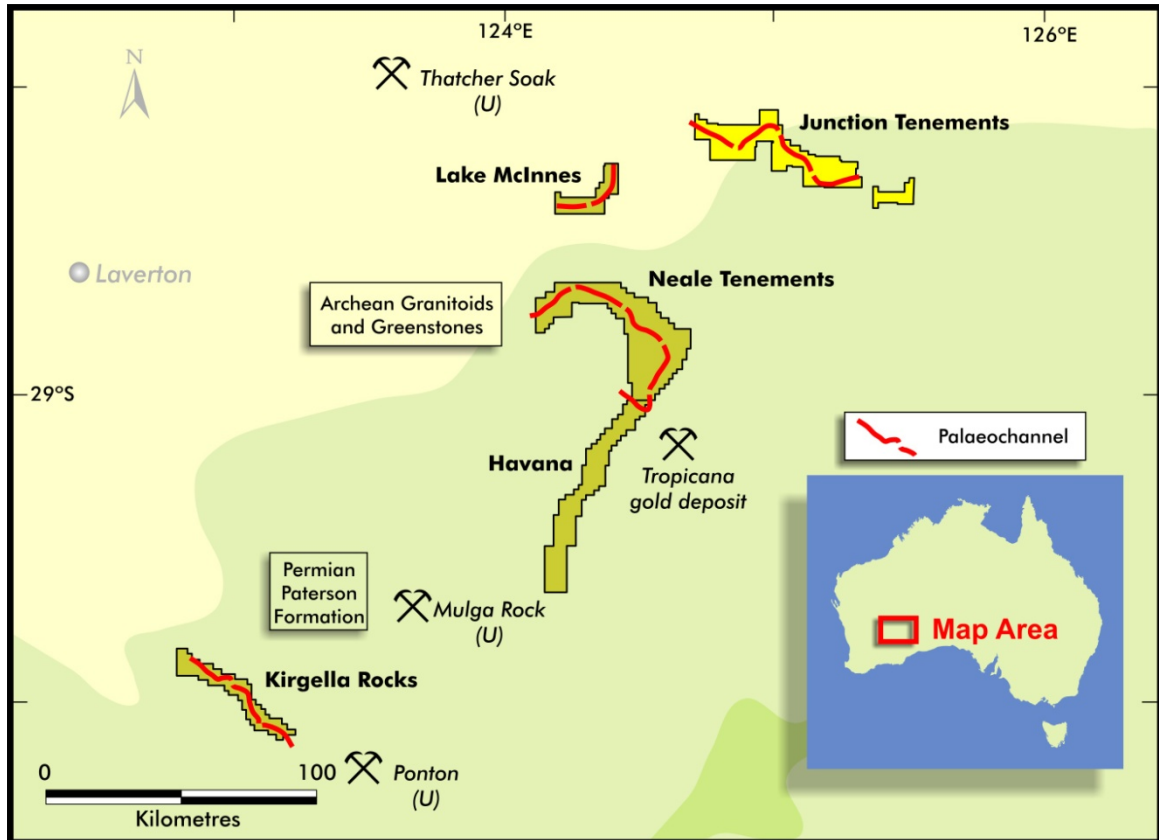
WESTERN AUSTRALIA - GUNBARREL BASIN JOINT VENTURE

During the quarter Canadian uranium explorer Mega Uranium Ltd subsidiary Mega Redport Pty Ltd approved the funding of a program of aircore drilling for approximately 2000m metres in the Junction project area of the Gunbarrel Basin Joint Venture (GBJV). The joint venture programme is managed by Aura.

The Junction palaeochannel aircore drilling program was one of 35 drill programs out of some 160 submissions to receive W.A Department of Mines and Petroleum Exploration Incentive Scheme support. The Aura/Mega GBJV was pleased that its uranium palaeochannel exploration programme in the region had 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 were to be preferentially funded.

Co funding by the WA Dept of Mines and Petroleum will add up to a further \$30,000 to the direct drilling component of the drill program and has enabled broader and more comprehensive testing of the palaeochannel than would have been possible with the originally approved budget.

Drilling commenced as planned on 16th July and was concluded as this report was written with some 30 holes drilled for a total of 2224.5m. Processed downhole survey data and sample analytical results are awaited.

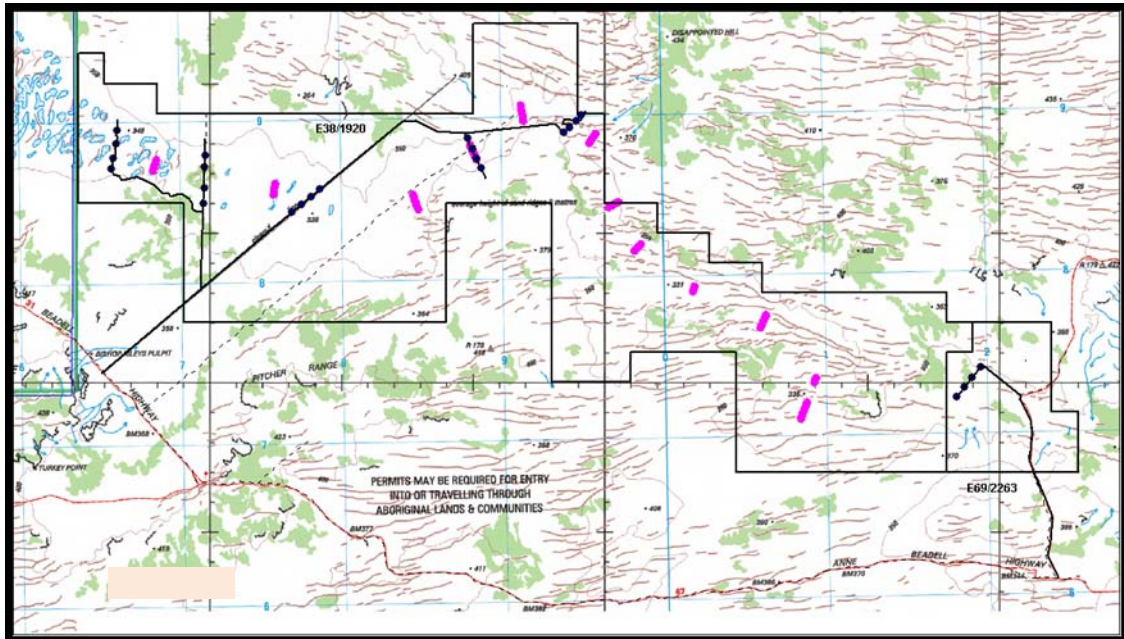


Plan showing Aura / Mega Gunbarrel Basin Joint Venture tenements, palaeochannels and Uranium deposits

The drill programme was designed to test the prospective Junction palaeochannel. This prospectivity is based on both 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 resources compliant with the JORC code.

The position of the palaeochannel was delineated using airborne electromagnetics during 2007.

Aura's Gunbarrel Basin exploration is a joint venture with Mega Uranium Ltd (TSX CODE: MGA) whereby Mega can spend \$3 million to earn 50% in Aura's tenements. Aura's extensive landholding in the Gunbarrel Basin, totalling approximately 2760 km², covers major portions of three of the four main palaeochannels in the region.



Plan showing location of the 24 planned drillholes (blue dots) relative to EM defined palaeochannel (pink).



Drilling of the junction palaeochannel, July 2009

WESTERN AUSTRALIA - KIMBERLEYS

Aura is in consultation with parties interested in a joint venture on its Kimberley unconformity uranium targets.