

**ASX ANNOUNCEMENT**  
**7 AUGUST 2007**



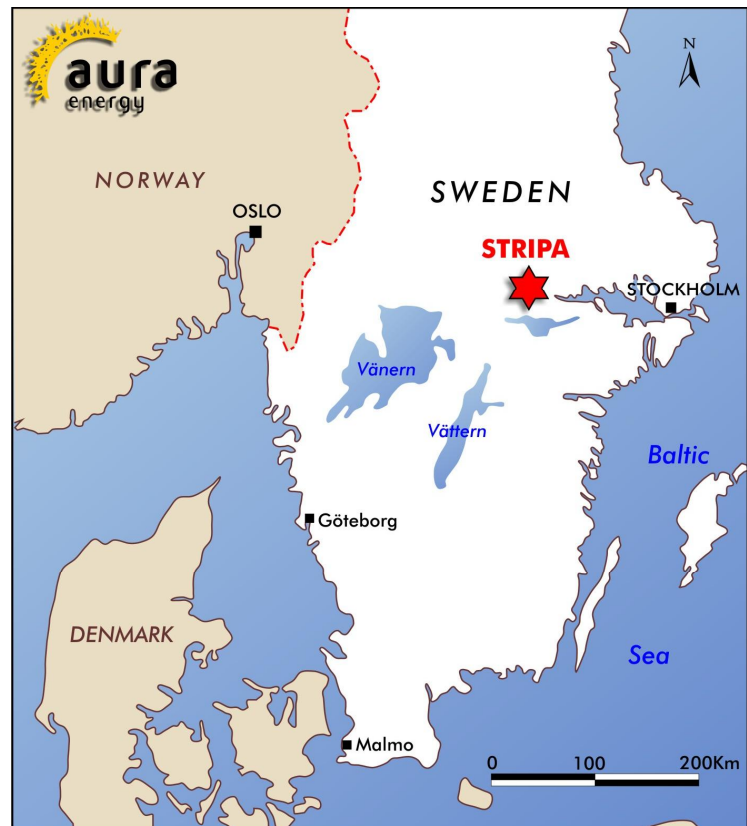
**AURA ENERGY IS GRANTED AN EXPLORATION LICENCE COVERING  
THE STRIPA IRON-URANIUM MINE IN SWEDEN**

**Stripa Project tenement granted**

Aura Energy Ltd (ASX Code: AEE) is pleased to announce that the Swedish Mines Inspectorate has granted its application for an exploration licence covering the Stripa iron ore - uranium deposit.

The key factors of the project are:

- 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<sub>3</sub>O<sub>8</sub>
- There has been no reported exploration for uranium at the site since 1960
- No drilling was carried out during the previous uranium exploration
- Potential exists for additional zones along and across strike
- Mineralisation occurs in ironstone bodies which can be delineated using magnetics surveys

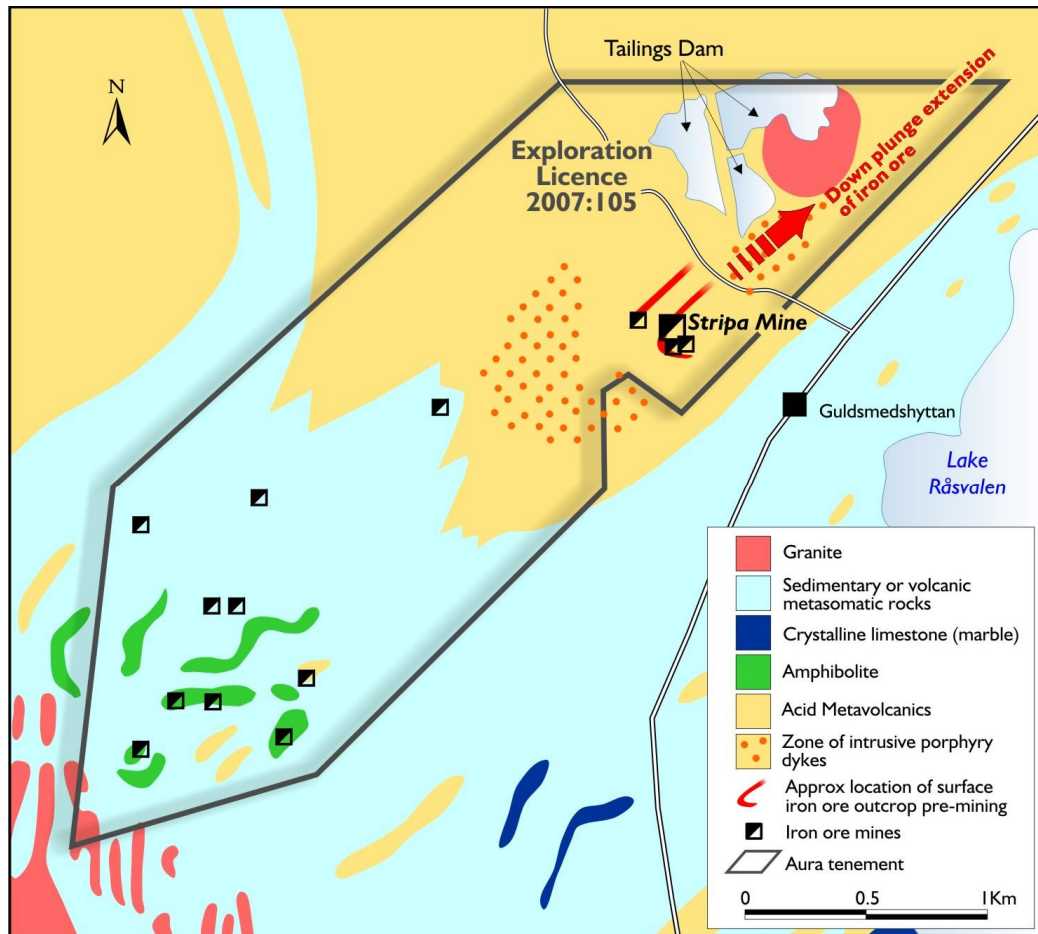


Sweden : Location Stripa area

Aura is developing a significant portfolio of uranium tenements in Sweden. The company has previously announced its applications for exploration licences covering extensive developments of the uranium-bearing Alum Shale, considered to be Europe's largest uranium province.

Aura has been granted an exploration licence centred on the historic Stripa iron ore mine in the Bergslagen Province of central Sweden, approximately 180 kilometres west of Stockholm. The Stripa mine contains high grade uranium mineralisation associated with the iron ores.

Stripa was an important iron ore mine in the Bergslagen Province, and produced both magnetite and hematite ore. Iron ore mining in the area closed down in the 1970s.



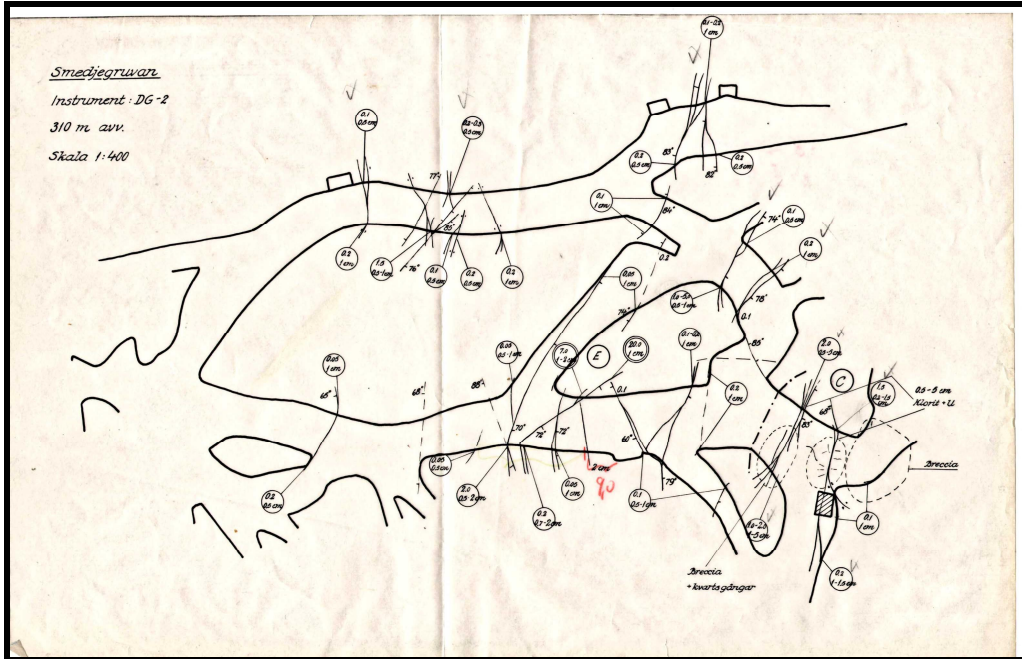
**Sweden : Stripa Mine tenement area**

The presence of uranium mineralisation as veins within the mine containing the uranium mineral pitchblende has been known since 1956. A preliminary evaluation of the nature of the mineralisation was carried out in the late 1950s. This work comprised mapping and sampling within the areas of the mine being worked at that time, namely between the 200 and 410 metre levels. The distribution of uranium above these levels was not investigated at that time.



### **Stripa Mine Infrastructure With Shaft Headframe In The Centre**

The work completed in the 1950s indicated that several hundreds of tonnes of uranium were present within the area of mine workings, at average grades of between 0.2 and 1.0%. This work indicated that the uranium mineralisation was best developed between the 200m and 370m depth levels within the mine.



**Plan of 310m Level Underground Workings Showing Uranium Bearing Veins**

The primary uranium minerals at the mine are pitchblende, uraninite and thucolite. Pitchblende is the most common mineral, and is dark in colour, sometimes with a greenish tinge.



**Selection of uranium ore types from waste dumps averaging 0.30% U<sub>3</sub>O<sub>8</sub>**

The uranium minerals occur in veins, commonly with chlorite and calcite. The veins are largely restricted to the iron ores, although, on the 260 metre level, veins do occur in the host metavolcanic rocks. The vein orientation is normal to the strike of the host rock. Vein dips are generally steep. Individual veins vary in width up to 8 centimetres.

Significantly the Stripa post orogenic granite stock which occurs 1km to the north east of the mine is relatively uraniferous, having been reported to contain up to 50ppm U.

### **Aura's exploration programme**

Aura considers that there is a significant opportunity to define additional uranium mineralisation at similar grades in those parts of the mine not available to the previous investigators, and in the adjacent areas were not explored previously.

No systematic exploration such as drilling was carried out during the original evaluation of the uranium at Stripa, and none appears to have been conducted since.

Aura has commenced work at Stripa with field reconnaissance, sampling and a review of past exploration. An assay of radiometrically anomalous rock samples collected from the waste dumps at Stripa contained 0.30% U<sub>3</sub>O<sub>8</sub>.

Aura continues to seek the more detailed records of the past uranium exploration.

### **The Stripa underground testing facility**

From the late 70s to the early 90s Stripa was used as an underground testing facility to evaluate nuclear waste disposal methods. No waste was stored in the area, but numerous important underground tests and experiments were carried out within the framework of an international project. The underground rock laboratory was situated in tunnels and cavities driven into unmined parts of the Stripa granite from levels 360 m and 410 m depth in the abandoned iron mine. This research was financed jointly by institutions in Canada, Finland, France, Japan, Spain, Sweden, Switzerland, United Kingdom and United States.

### **The Stripa area**

Some historic buildings at the site are protected because of their heritage values. The exploration programmes that will be implemented by Aura in the area are being designed with these sensitive areas in mind.

### **The Swedish mining industry**

Sweden is reliant on nuclear power, with ten nuclear reactors that provide approximately 50% of the country's electricity. Importantly for uranium exploration groups such as Aura Energy, the country has a very large uranium resource base, comprising approximately 15% of the world's known resources.

Sweden is a mining nation, with a long history and tradition of mining. Its copper industry made the country wealthy in previous centuries, and there is an active interest in further developing mining in the country.

- Sweden has very low political risk with few impediments to the exploration and development process;

- There is security of tenure
- A major revision of Swedish mining law in 1992 allowed 100% ownership by foreign companies for the first time
  - Consequently modern company exploration has been restricted
- Taxation incentives exist for project development from local and regional governments to promote employment;
- The corporate tax rate at 28%
- The infrastructure in Sweden is exceptional; it has a widespread road and rail network, and power from hydroelectricity and nuclear
- There is abundant fresh water
- A highly skilled workforce

**ENDS**

For further information contact:

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<b>Corporate Information</b>	
<b>Directors</b>	
B Fraser	Non-Executive Chairman
Dr B Beeson	Managing Director
S O'Loughlin	Non-Executive Director
J Stephenson	Non- Executive Director & Company Secretary
<b>Issued Capital</b>	
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.*