

ASX ANNOUNCEMENT

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WIDESPREAD URANIUM MINERALISATION AT WONDINONG CONFIRMED BY ASSAYS

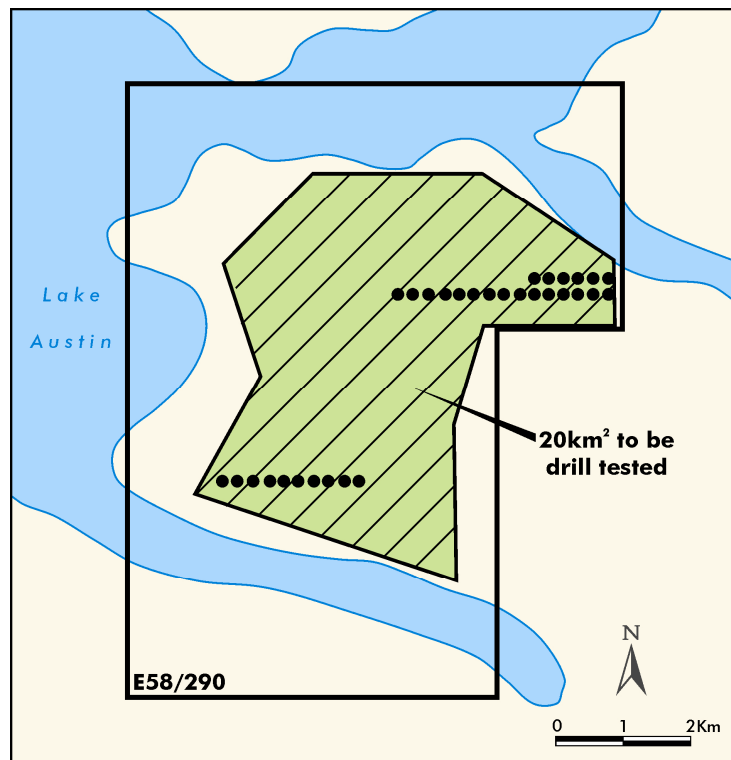
Highlights

- Assays confirm the widespread nature of the mineralisation, with 14 of the 31 holes completed having intersections of greater than 200ppm U_3O_8 (range 213 to 518ppm), over intersection thicknesses of 0.5 to 1.5 metres
- Assay results also indicate the potential for higher grades at Wondinong, with a maximum value of 815ppm U_3O_8 over 0.5 metre
- 91% of the prospective area of 20 square kilometres remains to be drilled
- Drilling is to recommence within a week

Aura Energy Ltd. (Aura) has previously reported on the presence of widespread uranium mineralisation at its Wondinong Project, based on downhole radiometric logging. These initial results have been confirmed by assays.

Aura commenced air core drilling at its Wondinong uranium deposit near Mt Magnet, Western Australia, in early September. Unseasonable rains forced the drill rig off-site after drilling 31 holes, when 9% of the planned 350 hole programme was completed.

The drilling programme at Wondinong is testing the main prospective area at Wondinong, which is approximately 20 square kilometres in size. WMC partly tested this area in the 1970s with 1500 metre by 250 metre spaced drilling, and defined a pre-JORC resource based on this sparse drilling.



Area to be tested by drilling at the Wondinong Project, and drill holes completed to date

The Aura programme is based on 200 metre by 200 metre and 400 metre by 200 metre spaced drilling.

Aura has now received assay results from the 31 holes drilled in September. The sample assay interval is 0.5 metre.

| HOLE ID | EASTING | NORTHING | FROM (m) | THICKNESS (m) | URANIUM (ppm) |
|---------|---------|----------|-------------|------------------|------------------|
| WAC 01 | 627800 | 6922000 | 1.0 | 1.0 | 203 |
| WAC 02 | 627600 | 6922000 | 1.0 | 0.5 | 260 |
| WAC 05 | 627000 | 6922000 | 0.5 | 0.5 | 385 |
| WAC 06 | 626800 | 6922000 | 0.5 | 1.0 | 323 |
| | | | incl. | 0.5 | 473 |
| WAC 13 | 628800 | 6924800 | | 1.5 | 227 |
| WAC 16 | 629400 | 6924800 | 0.5 | 1.0 | 212 |
| WAC 21 | 630400 | 6924800 | 0.5 | 1.0 | 228 |
| WAC 23 | 630800 | 6924800 | 0.5 | 1.5 | 264 |
| | | | incl. | 0.5 | 408 |
| WAC 25 | 631000 | 6924800 | 3.0 | 0.5 | 208 |
| WAC 26 | 631200 | 6925000 | 0.5 | 1.5 | 219 |
| | | | incl. | 0.5 | 392 |
| WAC 27 | 631000 | 6925000 | 0.5 | 1.0 | 528 |
| | | | incl. | 0.5 | 815 |
| WAC 28 | 630800 | 6925000 | 2.0 | 0.5 | 244 |
| WAC 29B | 630600 | 6925000 | 3.0 | 0.5 | 242 |
| WAC 30 | 630400 | 6925000 | 1.0 | 0.5 | 217 |

Details of the U₃O₈ thickness and assay results for the drill holes that contain uranium intersections of greater than 200ppm uranium over 0.5m or more

14 of the 31 drill holes (45%) completed to date contain uranium levels above 200ppm uranium. Thicknesses of the intersections range from 0.5 – 1.5 metres.

Of particular interest is the assay of 815ppm uranium over 0.5m in drill hole WAC27. This is the highest uranium value obtained in any exploration to date at Wondinong.

Given that only 83 drill holes have received downhole logging at Wondinong in the prospective area of 20 square kilometres, and only the Aura holes have been assayed, Aura considers that there is significant potential for identifying further areas of such higher grades.

Aura has used 200ppm uranium to indicate the presence of mineralisation as values of this level are typically used for calcrete uranium deposits. Such deposits can be defined by cut off grades such as 200ppm U₃O₈ because of their low mining costs and ease of uranium concentration.

Published operating costs for potential calcrete projects in Namibia and Western Australia vary between US\$14.18 to US\$21.00/lb uranium. Examples of cut-of grades for these projects include 100ppm U₃O₈ for Trekkopje in Namibia and Lake

Maitland in Western Australia, 250ppm U₃O₈ for Langer Heinrich in Namibia, and 300ppm for Lake Way in Western Australia.

The majority of the uranium mineralisation defined at Wondinong to date commences approximately 50 centimetres below the surface, and is flat-lying, making the mineralisation amenable to very low cost mining.

These U₃O₈ grades can be equated with near surface oxide gold deposits as found in Western Australia. A grade of 300ppm U₃O₈ is the equivalent of 0.86 g/t Au at a uranium price of US\$25.00/lb, 1.71 g/t Au at US\$50.00/lb, and 2.57 g/t Au at US\$75.00/lb. The current uranium price is approximately US\$62/lb.

The initial drilling results at Wondinong, given that 91% of the prospective area, or 18 square kilometres, remains to be tested, are considered by Aura to be very encouraging. It is Aura's intention to quantify the uranium resource at Wondinong to a JORC-compliant inferred resource status, either by this programme or in a subsequent, more detailed programme.

ENDS

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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.