



**Aura Energy** (ASX: AEE) is a metal 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 continues to be very active, with drilling on all three continents in 2008.

Aura is a major landholder 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's near-term strategy is to develop an inferred resource of one billion tonnes of material grading 160ppm or higher, excluding other metal credits, in this region.

Aura's management team and staff are highly experienced in uranium exploration, including involvement in a number of historical discoveries.

#### **Häggån Drill Results**

- The average thickness of uranium-bearing shale in the first 17 holes on the Häggån Licence is 116m
- Hole DDHG001 included an intersection of 66m at 208ppm U<sub>3</sub>O<sub>8</sub>, 0.34% V<sub>2</sub>O<sub>5</sub>, 436ppm MoO<sub>3</sub> from 58m
- Hole DDHG010 contains an intersection of 128m of mineralised shale averaging 155ppm U<sub>3</sub>O<sub>8</sub> from 82m, including 22m of 209ppm U<sub>3</sub>O<sub>8</sub> from 130m
- Hole DDHG016 contains an intersection of 70m of mineralised shale averaging 175ppm U<sub>3</sub>O<sub>8</sub> from 70m, including 42m of 201ppm U<sub>3</sub>O<sub>8</sub> from 78m

## **HIGHLIGHTS**

### **Sweden - Alum Shale Projects**

- Aura Energy ("Aura") has entered a project funding and sale option ("Agreement") for the Company's Storsjön Project in Sweden
- The project funding is to enable the Alum Shale Projects to achieve a resource status compliant with the JORC code of one billion tonnes of Alum Shale
- The Agreement is with Sino King Enterprise Investment Ltd ("Sino King") to fund A\$15M of exploration
- Upon the establishment of a resource, Sino King has a right to take an 80% interest in the Project for A\$460M
- Aura has now completed 24 diamond drill holes of up to 260m depth in its Häggån (17) and Marby (7) licences within the Storsjön Project near Östersund.
- Aura's permit is adjacent to those where Continental Precious Minerals have announced an inferred resource of 437Mlbs uranium oxide, 900Mlbs of molybdenum oxide, and 7.14Blbs vanadium oxide
- These results continue to confirm the expectation of the presence of a thick development of the shale throughout Aura's 16km<sup>2</sup> Häggån licence.

### **Western Australia Calcrete Projects**

- Ground based radiometric and geological assessment of a number of Aura's WA calcrete projects is underway

### **West Africa**

- **Mauritania** - Three uranium exploration licences, covering 3600km<sup>2</sup>, in the uranium-bearing Requibat Shield in northern Mauritania have been granted to the Aura - GCM Resources plc Alliance
  - The licences contain multiple, strongly anomalous uranium-channel radiometric zones outlined by airborne survey ranging individually in area up to 3.5km<sup>2</sup>
  - Uranium grades associated with visible uranium mineralisation in the seven shallow pits range from 158ppm to 3270ppm U
- Programmes for the systematic evaluation of these mineralised areas are anticipated to commence in the next quarter

- **Niger** - Three exploration applications have been made by the Aura - GCM Resources plc Alliance covering 1500km<sup>2</sup> in the uranium-bearing Tim Merso Basin, Niger

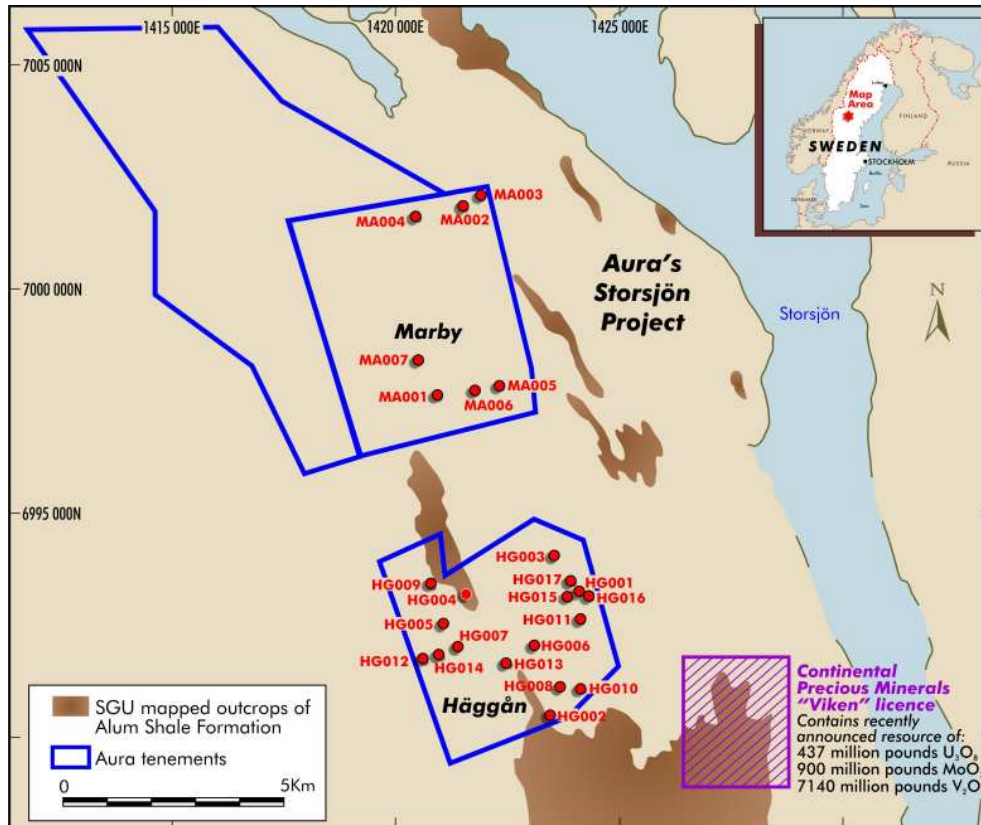


## SWEDEN – ALUM SHALE PROJECTS

Aura Energy 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 has completed a 17 hole drilling programme in the Storsjön Project during the northern summer. This second programme totalled 3835m of diamond drilling.

In addition, Aura has completed an agreement with Sino King to fund exploration, with an option to purchase up to 80% in the Project.



**Spatial Relationship of Alum Shale Reconnaissance Drilling  
Marby and Häggån Licences - Sweden  
Project funding and sale option agreement**

Aura has entered into a Heads of Agreement with Sino King, potentially worth A\$460 million, to develop the Company's Storsjön Project in central Sweden.

Under the Agreement, Sino King has the right to acquire up to 80% of the Project, which comprises seven granted exploration licences and one application covering 106km<sup>2</sup> in the proven Alum Shale uranium district.

Terms of the Agreement are as follows:

- Sino King has agreed to pay a A\$1 million non-refundable deposit within 10 days of completing final due diligence
- Sino King must solely fund exploration on the Project to a total of A\$15 million (including the previous payment of A\$1 million) to be spent within 30 months and may not withdraw from the agreement prior to spending A\$4 million within 12 months of the agreement
- The objective of the exploration programme is to define an inferred resource, compliant with the JORC code, of one billion tonnes of Alum Shale with a minimum average grade of 160ppm U<sub>3</sub>O<sub>8</sub>
- The exploration program is to be managed by Aura
- Upon completion of the sole funding period, Sino King will have earned a 20% interest in the subsidiary holding the Project
- In addition, at that time, Sino King will have the right to acquire an additional 60% interest in the Project for a cash payment of A\$460 million

- Aura will grant Sino King an option to take a 15% placement in the Company at \$0.23 per share – this option is exercisable only during the period of 90 days after Sino King has sole funded A\$4 million of expenditure on the Project
- Aura will grant Sino King a further option to take an additional 15% placement in the Company at \$0.38 per share subject to the requirements of the Corporations Act – this option is exercisable only during the period of 90 days after Sino King has acquired a 20% interest in the subsidiary, which holds the Project
- The granting of the second tranche of options is conditional upon all necessary ASX regulatory compliance and shareholder approvals
- The Agreement is subject to final due diligence, which is anticipated to be completed within one month

### Drilling Results – Häggån Exploration Permit

Aura recommenced drilling at its Häggån exploration licence at the end of June. Five holes were completed in its programme in the northern winter (DDHG001-005). A further 12 holes have been drilled at Häggån in the summer drilling season.

Aura has now received the assays of drill holes DDHG006 to 011 and DDHG013 to DDHG017.

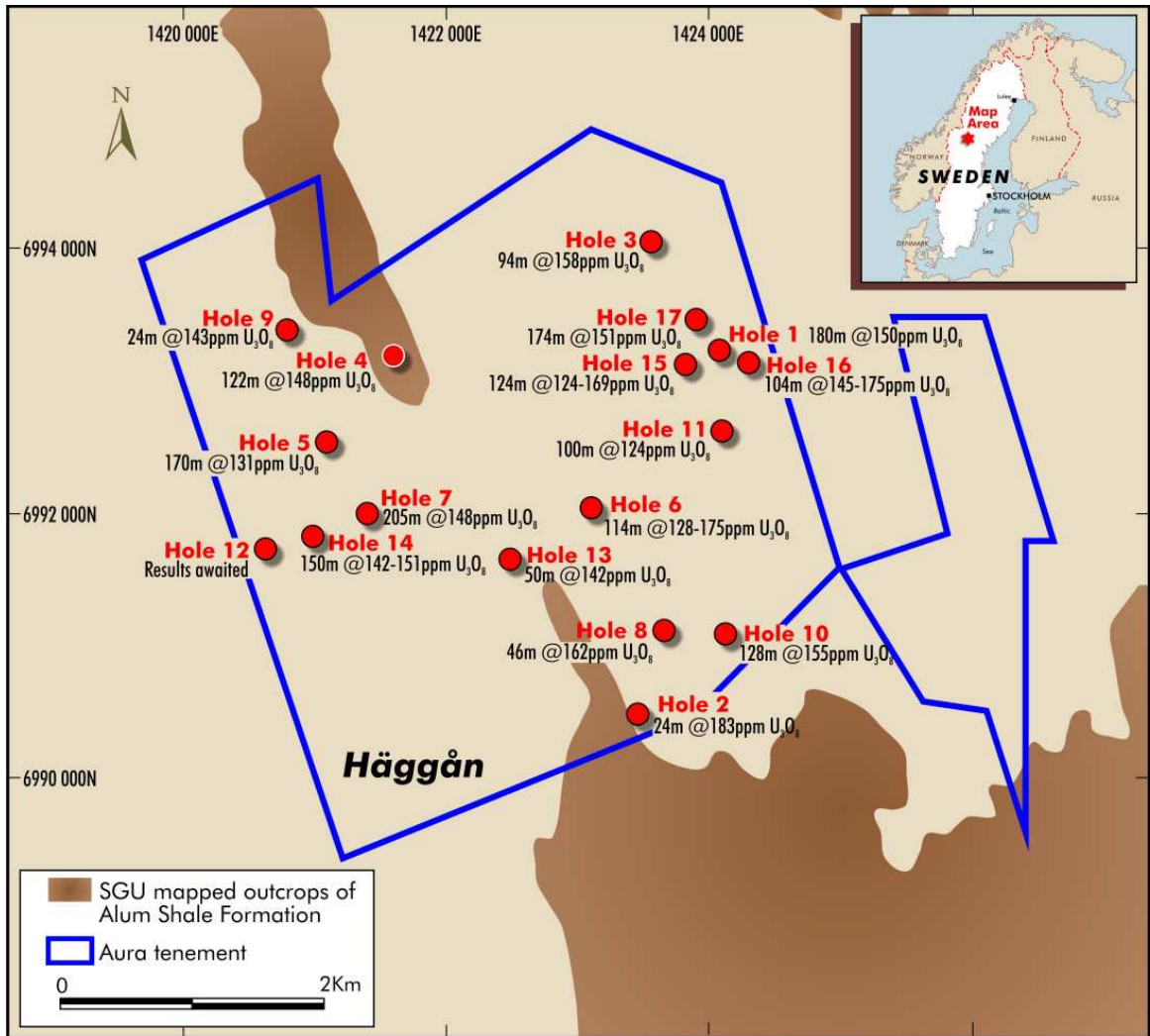
The assays for all completed drill holes are given in the table below. The assays for drill holes DDHG001-005 have been reported in the previous quarter.

Drill hole	Intersect (m)	Depth from (m)	ppm U <sub>3</sub> O <sub>8</sub>	ppm MoO <sub>3</sub>	% V <sub>2</sub> O <sub>5</sub>
DDHG001	20	22	131	281	2737
And	74	50	198	420	3380
Incl	66	58	208	436	3395
And	30	136	146	304	2032
Incl	8	138	202	452	3728
And	20	182	171	341	2250
Incl	12	188	190	384	2587
DDHG002	24.45	10	183	392	4285
Incl	22.45	12	188	410	4337
DDHG003	94	64	158	331	3240
Incl	20	64	187	411	3972
Incl	24	104	172	378	3907
DDHG004	126	42	148	303	3354
Incl	20	136	177	336	2569
and	10	176	168	284	1817
DDHG005	10	74	131	255	2204
And	48	112	148	314	3267
And	70	164	151	301	2525
Incl	32	198	171	353	3111
DDHG006	32	48	128	323	4758
And	110	88	120	255	1927
incl	16	106	211	480	3997
DDHG007	96	60	148	279	3083
Incl	10	112	197	440	4625
And	95.4	162	159	377	3638
Incl	28	176	172	376	3462
Incl	12	216	173	410	4084
Incl	10	244	190	445	3705
DDHG008	56	86	133	262	2347

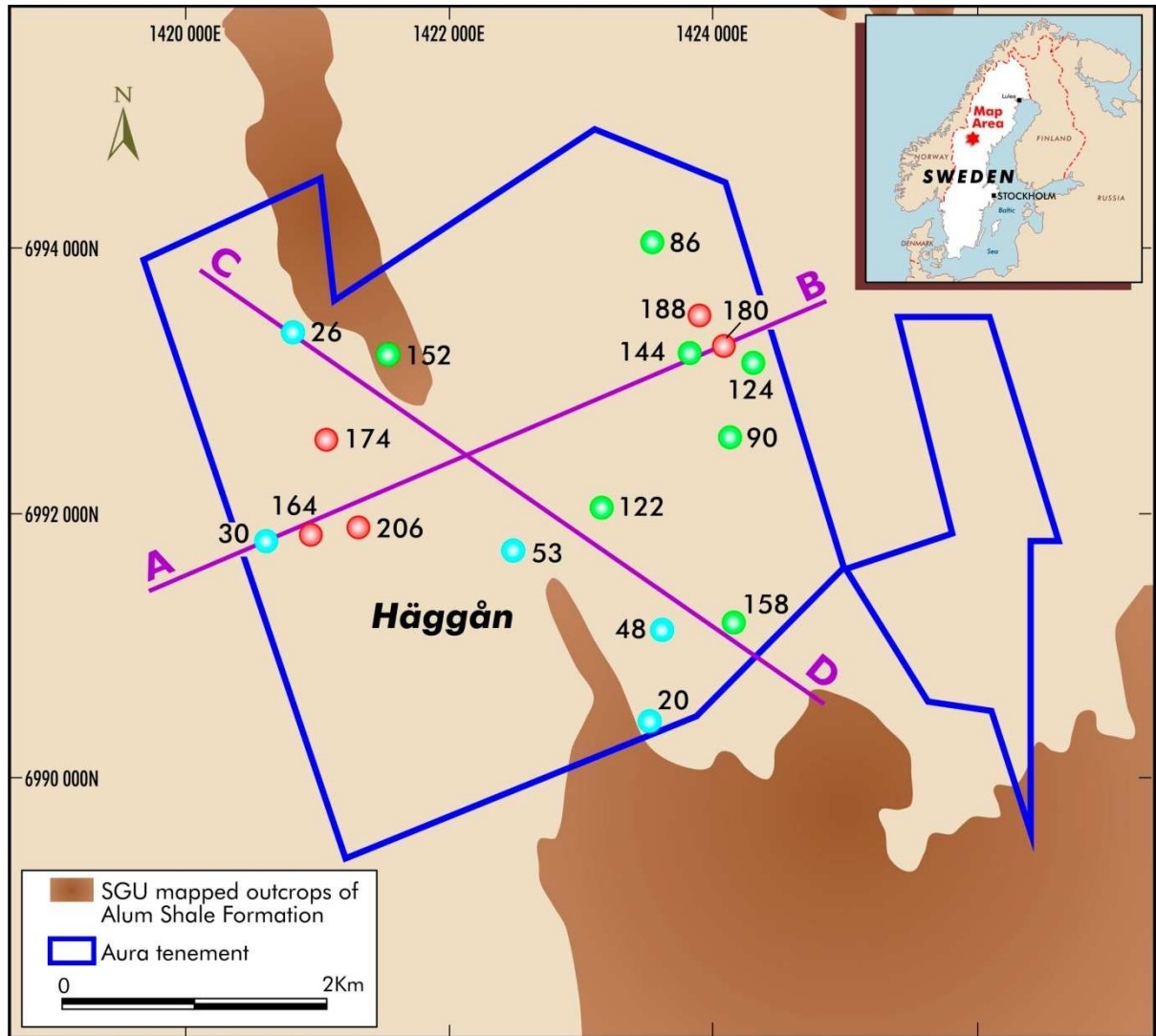
<b>DDHG009</b>	<b>24</b>	<b>4</b>	<b>143</b>	<b>248</b>	<b>2062</b>
<b>DDHG010</b>	<b>128</b>	<b>82</b>	<b>155</b>	<b>325</b>	<b>2617</b>
<i>Incl.</i>	<b>44</b>	<b>110</b>	<b>190</b>	<b>421</b>	<b>3010</b>
<i>Incl.</i>	<b>22</b>	<b>130</b>	<b>209</b>	<b>458</b>	<b>2981</b>
<i>and</i>	<b>14</b>	<b>214</b>	<b>127</b>	<b>284</b>	<b>2328</b>
<b>DDHG011</b>	<b>100</b>	<b>100</b>	<b>124</b>	<b>250</b>	<b>1602</b>
<i>Incl</i>	<b>28</b>	<b>136</b>	<b>170</b>	<b>316</b>	<b>2072</b>
<b>DDHG013</b>	<b>50</b>	<b>126</b>	<b>142</b>	<b>297</b>	<b>2327</b>
<b>DDHG014</b>	<b>74</b>	<b>74</b>	<b>142</b>	<b>232</b>	<b>2259</b>
<i>and</i>	<b>76</b>	<b>154</b>	<b>151</b>	<b>305</b>	<b>3583</b>
<b>DDHG015</b>	<b>14</b>	<b>44</b>	<b>124</b>	<b>259</b>	<b>2327</b>
<i>and</i>	<b>18</b>	<b>62</b>	<b>149</b>	<b>299</b>	<b>3790</b>
<i>and</i>	<b>50</b>	<b>84</b>	<b>169</b>	<b>377</b>	<b>3378</b>
<i>Incl</i>	<b>26</b>	<b>84</b>	<b>186</b>	<b>406</b>	<b>3806</b>
<i>and</i>	<b>14</b>	<b>140</b>	<b>140</b>	<b>301</b>	<b>2561</b>
<i>and</i>	<b>12</b>	<b>162</b>	<b>127</b>	<b>244</b>	<b>1178</b>
<i>and</i>	<b>16</b>	<b>184</b>	<b>160</b>	<b>349</b>	<b>2697</b>
<b>DDHG016</b>	<b>70</b>	<b>70</b>	<b>175</b>	<b>395</b>	<b>3311</b>
<i>Incl</i>	<b>42</b>	<b>78</b>	<b>201</b>	<b>440</b>	<b>3451</b>
<i>Incl</i>	<b>18</b>	<b>102</b>	<b>215</b>	<b>478</b>	<b>3275</b>
<i>and</i>	<b>34</b>	<b>168</b>	<b>145</b>	<b>318</b>	<b>1921</b>
<b>DDHG017</b>	<b>174</b>	<b>8</b>	<b>151</b>	<b>341</b>	<b>3125</b>
<i>and</i>	<b>10</b>	<b>212</b>	<b>170</b>	<b>314</b>	<b>1685</b>

The sample interval for the assays is 2m in most cases and a 100ppm U<sub>3</sub>O<sub>8</sub> cut off, 150ppm U<sub>3</sub>O<sub>8</sub> cut off or 200ppm U<sub>3</sub>O<sub>8</sub> cut off was used for the reported tabulated results, with a maximum internal waste of 2m.

These assay results confirm the exceptional mineralised thicknesses of the Alum Shale in Aura's Häggån licence indicated by the radiometric logging of the drill core. The exceptional thickness in DDHG007 and DDHG017, which intersected 206 and 174m respectively of mineralised shale, is particularly encouraging.

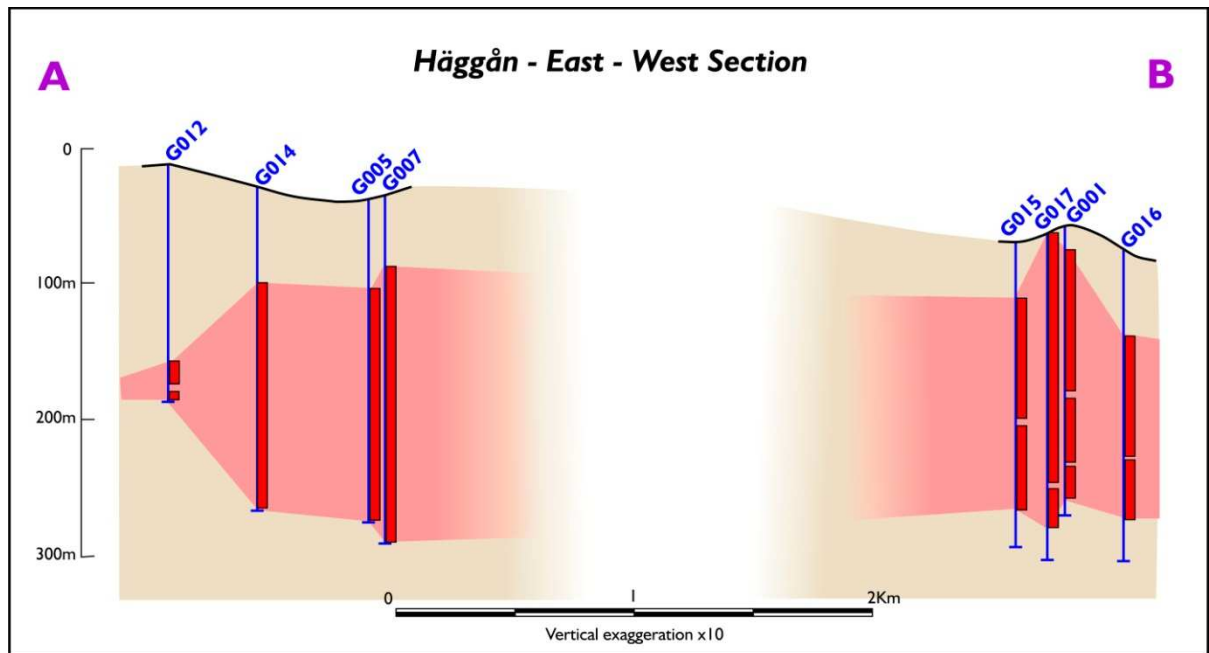


**Summary of Reconnaissance Drilling - Haggån, Sweden**



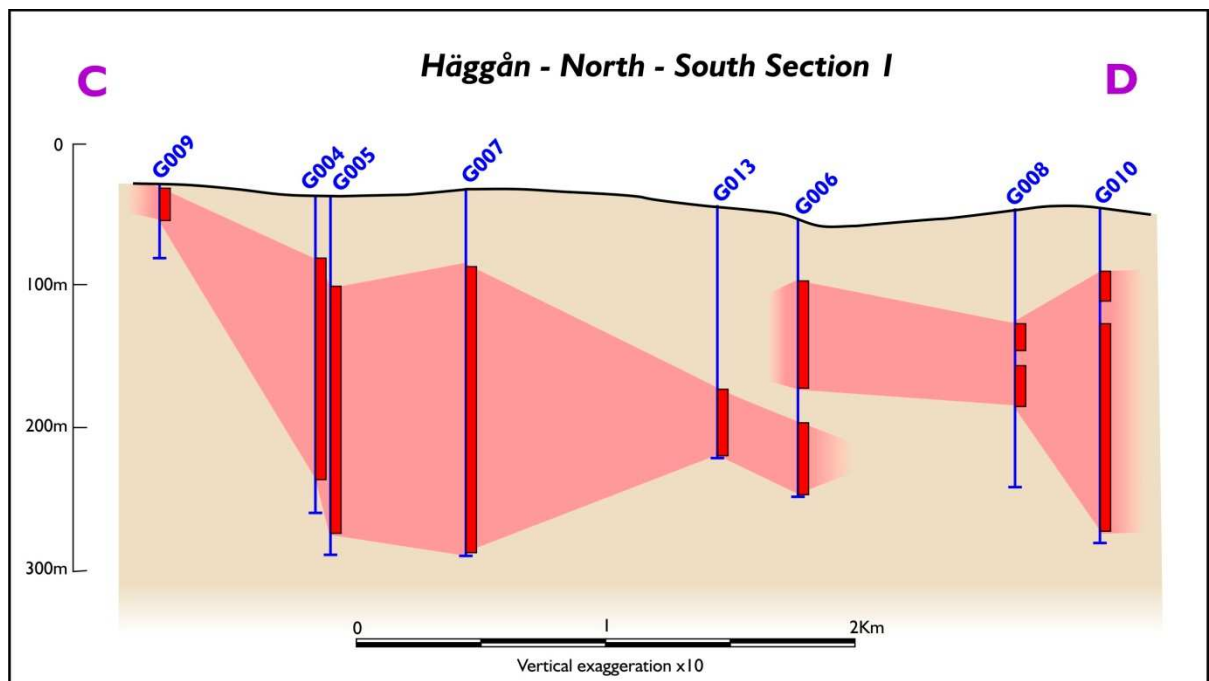
**Thickness of radiometrically anomalous shale in Aura's Haggån licence**

The cross section below indicates the presence of particularly thick sections in the eastern and western parts of the licence. It is not possible to access the central part of this section in summer because the area comprises low-lying, swampy ground. Continuity between the areas drilled on this section will be tested with a winter drill programme when the land is frozen.



**Section A-B Thickness of radiometrically anomalous shale in Aura's Häggån licence**

The thicknesses of radiometrically anomalous shale for the first 17 holes vary between 20 and 206m, with an average of 116m, throughout Aura's 18km<sup>2</sup> Häggån licence.



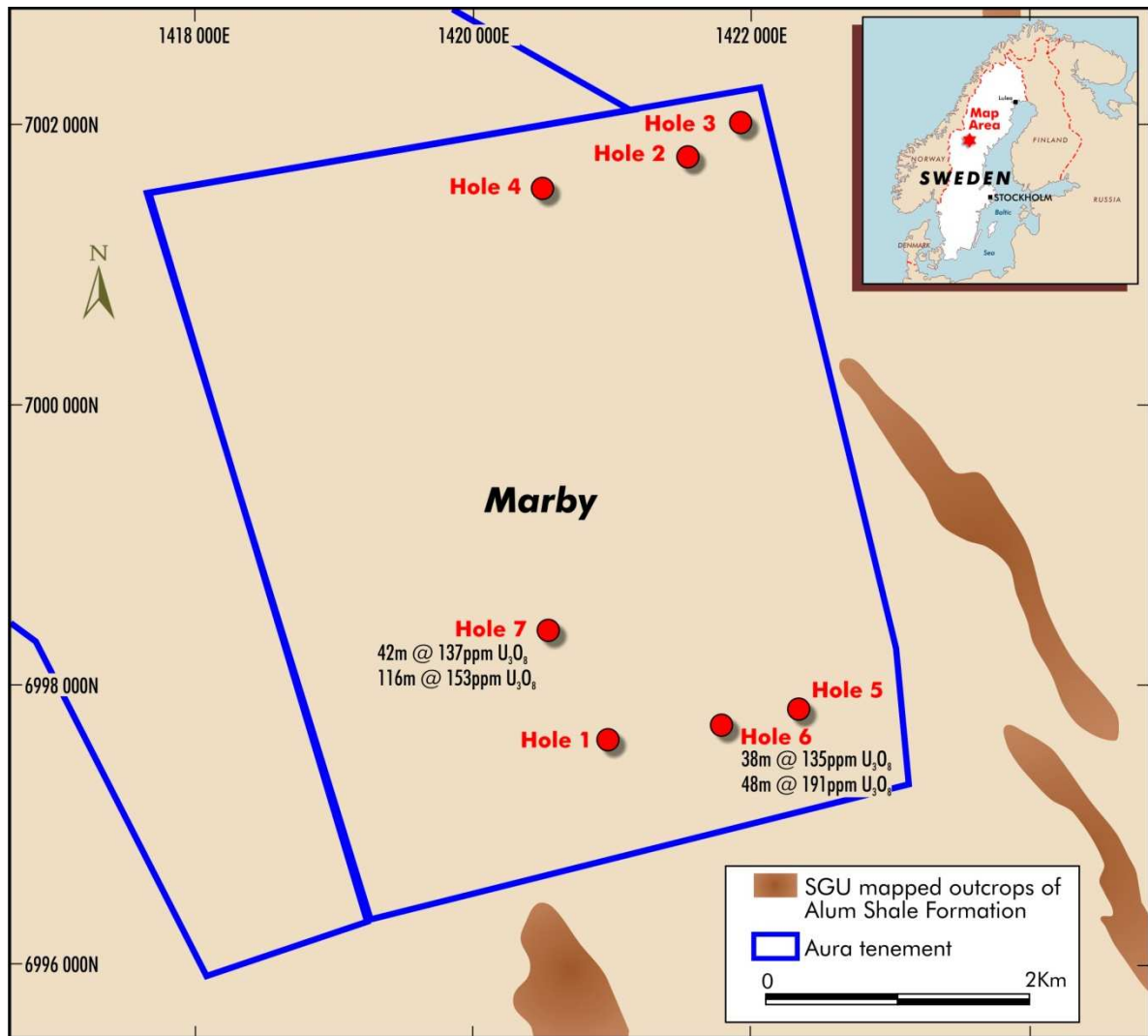
**Section C-D Thickness of radiometrically anomalous shale in Aura's Häggån licence**

### Drilling Results – Marby Exploration Permit

Aura has now received the assay results for drill holes DDMA002 and DDMA006 to DDMA007. Results for holes 3, 4 and 5 are awaited. DDMA002 failed to intersect uranium bearing Alum Shale.

The sample interval for the assays is 2m in most cases, and a 100ppm U<sub>3</sub>O<sub>8</sub> cut off was used for the reported tabulated results, with a maximum internal waste of 2m.

The DDMA006 and DDMA007 drill hole intercepts are reported below.

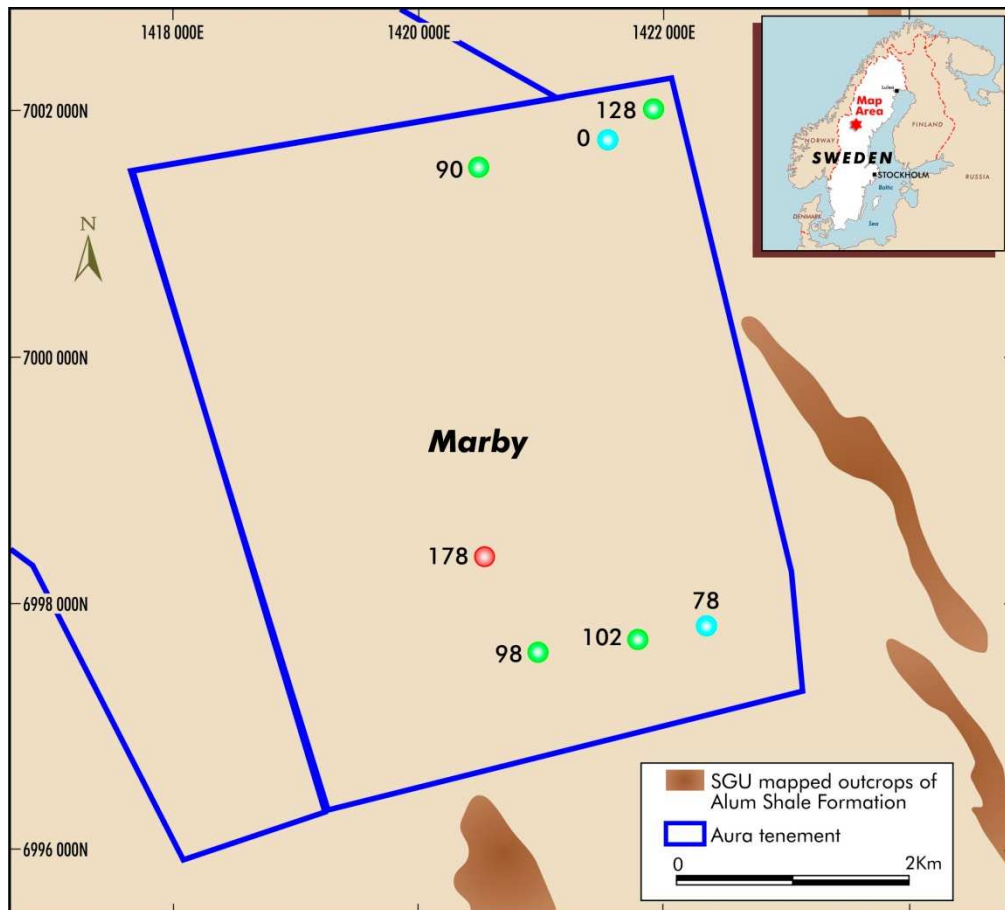


Plan showing the location of Marby diamond drill holes and reported intercepts.

Details of the intercepts are:

Drill hole	Intersect (m)	Depth from (m)	ppm U <sub>3</sub> O <sub>8</sub>	ppm MoO <sub>3</sub>	% V <sub>2</sub> O <sub>5</sub>
<b>DDMA006</b>	<b>38</b>	<b>16</b>	<b>135</b>	<b>255</b>	<b>2962</b>
<b>and</b>	<b>48</b>	<b>60</b>	<b>191</b>	<b>384</b>	<b>3286</b>
<b>DDMA007</b>	<b>42</b>	<b>42</b>	<b>137</b>	<b>252</b>	<b>2725</b>
<b>and</b>	<b>116</b>	<b>88</b>	<b>153</b>	<b>349</b>	<b>2197</b>

These assay results confirm the large mineralised thicknesses of the Alum Shale in Aura's Marby licence indicated by the radiometric logging of the drill core. The average thickness of the seven holes drilled is 96m.



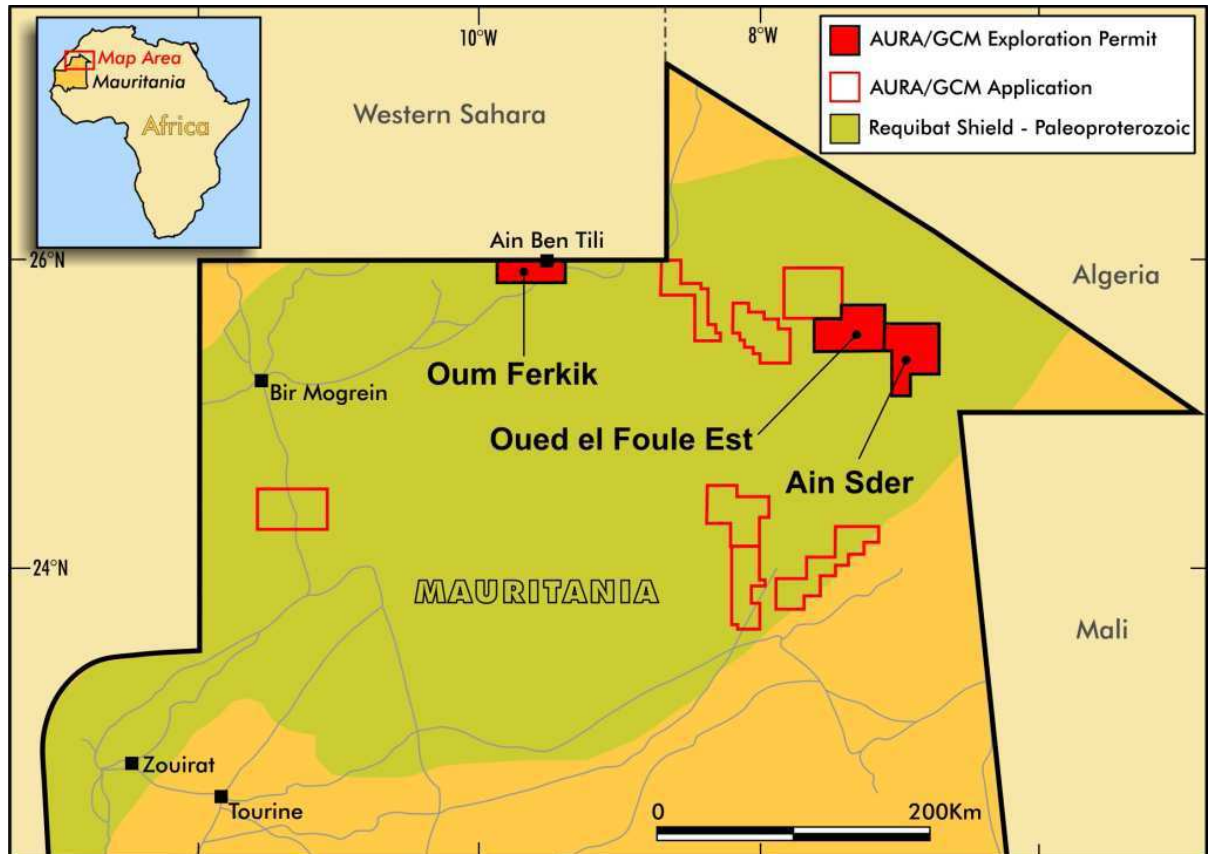
***Thickness of radiometrically anomalous shale in drillholes in Aura's Marby licence***

All holes were drilled vertically to obtain the maximum intersection of the Alum Shale.

**AFRICA ALLIANCE – GCM RESOURCES**

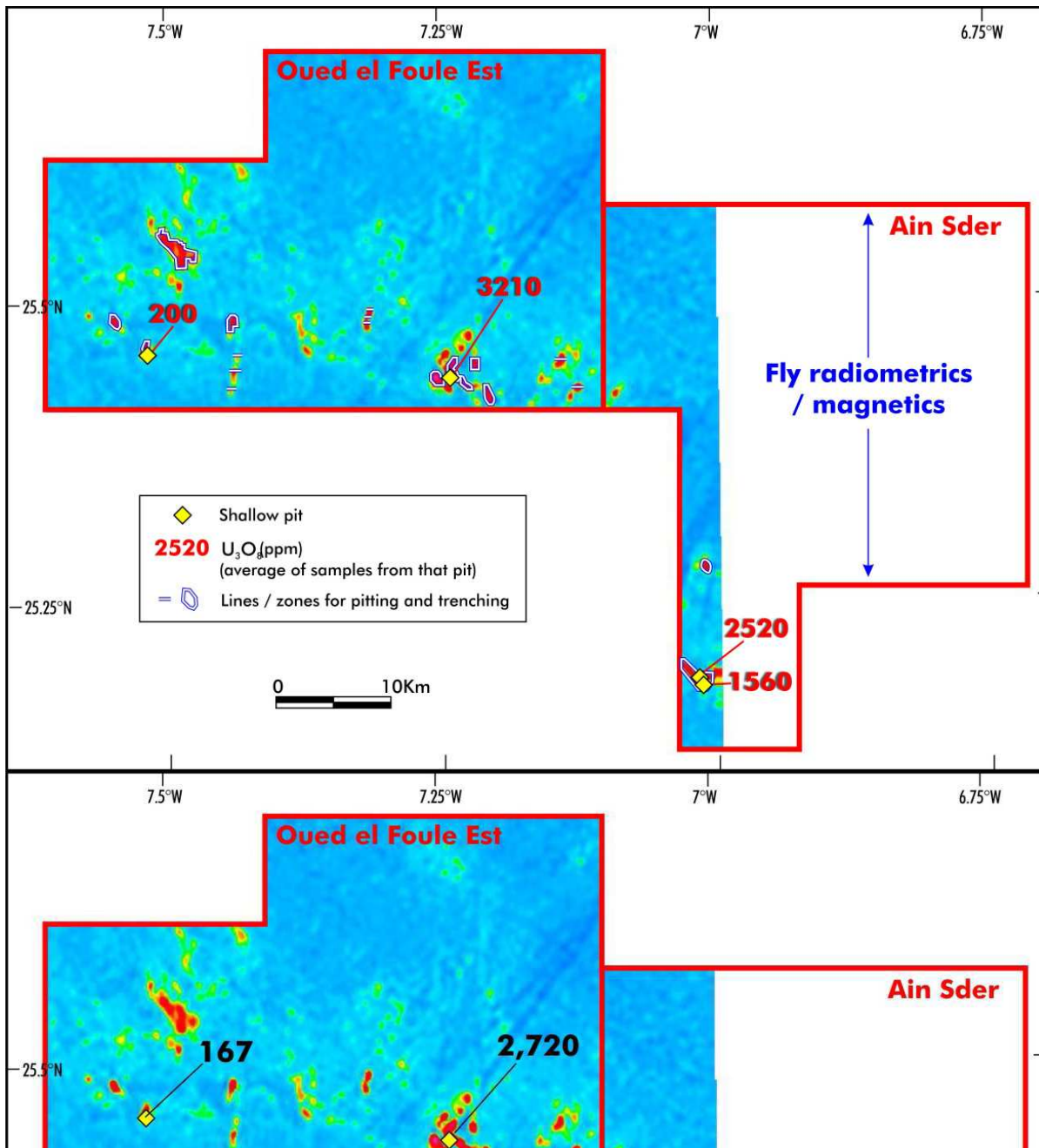
**Mauritania**

Aura Energy, in alliance with GCM Resources plc, has been granted three uranium exploration licences covering 3600km<sup>2</sup> 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.

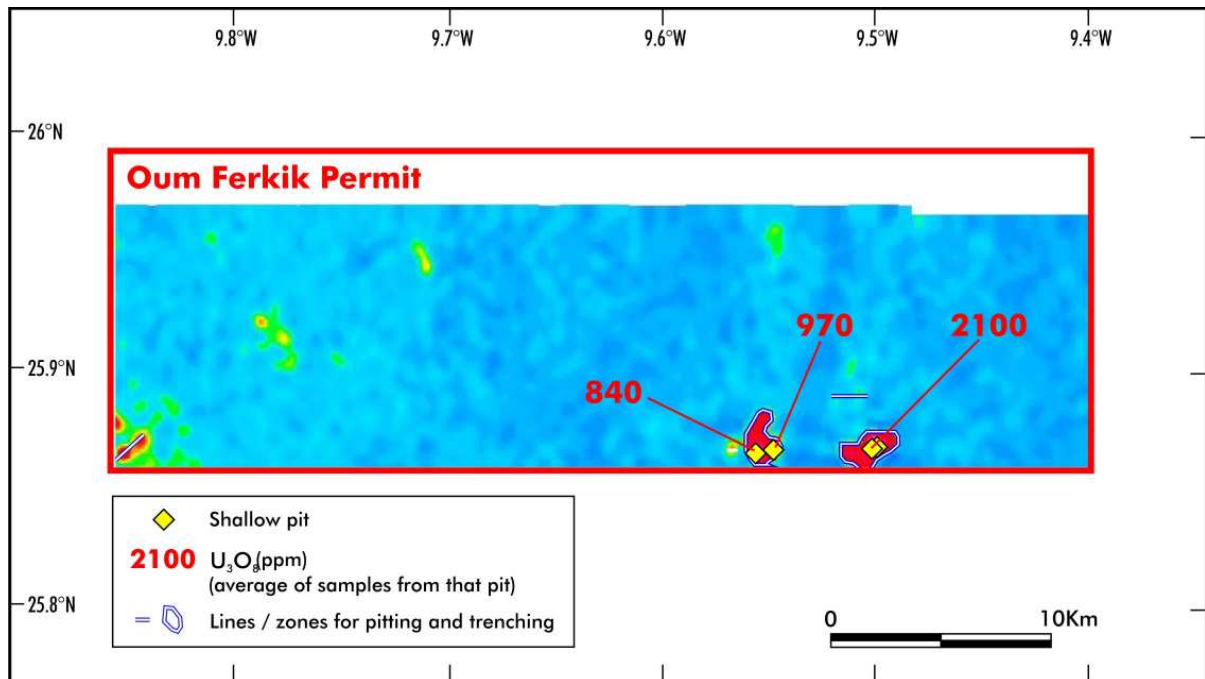


Key features of the licences are:

- The three licences contain strongly anomalous uranium-channel radiometric zones ranging in area up to 3.5km<sup>2</sup>
- Field reconnaissance by Aura within these areas located visible uranium mineralisation (uranium vanadate) in each of seven shallow pits on five separate radiometrically anomalous zones
- Uranium grades associated with visible uranium mineralisation in the seven shallow pits range from 186 to 3855 ppm U<sub>3</sub>O<sub>8</sub>; the limited reconnaissance work to date has not indicated whether the uranium mineralisation extends below these shallow pits
- Drainage channels and calcrete occurrences occur within the licences and offer sites for uranium concentration
- As far as Aura is aware the areas have had little, if any, previous systematic exploration for uranium



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.  $U_3O_8$  values shown are the average of samples from that pit (where more than one sample was taken).



**Oum Ferkik Exploration Licence, northern Mauritania, showing reconnaissance pits in relation to U-channel radiometrics. Red zones signify high uranium channel response.  $U_3O_8$  values shown are the average of samples from that pit (where more than one sample was taken).**

Aura has developed exploration programmes to further evaluate the three granted licences. The objectives of the exploration programmes are to define the areal extent and continuity of the mineralisation and to determine the grade of the near surface mineralisation.

It is also planned to survey those areas of the Ain Sder licence not covered by the existing airborne geophysical survey.

The main elements of the programmes to achieve these aims are:

- An airborne geophysical survey of that part of the Ain Sder licence not covered by previous surveys
- Delineation the anomalous radiometric zones on the ground by ground-based geophysical surveying
- A programme of trenching, pitting and assays to define the extent of shallow mineralisation across the extensive geophysical anomalies

## Niger

Aura has lodged applications for three uranium exploration permits in Niger. The applications cover geological settings favourable for uranium mineralisation in the major Tim Merso 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 Merso 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 Merso 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 Nigerian government on the progress of these applications.

## **WESTERN AUSTRALIA CALCRETE PROJECTS**

The change of government at the recent 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 U<sub>3</sub>O<sub>8</sub> cut-off Grade
- 7.0 million pounds of uranium at 100ppm U<sub>3</sub>O<sub>8</sub> 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

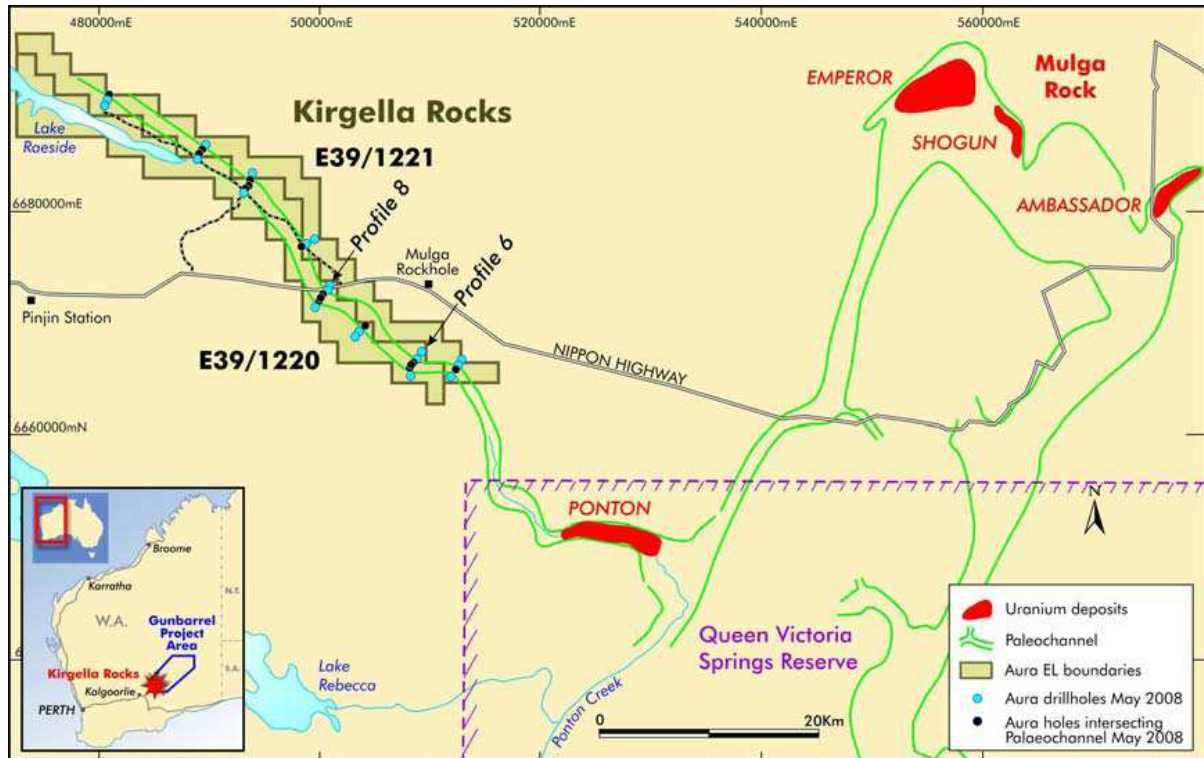
Aura has recommenced fieldwork at its calcrete projects in Western Australia.

## **WESTERN AUSTRALIA - GUNBARREL BASIN JOINT VENTURE**

It was reported last quarter that the Gunbarrel Joint Venture between Aura Energy and the Toronto-listed Mega Uranium Inc (TSX: 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 eU<sub>3</sub>O<sub>8</sub> from 66.44m
- KRAC 017 intersected:
  - 0.24m @ 112.4ppm eU<sub>3</sub>O<sub>8</sub> from 72.05m
  - 0.12m @ 139.5ppm eU<sub>3</sub>O<sub>8</sub> from 74.95m
  - 0.12m @ 228.7ppm eU<sub>3</sub>O<sub>8</sub> from 88.15m



**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 seven kilometres apart, the anomalies intersected are regarded as encouraging indications of the uranium potential of the Kirgella channel.

A further air core drill programme is being developed for the 2009 field season to follow up these anomalies with drilling on approximately 4km by 400m centres.

Although no JORC-compliant resource is available for the Ponton deposit, it constitutes one of the larger known sandstone uranium deposits in Australia. The deposit was recently purchased by Uranio Ltd.

A Phase 2 program of reconnaissance drilling of 85 aircore holes for 6800m to evaluate other palaeochannels in the JV tenements to the north and north east of Kirgella Rocks has been developed and approved in principle by the joint venture partner. The program will also be conducted in the 2009 field season. Aboriginal Heritage site clearances have been completed for the drill program.

Aura's Gunbarrel Basin exploration is a joint venture with Mega Uranium whereby Mega can earn up to 50% in Aura's tenements by sole-funding exploration to a level of \$3 million. The joint venture properties, totalling 3750km<sup>2</sup>, cover extensive portions of three of the four main palaeochannels in the region.

*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, and is a member of the Australian Institute of Geoscientists. 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.*