



FUNDING APPROVED FOR AIRCORE DRILLING PROGRAM IN THE GUNBARREL BASIN

First drill testing of the Junction palaeochannel in this highly prospective uranium province

Canadian uranium company Mega Uranium Ltd has approved and will fund a proposed 24 hole aircore drill program of approximately 2000 metres in the Gunbarrel Basin Joint Venture with Aura Energy Ltd (ASX Code: AEE). The program will be managed and operated by Aura Energy.

The Gunbarrel Basin, located east of, and partly overlying, the Archaean Yilgarn Block, contains a large endowment of sediment-hosted uranium mineralisation in the Mulga Rock, Ponton and Thatcher Soak deposits. Despite the amount of uranium present, the Basin is significantly less explored than the other major uranium provinces of Australia. Energy and Minerals Australia Ltd recently announced a JORC compliant inferred resource of 24,500 t U₃O₈ at a cut off grade of 200 ppm U₃O₈ for the Mulga Rock deposit.

The drill programme is designed to test the prospective Junction Palaeochannel. This prospectivity is based on the similarity of the palaeochannel 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 10,000 tonnes of uranium in resources compliant with the JORC code.

The position of the Junction palaeochannel was delineated in an airborne electromagnetics survey conducted by the Aura Energy-Mega Uranium Joint Venture in 2007.

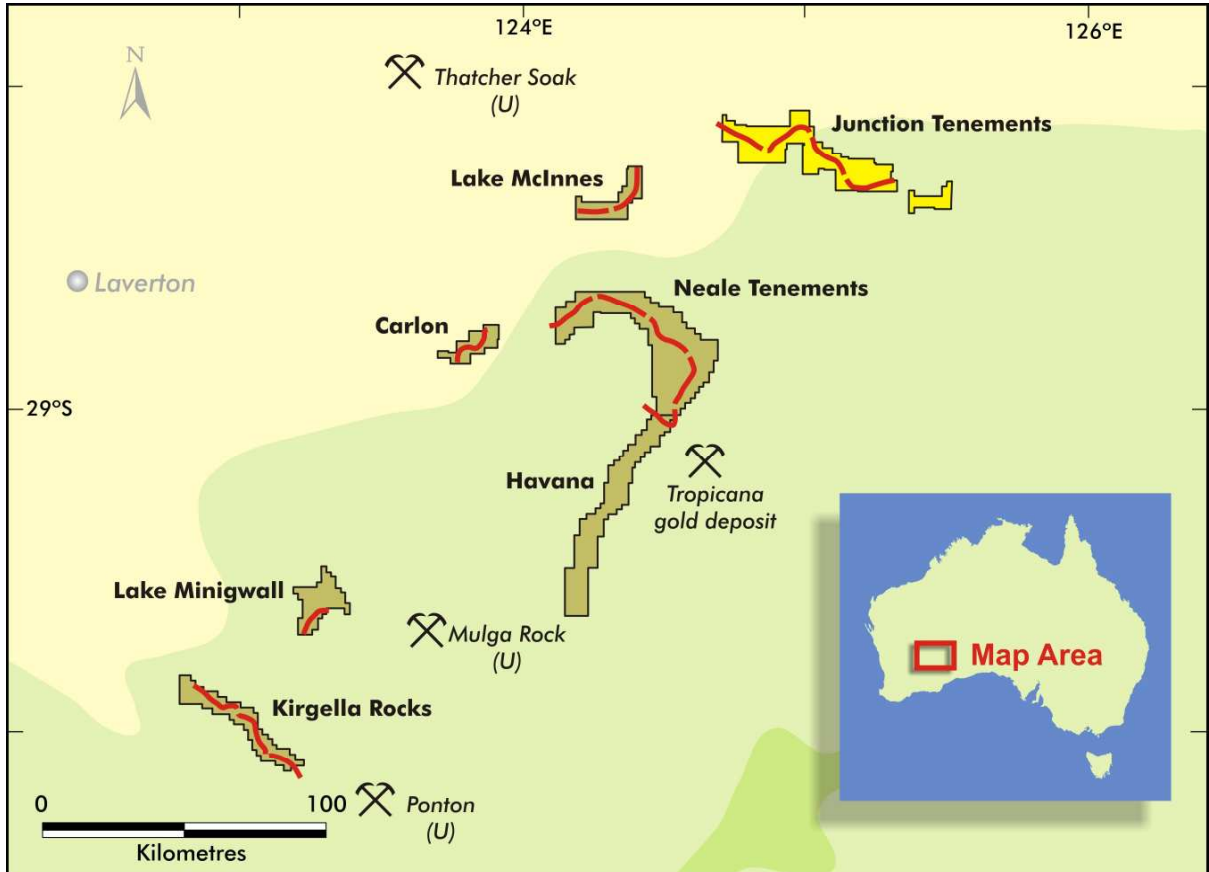
The program is planned for mid year, subject to Department of Mines and Petroleum approval of the work program.

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.

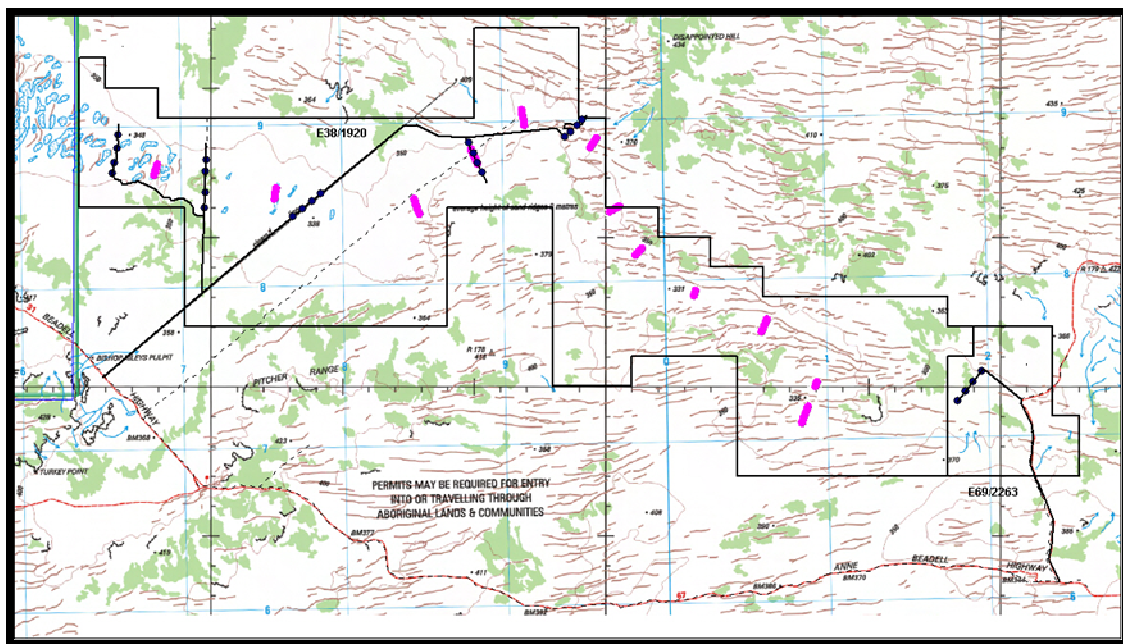
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Western Australia : Gunbarrel Project - Drilling Program



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



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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.