

21 November 2013

## CHAIRMAN'S ADDRESS

Ladies and Gentlemen

Welcome to Aura's 2013 AGM here in sunny Perth and it is very pleasing to see so many of you today to hear about the company's prospects.

As you know I have only recently joined the company as Chairman and am exceptionally enthused for the prospects of Aura's uranium projects particularly in light of recent technical releases and a site visit to Häggån in Sweden. The market however does not reflect this enthusiasm and a poor mood in the equity and uranium markets remain but it is in these times that we need to keep finding ways to forge ahead.

Aura Energy has two exceptional uranium projects and what is very different to most other uranium company's and projects is that both these uranium projects have a really distinctive edge. These 'edges' separate Aura's projects on both a technical and commercial basis and is the reason we maintain a strong belief we can move these both to production.

In the case of Reguibat in Mauritania it has a strong uranium endowment but more importantly recent beneficiation testwork has transformed this project into one of the best uranium development projects in the world. The reason for this confidence is that the testwork indicates that after beneficiation the 70 million tonne resource at 334ppm U<sub>3</sub>O<sub>8</sub> essentially becomes 15 million tonnes at around 2000ppm U<sub>3</sub>O<sub>8</sub>. This is nothing short of exceptional and very rare in the world of metallurgy to see such a strong pre-concentration upgrade.

The benefits in any project development phase are clear. With a greatly reduced feed to the leach plant the foot print of the Reguibat plant will be very small and this has very positive implication for development.

Aura expects the capital required for plant, infrastructure and water requirements will be greatly reduced as will the staffing numbers making the project very competitive relative to similar size projects which do not have the beneficiation benefit. On top of this an excellent leach test result was achieved on the beneficiated material where 94% extraction was achieved over a remarkable 4 hours. This again highlights a reducing capital requirement for the project.

All in all shareholders should be very pleased that this project, under the excellent guidance of Bob Beeson and his technical team, continues its surprisingly speedy path to a very real development option for Aura.

Recently I had the opportunity to visit the Häggån project in Sweden and see it first-hand and a visit to site certainly alters the perception of this as a development project for Aura. Given the corporate action with some majors early in the year on Häggån I can certainly tell you I remain pleased that Aura retains 100% of this project as it is a very large, very strategic and very do-able uranium project development opportunity in a first world jurisdiction.

The project is located in an area desperately in need of income and jobs and in a country with a strong reliance on nuclear power and a rich mining history. The bio leaching proposed for Häggån is a known process however its application to Häggån is an innovation for the project itself which we believe over time may alter the prevailing uranium processing paradigm around the world. We will continue with judicious progression of the project studies relating to Häggån.

On the corporate front the markets remain difficult and we remain mindful of this and the costly work required to advance our projects. I note that some shareholders have voted against the remuneration report today and we acknowledge their concerns and would be happy to discuss directly with shareholders the concerns they have.

So please remain on the journey with us at Aura. The company is transforming and we believe we will be in a strong position in the coming years based on the excellent project endowment Aura has established.

**Peter Reeve**  
**CHAIRMAN**