

2 December 2013

FURTHER REGUIBAT PROJECT BENEFICIATION TESTS CONTINUE TO PROVIDE EXCEPTIONAL RESULTS

SEVEN-FOLD U₃O₈ GRADE INCREASE CONFIRMED

AVERAGE FEED GRADE RESULT ~ 2500 PPM

Aura Energy Ltd (ASX: AEE, "Aura") is pleased to announce that mineralogical investigation has confirmed the beneficiation potential of the Reguibat Project in Mauritania. This result confirms findings reported on 26th of September and 8th of October 2013 that significant upgrade of the Reguibat material is achieved through a simple beneficiation process leading to recovery of uranium using standard leaching conditions.

"The excellent ongoing Reguibat Project testwork continues to provide exciting and significant results which will impact on the future Project." Aura's Managing Director, Dr Bob Beeson, said.

"The further increase in the grade of the uranium-bearing material to 2,500ppm U₃O₈ through beneficiation provides additional encouragement that the Reguibat Project will require only modest-sized leaching facilities. Reguibat will be a relatively low capital cost and low operating cost option for extracting the uranium for each tonne of material mined."

The additional size analysis conducted in these tests demonstrated that, by further reducing the screening size than previously reported, 89% of the mass could be rejected, while retaining 86% of the uranium. The average concentration of the product was 2,476ppm U₃O₈. This represents an upgrade factor of 7, achievable using simple beneficiation processes. The high product grade compares with the resource grade of 334ppm U₃O₈.

The composite sample of -300µm material from beneficiation tests from the upper level of a single mineralised zone, Ain Sder Zone 1, underwent mineralogy and additional size analysis. Mineralogical analysis using the QEMSCAN system showed that the deportment of uranium was exclusively with the carnotite mineral group. The carnotite occurs as extremely fine, liberated grains.

The sulphate mineral content of the fine fractions was low.

"Reguibat is almost unique among calcrete uranium projects in that the beneficiation and leaching characteristics identified to date improve the Project substantially. Many calcrete projects are metallurgically problematic because of the difficulty of beneficiation, and long leach times. This is clearly not the case with Reguibat which shows excellent beneficiation and fast leach times," Dr Beeson said.

The company is evaluating the commercial implications of these results.

For further information contact:

Dr Bob Beeson

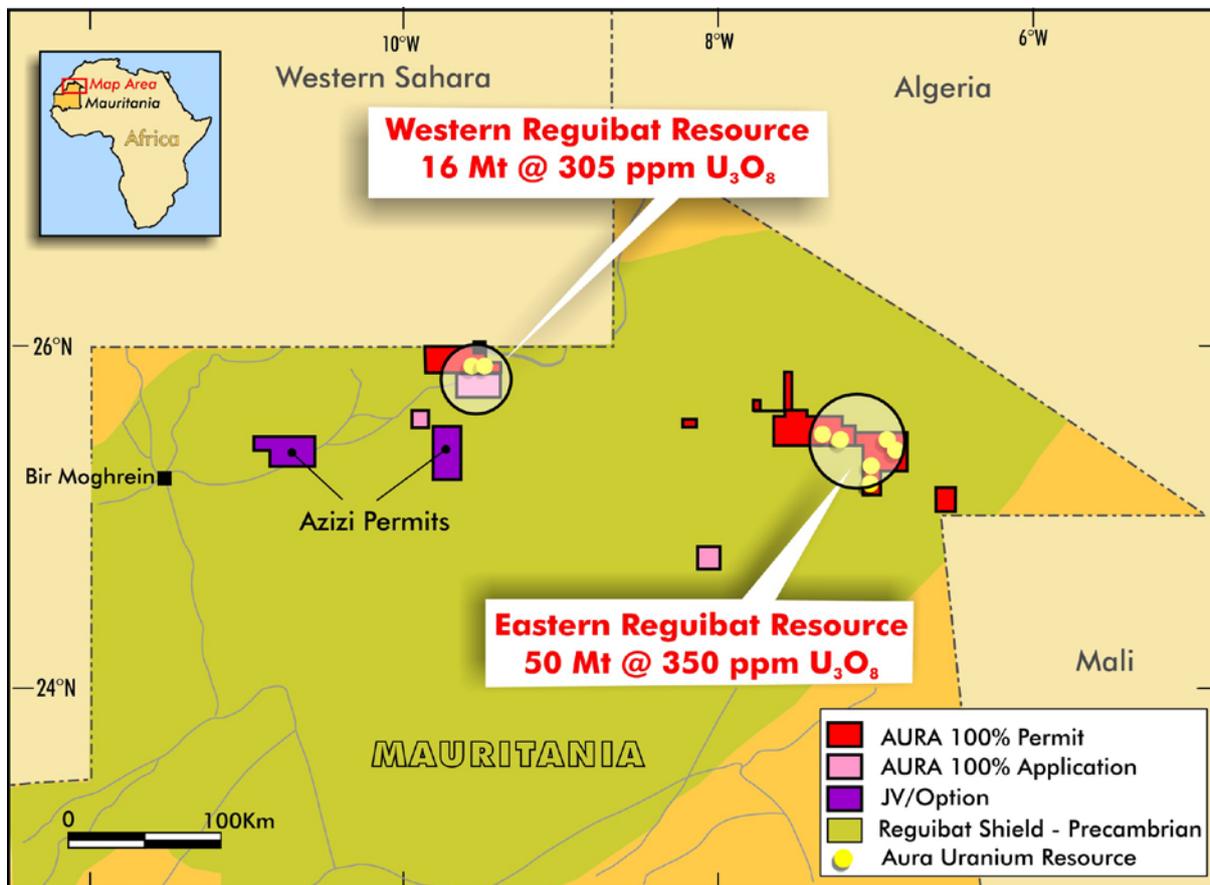
Managing Director

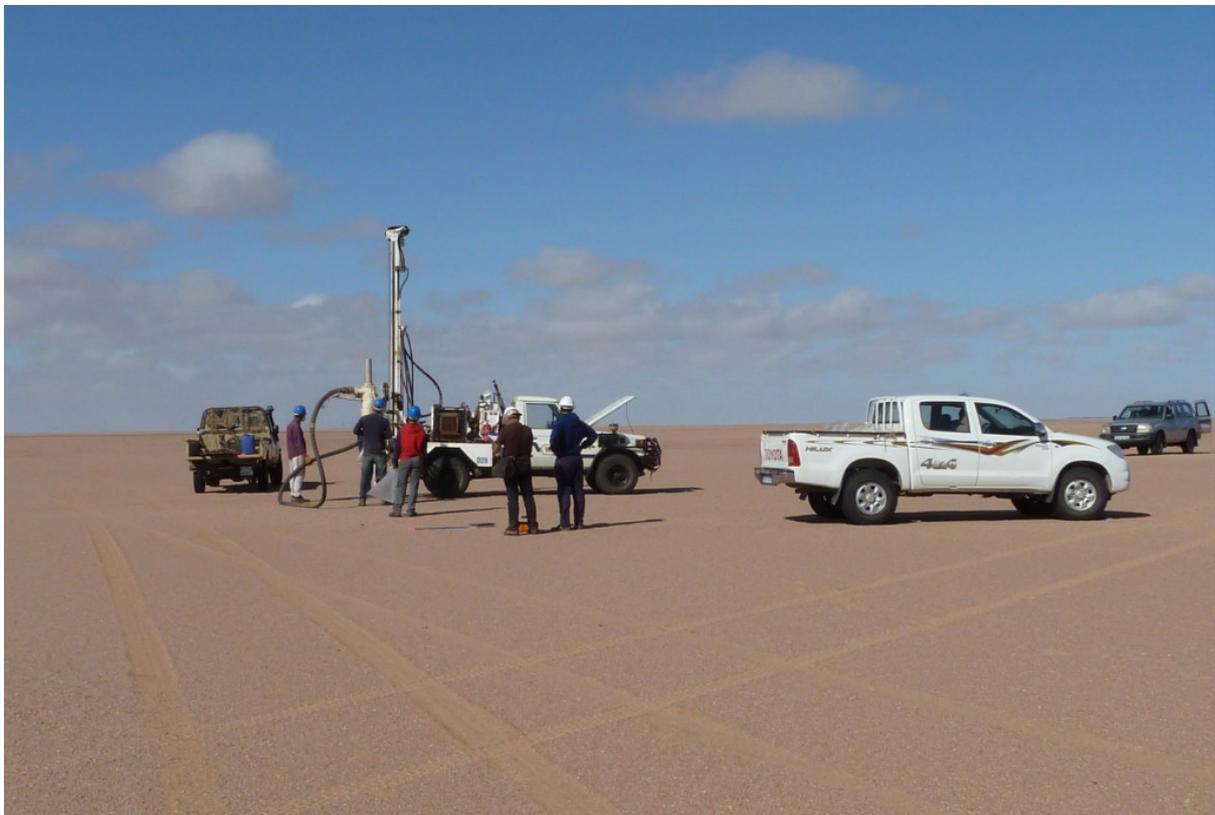
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Competent Persons Statement

Dr Will Goodall 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 Goodall as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Goodall is a member of the Australasian Institute of Mining and Metallurgy.





Appendix 1 – technical summary of mineralogical analysis by QEMSCAN

Reguibat Preliminary mineralogy and cyclosizing results

Ain Sder Zone I – Upper

Following scrubbing and screening testwork performed on a composite of trench samples from the Ain Sder Zone I Upper (0.5m to 1m), a program of cyclosizing and mineralogical analysis by QEMSCAN on the -300 μ m fraction was undertaken. The preliminary stages of this program were reported on the 26th of September and 8th of November 2013.

The uranium distribution in cyclosize fractions is shown in the table below. It can be seen that 86% of the uranium departed to the -C5 fraction (~10 μ m), comprising only 11% of the total mass. The U₃O₈ concentration of the -C5 fraction was 2476ppm, representing an upgrade factor of 7 on the initial head grade.

Table 1 - Mass and uranium distribution by screen and cyclosize fraction for Ain Sder Zone I - upper composite.

| screens μ m | | | |
|--------------------|--------------|---|-------------------|
| | weight % | ICP ppm U ₃ O ₈ | Uranium dist % |
| +2000 | 24.1% | 62.4 | 4.6% |
| +1000 | 23.3% | 19.2 | 1.4% |
| +300 | 21.5% | 28.9 | 1.9% |
| +75 | 11.7% | 31.4 | 1.1% |
| +38 | 4.1% | 279.5 | 3.5% |
| +C3 | 2.2% | 67.0 | 0.4% |
| +C5 | 2.0% | 108.0 | 0.7% |
| -C5 | 11.3% | 2476 | 86.3% |
| | 100.0% | 323.5 | 100.0% |

The major components of the -C5 fraction were various clay minerals and calcite. Very little sulphate was detected in this fraction.

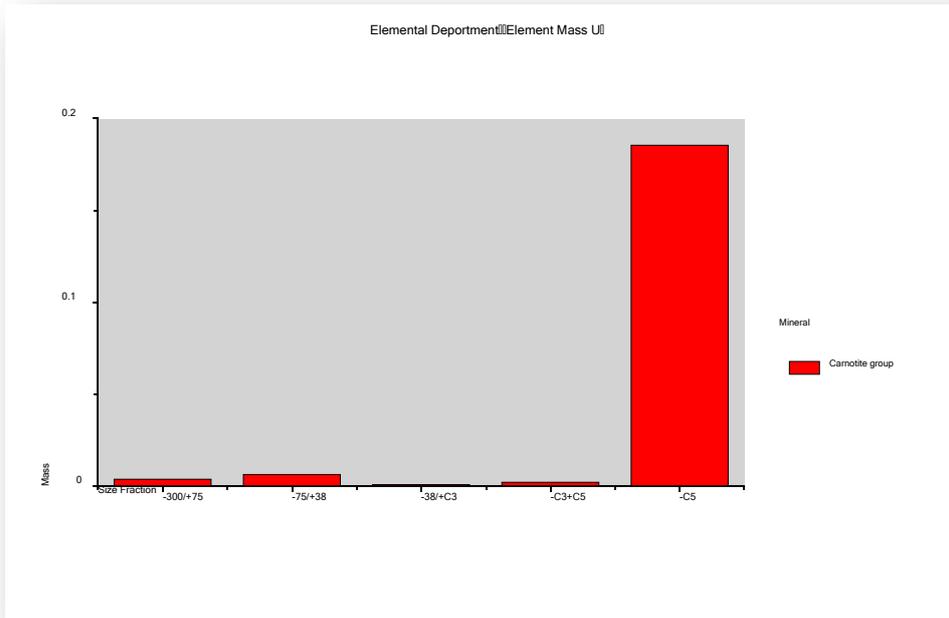


Figure 1 – Elemental department of uranium by size fraction in -300um screen fractions for Ain Sder Zone I - upper composite. Analysis performed by QEMSCAN automated mineralogical analysis.

The grain size of carnotite group grains showed all grains <10µm and 50% of the detected grains <3µm. This is at the spatial detection limit for QEMSCAN and finer grains may be present. This may explain the fast leaching kinetics.

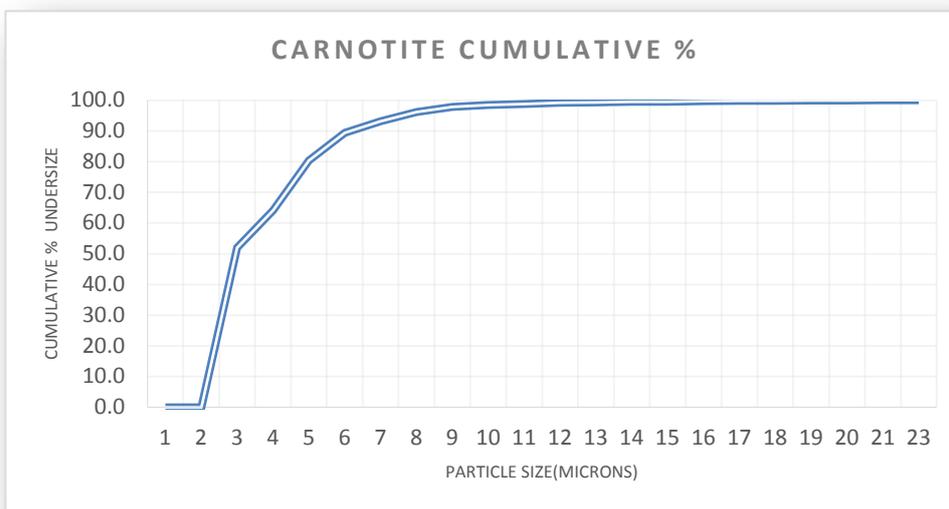


Figure 2 - Cumulative grain size distribution of carnotite group minerals in Ain Sder Zone I - upper composite, determined by QEMSCAN image analysis

Preliminary summary

The results of cyclosizing and mineralogical evaluation of the $-300\mu\text{m}$ fractions confirmed that for the Ain Sder Zone I – Upper composite the uranium occurs as very fine, liberated grains of carnotite group minerals. The deportment is heavily biased to the finest fraction, presenting significant opportunities for beneficiation.