

23 April 2013

REGUIBAT, MAURITANIA – EASILY UPGRADABLE & POTENTIALLY VIABLE CALCRETE URANIUM PROJECT

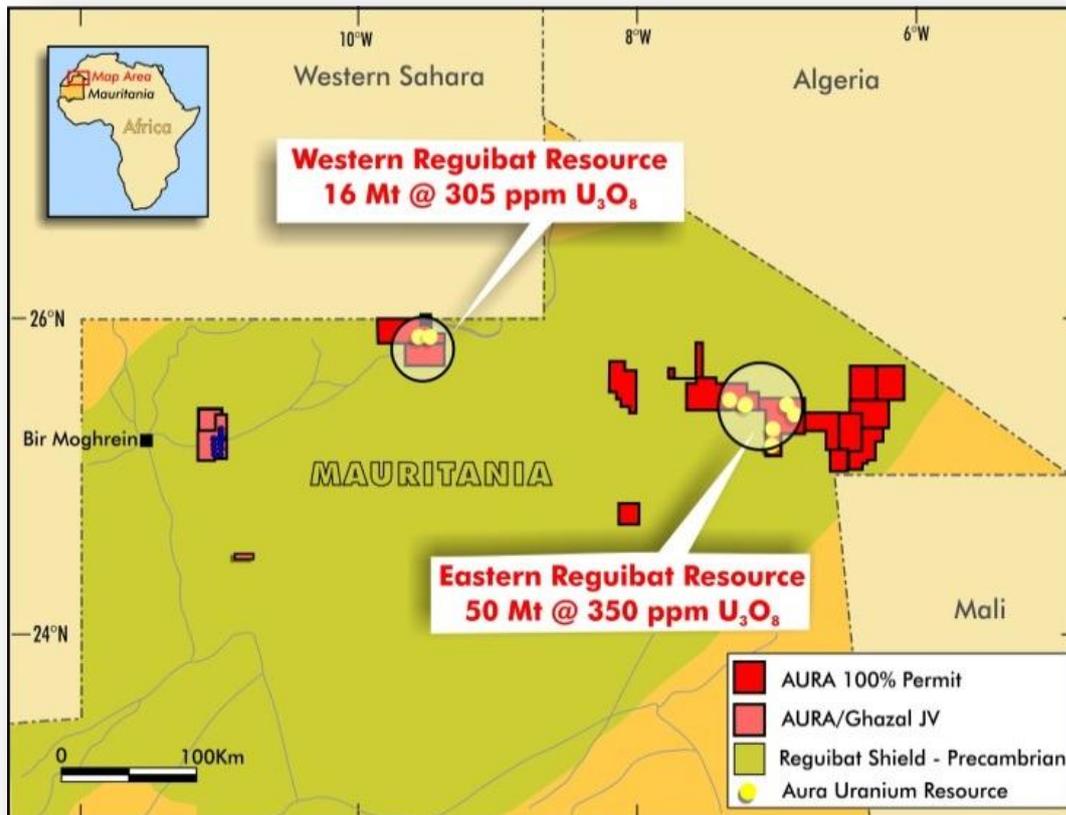
HIGHLIGHTS

- ▶ **Reguibat Project – major greenfields calcrete uranium discovery**
- ▶ **50 Mlbs in current resources at 330ppm**
- ▶ **Simple screening increases grade to about 1000ppm with +90% recovery**
- ▶ **Metallurgical programme planned to test further upgrades with aim to reduce size & costs of a future leach plant**
- ▶ **Anticipated leach grades similar to or higher than current and planned calcrete projects**
- ▶ **Six-month scoping study planned to demonstrate economic viability**
- ▶ **Feasibility studies to achieve potential decision to mine by late 2015**
- ▶ **Option for small scale starter operation reducing upfront capital requirements**

Headquartered in Melbourne and listed on the ASX, Aura Energy (AEE) is an explorer and developer of uranium assets. The company has advanced uranium projects with large resources that are close to the surface in both Europe and Africa and also has a resource in Australia. Aura holds a total of 860 million pounds (389,000 tonnes) uranium in inferred resources. Its two main projects include: the Häggån Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by completing feasibility studies on these two projects.

Overview - Reguibat Project, Mauritania

The Reguibat Project comprises several laterally extensive developments of calcrete uranium mineralisation within a major emerging uranium province in northern Mauritania.



The project mineralisation occurs at or just below the surface in flat-lying sheets. Mining would be inexpensive. It would be from shallow pits dug out by standard excavators and trucks, with no need for blasting. The strip ratio is likely to be well below 1.0.

The area of the deposit is largely flat-lying, treeless, uninhabited desert.

Potential upgrade to current resource

The inferred JORC resource at the Reguibat Project has been estimated at 50 million pounds of uranium at an average grade of 330 parts per million. Fifty million tonnes of these resources are focused in the eastern area of the project.

Aura completed a successful drilling programme in 2012 which confirmed major extensions to the calcrete uranium mineralisation. These extensions once included, will expand the current resource

Physical uranium concentration

The uranium found at Reguibat occurs as carnotite-type calcrete mineralisation within unconsolidated coarser gravels and sands. Early tests have indicated that simple wet screening can reject about 75 per cent of the gravels and sands for the loss of only five to 10 per cent of the uranium, upgrading the plant feed to around 1000 parts per million. If this result is confirmed in future testwork, it translates into a much smaller, low-cost leaching plant, enhancing the project economics.



Trench through Reguibat calcrete uranium deposit showing the granite pebbles that are discarded in the screening tests

Aura’s metallurgists consider that there is potential for further uranium concentration using the heavier nature of the uranium minerals. Marenica Energy Ltd, evaluating a similar deposit in Namibia, has completed testwork that has shown that beneficiation can increase grade by factors of up to 60 times.

An example of the implications of these upgrades is given below. Paladin’s Langer Heinrich deposit is amenable to simple scrubbing/wet screening, and in 2012 the project achieved a 33 per cent increase from the mined grade to the leach feed grade. Aura’s preliminary work has shown that increases of 250 per cent can be achieved at Reguibat.

	Head grade U ₃ O ₈	Upgrade	Feed grade U ₃ O ₈	Prod (Mlbs)
Langer Heinrich 2012	681ppm	33%	906ppm	4.6 Mlbs
Reguibat	305ppm	250%	1068ppm	

Paladin source: 2012 Annual Report

Scoping Study programme

Aura has completed a programme and estimated a budget for a scoping study. The project team will undertake preliminary mining, metallurgical, environmental and infrastructure studies which will be provided to experienced independent engineering consultants to complete the study analysis and report. The cost is expected to be approximately \$1 million, and the study will take about six months to complete.

Aura plans to complete the Scoping Study by the end of 2013, subject to funding.



Feasibility studies and development options

The potential for substantial physical beneficiation upgrading opens several opportunities for Aura in terms of size of the plant, the leach process, and the consequent capital and operating cost in any future operation. Although Aura's testwork is only in its very early stages, the possibility exists for a high value product at the end of the beneficiation stage.

These options allow a range of possibilities to be considered, including the minimisation of transport costs of the product.

On the back of a positive Scoping Study and appropriate funding Aura would then progress feasibility studies with a potential decision to mine by December 2015.



Trenching through the Reguibat calcretes showing the ease of excavation, and the flat, vegetation-free landscape

Mauritania: A mining destination

The Mauritanian government is very supportive of uranium exploration and mining.

Several major companies, including Xstrata, Arcelor Mittal, First Quantum and Kinross have mines or mine development programmes in Mauritania.

The Fraser Institute, in its recent annual survey of most favourable mining destinations, ranked Mauritania in the top group of African countries, ahead of well-known mining jurisdictions such as Burkina Faso, New South Wales and Tasmania within Australia, and Mexico, Peru and Brazil.

-Ends-

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Competent Persons Statement for Reguibat Resource

The Competent Person for the Reguibat Resource estimation and classification is Mr Oliver Mapeto from Coffey Mining.

The Competent Person for the drill hole data and data quality is Dr Robert Beeson from Aura Energy.

The information in the report to which this statement is attached that relates to the Mineral Resource and is based on information compiled by Oliver Mapeto. Oliver Mapeto 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 Mr Mapeto as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mapeto is a Member of The Australasian Institute of Mining and Metallurgy and is employed by Coffey Mining Pty Ltd. Mr Mapeto consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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. Dr Beeson is a member of the Australian Institute of Geoscientists.