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## **AURA RECEIVES RESEARCH TAX REBATE FOR GROUNDBREAKING METALLURGICAL TESTWORK**

- **\$700,000 tax rebate for allowable expenditure on testwork for the Häggån Project**
- **Adds further benefit from the metallurgical breakthroughs at Häggån**

Aura Energy Ltd (Aura, ASX: AEE) has received a tax rebate of \$700,000 for its metallurgical research and development programme for its giant Häggån uranium resource in Sweden.

The metallurgical challenge presented to Aura after the initial discovery at Häggån in 2008 was that there were no commercial precedents for the extraction of uranium from the low-grade mineralisation of the Scandinavian black shale deposits.

Aura therefore started from first principles by undertaking a series of systematic mineralogical, chemical and physical tests to reveal the key internal characteristics and relationships of the minerals making up these shales and, based on the results, to develop a flow sheet capable of environmentally safe and economic extraction of uranium, molybdenum, nickel, vanadium and zinc. Samples were brought to Australia and a testing regimen was developed with some of the nation's foremost mineralogical and metallurgical experts.

Analysis of the information gained from this work continuously narrowed down the possible options. Tests indicated that fine grinding and conventional leaching of uranium was unlikely to be economic. However, the in-depth analyses of the mineralogy of the deposit gave two critical clues that led Aura to consider that heap leaching using naturally-occurring bacteria may be successful. This technology had been in commercial use for copper and gold deposits elsewhere in the world, though not for uranium deposits.

Consultation with CSIRO biometallurgy and hydrometallurgy experts at the Australian Minerals Research Centre in Perth, Western Australia lead to preliminary small-scale experiments. When these revealed positive results, larger samples were tested, which confirmed that bioleaching may be successfully applied to the Häggån deposit. Additional work at a still larger scale has since yielded further confirmation of the suitability of the process (ASX release of 18 August, 2010).

An independent scoping study in 2012 conducted by RMDSTEM Ltd to test the economics of a provisional mine plan and process flowsheet based on the research provided strong evidence that the Häggån Project is likely to be robustly economic and capable of supporting a very large operation (ASX release of 29 May, 2012).

The work to which this tax rebate applies was designed and managed by Aura's own metallurgical team together with other Australian experts and organisations, all of whom provided significant knowledge and insight of great value. These included: the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Western Australia, the Australian Nuclear Science and Technology Organisation (ANSTO), ALS AMMTEC, the Ian Wark Research Institute (University of South Australia), the Centre of Excellence in Ore Deposits ("CODES", University of Tasmania), and SGS Lakefield Oretest Pty Ltd.

The results of this comprehensive research programme have greatly reduced the technical and economic risk attached to the project whilst revealing the exceptionally attractive opportunity open to the Company and its shareholders. There is clear and sound justification for proceeding with a prefeasibility study, the next stage in project development.

To this end, Aura is examining alternative funding opportunities. One of these is a possible joint venture arrangement with a larger strategic partner. Aura is in a four-month Cooperation Agreement with the large French uranium mining company, Areva Mines SA.

Aura is pleased that the innovative approach taken by the Company and its partners has been accepted as bridging the knowledge gap in extraction of uranium and other metals from the Scandinavian black shales. Testwork results gave Aura the confidence to commission an economic scoping study, which indicated that the process was sufficiently robust and commercial to progress to the Prefeasibility stage.

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*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.*