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17 SEPTEMBER 2015

PLACEMENT TO CORNERSTONE INVESTOR GROUP

RAISING UP TO \$1 MILLION

FURTHER CORNERSTONE INVESTMENT ANTICIPATED FOR LONDON AIM IPO IN COMING MONTHS

- **Commitments received for over \$0.75 million via a placement**
- **Raising may be increased to approximately \$1 million**
- **Aura will seek a London AIM listing to open a new and relevant market for the company**
- **Funds raised will be applied to continuing Definitive Feasibility Study (DFS) into the low capex and low-cost Tiris Uranium Project**

Aura Energy Limited (ASX:AEE), is pleased to announce that it has completed a placement to a London based group of investors to continue to fund the DFS for the development of high-grade Tiris Uranium Project. This source of funding opens a new and important investor base for Aura which is relevant to the company's African and European projects.

The investors are an experienced group of resource investors and are aligned with Aura Energy in the long term commitment required to bring its projects, particularly the Tiris Project in Mauritania, into production. The investors have a demonstrated track record in this regard.

As part of the investment Aura Energy has committed to conduct an Initial Public Offering (IPO) on the AIM market within the coming months. Importantly the group of London based investors involved in this listing has indicated its intention to cornerstone this London AIM IPO with a substantial investment.

The driving force behind the investment by this group is the low capital cost and low operating cost Tiris project and its potential to deliver strong cashflow in a short time frame into an improving uranium market. The London AIM listing has been in contemplation by Aura Energy for some time as London is geographically central to its projects in Africa and Europe. Additionally the UK and European markets have a great affinity for investment within those regions. The AIM listing will also open to Aura Energy a broader spectrum of investors as the company moves through to the production phase.

“The ability to attract an experienced group of UK investors is testament to the strength of Aura’s projects which offer both short and long term cashflow potential with modest capital requirements. The strong involvement of this group, who also plan to be the cornerstone investor into Aura’s AIM listing, sets a platform in a new market that Aura and previously not had strong access to”, Aura’s Executive Chairman, Peter Reeve said.

“With this initial investment, the future cornerstone investment and the London AIM listing the Board of Aura can now see a clearer path for a sustainable funding solution for both the Tiris DFS and development capital for the project. In that sense it is an important milestone for the company”.

In the placement Aura has received commitments to raise approximately \$0.75 million and Aura may increase this up to \$1 million via subscriptions from other shareholders.

The key points of the placement are:

- Placement of 62,111,801 fully paid ordinary shares at \$0.01225 per share to raise \$A760,870 before expenses.
- The offer is in two tranches with 48,660,000 issued immediately for \$A596,085.
- The second tranche of 13,451,801 (\$A164,785) subject to shareholder approval at a general meeting to be held as soon as possible.
- Issue to the group of investors of 1 option for each share subscribed with a strike of \$0.025 and a 2 year term. These options will also require shareholder approval.

The group of investors are all clients of WH Ireland in London who has facilitated this transaction.

Funds raised by the Placement will be applied to progressing Aura’s Tiris Uranium Project DFS in Mauritania, and for working capital purposes.

About Tiris Uranium Project

Based on the exceptionally positive outcomes of the Scoping Study completed in 2014, Aura commenced a Definitive Feasibility Study at the Tiris Project, which contains a current **JORC Resource of 49 Mlbs U₃O₈**, and based on the low capital cost and low operating costs expected, is capable of generating strong free cashflow at the prevailing uranium prices.

Key findings of the Scoping Study included:

- Mineralisation occurs from surface to only 4-5 metres
- The ore upgrades by 500 – 700% to circa 2,500ppm U₃O₈
- Leach recovery of 94% U₃O₈ in only 4 hours
- **C1 Cash costs of US\$30/lb U₃O₈**
- **Capex of US\$45 million**
- Production profile of 0.7 - 1Mlbs U₃O₈ per annum for 15 years
- Pre-tax cashflow of A\$360 million, based on uranium price of US\$65/lb and 0.90 AUD/USD
- IRR of 78%

Notably, *the Scoping Study was completed over only 20% of the Tiris Resource*, indicating significant scope for improved project economics if mine life and/or mining rate can be increased by mining a larger proportion of the known 49 Mlb Resource.

For more information, contact:

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The Competent Person for the Tiris Resource is Mr Neil Clifford.

The information in the report to which this statement is attached that relates to the resource is based on information compiled by Mr Neil Clifford. Mr Clifford has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Clifford as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.