

17 OCTOBER 2018

INVESTIGATION INITIATED FOR RECOVERY OF VANADIUM AT TIRIS URANIUM PROJECT

VANADIUM OCCURS IN URANIUM HOST MINERAL CARNOTITE

VANADIUM EXTRACTED IN LEACHING CIRCUIT WITH URANIUM

Aura Energy Limited (AEE; ASX, AURA; AIM) is pleased to advise that technical investigations during the Tiris Definitive Feasibility Study have indicated the potential for the recovery of vanadium from the Tiris Uranium Project process streams.

Vanadium occurs with uranium in carnotite, the host mineral for uranium in the Tiris Project, as potassium uranium vanadate ($K_2(UO_2)_2(VO_4)_2 \cdot 3H_2O$). Vanadium hosted with carnotite is leached alongside uranium in the Tiris extraction circuit.

Aura has conducted preliminary evaluation at its 100% owned 52-million-pound U_3O_8 ¹ calcrete uranium project in Mauritania on the feasibility of vanadium recovery from solution.

The Tiris project value, which is driven by low operating and development capital costs, would benefit further with vanadium recovery which is considered technically achievable.

The vanadium price has risen approximately 500% over the past 3 years and was recently quoted at US\$28.10 per lb², benefitting from significant structural shifts in the Chinese steel industry where, in some cases, legislation has driven a three-fold increase in vanadium use.

¹ Source: Aura ASX announcement dated April 30, 2018 "Tiris Resource Upgrade Success"

² Source: www.vanadiumprice.com vanadium pentoxide flake 98% price, China

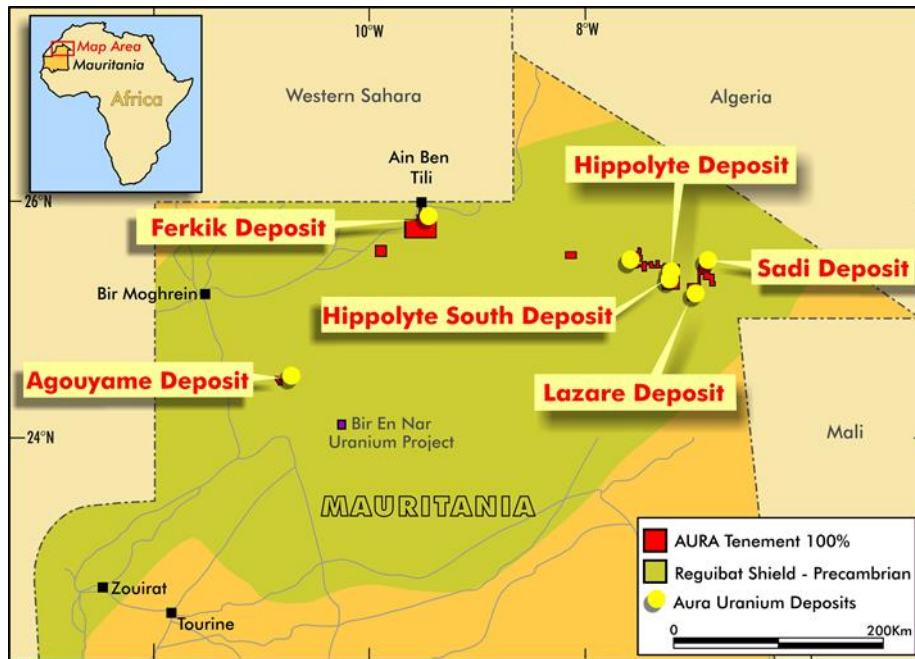


Figure 1. Location of Aura's Tiris Uranium Resources

This new vanadium initiative at Tiris is part of the continuing theme of Aura Energy's Battery Metal development strategy which has helped broaden its portfolio significantly.

Aura recently announced a significant high-grade vanadium resource at its Häggån Vanadium Project in Sweden ([release dated 23 May 2018](#)) and this vanadium initiative at Tiris further builds on the strategic direction Aura has taken with the addition of vanadium to its portfolio.

Further studies and test work, including capital and operating estimates, are required to fully investigate the economic viability of adding a vanadium ion exchange and purification circuit to the Tiris Project. The changes, however, would be considered only marginal additions to the existing design of the uranium recovery circuit.

Vanadium occurs in the Tiris ore at a grade of 330 ppm $V_2O_5^3$, a similar concentration to that of U_3O_8 . Approximately half of this vanadium occurs within the uranium host mineral carnotite.

The Vanadium Project provides the opportunity for near term production of vanadium pentoxide (V_2O_5), with entry to the vanadium market while Aura's world class Häggån Battery Metals Project is under development.

"The potential for vanadium recovery at the Tiris Uranium Project is an exciting initiative which highlights the ongoing culture of innovation and strong science within Aura Energy and its team. This has the potential to influence Tiris production costs strongly and takes advantage of a commodity that is currently undergoing a significant resurgence".

³ Vanadium has been assayed in approximately 1 in 10 of all Tiris drillhole samples. Within all of Aura's Tiris uranium mineralised drillhole samples (that is samples containing greater than 100 ppm U_3O_8), 402 samples have been assayed for vanadium and these average 330 ppm V_2O_5 .

“As a complementary strategy to the activity at the Häggån deposit in Sweden, this Tiris Vanadium Project will strengthen Aura’s credentials as an important future vanadium producer”, Mr Peter Reeve, Aura’s Executive Chairman, said.

The uranium resource inventory announced in Aura ASX announcement dated April 30, 2018 “Tiris Resource Upgrade Success” is summarised in Table 1

Cut-off U3O8 ppm	Class	Tonnes (Mt)	U3O8 ppm	U3O8 (Mlb)
100	Measured	10.2	236	5.3
	Indicated	24.5	218	11.8
	Total M+I	34.7	224	17.1
	Inferred	57.4	274	34.7
	Total Resource	92.1	255	51.8
200	Measured	4.6	355	3.6
	Indicated	9.5	334	7.0
	Total M+I	14.1	341	10.6
	Inferred	36.8	344	27.9
	Total Resource	50.9	345	38.5
300	Measured	2.1	497	2.3
	Indicated	4.0	465	4.1
	Total M+I	6.1	476	6.4
	Inferred	18.0	446	17.7
	Total Resource	24.1	455	24.1

Table 1. Tiris Resource Inventory

For further information please contact:

Mr Peter Reeve
Executive Chairman
Phone +61 (0)3 9516 6500
info@auraenergy.com.au

The Competent Person for drill hole data 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 an independent consultant to Aura Energy. 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.