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25 SEPTEMBER 2019

## **TECHNICAL AND FINANCE UPDATE FOR TIRIS PROJECT**

### **ADDITIONAL WATER DRILLING YIELDING GOOD RESULTS**

### **POST DFS ENHANCEMENT PROJECTS COMMENCED**

### **AURA RECEIVES POSITIVE INITIAL FEEDBACK ON EXPORT CREDIT AGENCY (ECA) FINANCE PROCESS**

**Aura Energy Limited (AEE; ASX, AURA; AIM)** is pleased to provide an update regarding the significant work which has continued on the Tiris Uranium Project on various fronts since the release of the Tiris Uranium Definitive Feasibility Study (DFS).

The key areas have been;

1. Continuation of water drilling program
2. Commencement of post-DFS Enhancement Projects for Tiris
3. Strong initial feedback for financing Tiris with Export Credit Agency Finance support

“With the full water program progressing well above expectations, the strong upside expected from the various Tiris enhancement projects, the positive early feedback from the second round of the Export Credit Agency Finance process for Tiris funding, and the positive sentiment on uranium from the recent London World Nuclear Authority conference, Aura is confident that it will shortly have all the building blocks in position to commence development of this compelling uranium project”, Peter Reeve Aura Energy’s Executive Chairman said.

#### **TIRIS WATER PROGRAM**

Following a period of initial geophysical evaluation Aura has been conducting a significant and broad based round of water drilling for the Tiris uranium project since the middle of 2019

which has reported significant success. Of 5 targets tested to date, 2 have reported significant water flows, a strong validation of the geophysical program.

As previously reported the water program is testing targets generated from the geophysics and is focussing on targets within 30 km of the proposed Tiris plant site. The current drilling program will test 9 or 10 of the highest priority targets.

Results to date are summarised in Figure 1

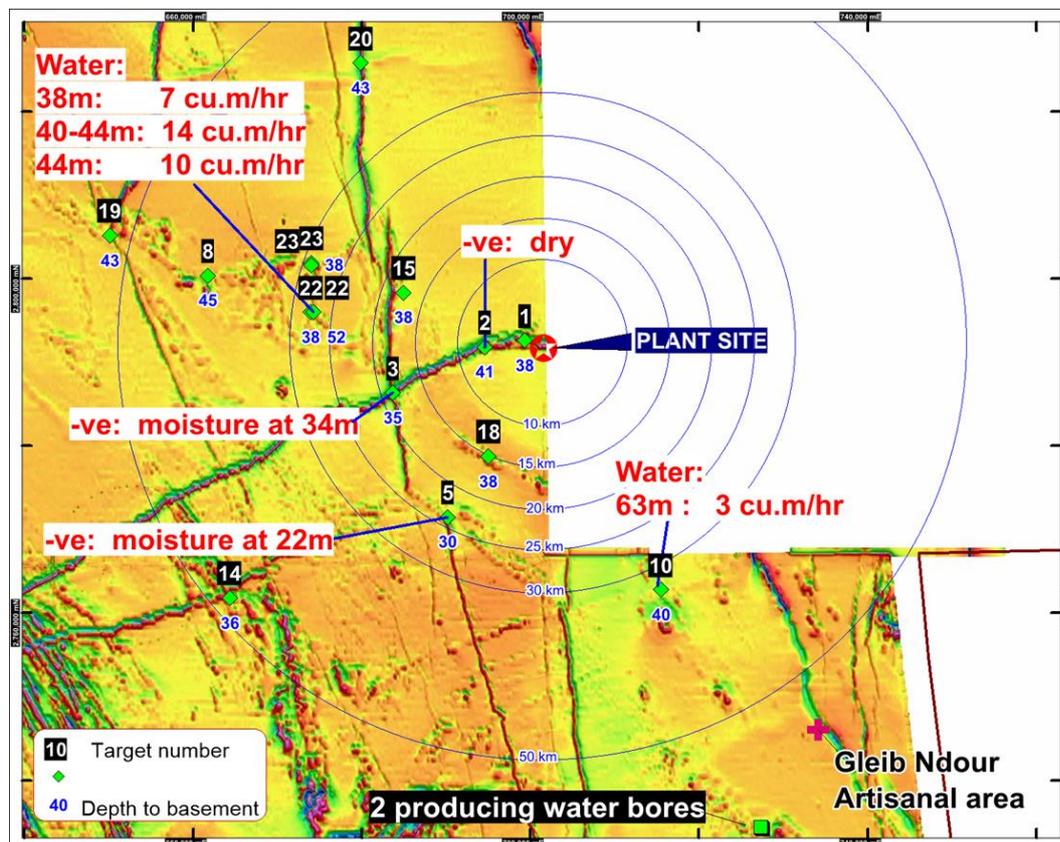


Figure 1: Tiris water targets. Background image is RTP regional magnetics highlighting potentially water bearing structures.

Target 22 yielded the following water, based on air-lift water flow measurement:

- 30-44m: 14,000 Lt/hr

Conductivity of this water was reported at 3200  $\mu\text{S}/\text{cm}$  which indicates it is only moderately saline. For comparison, potable water is generally  $<2500 \mu\text{S}/\text{cm}$  while seawater is approximately 50,000  $\mu\text{S}/\text{cm}$ . Water of this salinity is likely to be suitable for processing at Tiris, depending on precise water chemistry.

Target 10 has yielded a flow of ;

- 63m: 3000 Lt/hr

The drilling rig encountered mechanical problems at 69m and the hole is not yet complete.

Ironically the Sahara region has experienced unusually heavy rainfall in the last week making movement difficult and drilling has been temporarily suspended for approximately 10 days until access is again possible.

Aura believes the current results, including the photo of current drilling below (see Image 1), confirm its longheld position that significant water exists within the Oued el Foule Depression as discovered in a number of the deeper drillholes during evaluation drilling into the Tiris uranium mineralisation.



***Image 1: Image of Tiris water drilling flow test last week.***

## **TIRIS PROJECT ENHANCEMENT STUDIES**

Aura has also commenced preliminary work on various studies to improve upon the outcomes of the Tiris DFS and these studies are as follows;

1. Conversion of additional Resources to Reserves
2. Extension of the known Mineral Resource Base
3. Recovery of vanadium from the process streams
4. Further reduction of the operating cost via mining initiatives and cut-off grade

These studies are expected to provide strong improvement to the Tiris DFS outcomes and have been flagged by our ECA Finance advisors as being important in the next round of ECA Finance negotiations.

## **TIRIS EXPORT CREDIT AGENCY FINANCE PROCESS**

As previously advised Aura has been progressing a financing strategy for the Tiris project with the debt portion focussed around the low-interest coupon ECA finance. This process, through its London-based financial advisory firms, SD Capital Advisory Limited and GKB Ventures Limited, has continued and recently met with positive feedback.

At this stage seven Export Credit Agencies have expressed ongoing interest in reviewing the Tiris Finance Package and this included some of the major ECAs. A number of these agencies have indicated interest to act on a sole basis.

There was good interest and capacity in funding Mauritanian projects with some ECAs indicating ability to provide Direct Lending at OECD CIRR\* rates and also indications they are able to provide guarantees covering 100% of the political risks and 100% for the commercial risks.

This ECA process was not a formal application process and none of the responses are a formal indication to provide financing support for the projects. The Company has not completed any formal agreement at this time with an ECA.

\*Commercial Interest Reference Rate are the official lending rates of Export Credit Agencies. They are calculated monthly and are based on government bonds issued in the country's domestic market for the country's currency

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