



AURA ENERGY LIMITED
ABN 62 115 927 681

Interim Financial Report
for the half-year ended 31 December 2011

Note:

The information contained herein should be read in conjunction with the most recent annual report.

Aura Energy Limited
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**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2011

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2011.

Directors

The names of directors who held office during or since the end of the half-year:

Brett Fraser
Robert Beeson
Simon O'Loughlin
Jay Stephenson
Leigh Junk
Julian Perkins

REVIEW OF OPERATIONS

During the first six months of the financial year, Aura Energy made significant progress with its key uranium projects in Sweden and Mauritania.

The Häggån resource in Sweden was upgraded to a huge 631 million pounds at 160 ppm uranium by independent consultants Hellman & Schofield Pty Ltd, placing Häggån in the world's top three largest undeveloped uranium resources that are compliant with ASX and TSX requirements. The metallurgical testwork programme on Häggån continued, with results from agitation leach tests revealing up to 90 per cent uranium extraction.

Post the period of this report, the scoping study on Häggån demonstrated robust economics. The study highlighted a net present value of more than one billion dollars and would establish Aura Energy as one of the world's top 10 uranium producers.

Aura Energy also established an initial inferred uranium JORC resource at its Reguibat Project in Mauritania of 50.2 million pounds at 330 ppm uranium based on a cut-off grade of 100 ppm uranium. A total of 97 per cent of this resource is contained in permits wholly owned by Aura Energy. The initial Mineral Resource Statement for Aura Energy was prepared by independent experts Coffey Mining Ltd.

Aura Energy commenced a three to five hole drilling programme at its Motala shale gas project in Sweden in October. The project covers approximately 140 square kilometres of the Alum Shale, host to the Häggån resource.

During the quarter Aura Energy launched a rights issue that was completed subsequent to the end of the half year period and provides funding for further advances in the projects.

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HÄGGÅN RESOURCE STATEMENT

Cutoff U ₃ O ₈ ppm	BTonnes	U ₃ O ₈ ppm	MoO ₃ ppm	Ni ppm	Zn ppm
100	1.79	160	214	324	454

Mr. Simon Gatehouse takes responsibility for estimation of uranium and associated metals in the Häggån Resource. This work was completed while Mr. Gatehouse was a consultant geologist, and a fulltime staff member of H&S. He is a competent person in the meaning of JORC having had a minimum of five years relevant experience in exploration and estimation of uranium and other metal resources in many parts of the world. He is a member of the Australian Institute of Geoscientists. Mr. Gatehouse 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. Dr Beeson takes responsibility for the requirement of "reasonable prospects for eventual economic extraction" for the reporting of Häggån Resources at the quoted cut-off grades.

REGUIBAT RESOURCE STATEMENT

Category	Lower Cut Off (ppm U ₃ O ₈)	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈ (Mlb)
Inferred	100	68.7	330	50.2
	150	67.3	340	49.9
	200	60.7	350	47.3
	250	48.8	380	41.3
	300	35.8	420	33.4

Competent Persons 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 "Australasian 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.

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Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'B Fraser', with a small flourish at the end.

Brett Fraser
DIRECTOR

Dated this 15th Day of March 2012

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our review of the financial report of Aura Energy Limited and Controlled Entities for the half-year ended 31 December 2011 and in accordance with the provisions of the *Corporations Act 2001*.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- no contraventions of the *Code of Professional Conduct* of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



RICHARD JOUGHIN CA
Director

DATED at PERTH this 15th day of March 2012

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	31/12/2011	31/12/2010
	\$	\$
Revenue	69,055	44,311
Accounting and Audit Fees	(52,759)	(31,645)
Share Registry and Listing Fees	(45,284)	(64,000)
Employee Benefits Expense	(352,327)	(253,349)
Share Based Payments Expense	(83,559)	(179,813)
Legal and Consulting Fees	(218,649)	(17,513)
Computers and Software	(14,812)	(22,816)
Travel and Accommodation	(37,725)	(93,365)
Insurance	(24,912)	(28,598)
Depreciation	(7,191)	(25,020)
Impairment of Capitalised Exploration	(117,093)	(499,922)
Business Development	(11,003)	(48,985)
Public Relations	(82,299)	(110,792)
Printing and Office Supplies	(13,755)	(14,832)
Rent and Utilities	(60,195)	(16,092)
Other expenses	(42,705)	(46,424)
Loss before income tax	(1,095,213)	(1,408,855)
Income tax expense	-	-
Loss from continuing operations	(1,095,213)	(1,408,855)
Other Comprehensive Income		
Foreign currency movement	(4,992)	(23,711)
Other Comprehensive Income for the period	(4,992)	(23,711)
Total Comprehensive income attributable to members of the parent entity	(1,100,205)	(1,432,566)
Earnings per share:		
Basic earnings per share (cents per share)	(0.81)	(1.44)

The accompanying notes form part of these financial statements.

**AURA ENERGY LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	31/12/2011 \$	30/6/2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,608,774	3,289,774
Trade and other receivables		164,598	187,607
TOTAL CURRENT ASSETS		<u>1,773,372</u>	<u>3,477,381</u>
NON-CURRENT ASSETS			
Property, plant and equipment		22,442	26,933
Other assets		12,780,875	11,465,790
TOTAL NON-CURRENT ASSETS		<u>12,803,317</u>	<u>11,492,723</u>
TOTAL ASSETS		<u>14,576,689</u>	<u>14,970,104</u>
CURRENT LIABILITIES			
Trade and other payables		463,467	885,253
Short term provisions		28,324	18,307
TOTAL CURRENT LIABILITIES		<u>491,791</u>	<u>903,560</u>
TOTAL LIABILITIES		<u>491,791</u>	<u>903,560</u>
NET ASSETS		<u>14,084,898</u>	<u>14,066,544</u>
EQUITY			
Issued capital	5	22,540,633	21,074,083
Reserves		570,412	923,395
Accumulated losses		(9,026,147)	(7,930,934)
TOTAL EQUITY		<u>14,084,898</u>	<u>14,066,544</u>

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Issued Capital	Option Premium Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2010	12,681,865	859,129	933	(5,704,385)	7,837,542
Loss for the period	-	-	-	(1,408,855)	(1,408,855)
Other comprehensive income	-	-	(23,711)	-	(23,711)
Total Comprehensive Income for the period	-	-	(23,711)	(1,408,855)	(1,432,566)
Transaction with owners, directly in equity					
Shares issued during the period	8,706,931	-	-	-	8,706,931
Options issued during the period	-	179,813	-	-	179,813
Transaction costs	(507,632)	-	-	-	(507,632)
Balance at 31 December 2010	20,881,164	1,038,942	(22,778)	(7,113,240)	14,784,088

	Issued Capital	Option Premium Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	21,074,083	955,639	(32,244)	(7,930,934)	14,066,544
Loss for the period	-	-	-	(1,095,213)	(1,095,213)
Other comprehensive income	-	-	(4,992)	-	(4,992)
Total Comprehensive Income for the period	-	-	(4,992)	(1,095,213)	(1,100,205)
Transaction with owners, directly in equity					
Options exercised during the period	1,466,550	(431,550)	-	-	1,035,000
Options issued during the period	-	83,559	-	-	83,559
Balance at 31 December 2011	22,540,633	607,648	(37,236)	(9,026,147)	14,084,898

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	31/12/2011	31/12/2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,972	16,140
Interest received	43,623	29,639
Payments to suppliers and employees	(871,638)	(778,223)
Payments for exploration expenditure	(1,402,243)	(2,253,624)
Net cash used in operating activities	<u>(2,222,286)</u>	<u>(2,986,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,700)	(8,604)
Repayment of loan for acquisition of subsidiary	(491,014)	-
Net cash used in investing activities	<u>(493,714)</u>	<u>(8,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,035,000	8,706,931
Payment for share issue costs	-	(507,632)
Net cash provided by financing activities	<u>1,035,000</u>	<u>8,199,299</u>
Net (decrease) / increase in cash held	(1,681,000)	5,204,627
Cash at beginning of period	3,289,774	1,221,825
Cash at end of period	<u>1,608,774</u>	<u>6,426,452</u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Aura Energy Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the economic entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the economic entity for the year ended 30 June 2011, together with any public announcements made during the half-year.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the economic entity's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the economic entity for the purposes of preparation of these interim financial statements.

Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The economic entity has elected to retain reconciliations within the Consolidated Statement of Changes in Equity as previously disclosed.

Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the economic entity's circumstances since the last annual financial statements. The economic entity's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

NOTE 2: OPERATING SEGMENTS

	Australian Exploration \$	Scandinavian Exploration \$	African Exploration \$	Treasury \$	Total \$
(i) Segment performance					
For the Half Year to 31 December 2011					
Segment Revenue	7,246	-	-	61,809	69,055
Segment Results	(14,341)	(80,595)	(14,910)	61,695	(48,151)
Amounts not included in segment results but reviewed by Board:					
Corporate expenses					(956,312)
Depreciation					(7,191)
Share-based payment expense					(83,559)
Loss before Income Tax					(1,095,213)
For the Half Year to 31 December 2010					
Segment Revenue	14,672	-	-	29,639	44,311
Segment Results	(321,172)	(172,866)	(46,514)	29,358	(511,194)
Corporate Expenses					(897,661)
Loss before Income Tax					(1,408,855)
(ii) Segment assets					
Opening balance 30 June 2011	1,295,354	4,339,458	5,823,390	3,289,773	14,747,975
Additions	75,981	1,044,457	312,878	-	1,432,382
Disposals	(18,044)	(77,689)	(14,910)	-	(110,643)
Other movements in segment assets	-	-	-	(1,680,999)	(1,680,999)
Closing balance 31 December 2011	1,353,291	5,306,226	6,121,358	1,608,774	14,389,649
Unallocated Assets					
Trade and other receivables					164,598
Property, plant and equipment					22,442
Total Assets					14,576,689

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

From the recent non-renounceable entitlement Issue, the Company has received applications for 17,630,717 shares at 15 cents. The value of shares applied for is \$2,644,607 and the value of shortfall shares is \$775,144. The entitlement issue was fully underwritten by Cygnet Capital Pty Ltd.

The liability costs arising from the above issue are \$205,185. In addition, Cygent Capital Pty Ltd have been issued 10,000,000 Options exercisable at 20 cents on or before 21 December 2014.

There are no other subsequent events at reporting date.

	31/12/2011	31/12/2010
	\$	\$
NOTE 5: ISSUED CAPITAL		
136,815,068 fully paid ordinary shares at no par value (2010: 132,090,068)	22,540,633	20,881,164

Ordinary shares

At the beginning of the reporting period	21,074,083	12,681,865
Shares issued during the year		
12,484,898 Share issued on 23 September 2010	-	1,872,735
19,143,511 Shares issued on 25 October 2010	-	2,871,526
17,229,000 Shares issued on 20 December 2010	-	3,962,670
4,500,000 Options exercised on 1 September 2011	1,035,000	-
Transfer from Options Reserve for options exercised	431,550	-
Transaction costs relating to share issues	(507,632)	(507,632)
At reporting date	20,881,164	20,881,164

	2011	2010
	No.	No.
At the beginning of the reporting period	132,315,068	83,232,659
Shares issued during the year:		
12,484,898 Share issued on 23 September 2010	-	12,484,898
19,143,511 Shares issued on 25 October 2010	-	19,143,511
17,229,000 Shares issued on 20 December 2010	-	17,229,000
4,500,000 Options exercised on 1 September 2011	4,500,000	-
At reporting date	136,815,068	132,090,068

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5-11:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



DIRECTOR

Dated this 15th Day of March 2012

Independent Auditor's Review Report

To the Members of Aura Energy Limited

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Aura Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Aura Energy Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aura Energy Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

RICHARD JOUGHIN CA
Director

DATED at PERTH this 15th day of March 2012