

OPERATIONS  
REPORT



## HÄGGÅN PROJECT, SWEDEN



**Excellent work during the year saw the Häggån resource placed in the world's top three undeveloped uranium resources that are compliant with ASX or TSX requirements, representing a substantial feat by Aura's exploration team.**

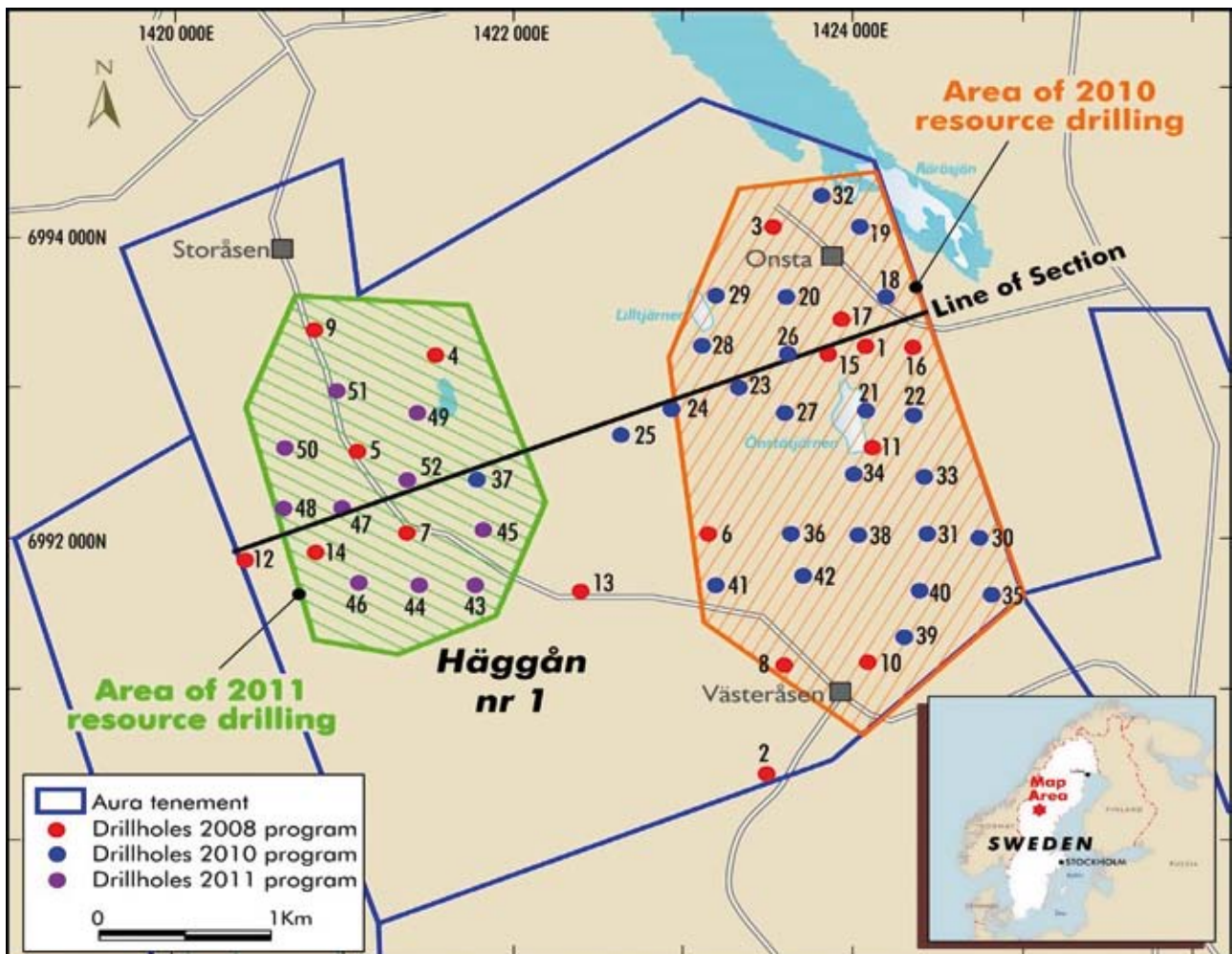
The Häggån Project forms part of a large uranium field in Central Sweden on eight granted exploration permits, 100 per cent owned by Aura. These permits are on privately held land, in an area where forestry has been carried out for generations. No parks or reserves exist in the project area. Sweden has an active mining industry, with a clear regulatory position and a well established path from exploration to mining permit.

The uranium occurs with molybdenum, nickel, vanadium and zinc in black shales. The shales form a near-continuous sheet throughout the part of the project that Aura has drilled, with thicknesses ranging between 20 and over 250 metres. The mineralisation in Aura's permits extends into the adjoining permits held by Continental Precious Minerals Inc (TSX code: CZQ). That company has previously defined a resource of 1.05 billion pounds in permits adjoining the Häggån Project.



## RESOURCE EXPANSION

In the first half of 2011, Aura completed an 11 hole drill programme on the western side of its main permit at Häggån. The objective of this programme was to test for higher grade or thicker areas of mineralisation. In addition the programme was designed to define extensions to the existing JORC compliant uranium resource.



HÄGGÅN PROJECT, SWEDEN (CONT)

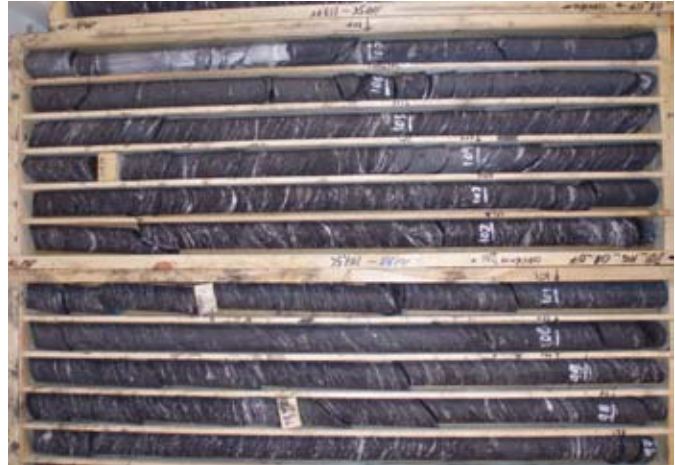
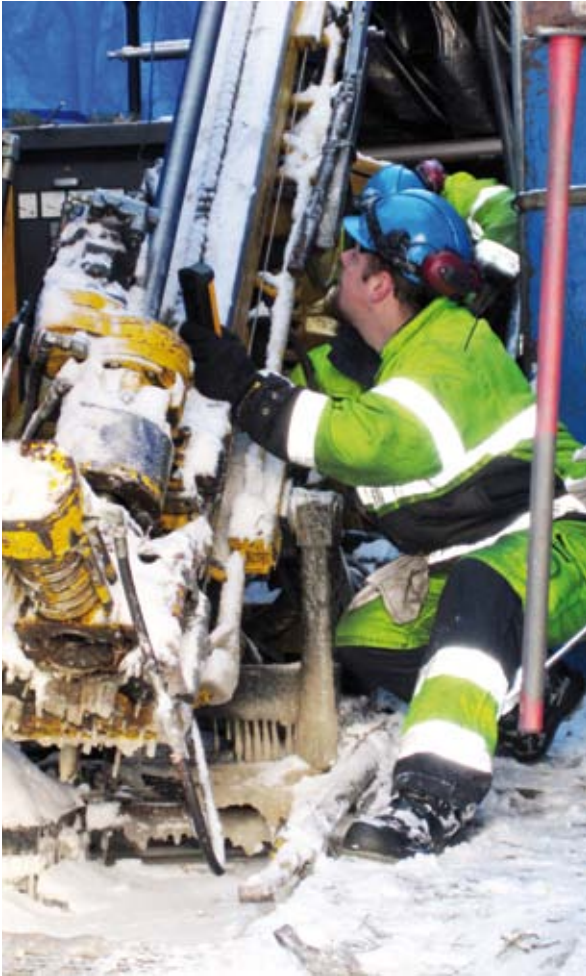


Drilling extended the zone of thick mineralisation south from previous holes drilled in 2008 and confirmed the company’s expectation that there remains significant upside in the Häggån resource. Even after the most recent drilling, the area used to calculate the resource statement covers only 15 per cent of Aura’s permit areas at Häggån.

Independent resource consultants Hellman & Schofield Pty Ltd (H&S) have upgraded the resource from 291 to 631 million pounds. It should be remembered that Häggån represents not only a significant uranium resource but also contains other metals such as molybdenum, vanadium, nickel and zinc. Based on the resource the contained metal contents are given below.

**BASED ON THE RESOURCE THE CONTAINED METAL CONTENTS ARE GIVEN BELOW.**

CUTOFF (U <sub>3</sub> O <sub>8</sub> ) ppm	100
Uranium (U <sub>3</sub> O <sub>8</sub> )	631
Molybdenum (MoO <sub>3</sub> )	843
Nickel	1277
Zinc	1790
<b>MILLIONS OF POUNDS</b>	



## METALLURGICAL TESTWORK

The company is currently undertaking a multi-directional metallurgical test programme to determine the optimal uranium extraction route for the project, while also trying to maximise the recovery of valuable metal co-products. Aura has previously reported that high levels of uranium extraction (up to 93 per cent) have been obtained from initial bench-scale conventional acid leaching tests.

Alum Shale material at Häggån has characteristics that make it amenable to bioleaching technologies. The similarities to ores being processed by bioleaching elsewhere have been the impetus for commencing bioleaching testwork with the Parker Cooperative Research Centre for hydrometallurgical research in Perth, Western Australia. Initial testwork was positive and new results during 2011 have confirmed the potential of bioleaching, which is an exciting and significant step forward for the company.

## NEXT STEPS

The world class resource at Häggån will now be subject to scoping studies covering mining and infrastructure. Concurrently metallurgical testwork will confirm the potential to recover uranium and other metals.

### Maximum extraction of metals obtained in the presence of bacteria were:

- Uranium 75%
- Nickel 65%
- Zinc 60%
- Molybdenum 25%

It is anticipated that these results will be improved with further tests. One opportunity for improvement is using a finer particle size, as would be normal for a heap leach operation.

Bio-heap leaching of ore has the advantages of significantly reduced capital costs compared to a conventional plant, lower operating costs and the potential to recover valuable by-products. Aura is now planning for a larger size, more comprehensive phase of testing.



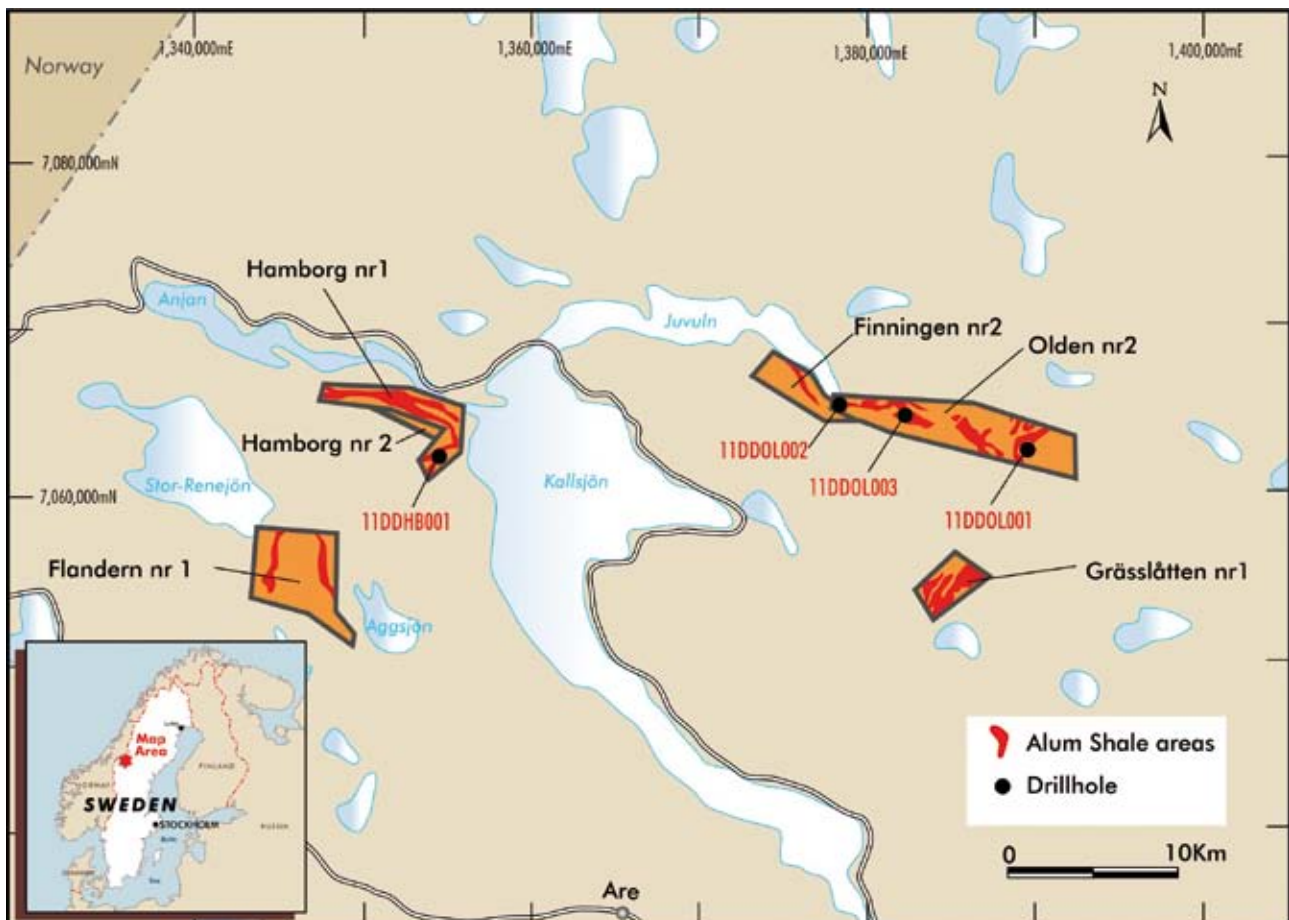
## KALLSEDET PROJECT

A successful drilling program in early 2011 saw this wholly owned area become an important step in Aura's strategy to develop a pipeline of uranium projects in Sweden. Kallsedet is a substantial landholding of about 90 square kilometres of uraniferous Alum Shale, close to the Norwegian border.

Little modern exploration had been undertaken in the area and Aura's initial evaluation of previous work and surface exploration identified a number of promising targets. Early in 2011 three holes were drilled on Aura's Olden permit and one hole on the Hamborg permit.

Drilling has returned promising results revealing thick, mineralised intersections varying from 12 metres to 98 metres in cumulative thickness, with areas of higher grade. The thicknesses of mineralisation found in drilling were greater than the surface mapping indicated and demonstrated good geological understanding by our team. The results confirmed the widespread occurrence of uraniferous shale in the area and the potential for Aura to establish another significant deposit in Sweden, with the next step to undertake further drilling. The technological advances that Aura is making for developing options for the economic processing of the Alum Shale at Häggån can be applied to the Kallsedet Project.

### LOCATION OF THE KALLSEDET DRILL HOLES





## VIRKA PROJECT

Located in the resource rich Norrbotten area of Northern Sweden is Aura's wholly owned Virka Project. The project lies approximately 45 kilometres southeast of the more than 20 million pounds Pleutajokk Uranium Deposit and approximately 50 kilometres northwest of the Arvidsjaur uranium province.

The Virka Project was discovered by the Swedish Geological Survey (SGU) with initial soil and rock-chip sampling defining a broad area of anomalism which was later followed up with diamond core drilling. Subsequent drilling between 1980 and 1982 was then directed towards intersecting this structure and eight of the total 20 holes drilled in the area intersected high grade uranium mineralisation. In 2008, Aura assayed the holes with higher radiometric responses and confirmed the presence of high grade mineralisation. The company is currently developing a programme for Virka.

## WEST AFRICAN ACTIVITIES

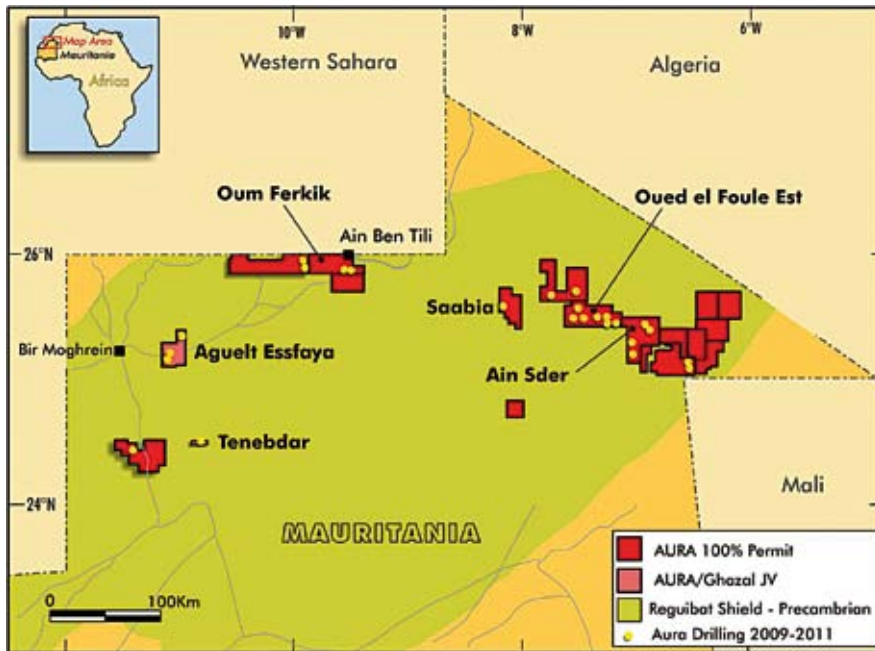
In both Mauritania and Niger there are well established mining industries. Aura has been active in the uranium provinces of West Africa since 2007. There is a significant presence of international mining groups and the governments encourage mining activity. Aura believes many of these areas are underexplored and that it has a significant advantage in having had an early presence in what is now one of the more attractive global exploration locations.

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### REGUIBAT PROJECT, MAURITANIA

Aura's skills and its confidence in its greenfields Reguibat Project has been confirmed by the calculation of the first JORC-code compliant resource. The exploration team has undertaken radiometric surveys and two large drilling programs to successfully define several laterally extensive developments of calcrete uranium mineralisation within the Reguibat Project in northern Mauritania.

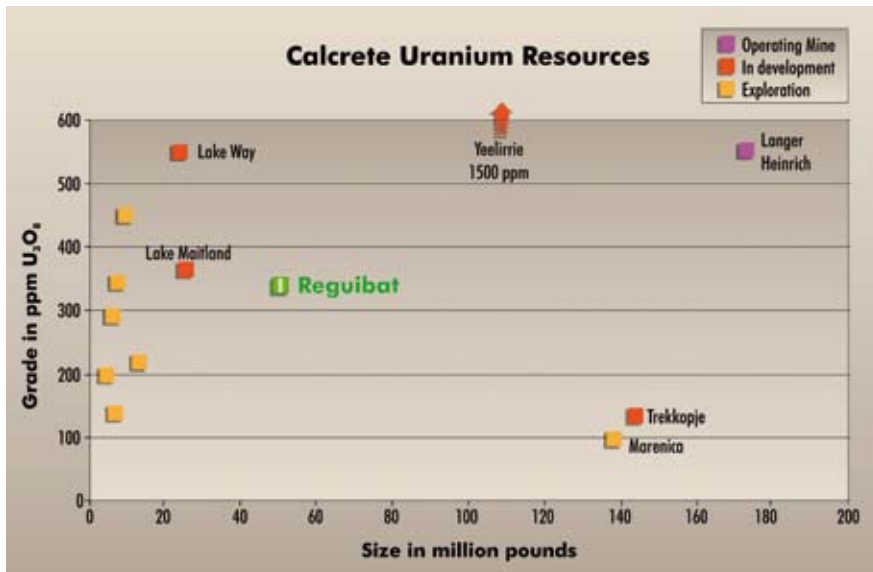
The initial Mineral Resource Statement for Aura was prepared by the independent experts, Coffey Mining Ltd. All of the resource is within six meters of surface allowing potential low cost mining. The Inferred Resource of 50.2 million pounds at 330 ppm U3O8 on the Reguibat Project was based on a cut-off grade of 100ppm U3O8. A total of 97 per cent of this resource is contained in permits 100 per cent held by Aura.



The Reguibat resource compares favourably in terms of grade and with many other calcrete uranium resources globally (See Figure 2).

### AURA MAURITANIAN PERMITS AND DRILLING TO DATE





**FIGURE 2: REGUIBAT PROJECT COMPARES POSITIVELY WITH OTHER CALCRETE URANIUM PROJECTS**

### POTENTIAL FOR EXPANSION AND HIGHER GRADES

Many drill holes with higher grade intercepts occur in coherent zones. Within Oued el Foule Est permit, for example, there are a number of elongate, high grade zones of between 100 and 400 metres width. Similar, spatially continuous, higher grade zones are observed at other prospects.

Aura believes that there is potential to substantially increase the resource as many drill zones have mineralised holes on their margins that are open in at least one direction. In addition the Coffey study has identified additional potential in areas which have been drilled, but have not been classified as resource because of the lack of supporting information.

### NEXT STEPS

Aura intends to undertake another drilling programme to extend the resource and to test the high grade zones to see if they can form the basis for initial mining. Post completion of the drilling Aura intends to commence a scoping study on the resource.

Drilling will also encompass the substantial undrilled radiometric anomaly in the Ain Sder permit, as well as other untested radiometric anomalies. Aura holds 2,876 square kilometres in permit applications to the east of the Ain Sder permit that are considered prospective, but have never been radiometrically surveyed.





## WESTERN AUSTRALIA YILGARN CALCRETE PROJECTS

### WONDINONG

The wholly owned Wondinong project area covers a broad, sedimentary deltaic environment at the eastern end of Lake Austin where Aura has defined an Inferred Resource of seven million pounds uranium above a lower cut-off grade of 100ppm U<sub>3</sub>O<sub>8</sub>. Aura has an application for a mining lease to cover a major part of the resource.

Following receipt of the final Aboriginal heritage site clearance, work is continuing on a potential 72 hole step out drilling program. The proposed shallow drilling will test for extensions of known uranium mineralisation to the northeast and south of the deposit.

## HÄGGÅN RESOURCE STATEMENT

Category	Cutoff U3O8	Size	U3O8	MoO3	V2O5	Ni	Zn
	(ppm U3O8)	(Bt)	ppm	ppm	ppm	ppm	ppm
Inferred	100	1.791	160	214	1551	324	545

Size in billions of tonnes and grades of the initial resources for the Häggån Project at 100ppm cut-off grade. Aura recognises the requirement to demonstrate that the uranium and other metals can be extracted economically, and this release is a further report of the progress of this work.

### COMPETENT PERSON'S STATEMENT

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.

## REGUIBAT RESOURCE STATEMENT

Category	Lower Cut Off	Tonnes	Grade	Contained U3O8
	(ppm U3O8)	(Mt )	(ppm U3O8)	(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 PERSON'S STATEMENT

The Competent Person for the 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 'Australian 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.

## WONDINONG RESOURCE STATEMENT

Category	Lower Cut Off	Tonnes	Grade	Contained U3O8
	(ppm U3O8)	(Mt )	(ppm U3O8)	(Mlb)
	100	22.6	140	7.0
	150	6.5	185	2.6
	200	1.9	225	0.9
	250	0.3	270	0.2

### COMPETENT PERSON'S STATEMENT

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.



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