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BUILDING ON INITIAL POSITIVE METALLURGICAL TESTS FOR HÄGGÅN PROJECT, SWEDEN

The first metallurgical test results for Aura's Häggån Uranium-Molybdenum-Vanadium Project in Sweden gave high uranium recoveries using conventional treatment methods:

- Conventional acid leaching achieved uranium recoveries of up to 93% from Aura's samples
- Majority of uranium extraction was achieved in first 12 hours of leaching

The next phase of work to build on these positive results has commenced. Work includes:

- Testing the effectiveness of the leaching at lower temperatures
- Testing the impact of leaching coarser grain sizes
- Varying the other key leaching conditions

Bottle roll testing to assess the amenability to conventional heap leaching.

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Storsjön Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects. Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

Aura Energy Limited (ASX Code AEE, “Aura”) is undertaking a programme to determine the optimal process route for its giant uranium deposit at Häggån in Sweden. The style of mineralisation has been mined and processed for uranium previously by the Swedish government, but for strategic rather than commercial purposes.

Aura has recently released its first inferred resource for the Häggån Project compliant with the JORC code of 291 million pounds of U_3O_8 .

Aura completed a first phase of metallurgical testwork with ANSTO (the Australian Nuclear Science and Technology Organisation) at Lucas Heights near Sydney, New South Wales. ANSTO has been examining standard acid and alkali-leach options for the Swedish uranium mineralisation.

High levels of recovery of uranium have been obtained from initial bench-scale conventional acid leaching tests on samples from drill hole 08DD-HG001. Extractions of up to 93% were achieved with a standard acid leach.

The extractions have been achieved with relatively short leaching times, with the majority of the uranium being removed in less than twelve hours.

Next Phase of Testing

Aura Energy has requested ANSTO to carry out further conventional leaching testwork on the Häggån 08DD-HG001 sample to individually examine the following variables:

- The effectiveness of the leaching at lower temperatures
- The impact of leaching coarser grain sizes than in the original tests
- Changing the acid conditions during leaching
- Changing the degree of oxidation during leaching

Aura also requested ANSTO to carry out bottle roll acid tests at lower acidity at minus two millimeters to continue to assess the amenability of the Häggån sample to heap leaching.

Bioleach Testing

Aura commenced bioleaching testwork with the Parker Cooperative Research Centre for hydrometallurgical research in Perth, Western Australia in late 2009. Bacterial cultures have been established from three sources: the ore; waters from the project area in Sweden; and from a coal mine in Western Australia.

Initial work demonstrated improved extraction rates of uranium, molybdenum, nickel and zinc using bacteria, relative to samples without bacteria. Consequently these initial results indicate the Alum Shales within the Project are likely to be amenable to bioheap leaching.

This method of extraction will potentially provide a low capital and operating cost treatment route.

These preliminary small-scale tests are encouraging, confirming that bacterially-assisted leaching of uranium from the mineralisation may be technically feasible.

The initial work using bacteria has also shown evidence of improved extraction percentages of other metals, particularly molybdenum, zinc and nickel relative to samples without bacteria.

The next phase of work at the Parker Centre is currently being finalized.

For further information contact:

Aura Energy Limited

Jay Stephenson – Company Secretary - 08 9228-0711

Pesel & Carr

Barbara Pesel – 0418 548 808
Glenister Lamont - 0417 541 305

Inferred resource statement:

In July Aura released its initial resource statement for the Haggan deposit.

Cutoff U3O8 ppm	Size (BT)	U3O8 ppm	MoO3 ppm	V2O5 ppm	Ni ppm	Zn ppm
100	0.81	162	325	2616	318	448

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

The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. 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.