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Commenced - next phase of bioleach tests for the Häggån Project

HIGHLIGHTS

- **Following the successful results of preliminary tests, Stage 2 bioleaching testwork for the Häggån project is about to commence**
- **CSIRO scientists working through the Parker Centre will be undertaking column bioleaching tests on larger samples of Aura ore**
- **The aim of the tests is to continue to confirm viability of the extraction process for uranium and other metals**
- **Results are expected in the first half of 2011**

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 Häggån 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") has commissioned the next stage of testing using bioleach technology for the extraction of uranium and other metals, following on from the positive results of the Stage 1 testing.

As with the first tests, the Parker Cooperative Research Centre for Integrated Hydrometallurgy Solutions (Parker Centre) based at CSIRO's Australian Minerals Research Centre in Perth, Western Australia has been appointed and will manage the project.

The aim of the work is to determine the optimal process route for Aura Energy's giant uranium deposit at the Häggån project in Sweden in order to secure enhanced extraction of uranium, molybdenum and nickel from the Alum Shale.

This next stage will work with larger samples, a range of acidities and will test agglomeration as a means of enhancing permeability.

Aura's Managing Director, Dr Bob Beeson, commented: "This next stage of work is built on the encouraging results of Stage 1 and is another step closer to choosing an extraction method for uranium and other metals found within the Häggån project.

"We are very keen to pursue this approach as the advantage of bioleach technology is that capital and operating costs can be low in comparison with other technologies."

Preparatory work is expected to be completed in January with all bioleaching results expected by June 2011.

Bioleaching is the process whereby metals are leached from ore as a result of bacterial action is now a well established technology for the treatment of copper, nickel, zinc and gold ores.

The process occurs naturally when micro-organisms break down rocks in the presence of air and water. Commercially applied bioleaching technologies accelerate this natural process, and typically utilise the same bacteria. A project in Finland, Talvivaara uses this process on material comparable with the Häggån Project.

The Parker Centre is a Cooperative Research Centre with extensive experience that focuses on specific research for the minerals industry.

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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.