Quarterly Activities Report

For the period ended 30 June 2011

Aura Energy (ASX:AEE)

Aura Energy 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.

Market cap:	A$45m (34c)
Cash position:	$3.4 million
Shares:	132.1 million
Options:	7.2 million

Main shareholders

Kinetic Investment Partners	6.9%
UBS Nominees	6.8%
Drake Resources Ltd	4.6%
Board and Management	4.3%

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HIGHLIGHTS

- Aura now holds 348 Mlbs of uranium in inferred resources in its two main projects, Häggån and Reguibat
- High level of activity for the quarter

Häggån Project, Sweden

- Bioleaching breakthrough demonstrated by initial test results
- Chemical analysis and testwork have demonstrated that the mineralisation is acid-generating, facilitating metal leaching
- First small-scale column leach tests have indicated up to 75% uranium recovery
- In addition, significant recovery of other metals has been achieved: Nickel up to 65%, and zinc up to 60%
- First assays from the resource drilling in west of the permit confirm further thick developments of mineralisation
- Results extend previous mineralisation 400m to the south with one intersection of 113.5m at 170ppm U_3O_8

Mauritania, West Africa

- Initial resource of 50 Mlbs of uranium at an average grade of 330ppm U_3O_8 compliant with the JORC code
- Reguibat project contains one of the world's larger calcrete uranium resources with continuous higher grade zones at or close to surface
- Potential for substantial increase to resource

Kallsedet Uranium Project, Sweden

- Initial drilling confirms extensive uranium mineralisation
- Program identified thick mineralised intersections including: 11DDOL003 60m at 144 ppm U_3O_8 including 6m at 224ppm U_3O_8

Corporate

- Board strengthened with appointments providing mine planning and operational experience

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

The Häggån Project forms part of a large uranium field in Central Sweden on eight granted exploration permits. 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 resource, using a 100ppm U_3O_8 cut-off, gives the Häggån Project a contained uranium content of 291 million pounds. This resource places Häggån within the 10 largest undeveloped uranium resources that are compliant with ASX or TSX requirements. 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 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.

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 co-products. Aura has previously reported that high levels of recovery (up to 93%) of uranium have been obtained from initial bench-scale conventional acid leaching tests.

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 Häggån ore; waters from the Project Area in Sweden; and from a coal mine in Western Australia. The initial testwork was positive but these new results have confirmed the potential of bioleaching, which is an exciting and significant step forward for the company.

The Alum Shale material at Häggån has characteristics that make it amenable to bioleaching technologies. The high sulphur content, which the bacteria use to acidify and oxidise ores, and the similarities to ores being processed by bioleaching elsewhere, have been the impetus for this testwork programme.

The results reported here are from the first phase of column tests, which are designed to simulate conditions in a leach heap.

The main objective of these tests was to determine whether the bacteria present broke down the iron sulphide (pyrite) present to release sulphuric acid, and whether this acid aided the extraction of metals. The tests successfully demonstrated that the objective has been achieved.

Maximum recovery of metals obtained in the presence of bacteria were:

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

These recoveries were significantly higher than reference tests without the presence of bacteria. The tests indicated that acidity increased rapidly when the bacteria were added, and extraction was significantly improved for all metals.

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

Bioheapleaching 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, which will commence later this quarter.

Drilling in Western Area of Permit

During the quarter Aura Energy completed an 11 hole drill programme on the western side of its main permit at Häggån in Sweden. The programme was designed to define extensions to the existing JORC compliant uranium resource which would feed into mining options for the scoping study.

The assay results for two diamond drill holes have been received, with further assay results are expected to be received over the next month, and an updated JORC compliant resource estimate is planned for August 2011.

Hole No	From	To	Intercept	U_3O_8	MoO_3	V_2O_5	Ni
Hole HG43	90.0	91.3	1.3	152	353	5835	473
And	119.8	226.2	106.4	163	301	3168	423
Hole HG44	79.2	81.7	2.5	171	276	1719	346
And	134.5	247.1	113.5	170	358	3975	397

Table 1: Assay results for holes HG 43 and 44

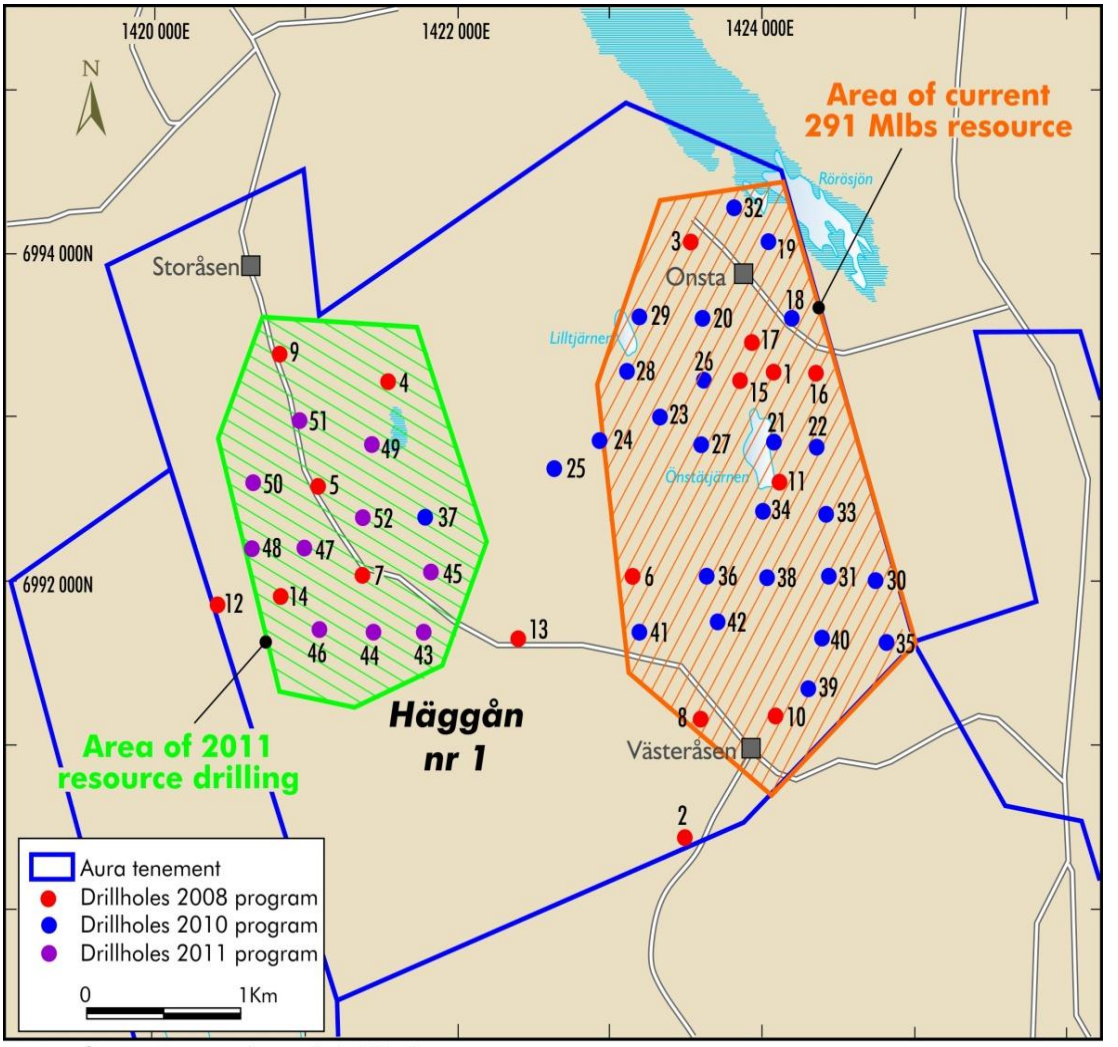
Using a 90ppm U_3O_8 cut off and up to 2m of internal waste

Holes HG43 and HG44 extend the zone of thick mineralisation south from previous holes HG007 and HG14 drilled in 2008. These previous holes reported -

- HG07: 191.4m @ 154ppm U_3O_8
- HG14: 150.0m @ 147ppm U_3O_8

These two current holes clearly indicate that this thick sheet of mineralisation extends further to the south in this area.

The two holes were analysed for uranium using a Delayed Neutron Counting (DNC) technique for uranium, and a four acid digest and ICP MS/AES analysis for the molybdenum, vanadium and nickel analyses reported above.



Häggån Project : Plan of drillholes

KALLSEDET URANIUM PROJECT, SWEDEN (AURA 100%)

Kallsedet is a substantial landholding of uraniferous shale, close to the Norwegian border. This area was identified as a key target and is in line with Aura's strategy to develop a pipeline of uranium projects in Sweden. Three holes were drilled on Aura's Olden permit and one hole on the Hamborg permit totalling 419 metres.

Drilling has returned promising results revealing thick, mineralised intersections varying from 12 metres to 98 metres in cumulative thickness. The results confirmed the widespread occurrence of uraniferous shale in the area and the potential for Aura to establish another significant deposit in Sweden.

Results include one drill hole that intersected 60m at 144 ppm U_3O_8 including 6m at 224ppm U_3O_8, confirming the potential for thick, higher grade zones of mineralisation within the licence areas.

The next step is to undertake further drilling to explore the potential for the outcropping Alum shale in Aura's permit area. 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.

WEST AFRICAN ACTIVITIES

Aura has been active in the uranium provinces of West Africa since 2007. It currently holds tenements and joint ventures in Mauritania and three exploration permit applications in the uranium bearing Tim Mersoi Basin in Niger. Aura is actively pursuing additional opportunities in the region.

Mauritania

Mauritania has a developed mining industry, a government keen to attract foreign investment, a stable business environment, and extensive good quality geological, geophysical and geochemical databases. It has also been the centre of significant corporate transactions across a range of commodities. Uranium discoveries in northern Mauritania confirm that this is an emerging uranium province.

Resource Established

Aura's confidence in its greenfields Reguibat Project has been confirmed by the calculation of the first JORC-code compliant resource. The Reguibat Project comprises several, laterally extensive, developments of calcrete uranium mineralisation in northern Mauritania and has been the subject to two drilling programmes.

The initial Mineral Resource Statement for Aura's uranium projects in Mauritania was prepared by Coffey Mining Ltd (Table 1).

The Inferred Resource of 50.2 million pounds at 330ppm U_3O_8 on the Reguibat Project was based on a cut-off grade of 100ppm U_3O_8 (Table 1). 48.9 million pounds of this resource are contained in permits 100% held by Aura.

Category	Lower Cut Off	Tonnes	Grade	Contained U_3O_8
	(ppm U_3O_8)	(Mt)	(ppm U_3O_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

Table 1: Mineral Resource Statement, Aura Energy Reguibat Project

Separate Ordinary Kriged (OK) estimates were undertaken for Ain Sder Central I, Ain Sder Central J, Ain Sder Central C, Oued El Foule Est (Prospects A-G), Oum Ferkik (Prospects L and K), Tenebdar, Aguelt Essfaya and Saabia (Figure 1).

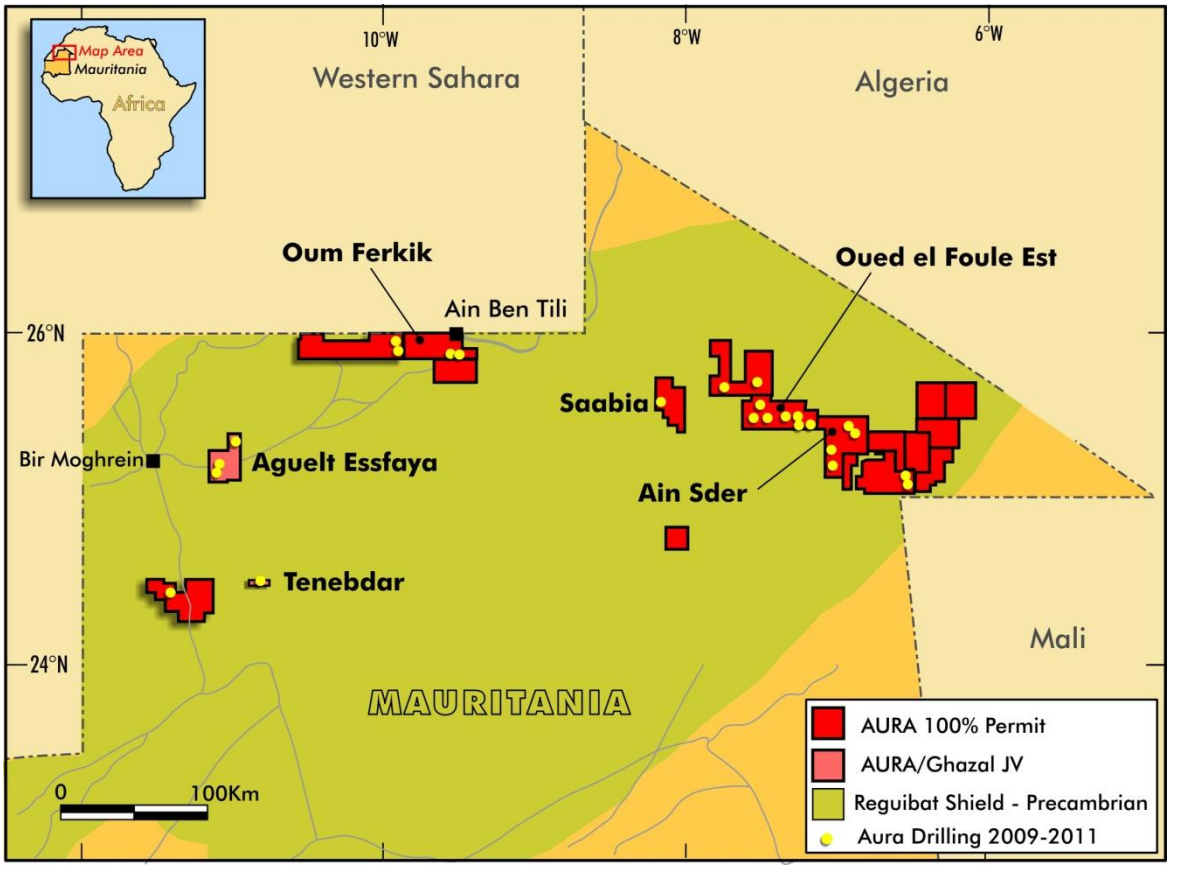


Figure 1: Aura Mauritanian permits and drilling to date

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

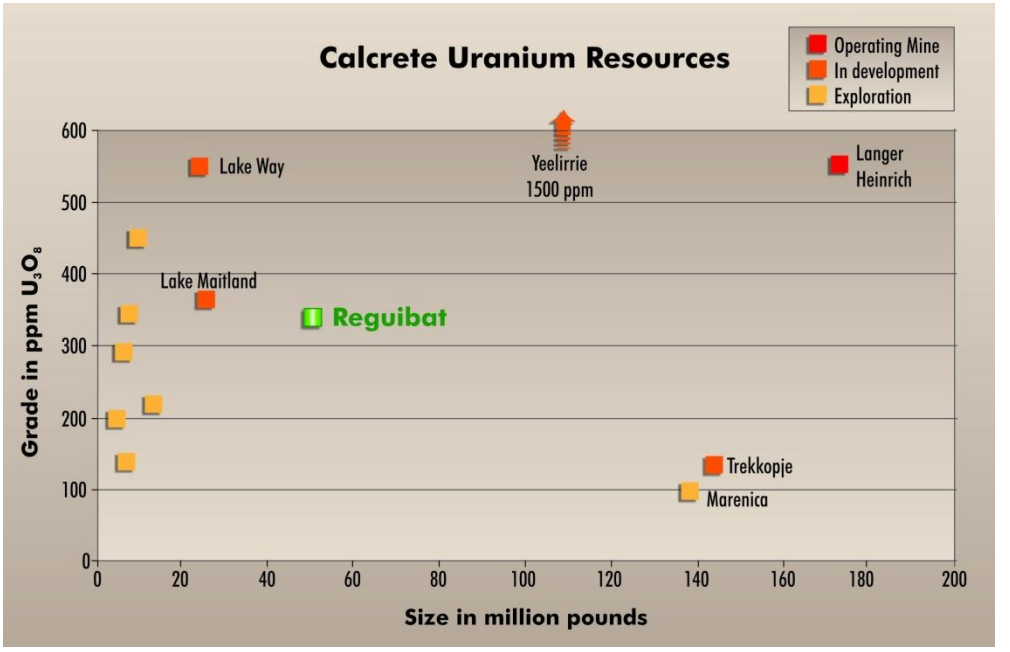


Figure 2: Reguibat project compares positively with other calcrete uranium projects

High grade zones within the overall resource

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 (Figure 3). Similar, spatially continuous, higher grade zones are observed at other prospects.

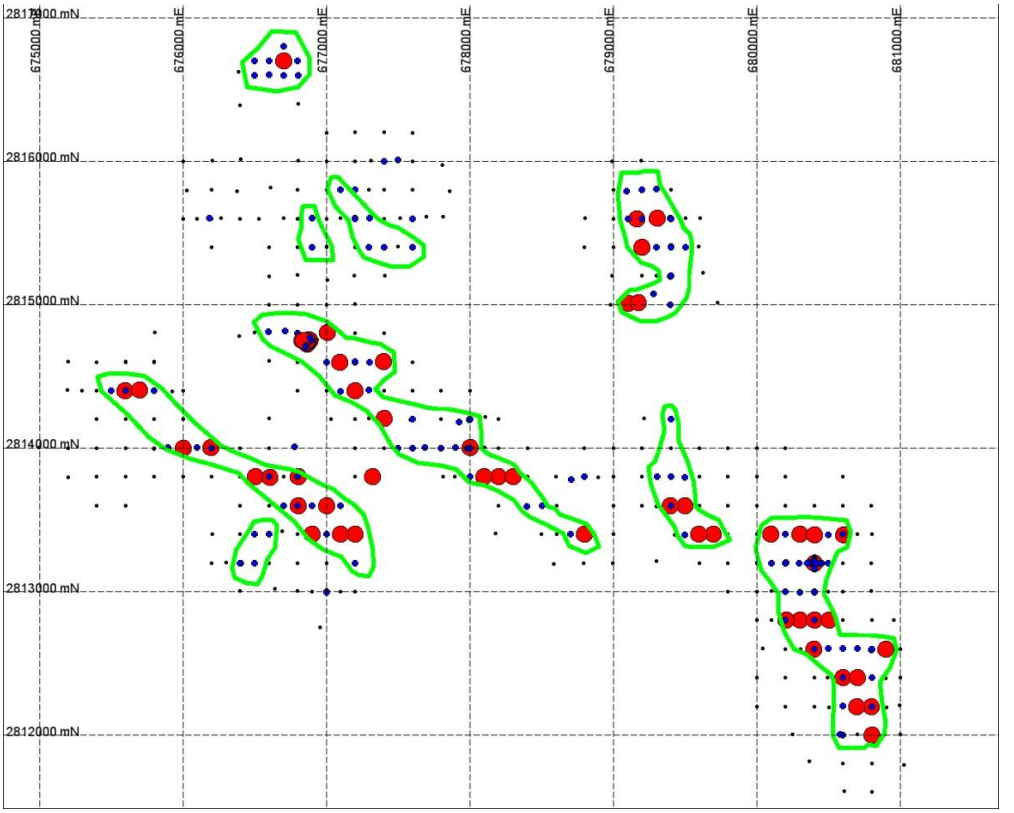


Figure 3: Oued el Foule Est Zone A. Drill holes with average grades of U_3O_8 greater than 400ppm (red points), within mineralised areas (green)

Potential for additional resources

Aura believes that there is potential to substantially increase the resource:

- The Coffey study has identified an additional potential in areas which have been drilled, but have not been classified as resource because of the lack of supporting information
- Many zones have mineralised drill holes on their margins which are open in at least one direction
- Zones Ain Sder J and Central have mineralisation adjacent to extensive sand dune development, where it is inferred that mineralisation continues under these dunes
- There is a substantial (1,700 by 700 metres) undrilled radiometric anomaly in the Ain Sder permit
- Other radiometric anomalies have yet to be tested
- 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 (E58/290) and Wondinong NE (E58/349, Aura 100%)

The Wondinong project area covers a broad, sedimentary deltaic environment at the eastern end of Lake Austin where Aura Energy Limited has defined an Inferred Resource of seven million pounds uranium above a lower cut-off grade of 100ppm U_3O_8 compliant under the JORC code.

During the quarter Aura's application process for a mining lease to cover a major part of the Wondinong resource within the central area of E58/290 continued.

Following receipt of the final Aboriginal heritage site clearance, work is continuing on a potential a 72 hole step out drilling program for 2011. The proposed shallow drilling will test for extensions of known uranium mineralisation to the northeast and south of the deposit.

CORPORATE

Board Strengthened

During the quarter Aura appointed of Mr Leigh Junk and Mr Julian (Jules) Perkins to the Board as Non-Executive Directors, bringing significant operational experience to the Board.

Leigh is a mining engineer with 19 years' experience in mine planning. Leigh was the Executive responsible for feasibility studies, project evaluation, production scheduling and mine design with several mining companies throughout Western Australia, including Pilbara Manganese Pty Ltd, WMC Resources Ltd. and Mincor Operations Pty Ltd. Mr. Junk is a Director of Doray Minerals Limited, Sentosa Mining Limited, the Goldfields Credit Union and of TSX-Venture listed Brilliant Mining.

Jules was Manager of Mining & Technology (Australia) for AngloGold Ashanti Ltd, one of the world's largest gold mining companies, until 2006. His career includes underground mining engineering in South Africa and management of metallurgic operations on the Zambian Copperbelt. Jules led the mineral processing department of Shell Research in the Netherlands for three years before moving into corporate management. Mr Perkins is currently Chairman of the Board of Parker Centre Ltd, which manages the Parker Cooperative Research Centre ('CRC') for Hydrometallurgy. Jules has previously been a director on the boards of the CRC Mining and the Australian Centre for Mining Environmental Research.

Cash

At 30 June, Aura had $3.4 million in cash. This is sufficient to continue the scoping studies and metallurgical test work.

HÄGGÅN RESOURCE STATEMENT

Category	Cut Off U_3O_8	Size	U_3O_8	MoO_3	V_2O_5	Ni	Zn
	(ppm U_3O_8)	(Bt)	ppm	ppm	ppm	ppm	ppm
Inferred	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.

Competent Persons 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.

REGUIBAT RESOURCE STATEMENT

Category	Lower Cut Off	Tonnes	Grade	Contained U_3O_8
	(ppm U_3O_8)	(Mt)	(ppm U_3O_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 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 Mepeto 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. The 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.

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.