

12 August 2011

Final assays continue to confirm thick uranium mineralisation in the west of Häggån prospect

HIGHLIGHTS

- ▶ Drilling results extend area of known mineralisation
- ▶ Up to 186 metres of mineralisation downhole
- ▶ All holes in the programme with mineralisation in excess of 100m
- ▶ Significant resource increase expected in the following weeks

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”) is pleased to announce that final assay results confirm thick uranium mineralisation extends into the west of its Häggån permit.

These assays build on previously announced results of an 11 hole drilling program undertaken earlier this year and are expected to support a material increase to the existing JORC-code compliant resource of 291 Mlbs @ 162ppm U_3O_8 .

These results will also provide key inputs for mining options in the scoping study.

Managing Director of Aura Energy Dr Bob Beeson said this was another substantial step in the development of Aura’s Häggån Project as a world-class uranium project.

“Every hole in the 2011 programme intersected greater than 100 metres of cumulative mineralisation, emphasising the extent of this thick, flat-lying sheet. The program has confirmed the enormous size potential of this multi-metal, close to surface deposit.

“This work is anticipated to lead to a significant increase the JORC resource at Häggån, and provide key parameters on potential mining options for the scoping study,” said Dr Beeson.

Background

Drilling by Aura in 2008 and 2010 included 42 holes within the 100% owned Häggån permit.

In July 2010, Aura released its maiden JORC-code compliant resource estimate for the Häggån Project of 291 million pounds at an average grade of 162ppm U_3O_8 .

This resource places Häggån within the 10 largest undeveloped uranium resources globally.

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 in excess of 250 metres.

Status

The second phase of resource drilling is part of Aura’s 2011 program to develop mining options for scoping studies and define the potential value of this enormous, multi-metal deposit.

The Aura program includes the current drilling schedule metallurgical test work, mineralogical studies and continuing discussions with potential partners.

Holes 11DDHG45 to 11DDHG52 infill and extend the mineralisation intersected in drilling drilled in 2008 and 2010 which included:

- ▶ HG04: 126m @ 148ppm U_3O_8
- ▶ HG07: 191.4m @ 154ppm U_3O_8
- ▶ HG14: 150.0m @ 147ppm U_3O_8
- ▶ HG37 115.4m @ 185ppm U_3O_8

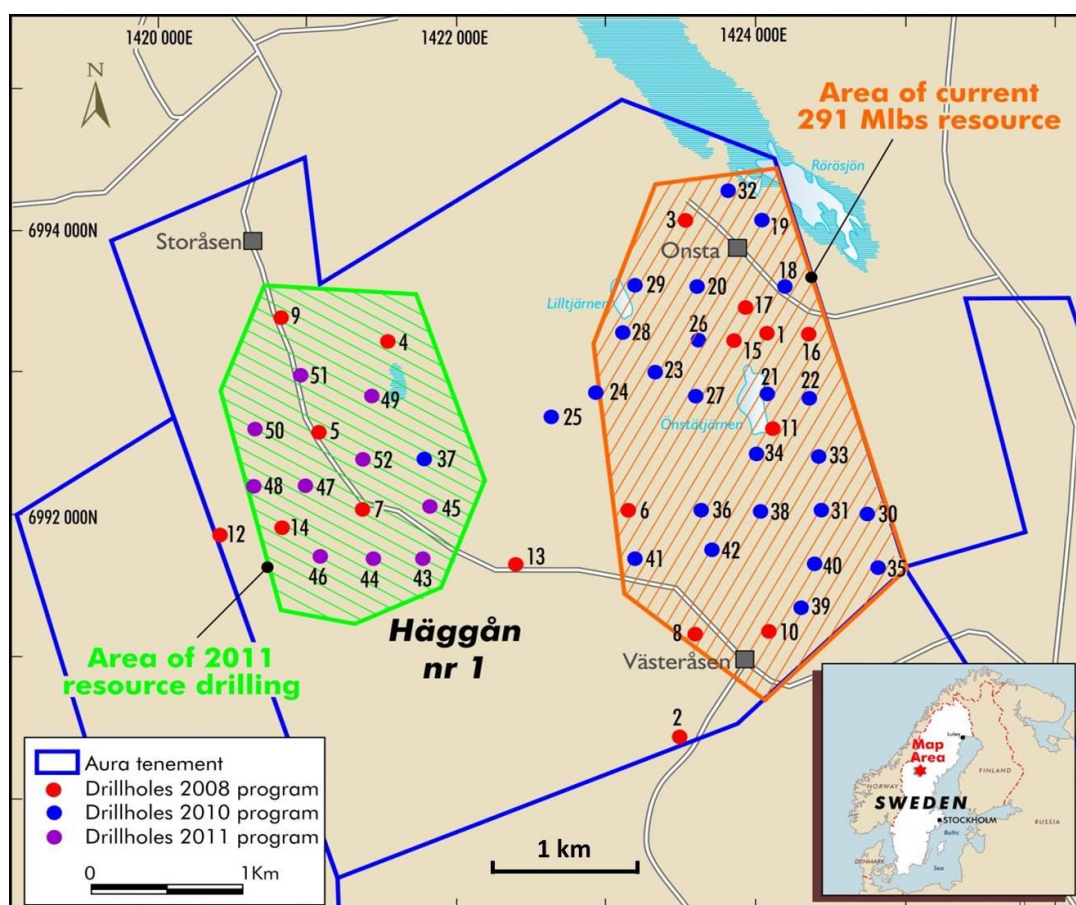
The results from the 2011 drilling program confirm that thick mineralised Alum Shale forms a continuous sheet of mineralisation throughout this area and are expected to significantly increase the current JORC resource.

All 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.

Hole ID	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)	MoO ₃ (ppm)	Ni (ppm)	V ₂ O ₅ (ppm)
11DDHG045	87.2	158.5	71.3	150	263	367	3876
and	159.4	196.6	37.1	174	323	361	3085
11DDHG046	152.0	290.1	138.1	144	260	297	2455
11DDHG047	87.8	92.0	4.2	156	254	356	2788
and	96.0	158.0	62.0	143	245	277	2221
and	164.0	284.0	120.0	151	289	313	2799
11DDHG048	99.2	138.0	38.8	145	229	277	1865
and	144.0	164.0	20.0	135	264	275	2053
and	176.0	220.1	44.1	138	313	329	3090
and	222.0	245.5	23.6	137	284	260	2152
and	246.4	282.5	36.1	209	446	440	3577
11DDHG049	40.0	66.1	26.1	143	251	349	2866
and	67.4	75.4	8.0	140	240	325	2598
and	77.2	166.7	89.5	175	374	386	3738
11DDHG050	8.1	13.0	5.0	132	207	194	977
and	66.0	134.0	68.0	138	223	255	1522
and	146.0	196.0	50.0	138	274	245	2080
11DDHG051	13.2	16.2	3.0	168	263	378	2166
and	38.1	43.9	5.8	135	226	330	3570
and	46.0	60.0	14.1	126	244	286	2898
and	62.0	162.0	100.0	181	365	362	3094
11DDHG052	36.0	108.6	72.6	148	258	307	2892
and	110.1	113.0	2.8	149	240	218	963
and	113.9	170.5	56.6	144	287	316	3026

Table 1: Assay results for holes 11DDHG45 to 52

Weighted average grades calculated using a 90ppm U₃O₈ cut off and up to 2m of internal waste



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HÄGGÅN RESOURCE STATEMENT

Category	Cutoff U_3O_8 (ppm U_3O_8)	Size (Bt)	U_3O_8 ppm	MoO_3 ppm	V_2O_5 ppm	Ni ppm	Zn 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 Person

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.