



Quarterly Activities Report

For the period ended 30 September 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\$30.5m (23c)
Cash position:	\$3.3 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 681 Mlbs of uranium in inferred resources in its two main projects, Häggån and Reguibat

Häggån Project, Sweden

- ▶ Häggån uranium resource doubles
- ▶ Resource expanded to 631 million pounds of uranium at a grade of 160ppm U₃O₈
- ▶ Häggån Project now in the top three largest undeveloped uranium resources in the world
- ▶ Resource still covers only 15% of the Häggån Project in Sweden and Aura believes there is significant potential to further increase the resource
- ▶ Proof of concept bioleach testwork on Häggån mineralisation
- ▶ First small-scale column leach tests indicate maximum extractions of 75% uranium

Mauritania, West Africa

- ▶ Initial resource of 50 Mlbs of uranium at an average grade of 330ppm U₃O₈ 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

▶ Motala Shale Gas, Sweden

- ▶ Aura has commenced drilling 3-5 holes in its Motala Project for shale gas
- ▶ Gas-bearing shale between 15 and 25 metres thickness
- ▶ Linköping commune has a gas extraction permit immediately east of Aura permits
- ▶ Potential additional value to be obtained from established permits

▶ Corporate

- ▶ Change of registered office

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.

Aura has achieved another milestone with a significantly upgraded resource for its Häggån Project. Independent resource consultants, Hellman & Schofield Pty Ltd (H&S), have established the upgrade from 291 to 631 million pounds which, for the first time, included the western section of the core permit area.

Drilling in the western region of the permit had confirmed a thick, flat lying sheet of multi-metal mineralisation and further major resource upgrades are anticipated.

Based on all of the Häggån assays data to date, H&S has established a total resource estimate for the deposit reported in accordance with the JORC (Joint Ore Reserves Committee) Code and Guidelines. H&S has used the method of ordinary block kriging to estimate grade and tonnage and considers that the drilling density and assay quality is of a standard that qualifies the estimate as an Inferred Resource. The resource estimates are summarised in Table 1.

Cutoff U ₃ O ₈ ppm	BT	U ₃ O ₈ ppm	Mo ppm	V ppm	Ni ppm	Zn ppm
180	0.30	191	265	1841	378	509
160	0.90	176	241	1725	356	494
140	1.49	167	224	1628	337	470
120	1.73	162	216	1570	327	458
100	1.79	160	214	1551	324	454

*Table 1: Inferred Resources for the Häggån Project
(BT = billion tonnes, figures have been rounded)*

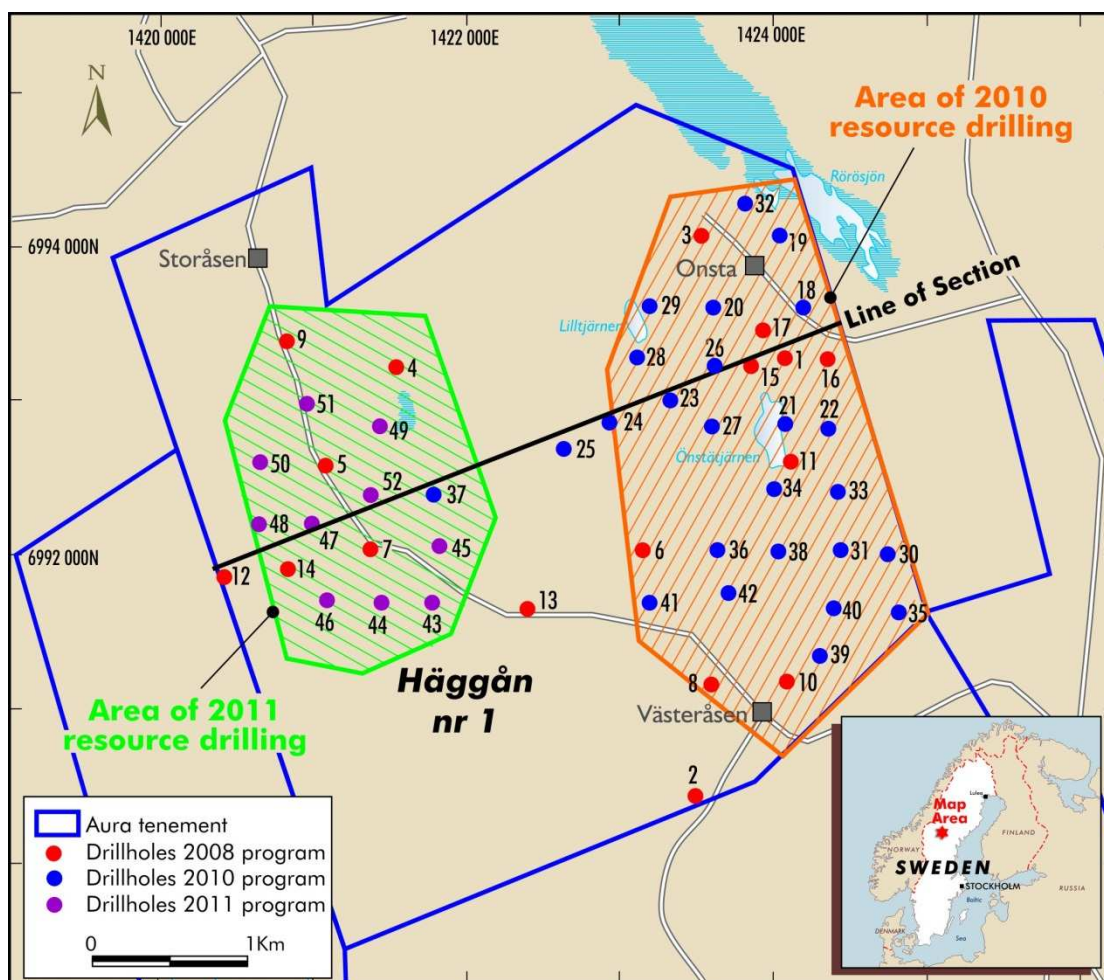
The resource, using a 100ppm U₃O₈ cut-off, gives the Häggån Project a contained uranium content of 631 million pounds. This resource places Häggån in the top three largest undeveloped uranium resources that are compliant with ASX or TSX requirements.

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.

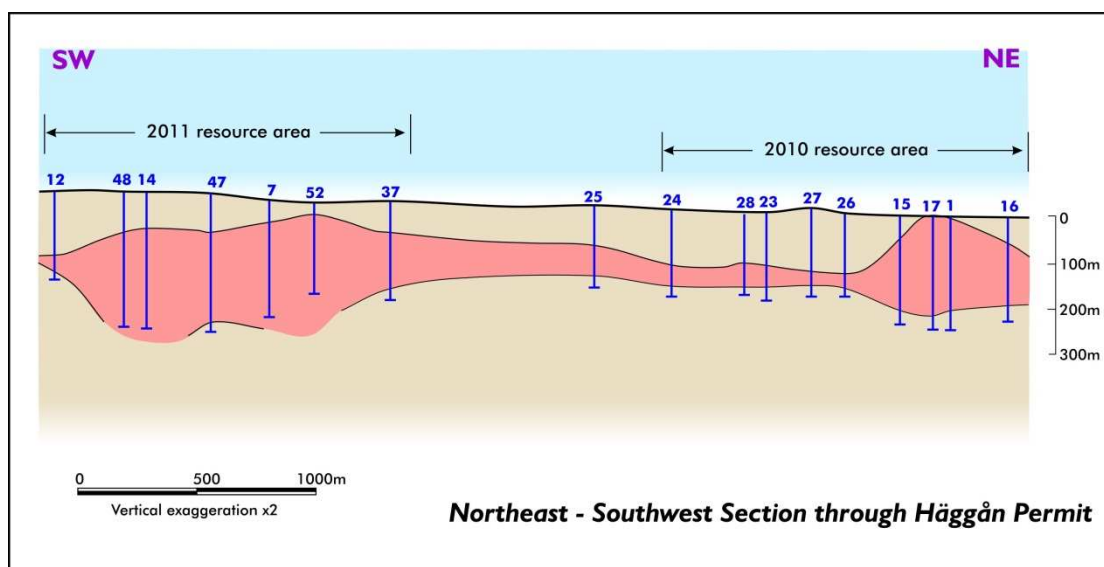
Contained metal contents for the Inferred Resource in Table 1 are provided in Table 2.

Cutoff U ₃ O ₈ ppm	U ₃ O ₈ Mlb	MoO ₃ Mlb	Ni Mlb	Zn Mlb
100	631	843	1277	1790

*Table 2: Contained metal in the Inferred Resource for the Häggån Project
(Mlb = million pounds, figures have been rounded)*



Aura drilling programme



Section through Haggån Permit

Häggån Project development

Aura previously reported highly encouraging initial results from the second phase of its bioleach testwork on the Häggån deposit. This work is aimed at proving up a low cost extraction process.

Work on optimising uranium recoveries and mining scoping studies continues and will expand to include the new resource areas.

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. Aura's drilling results confirmed the widespread occurrence of uraniferous shale in the area and the potential for Aura to establish another significant deposit in Sweden. The next step is to undertake further drilling to explore the potential for the outcropping Alum shale in Aura's permit area.

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 Merso 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

The Reguibat Project comprises several, laterally extensive, developments of calcrete uranium mineralisation in northern Mauritania and has been the subject to two drilling programmes. At the beginning of the quarter the initial Mineral Resource Statement prepared by Coffey Mining Ltd was released.

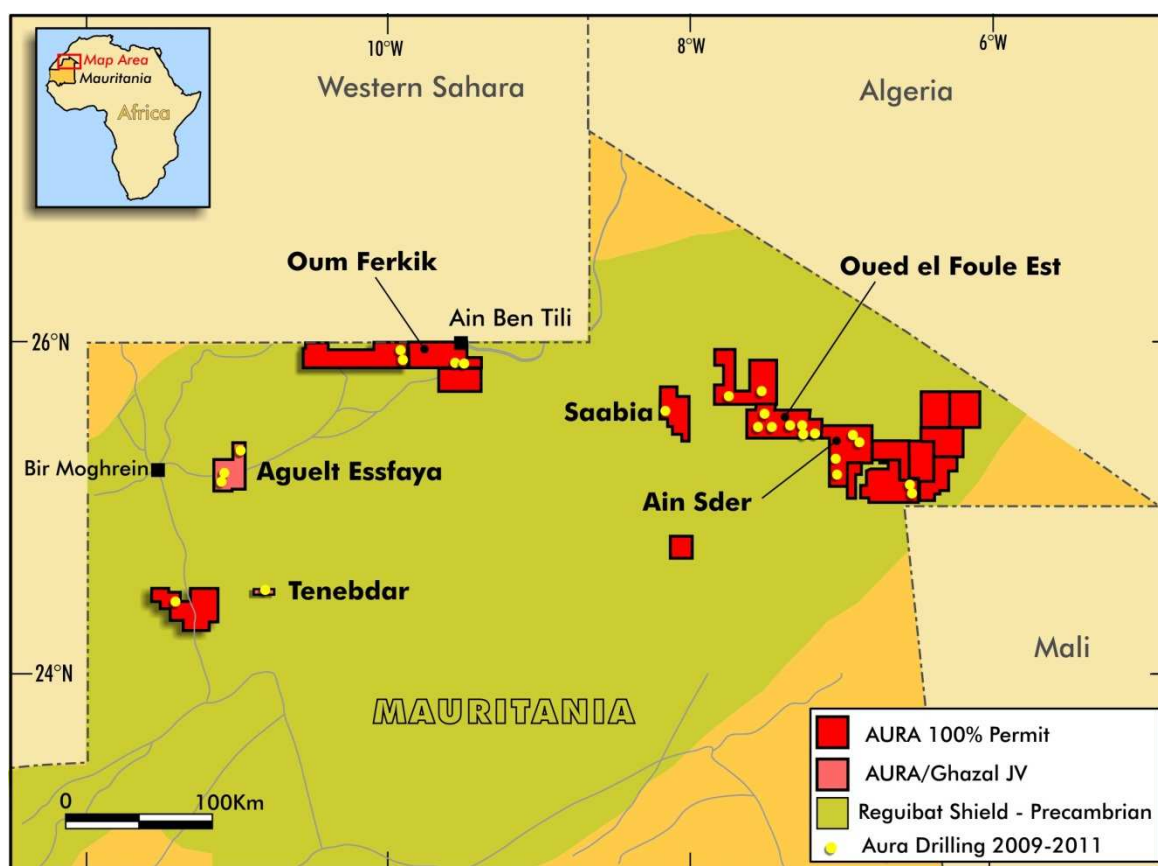
The Inferred Resource of 50.2 million pounds at 330ppm U_3O_8 on the Reguibat Project was based on a cut-off grade of 100ppm U_3O_8 (Table 1). 48.9 million pounds of this resource are contained in permits 100% held by Aura.

There are many high grade sections within the resource that will be further investigated.

Potential for additional resources

Aura also 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



Aura Mauritanian permits and drilling to date

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 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.

MOTALA SHALE GAS PROJECT, SWEDEN (AURA 100%)

Aura's Motala Project covers approximately 140 square kilometres of the Alum Shale, host rock to its giant Häggån uranium resource further north in Sweden. At Motala the shale is much thinner than at Häggån, and is thermally immature.

Aura remains strategically focussed on its two key uranium projects, Häggån in Sweden and Reguibat in Mauritania. However increased interest in Europe in shale gas sources has led Aura to review the project's potential. Considering its proximity to possible markets and prospective geology, Aura is undertaking drilling to gain more information on the Project's potential value.

The presence of gas from water bores and seeps in the district has been known for many years. Gas flows of up to 50 cubic metres per hour have been reported from drill holes. The Alum Shale in the district has an organic carbon content of up to 20%.

Linköping commune has an extraction permit for shale gas immediately to the east of the Aura permits. In addition local farmers use the gas as a source of heating. Gas is known from several locations within the Aura permits.

The Motala district shale gas play is most similar to the Antrim Shale in Michigan, USA. The Antrim Shale is a major source of shale gas. This shale has produced gas since the 1940s.

The Antrim Shale thickness is 20 to 40 metres, and it is exploited at 80-600 metres depths. During the 1990s, the Antrim became the most actively drilled shale gas play in the US, with thousands of wells drilled. To date, the shale has produced more than 2.5 TCF from more than 9,000 wells. In 2007, the Antrim gas field produced 136 billion cubic feet of gas, making it the 13th-largest source of natural gas in the United States.

The Motala Project is located close to Linköping, an industrial city in southern Sweden, which is a possible market for the gas. Sweden imported 1.2 billion cubic metres of gas in 2009.

CORPORATE

The registered office of the company was changed. New address is Level 4, 66 Kings Park Road West Perth, WA 6006, Australia.

Cash

At 30 September, Aura had \$3.3 million in cash. This is sufficient to continue the scoping studies and metallurgical test work.

Competent Persons for Häggån Resource

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.

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.

REGUIBAT RESOURCE STATEMENT

Category	Lower Cut Off (ppm U ₃ O ₈)	Tonnes (Mt)	Grade (ppm U ₃ O ₈)	Contained U ₃ O 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 Person's for Requist Resource Statement

*The Competent Person for the Requist 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.

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