Quarterly Activities Report

For the period ended 31 December 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$24.7m (17c)
Cash position:	$1.5 million
Shares:	136.7 million
Options:	7.2 million

Main shareholders

UBS Nominees	6.8%
Drake Resources Ltd	4.5%
National Nominees	4.2%
Yarandi Investments	3.4%

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HIGHLIGHTS

- Aura holds 681 Mlbs of uranium in inferred resources in its two main projects, Häggån and Reguibat

Häggån Project, Sweden

- Häggån Project in the top three largest undeveloped uranium resources in the world
- Resource covers only 15% of the Häggån Project in Sweden and Aura believes there is significant potential to further increase the resource
- Second phase of bioleach testwork with trial bench-scale agitation increases uranium extraction to over 90%
- Scoping study comparing agitation leach and heap leach options to be completed in February

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

Corporate

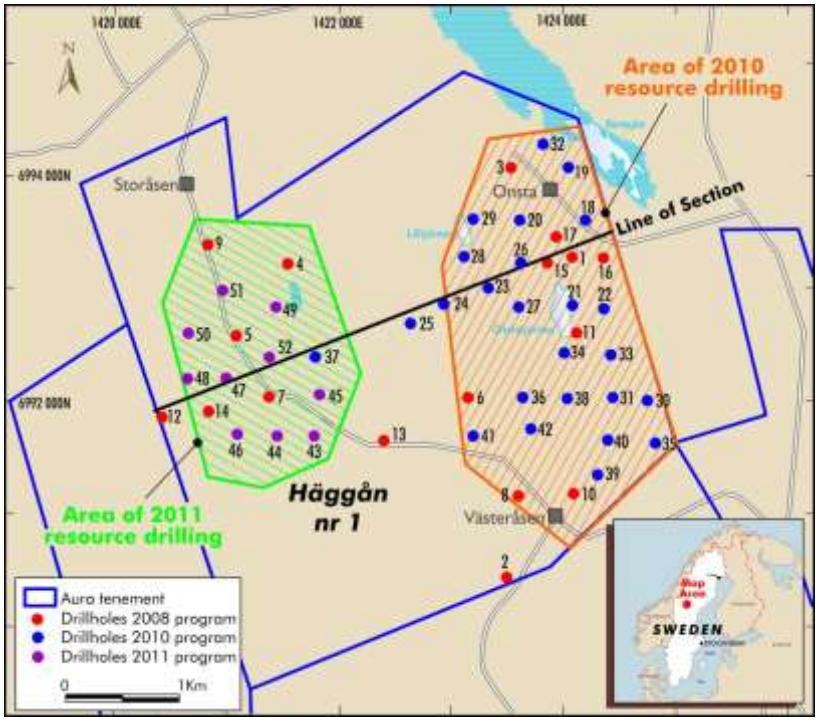
- Aura announced a fully underwritten $3.4 million non-renounceable entitlement issue

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån is a large uranium project in Central Sweden based 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.

In August 2011, Aura achieved another milestone with a significantly upgraded resource for its Häggån Project to 631 million pounds uranium, placing Häggån in the top three largest undeveloped uranium resources that are compliant with ASX or TSX requirements.

Further to this upgrade, Aura received further, very encouraging results from tank bioleach testwork on samples from the Häggån deposit. Results indicated over 90% uranium extraction as well as substantial extractions of other valuable metals.



Aura drilling programme

Scoping Study

A Scoping Study for the Häggån Project is nearing completion. The Study is being carried out by the independent consultants RMDSTEM Limited.

The consultants have been requested to examine a range of options, including conventional agitation leach, bacterial agitation leach, bacterial heap leach, and to consider adding a vanadium extraction module.

A preliminary pit shell design was completed to develop a preliminary mining plan with waste and ore mining schedules at levels of accuracy appropriate for a concept study.

A specialist mining engineering group, Exoro Mine Planning Services, developed pit shells around the resources.

Aura anticipates releasing the results of the Study in the first half of February.

Agitation leach results

Aura 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 important co-products.

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

The main objectives of these tests were to determine whether naturally occurring bacteria could break down the iron sulphide (pyrite) present to generate sulphuric acid, and whether this acid would aid the extraction of metals. The tests were carried out in small tanks.

The results of the first agitation leach tests support and, as expected, improve upon the extractions reported for the initial column leach tests.

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

	New agitation leach	**Column leach**
Uranium	**90%**	75%
Nickel	**55%**	65%
Zinc	**90%**	60%
Molybdenum	**45%**	25%

Again the extractions 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 improvement is using a finer particle size.

Aura has commenced a programme of similar tests using finer sample material.

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 Mersoï Basin in Niger. Aura is actively pursuing additional opportunities in the region.

Mauritania

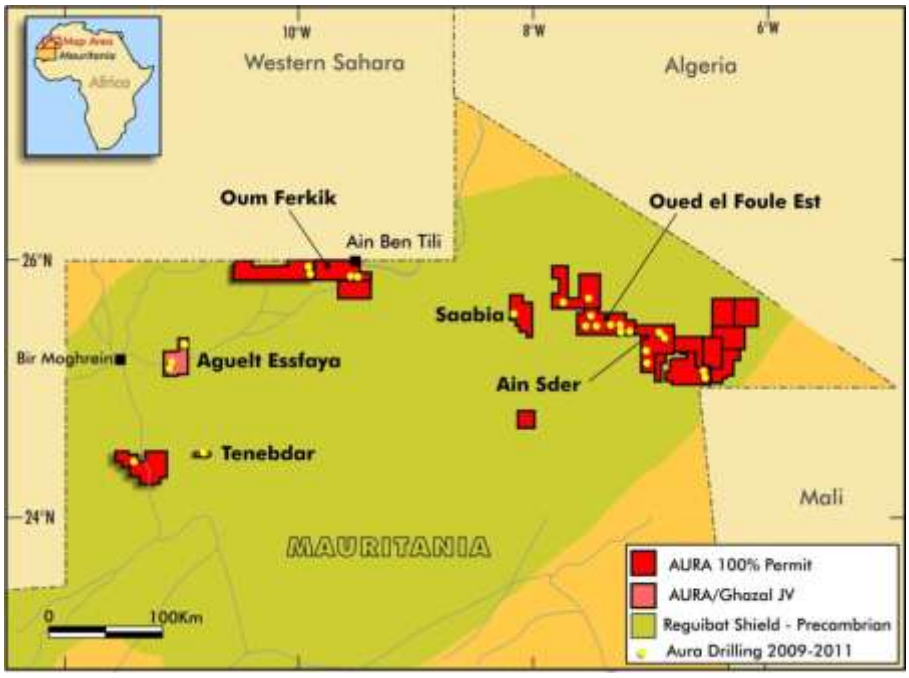
Mauritania has a developed mining industry, a government keen to attract foreign investment, a stable business environment, and extensive good quality geological, geophysical and geochemical databases. It has also been the centre of significant corporate transactions across a range of commodities. Uranium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

Reguibat Project

The Reguibat Project comprises several, laterally extensive, developments of calcrete uranium mineralisation in northern Mauritania and has been the subject of two drilling programmes. An Inferred Resource of 50.2 million pounds at 330ppm U_3O_8 at a cut-off grade of 100ppm U_3O_8 was established in July 2011. 48.9 million pounds of this resource are contained in permits 100% held by Aura. Aura also believes that there is potential to substantially increase the resource.

A major ground geophysical survey was completed in the Project's eastern permits in Q4, 2011. Follow up of targets from this survey will be undertaken this quarter.

In addition a programme of drilling and trenching will commence this quarter to expand and better define the existing resource.



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 2012. 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 lead 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.

Five shallow holes were completed in the previous quarter. Gas analyses have been received and are being interpreted.

CORPORATE

Aura agreed to terms with Cygnet Capital Pty Ltd to raise $3.4 million by way of a fully underwritten, non-renounceable entitlements issue to shareholders during the quarter. The entitlement issue is one for every six shares at an issue price of $0.15. A maximum of 22,798,345 shares and 22,798,345 options will be issued, as well as 10,000,000 new options to the Underwriter.

The funds raised by this issue will be applied directly towards the accelerated development of the Häggån and Reguibat projects. Activity will include completion of scoping studies, ongoing test work and resource upgrade drilling and expansion.

Cash

At 31 December, Aura had $1.5 million in cash.

HÄGGÅN RESOURCE STATEMENT

Cutoff U_3O_8 ppm	U_3O_8 Mlb	MoO_3 Mlb	Ni Mlb	Zn Mlb
100	**631**	**843**	**1277**	**1790**

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 ($ppm\ U_3O_8$)	Tonnes (Mt)	Grade ($ppm\ U_3O_8$)	Contained 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 for Reguibat Resource

The Competent Person for the Requibat 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. 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