Quarterly Activities Report

For the period ended 31 March 2012

Aura Energy (ASX:AEE)

Aura Energy is a uranium explorer with advanced projects in Sweden and West Africa.
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$23m (15c)
Cash position (31 March):	$3.3 million
Shares:	159.6 million
Options:	7.2 million

Main shareholders

UBS Nominees	7.2%
National Nominees	3.9%
Yarandi Investments	3.5%
Wisevest	3.2%
Drake Resources	3.0%

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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

- Scoping Study valued Häggån project at a pre-tax NPV with a most likely value of US$1,090M, based on uranium price range of US$35-65/lb U_3O_8, and a fixed discount rate of 10%
- 30 Mtpa operation with a 25 year initial mine life
- Target initial production of 6.6Mlbs (2995t) uranium, 14.8 Mlbs nickel and 3.6 Mlbs molybdenum
- Low mining costs with strip ratio of 0.75:1
- Uses low risk bioheap leach technology used extensively for many decades in the copper industry in Chile and elsewhere
- Diamond drilling programme commences to
  - provide material for advanced metallurgical testwork
  - add to resource base in Häggån permit
- Heap leach scale-up and validation testwork begins on samples
- Heap leach results expected in the next 3 – 4 months
- Preparation for pre-feasibility study continues

Mauritania, West Africa

- Initial resource of 50 Mlbs of uranium at an average grade of 330ppm U_3O_8 compliant with the JORC code
- Potential for substantial increase to resource

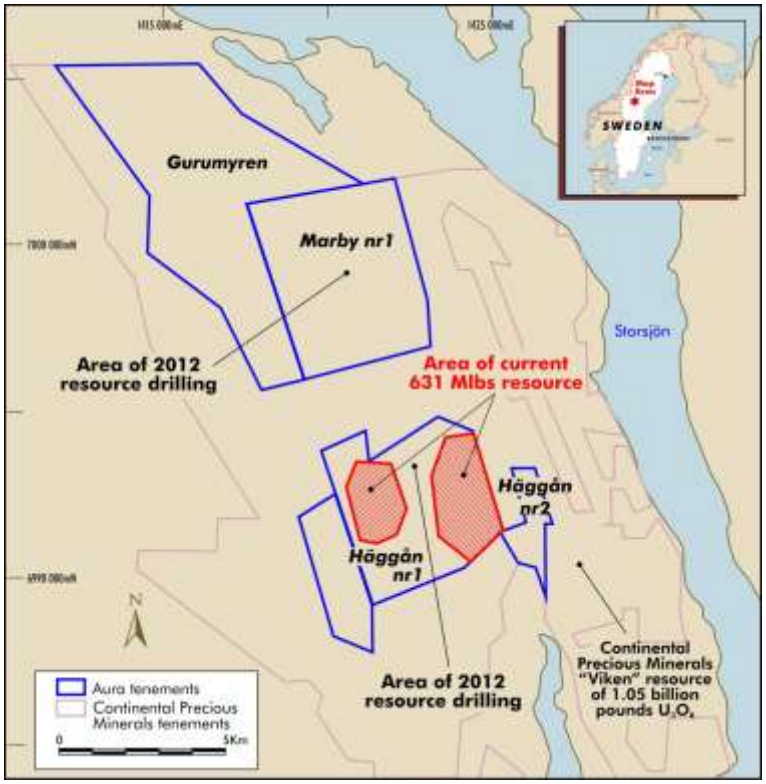
Corporate

- Aura completed a fully underwritten $3.4 million raising

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån is a very large uranium project in Central Sweden, where commercial forestry has been carried out for generations. Sweden has an active mining industry, with a clear regulatory position and a well-established path from exploration to mining.

The Häggån resource of 631 million pounds uranium places it in the top three largest undeveloped uranium resources that are compliant with ASX or TSX requirements.



Aura Häggån Project resource and 2012 drilling

Scoping Study

The Scoping Study has been completed by the independent consultants RMDSTEM Limited, who have extensive experience of the economic modelling of mining projects and who examined a range of options.

A specialist mining engineering group, Exoro Mine Planning Services, developed pit shells around the resources. A pit shell using heap leach parameters increased the mineable material to 1.02 billion tonnes. This amount of material is a conversion rate from resources of almost 60 per cent. The resultant strip ratio is 0.65:1.

The scoping study assumes a throughput of 30 million tonnes per year but used a smaller pit shell so that the economics of agitation and heap leaching could be properly compared; this gives an initial mine life of 25 years.

Other assumptions used for the model include:

- Metal recoveries as indicated for bioleaching options above, and for other options in reports by ANSTO and the Parker Cooperative Research Centre for Hydrometallurgy
- Metal prices (per pound): U_3O_8 - US$65, Ni - US$7.9, MoO_3 - US$16.0
- Zinc and vanadium recovery have not been accounted for in the models

Scoping Study Results

The bacterial heap leach option gave a robust, positive Net Present Value (NPV) at a 10 per cent discount rate. This offered by far the best return among the alternatives.

The main outcomes from the bacterial heap leach option are:

- Pre-Tax NPV in the range US$228 million to US$2,780 million (with a most likely value of US$1,090 million), based on uranium price range of US$35-65 per pound U_3O_8, and a fixed discount rate of 10 per cent. The key factors influencing the NPV are U_3O_8 price, U_3O_8 heap leach recovery, ore U_3O_8 head grade, mining rate and heap leach operating cost. The uncertainty (expressed as a range of values) associated with these factors results in the NPV being in the range given above.
- Similarly the IRR range for the project is 18 – 64 per cent (a most likely value of 47 per cent)
- Initial pit shells contain >741 million tonnes of mineralisation, with much of the prospective area remaining in the tenements undrilled
- Nominal 30 million tonnes per year operation with a 25 year initial mine life
- Low mining costs with strip ratio of 0.75:1
- Target initial production of 6.6 million pounds (2995 tonnes) uranium, 14.8 million pounds nickel and 3.6 million pounds molybdenum
- Payback in 4.3 years, or 17 per cent of the project life
- Uses low risk bioheap leach technology used extensively for many decades in the copper industry in Chile and elsewhere
- Similar-sized successful multi-metal bioheap leach operation on alum shales at Talvivaara in neighbouring Finland

The project is robust because of the low capital and operating costs relative to cash flow generated.

Drilling Programme Commences

The drilling programme is the start of the pre-feasibility work and aims to provide sufficient material for the third phase of metallurgical testwork on Häggån, planned to commence in the second half of 2012.

Additional work will include adding to the resource base in the Häggån permit by drilling between the two areas of the current inferred resource. In addition Aura has recommenced drilling in its Marby permit, where the company currently has no established resources.

Next Stage Metallurgical Testing Commences

Aura has commissioned the next phase of metallurgical testwork by SGS Lakefield Oretest in Perth, which brings extensive experience in bacterial leaching and heap leaching from a range of commodities. As a result of the Häggån scoping study, two flow sheet options have been selected: bacterial heap leaching and bacterial tank leaching. Both are well-established technologies and are used widely in the global minerals industry.

Häggån bacterial heap and tank leach testing at SGS Lakefield Oretest, Perth

The scoping study also indicated that bacterial heap leaching is likely to generate a much more economically attractive outcome and will be the likely route. Until the scale-up studies are complete, these two, being the most attractive options, will be retained.

Using larger columns will provide validation of previously reported bacterial column testwork. In addition, the tests will examine different particle size distributions to determine the optimum crush size to balance recovery with reagent consumption. Heap temperature and acidity will also be examined.

The testwork is expected to require three to four months to complete. The tests reported in the scoping study resulted in extractions of 85 per cent of the uranium, 65 per cent of the nickel, 60 per cent of the zinc and 25 per cent of the molybdenum in the ore, which are typical heap leach results. Heap leaching does not require fine grinding or an elaborate leach tank farm, nor environmentally sensitive tailings dams, and is much less expensive both to build and to operate.

Marby Permit, Sweden (part of Häggån Project)

Aura's 100 per cent owned Marby permit also holds a substantial zone of the uranium-molybdenum-vanadium-bearing Alum Shale. In 2008 the company's seven-hole drill programme intersected an average thickness of 96 metres of uranium-bearing shale. Part of the current drilling programme also includes further testing of this 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 Mersoi Basin in Niger. Aura is actively pursuing additional opportunities in the region.

Mauritania

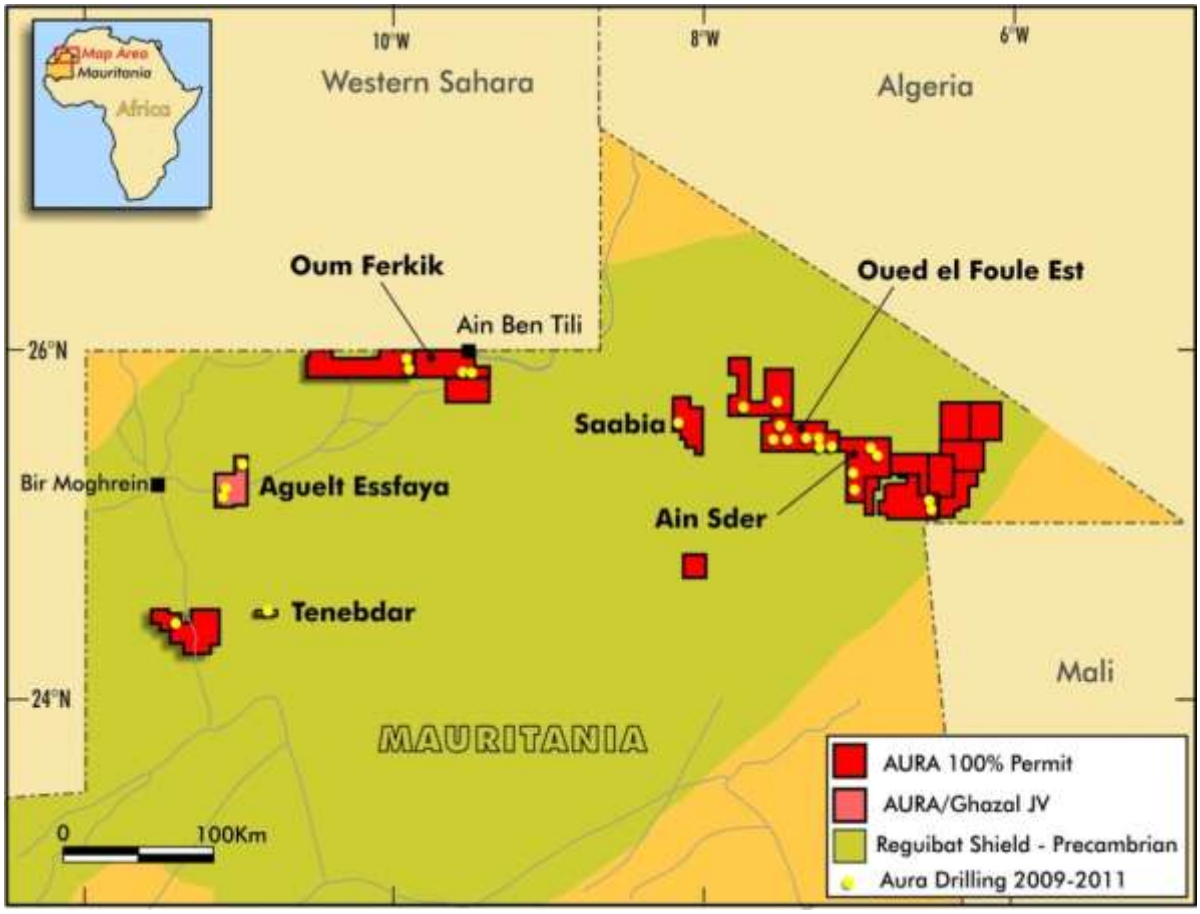
Mauritania has a developed mining industry, a government keen to attract foreign investment, a stable business environment, and extensive good quality geological, geophysical and geochemical databases. It has also been the centre of significant corporate transactions across a range of commodities. Uranium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

REGUIBAT PROJECT

The Reguibat Project comprises several laterally extensive developments of calcrete uranium mineralisation in northern Mauritania and has been subject to 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 per cent 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 late 2011 and these targets will be followed up in the current quarter.

A programme of trenching has begun this quarter to increase definition of 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 Energy began the formal process of negotiating an agreement with the registered native title claimants prior to submission of Mining Lease application 58/359 covering a major part of the uranium resource within the central area of E58/290 at Wondinong.

Previous exploration results have shown that there is potential to increase the uranium resource base and extend the limits of known mineralisation outside Mining Lease application 58/359. A revised program comprising 800 metres of additional shallow aircore drilling has been proposed to explore for and test any possible extension of the resource into areas of E58/290 and E58/349.

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 focused on it 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

During the quarter the company completed a fully underwritten, non-renounceable entitlements issue to shareholders. The issue raised $3.4 million before costs.

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

Cash

At 31 March, Aura had $3.3 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	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 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.