



Quarterly Activities Report

For the period ended March 2013

Aura Energy (ASX:AEE)

Headquartered in Melbourne and listed on the ASX, Aura Energy (AEE) is an explorer and developer of uranium assets. The company has advanced uranium projects with large resources that are close to the surface in both Europe and Africa and also has a resource in Australia. Aura holds a total of 688 million pounds (312,071 tonnes) uranium in inferred resources. Its two main projects include: 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 completing feasibility studies on these two projects.



Market cap:	A\$16.4m (10c)
Cash position (31 March):	\$0.7 million
Shares:	164 million
Options:	7.2 million

Main shareholders

Technical Investing	7.15%
Kinetic Partners	6.93%

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HIGHLIGHTS

- ▶ Aura holds 853 Mlbs of uranium in inferred resources at its two main projects, Häggån (Sweden) and Reguibat (Mauritania)
- ▶ These projects are held 100% by Aura Energy

Häggån Project, Sweden

- ▶ The company is currently in a binding cooperation agreement with the French nuclear company, Areva Mines SA, with regard to future funding of the Project
- ▶ Areva is continuing its Due Diligence for the Project, which is expected to be completed by the end of the current quarter
- ▶ Negotiation of definitive documentation with Areva is continuing in parallel to the Due Diligence process
- ▶ Häggån inferred resource expanded to 803 million pounds U_3O_8 at a grade of 160ppm
- ▶ Additional exploration target* of 440 to 840 million pounds U_3O_8 defined, demonstrating potential for significant additional resource increases
- ▶ A scoping study completed in 2012 indicates that the Project can be expected to be economically viable at low uranium prices

Mauritania, West Africa

- ▶ Current inferred resource 50 Mlbs U_3O_8
- ▶ Simple beneficiation of Reguibat mineralisation increases grade of the product by a factor of three to 1,068ppm U_3O_8
- ▶ Opportunity for significantly reducing material volume and increasing uranium grade, which may lead to reduced capital and operating costs
- ▶ Scoping study planned completion by end 2013, subject to funding
- ▶ Initial planning for two year feasibility studies

*This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

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 a current and active mining industry, with a clear regulatory position and a well-established path from exploration to mining.

The Häggån resource of 803 million pounds uranium places it in the top two largest undeveloped uranium resources that are compliant with ASX or TSX requirements.

Corporate

Aura Energy appointed leading independent Australian investment bank Gresham Advisory Partners Limited to act as corporate advisor to Aura in connection with a review of funding and development options for its flagship Häggån project in Sweden.

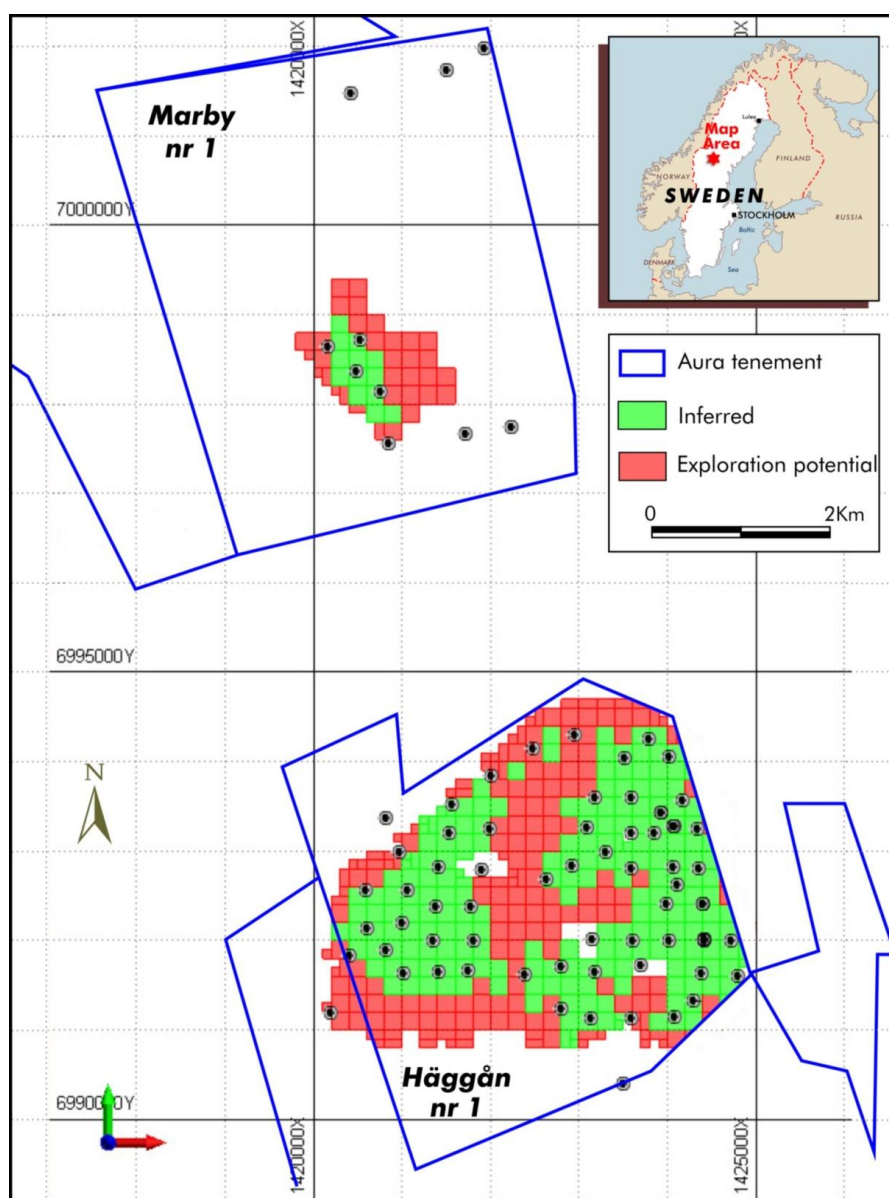
Aura has entered into a binding Co-operation Agreement with Areva Mines SA (Areva). Under the terms of the Co-operation Agreement, Areva will undertake an agreed work program in relation to the Project over an initial 4 month period.

During the period of the Co-operation Agreement, the Company and Areva will work in good faith to finalise a pre-feasibility study work program, and also conclude the terms of an Option Agreement and Joint Venture Agreement under which Areva may acquire an interest in the Project.

Project summary

The Häggån Project is a giant multi-metal deposit which is underpinned by huge uranium resource. The main metals in the current resources are:

- 803Mlbs U₃O₈ inferred resource (2.35Bn tonnes @ 155 ppm U₃O₈)
- Nickel – 1,640Mlbs
- Zinc – 2,230Mlbs
- Molybdenum – 1,070 Mlbs



Map of the Häggån Project area showing the distribution of Inferred Resources (green) and areas of Exploration Potential (red)

The major advance with the Häggån Project has been the discovery that the material is ideally suited to bioleach metal extraction. Bioleaching, including bioheap leaching, is a proven technology widely used in copper and gold industries, but has had limited prior application to the uranium industry.

An excellent example of the application of bioheap leach technology is the large (50 Mtpa) copper operation at Zaldivar operated by Barrick in Chile. The key advantage of bioheap leaching is that it has low capital and operating costs.

Aura's tests of bioleaching have been very successful. Extractions of up to 85% have been achieved at a small scale, and, importantly, in the 2 metre columns reported in 2012. These larger columns simulate the performance of the extraction technology in the heaps of mineralisation similar to how the method will be applied in an operation.

The key outcome of these tests is that acid consumption was minimised, greatly reducing operating costs in a future operation.

Aura's independent consultants completed a scoping study for the project in 2012. In this study initial pit shells containing 741 Mt of mineralisation were defined. A nominal 30 Mtpa operation with 25 year initial mine life was selected, based on these pit shells. Because of the laterally extensive, near surface nature of the mineralisation the stripping ratio of waste to ore was a low 0.75:1, indicating that mining costs would also be low.

This nominal operation, under the assumptions used, would produce an annual production of 7.8Mlbs (3,538t) U_3O_8 . If achieved this would place Häggån in the top five existing and planned uranium operations worldwide.

The financial model based on this scoping study gave a strongly positive economic outcome. The mean NPV was estimated at US\$1.85 billion pre-tax, using a 10% discount rate and a \$65/lb uranium price. The IRR for this model was 49%, and a payback period of less than 5 years.

This very favourable outcome of the scoping study was based on the low capital and operating costs of large, heap leach operations. The estimated Häggån operating costs were \$9.30/t, in line with those of similar operations such as Zaldivar (\$8-9/tonne). The pre-production capital used in the model was US\$537m, plus a sustaining capex of US\$18M per annum.

When translated to operating costs per pound of uranium produced these were very competitive in the industry. Depending on whether the co-products, nickel and molybdenum, were treated as by-products or co-products, the following outcomes were estimated:

- US\$13/lb U_3O_8 when nickel & molybdenum treated as by-products
- US\$26/lb U_3O_8 when nickel & molybdenum are included as U_3O_8 equivalents

The Häggån Project is located in Sweden, and has excellent infrastructure. It is close to rail and road links between Stockholm and Norway. The country-wide 132 kV grid is already at Östersund, some 30 kilometres to the northeast. However, a new 70 unit wind farm is being permitted close to Project, bringing power to within a few kilometres. Some of the turbines will be located within the Aura Project Area.

Sweden as a mining country

Sweden has a long history of mining, and its legislation and regulations are supportive of mining. The country is Europe's largest iron ore producer, and contains its largest copper mine.

It is recognized as a low sovereign risk mining destination. It recently ranked second, after Finland, in the Fraser Institute (Canada) survey of most favoured mining countries.

Sweden has a low corporate tax rate and royalties.

Sweden is a nuclear country, with 50% of electricity needs generated by 10 reactors.

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.

Mauritania

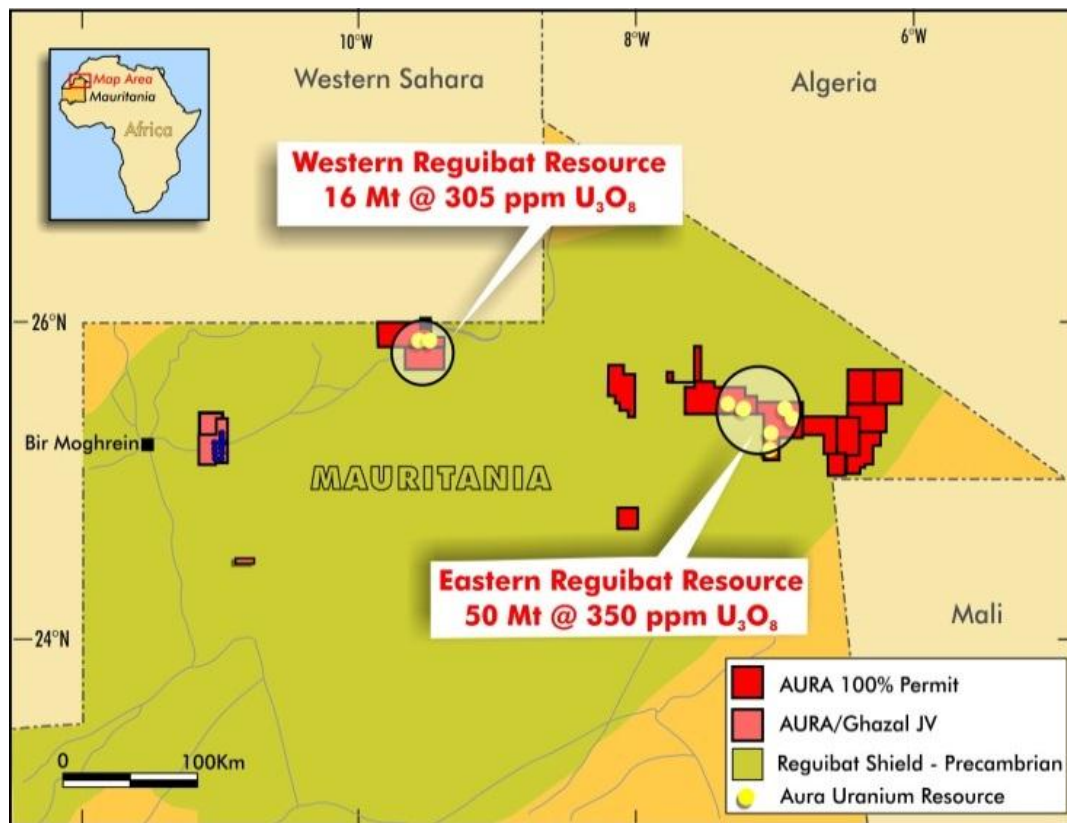
Mauritania has a developed mining industry, a government keen to attract foreign investment, a stable business environment, and extensive good quality geological, geophysical and geochemical databases. It has also been the centre of significant corporate transactions across a range of commodities. Uranium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

The 2013 Fraser Institute (Canada) report on the most favourable countries for mining investment recently ranked Mauritania as the fourth African country, and ahead of other well-known mining destinations in Africa such as Burkina Faso and Mali, and other jurisdictions such as New South Wales, Tasmania, Brazil, Peru and Mexico.

REGUIBAT PROJECT

The Reguibat Project comprises several laterally extensive developments of calcrete uranium mineralisation in northern Mauritania. 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. The project mineralisation occurs at or just below the surface in flat-lying sheets. Mining would be inexpensive. It would be from shallow pits dug out by standard excavators and trucks, with no need for blasting. The strip ratio is likely to be well below 1.0.

The area of the deposit is largely flat-lying, treeless, uninhabited desert.



Physical uranium concentration

The uranium found at Reguibat occurs as carnotite-type calcrete mineralisation within unconsolidated coarser gravels and sands. Early tests have indicated that simple wet screening can reject about 75 per cent of the gravels and sands for the loss of only five to 10 per cent of the uranium, upgrading the plant feed to around 1000 parts per million. If this result is confirmed in future testwork, it translates into a much smaller, low-cost leaching plant, enhancing the project economics.



Trench through Reguibat calcrete uranium deposit showing the granite pebbles that are discarded in the screening tests

Aura's metallurgists consider that there is potential for further uranium concentration using the heavier nature of the uranium minerals. Marenica Energy

Ltd, evaluating a similar deposit in Namibia, has completed testwork that has shown that beneficiation can increase grade by factors of up to 60 times.

An example of the implications of these upgrades is given below. Paladin's Langer Heinrich deposit is amenable to simple scrubbing/wet screening, and in 2012 the project achieved a 33 per cent increase from the mined grade to the leach feed grade. Aura's preliminary work has shown that increases of 250 per cent can be achieved at Reguibat.

	Head grade U_3O_8	Upgrade	Feed grade U_3O_8	Prod (Mlbs)
Langer Heinrich 2012	681ppm	33%	906ppm	4.6 Mlbs
Reguibat	305ppm	250%	1068ppm	

Paladin source: 2012 Annual Report

Scoping Study programme

Aura has estimated a budget for a scoping study. The project team will undertake preliminary mining, metallurgical, environmental and infrastructure studies which will be provided to experienced independent engineering consultants to complete the study analysis and report. The cost is expected to be approximately \$1 million, and the study will take about six months to complete.

Aura plans to complete the Scoping Study by the end of 2013, subject to funding.



Feasibility studies and development options

The potential for substantial physical beneficiation upgrading opens several opportunities for Aura in terms of size of the plant, the leach process, and the consequent capital and operating cost in any future operation. Although Aura's testwork is only in its very early stages, the possibility exists for a high value product at the end of the beneficiation stage.

These options allow a range of possibilities to be considered, including the minimisation of transport costs of the product.



On the back of a positive Scoping Study and appropriate funding Aura would then progress feasibility studies, with a potential decision to mine by December 2015.

Trenching through the Reguibat calcretes showing the ease of excavation, and the flat, vegetation-free landscape

HAGGAN RESOURCE STATEMENT

Category	Cut-off U_3O_8	Size	U_3O_8	Mo	V	Ni	Zn
	ppm U_3O_8	Bt	ppm	ppm	ppm	ppm	ppm
Inferred	100	2.35	155	207	1,519	316	431

Competent Persons for Häggån Resource

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.

Mr. Arnold van der Heyden takes responsibility for estimation of uranium and associated metals in the Häggån Resource. Mr. van der Heyden is a director of H&SC and is a competent person in the meaning of JORC having had around thirty 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. van der Heyden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REGUIBAT RESOURCE STATEMENT

Category	Lower Cut-off	Tonnes	Grade	Contained U ₃ O ₈
	ppm U ₃ O ₈	Mt	ppm 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 Persons for Reguibat Resource

The Competent Person for the Reguibat 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.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

AURA ENERGY LIMITED (AEE)

ABN

62 115 927 681

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	1
1.2 Payments for: (a) exploration & evaluation	(200)	(993)
(b) development	-	-
(c) production	-	-
(d) administration	(174)	(968)
(e) partnering development costs	(197)	(282)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grant received	-	281
Net Operating Cash Flows	(570)	(1,941)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	(2)
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	(2)
1.13 Total operating and investing cash flows (carried forward)	(570)	(1,950)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(570)	(1,950)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	(8)	937
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(8)	937
	Net increase (decrease) in cash held	(578)	(1,006)
1.20	Cash at beginning of quarter/year to date	1,292	1,725
1.21	Exchange rate adjustments to item 1.20	(2)	(7)
1.22	Cash at end of quarter	712	712

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	137
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors Fees and Superannuation, plus Management Fees paid to associated Company, and Exploration Consultancy.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	
	Nil	
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	
	Nil	

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	181
4.2 Development	-
4.3 Production	-
4.4 Administration	152
Total	333

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	180	182
5.2 Deposits at call	532	1,110
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	712	1,292

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-			
6.2 Interests in mining tenements acquired or increased	-			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	168,713,449	168,713,449		
7.4 Changes during quarter		-		
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	600,000	-	<u>Exercise price \$</u>	<u>Expiry date</u>
	570,000	-	\$0.60	24.04.2013
	375,000	-	\$0.45	31.03.2016
	3,500,000	-	\$0.30	23.12.2014
	1,000,000	-	\$0.31	31.10.2013
	32,789,218	-	\$0.20	31.05.2015
		32,789,218	\$0.20	1.12.2014
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Signed:

Director and Company Secretary

Dated: 29 April 2012

Print name: Jay Stephenson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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