



ANNUAL REPORT
30 JUNE 2013

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

ABN 62 115 927 681

ANNUAL REPORT 30 JUNE 2013

CORPORATE DIRECTORY

Directors

Peter Reeve

Chairman

Robert (Bob) Beeson

Managing Director

Brett Fraser

Non-executive Director

Julian (Jules) Perkins

Non-executive Director

Company Secretary

Jay Stephenson

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Exploration office – Mauritania

Auditor

Bentleys

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West Perth WA 6005

Share Registry

Computershare Registry Services

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Perth WA 6000

Securities Exchange

Australian Securities Exchange

ASX Code – AEE

Website: www.auraenergy.com.au

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CHAIRMAN'S LETTER

Dear Shareholders

Welcome to this review of the Aura Energy's activities for the year ended 30 June 2013. I have only recently joined Aura Energy as Chairman at a time that is shaping up to be a pivotal period in the Company's evolution.

Aura Energy has an extraordinary uranium resource base across its Swedish and Mauritanian projects and this is testament to the quality and depth of technical expertise in both its management and board. The Company's 859 million pound resource ranks amongst the largest of all uranium companies and positions Aura Energy to become a major producer in the years ahead.

Häggån in Sweden with its scale, innovative natural leaching process and low cash costs may herald a refreshing change in uranium operating methods which is both low impact and environmentally friendly. Reguibat in Mauritania is now presenting itself as potentially an early cash flow producing project with recent ore beneficiation testwork upgrading the processing head grade significantly. If confirmed this will have the impact of reducing the capital required to develop this remote project. Projects of this quality become the foundations of a great company.

For most of the 2013 financial year the management and the Board vigorously pursued a Strategic Partnership with significant French nuclear player Areva on Aura Energy's large Häggån project. The technical and commercial exchange was robust however in the final analysis Aura and Areva did not consummate a transaction. That a transaction was not consummated is testament to the commitment of the Aura Energy board to get the best long term outcome for shareholders. The Company is now free to pursue a range of development options in its own right preserving significant future value to shareholders.

Recently a number of board changes were made, including Brett Fraser resigning his position as Chairman. I would like to pay tribute to the efforts of Brett, who remains a Director of the company, and the outgoing Directors for their contribution in placing Aura Energy in this strong position.

Also to all Aura Energy employees and contractors in Australia, Sweden and Mauritania the Board greatly appreciates the valuable contribution that you have made to progress the company's projects which places Aura Energy in its current strong position for the future.

2014 is looking like a seminal year for Aura Energy as the Company pursues different development options for Häggån and Reguibat. We look forward to an exciting year ahead, striving for project advancement and improving shareholder value. I hope you remain as shareholders and enjoy the journey.

Regards



PETER REEVE

Chairman, Aura Energy Limited

OPERATIONS REVIEW 2013

Aura is fortunate to possess two large uranium resources with the potential to become low cost mining operations. The Häggån and Reguibat Projects were both greenfields discoveries by Aura's exploration team. In addition the Aura team has made bioleaching and beneficiation innovations to transform the economics of these projects.

Both Projects have the potential to become company makers.

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån is a major uranium project in Central Sweden. Sweden has a current and active mining industry, with a clear regulatory position and a well-established path from exploration to mining.

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 ▶ 1,070Mlbs

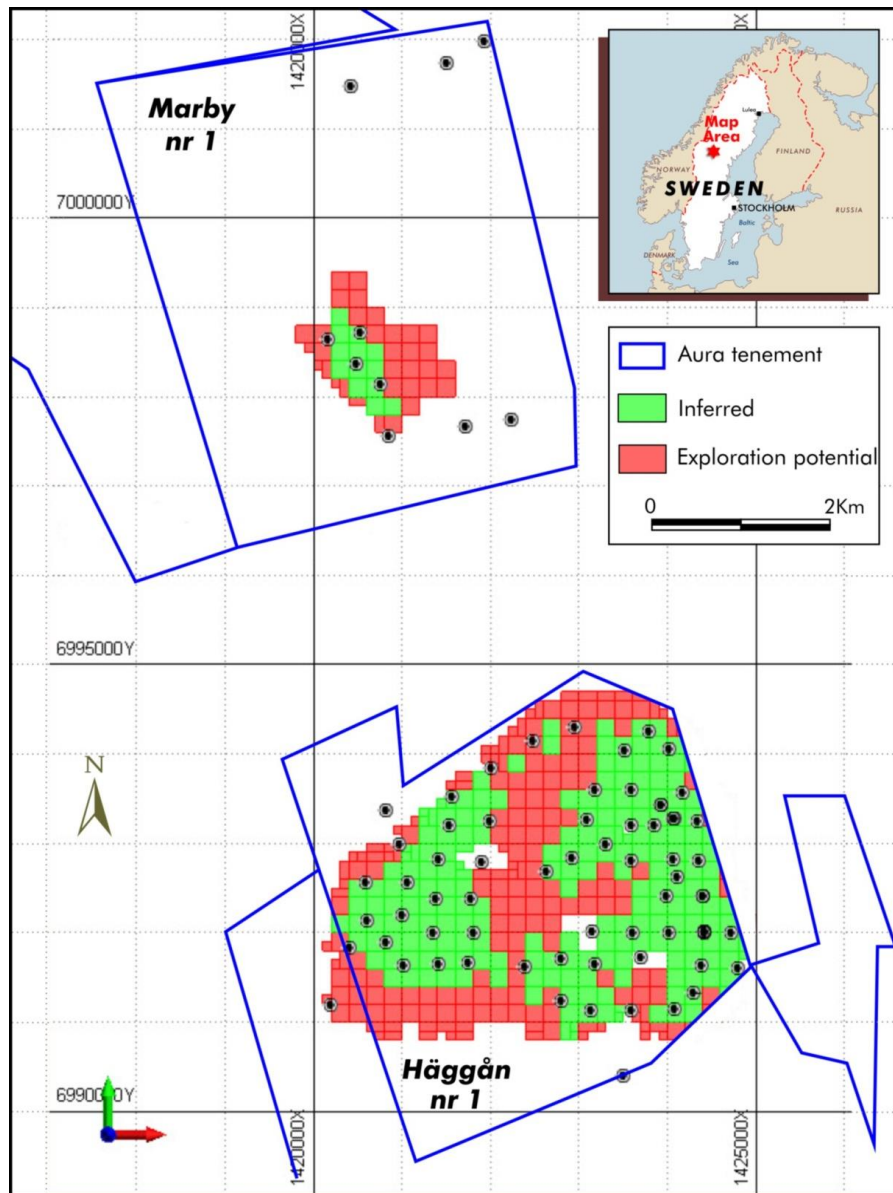
The size of the Häggån resource places it in the top two largest undeveloped uranium resources that are compliant with ASX or TSX requirements.

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. 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 both bench 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 satisfactorily low 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. To maximise the extraction of the pit shells a nominal 30 Mtpa operation, with 25 year initial mine life was selected. 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.



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

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 operating costs per pound of uranium produced were estimated at \$13.50 per pound after by-product credits from nickel and molybdenum were accounted for, making Häggån a potential lower quartile project.

This translates to \$9.30/t, in line with those of similar bioheapleach operations such as Zaldivar copper operation in Chile (\$8-9/tonne).

The pre-production capital used in the model was US\$537m, plus a sustaining capex of US\$18M per annum.

The operating costs per pound of uranium produced were estimated at \$13.50 per pound after by-product credits from nickel and molybdenum were accounted for, making Häggån a potential lower quartile project.



Two metre bioleaching testwork columns at the SGS Laboratory in Perth, Australia

Aura is currently examining the option of a smaller, start-up operation. This will have the advantage reducing the upfront costs of the Project, and being able to stage the Project development.

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.

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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.

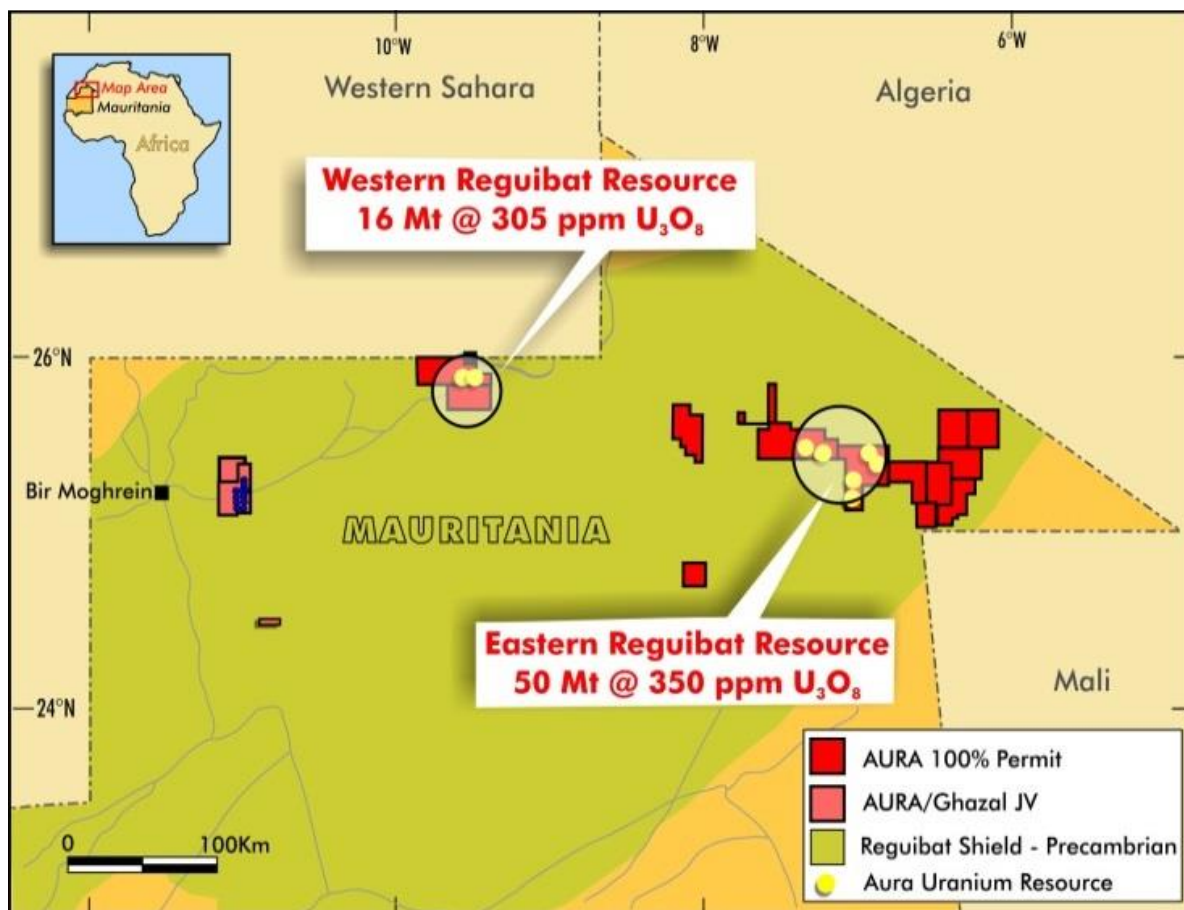
It is recognized as a low sovereign risk mining destination. It recently ranked second, after Finland, in the Fraser Institute (Canada) survey of most favoured mining countries.

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.



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 49 million pounds at 334ppm U₃O₈ at a cut-off grade of 100ppm U₃O₈ was established in July 2011. This resource is 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.



Trench through Reguibat calcrete uranium deposit showing the patches of yellow uranium mineralisation

PHYSICAL URANIUM CONCENTRATION

The Reguibat Project is one of a small number of calcrete uranium projects that has the characteristics that permits substantial grade increases through simple beneficiation.

Scrubbing and screening tests on samples from the eastern Reguibat Project have determined that significant upgrade of uranium could be achieved in the fine screen fractions. Using this simple screening upgrade head grades of over 3000 ppm U₃O₈ were achieved, compared with the resource grade of 334ppm U₃O₈. The generation of this high grade product now opens up substantial opportunities for fast tracked development given the simplicity of the process and potentially significant improvement in project economics.

More work needs to be done in this area, but the very substantial increase in uranium grade through conventional beneficiation procedures may enable the Project to have relatively small leaching capacity, and consequently lower capital and operating costs.



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

HÄGGÅN RESOURCE STATEMENTS

Category	Cut-off U ₃ O ₈	Size	U ₃ O ₈	Mo	V	Ni	Zn
	ppm U ₃ O 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	Cut-off U ₃ O ₈	Size	U ₃ O ₈
	ppm U ₃ O ₈	Bt	ppm
Inferred	100	66.2	334

Competent Persons for Reguibat Resource

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 is a Member of The Australasian Institute of Mining and Metallurgy.

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 data integrity, QA/QC and the requirement of "reasonable prospects for eventual economic extraction" for the reporting of Häggån Resources at the quoted cut-off grades.

CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Aura Energy Limited ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

- 1 Lay solid foundations for management and oversight;
- 2 Structure the Board to add value;
- 3 Promote ethical and responsible decision-making;
- 4 Safeguard integrity in financial reporting;
- 5 Make timely and balanced disclosure;
- 6 Respect the rights of shareholders;
- 7 Recognise and manage risk;
- 8 Remunerate fairly and responsibly.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

1.1: *Companies should establish and disclose functions reserved to the board and delegated to management.*



Roles and Responsibilities:

The roles and responsibilities carried out by the Board are to:

- ▶ Oversee control and accountability of the Group;
- ▶ Set the broad targets, objectives, and strategies;
- ▶ Monitor financial performance;
- ▶ Assess and review risk exposure and management;
- ▶ Oversee compliance, corporate governance, and legal obligations;
- ▶ Approve all major purchases, disposals, acquisitions, and issue of new shares;
- ▶ Approve the annual and half-year financial statements;
- ▶ Appoint and remove the Group's auditor(s);
- ▶ Appoint and assess the performance of the Managing Director and members of the senior management team;
- ▶ Report to shareholders.

1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the year.

2. STRUCTURE THE BOARD TO ADD VALUE.

2.1: *A majority of the Board should be independent Directors.*

The majority of the Board is independent. Refer general comments below.

2.2: *The Chairperson should be an independent Director.*

The Chairman is not independent. Refer general comments below.

2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*

Refer general comments below.

2.4: *Establishment of a nominations committee.*

Refer general comments below.

2.5: *Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.*

Refer general comments below.

2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

Refer general comments below.

CORPORATE GOVERNANCE STATEMENT

GENERAL COMMENTS:

Membership

The Board's membership and structure is selected to provide the Group with the most appropriate direction in the areas of business controlled by the parent company. The Board of the parent company currently consists of four members; a Managing Director, and three non-executive Directors. Refer to the Directors' Report: Information on Directors on page 18 for details of each Director's profile. The majority of the Board is independent.

Chairman and Managing Director

The roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Group.

Performance Evaluation

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a process of internal review. The Board also formally reviews its governance arrangements on a similar basis annually.

The performance of Key Management Personnel ("KMP") is reviewed on an annual basis by the Board and remuneration committee.

The performance of each member of KMP is assessed against their individual performance plans, which comprise target performance indicators. Performance indicators for each KMP are set annually in consultation with KMP. Consideration is also given to the contribution each member of KMP makes to board meetings. Further details regarding the Board's remuneration policy for KMP is provided in the Remuneration Report on page 23.

Nomination Committee

The parent company has a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members, and Board performance.

Skills

The Directors bring a range of skills and background to the Board including exploration, mining engineering, metallurgical engineering, technical management, accountancy, finance, stockbroking, and legal.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board endeavours to meet at least bi-monthly on a formal basis, although the Board regularly meets informally.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING.

3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 *The practices necessary to maintain confidence in the Company's integrity;*

3.1.2 *The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;*

3.1.3 *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

The Group is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and parent company policies. Each staff member is issued with the parent company's Policies and Procedures manual at the beginning of their employment.

CORPORATE GOVERNANCE STATEMENT

- 3.2: *Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.*

The parent company has a diversity policy included in its Corporate Governance Policy.

- 3.3: *Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

Aura believes that the promotion of diversity on boards, in senior management and within the organisation generally broadens the pool for recruitment of high quality directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

Aura is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the parent company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Group. Diversity within the Group means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

Aura is dedicated to promoting a corporate culture that embraces diversity. Aura believes that diversity begins with the recruitment and selection practices of its board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.

- 3.4: *Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently there are four women employees in the whole organisation in varying positions. Given the present size of the Group, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Group increases.

- 3.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the parent company's Code of Conduct and its Share Trading Policy is included on the Aura's website at <http://auraenergy.com.au/ourcompany-corporategovernance.html>.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING.

- 4.1: *The Board should establish an audit committee.*

Refer general comments below.

- 4.2: *Structure the audit committee so that it consists of:*

-  Only non-executive Directors;
-  A majority of independent Directors;
-  An independent Chairperson, who is not Chairperson of the Board;
-  At least three members.

Refer general comments below.

- 4.3: *The Audit Committee should have a formal charter.*

Refer general comments below.

GENERAL COMMENTS:

Integrity of Company's Financial Condition

The Group's Financial Controller and Company Secretary report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for the half and full financial year present a true and fair view, in all material respects, of the Group's financial condition and operational results are in accordance with relevant accounting standards.

CORPORATE GOVERNANCE STATEMENT

Audit Committee

Aura has a formal charter for an Audit Committee. The Audit Committee formerly comprised Messrs Fraser, Junk, and O'Loughlin who were responsible for the following activities:

- ▶ Review the Company's accounting policies;
- ▶ Review the content of financial statements;
- ▶ Review the scope of the external audit, its effectiveness, and independence of the external audit;
- ▶ Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- ▶ Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- ▶ Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- ▶ Present half and full year financial statements to the Board.

Due to the Board restructure, Mr Fraser is currently the sole member of the Audit Committee whilst a new committee is being established.

Audit Committee Meetings

Details of meetings held can be found in the Directors' Report: Meetings of Directors on page 21.

5. MAKE TIMELY AND BALANCED DISCLOSURE.

- 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the Australian Securities Exchange (ASX), the parent company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, Aura advises the market of all information required to be disclosed under the Rules that the Board believes would have a material effect on the price of the parent company's securities.

The Company Secretary has been appointed as the person responsible for communication with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders receive a copy of the Group's annual report.

- 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting

6. RESPECT THE RIGHTS OF SHAREHOLDERS.

- 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Refer general comments below.

- 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

Refer general comments below.

GENERAL COMMENTS:



Aura is committed to keeping shareholders fully informed of significant developments in the Group. In addition to public announcements of its financial statements and significant matters, Aura provides the opportunity for shareholders to question the Board and management about its activities at the parent company's annual general meeting.



The Group's auditor, Bentleys, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

CORPORATE GOVERNANCE STATEMENT

7. RECOGNISE AND MANAGE RISK

7.1: *The Board or appropriate Board committee should establish policies on risk oversight and management.*

Refer general comments below.

7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

7.2.1 *The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.*

7.2.2 *The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.*

Refer general comments below.

7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Refer general comments below.

7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

Refer general comments below.

GENERAL COMMENTS:

☛ The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

☛ The Financial Controller and Company Secretary state in writing to the Board that:

- ▶ The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board.
- ▶ The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

☛ In addition to their regular reporting on business risks, risk management and internal control systems, the CEO and Chief Financial Officer also provide the Board with written assurance that the directors' declaration provided with the annual report is founded on a sound system of risk management and internal control, and that this system is operating effectively in all material respects in relation to the financial reporting risks. This assurance is provided prior to the meeting at which the directors are due to authorise and sign the company's financial statements.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1: *The Board should establish a Remuneration Committee.*

Refer general comments below.

8.2 *The remuneration committee should be structured so that it:*

☛ *consists of a majority of independent directors;*

☛ *is chaired by an independent director; and*

☛ *has at least three members.*

Refer general comments below.

8.3: *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

Refer general comments below.

8.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

Refer general comments below.

CORPORATE GOVERNANCE STATEMENT

GENERAL COMMENTS:

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The remuneration committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- ▶ Competitiveness and reasonableness;
- ▶ Acceptability to the shareholders;
- ▶ Performance linked;
- ▶ Transparency;
- ▶ Capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee

Members of the Remuneration Committee were formerly Messrs Fraser, Junk, and Stephenson.

Due to the Board restructure, Mr Fraser is currently the sole member of the Remuneration Committee whilst a new committee is being established.

Audit Committee Meetings

Details of meetings held can be found in the Directors' Report: Meetings of Directors on page 21.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report: Remuneration Report on page 23 and Note 5 Key Management Personnel Compensation to the financial statements on page 46.

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2013.

Directors

The names of Directors in office at any time during or since the end of the year are:

- ☀ Mr. Peter Reeve *Chairman (Appointed 13 July 2013)*
- ☀ Dr. Robert (Bob) Beeson *Managing Director*
- ☀ Mr. Brett Fraser *Non-executive Director (Stepped down as Chairman 13 July 2013)*
- ☀ Mr. Julian (Jules) Perkins *Non-executive Director*
- ☀ Mr. Simon O'Loughlin *Non-executive Director (Resigned 12 July 2013)*
- ☀ Mr. Jay Stephenson *Non-executive Director (Resigned 12 July 2013)*
- ☀ Mr. Leigh Junk *Non-executive Director (Resigned 12 July 2013)*

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- ☀ Mr. Jay Stephenson *Fellow of Certified Practising Accountants; Certified Management Accountant; Member of Australian Institute of Company Directors; Master of Business Administration; Fellow of Institute of Chartered Secretaries Australia. Mr. Stephenson performs the role of Chief Financial Officer for the Company and was previously a non-executive director.*

Principal Activities

The principal activities of the Group during the financial year were the exploration and evaluation of its projects in Sweden, Mauritania, and Australia.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2013.

Review of Operations

A detailed review of the Group's exploration activities is set out in the section titled Operations Review on page 4 in this annual report.

Operating Results

The consolidated loss for the year amounted to \$2,756,341 (2012: \$2,343,450). The increase is wholly attributable to the aforementioned write-off of exploration assets.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Groups assessment in this regard can be found in Note 1 Statement Of Significant Accounting Policies: Going Concern on page 32. The auditor's report on page 68 contains an emphasis on matter in this regard.

Financial Position

The net assets of the Group have increased by \$345,604 from 30 June 2012 to \$16,566,511 at 30 June 2013.

As at 30 June 2013, the Group's cash and cash equivalents increased from 30 June 2012 by \$286,783 to \$2,012,295 and had working capital of \$1,540,401 (2012: \$1,484,457 working capital).

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

- ☀ The Company issued:
 - ▶ 9,090,909 Shares on 9 November 2012 raising \$1,000,000;
 - ▶ 10,498,750 Shares on 20 May 2013 raising \$839,900; and
 - ▶ 4,073,392 Shares issued on 26 June 2013 raising \$325,871.

Costs related to these issues amounted to \$129,748.

DIRECTORS' REPORT

Significant Changes in State of Affairs (cont.)

The Group rationalised its tenement holdings, relinquishing non-core assets. As a result of this rationalisation, the Group wrote off expenditure amounting to \$811,454.

The Group withdrew from its Joint Venture in Mauritania.

Aura entered the Joint Venture with Ghazal Limited in 2010. The Joint Venture comprised two permits which contained large areas of radiometric anomalies.

Two drilling campaigns have not identified sufficient mineralisation to justify continuing the Joint Venture. In addition the joint venture areas were greater than 180 kilometres from Aura's closest resources, and any exploration success in the joint venture areas would have had limited impact on the main project areas.

As a result of this withdrawal, the Group wrote off expenditure amounting to \$965,065.

There were no other significant changes to the state of affairs of the Group.

After Balance Date Events

On 12 July 2013 Messrs Stephenson, O'Loughlin, and Junk stepped down as non-executive directors of the Company. In addition, Aura's discussions with AREVA Mines SA (AREVA) concluded with AREVA electing not to proceed with the proposed strategic partnership involving the Häggån uranium and polymetallic project (Häggån Project). As a result of this, the Company undertook a review of its Swedish Projects. Consequently Aura has elected to rationalise its holdings within Sweden through the relinquishing tenements to the value of \$320,184. On 13 July 2013, Mr. Peter Reeve was appointed as chairman of Aura Energy Limited, with Mr. Fraser retiring to a non-executive role.

There are no other significant after balance date events that are not covered in the Operations Review on page 4 or within the financial statements at Note 20 Events Subsequent To Reporting Date on page 55.

Likely Developments

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Information on Directors

Mr. Peter Reeve	▶ Chairman (Non-Executive) – Appointed 13 July 2013
Qualifications	▶ Mr. Reeve is a professional metallurgist, and has held positions with Rio Tinto, Billiton Australia and Newcrest Mining. Peter was a Resource Fund Manager and Resources Corporate Finance Director at J B Were & Son. More recently Peter was Chief Executive Officer of Ivanhoe Australia Ltd.
Experience	▶ Board member since 13 July 2013.
Interest in Shares and Options	▶ No ordinary Shares in Aura Energy Limited and no options.
	Subject to shareholder approval, options will be granted in three tranches as follows:
	▶ Tranche 1 – 2,000,000 options granted on appointment exercisable at \$0.15, expiring 13 January 2015.
	▶ Tranche 2 – 2,250,000 options granted on appointment exercisable at \$0.20, vesting 13 January 2015, and expiring 13 January 2016.
	▶ Tranche 3 – 2,250,000 options granted on appointment exercisable at \$0.20, vesting 13 July 2015, and expiring 13 July 2016
Special Responsibilities	▶ Capital Market and Commercial Development Director
Directorships held in other listed entities	▶ Nil

DIRECTORS' REPORT**Mr. Brett Fraser**

Qualifications

- ▶ Director (Non-Executive) – stepped down as Chairman 13 July 2013
- ▶ Fellow of Certified Practicing Accountants; Fellow of the Financial Services Institute of Australasia; Grad Dip Finance, Securities Institute of Australia; Bachelor of Business (Accounting); International Marketing Institute - AGSM Sydney.

Experience

- ▶ Board member since 24 August 2005.

Interest in Shares and Options

- ▶ 2,486,040 ordinary Shares in Aura Energy Limited and 1,076,579 options.

Special Responsibilities

- ▶ Member of the Audit Committee, Due Diligence Committee, and Remuneration Committee.
Finance and Commercial Development Director

Directorships held in other listed entities

- ▶ Current non-executive director and Chairman of Drake Resources Limited since March 2004, and non-executive director and Chairman of Blina Diamonds NL since September 2008. Past director of Doray Minerals Limited from October 2009 until November 2011. No other directorships in the past three years.

Dr. Robert Beeson

Qualifications

- ▶ Managing Director
- ▶ Bachelor of Science with Honours; PhD; Member of the Australian Institute of Geoscientists

Experience

- ▶ Board member since 31 March 2006. Geologist with over 35 years of global experience in uranium and other commodity management, exploration and development

Interest in Shares and Options

- ▶ 2,257,460 Ordinary Shares in Aura Energy Limited and 2,270,710 options.

Directorships held in other listed entities

- ▶ Managing Director of Drake Resources Limited since November 2004 until 31 January 2013. Non-executive director of Drake Resources Limited from 1 February 2013. No other directorships in the past three years.

Mr. Julian Perkins

Qualifications

- ▶ Director (Non-Executive)
- ▶ Master of Science (Imperial College of Science & Technology) 1972; Associate of the Camborne School of Metalliferous Mining (Honours) 1967; Fellow of the Australasian Institute of Mining and Metallurgy; Member of the Australian Institute of Company Directors.

Experience

- ▶ Board member since 7 June 2011.
Mr. Perkins has over 40 years' experience in operations and management with major companies in the international minerals industry. He was Manager of Mining & Technology (Australia) for AngloGold Ashanti Ltd, one of the world's largest gold mining companies, until 2006. His career includes underground mining engineering in South Africa and management of metallurgic operations on the Zambian Copperbelt. Jules led the mineral processing department of Shell Research in the Netherlands for three years before moving into corporate management in the Netherlands and then in Australia. Mr. Perkins is currently Chairman of the Board of Parker Centre Ltd, which manages the Parker Cooperative Research Centre ('CRC') for Hydrometallurgy. Jules has previously been a director on the boards of the CRC Mining and the Australian Centre for Mining Environmental Research.

Interest in Shares and Options

- ▶ 240,000 Ordinary Shares in Aura Energy Limited and 56,667 options.

Special Responsibilities

- ▶ None

Directorships held in other listed entities

- ▶ No other directorships held in other listed entities.

DIRECTORS' REPORT

Mr. Jay Stephenson	▶ Director (Non-Executive) – Resigned 12 July 2013; Company Secretary
Qualifications	▶ Fellow of Certified Practicing Accountants; Certified Management Accountant; Member Australian Institute of Company Directors; Master of Business Administration; Fellow Institute of Chartered Secretaries Australia.
Experience	▶ Board member from 24 August 2005 to 12 July 2013.
Interest in Shares and Options	▶ 1,881,068 Ordinary Shares in Aura Energy Limited and 1,013,368 options, as at the date of resignation.
Special Responsibilities	▶ Member of Due Diligence Committee and Remuneration Committee up to the date of resignation.
Directorships held in other listed entities	▶ Current non-executive Director of Drake Resources Limited since March 2004, Strategic Minerals Corporation NL since July 2009, Doray Minerals Limited since August 2009, Spencer Resources Limited since March 2012, and Nickelore Limited since July 2011. Chairman and non-executive Director of Quintessential Resources Limited since February 2011. Past non-executive director of Excelsior Gold Limited from October 2009 to November 2009 and Parker Resources Limited from January 2011 to December 2012. No other directorships in the past three years.
Mr. Simon O'Loughlin	▶ Director (Non-Executive) – Resigned 12 July 2013
Qualifications	▶ BA(Acc), Law Society Certificate in Law.
Experience	▶ Board member from 31 March 2006 to 12 July 2013.
Interest in Shares and Options	▶ 993,112 Ordinary Shares in Aura Energy Limited and 125,000 options, as at the date of resignation.
Special Responsibilities	▶ Former member of Audit Committee and Due Diligence Committee up to the date of resignation.
Directorships held in other listed entities	▶ Chesser Resources Limited since March 2006, Goldminex Resources Limited since June 2012, Kibaran Resources Limited since September 2010, Petratherm Limited since October 2003, and WCP Resources Limited since March 2005 Former director of Bondi Mining Limited (December 2006 to January 2012), Bioxyn Limited (July 2008 to April 2012), Avenue Resources Limited (March 2010 to March 2012), and Living Cell Technologies Limited (May 2004 to November 2010), Australia Oriental Minerals NL (April 2012 to February 2013), Neurodiscovery Limited (March 2012 to July 2013). No other directorships in the past three years.
Mr. Leigh Junk	▶ Director (Non-Executive) – Resigned 12 July 2013
Qualifications	▶ Diploma of Surveying from Wembley Technical College in 1992, Graduate Diploma of Mining Engineering from University of Ballarat in 2000, and a Masters in Mineral Economics from Curtin University in 2008.
Experience	▶ Board member from 7 June 2011 to 12 July 2013. Mr. Junk is a mining engineer with 20 years' experience in the mining industry. Mr. Junk was the executive responsible for feasibility studies, project evaluation, production scheduling and mine design with several mining companies throughout Western Australia, including Pilbara Manganese Pty Ltd, WMC Resources Ltd. and Mincor Operations Pty Ltd. Mr. Junk then co-founded his private mining company Donegal Resources Pty Ltd which was later sold to Canadian miner Brilliant Mining Corp.
Interest in Shares and Options	▶ 937,500 Ordinary Shares in Aura Energy Limited and 125,000 options, as at the date of resignation.
Special Responsibilities	▶ Member of Audit Committee and Remuneration Committee up to the date of resignation.
Directorships held in other listed entities	▶ Mr. Junk is a Director of Doray Minerals Limited, Sentosa Mining Limited, and Goldfields Money Limited.

DIRECTORS' REPORT

Meetings of Directors

During the financial year 11 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	COMMITTEE MEETINGS							
	DIRECTORS' MEETINGS		DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Peter Reeve	0	N/A	-	-	0	N/A	0	N/A
Brett Fraser	8	8	-	-	1	1	2	2
Bob Beeson	8	8	-	-	-	-	-	-
Jay Stephenson	8	8	-	-	0	1	1 ⁽¹⁾	-
Simon O'Loughlin	8	8	-	-	-	-	1	2
Leigh Junk	8	8	-	-	1	1	1	2
Jules Perkins	7	8	-	-	-	-	-	-

⁽¹⁾ Acting Member – Aura Energy Limited Audit Committee

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$9,500.
- No indemnity has been paid to auditors of the Group.

Options

At the date of this report, the un-issued ordinary shares of Aura Energy Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
23 December 2009	23 December 2014	\$0.30	375,000
31 March 2011	31 March 2016	\$0.45	570,000
24 November 2011	31 October 2014	\$0.31	3,500,000
23 December 2011	1 December 2014	\$0.20	32,789,218
24 May 2012	31 May 2015	\$0.20	1,000,000
15 January 2013	1 December 2014	\$0.20	3,000,000
4 December 2012	4 December 2016	\$0.20	200,000
			41,434,218

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

DIRECTORS' REPORT

Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to. The Directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

Non-audit Services

During the year ended 30 June 2013, taxation consulting services were provided to the Company by a party related to the auditors, Bentleys. These services amounted to \$10,150 (2012: \$2,800). Details of remuneration paid to the auditor can be found within the financial statements at Note 6 Auditor's Remuneration on page 48.

The Directors are satisfied that the provision of non-audit services during the year by Bentleys (or by another person or firm on Bentley's behalf is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 27 of the annual report.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

A. Remuneration Policy

The remuneration policy of Aura Energy Limited has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Aura Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is described in the following paragraphs.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Remuneration Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

The non-executive Directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. From 1 July 2013 the superannuation guarantee contribution required by the government will be increased to 9.25%.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The non-executive Directors have been provided with options that are meant to incentivise the non-executive Directors. The Remuneration Committee determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer to Note 5 Key Management Personnel Compensation on page 46 of the financial statements.

A resolution that the remuneration report for the last financial year to be adopted was put to the vote at the Company's most recent AGM, held 27 November 2012. At least 25% of the votes cast were against adoption of that report. Accordingly, the Board has undertaken the following actions in response to the "no" vote:

- ☛ An in-depth review of the Company's Board structure and ongoing Board requirements was conducted, resulting in the following:
 - ▶ On 12 July 2013, Messrs Stephenson, O'Loughlin, and Junk stepped down as non-executive directors.
 - ▶ On 13 July 2013, Mr. Peter Reeve was appointed as chairman of Aura Energy Limited, with Mr. Fraser retiring to a non-executive role.
- ☛ Engaged the Managing Director on a full-time basis, securing his commitment exclusively to the Aura Group, to better serve the Group's interests;

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

B. Remuneration Details for the Year Ended 30 June 2013

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group:

2013											
Group Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Compensation consisting of options	
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Brett Fraser ⁽¹⁾⁽⁵⁾	60,000	-	-	1,200	5,400	-	-	62,234	128,834	48.31%	
Bob Beeson ⁽⁴⁾⁽⁵⁾	239,388	-	-	2,400	15,525	-	-	82,979	340,292	24.38%	
Jay Stephenson ⁽¹⁾	55,000	-	-	1,200	4,950	-	-	-	61,150	-	
Simon O'Loughlin	55,000	-	-	-	4,950	-	-	-	59,950	-	
Leigh Junk	55,000	-	-	-	4,950	-	-	-	59,950	-	
Jules Perkins ⁽²⁾	55,000	-	-	31,315	4,950	-	-	-	91,265	-	
James Merrillees ⁽³⁾	-	-	-	118,865	-	-	-	-	118,865	-	
	519,388	-	-	154,980	40,725	-	-	145,213	860,306	16.88%	

2012											
Group Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Compensation consisting of options	
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Brett Fraser ⁽¹⁾⁽⁵⁾	60,000	-	-	-	5,400	-	-	93,139	158,539	58.75%	
Bob Beeson ⁽⁴⁾⁽⁵⁾	165,000	-	-	-	14,850	-	-	124,186	304,036	40.85%	
Jay Stephenson ⁽¹⁾	55,000	-	-	-	4,950	-	-	-	59,950	-	
Simon O'Loughlin	55,000	-	-	-	4,950	-	-	-	59,950	-	
Leigh Junk	55,000	-	-	-	4,950	-	-	-	59,950	-	
Jules Perkins ⁽²⁾	55,000	-	-	51,625	4,950	-	-	-	111,575	-	
James Merrillees ⁽³⁾	-	-	-	207,951	-	-	-	-	207,951	-	
	445,000	-	-	259,576	40,050	-	-	217,325	961,951	22.59%	

¹ Wolfstar Group Pty Ltd, a company controlled by Messrs Fraser and Stephenson, provides financial services and Company Secretarial services to Aura Energy Limited. These services are provided indirectly by Messrs Fraser and Stephenson and have therefore not been included in remuneration. Please refer to Note 21 Related Party Transactions on page 56 for further details.

² Amounts paid to the RRI Trust are in respect to metallurgical consulting provided directly by Mr. Perkins.

³ Mr. Merrillees was employed as Exploration Manager by Drake Resources Limited, which recharged his salary pro rata for the current year on a time basis of hours charge to the Aura Group.

⁴ From February 2013, Dr. Beeson ceased acting as a dual Managing Director for Aura Energy and Drake Resources, and became solely employed by Aura Energy in this role.

⁵ An expense was raised in the year for options issued in prior periods, in accordance with their vesting conditions. Refer part D Share-based compensation

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

C. Service Agreements

The Managing Director, Dr. Robert Beeson, is employed under a deed of employment, effective 1 January 2013.

The employment deed stipulates a four weeks' resignation period. The Company may terminate the employment deed without cause by providing four weeks' written notice, or making payment in lieu of notice based on the individual's annual salary component.

If employment is terminated other than for serious misconduct, and the Employee is not then otherwise in default of deed and his employment, the Managing Director will, in connection with his retirement from the Office, receive in addition to the required four weeks' notice period, three months' salary. An additional benefit may be paid in the amount of one month for every year of service. This is subject to the provisions of the *Corporations Act 2001* (Cth), which may require shareholder approval.

D. Share-based compensation

Incentive Option Scheme

Options are granted under the Aura Energy Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. Options are granted under the plan for no consideration.

Director and Key Management Personnel Options

There were no Director options issued during the 2013 financial year. An expense was raised in the year for options issued in prior periods, in accordance with their vesting conditions.

On 24 November 2011, 3,500,000 share options were granted to directors to take up ordinary shares at an exercise price of \$0.31 each. The options are exercisable on or before 31 October 2014.

Share-based Payments

The terms and conditions relating to options granted as remuneration during the year to Directors and Key Management Personnel are as follows:

Group Key Management Personnel	Grant date	Grant value \$	Reason for Grant	Vesting date	Percentage vested during year % (Note 2)	Percentage forfeited during year %	Percentage remaining as unvested %	Expiry date	Range of possible values relating to future payments
Brett Fraser	24 November 2011	154,950	Note 1	24 November 2012	40	-	-	31 October 2014	-
Bob Beeson	24 November 2011	206,600	Note 1	24 November 2012	40	-	-	31 October 2014	-

Note 1 The options have been granted to Key Management Personnel (KMP) to provide a market-linked incentive package in their capacity as KMP and for future performance by them in their roles. The vesting conditions of the options are as follows:

- ☛ Director options will vest 12 months after the issue date.
- ☛ KMP options will vest 12 months after the issue date and if the KMP is continually employed by the Company during that 12 months.
- ☛ KMP options vest only if the share price is greater than 26 cents for 5 consecutive days during the 12 months vesting period.

Note 2 The monetary value of the percentage vested during the period has been reflected in the table of benefits and payments on previous page.

All options were issued by Aura Energy Limited and entitle the holder to one ordinary share in Aura Energy Limited for each option exercised.

Details of all Share-Based Payments in existence during the year can be found at Note 19 Share-Based Payments on page 54.

DIRECTORS' REPORT**REMUNERATION REPORT (AUDITED)****D. Share-based compensation (cont.)***Description of Options Issued as Remuneration*

Details of the options granted as remuneration to those key management personnel listed in the previous table are as follows:

Grant date	Issuer	Entitlement on exercise	Dates exercisable	Exercise price \$	Value per option at grant date \$	Amount paid/ payable by recipient \$
24 November 2011	Aura Energy Limited	1:1 Ordinary Shares in Aura Energy Limited	From vesting date to 31 October 2014 (expiry)	\$0.31	\$0.1033	-

Option values at grant date were determined using the Black-Scholes method.

Details relating to service and performance criteria required for vesting have been provided in the within the financial statements at Note 19 Share-Based Payments on page 54.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).


PETER REEVE

Chairman

Dated this 27th day of September 2013

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(WA) Pty Ltd**

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

DATED at PERTH this 27th day of September 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	26,421	113,762
Other income	2	4,736	22,898
		31,157	136,660
Project partnering and divestment		(334,395)	-
Accounting and audit fees		(142,228)	(146,157)
Business development		(6,051)	(14,781)
Computers and communications		(54,041)	(23,634)
Depreciation		(14,610)	(15,026)
Employee benefits		(760,773)	(684,738)
Finance Costs		(755)	-
Impairment		(11,388)	-
Insurance		(52,740)	(36,960)
Legal and consulting fees		(98,706)	(328,552)
Public relations		(137,892)	(233,828)
Rent and utilities		(154,124)	(111,441)
Share-based payments	19	(152,765)	(294,599)
Share registry and listing fees		(61,527)	(87,566)
Travel and accommodation		(51,937)	(81,988)
Exploration expenditure written-off	11	(1,747,939)	(438,769)
Other expenses		(83,005)	(131,965)
Loss before income tax	3	(3,833,719)	(2,493,344)
Income tax benefit	4	1,077,378	149,894
Loss from continuing operations		(2,756,341)	(2,343,450)
Other comprehensive income, net of income tax			
► Items that will not be reclassified subsequently to profit or loss		-	-
► Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		830,674	(14,688)
Other comprehensive income for the year, net of tax		830,674	(14,688)
Total comprehensive income attributable to members of the parent entity		(1,925,667)	(2,358,138)
Earnings per share:		¢	¢
Basic loss per share (cents per share)	7	(1.65)	(1.62)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	8	2,012,295	1,725,512
Trade and other receivables	9	102,926	244,949
TOTAL CURRENT ASSETS		2,115,221	1,970,461
NON-CURRENT ASSETS			
Plant and equipment	10	9,694	21,943
Exploration and evaluation assets	11	15,016,416	14,714,507
TOTAL NON-CURRENT ASSETS		15,026,110	14,736,450
TOTAL ASSETS		17,141,331	16,706,911
CURRENT LIABILITIES			
Trade and other payables	12	410,672	442,681
Short-term provisions	13	133,012	43,323
Borrowings	14	31,136	-
TOTAL CURRENT LIABILITIES		574,820	486,004
TOTAL LIABILITIES		574,820	486,004
NET ASSETS		16,566,511	16,220,907
EQUITY			
Issued capital	15	27,759,558	25,723,535
Reserves	16	1,426,258	579,036
Accumulated losses		(12,619,305)	(10,081,664)
TOTAL EQUITY		16,566,511	16,220,907

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Foreign Exchange Translation Reserve \$	Total \$
Balance at 1 July 2011	21,074,083	(7,930,934)	955,639	(32,244)	14,066,544
Loss for the year	-	(2,343,450)	-	-	(2,343,450)
Other comprehensive income for the year	-	-	-	(14,688)	(14,688)
Total comprehensive income for the year	-	(2,343,450)	-	(14,688)	(2,358,138)
Transaction with owners, directly in equity					
Shares issued during the year	3,420,460	-	-	-	3,420,460
Transaction costs	(239,383)	-	-	-	(239,383)
Options expired during the year	-	192,720	(192,720)	-	-
Options exercised during the year	1,468,375	-	(431,550)	-	1,036,825
Options issued during the year	-	-	294,599	-	294,599
Balance at 30 June 2012	25,723,535	(10,081,664)	625,968	(46,932)	16,220,907
Balance at 1 July 2012	25,723,535	(10,081,664)	625,968	(46,932)	16,220,907
Loss for the year	-	(2,756,341)	-	-	(2,756,341)
Other comprehensive income for the year	-	-	-	830,674	830,674
Total comprehensive income for the year	-	(2,756,341)	-	830,674	(1,925,667)
Transaction with owners, directly in equity					
Shares issued during the year	2,165,771	-	-	-	2,165,771
Transaction costs	(129,748)	-	-	-	(129,748)
Options expired during the year	-	218,700	(218,700)	-	-
Options exercised during the year	-	-	-	-	-
Options issued during the year	-	-	235,248	-	235,248
Balance at 30 June 2013	27,759,558	(12,619,305)	642,516	783,742	16,566,511

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		843	19,088
Interest received		25,578	101,123
Interest and borrowing costs		(4,059)	-
Payments to suppliers and employees		(1,656,554)	(1,999,082)
Payments for exploration expenditure		(1,202,076)	(3,552,137)
Rebate received for Research and Development		1,077,378	149,894
Net cash used in operating activities	18(a)	(1,758,890)	(5,281,114)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(2,361)	(10,036)
Repay loan for acquisition of subsidiary		-	(491,014)
Net cash used in investing activities		(2,361)	(501,050)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,055,338	4,457,285
Capital raising costs		(21,732)	(239,383)
Net cash provided by financing activities		2,033,606	4,217,902
Net increase/(decrease) in cash held		272,355	(1,564,262)
Cash at 1 July		1,725,512	3,289,774
Change in foreign currency held		14,428	-
Cash at 30 June	8	2,012,295	1,725,512

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Aura Energy Limited and controlled entities ("Consolidated Group" or "Group"). Aura Energy Limited is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of the parent entity, Aura Energy Limited, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 25 September 2013 by the directors of the Company.

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$2,756,341 (2012: \$2,343,450 loss) and a net cash in-flow of \$272,355 (2012: \$1,564,262 out-flow)

As at 30 June 2013, the Group had working capital of \$1,540,401 (2012: \$1,484,457 working capital).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and / or the successful development of the Group's exploration assets. Should the above matters not be achieved; the Group will be required to raise funds for working capital from debt or equity sources. These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern.

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

(a) Principles of Consolidation

A controlled entity is any entity over which Aura Energy Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. A list of controlled entities is contained in Note 17 Controlled Entities on page 53 of the financial statements.

All inter-group balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

Business Combinations

Business combinations occur when an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Exploration and Development Expenditure

Exploration, evaluation, and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration will be provided over the life of the project, when such costs are incurred or the Group becomes liable for, from when exploration commences and are included in the costs of that stage. Site restoration costs will include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(c) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, The Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 4 Income Tax, on page 44.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

 Plant and equipment	20%
 Computers	33%
 Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

(g) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Management fees are recognised on portion of completion basis.

Gain on disposal of tenements, and revenue from equipment chargebacks, are recognised on receipt of compensation.

All revenue is stated net of the amount of value added taxes (see Note 1(h) Value Added Taxes).

(h) Value Added Taxes

Value-added taxes (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and in Mauritanian (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Financial Instruments**Initial recognition and measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Classification and Subsequent Measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether any impairment has arisen. Impairment losses are recognised in the profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) **Earnings Per Share**

i. Basic earnings per share

Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

(l) **Impairment of Assets**

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(m) **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(n) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

(o) Equity-settled compensation

The Group operates an employee share ownership scheme. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(p) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(q) Foreign Currency Transactions and Balances**Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- ☛ assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- ☛ income and expenses are translated at average exchange rates for the period; and
- ☛ retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(r) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgments – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(b). The carrying value of capitalised expenditure at reporting date is \$15,016,416.

During the financial year, the Group undertook assessment of its tenement assets, As a result of this assessment, the Group decided to impair some of its exploration assets. Refer Note 11 Exploration And Evaluation Assets on page 50.

Key Judgments – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 4 Income Tax on page 44.

Key Estimate – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimate – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 19 Share-Based Payments on page 54.

(s) New and Amended Standards Adopted by the Group

- ☛ AASB 2011-9: *Amendments to AASB 101 Presentation of Items of Other Comprehensive Income (issued September 2011)*

Applicable for annual reporting periods commencing on or after 1 July 2012.

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in changes to the Group's presentation of its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(t) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 9: Financial Instruments (issued December 2009 and amended December 2010)

Applicable for annual reporting periods commencing on or after 1 January 2015.

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
 - ▶ The remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- ▶ Classification and measurement of financial liabilities; and
- ▶ Derecognition requirements for financial assets and liabilities.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters* and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*.

The Group does not have any financial liabilities measured at fair value through profit or loss. Therefore, there will be no impact on the financial statements when these amendments to AASB 9 are first adopted.

AASB 10: Consolidated Financial Statements (issued August 2011)

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities.

The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give 'de facto' control. This is likely to lead to more entities being consolidated into the group.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 11: *Joint Arrangements* (issued August 2011)

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and AASB Interpretation 113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Group has no arrangements crystallised into joint arrangements and require reporting as such.

AASB 12: *Disclosure of Interests in Other Entities* (issued August 2011)

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

AASB 127: *Separate Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures*

Applicable for annual reporting periods commencing on or after 1 January 2013.

As a consequence of issuing AASB 10, AASB 11 and AASB 12, revised versions of AASB 127 and AASB 128 have also been issued.

AASB 127 now only deals with separate financial statements. AASB 128 incorporates the requirements in Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, and guidance relating to the equity method for associates and joint ventures.

When these revised standards are adopted for the first time for the financial year ending 30 June 2014, there will be no impact on the financial statements because they introduce no new requirements.

AASB 13: *Fair Value Measurement* (issued September 2011)

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

When this standard is first adopted for the year ended 30 June 2014, additional disclosures will be required about fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- ☛ *AASB 2011-4: Amendments to AASB 124 to Remove Individual Key Management Personnel Disclosure Requirements (issued July 2011)*

Applicable for annual reporting periods commencing on or after 1 July 2013.

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

In March 2013, the Australian government released Corporations Legislation Amendment Regulation 2013 which proposed to insert these disclosures into Corporations Regulations 2001 to ensure disclosure requirements continue to be operative for financial years commencing on or after 1 July 2013.

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the Group.

- ☛ *AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 2011-7 makes various consequential amendments to Australian Accounting Standards arising from AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the Group given that they are largely of the editorial nature.

- ☛ *AASB 119: Employee Benefits (September 2011)*

Applicable for annual reporting periods commencing on or after 1 January 2013.

Main changes include:

- ▶ Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans
- ▶ Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods
- ▶ Subtle amendments to timing for recognition of liabilities for termination benefits
- ▶ Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability.

Consequential amendments were also made to other standards via AASB 2011-10.

The Group does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the Group.

- ☛ *Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine (issued November 2011)*

Applicable for annual reporting periods commencing on or after 1 January 2013.

This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 Inventories if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset).

As the Group does not currently operate a surface mine, there will be no impact on the financial statements when this interpretation is first adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

☞ *AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

Applicable for annual reporting periods commencing on or after 1 January 2013.

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

When this AASB 2012-2 is first adopted for the year ended 30 June 2014, there will be no impact on the Group as the Group does not have any netting arrangements in place.

☞ *AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

Applicable for annual reporting periods commencing on or after 1 January 2014.

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

☞ *AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle*

Applicable for annual reporting periods commencing on or after 1 January 2013.

These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to Standards.

The amendments made are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards (for example, AASB 101 is amended to clarify that related notes to an additional statement of financial position are not required in the event of a change in accounting policy, reclassification or restatement).

When these amendments are first adopted for the year ended 30 June 2014, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards.

☞ *AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*

Applicable for annual reporting periods commencing on or after 1 January 2013.

AASB 2012-10 clarifies the transition guidance in AASB 10 *Consolidated Financial Statements*.

It also provides additional transition relief in AASB 10, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities* by limiting the requirement to provide adjusted comparative information only to the immediately preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, AASB 2012-10 removes the requirement to present comparative information for any periods beginning before the first annual reporting period for which AASB 12 is applied.

Furthermore, AASB 2012-10 defers the mandatory effective date of AASB 10, AASB 11, AASB 12, AASB 127 *Separate Financial Statements (August 2011)* and AASB 128 *Investments in Associates and Joint Arrangements (August 2011)* for not-for-profit entities from 1 January 2013 to 1 January 2014.

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

ABN 62 115 927 681

ANNUAL REPORT 30 JUNE 2013**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 2 REVENUE AND OTHER INCOME****Revenue:**

- ▶ Interest received from financial institutions
- ▶ Management fees

Total Revenue**Other Income**

- ▶ Foreign exchange gain
- ▶ Equipment charge-backs

Total Other Income

2013	2012
\$	\$
25,578	101,123
843	12,639
26,421	113,762
4,736	18,186
-	4,712
4,736	22,898

NOTE 3 LOSS BEFORE INCOME TAX

The following significant revenue and (expense) items are relevant in explaining the financial performance:

Superannuation expense

2013	2012
\$	\$
(65,642)	(45,544)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 4 INCOME TAX
(a) Income tax expense / (benefit)

	Note	2013 \$	2012 \$
Current tax		-	-
Deferred tax		-	-
Tax rebate for Research and Development		(1,077,378)	(149,894)
		(1,077,378)	(149,894)
Deferred income tax expense included in income tax expense comprises:			
▸ Increase / (decrease) in deferred tax assets	4(c)	99,219	12,664
▸ (Increase) / decrease in deferred tax liabilities	4(d)	(99,219)	(12,664)
		-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 30% (2012: 30%)		(1,150,116)	(748,003)
Add / (Less)			
Tax effect of:			
☛ Capital-raising costs deductible		(65,487)	(55,866)
☛ Capitalised Australian Exploration and Evaluation expenditure		(16,791)	(35,841)
☛ Share-based payments		45,830	88,380
☛ Write-off of exploration assets		532,956	131,622
☛ Other		-	(14,509)
☛ Deferred tax asset not brought to account		653,608	634,217
Income tax expense / (benefit) attributable to operating loss		-	-
Less rebates:			
☛ Tax rebate for Research and Development		(1,077,378)	(149,894)
Income tax expense / (benefit)		(1,077,378)	(149,894)
The applicable weighted average effective tax rates attributable to operating profit are as follows			
		%	%
		nil	Nil
Balance of franking account at year end			
		\$	\$
		nil	nil

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 4 INCOME TAX (cont.)

	Note	2013 \$	2012 \$
(c) Deferred tax assets			
Tax losses		2,755,968	2,148,537
Provisions and accruals		72,406	21,247
Other		173,659	210,885
		3,002,033	2,380,669
Set-off deferred tax liabilities	4(d)	(279,000)	(378,219)
Net deferred tax assets		2,723,033	2,002,450
Less deferred tax assets not recognised		(2,723,033)	(2,002,450)
Net tax assets		-	-
(d) Deferred tax liabilities			
Exploration expenditure		279,000	378,219
		279,000	378,219
Set-off deferred tax assets	4(c)	(279,000)	(378,219)
Net deferred tax liabilities		-	-
(e) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:			
▶ Revenue losses		9,076,778	6,674,833
▶ Capital losses		691,104	691,104
		9,767,882	7,365,937

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2013 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel ("KMP") compensation

The names and positions of KMP are as follows:

 Brett Fraser	<i>Chairman ⁽¹⁾</i>
 Robert (Bob) Beeson	<i>Managing Director</i>
 Simon O'Loughlin	<i>Non-executive Director ⁽²⁾</i>
 Jay Stephenson	<i>Non-executive Director ⁽²⁾</i>
 Leigh Junk	<i>Non-executive Director ⁽²⁾</i>
 Julian (Jules) Perkins	<i>Non-executive Director</i>
 James Merrillees	<i>Exploration Manager</i>

⁽¹⁾ Stepped down as Chairman 13 July 2013, remained non-executive

⁽²⁾ Resigned as director 12 July 2013

The totals of remuneration paid to KMP during the year are as follows:

	2013 \$	2012 \$
Short-term employee benefits	674,368	704,576
Post-employment benefits	40,725	40,050
Share-based payments	145,213	217,325
Other long term benefits	-	-
Termination benefits	-	-
Total	860,306	961,951

Refer to the Remuneration Report contained in the Director's Report on page 23 for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2013.

(b) Equity instrument disclosures relating to KMP

(i) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2013	Balance at start of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable
Directors of Aura Energy Limited						
Brett Fraser	1,076,579	-	-	-	1,076,579	1,076,579
Robert Beeson	2,270,710	-	-	-	2,270,710	2,270,710
Jay Stephenson	1,013,368	-	-	-	1,013,368	1,013,368
Simon O'Loughlin	125,000	-	-	-	125,000	125,000
Leigh Junk	125,000	-	-	-	125,000	125,000
Julian Perkins	56,667	-	-	-	56,667	56,667
Other KMP						
James Merrillees	64,167	-	-	-	64,167	64,167
	4,731,491	-	-	-	4,731,491	4,731,491

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

30 June 2012	Balance at start of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable
Directors of Aura Energy Limited						
Brett Fraser	1,000,000	1,500,000	(1,000,000)	(423,421)	1,076,579	-
Robert Beeson	1,500,000	2,000,000	(1,500,000)	270,710	2,270,710	-
Jay Stephenson	1,000,000	-	(1,000,000)	1,013,368	1,013,368	-
Simon O'Loughlin	1,000,000	-	(1,000,000)	125,000	125,000	-
Leigh Junk	-	-	-	125,000	125,000	-
Julian Perkins	50,000	-	-	6,667	56,667	-
Other KMP						
James Merrillees	50,000	-	-	14,167	64,167	50,000
	4,600,000	3,500,000	(4,500,000)	1,131,491	4,731,491	50,000

(ii) Shareholdings

The number of ordinary shares in Aura Energy Limited held by each KMP of the Group during the financial year is as follows:

30 June 2013	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year ⁽¹⁾	Balance at end of year
Directors of Aura Energy Limited					
Brett Fraser	2,286,040	-	-	200,000	2,486,040
Robert Beeson	2,069,960	-	-	187,500	2,257,460
Jay Stephenson	1,843,567	-	-	37,500	1,881,067
Simon O'Loughlin	993,112	-	-	-	993,112
Leigh Junk	875,000	-	-	62,500	937,500
Julian Perkins	106,667	-	-	133,333	240,000
Other KMP					
James Merrillees	99,167	-	-	-	99,167
	8,273,513	-	-	620,833	8,894,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

30 June 2012	Balance at start of year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year ⁽¹⁾	Balance at end of year
Directors of Aura Energy Limited					
Brett Fraser	1,641,200	-	1,000,000	(355,160)	2,286,040
Robert Beeson	1,299,250	-	1,500,000	(729,290)	2,069,960
Jay Stephenson	1,355,200	-	1,000,000	(511,633)	1,843,567
Simon O'Loughlin	768,112	-	1,000,000	(775,000)	993,112
Leigh Junk	750,000	-	-	125,000	875,000
Julian Perkins	-	-	-	106,667	106,667
Other KMP					
James Merrillees	250,000	-	-	(150,833)	99,167
	6,063,762	-	4,500,000	(2,290,249)	8,273,513

⁽¹⁾ Other changes during the year relate to shares purchased or sold on market.

(c) Loans to key management personnel

There are no loans made to directors of Aura Energy as at 30 June 2013.

(d) Other transactions with key management personnel

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer Note 21 Related party transactions on page 56.

NOTE 6 AUDITOR'S REMUNERATION

Remuneration of the auditor of the Group for:

- ☞ Auditing or reviewing the financial reports
- ☞ Taxation services provided by a related practice of the auditor

2013	2012
\$	\$
34,950	39,000
10,150	2,800
45,100	41,800

NOTE 7 EARNINGS PER SHARE

(a) Reconciliation of earnings to net profit or loss

Profit / (Loss) used in the calculation of basic EPS

2013	2012
\$	\$
(2,756,341)	(2,343,450)
166,669,039	144,452,555
¢	¢
(1.65)	(1.62)

(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

Basic and diluted earnings per share (cents per share)

There are 41,434,218 (2012: 39,934,218) unissued shares under option which are anti-dilutive.

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

ABN 62 115 927 681

ANNUAL REPORT 30 JUNE 2013**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 8 CASH AND CASH EQUIVALENTS**

		2013 \$	2012 \$
Cash at bank		1,919,517	1,635,325
Short-term bank deposits	8(a)	92,778	90,187
		2,012,295	1,725,512

(a) The effective interest rate on short-term bank deposits was 3.91% (2012: 4.00%). These deposits have an average maturity of 9.27 months (2012: 5 months) and relate to environmental bonds due to be refunded by the Western Australian Government.

NOTE 9 TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
CURRENT		
Value-added tax ¹ receivable	26,725	186,531
Trade debtors	52,038	16,511
Other	36,167	41,907
Less: Provision for Impairment	(12,004)	-
	102,926	244,949

¹ Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and in Mauritanian (VAT).

NOTE 10 PLANT AND EQUIPMENT

	2013 \$	2012 \$
NON-CURRENT		
Plant and equipment	182,366	180,005
Accumulated depreciation	(172,672)	(158,062)
	9,694	21,943
Motor vehicles	62,948	62,948
Accumulated depreciation	(62,948)	(62,948)
	-	-
Total plant and equipment	9,694	21,943
(a) Movements in Carrying Amounts		
Balance at the beginning of year	21,943	26,933
Additions	2,361	10,036
Depreciation expense	(14,610)	(15,026)
Carrying amount at the end of year	9,694	21,943

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11 EXPLORATION AND EVALUATION ASSETS

NON-CURRENT

Exploration expenditure capitalised:

☛ Exploration and evaluation phase at cost

☛ Other

Add: Effect of exchange rate changes on exploration and evaluation assets

Less: Exploration expenditure written-off

Net carrying value

2013	2012
\$	\$
15,922,505	15,152,108
-	1,168
841,850	-
(1,747,939)	(438,769)
15,016,416	14,714,507

The value of the Group interest in exploration expenditure is dependent upon:

- ☛ the continuance of the Group's rights to tenure of the areas of interest;
- ☛ the results of future exploration; and
- ☛ the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Australia, Sweden, and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 12 TRADE AND OTHER PAYABLES

CURRENT

Unsecured

Trade payables

Accrued expenses

Other taxes payable

2013	2012
\$	\$
250,057	394,715
108,341	27,500
52,274	20,466
410,672	442,681

Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

NOTE 13 SHORT-TERM PROVISIONS

CURRENT

Employee benefits

Provision for Mauritanian Withholding Tax

2013	2012
\$	\$
116,311	43,323
16,701	-
133,012	43,323
No.	No.
3	2

Number of employees at year end

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 14 BORROWINGS
CURRENT

Short-term Borrowings

Short-term borrowings comprise premium funding for insurance policies, repayable within 12 months.

2013	2012
\$	\$
31,136	-

NOTE 15 ISSUED CAPITAL

The Company has issued share capital amounting to 183,285,591 (2012: 159,622,540) fully paid ordinary shares at no par value.

(a) Ordinary shares

At the beginning of the reporting period

Shares issued during the year:

- ▶ 4,500,000 Shares issued on 1 September 2011
- ▶ 22,798,345 Shares issued on 16 February 2012
- ▶ 6,368 Shares issued on 1 March 2012
- ▶ 2,759 Shares issued on 23 March 2012
- ▶ 9,090,909 Shares issued on 9 November 2012
- ▶ 10,498,750 Shares issued on 20 May 2013
- ▶ 4,073,392 Shares issued on 26 June 2013

Transaction costs relating to share issues

At reporting date

Note	2013	2012
	\$	\$
15(a)	27,759,558	25,723,535
	25,723,535	21,074,083
	-	1,466,550
	-	3,420,460
	-	1,273
	-	552
	1,000,000	-
	839,900	-
	325,871	-
	(129,748)	(239,383)
	27,759,558	25,723,535

At the beginning of the reporting period

Shares issued during the year:

- ▶ 4,500,000 Shares issued on 1 September 2011
- ▶ 22,798,345 Shares issued on 16 February 2012
- ▶ 6,368 Shares issued on 1 March 2012
- ▶ 2,759 Shares issued on 23 March 2012
- ▶ 9,090,909 Shares issued on 9 November 2012
- ▶ 10,498,750 Shares issued on 20 May 2013
- ▶ 4,073,392 Shares issued on 26 June 2013

At reporting date

2013	2012
No.	No.
159,622,540	132,315,068
-	4,500,000
-	22,798,345
-	6,368
-	2,759
9,090,909	-
10,498,750	-
4,073,392	-
183,285,591	159,622,540

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15 ISSUED CAPITAL (cont.)

(b) Options

For information relating to the Aura Energy Limited employee options scheme, including details of options issued, issued and lapsed during the financial year, and the options outstanding at balance date, refer to Note 19 Share-based Payments on page 54. The total number of options on issue are as follows:

	2013 No.	2012 No.
Listed options	35,789,218	32,789,218
Unlisted options	5,645,000	7,145,000
	41,434,218	39,934,218

(c) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2013 and 30 June 2012 were as follows:

	2013 \$	2012 \$
Cash and cash equivalents	2,012,295	1,725,512
Trade and other receivables	102,926	244,949
Trade and other payables	(410,672)	(442,681)
Short-term provisions	(133,012)	(43,323)
Short-term borrowings	(31,136)	-
Working capital position	1,540,401	1,484,457

NOTE 16 RESERVES

Option reserve
Foreign exchange reserve

Note	2013 \$	2012 \$
16(a)	642,516	625,968
16(b)	783,742	(46,932)
	1,426,258	579,036

(a) Option reserve

The option reserve records items recognised as expenses on the value of employee and consultant share options.

(b) Foreign Exchange Translation Reserve

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiary.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 17 CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned	
			2013	2012
Keyano Jack Pty Limited	Australia	Ordinary	100%	100%
Aura Energy Sweden AB	Sweden	Ordinary	100%	100%
GCM Africa Uranium Limited	United Kingdom	Ordinary	100%	100%

Investments in subsidiaries are accounted for at cost.

NOTE 18 CASH FLOW INFORMATION

Note

	2013 \$	2012 \$
(a) Reconciliation of Cash Flow from Operations to Loss After Income Tax		
Loss after income tax	(2,756,341)	(2,343,450)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit from ordinary activities		
▶ Share-based payments expense	152,765	294,599
▶ Consulting fees payable settled through the issue of options	82,483	-
▶ Depreciation	14,610	15,026
▶ Effects of foreign exchange on translation	(25,603)	(18,186)
▶ Impairment	11,388	-
▶ Reclassification of insurance funding	31,136	-
▶ Write-off of capitalised exploration	1,747,939	438,739
Capitalised exploration expenditure included in cash flows from operations	(1,202,076)	(3,552,136)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
▶ (Increase)/decrease in receivables and prepayments	135,635	(94,324)
▶ Increase/(decrease) in trade and other payables	(23,814)	(46,398)
▶ Increase/(decrease) in provisions	72,988	25,016
Cash flow from operations	(1,758,890)	(5,281,114)

(b) Credit Standby Facilities

The Group has no credit standby facilities.

(c) Non-Cash Investing and Financing Activities

The Group has no non-cash investing and financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19 SHARE-BASED PAYMENTS

Note	2013 \$	2012 \$
Share-based payment expense	152,765	294,599

(a) **The above share-based payment expense is comprised of the following arrangements in place at 30 June 2013:**

- i. On 24 November 2011, 3,500,000 share options were granted to Directors under the Aura Energy Limited Incentive Option Plan to take up ordinary shares at an exercise price of \$0.31 each. The options are exercisable on or before 31 October 2014. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised or forfeited and 3,500,000 options remain.
- ii. On 4 December 2012, 200,000 share options were granted to an employee under the terms of an employment contract at an exercise price of \$0.20 each. The options are exercisable on or before 14 December 2016. The options hold no voting or dividend rights. Options are not transferable. At balance date, no share option has been exercised or forfeited and 200,000 options remain.
- iii. On 15 January 2013, 3,000,000 listed share options were granted to consultants as settlement of an invoice of \$82,483 in connection with corporate promotion and marketing services at an exercise price of \$0.20 each. The options are exercisable on or before 1 December 2014. The options hold no voting or dividend rights. Listed options are transferable. These options are recognised in public relations in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 28.

(b) **The above share-based payment expense is comprised of the following arrangements in place at 30 June 2012:**

- i. Item (a)i. above.
- ii. On 24 May 2012, 1,000,000 share options were granted to consultants under the Aura Energy Limited Incentive Option Plan to take up ordinary shares at an exercise price of \$0.20 each. The options are exercisable on or before 31 May 2015. The options hold no voting or dividend rights. Options are not transferable. At balance date, no share option has been exercised or forfeited and 1,000,000 options remain.

All options granted to key management personnel are ordinary shares in Aura Energy Limited, which confer a right to one ordinary share for every option held.

(c) **Share-based payments recognised directly in equity and in place at 30 June 2013:**

- i. On 24 February 2008, 600,000 share options were granted to employees and consultants under the Aura Energy Limited Incentive Option Plan to take up ordinary shares at an exercise price of \$0.60 each. The options expired 24 April 2014 and the related option reserve was applied to accumulated losses.
- ii. On 8 February 2011, two tranches of 650,000 share options (1,300,000) were granted to Gold Resources Limited to take up ordinary shares at an exercise price of \$0.69 and \$1.05 each for each tranche. The options expired 30 March 2014 and the related option reserve was applied to accumulated losses.

(d) **Share-based payments recognised directly in equity and in place at 30 June 2012:**

- i. On 23 December 2011, 10,000,000 options were granted to Cygnet Capital as an underwriting fee in respect to a non-renounceable entitlement issue. The value ascribed to the option issue was in accordance with the underwriting agreement, inclusive of fees deducted from the proceeds of the capital raising, amounting to \$239,383.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 19 SHARE-BASED PAYMENTS (cont.)**

A summary of the movements of all company options issued as share-based payments is as follows:

	2013		2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	17,145,000	\$0.2348	7,695,000	\$0.3785
Granted	3,200,000	\$0.2000	14,500,000	\$0.2856
Exercised	-	-	(4,500,000)	\$0.3000
Expired	(1,700,000)	\$0.8065	(550,000)	\$0.2500
Outstanding at year-end	18,645,000	\$0.1767	17,145,000	\$0.2348
Exercisable at year-end	18,645,000	\$0.1767	13,645,000	\$0.5322

The weighted average remaining contractual life of options outstanding at year end was 1.496 years. The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.1767

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was \$0.0284 (2012: \$0.0937). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	15 January 2013	4 December 2012
Grant date share price:	\$0.16	\$0.105
Option exercise price:	\$0.20	\$0.20
Number of options issued:	3,000,000	200,000
Remaining life of the options (years):	1.422	3.433
Expected share price volatility:	72.75%	72.75%
Risk-free interest rate:	2.72%	2.71%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTE 20 EVENTS SUBSEQUENT TO REPORTING DATE

On 12 July 2013 Messrs Stephenson, O'Loughlin, and Junk stepped down as non-executive directors of the Company. In addition, Aura's discussions with AREVA Mines SA (AREVA) concluded with AREVA electing not to proceed with the proposed strategic partnership involving the Häggån uranium and polymetallic project (Häggån Project).

As a result of this, the Company undertook a review of its Swedish Projects. Consequently Aura has elected to rationalise its holdings within Sweden through the relinquishing Swedish tenements to the value of 320,184, being the carrying value as at 30 June 2013.

On 13 July 2013, Mr. Peter Reeve was appointed as chairman of Aura Energy Limited, with Mr. Fraser retiring to a non-executive role.

There are no other significant events subsequent to report date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 21 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Key Management Personnel:

► **Jay Stephenson**

Aura Energy Limited rented office space from Jay Stephenson until May 2012

► **Wolfstar Group Pty Ltd**

Wolfstar Group Pty Ltd, a company controlled by Messrs Fraser and Stephenson, provides financial services and company secretarial services to Aura Energy Limited. These services are directly and indirectly by Messrs Fraser and Stephenson and have therefore not been included in the Remuneration Report contained in the Directors' Report on page 23

► **James Merrillees**

Drake Resources Limited provides the services of James Merrillees to Aura Energy Limited, recharging for his salary and superannuation on a cost basis. The fees for the previous years were recharged in the current year.

2013 \$	2012 \$
-	9,900
90,000	90,000
118,865	207,951

NOTE 22 COMMITMENTS

(a) **Exploration expenditure commitments:**

Exploration expenditure committed to:

Exploration tenement minimum expenditure requirements

Payable:

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

2013 \$	2012 \$
340,029	578,701
340,029	159,000
-	419,701
-	-
340,029	578,701

The Group has no contracted exploration expenditure, however the Group has treatment core asset tenement renewals as expenditure the Group is committed to.

(b) **Operating lease commitments:**

Operating leases contracted for or committed to but not capitalised in the financial statements

Payable:

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

141,938	16,506
280,723	-
-	-
422,661	16,506

The Group shares premises with a number of companies. Balances stated represent the maximum gross amount payable, prior to reimbursement from other parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 23 OPERATING SEGMENTS****Identification of reportable segments**

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of uranium, gold, silver and base metals projects. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the three principal locations of its projects – Australia, Sweden and West Africa. The Group also maintains a treasury function, primarily responsible for raising capital and managing and distributing those funds raised.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

Basis of accounting for purposes of reporting by operating segments**(a) Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- ☛ Impairment of assets and other non-recurring items of revenue or expense
- ☛ Income tax expense
- ☛ Deferred tax assets and liabilities
- ☛ Current tax liabilities
- ☛ Other financial liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23 OPERATING SEGMENTS (cont.)

For the Year to 30 June 2013	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
Segment Revenue	-	-	843	30,314	31,157
Segment Results	(365,907)	(370,652)	(1,344,932)	30,314	(2,051,177)
Amounts not included in segment results but reviewed by Board:					
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>					
▶ Accounting and audit fees					(142,228)
▶ Business development					(6,051)
▶ Computers and communications					(54,041)
▶ Depreciation					(14,610)
▶ Employee benefits expense					(760,773)
▶ Financing costs					(755)
▶ Impairment					(11,388)
▶ Insurance					(52,740)
▶ Legal and consulting					(98,706)
▶ Public relations					(137,892)
▶ Rent and utilities					(154,124)
▶ Share-based payment expenses					(152,765)
▶ Share registry and listing fees					(61,527)
▶ Travel and accommodation					(51,937)
▶ Other unallocated expenses					(83,005)
▶ Tax rebate for Research and Development					1,077,378
Loss after Income Tax					(2,756,341)
As at 30 June 2013					
Segment Assets	954,767	7,808,174	6,233,845	2,031,925	17,028,711
Unallocated Assets:					
▶ Trade and other receivables					102,926
▶ Plant and equipment					9,694
▶ Other non-current assets					-
Total Assets					17,141,331
Segment asset increases for the period:					
▶ Capital expenditure - exploration	57,789	1,448,303	719,683	-	2,225,775
▶ Less: Write-off of exploration assets	(362,584)	(35,745)	(1,378,190)	-	(1,776,519)
	(304,795)	1,412,558	(658,507)	-	449,256
Segment Liabilities	6,163	56,948	69,986	-	133,097
Unallocated Liabilities:					
▶ Trade and other payables					294,276
▶ Short-term provisions					116,311
▶ Short-term borrowings					31,136
Total Liabilities					574,820

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 23 OPERATING SEGMENTS (cont.)

For the Year to 30 June 2012	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
Segment Revenue	1,273	3,440	12,639	119,309	136,661
Segment Results	(157,963)	(77,062)	(186,362)	119,195	(302,192)
Amounts not included in segment results but reviewed by Board:					
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>					
▶ Accounting and audit fees					(146,157)
▶ Business development					(14,781)
▶ Computers and communications					(23,634)
▶ Depreciation					(15,026)
▶ Employee benefits expense					(684,738)
▶ Financing costs					-
▶ Impairment					-
▶ Insurance					(36,960)
▶ Legal and consulting					(328,552)
▶ Public relations					(233,828)
▶ Rent and utilities					(111,441)
▶ Share-based payment expenses					(294,599)
▶ Share registry and listing fees					(87,566)
▶ Travel and accommodation					(81,988)
▶ Other unallocated expenses					(131,882)
▶ Tax rebate for Research and Development					149,894
Loss after Income Tax					(2,343,450)
As at 30 June 2012					
Segment Assets	1,259,561	6,428,920	7,024,858	1,725,512	16,438,851
Unallocated Assets:					
Trade and other receivables					244,949
Plant and equipment					21,943
Other non-current assets					1,168
Total Assets					16,706,911
Segment asset increases for the period:					
▶ Capital expenditure - exploration	274,734	2,244,840	1,558,032	-	4,077,606
▶ Less: Write-off of exploration assets	(155,263)	(77,689)	(199,001)	-	(431,953)
	119,471	2,167,151	1,359,031	-	3,645,653
Segment Liabilities	2,054	82,338	19,116	-	103,508
Unallocated Liabilities:					
▶ Trade and other payables					339,173
▶ Short term provisions					43,323
▶ Short-term borrowings					-
Total Liabilities					486,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 24 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest bearing \$	2013 Total \$	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest bearing \$	2012 Total \$
Financial Assets								
► Cash and cash equivalents	2,012,295	-	-	2,012,295	1,725,512	-	-	1,725,512
► Trade and other receivables	-	-	102,926	102,926	-	-	244,949	244,949
Total Financial Assets	2,012,295	-	102,926	2,115,221	1,725,512	-	244,949	1,970,461
Financial Liabilities								
Financial liabilities at amortised cost								
► Trade and other payables	-	-	410,672	410,672	-	-	442,681	442,681
► Short-term borrowings	-	31,136	-	31,136	-	-	-	-
Total Financial Liabilities	-	31,136	410,672	441,808	-	-	442,681	442,681
Net Financial Assets	2,012,295	(31,136)	(307,746)	1,673,413	1,725,512	-	(197,732)	1,527,780

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 24 FINANCIAL RISK MANAGEMENT (cont.)

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

(c) Market risk

The Board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal; however the Board continues to review this exposure regularly.

iii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is exposed to securities price risk on investments held for trading or for medium to longer terms.

The investment in listed equities has been valued at the market price prevailing at balance date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 24 FINANCIAL RISK MANAGEMENT (cont.)

(d) Sensitivity Analyses

i. Interest rates

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2013		
±100 basis points change in interest rates	± 20,123	± 20,123
Year ended 30 June 2012		
±100 basis points change in interest rates	± 17,255	± 17,255

ii. Foreign exchange

The Group main exposure to foreign currency risk is to Swedish Krona (SEK) for assets the Group holds through its Swedish subsidiary, Aura Energy Sweden AB. The following table illustrates sensitivities to the Group's exposures to changes in the SEK rate. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2013		
±10 % of Australian dollar strengthening/weakening against the SEK	± nil	+ 790,554 - 646,817
Year ended 30 June 2012		

The Group did not carry significant assets or liabilities in foreign currencies in the 2012 financial year, and therefore was not subject to material foreign exchange risk, and according not subject to material sensitivities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 24 FINANCIAL RISK MANAGEMENT (cont.)
(e) Net Fair Values
i. Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

(f) Financial Liability and Asset Maturity Analysis

	Within 1 Year		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables	410,672	442,681	410,672	442,681
Short-term borrowings	31,136	-	31,136	-
Total contractual outflows	441,808	442,681	441,808	442,681
Financial assets				
Cash and cash equivalents	2,012,295	1,725,512	2,012,295	1,725,512
Trade and other receivables	102,926	244,949	102,926	244,949
Total anticipated inflows	2,115,221	1,970,461	2,115,221	1,970,461
Net (outflow)/inflow on financial instruments	1,673,413	1,527,780	1,673,413	1,527,780

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 25 PARENT ENTITY DISCLOSURES
(a) Financial Position of Aura Energy Limited
CURRENT ASSETS

Cash and cash equivalents

Trade and other receivables

TOTAL CURRENT ASSETS
NON-CURRENT ASSETS

Plant and equipment

Financial assets

Other assets

TOTAL NON-CURRENT ASSETS
TOTAL ASSETS
CURRENT LIABILITIES

Trade and other payables

Short-term provisions

Short-term borrowings

TOTAL CURRENT LIABILITIES
TOTAL LIABILITIES
NET ASSETS
EQUITY

Issued Capital

Option Reserve

Accumulated Losses

TOTAL EQUITY
(b) Financial assets

Loans to subsidiaries

Shares in controlled entities at cost

Net carrying value

	2013	2012
	\$	\$
	1,932,039	1,688,492
	259,457	132,033
	2,191,496	1,820,525
	9,694	21,943
25(b)	8,503,031	2,264,686
	5,937,790	12,750,911
	14,450,515	15,037,540
	16,642,011	16,858,065
	410,672	442,681
	133,012	43,323
	31,136	-
	574,820	486,004
	574,820	486,004
	16,067,191	16,372,061
	27,759,558	25,723,535
	642,516	625,968
	(12,334,883)	(9,977,442)
	16,067,191	16,372,061
	6,433,798	223,274
	2,069,233	2,041,412
	8,503,031	2,264,686

Loans are provided by the parent entity to its controlled entities to fund their activities. The eventual recovery of loans and investments will be dependent upon the successful commercial application of these projects or their sale to third parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**
NOTE 25 PARENT ENTITY DISCLOSURES (cont.)
(c) Financial Performance of Aura Energy Limited

Loss for the year

Other comprehensive income

Total comprehensive income

2013	2012
\$	\$
(2,576,142)	(2,272,284)
-	-
(2,576,142)	(2,272,284)

(d) Guarantees entered into by Aura Energy Limited for the debts of its subsidiaries

There are no guarantees entered into by Aura Energy Limited for the debts of its subsidiaries as at 30 June 2013 (2012: none).

(e) Contingent liabilities of Aura Energy Limited

There are no contingent liabilities as at 30 June 2013, other than as detailed in note 26 Contingent Liabilities on page 66 (2012: none).

(f) Commitments by Aura Energy Limited
i. Exploration expenditure commitments:

Exploration expenditure committed to:

Exploration tenement minimum expenditure requirements

Payable:

- ▶ not later than 12 months
- ▶ between 12 months and 5 years
- ▶ greater than 5 years

2013	2012
\$	\$
340,029	578,701
340,029	159,000
-	419,701
-	-
340,029	578,701

The Aura Group has no contracted exploration expenditure, however the Group has treatment core asset tenement renewals as expenditure the Group is committed to.

ii. Operating lease commitments:

Operating leases contracted for or committed to but not capitalised in the financial statements

Payable:

- ▶ not later than 12 months
- ▶ between 12 months and 5 years
- ▶ greater than 5 years

141,938	16,506
280,723	-
-	-
422,661	16,506

The Aura Group shares premises with a number of companies. Balances stated represent the maximum gross amount payable, prior to reimbursement from other parties.

The amounts noted above are applicable for both Aura Energy Limited (the parent) and the Consolidated Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 26 CONTINGENT LIABILITIES

The Group has a contingent consideration of US\$2,000,000 to the vendors of GCM Africa Uranium Limited if the uranium resource it holds exceeds 75 million pounds, and up to an additional US\$4,000,000 plus 4,000,000 Aura shares if the resource significantly exceeds this 75 million pounds.

There are no other contingent liabilities as at 30 June 2013.

NOTE 27 COMPANY DETAILS

The registered office of the Company is:

Address:

Street: Level 4, 66 Kings Park Road
West Perth WA 6005

Postal: PO Box 52
West Perth WA 6872

Telephone: +61 (0)8 6141 3570

Facsimile: +61 (0)8 6141 3599

Website: www.auraenergy.com.au

E-mail: info@auraenergy.com.au

The principal places of business are:

Technical Office:

Suite 3, Level 1
19-23 Prospect Place
Box Hill VIC 3128

Finance and Administration Office:

Level 4, 66 Kings Park Road
West Perth WA 6005

Field Office:

Berghauptmansgatan 58 B
791 61 Falun
Sweden

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 66, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001* (Cth);
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



PETER REEVE

Chairman

Dated this 27th day of September 2013

Independent Auditor's Report

To the Members of Aura Energy Limited

We have audited the accompanying financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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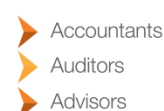
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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. The financial report of Aura Energy Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss after tax of \$2,756,341 during the year ended 30 June 2013. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report of the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Aura Energy Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

DATED at PERTH this 27th day of September 2013

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only.

1 Shareholding as at 13 September 2012
(a) Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	93	10,705	0.01
1,001 – 5,000	240	771,525	0.42
5,001 – 10,000	219	1,818,836	0.99
10,001 – 100,000	755	27,412,690	14.96
100,001 – and over	239	153,271,835	83.62
	1,546	183,285,591	100.00

(b) Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0540 per unit	460	1,687,508

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 13 September 2013.

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	UBS NOMINEES PTY LTD	11,834,501	6.46
2	WISEVEST PTY LTD	9,855,155	5.38
3	NATIONAL NOMINEES LIMITED	7,204,164	3.93
4	ASHABIA PTY LTD <ASHABIA SUPER FUND A/C>	5,890,212	3.21
5	DRAKE RESOURCES LIMITED	4,795,000	2.62
6	MR MICHAEL BUSHELL	4,780,722	2.61
7	YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	4,603,834	2.51
8	PASAGEAN PTY LIMITED	4,090,000	2.23
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,915,317	2.14
10	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	3,028,334	1.65
11	SUVALE NOMINEES PTY LTD	3,020,834	1.65
12	MRS JENNY LEE BUSHELL	2,472,945	1.35
13	CITICORP NOMINEES PTY LIMITED	2,467,133	1.35
14	DRAKE RESOURCES LIMITED	2,333,334	1.27
15	RNAJ PTY LTD <RNAJ SUPER FUND A/C>	2,000,000	1.09
16	MRS JO-ANNE WEBER	1,700,796	0.93
17	BAINPRO NOMINEES PTY LIMITED	1,692,221	0.92
18	CRX INVESTMENTS PTY LIMITED	1,637,500	0.89
19	DAVSLAV PTY LTD	1,633,334	0.89
20	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,437,623	0.78
	TOTAL	80,392,959	43.86

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

- 2 The name of the Company Secretary is Jay Richard Stephenson.
- 3 The address of the principal registered office in Australia is Level 4, 66 Kings Park Road, West Perth WA 6005. Telephone (08) 6141 3500.
- 4 **Registers of securities are held at the following addresses**
- | | |
|-------------------|--|
| Western Australia | Computershare Registry Services
Level 2, 45 St Georges Terrace
PERTH WA 6000 |
|-------------------|--|
- 5 **Stock Exchange Listing**
- Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.
- 6 **Unquoted Securities**
- Options over Unissued Shares**
- A total of 41,434,218 options are on issue of which 3,403,956 options are on issue to the four (4) Directors as at 13 September 2013.
- 7 **Use of Funds**
- The Company has used its funds in accordance with its initial business objectives.

TENEMENT REPORT

As at 30 June 2013

Australia	West Africa
WESTERN AUSTRALIA	MAURITANIA
 Wondinong Project ▶ E58/349 Wondinong NE 100% ▶ M58/357 Wondinong Resource 100%	 Reguibat Project ▶ Oued El Foule Est 100% ▶ Ain Sder 100% ▶ Oum Ferkik 100% ▶ Mserif 100% ▶ Saabia 100% ▶ Oued El Foule Nord 100% ▶ Oued El Merre 100%
Europe	
SWEDEN	
 Häggån Project ▶ Gurumyren nr 1 100% ▶ Häggån nr 1 100% ▶ Häggån nr 2 100% ▶ Marby nr 1 100% ▶ Näkten nr 1 † 100% ▶ Hara nr 1 † 100% ▶ Hackås nr 1 100% ▶ Koborgsmyren nr 1 100%	 Cheggat Project ▶ Aguelte Habib O Brahim 100% ▶ Bir Nefé Nord 100% ▶ Tourist El Hank 100% ▶ Daya Ouelad Gheilane Nord 100% ▶ Elb El Hammami 100% ▶ Aleibat Ouelad Idriss 100%
 Kallsedet Project ▶ Hamborg nr 1 100% ▶ Hamborg nr 2 100% ▶ Olden nr 2 100% ▶ Grässlåten nr 1 100%	
 Motala Project ▶ Hageby nr 1 100% ▶ Hageby nr 2 100% ▶ Ullevi nr 1 100% ▶ Stavlösa nr 1 100% ▶ Norrsten nr 1 100% ▶ Stenby nr 1 100% ▶ Djurkalla nr 1 100%	
 Virka Project ▶ Virka nr 10 † 100%	

† Tenements since relinquished, refer to Note 20 Events Subsequent To Reporting Date on page 55 for further details.

