Quarterly Activities Report
September 2013

HIGHLIGHTS

- Substantial improvement in the beneficiation upgrading of Reguibat mineralisation
- 90% of the uranium retained within less than 20% of the original material
- Exceptional leaching characteristics far superior to the norm for calcrete uranium deposits
- Anticipated to have a major impact on Reguibat capital and operating costs
- Examining smaller scale (3.5-7.5 Mtpa) options for the Häggån Project to assess their financial robustness

PROJECT OVERVIEW

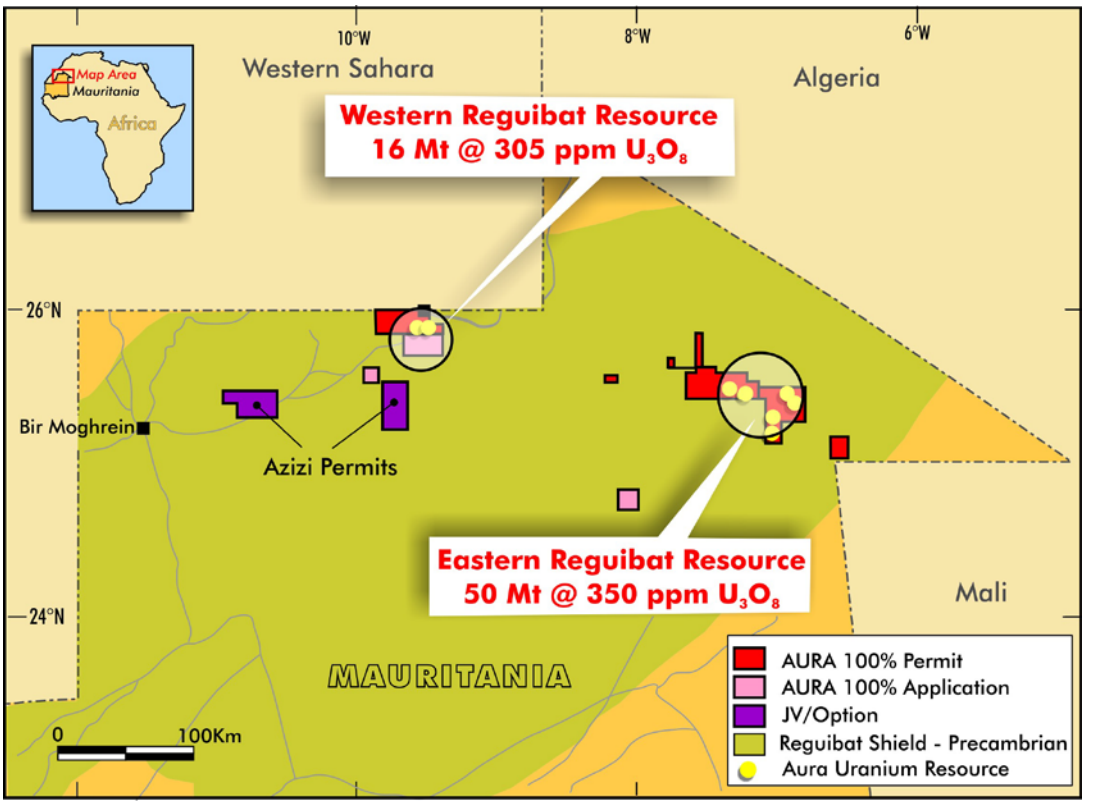
REGUIBAT PROJECT, MAURITANIA (AURA 100%)

The Reguibat Project comprises several laterally extensive developments of calcrete uranium mineralisation in northern Mauritania. An Inferred Resource of 49 million pounds at 334ppm U_3O_8 at a cut-off grade of 100ppm U_3O_8 was established in July 2011. These resources are contained in permits 100 per cent held by Aura.

Physical uranium concentration

Recently completed beneficiation upgrade test results on its Reguibat Project in Mauritania have provided exceptional results. Aura previously reported Reguibat testwork which resulted in a grade increase by a factor of more than three to over 1000ppm U_3O_8 in a single test. More extensive tests have now been conducted which vastly improved the earlier test results and indicated that grade increases of up to 8.5 times are achieved in fine-grained fractions of samples.

This simple screening upgrade process gave head grades of over 3000 ppm U_3O_8, compared with the resource grade of 334ppm U_3O_8.



These scrubbing and screening tests were undertaken on samples from the eastern Reguibat Project, with the samples sourced from the trench sampling program undertaken in 2012.

Evaluation of the <75 µm fraction showed an average recovery of 89% of the uranium; this was achieved in only 17% of the mass; this fraction has average concentration levels of 1771 ppm U_3O_8. Significantly, the grades from one third of the <75 um fractions from the tests were in the range 0.27% to 0.34% U_3O_8. An average 5.2 uranium upgrade factor was achieved.

The reason for these remarkable results is apparently because the uranium is predominantly present as very fine carnotite which has been deposited on and between the coarser waste mineral surfaces, and from which it is easily washed free. There is also potential that this difference may result in even higher grade products by refinement of the size fractioning.

Uranium leach testwork

Preliminary leach testwork of beneficiated Reguibat material has achieved 94% uranium extraction within 4 hours.

The leaching testwork, undertaken independently at ANSTO Minerals in Sydney, was performed on a composite sample of -300µm material from the beneficiation tests containing 926ppm U_3O_8. Atmospheric alkaline leaching typical of industry conditions were selected based on previous diagnostic leaching testwork. Preliminary evaluation of reagent consumption suggested moderate to high consumption but within acceptable limits given the high grade of beneficiated feed material.

Leach facilities at ANSTO

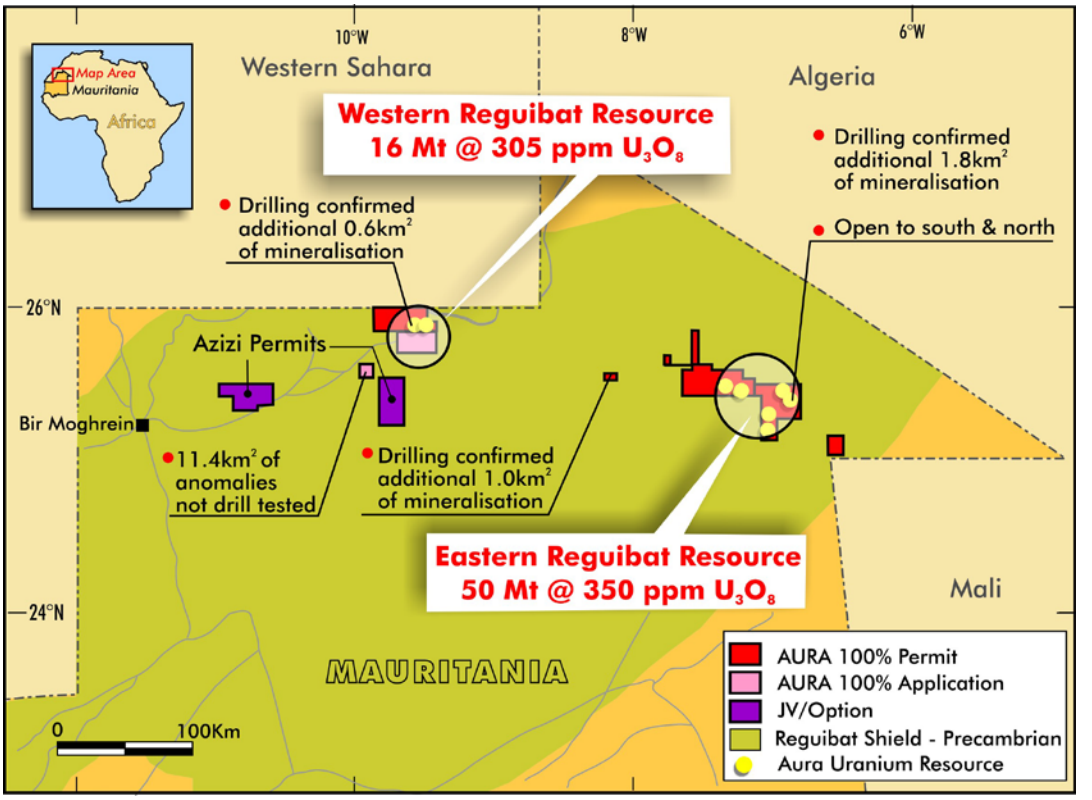
Exploration potential

The current Inferred Resource is 49 million pounds at 334ppm U_3O_8 at a cut-off grade of 100ppm U_3O_8.

Aura has extensive opportunities for expanding this resource base, as indicated in the map below. The main areas of potential are in undrilled but mineralised anomalies south of the Western Reguibat Resource, 2012 drill results not in the current resource, and thick mineralisation open to the south and east at the Ain Sder Central Zone.

Aura has also reached an agreement with Groupe Azizi, a Mauritanian industrial group, to enter a joint venture covering two permits held by Groupe Azizi in the Reguibat Calcrete Uranium Province. The permits have a combined area of 1,000 square kilometres.

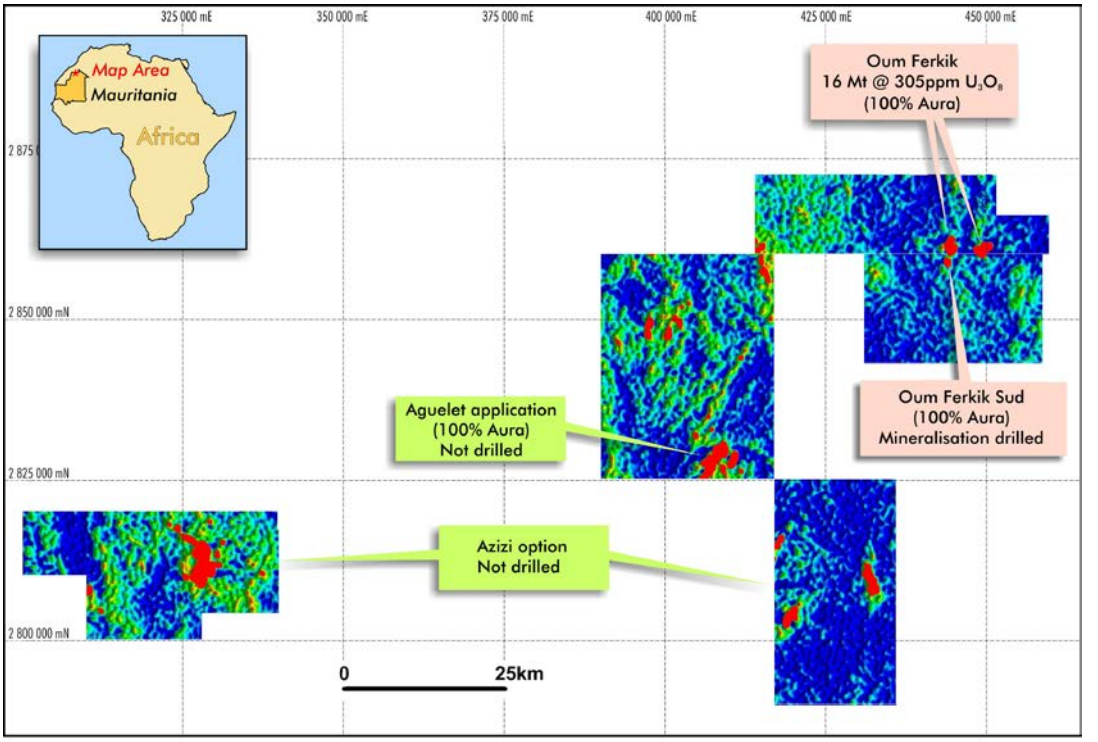
Extensive calcrete uranium mineralisation occurs in the district and, given the geological attributes of the permit, this agreement has potential to expand Aura's existing nearby Oum Ferkik resource of 16 Mt @ 305ppm U_3O_8.



Reguibat areas with potential for additional resources

Reconnaissance by Aura, and work by Groupe Azizi, has previously confirmed the presence of widespread uranium mineralisation at, or close to surface, in the permits. Several pits dug by Aura in the permits contained visible carnotite mineralisation, and gave values in the range 400-540ppm eU_3O_8, measured by spectrometer.

The potential of the permits is illustrated by the radiometric images showing approximately 30 square kilometres of strong radiometric anomalies. Aura's recent experience in the areas of the Reguibat Project where it has carried out extensive drilling is that uranium mineralisation can be directly linked to these areas of radiometric anomalies.



Reguibat West Targets

Airborne radiometric images covering permits held by Aura; red coloured areas represent those areas with strongly anomalous uranium channel response; note the extent of the red area at Oum Ferkik containing the 16Mt Inferred Resource in comparison to the extent of anomalous zones in the new joint venture areas.

Project characteristics

The project mineralisation occurs at or just below the surface in flat-lying sheets. Mining will 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.

Project strategy and next steps

The implications of the beneficiation and leaching work for the development of the Reguibat Project are highly significant. Using conventional beneficiation procedures the project will require a relatively small leaching capacity, and consequently much lower capital and operating costs.

Aura's ongoing programme of beneficiation testwork will focus on further reduction of the volume of material to be leached, thereby further increasing the grade, and on seeking possible methods to selectively remove reagent consuming minerals.

Given the highly encouraging leaching results Aura has commissioned detailed mineralogical characterisation of the upgraded product for additional leach tests.

The work will provide the basis for continuing definition and improvement of the leaching conditions, and provide a robust baseline for completion of an economic scoping study. Aura plans to complete this scoping study for the Project within 6-9 months, subject to funding.

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån is a very large uranium project in Central Sweden, located in a largely uninhabited area of swamp and forest degraded by generations of commercial forestry. Sweden has a current and active mining industry, with a clear regulatory position and a well-established path from exploration to mining.

The Häggån resource of 803 million pounds uranium places it in the top two largest undeveloped uranium resources globally.

The Scoping Study completed in 2012 suggests that the Häggån Project has excellent potential to become a major, low cost producer of uranium, with by-product nickel and other metals.

Small throughput option

The Häggån Scoping Study economic model was based on a conceptual 30Mtpa operation, with consequent high initial capital cost. Aura is considering three smaller size options: 3.5Mtpa, 5.0 Mtpa and 7.5 Mtpa. Upfront capital costs are anticipated to be much reduced at these scales.

Project summary

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

- 803Mlbs U_3O_8 inferred resource (2.35Bn tonnes @ 155 ppm U_3O_8)
- Nickel – 1,640Mlbs
- Zinc – 2,230Mlbs
- Molybdenum – 1,070 Mlbs

Aura's discovery that the mineralisation is ideally suited to bioleach metal extraction was the major breakthrough to creating a robustly economic project. 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.

CORPORATE

Aura Energy has commenced a new phase of investor and public relations to raise the profile of the company in the marketplace.

This programme is international in scope.

Cost Savings programme

The rigorous programme of cost savings continues within the company.

Aura Energy (ASX:AEE)

Headquartered in Melbourne and listed on the ASX, Aura Energy (AEE) is an explorer and developer of uranium assets. The company has advanced uranium projects with large resources that are close to the surface in both Europe and Africa and also has a resource in Australia. Aura holds a total of 853 million pounds of uranium in inferred resources. Its two main projects include: the Häggån Project located in Sweden's Alum Shale Province, the second largest undeveloped resource of uranium in the world, and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by completing feasibility studies on these two projects.

Market cap:	A$9.7m
Cash position (30 June 2013):	$1.3 million
Shares:	189 million
Options:	7.2 million

Main shareholders

Technical Investing	7.15%
Kinetic Partners	6.93%

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HAGGAN RESOURCE STATEMENT

Category	Size	U_3O_8	Mo	V	Ni	Zn
	Mt	ppm	ppm	ppm	ppm	ppm
Inferred	2,350	155	207	1,519	316	431

Cut-off grade: 100ppm U_3O_8

Competent Persons for Häggån Resource

Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists. Dr Beeson takes responsibility for the requirement of "reasonable prospects for eventual economic extraction" for the reporting of Häggån Resources at the quoted cut-off grades.

Mr. Arnold van der Heyden takes responsibility for estimation of uranium and associated metals in the Häggån Resource. Mr. van der Heyden is a director of H&SC and is a competent person in the meaning of JORC having had around thirty years relevant experience in exploration and estimation of uranium and other metal resources in many parts of the world. He is a member of the Australian Institute of Geoscientists. Mr. van der Heyden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REGUIBAT RESOURCE STATEMENT

Category	Lower Cutoff	Tonnes	Grade	Contained U_3O_8
	ppm U_3O_8	Mt	ppm U_3O_8	Mlb
Inferred	100	66.0	334	49.0

Cut-off grade: 100ppm U_3O_8

Competent Persons for Reguibat Resource

The Competent Person for the Reguibat Resource estimation and classification is Mr Oliver Mapeto from Coffey Mining. The Competent Person for the drill hole data and data quality is Dr Robert Beeson from Aura Energy.

The information in the report to which this statement is attached that relates to the Mineral Resource and is based on information compiled by Oliver Mapeto. Oliver Mapeto has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. The qualifies Mr Mapeto as a Competent Person as defined in the 2004 edition of the " Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Mr Mapeto is a Member of The Australasian Institute of Mining and Metallurgy. Mr Mapeto consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

AURA ENERGY LIMITED (AEE)

ABN	Quarter ended ("current quarter")
62 115 927 681	**30 September 2013**

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (3 Months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for:	(a) exploration & evaluation	(320)	(320)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(417)	(417)
		(e) partnering development costs	-	-
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		5	5
1.5	Interest and other costs of finance paid		(1)	(1)
1.6	Income taxes paid		-	-
1.7	Other – Grant received		-	-
	Net Operating Cash Flows		(733)	(733)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	-	-
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		-	-
	Net Investing Cash Flows		-	-
1.13	Total operating and investing cash flows (carried forward)		(733)	(733)

1.13	Total operating and investing cash flows (brought forward)	(733)	(733)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	(3)	(3)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(3)	(3)
	Net increase (decrease) in cash held	(736)	(739)
1.20	Cash at beginning of quarter/year to date	2,006	2,006
1.21	Exchange rate adjustments to item 1.20	(4)	(4)
1.22	**Cash at end of quarter**	1,266	1,263

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	174
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Salary, Fees, and Superannuation; Corporate Management Fees paid to associated Company; and Exploration/Metallurgy Consultancy.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	189
4.2	Development	-
4.3	Production	-
4.4	Administration	125
	Total	314

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	314	513
5.2	Deposits at call	952	1,507
5.3	Bank overdraft	-	-
5.4	Other: Refundable Guarantees	-	-
	Total: cash at end of quarter (item 1.22)	**1,266**	**2,020**

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference [+]securities** *(description)*	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	**[+]Ordinary securities**	183,285,591	183,285,591		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5	**[+]Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	**Options** *(description and conversion factor)*			*Exercise price $*	*Expiry date*
		570,000	-	$0.45	31.03.2016
		375,000	-	$0.30	23.12.2014
		3,500,000	-	$0.31	31.10.2013
		1,000,000	-	$0.20	31.05.2015
		3,000,000	-	$0.20	31.05.2015
		200,000	-	$0.20	4.12.2016
		3,000,000	-	$0.20	31.05.2015
		200,000	-	$0.20	4.12.2016
		32,789,218	32,789,218	$0.20	1.12.2014
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Signed: Dated: 30 October 2013

Company Secretary

Print name: Jay Stephenson

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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