3 March 2014

AURA SECURES A$3.8 MILLION IN FUNDING

REGUIBAT SCOPING STUDY TO PROCEED IMMEDIATELY

AURA'S NEAR TERM CASHFLOW AMBITIONS UNDERPINNED BY EXCEPTIONAL REGUIBAT BENEFICIATION RESULTS

Aura Energy Ltd (AEE) is pleased to announce it has completed a financing arrangement that will provide up to A$3.8 million over the next 24 months.

This financing is an important step in Aura Energy's evolution as it will provide the necessary funds to enable Aura to complete the Scoping Study for its Reguibat Project in Mauritania.

The Board of Aura Energy believes the Reguibat project provides the best opportunity to provide near term cashflow from its projects and completion of the Scoping Study is the first important step in that development. The exceptional beneficiation test results (up to 9-fold grade increase) already achieved on the Reguibat project will be further evaluated in the study and provide the opportunity for substantial reductions in the capital footprint. As such Aura can now target development and project cashflow with modest capital outlay.

The Reguibat Project has several attributes that demonstrate potential to move rapidly through feasibility to a decision to mine:

- Shallow, easily mined 49 Mlbs U_3O_8 calcrete uranium resource
- Very favourable processing test results demonstrating;
  - Exceptional beneficiation results, increasing the ore grade by up to 9 times
  - In effect this beneficiation transforms 66 Mt @ 335ppm U_3O_8 into 15Mt @ ~2500ppm for leaching.
  - Initial leach tests have achieve 94% recovery in only 4 hours
  - A small process plant footprint will be required
  - These characteristics will greatly reduce capital and operating costs

About the Financing

Under the Agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC (together, "Lind"), Aura will receive A$325,000 on execution in the form of a A$250,000 Convertible Security and A$75,000 via placement of ordinary shares in Aura. Lind will further invest a minimum of A$75,000 and up to A$150,000, in monthly share subscriptions, over the next two years. The note and shares will be issued at a 10% discount to a specified 3 day VWAP.

Further key terms of the Agreement are detailed below;

- A$250,000 Convertible Note, secured by the issue of 2,200,000 shares. The company has the ability to re-purchase the convertible security at a premium to the issuance price during the first 90 days of the agreement.
- Issue of 2,946,378 shares by way of a commencement fee for the provision of the funding facility.
- Issue of 2,600,000 options with an exercise price of A$0.048 and a three year expiry from the date of issue.
- The terms of the Agreement expressly allow Aura to carry out additional private placements of equity, rights issues and shareholder purchase plans. In addition, the Agreement does not restrict the company's ability to enter into strategic industry partnerships.
- Aura has the right to terminate the Agreement at no cost if the share price is below a specified floor price or after the sixth tranche. Aura may also terminate the Agreement at any time during the term on payment of a minimal fee.
- The Agreement is conditional on Shareholder approval being obtained when required by ASX Listing Rule 7.1. Aura does not require shareholder approval for the initial issue of securities pursuant to the Agreement but anticipates convening a shareholder meeting in relation to the issue of securities pursuant to this facility in the near future.

The Lind Partners, LLC is a New York-based asset management company that manages a family of funds that selectively invests across a broad range of industries and economic environments. The team at Lind has been active in the junior mining and exploration sector in Australia and abroad for several years with past investments in several ASX listed companies.

About Aura Energy Limited

Aura Energy Ltd holds two uranium projects in Europe and Africa that have large resources amenable to open pit mining, with a total resource base of 852 million pounds (387,000 tonnes) uranium in Inferred Resources. Aura holds the largest uranium resource base of any company listed on the Australian Stock Exchange except BHP Billiton Ltd.

The Reguibat Project in Mauritania is a greenfields discovery in an emerging, substantial uranium province in Mauritania, West Africa. The current resource base is 49 million pounds of U_3O_8, which has considerable potential to expand. One of the key drivers of the project is the exceptional beneficiation characteristics of the ore where a simple screening achieves an increase in ore grades of up to 9 times. This drives a low capital requirement.

The Scoping Study for the Häggån Project in Sweden (803 million pounds U_3O_8 resources) completed in 2012 emphasised the high profit margin per pound of uranium. With estimated operating costs of $13.50/lb. after by-product credits (nickel, molybdenum), the project has a healthy operating margin even at the current long term – short term price range being experienced at the present time.

For further information contact:

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Competent Person

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.