


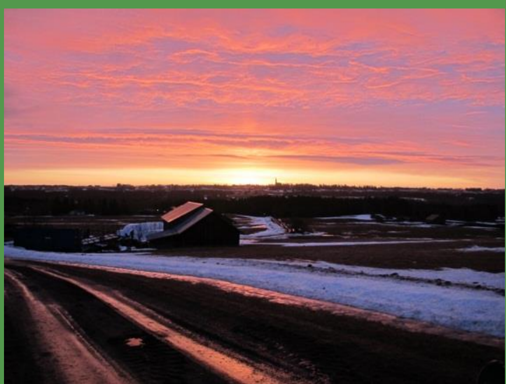


ABN 62 115 927 681

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2013

The information contained in this condensed report is to be read in conjunction with Aura Energy Limited's 2013 annual report and announcements to the market made by Aura Energy Limited during the half-year period ended 31 December 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
Stanley (Stan) Zillwood

Head Office

Address:	Level 1, 19-23 Prospect Street Box Hill VIC 3128
Telephone:	+61 (0)3 9890 1744
Facsimile:	+61 (0)3 9890 3411
Email:	info@auraenergy.com.au

Registered Office

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

Other offices
Exploration office – Sweden
Exploration office – Mauritania

Auditor
Bentleys
Level 1, 12 Kings Park Road
West Perth WA 6005

Share Registry
Computershare Registry Services
Level 2, 45 St Georges Terrace
Perth WA 6000

Securities Exchange
Australian Securities Exchange
ASX Code – AEE

Website: www.auraenergy.com.au

INTERIM FINANCIAL REPORT
31 DECEMBER 2013

CONTENTS

DIRECTORS' REPORT

Your Directors present their report together with the condensed financial statements of the Group, being the Company and its controlled entities, for the half-year ended 31 December 2013.

Directors

The names of Directors in office at any time during or since the end of the half-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

On 5 February 2014, Mr Stephenson resigned as Company Secretary and Mr Stanley Zillwood was appointed. Mr Zillwood is an Associate Chartered Accountant and is also Chief Financial Officer for the Company.

Review of Operations

Mauritania, West Africa

The Reguibat Project comprises several laterally extensive developments of calcrete uranium mineralisation in northern Mauritania. An Inferred Resource of 49Mlbs 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 wholly held by Aura.

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 test-work will complete similar tests on material from other prospects, and from different depth levels, in the Project.

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 six months, subject to funding.

Physical uranium concentration

Previous beneficiation upgrade test results on its Reguibat Project in Mauritania have provided exceptional results, indicated that grade increases of up to 8.5 times are achieved in fine-grained fractions of samples.

The additional size analysis that was completed in this quarter demonstrated that, by further reducing the screening size than previously reported, 89% of the mass could be rejected, while retaining 86% of the uranium. The average concentration of the product was 2,476ppm U_3O_8. This represents an upgrade factor of seven, achievable using simple beneficiation processes. The high product grade compares with the resource grade of 334ppm U_3O_8.

The composite sample of -300µm material from beneficiation tests from the upper level of a single mineralised zone, Ain Sder Zone 1, was used for mineralogy and size analysis. Mineralogical analysis using the QEMSCAN system showed that deportment of uranium was exclusively with the carnotite mineral group. The carnotite occurs as extremely fine, liberated grains.

Reguibat is unusual among calcrete uranium projects in that the beneficiation and leaching characteristics identified to date improve the Project substantially. Many calcrete projects are metallurgically problematic because of the difficulty of beneficiation, and long leach times.

The carnotite mineral grains have been deposited on and between the coarser waste mineral surfaces, from which it is easily washed free.

DIRECTORS' REPORT

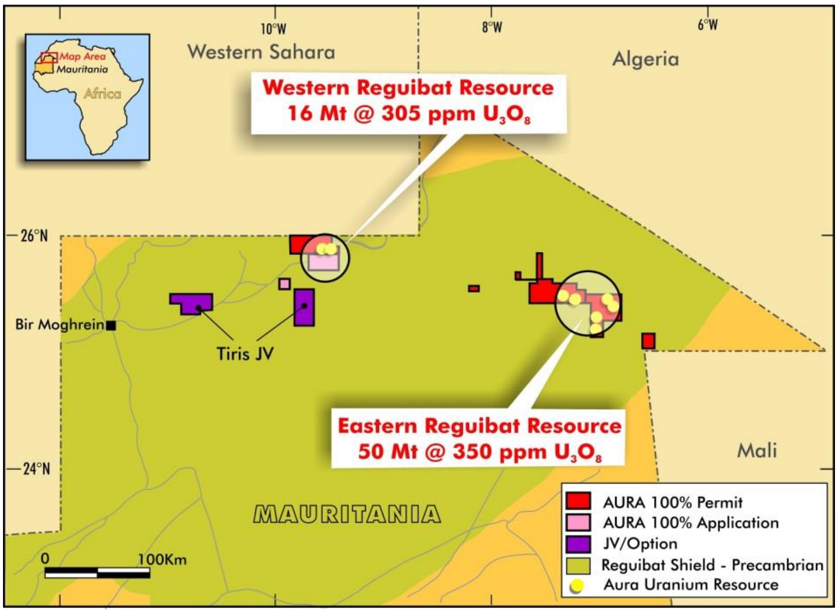

FIGURE 1: PROJECT LOCATION IN MAURITANIA

Uranium leach test-work

Preliminary leach test-work of beneficiated Reguibat material has achieved 94% uranium extraction within four hours.

The leaching test-work, 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 test-work. Preliminary evaluation of reagent consumption suggested moderate to high consumption but within acceptable limits given the high grade of beneficiated feed material.

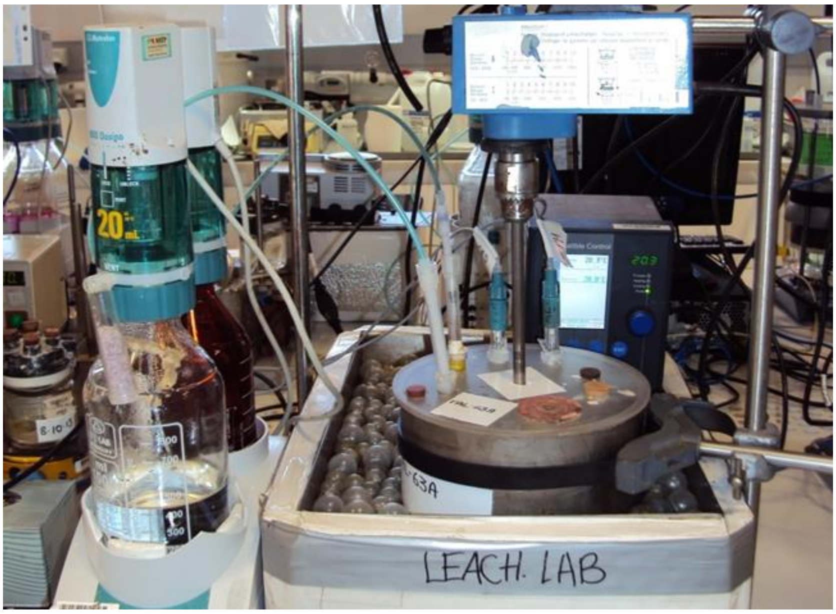

FIGURE 2: LEACH FACILITIES AT ANSTO

Exploration potential

Aura has extensive opportunities for expanding the resource base. The locations of further resource potential are in three main areas: 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.

DIRECTORS' REPORT

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 1,000km^2.

Aura has received assays of surface soil samples in one of the two Tiris Joint Venture permits. These samples were collected within a few centimetres of surface on broadly spaced lines across zones of strong airborne radiometric response. Strong uranium values have been reported over a large area within a radiometric anomaly extending over 5km and covering an area of approximately 10km^2. The samples were taken from only one of the two permits.

Values up to +400 ppm U_3O_8 occur within the high uranium zone and, given they are soil samples in an area of abundant wind-blown sand, are strongly anomalous.

Previous reconnaissance by Aura, and work by the permit owners, 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.

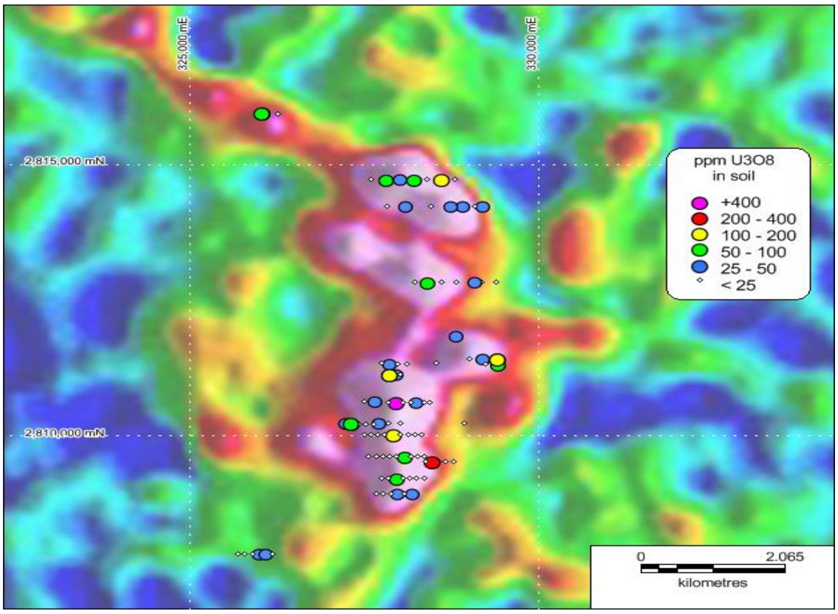

FIGURE 3: URANIUM IN SOILS. BACKGROUND IMAGE SHOWING URANIUM CHANNEL AIRBORNE RADIOMETRIC RESPONSE.

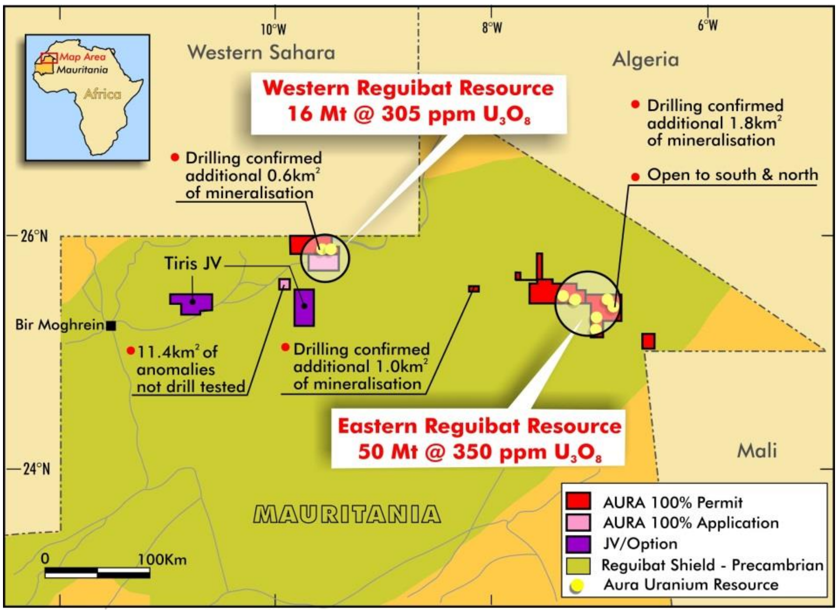

FIGURE 4: REGUIBAT AREAS WITH POTENTIAL FOR ADDITIONAL RESOURCES

DIRECTORS' REPORT

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.

FIGURE 5: TRENCH SHOWING DESERT TERRAIN, AND WHITE CALCRETE MINERALISATION

Häggån Project, Sweden

The Company has considered it prudent, given the current market conditions, to reassess the May 2012 Häggån Scoping Study, which was based on a conceptual 30 million tonnes per annum (Mtpa) operation. In order to provide a number of development alternatives with a substantially lower front-end capital cost requirement, the Company has considered three smaller size options: 3.5Mtpa, 5.0Mtpa, and 7.5Mtpa. As Table 1 highlights, the upfront capital costs are significantly reduced at all the modelled scales with operating costs remaining low in all cases.

MILLION TONNES PER ANNUN	APPROX CAPEX* ($m)	OPCOST (US$/lb)	U_3O_8 (Mlbs)	Mo (Mlbs)	Ni (Mlbs)
3.5	150	21.00-25.00	1.0	0.4	1.7
5	190	18.00-22.00	1.4	0.6	2.4
7.5	250	18.00-22.00	2.1	1.0	3.6
30.0	540	13.50	7.8	4.3	14.8

TABLE 1: Range of upfront capital costs at 3.5, 5.0 and 7.5 Mtpa and metal production of uranium, nickel and molybdenum* +/- 35% accuracy level

The Company's team used factored Scoping Study costs and published costs from similar heap leaching projects to develop the capital cost estimates. A peer review analysis of available information for comparable uranium and gold heap leach projects indicates that these cost estimates are appropriate in the current environment. These highlight that unit operating costs show relatively little change when adopting lower production rates. Analysis of Häggån operating costs on this basis indicated the project will be in the lower half of the 2010 WNA cost curve (<$25/lb U_3O_8) after by-product credits.

This analysis of lower throughput options for Häggån underlines the exceptional financial robustness of this remarkable project even at substantially lower levels of initial capital investment.

Aura has assumed similar metal recoveries to that used in the 2012 Scoping Study, namely 75% for uranium, 60% for nickel, and 25% for molybdenum. This gives U_3O_8 production in the range of 1.0-2.0Mlbs per annum for the mill capacities considered, as indicated in Table 1.

DIRECTORS' REPORT

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 (2.35B tonnes @ 155ppm U_3O_8)**
- Nickel 1,640Mlbs
- Zinc 2,230Mlbs
- Molybdenum 1,070Mlbs

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.

Western Australia

Aura Energy has relinquished all Western Australian projects, to focus on its core Swedish and Mauritanian projects.

Corporate

Aura Energy has continued 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 Group.

Operating Result

The Group incurred a loss for the half-year ended 31 December 2013 of $2,033,745 (December 2012: $1,558,369 loss) and net cash out-flows of $1,437,917 (December 2012: $426,480 out-flow). The increase in loss is wholly attributable to the write-off of exploration assets as shown in Note 5 Exploration and Evaluation Assets on page 13.

Financial Position

The net assets of the Group have decreased by $1,506,627 from 30 June 2013 to $15,059,884 at 31 December 2013.

As 31 December 2013, the Group's cash and cash equivalents decreased from 30 June 2013 by $1,422,643 to $589,652 and as at 31 December 2013, the Group had working capital of $808,248 (June 2013: $1,540,401 working capital).

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2013 has been received and can be found on page 6 of the half-year report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

ROBERT BEESON
Managing Director
Dated this Wednesday, 12 March 2014

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
Level 1, 12 Kings Park Road
West Perth WA 6005
Australia
PO Box 44
West Perth WA 6872
Australia
ABN 33 121 222 802
T +61 8 9226 4500
F +61 8 9226 4300
bentleys.com.au

To the Board of Directors

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

As lead audit director for the review of the financial statements of Aura Energy Limited for the half-year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

DATED at PERTH this 12th day of March 2014

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	31 December 2013 $	31 December 2012 $
Revenue		5,807	18,471
Other income		29,276	(268)
		35,083	18,203
Project partnering and divestment		(4,785)	-
Accounting and audit fees		(106,360)	(1,725)
Business development		(1,577)	(3,298)
Computers and communications		(14,388)	(28,043)
Depreciation		(3,907)	(8,016)
Employee benefits		(301,669)	(329,453)
Finance Costs		(1,981)	-
Impairment		-	-
Insurance		(18,851)	(27,855)
Legal and consulting fees		(13,605)	(273,933)
Public relations		(44,770)	(115,381)
Rent and utilities		(48,982)	(62,310)
Share-based payments		(35,267)	(144,225)
Share registry and listing fees		(32,388)	(48,712)
Travel and accommodation		(79,786)	(28,422)
Exploration expenditure written-off	5	(1,745,625)	(763,722)
Other expenses		(20,516)	(23,085)
Loss before income tax		(2,439,374)	(1,839,977)
Tax rebate for Research and Development	3	405,629	281,608
Loss from continuing operations		(2,033,745)	(1,558,369)
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		491,851	172,806
Other comprehensive income for the year, net of tax		491,851	172,806
Total comprehensive income attributable to members of the parent entity		(1,541,894)	(1,385,563)
Earnings per share:		¢	¢
Basic loss per share (cents per share)		(1.11)	(0.96)

The accompanying notes form part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	31 December 2013 $	30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents	2	589,652	2,012,295
Trade and other receivables	3	483,854	102,926
Financial assets	4	112,387	-
TOTAL CURRENT ASSETS		1,185,893	2,115,221
NON-CURRENT ASSETS			
Plant and equipment		5,787	9,694
Exploration and evaluation assets	5	14,245,849	15,016,416
TOTAL NON-CURRENT ASSETS		14,251,636	15,026,110
TOTAL ASSETS		15,437,529	17,141,331
CURRENT LIABILITIES			
Trade and other payables	6	247,664	410,672
Short-term provisions	7	118,259	133,012
Borrowings		11,722	31,136
TOTAL CURRENT LIABILITIES		377,645	574,820
TOTAL LIABILITIES		377,645	574,820
NET ASSETS		15,059,884	16,566,511
EQUITY			
Issued capital	8	27,759,558	27,759,558
Reserves		1,953,376	1,426,258
Accumulated losses		(14,653,050)	(12,619,305)
TOTAL EQUITY		15,059,884	16,566,511

The accompanying notes form part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Consolidated Group	Issued Capital $	Accumulated Losses $	Options Reserve $	Foreign Exchange Translation Reserve $	Total $
Balance at 1 July 2012	25,723,535	(10,081,664)	625,968	(46,932)	16,220,907
Loss for the half-year	-	(1,558,369)	-	-	(1,558,369)
Other comprehensive income for the half-year	-	-	-	172,806	172,806
Total comprehensive income for the half-year	-	(1,558,369)	-	172,806	(1,385,563)
Transaction with owners, directly in equity					
Shares issued during the half-year	1,000,000	-	-	-	1,000,000
Transaction costs	(50,000)	-	-	-	(50,000)
Transfers to / from reserves	-	(6,684)	-	6,684	-
Options issued during the half-year	-	-	144,225	-	144,225
Balance at 31 December 2012	26,673,535	(11,646,717)	770,193	132,558	15,929,569
Balance at 1 July 2013	27,759,558	(12,619,305)	642,516	783,742	16,566,511
Loss for the half-year	-	(2,033,745)	-	-	(2,033,745)
Other comprehensive income for the half-year	-	-	-	491,851	491,851
Total comprehensive income for the half-year	-	(2,033,745)	-	491,851	(1,541,894)
Transaction with owners, directly in equity					
Options issued during the half-year	-	-	35,267	-	35,267
Balance at 31 December 2013	27,759,558	(14,653,050)	677,783	1,275,593	15,059,884

The accompanying notes form part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	31 December 2013 $	31 December 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	843
Interest received		5,807	18,471
Interest and borrowing costs		(1,981)	-
Payments to suppliers and employees		(770,524)	(876,811)
Payments for exploration expenditure		(701,491)	(793,230)
Rebate received for Research and Development		-	281,608
Net cash used in operating activities		(1,468,189)	(1,369,119)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(2,361)
Proceeds from the sale plant and equipment		30,272	-
Net cash used in investing activities		30,272	(2,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	945,000
Capital raising costs		-	-
Net cash provided by financing activities		-	945,000
Net increase/(decrease) in cash held		(1,437,917)	(426,480)
Cash at beginning of period		2,012,295	1,725,512
Change in foreign currency held		15,274	(6,684)
Cash at 31 December	2	589,652	1,292,348

The accompanying notes form part of these condensed financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the condensed 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 financial statements were authorised for issue on 12 March 2014 by the directors of the Company.

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This condensed interim financial report is intended to provide users with an update on the latest annual financial statements of Aura Energy Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

Going Concern

The half-year financial report has been prepared on the 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 half-year ended 31 December 2013 of $2,033,745 (December 2012: $1,558,369 loss) and net cash out-flows of $1,437,917 (December 2012: $426,480 out-flow).

As at 31 December 2013, the Group had working capital of $808,248 (June 2013: $1,540,401 working capital).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets or by other means and by managing cash-flow in line with available funds, and/or the successful development of the groups exploration assets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

On 3 March 2014, the Company entered into a financing arrangement to provide up to $3,775,000 over the next 24 months. Aura has now received $325,000, in the form of a $250,000 convertible note and $75,000 via a placement of ordinary shares in Aura. The key terms of the agreement are summarised in note 12 Events Subsequent to Reporting Date on page 18.

Based on the cash flow forecasts and other factors referred to above, the Board of Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising funds to date, the directors are confident of the Company'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.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Critical Accounting Estimates and Judgments**

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2013 annual report, with the exception of the following:

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. The carrying value of capitalised expenditure at reporting date is $14,245,849.

During the half-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 5 Exploration And Evaluation Assets on page 13.

(b) **New and Amended Standards Adopted by the Group Applicable to the Current Half-Year Reporting Period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The above standards have extensive disclosure requirements, however these do not affect this half-year financial report, except as stated in Note 11 Financial Instruments on page 18.

The adoption of the above standards have not had a material impact on this half-year financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 2 CASH AND CASH EQUIVALENTS

	31 December 2013 $	30 June 2013 $
Cash at bank: Australia	343,785	1,840,327
Cash at bank: Foreign	153,089	171,968
Term Deposits – redeemable within 3 months: Australia	92,778	-
	589,652	2,012,295

NOTE 3 TRADE AND OTHER RECEIVABLES

	31 December 2013 $	30 June 2013 $
CURRENT		
Value-added tax[1] receivable	29,026	26,725
Trade debtors	43,960	52,038
Accrued tax rebate for Research and Development	405,629	-
Other	17,587	36,167
Less: Provision for Impairment	(12,348)	(12,004)
	483,854	102,926

[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 4 FINANCIAL ASSETS

	31 December 2013 $	30 June 2013 $
CURRENT		
Bank guarantees – not refundable within 3 months: Foreign	112,387	-

NOTE 5 EXPLORATION AND EVALUATION ASSETS

		31 December 2013 $	30 June 2013 $
Exploration expenditure capitalised:			
Exploration and evaluation phase at cost		14,720,842	15,922,505
Add: Effect of exchange rate changes on exploration and evaluation assets		1,270,632	841,850
Less: Exploration expenditure written-off or impaired	5(b)	(1,745,625)	(1,747,939)
Net carrying value	5(a)	14,245,849	15,016,416

(a) The value of the Group interest in exploration expenditure is dependent upon the following:
- Continuance of the Group's rights to tenure of the areas of interest;
- Results of future exploration; and
- Recoupment of costs through successful development and exploitation of areas of interest, or by their sale.

The Group's exploration properties may be subjected to claim(s) under jurisdictional equivalents to native title, or contain sacred sites, or sites of significance to the indigenous people of 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.

(b) During the period the Group relinquished 12 mineral titles resulting in a write-off of the assets to the value of $1,745,625.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 6 TRADE AND OTHER PAYABLES

	31 December 2013 $	30 June 2013 $
CURRENT		
Unsecured		
Trade payables	152,608	250,057
Accrued expenses	62,654	108,341
Other taxes payable	32,402	52,274
	247,664	410,672

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

NOTE 7 SHORT-TERM PROVISONS

	31 December 2013 $	30 June 2013 $
CURRENT		
Employee benefits	101,558	116,311
Provision for Mauritanian Withholding Tax	16,701	16,701
	118,259	133,012

NOTE 8 ISSUED CAPITAL

	Note	31 December 2013 $	30 June 2013 $
The Company has issued share capital amounting to 183,285,591 (June 2013: 183,285,591) fully paid ordinary shares at no par value.	8(a)	27,759,558	27,759,558

	31 December 2013 $	31 December 2012 $	31 December 2013 No.	31 December 2012 No.
(a) **Ordinary shares**				
At the beginning of the reporting period	27,759,558	25,723,535	183,285,591	159,622,540
Shares issued during the period:				
▸ 9,090,909 Shares issued on 9.11.2012	-	1,000,000	-	9,090,909
Transaction costs relating to share issues	-	(50,000)	-	-
At reporting date	27,759,558	26,673,535	183,285,591	168,713,449

(b) **Options**

	31 December 2013 No.	31 December 2012 No.
Listed options	35,789,218	32,789,218
Unlisted options	21,145,000	7,145,000
	56,934,218	39,934,218

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 9 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:

Directors Remuneration

During the period Directors were paid the following in total remuneration:

	31 December 2013 No.	31 December 2012 No.
Dr Robert Beeson	174,000	89,925
Mr Peter Reeve	49,479	-
Mr Brett Fraser	32,775	32,700
Mr Julian Perkins	30,044	29,975
Mr Jay Stephenson *(Resigned 12 July 2013)*	2,177	29,975
Mr Leigh Junk *(Resigned 12 July 2013)*	2,177	29,975
Mr Simon O'Loughlin *(Resigned 12 July 2013)*	2,177	29,975
	292,829	242,525

During the period Directors were received the following in share-based payments:

	31 December 2013 No.	31 December 2012 No.
Dr Robert Beeson	11,718	-
Mr Peter Reeve	9,764	-
Mr Brett Fraser	6,893	-
Mr Julian Perkins	6,893	-
	35,268	-

	31 December 2013 No.	31 December 2012 No.
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.	48,497	49,809
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.	16,855	52,250
RRI Trust — Mr Perkins provides metallurgical consulting services to the Group that is charged through the RRI Trust, being a trust associated with Mr Perkins.	1,438	23,087

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 10 OPERATING SEGMENTS

(a) Segment Performance

	Australian Exploration $	Sweden Exploration $	African Exploration $	Treasury $	Total $
Half-Year ended 31 December 2013					
Segment Revenue and other income	-	-	-	35,084	35,084
Segment Results	(969,672)	(561,528)	(194,443)	821,574	(904,069)
Amounts not included in segment results but reviewed by Board:					
Expenses not directly allocable to identifiable segments or areas of interest					
Accounting and audit fees					(106,360)
Business development					(1,577)
Computers and communications					(14,388)
Depreciation					(3,907)
Employee benefits expense					(301,669)
Financing costs					(1,981)
Insurance					(18,851)
Legal and consulting					(13,605)
Public relations					(44,770)
Rent and utilities					(48,982)
Share-based payment expenses					(35,267)
Share registry and listing fees					(32,388)
Travel and accommodation					(79,786)
Other unallocated expenses					(20,516)
Tax rebate for Research and Development					(405,629)
Loss after Income Tax					(2,033,745)
Half-Year ended 31 December 2012					
Segment Revenue and other income	-	-	-	-	-
Segment Results	(361,191)	-	(401,690)	18,471	(744,410)
Amounts not included in segment results but reviewed by Board:					
Expenses not directly allocable to identifiable segments or areas of interest					
Accounting and audit fees					(1,725)
Business development					(3,298)
Computers and communications					(28,043)
Depreciation					(8,016)
Employee benefits expense					(329,453)
Insurance					(27,855)
Legal and consulting					(273,933)
Public relations					(115,381)
Rent and utilities					(62,310)
Share-based payment expenses					(144,225)
Share registry and listing fees					(48,712)
Travel and accommodation					(28,422)
Other unallocated expenses					(24,194)
Tax rebate for Research and Development					281,608
Loss after Income Tax					(1,558,369)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 10 OPERATING SEGMENTS (cont.)

(b) **Segment Assets**

31 December 2013	Australian Exploration $	Sweden Exploration $	African Exploration $	Treasury $	Total $
Segment Assets	92,778	8,048,479	6,447,361	359,270	14,947,888
Unallocated Assets:					
Trade and other receivables					483,854
Plant and equipment					5,787
Other non-current assets					-
Total Assets					15,437,529
Segment asset additions and disposals for the period:					
Additions	107,683	373,051	407,959	-	888,693
Effect of exchange rate changes	-	428,782	-	-	428,782
Less: Impairment	(989,654)	(561,528)	(194,443)	-	(1,745,625)
	(881,971)	240,305	213,516	-	(428,150)
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 additions and disposals for the period					
Additions	57,789	606,453	719,683	-	1,383,925
Effect of exchange rate changes	-	841,850	-	-	841,850
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

(c) **Segment Liabilties**

31 December 2013	Australian Exploration $	Sweden Exploration $	African Exploration $	Treasury $	Total $
Segment Liabilities	2,948	39,594	1,828	-	44,370
Unallocated Liabilities:					
Trade and other payables					203,294
Short-term provisions					118,259
Short-term borrowings					11,722
Total Liabilities					377,645
30 June 2013					
Segment Liabilities	6,163	56,948	69,986	-	133,097
Unallocated Liabilities:					
Trade and other payables					277,575
Short-term provisions					133,012
Short-term borrowings					31,136
Total Liabilities					574,820

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 11 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables. The carrying amount of these financial assets and liabilities approximate their fair value. The Company also holds held for trading financial assets which are measured at fair value based on quoted bid prices in an active market and are classified as Level 1 in the fair value hierarchy.

NOTE 12 EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2014, Mr Stephenson resigned as Company Secretary and Mr Stanley Zillwood was appointed as Company Secretary and Chief Financial Officer for the Company.

On 3 March 2014, the Company completed a financing arrangement to provide up to $3,775,000 over the next 24 months. Under the agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, Aura has now received $325,000, in the form of a $250,000 convertible note and $75,000 via a placement of ordinary shares in Aura. Lind will further invest a minimum of $75,000 up to $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 three day volume weighted share price.

Further key terms of the agreement are as follows:

- The $250,000 convertible note is secured by the issue of 2,200,000 shares. Aura has the ability to repurchase the note at a premium to the issue price during the first 90 days of the agreement.
- An issue of 2,946,378 shares as a commencement fees for the provision of the funding facility,
- The issue of 2,600,000 options with an exercise price of 4.8 cents and the three year expiration date.

There are no other significant events subsequent to report date.

NOTE 13 COMPANY DETAILS

(a) **Head office and principal place of business**

Address:	Level 1, 19-23 Prospect Street Box Hill VIC 3128
Telephone:	+61 (0)3 9890 1744
Facsimile:	+61 (0)3 9890 3411
Email:	info@auraenergy.com.au
Website:	www.auraenergy.com.au

(b) **Registered office**

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

(c) **Other places of business are:**

Field Office:
Berghauptmansgatan 58 B
791 61 Falun
Sweden

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 7 to 18, are in accordance with the *Corporations Act 2001* and:

    (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and

    (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the Consolidated Group.

2. 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 made pursuant to section 303(5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:

ROBERT BEESON
Managing Director

Dated this Wednesday, 12 March 2014

Bentleys Audit & Corporate (WA) Pty Ltd
Level 1, 12 Kings Park Road
West Perth WA 6005
Australia
PO Box 44
West Perth WA 6872
Australia
ABN 33 121 222 802
T +61 8 9226 4500
F +61 8 9226 4300
bentleys.com.au

Independent Auditor's Review Report

To the Members of Aura Energy Limited

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and its Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aura Energy Limited is not in accordance with the *Corporations Act 2001* including:

a. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 1 of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of $2,033,745 during the half-year ended 31 December 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 half-year financial report.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

DATED at PERTH this 12th day of March 2014

aura
energy