



Quarterly Activities Report

March 2014

HIGHLIGHTS

- ▶ **Aura has secured \$3.8 million in funding through an agreement with Lind Partners LLC**
- ▶ **The Reguibat Uranium Project Scoping Study is on track for completion in June**

PROJECT OVERVIEWS

REGUIBAT PROJECT, MAURITANIA (AURA 100%)

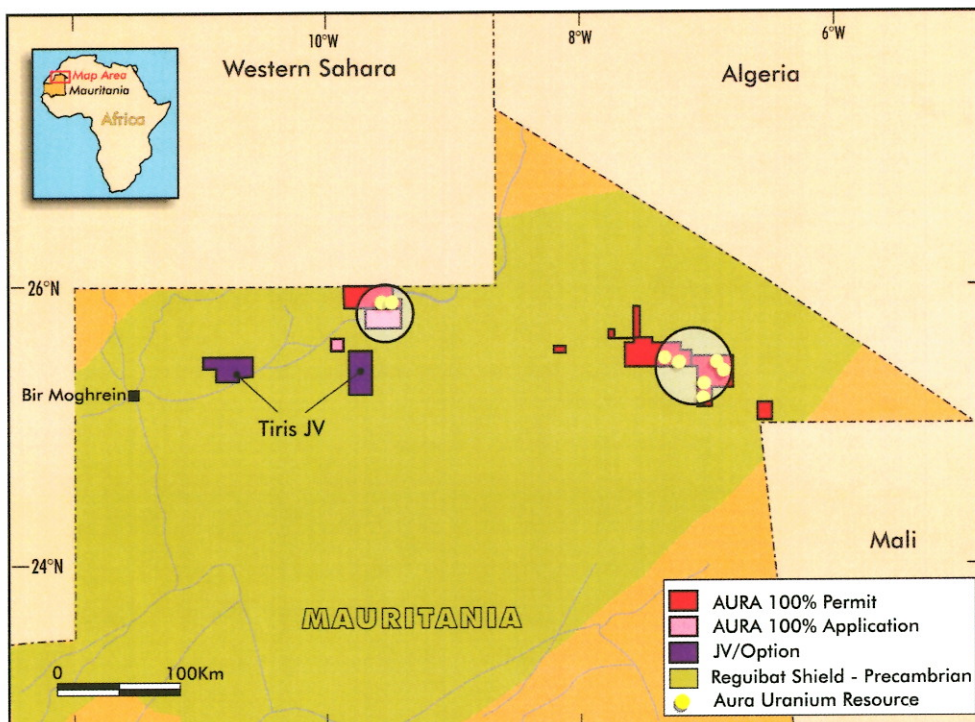
The Reguibat Project Scoping Study, which is targeting a low capex/opcost and rapid payback project, is on track for completion in June.

The Reguibat Project in Mauritania has exceptional natural characteristics that can make it one of the most exciting uranium projects currently moving towards development.

These characteristics allow a 700% uranium upgrade step using simple well-tried technology, rejecting 89% of the mass, while retaining 86% of the uranium. This is an order of magnitude improvement better than most other calcrete uranium mines.

The Project's key additional characteristics are:

- The mineralisation occurs right at surface – no stripping
- High grade areas at surface can be selected in the early years for rapid payback
- It has the fastest leach characteristics of any published calcrete project
- It is in developing country that has enthusiastically embraced mining as a means of growth
- The beneficiation upgrade will allow a simple operation with a small footprint, low capital cost and rapid development to production



The Reguibat Project permits in northern Mauritania

Uranium Resources

Aura has a total Indicated and Inferred Resource of 66 million tonnes at 334ppm U_3O_8 , at a 100ppm cut-off, for a contained uranium content of 49 million pounds of U_3O_8 . At a 300ppm U_3O_8 cut-off the Project has 35 Mt @ 423ppm U_3O_8 , containing 32 Mlbs.

Current resources are:

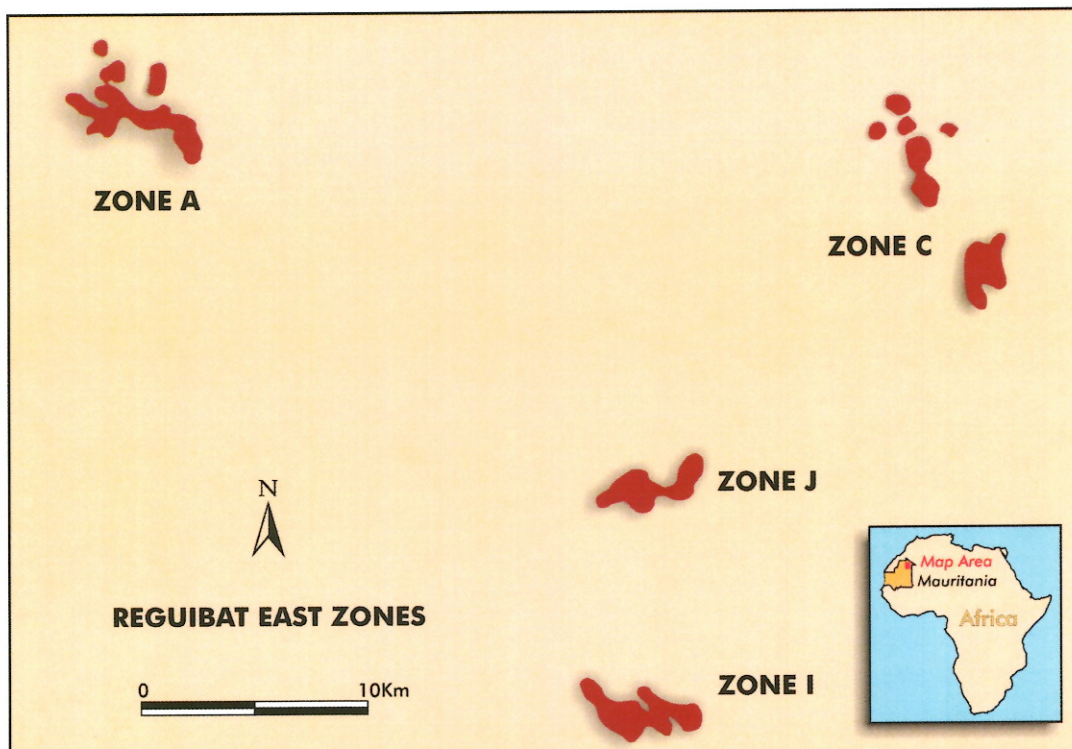
Table 1: Indicated and Inferred Resources for the Reguibat Project at a 100ppm U_3O_8 cut-off grade

	Cut-off grade	Tonnes	Grade (ppm)	Mlbs. U_3O_8
Total Indicated & Inferred	100	66	334	49
Indicated	100	2	300	2
Inferred	100	64	335	47

Table 2: Indicated and Inferred Resources for the Reguibat Project at a 300ppm U_3O_8 cut-off grade

	Cut-off grade	Tonnes	Grade (ppm)	Mlbs. U_3O_8
Total Indicated & Inferred	300	35	423	32
Indicated	300	1	389	1
Inferred	300	34	424	31

The presence of extensive, higher grade areas is illustrated by the 11.5Mt @ 430ppm U_3O_8 at a 300 ppm cut-off at Oued el Foule Zone A, which is one part of the overall resource. The Scoping Study assumes that a central washing and screening plant, and leach plant, will be established at Zone A. This 11.5 Mt is assumed to provide feed for the Scoping Study Project for the first 11 years of operation at 1.0 million tonnes per annum throughput.



Map showing the zones of mineralisation in the eastern Reguibat area

The Reguibat mineralisation grade can be increased significantly by simple beneficiation. Aura has demonstrated that more than 89% of the mass could be rejected, while retaining 86% of the uranium. This represents a seven-fold increase in the grade of the Reguibat deposit to 2,500ppm (0.25%) U_3O_8 . This, plus favourable leaching characteristics, leads Aura to believe that Reguibat can be a low capital cost and low operating cost uranium producer.

High grade areas to increase uranium production in the early years

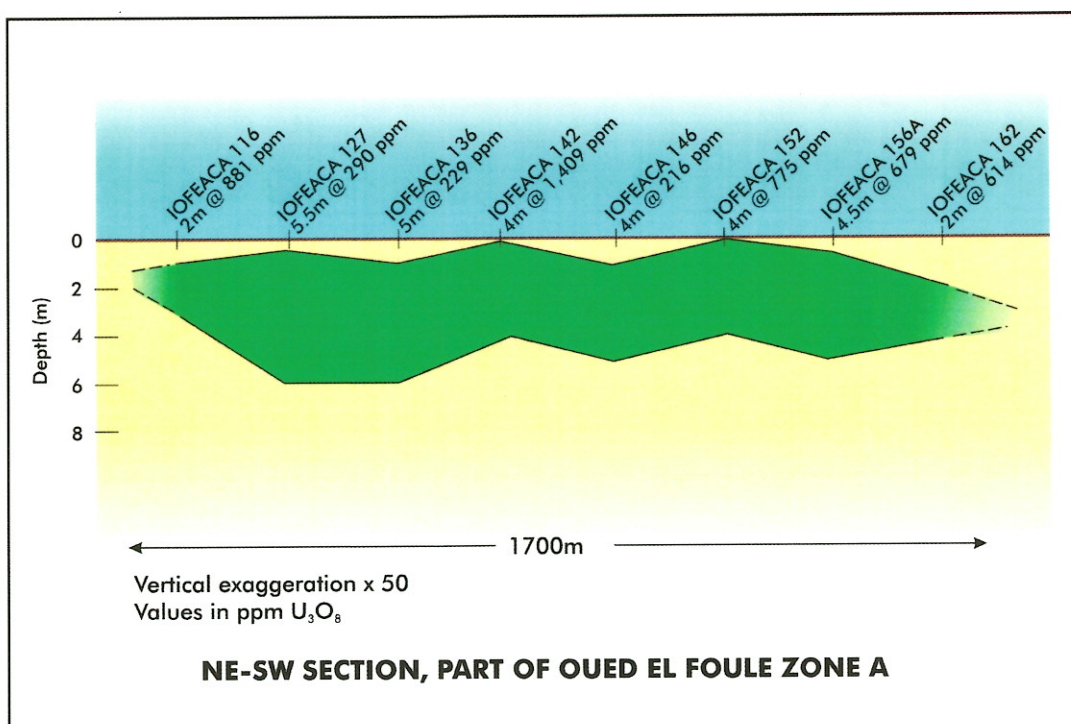
The Scoping Study programme has highlighted the number of drill intersections within the resource areas with high to very high grades of uranium. 26% of OEFE Zone A drill holes have average grade intersections of >500ppm U_3O_8 , and it is anticipated that sections of the mineralisation will provide significantly higher feed than the average resource grades given above. The drill hole spacing at Zone A is 200 by 100 metres.

The Reguibat mineralisation has remarkable continuity within zones. The section below gives a northwest-southeast section, 1700 metres in length, through the

southeast portion of the Oued el Foule Zone A. In addition half of the intercepts exceed 600 ppm U_3O_8 , almost twice the average resource grade at a 100ppm cut-off. One contains an intersection of 4m @ 1,409ppm U_3O_8 .

In the Scoping Study these higher grades will be evaluated as a sensitivity for the first five years of operation at 1 Mtpa.

The mineralisation at Reguibat is remarkably continuous within zones. The section below gives a northwest-southeast section, 1700 metres in length, through the southeast portion of the Oued el Foule Zone A.



Section through the southeast part of Zone A, demonstrating the continuity of mineralisation through the deposit

This section also clearly illustrates the thin cover over the mineralisation which drives the minimal stripping for the project. This amount of cover is typical of the Reguibat mineralisation and is generally wind-blown sand which could be removed without the need for blasting therefore minimising mining costs.

Mining

Mining at Reguibat will be straightforward. Most of the mineralisation in the Reguibat Project occurs in a single sheet within four metres of the surface. Individual sheets of mineralisation are up to four kilometres in length and 700 metres in width.

The material is soft and friable, and can be readily dug by scrapers and shovels.

The Project is anticipated to have an exceptionally low strip ratio in the range 0.2-0.3.

Beneficiation

Aura's beneficiation upgrade test results for its Reguibat Project have provided exceptional results, indicating that more than 89% of the mass is rejected, while retaining 86% of the uranium.

The presence of the uranium as carnotite in the fine fractions, and the difference in grain size between carnotite and the host rock minerals, explains the positive beneficiation results to date. There is also potential that this size difference may result in even higher grade products by refinement of the size fractioning.

Leach plant

Preliminary leach testwork of beneficiated Reguibat material achieved 94% uranium extraction within 4 hours. This compares, for example, with the 92% extraction in 36 hours at Paladin's Langer Heinrich Project reported in public data prior to the commencement of operations. This is a result of the very fine grained nature of the uranium mineralisation.

Simple atmospheric alkaline leaching has been selected as the most likely leaching route based on previous diagnostic leaching testwork. Test work to date suggests acceptable levels of reagent consumption, given the high grade of the beneficiated feed material.

The impact of the beneficiation on reducing the size of the leaching and precipitation parts of the extraction circuit will have a large impact on plant size and costs.

Water supply

The small leach plant size will greatly reduce the water requirement, and recycling of water will be maximised.

Aura has commissioned Golder Associates, a group with extensive experience in this part of Mauritania, to complete a study of available water supplies.

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

Aura considered it prudent, given the current market conditions, to reassess the May 2012 Häggån Scoping Study, which was based on a conceptual 30Mtpa operation, with smaller options which are more likely to attract funding than a project with a high initial capital cost.

Aura has considered three smaller size options: 3.5Mtpa, 5.0 Mtpa and 7.5 Mtpa, in order to provide a number of additional development alternatives with a substantially lower front end capital cost requirement. As Table 1 highlights the upfront capital costs are significantly reduced at all the modelled scales with operating costs remaining low in all cases.

In the analysis Aura'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.

Heap leaching is a widely used low cost extraction technology that is well understood within the mining industry. Good comparative cost data is available. 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. U₃O₈) 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 U₃O₈ production in the range of 1.0-2.0 million lbs per annum for the mill capacities considered, as indicated in Table 1.

Table 3: 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)

MTPA	APPROX CAPEX*	OPCOST	U3O8	Mo	Ni
	\$m	US\$/lb.	MIbs	MIbs	MIbs
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

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:

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

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 has entered an agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC (together, "Lind"), Aura received A\$325,000 on execution in the form of an 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\$0.0482 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.

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.

For further information contact:

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Aura Energy Limited
ABN 62 115 927 681

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\$7.3m
Cash position (31 March 2014)	\$0.7 million
Shares:	188 million
Options:	7.2 million

Main shareholders

Technical Investing	7.15%
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HAGGAN RESOURCE STATEMENT

Category	Size	U ₃ O ₈	Mo	V	Ni	Zn
	Mt	ppm	ppm	ppm	ppm	ppm
Inferred	2,350	155	207	1,519	316	431

Cut-off grade: 100ppm U₃O₈

Competent Persons for Häggån Resource

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

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

REGUIBAT RESOURCE STATEMENT

Category	Lower Cut-off	Tonnes	Grade	Contained U ₃ O ₈
	ppm U ₃ O ₈	Mt	ppm U ₃ O ₈	Mlb
Inferred	100	66.0	334	49.0

Cut-off grade: 100ppm U₃O₈

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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

AURA ENERGY LIMITED (AEE)

ABN

62 115 927 681

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(168)	(731)
(b) development	-	-
(c) production	-	-
(d) administration	(269)	(994)
(e) partnering development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	7
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other – R&D Rebate	405	405
Net Operating Cash Flows	(31)	(1,315)
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	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(31)	(1,315)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(31)	(1,315)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	310	307
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	310	307
	Net increase (decrease) in cash held	279	(1,008)
1.20	Cash at beginning of quarter/year to date	701	2,006
1.21	Exchange rate adjustments to item 1.20	(3)	(21)
1.22	Cash at end of quarter	977	977

**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	52
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
- On 28 February 20104, the Company entered into a financing agreement with Lind Partners resulted in 2,946,378 FPO shares being issued in lieu of a financing fee of \$125,000, together with 2,2000,000 FPO shares issued as collateral for a \$250,000 convertible note.
- 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	469
4.2 Development	-
4.3 Production	-
4.4 Administration	205
Total	674

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	787	219
5.2 Deposits at call	67	277
5.3 Bank overdraft	-	-
5.4 Other: refundable guarantees	127	205
Total: cash at end of quarter (item 1.22)	981	701

Appendix 5B
Mining exploration entity quarterly report

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	E78/349 M58/357 Grasslatten nr 1 Hageby nr 2 Mserit Agueit Habib O Brahim Bir Nefe Nord Tourist El Hank Daya Ouelad Gheilane Nord Elb El Hammami Aleibat Ouelad Idriss	Company elected to relinquish non-core tenements. 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%
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	188,431,969	188,431,969	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,200,000 2,946,378	2,200.000 2,946.378	Collateral for convertible note Commencement fee \$0.0424 \$0.0424
7.5	*Convertible debt securities (description)	-	-	\$250,000 convertible note issued 28 Feb 14
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	\$250,000

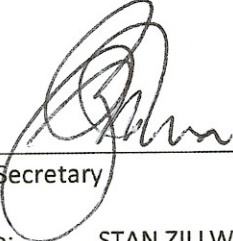
Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7 Options <i>(description and conversion factor)</i>			<u>Exercise price \$</u>	<u>Expiry date</u>
	570,000	-	\$0.45	31.03.2016
	375,000	-	\$0.30	23.12.2014
	1,000,000	-	\$0.20	31.05.2015
	3,000,000	-	\$0.20	31.05.2015
	200,000	-	\$0.20	04.12.2016
	3,000,000	-	\$0.20	31.05.2015
	200,000	-	\$0.20	04.12.2016
	32,789,218	32,789,218	\$0.20	01.12.2014
	4,000,000	-	\$0.15	13.01.2015
	5,000,000	-	\$0.20	13.07.2016
	2,000,000	-	\$0.15	21.05.2015
	2,250,000	-	\$0.20	21.05.2016
	2,000,000	-	\$0.20	21.11.2016
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Appendix 5B
Mining exploration entity quarterly report

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 April 2014

Company Secretary

Print name: STAN ZILLWOOD

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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Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
 Häggån Project  Gurumyren nr 1  Häggån nr 1  Häggån nr 2  Marby nr 1  Haggan nr 3  Koborgsmyren nr 1	Sweden	100%	0%	0%
 Kallsedet Project  Hamborg nr 1  Hamborg nr 2  Olden nr 2	Sweden	100%	0%	0%
 Motala Project  Hageby nr 1  Ullevi nr 1  Stavlosa nr 1	Sweden	100%	0%	0%
 Reguibat Project  Oued El Foule Est  Ain Sder  Oum Ferkik  Saabia  Oued El Foule Nord  Oued El Merre	Mauritania	100%	0%	0%

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
 Tiris Project	Mauritania	0%	0%	0%

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				