



ABN 62 115 927 681

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2014

The information contained in this condensed report is to be read in conjunction with Aura Energy Limited's 2014 annual report and announcements to the market made by Aura Energy Limited during the half-year period ended 31 December 2014

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

ABN 62 115 927 681

INTERIM FINANCIAL REPORT 31 DECEMBER 2014

CORPORATE DIRECTORY

Current Directors

Peter Reeve	<i>Executive Chairman</i>
Robert (Bob) Beeson	<i>Non-executive Director</i>
Brett Fraser	<i>Non-executive Director</i>
Julian (Jules) Perkins	<i>Non-executive Director</i>

Company Secretary

Stanley Zillwood

Registered Office

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Website:	www.auraenergy.com.au

Securities Exchange

Australian Securities Exchange

Street:	Level 40, Central Park 152 – 158 St Georges Terrace Perth WA 6000
ASX Code:	AEE

Share Registry

Computershare Registry Services

Street:	Level 2, 45 St Georges Terrace Perth WA 6000
Postal:	GPO Box D182 Perth WA 6840
Telephone:	1300 850 505 (investors within Australia) +61 (0)8 9323 2000

Auditor

Bentleys

Street:	Level 1, 12 Kings Park Road West Perth WA 6005
Postal:	PO Box 44 West Perth WA 6872
Telephone:	+61 0(8) 9226 4500

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31 DECEMBER 2014

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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 2014.

1. DIRECTORS

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

- ☛ Mr Peter Reeve *Executive Chairman (Appointed as Executive Chairman 1 January 2015)*
 - ☛ Dr Robert (Bob) Beeson *Non-executive Director (Stepped down as Managing Director 1 January 2015)*
 - ☛ Mr Brett Fraser *Non-executive Director*
 - ☛ Mr Julian (Jules) Perkins *Non-executive Director*
- (the Board)**

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

2. REVIEW OF OPERATIONS

2.1. Operations Review

a. Mauritania

Tiris Uranium Project (100%)

The Company completed a scoping study of the Tiris Uranium Project (formerly Reguibat) which identified the potential for Tiris to be developed.

The project is based on a major greenfields uranium discovery in Mauritania, with 49 Mlb U3O8 in current resources. The project has several natural attributes which result in low capital and operating costs. These attributes are:

- ☛ Shallow flat-lying surface mineralisation (only 1-5 metres) within unconsolidated gravels.
- ☛ Low cost mining with no blasting and negligible overburden.
- ☛ Uranium ore can be simply (wash and screen) upgraded by up to 700%; from 335 ppm to 2500 ppm.
- ☛ Leads to a very small plant, small footprint and minimal supporting infrastructure.
- ☛ Leach feed grade 2,000-2,500 ppm U3O8 with 94% leaching recovery in 4 hours.

The conceptual 1 Mtpa mine and plant project described in the scoping study was designed to take full advantage of these characteristics, whilst providing low capital cost and rapid project development and construction. Significantly, a water study by Golders has indicated that potential sources of water in the immediate vicinity will satisfy the demands of the project.

The Study indicates that 11 million pounds of uranium will be produced over an initial mine life of 15 years, utilising 20% of the known Global Mineral Resource resulted in the following outputs:

- ☛ Low capital cost – US\$45 million
- ☛ Low operating cost – A\$30/lb
- ☛ Easily scalable
- ☛ Mining at ~120 tph (1.0 Mtpa)
- ☛ Small 25 tph leach facility
- ☛ Mined grade >420ppm U3O8 for 15 years
- ☛ Produce 0.7-1.1 Mlbs U3O8 per year
- ☛ Expand project from cash flow
- ☛ Targeting a 100Mlb uranium Resource in region

A feasibility study for the project was commenced in the half year and subject to ongoing funding is expected to be completed within 18 months.

DIRECTORS' REPORT

During the half year, the Company has developed a comprehensive budget and plan of works for the feasibility study and undertaken a range of project related work including:

- ☛ Awarding of the drilling program to upgrade resources to Measured and Indicated Resource status, focusing on the Hippolyte deposit where 17 million tonnes of mineralisation at 360ppm U3O8 have been estimated by Coffey Mining.
- ☛ Beneficiation testwork on samples from Zone 1 of the Hippolyte deposit at the AMML Laboratories at Gosford in New South Wales; to assess the consistency of the excellent results obtained from this and other zones previously. The program to test upgrading provided additional samples for leaching testwork at the Australian Nuclear Science and Technology laboratory (ANSTO) at Lucas Heights in Sydney.
- ☛ Planning of a program to target water sources for the project.
- ☛ Discussions were held with groups that can provide the required environmental and social studies.
- ☛ Discussions with senior Mauritanian government officials at both national and provincial level concerning the project feasibility study and development aspects for the Tiris Project.

The drilling program commenced in February 2015 and is expected to be completed in March 2015.

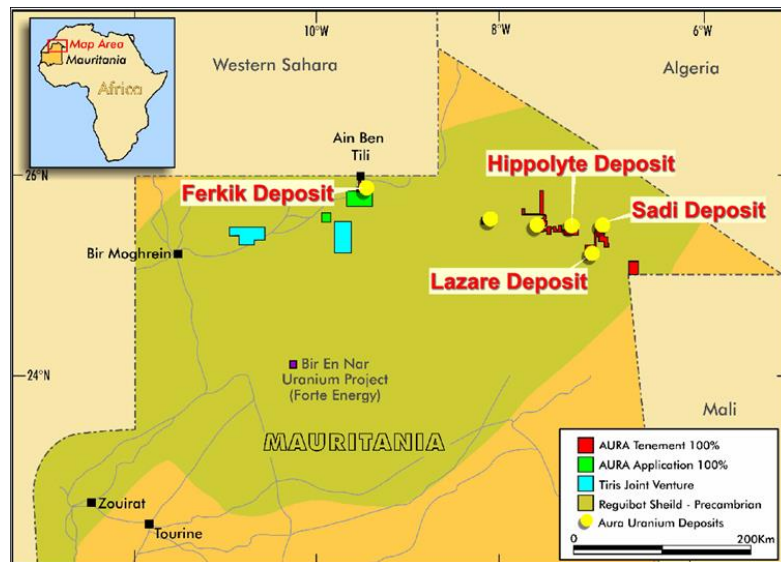


Figure 1: PROJECT LOCATION IN MAURITANIA

Mauritania Exploration

The drilling program for Tiris will be expanded to include reconnaissance drilling at its 100% owned Ageulet permit and the two Azizi Joint Venture permits.

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 Ferkirk Resource, 2012 drill results not in the current resource, and thick mineralisation open to the south and east at the Hippolyte Zone.

Aura has also a joint venture covering two permits held by Groupe Azizi in the Reguibat Calcrete Uranium Province. The permits have a combined area of 1,000km². Strong uranium values have been reported over a large area within a radiometric anomaly extending over 5km and covering an area of approximately 10km².

b. Sweden

Häggån Project (100%)

The Company has developed a program of drilling on its Häggån tenements, this work is scheduled to be undertaken in the first quarter of 2015.

Häggån is located in central Sweden and is one of the largest undeveloped uranium projects in the world. The project has a resource of 803 million pounds uranium with significant base metal by-products.

DIRECTORS' REPORT

The Häggån Project is located in a sparsely populated area of swamp and forest used mainly for commercial forestry. Sweden's has a current and active mining industry, with a clear regulatory position and a well-established path from exploration to production.

A scoping study was completed in May 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.

Aura's discovery that the mineralisation is ideally suited to bioleach metal extraction was the major breakthrough to creating a robust and economic project. Bioleaching, including bioheap leaching, is a proven technology widely used in copper and gold industries with some application to the uranium industry.

The project contemplated in the scoping study was a large scale heap leach with recovery of base metals as separate and high purity sulphide precipitates. The scoping study outcomes were as follows;

 Capital cost	<i>US\$540 million</i>
 Low operating cost	<i>A\$13.50/lb U3O8</i>
 Mining rate	<i>30 Mtpa</i>
 Mined grade	<i>160 ppm U3O8 for 30 years</i>
 Production	<i>7.8 Mlbs U3O8 per year</i>

In 2014, Aura considered it prudent, given the current market conditions, to reassess the May 2012 Häggån Scoping Study, on smaller scales more likely to attract funding. The Company considered three smaller size options; 3.5Mtpa, 5.0 Mtpa and 7.5 Mtpa, which could be used provide a staged development alternative with a substantially lower front end capital cost requirement. The 5.0 Mtpa project option had the following metrics;

 Capital cost	<i>US\$190 million</i>
 Low operating cost	<i>A\$18-22/lb U3O8</i>
 Mining rate	<i>5 Mtpa</i>
 Mined grade	<i>160 ppm U3O8</i>
 Production	<i>1.4 Mlbs U3O8 per year</i>

Work within Mauritania has focussed on the Tiris Uranium Project however an exploration drilling program will be carried out on the tenements in February/March 2015.

c. Corporate

In August 2014 the Company undertook a capital raising by way of a non-renounceable entitlement issue to raise \$1.57 million by the issue of 52,428,510 fully paid ordinary shares at \$0.03 per share. In addition, participants in the issue received a free option for every two shares subscribed for at an exercise price of \$0.06 at any time within 12 months.

2.2. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half-year of \$953,041 (December 2013: \$2,033,745 loss).

The net assets of the Group have increased by \$1,212,471 from 30 June 2014 to \$13,911,345 at 31 December 2014.

As at 31 December 2014, the Group's cash and cash equivalents increased from 30 June 2014 by \$733,599 to \$1,304,077 and had working capital of \$708,025 (June 2014: \$(30,423) working capital deficit).

Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending 12 months from the date of this report. In order to continue the Group's planned exploration program, the Company will require further funding within the next 15 months. Should the Group be unable to raise sufficient funds, the planned exploration program may have to be amended. The Board is confident in securing sufficient additional funding to fund the planed exploration program. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds.

DIRECTORS' REPORT

3. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2014 has been received and can be found on page 5 of the half-year report.

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



PETER REEVE

Executive Chairman

Dated this Monday, 16 March 2015

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

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To the Board of Directors

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

As lead audit director for the review of the financial statements of Aura Energy Limited for the half year ended 31 December 2014, 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
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2015



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- Accountants
- Auditors
- Advisors

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
Continuing operations			
Revenue		5,197	5,807
Other income		469	29,276
		5,666	35,083
Project partnering and divestment		(3,758)	(4,785)
Accounting and audit fees		(57,782)	(106,360)
Business development		-	(1,577)
Computers and communications		(16,759)	(14,388)
Depreciation		(3,539)	(3,907)
Employee benefits		(590,008)	(301,669)
Finance Costs		(20,487)	(1,981)
Insurance		(22,553)	(18,851)
Legal and consulting fees		(35,661)	(13,605)
Public relations		(31,492)	(44,770)
Rent and utilities		(16,867)	(48,982)
Share-based payments		(8,536)	(35,267)
Share registry and listing fees		(32,239)	(32,388)
Travel and accommodation		(49,874)	(79,786)
Exploration expenditure written-off	5	(6,882)	(1,745,625)
Other expenses		(62,270)	(20,516)
Loss before income tax		(953,041)	(2,439,374)
Tax rebate for Research and Development		-	405,629
Loss from continuing operations		(953,041)	(2,033,745)
Other comprehensive income, net of income tax			
☛ <i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
☛ <i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency movement		19,838	491,851
Other comprehensive income for the year, net of tax		19,838	491,851
Total comprehensive income attributable to members of the parent entity		(933,203)	(1,541,894)
Earnings per share:		¢	¢
Basic loss per share (cents per share)		(0.39)	(1.11)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

AURA ENERGY LIMITED

AND CONTROLLED ENTITIES

ABN 62 115 927 681

INTERIM FINANCIAL REPORT 31 DECEMBER 2014**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents	2	1,304,077	570,478
Trade and other receivables	3	86,176	92,830
Financial assets	4	17,783	64,453
Total current assets		1,408,036	727,761
Non-current assets			
Plant and equipment		2,435	2,994
Exploration and evaluation assets	5	13,200,885	12,726,303
Total non-current assets		13,203,320	12,729,297
Total assets		14,611,356	13,457,058
Current liabilities			
Trade and other payables	6	519,609	431,087
Short-term provisions	7	139,301	106,081
Borrowings	8	41,101	221,016
Total current liabilities		700,011	758,184
Total liabilities		700,011	758,184
Net assets		13,911,345	12,698,874
Equity			
Issued capital	9	30,072,696	27,935,558
Reserves		778,429	1,238,119
Accumulated losses		(16,939,780)	(16,474,803)
Total equity		13,911,345	12,698,874

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Foreign Exchange Translation Reserve \$	Total \$
Balance at 1 July 2013	27,759,558	(12,619,305)	642,516	783,742	16,566,511
Loss for the year attributable owners of the parent	-	(2,033,745)	-	-	(2,033,745)
Other comprehensive income for the year attributable owners of the parent	-	-	-	491,851	491,851
Total comprehensive income for the year attributable owners of the parent	-	(2,033,745)	-	491,851	(1,541,894)
Transaction with owners, directly in equity					
Options vested during the year	-	-	35,267	-	35,267
Balance at 31 December 2013	27,759,558	(14,653,050)	677,783	1,275,593	15,059,884
Balance at 1 July 2014	27,935,558	(16,474,803)	749,118	489,001	12,698,874
Loss for the year attributable owners of the parent	-	(953,041)	-	-	(953,041)
Other comprehensive income for the year attributable owners of the parent	-	-	-	19,838	19,838
Total comprehensive income for the year attributable owners of the parent	-	(953,041)	-	19,838	(933,203)
Transaction with owners, directly in equity					
Shares issued during the year	2,173,689	-	-	-	2,173,689
Transaction costs	(36,569)	-	-	-	(36,569)
Options expired during the year	-	488,064	(488,064)	-	-
Options exercised during the year	18	-	-	-	18
Options vested during the year	-	-	8,536	-	8,536
Balance at 31 December 2014	30,072,696	(16,939,780)	269,590	508,839	13,911,345

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities			
Interest received		5,197	5,807
Interest and borrowing costs		(2,067)	(1,981)
Payments to suppliers and employees		(537,257)	(770,524)
Payments for exploration expenditure		(395,807)	(701,491)
Net cash used in operating activities		(929,934)	(1,468,189)
Cash flows from investing activities			
Purchase of plant and equipment		(2,980)	-
Proceeds from the sale plant and equipment		-	30,272
Net cash used in investing activities		(2,980)	30,272
Cash flows from financing activities			
Proceeds from issue of shares		1,722,855	-
Capital raising costs		(36,569)	-
Repayment of borrowings		(23,335)	-
Net cash provided by financing activities		1,662,951	-
Net increase/(decrease) in cash held		730,037	(1,437,917)
Cash at beginning of period		570,478	2,012,295
Change in foreign currency held		3,562	15,274
Cash at 31 December	2	1,304,077	589,652

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the condensed consolidated financial statements and notes of Aura Energy Limited (**the Company**) and controlled entities (**Group**). Aura Energy Limited is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue on 16 March 2015 by the directors of the Company.

a. Basis of preparation

This 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 2014, together with any public announcements made during the half-year.

i. 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.

ii. Financial position

The consolidated financial statements have been prepared on the basis of historical cost. 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.

iii. 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.

iv. 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 of \$953,041 (2013: \$2,033,745 loss) and a net cash in-flow of \$730,037 (December 2013: \$1,437,917 out-flow). As at 31 December 2014, the Group had working capital of \$708,025 (June 2014: \$30,423 working capital deficit).

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.

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.

b. Critical Accounting Estimates and Judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2014 annual report, with the exception of the following:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i. 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 \$13,200,885.

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 12.

c. 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 (the 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 1031 'Materiality' (2013)
- ☛ AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- ☛ AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'
- ☛ AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- ☛ AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- ☛ AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- ☛ AASB 2014-1 'Amendments to Australian Accounting Standards'
 - ▶ Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - ▶ Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
 - ▶ Part C: 'Materiality'
- ☛ Interpretation 21 'Levies'

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 2014

NOTE 2 CASH AND CASH EQUIVALENTS

	31 December 2014 \$	30 June 2014 \$
Cash at bank	504,077	554,953
Short-term bank deposits	800,000	15,525
	1,304,077	570,478

NOTE 3 TRADE AND OTHER RECEIVABLES

	31 December 2014 \$	30 June 2014 \$
Current		
Value-added tax receivable	37,844	31,065
Trade debtors	34,655	29,728
Other	18,696	37,075
Less: Provision for Impairment	(5,019)	(5,038)
	86,176	92,830

- a. 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 Mauritania (VAT).

NOTE 4 FINANCIAL ASSETS

	31 December 2014 \$	30 June 2014 \$
Current		
Mauritanian cautions / bonds receivable	17,783	64,453

NOTE 5 EXPLORATION AND EVALUATION ASSETS

	31 December 2014 \$	30 June 2014 \$
Non-current		
Exploration expenditure capitalised:		
Exploration and evaluation phase at cost	12,715,173	15,089,645
Add: Effect of exchange rate changes on exploration and evaluation assets	492,594	516,849
Less: Exploration expenditure impairment	(6,882)	(2,880,191)
Net carrying value	13,200,885	12,726,303

- a. The value of the Group interest in exploration expenditure is dependent upon the following:

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

The Group's exploration properties may be subjected to claim(s) under native title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of 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. The Group is currently appealing a decision made by the Swedish mining authorities not to grant an extension to one of its tenements, which has capital costs associated to it with a carrying value of A\$243,939. The Group is confident it will be successful with its appeal

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INTERIM FINANCIAL REPORT 31 DECEMBER 2014

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 6 TRADE AND OTHER PAYABLES**

		31 December 2014 \$	30 June 2014 \$
Current			
<i>Unsecured</i>			
Trade payables	6a	132,840	229,901
Accrued expenses		271,073	137,937
Other payables		115,696	63,249
		519,609	431,087

- a. Trade payables are non-interest bearing and arise from the usual operating activities of the Group. Trade payables and other payables and accruals, except directors' fees, are usually settled within the lower of terms of trade or 30 days.

NOTE 7 SHORT-TERM PROVISIONS

		31 December 2014 \$	30 June 2014 \$
Current			
Employee benefits		122,600	106,081
Provision for Mauritanian Withholding Tax		16,701	-
		139,301	106,081

NOTE 8 BORROWINGS

		31 December 2014 \$	30 June 2014 \$
Current			
Short-term borrowings	8a	9,081	32,416
Convertible note	8b	32,020	188,600
		41,101	221,016

- a. Short-term borrowings comprise premium funding for insurance policies, repayable within 12 months.
- b. On 28 February 2014, the Company entered into a financing arrangement providing up to \$3,775,000 over 24 months. Under the agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, Aura received \$325,000, in the form of a \$250,000 convertible note and \$75,000 as a prepayment for placement of ordinary shares in Aura. Lind will further invest in tranches of \$75,000, 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.

The convertible note liability is measured at its present value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 9 ISSUED CAPITAL

The Company has issued share capital amounting to 274,471,428 (June 2014: 195,825,149) fully paid ordinary shares at no par value.

Note	31 December 2014 \$	30 June 2014 \$
9a	30,072,696	27,935,558

Note	31 December 2014 \$	31 December 2013 \$	31 December 2014 No.	31 December 2013 No.
a. Ordinary shares				
At the beginning of the reporting period	27,935,558	27,759,558	195,825,149	183,285,591
Shares issued during the period:				
☛ 4,166,667 Shares issued on 9.7.2014	75,000	-	4,166,667	-
☛ 9,722,222 Shares issued on 24.7.2014	175,000	-	9,722,222	-
☛ 52,428,510 Shares issued on 9.9.2014	1,572,855	-	52,428,510	-
☛ 1,527,303 shares issued on 10.10.2014	60,232	-	1,527,303	-
☛ 292 shares issued on 13.10.2014	18	-	292	-
☛ 3,571,429 shares issued on 20.10.2014	75,000	-	3,571,429	-
☛ 355,104 Shares issued on 5.12.2014	11,357	-	355,104	-
☛ 6,874,752 Shares issued on 19.12.2014	204,245	-	6,874,752	-
Transaction costs relating to share issues	(36,569)	-	-	-
At reporting date	30,072,696	27,759,558	274,471,428	183,285,591

b. Options

Listed options

Unlisted options

	31 December 2014 No.	30 June 2014 \$
Listed options	-	35,789,218
Unlisted options	45,683,713	23,745,000
	45,683,713	59,534,218

NOTE 10 RELATED PARTY TRANSACTIONS

a. Key management personnel (KMP) compensation

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

Note	31 December 2014 \$	31 December 2013 \$
☛ Mr Peter Reeve	184,311	49,479
☛ Dr Robert Beeson	280,523	174,000
☛ Mr Brett Fraser	32,375	32,775
☛ Mr Julian Perkins	29,667	30,044
☛ Mr Stan Zillwood (appointed 30 December 2013)	65,429	-
☛ Mr Jay Stephenson (Resigned 12 July 2013)	-	2,177
☛ Mr Leigh Junk (Resigned 12 July 2013)	-	2,177
☛ Mr Simon O'Loughlin (Resigned 12 July 2013)	-	2,177
	592,305	292,829

- i. Payments for the 31 December 2014 half-year include an accrual of \$192,000. This represents an estimate of termination benefits payable to Dr Beeson after stepping down as managing director. The quantum of this benefit is under negotiation with the Board.

AURA ENERGY LIMITED

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ABN 62 115 927 681

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 10 RELATED PARTY TRANSACTIONS

b. KMP compensation settled by shares

During the half-year ended 31 December 2014 unpaid and accrued directors fees totalling \$204,245 were settled through the issue of shares in the Company in accordance with resolutions passed at the Company's Annual General Meeting.

- Mr Peter Reeve
- Dr Robert Beeson
- Mr Brett Fraser
- Mr Julian Perkins

Fees \$	Shares No.
107,487	3,706,431
48,540	1,580,366
20,718	682,303
27,500	905,652
204,245	6,874,752

c. Other 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.

- Wolfstar Group Pty Ltd**
Wolfstar Group Pty Ltd, a company jointly controlled by Mr Fraser provides financial services to the Company. These services are directly and indirectly by Messrs Fraser and Stephenson.
- 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.

31 December 2014 \$	31 December 2013 \$
9,895	48,497
10,591	1,438

NOTE 11 FINANCIAL INSTRUMENTS

The Group's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables and convertible notes. The carrying amount of these financial assets and liabilities approximate their fair value.

NOTE 12 EVENTS SUBSEQUENT TO REPORTING DATE

On 1 January 2015 Mr Peter Reeve was appointed Executive Chairman and Dr Robert Beeson stepped down as Managing Director, taking up a non-executive director role.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 13 OPERATING SEGMENTS

a. Segment Performance

	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
Half-Year ended 31 December 2013					
Segment Revenue and other income	-	-	-	5,666	5,666
Segment Results	(5,329)	(3,230)	(2,080)	5,666	(4,973)
Amounts not included in segment results but reviewed by Board:					
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>					
▶ Accounting and audit fees					(57,782)
▶ Business development					-
▶ Computers and communications					(16,759)
▶ Depreciation					(3,539)
▶ Employee benefits expense					(590,008)
▶ Financing costs					(20,487)
▶ Insurance					(22,553)
▶ Legal and consulting					(35,661)
▶ Public relations					(31,492)
▶ Rent and utilities					(16,867)
▶ Share-based payment expenses					(8,536)
▶ Share registry and listing fees					(32,239)
▶ Travel and accommodation					(49,874)
▶ Other unallocated expenses					(62,271)
▶ Tax rebate for Research and Development					-
Loss after Income Tax					(953,041)

Half-Year ended 31 December 2013

Segment Revenue and other income	-	-	-	35,084	35,084
Segment Results	(969,672)	(561,528)	(194,443)	10,316	(1,715,327)
Amounts not included in segment results but reviewed by Board:					
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>					
▶ Accounting and audit fees					(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)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 13 OPERATING SEGMENTS (cont.)

b. Segment Assets

31 December 2014	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
Segment Assets	15,525	6,416,876	6,952,944	1,137,400	14,522,745
Unallocated Assets:					
▶ Trade and other receivables					86,176
▶ Plant and equipment					2,435
▶ Other non-current assets					-
Total Assets					14,611,356
Segment asset additions and disposals for the period:					
▶ Additions	4,802	89,448	454,471	-	548,721
▶ Effect of exchange rate changes	-	-	-	-	-
▶ Less: Impairment	(4,802)	-	(2,080)	-	(6,882)
	-	89,448	452,391	-	541,839

30 June 2014

Segment Assets	-	6,327,428	6,500,553	533,254	13,361,235
Unallocated Assets:					
▶ Trade and other receivables					92,829
▶ Plant and equipment					2,994
▶ Other non-current assets					-
Total Assets					13,457,058
Segment asset additions and disposals for the period					
▶ Additions	-	349,250	555,901	-	905,151
▶ Less: Write-off of exploration assets	(954,767)	(1,559,848)	(365,576)	-	(2,880,191)
	(954,767)	(1,210,598)	190,325	-	(1,975,040)

c. Segment Liabilities

31 December 2014	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
Segment Liabilities	-	3,464	61,784	32,020	97,268
Unallocated Liabilities:					
▶ Trade and other payables					454,361
▶ Short-term provisions					139,301
▶ Short-term borrowings					9,081
Total Liabilities					700,011

30 June 2014

Segment Liabilities	3,300	41,967	68,550	188,600	302,417
Unallocated Liabilities:					
▶ Trade and other payables					317,270
▶ Short-term provisions					106,081
▶ Short-term borrowings					32,416
Total Liabilities					758,184

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 14 COMPANY DETAILS

The registered office and principal place of the Company is:

Address:

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

Telephone: +61 (0)8 6141 3570

Facsimile: +61 (0)8 6141 3599

Website: www.auraenergy.com.au

E-mail: info@auraenergy.com.au

AURA ENERGY LIMITED

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INTERIM FINANCIAL REPORT 31 DECEMBER 2014

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 6 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 2014 and of the performance for the half-year ended on that date of the 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:



PETER REEVE

Executive Chairman

Dated this Monday, 16 March 2015



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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 Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, 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, a statement of accounting policies, other selected explanatory notes 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 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 2014 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 Consolidated Entity, 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.



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Independent Auditor's Review Report

To the Members of Aura Energy Limited (Continued)



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 and Controlled Entities 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 2014 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and 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 \$953,041 during the half-year ended 31 December 2014. 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
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2015

