



EXPLORE, DISCOVER, DEVELOP

MARCH QUARTERLY REPORT: 8 April 2015

KEY POINTS

Uranium development and exploration company Aura Energy (ASX : AEE) is pleased to provide an update of its activities in Mauritania and Sweden;

- 4,250m Tiris Project drilling campaign (Mauritania) successfully completed
- Tiris Project Resource upgrade drilling focussed on the Hippolyte deposit
- Tiris Resource extension drilling focussed on the Sadi deposit
- Exploration drilling focussed on strong radiometric responses at Aguelet and the Tiris JV which were previously undrilled
- Drilling of 2 holes in the Häggån Project (Sweden) completed
- Tiris Project Feasibility Study continues

PROJECTS OVERVIEW

TIRIS PROJECT, MAURITANIA (AURA 100%)

Aura Energy completed a drilling program on the Tiris Project in Mauritania with the program consisting of approximately 4,250 metres of air-core drilling. The objectives were to:

- Upgrade substantial portions of the resource to Measured and Indicated Resource status.
- Extend the Sadi deposit resource where mineralisation remains open to the south and
- Test several strong radiometric targets that had not been previously drilled.

The program is important in Aura's drive to complete the Tiris Project Feasibility Study in a timely manner. The shallow depth of the Tiris deposit means drilling was completed quickly without cost overruns. The new exploration drilling in the program aims to open

a new area for Aura Energy as it is focussing on strong and extensive radiometric anomalies.

Resource Upgrade Drilling:

The major part of the drilling was directed towards the Hippolyte Deposit (see Figure 1 for deposit locations) where it is anticipated that mining will commence. Drill spacing was reduced from 100 metres x 200 metres to 50 metres x 50 metres in Zone 1. It is anticipated this tighter drill spacing at Zone 1 will allow the Resource to be upgraded to Measured status. On Hippolyte Zones 2 and 4 the drill spacing was reduced to 50 metres x 100 metres to upgrade the Resources in those zones as Indicated or Measured.

On the Ferkik deposit, drill spacing on a portion of the Ferkik West Zone was reduced to 100 metres x 100 metres to upgrade the zone to Indicated Resources.

With this Resource upgrade drilling completed, the Company expects to be able to report the updated Resources in September quarter.

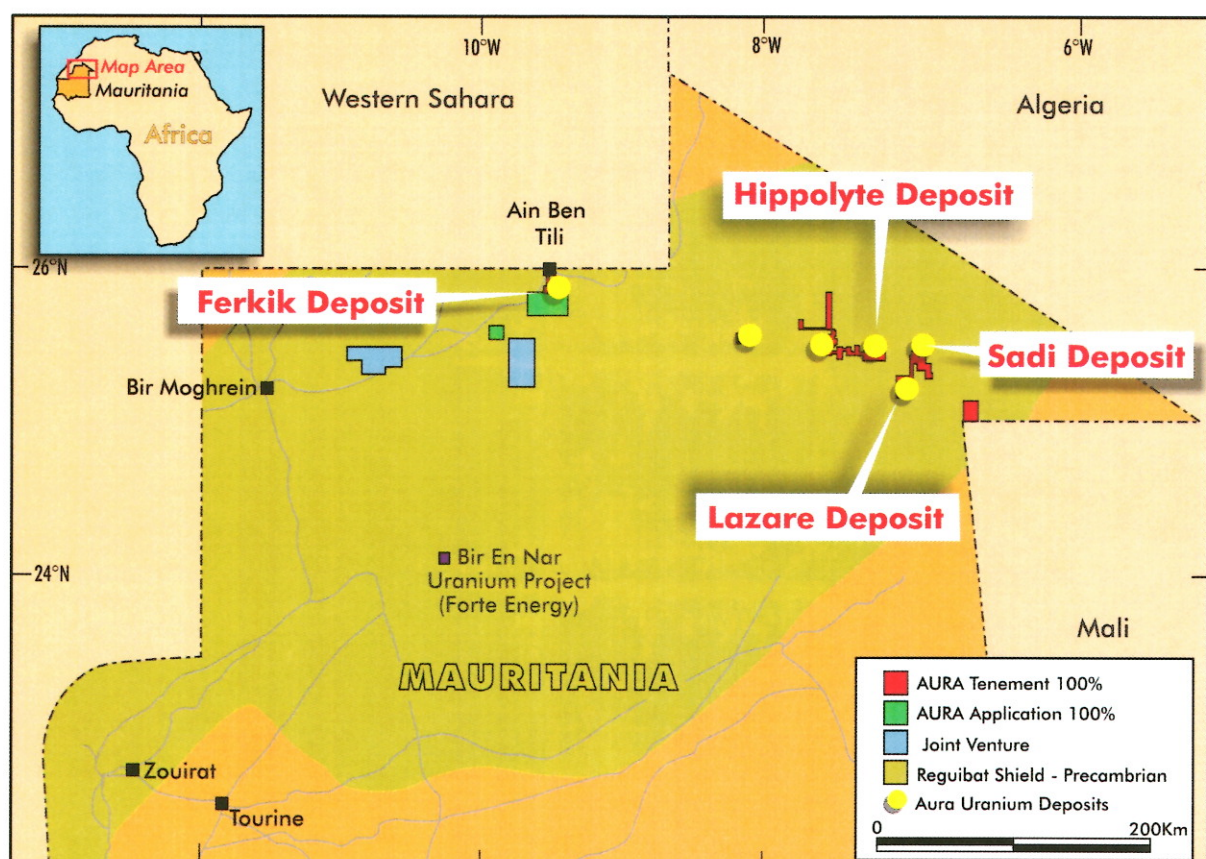


Figure 1: Location of Tiris Project Uranium Deposits

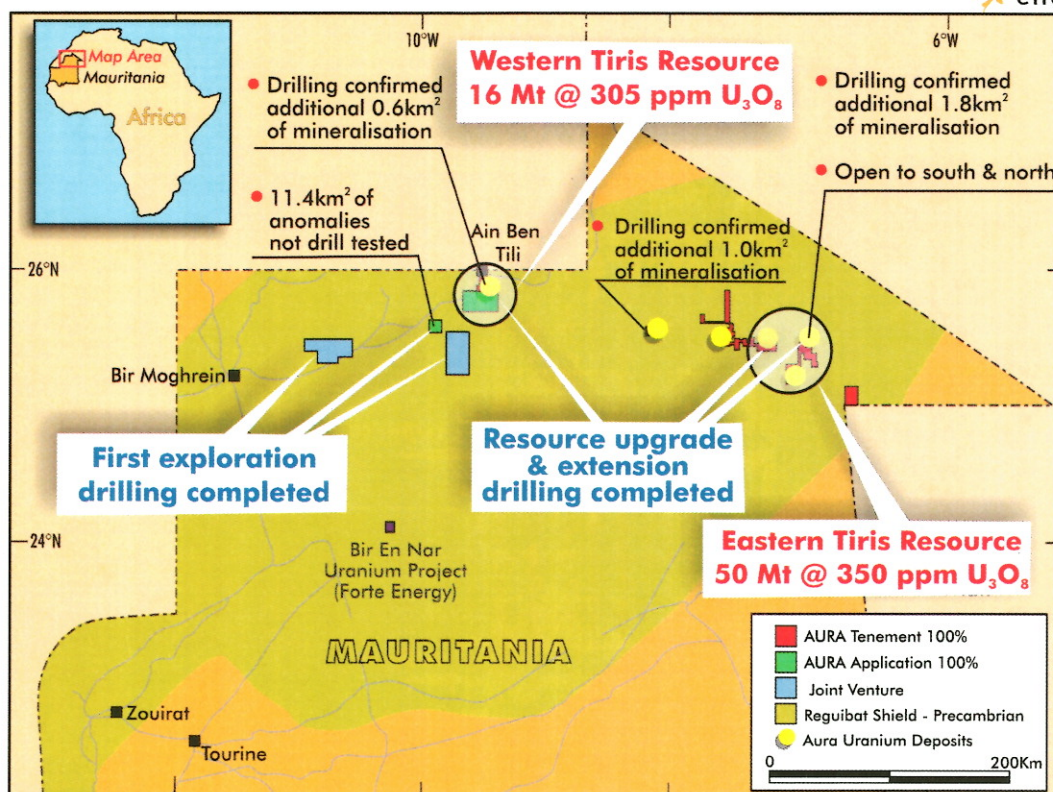


Figure 2: Location of recently completed drilling program

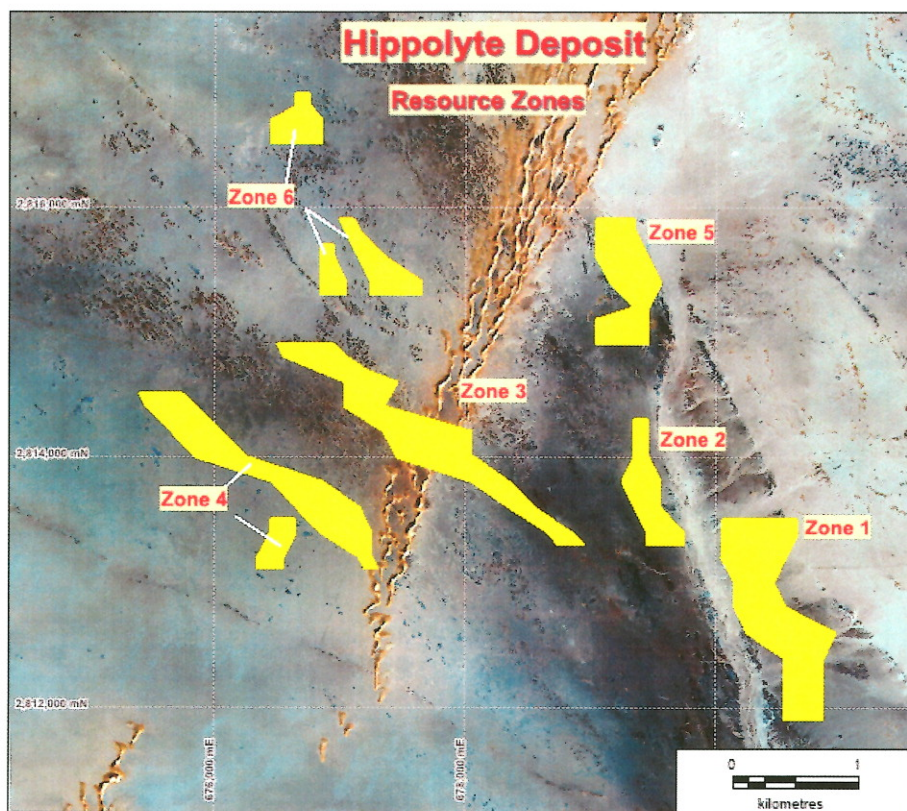


Figure 3: Hippolyte Deposit Resource Zones

Resource Extension Drilling:

Drilling was conducted at Sadi South where previous drilling indicated that mineralisation extends at least 1 km to the south of the current Resource. Previous drilling in this area reported strong uranium grades (4.5 metres at 850 ppm U_3O_8) and some of the thickest mineralisation so far intersected (10.5 metres at 209 ppm U_3O_8). (See figures 4 & 5).

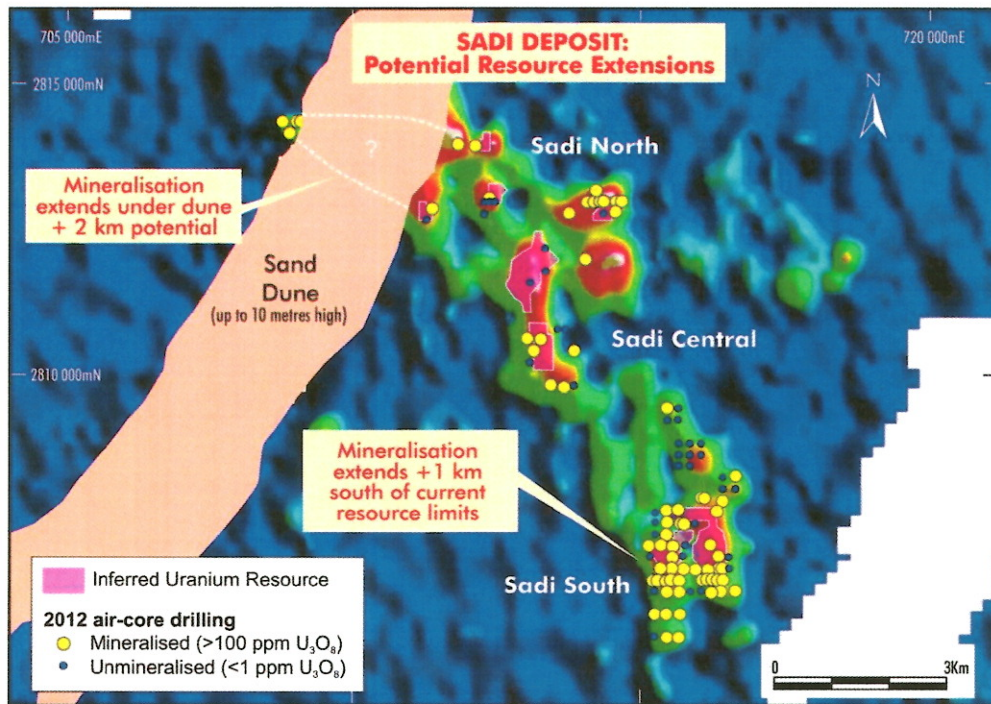


Figure 4: Sadi Deposit

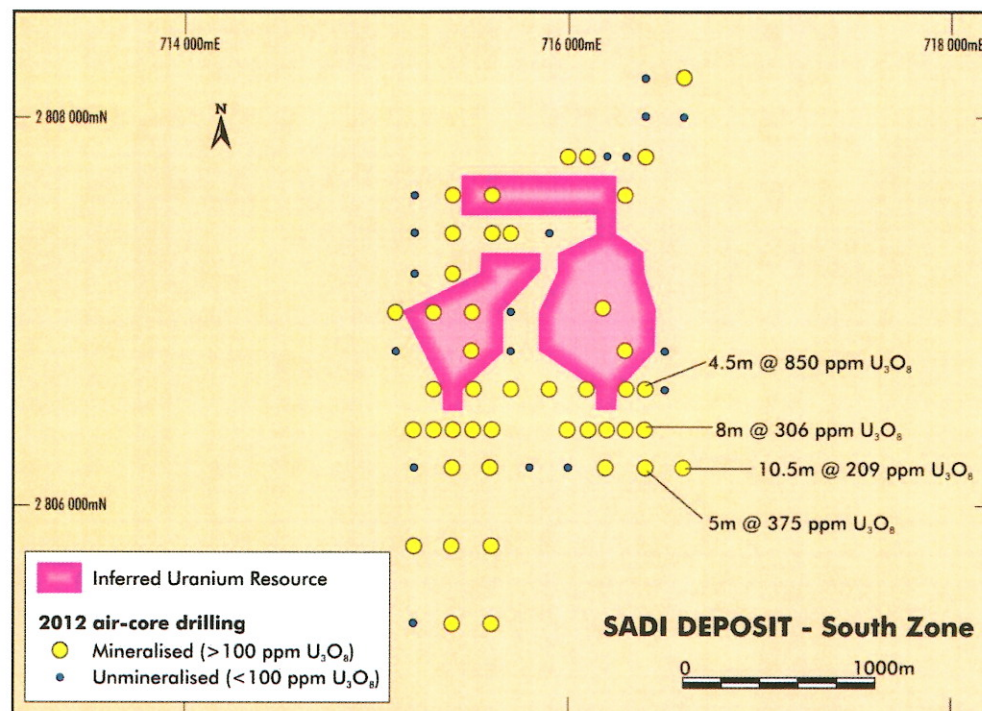


Figure 5: Sadi Deposit - Southern Extension

Exploration Drilling

Several strong radiometric anomalies near Aura's Ferkik resources were drill tested (See Figure 6). None of these prospects had been previously drilled.

On the Azizi West target, soil sampling conducted by the joint venture partner identified strong surficial uranium values within an extensive and strong radiometric anomaly. (See figure 7). These radiometric anomalies were tested by drill holes spaced 200 metres on lines covering the entire anomalies.

The radiometric responses and areal extents of these anomalies compare favourably with those related to Aura's existing resources, and these zones have the potential to contribute substantial additions to the known mineralisation.

Australian contractor Wallis drilling completed the drilling program in approximately seven weeks. Assay results are expected at the end of June.

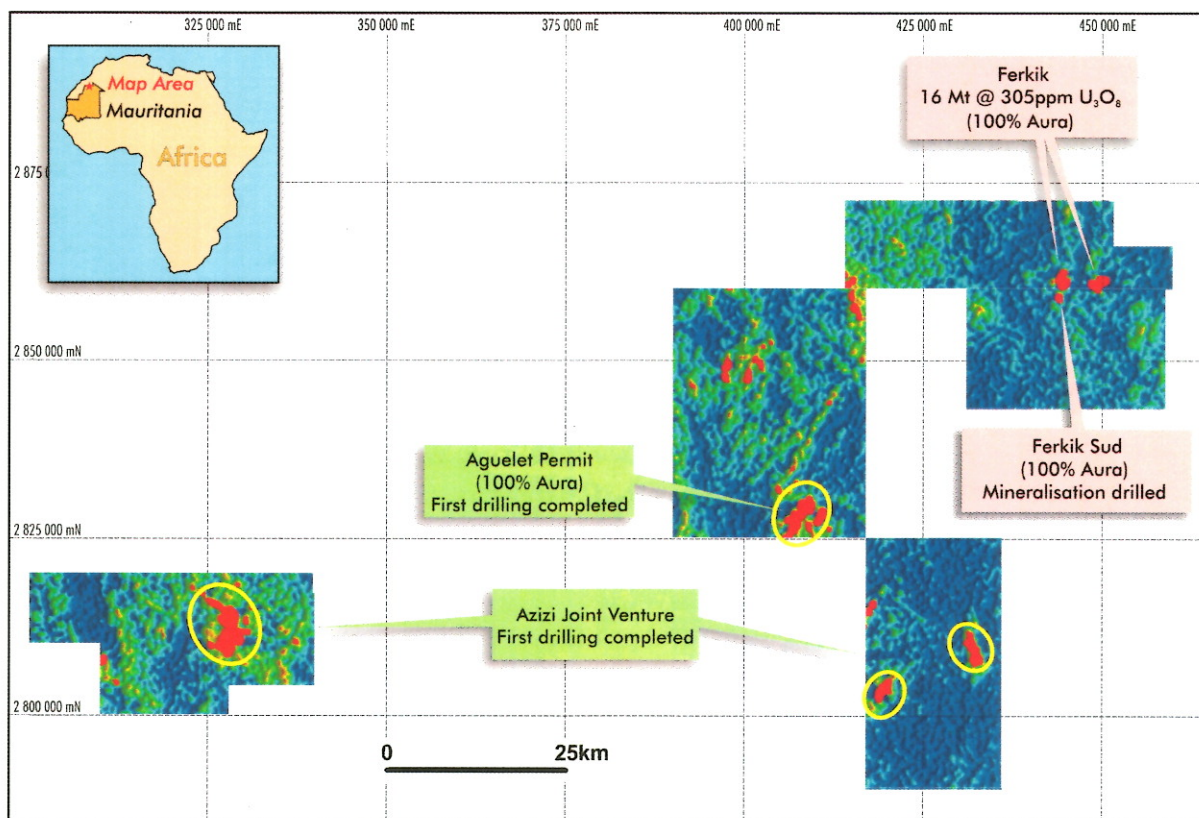


Figure 6: Tiris West exploration targets. The coloured portions represent uranium channel airborne radiometric response. The red zones are strongly anomalous.

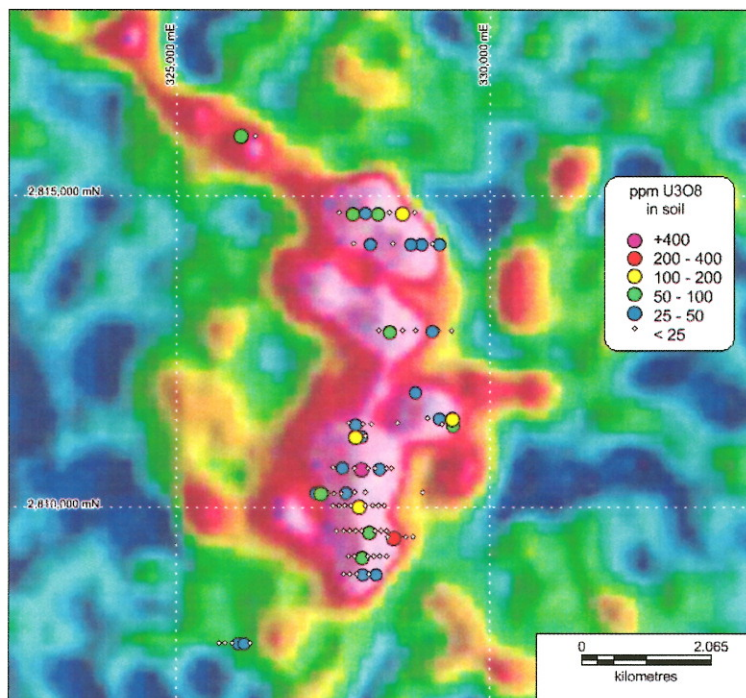


Figure 7: Azizi West target: Uranium in soils.
Background image shows uranium channel airborne radiometric response.

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

The Häggån Project has an Inferred Resource of 803 million pounds of U_3O_8 . Scoping studies previously completed by Aura have indicated that the Häggån Project has the potential be a low cost uranium producer.

Häggån project work during the quarter consisted of drilling two holes, one on Häggån and one on Marby. These drill results are expected by the end of the June quarter.

2015 PLANNED ACTIVITIES AND TARGETS

Aura continues to progress from explorer status to developer and producer and will continue activities to achieve this during 2015.

The key focus and activities for the coming calendar year are as follows;

- Progress the Tiris Project Feasibility Study items including;
 - Environmental baseline and evaluation studies
 - Finalisation of the water studies
 - Logistics studies
 - Marketing studies
 - Completion of the majority of plant design.
- Development of sustainable funding sources.
- Development of strong relationships with the broad investment community both domestically and internationally
- Strengthen and develop the Aura management team to enable project development.
- High level progression of the Häggån Project
- Strengthening of broad relationships in both Mauritania and Sweden.

URANIUM SECTOR AND PRICE

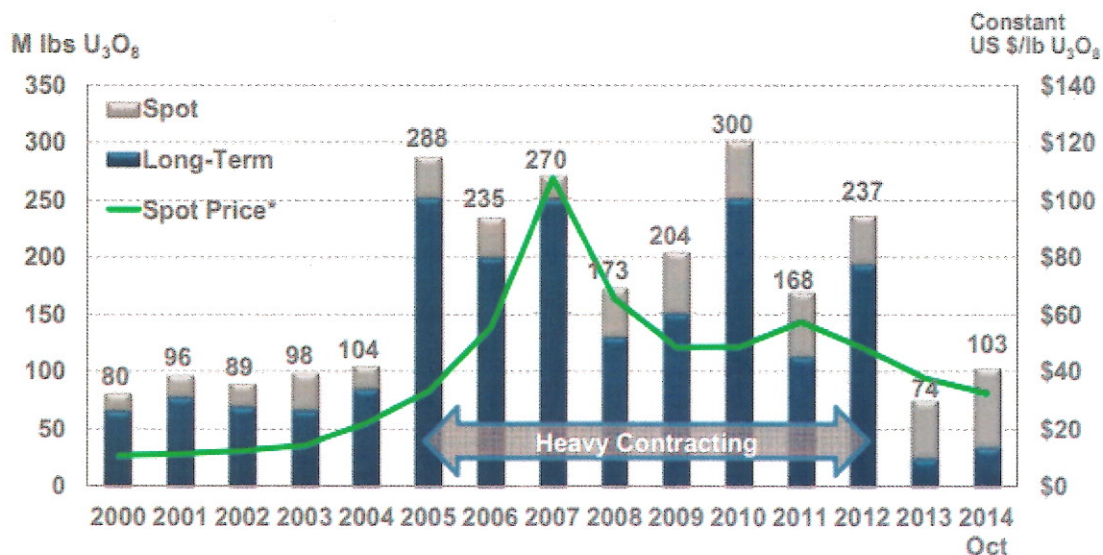
The spot price of uranium has remained steady at around US\$40/lb and the Long Term price steady at around US\$50/lb. There were successive rises of US\$1.25/lb and then US\$1.00/lb in the mid term contract price to US\$42.50/lb, which was instructive as it indicated that where there is any level of market demand in a contract series the low level of market liquidity leads to sharp price spikes. The rise was accompanied by the following Trade Tech comment;

'Sellers continue to compete aggressively for sales involving mid-term delivery. However, sellers are less willing to reduce offer prices for very long-term delivery.'

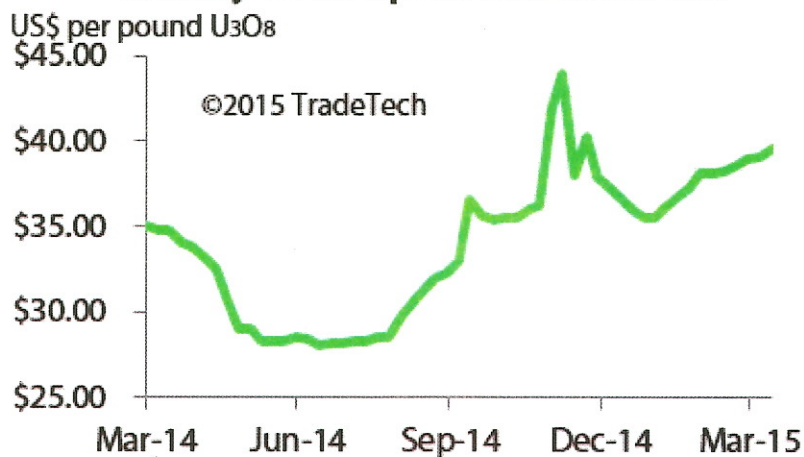
The lack of term contracting in 2013 and '14 as shown in the chart below is a key risk for utilities going forward and will need to be filled at some stage. This contracting phase may impact the Long Term price.

On the supply side of the market BHP, Rio Tinto and Paladin have had disruptions to production, with BHP announcing that it will suffer production losses of 3 million pounds due to a six-month shut down of the Svedala mill at Olympic Dam. There was also a fire at Rio's Rossing plant and issues at Paladin's Langer Heinrich plant which may lead to additional supply disruption.

Significantly, Cameco's Cigar Lake's reduced 2015 guidance during the quarter from 16 Mlbs to a range of 6 to 11 Mlbs. This is a substantial decrease and highlights the difficulty in Cigar Lake's mine operation.



Weekly U₃O₈ Spot Price Indicator





CORPORATE

At the end of the quarter, Aura had cash on hand of \$534,000.

During the quarter Mr Peter Reeve assumed the role of Executive Chairman and CEO of the Company and his contract negotiations were concluded. Details of his contract are included in Appendix 1 to this quarterly report.

Mr Reeve is an experienced CEO in the development and growth of listed mining companies and has been involved in raising more than \$1 billion in equity funding for both large and midcap mining companies. In undertaking this dual role Mr Reeve's past exposure to governance requirements will be important in guiding Aura's future. He was a Resource Fund Manager and Resources Corporate Finance Director at J B Were & Son and more recently he was Chief Executive Officer of Ivanhoe Australia Ltd from its inception. Mr Reeve, who has been Chairman of Aura since July 2013, is a professional metallurgist and has held positions with Rio Tinto, Billiton Australia and Newcrest Mining.

During the period, the Company agreed to issue 12.5 million unlisted performance options as part consideration of corporate advisory fees. The options will have an exercise price of \$0.07 each and expiry date of 3 years from the date of vesting.

The Company intends seeking shareholder approval for the issue of the above securities at a shareholder meeting anticipated to be held in May 2015.

Code:	AEE (ASX)
Shares on issue:	274,471,428
Options on issue:	39,459,005

Board of Directors:

Peter Reeve	Executive Chairman
Bob Beeson	Non-Executive Board Member
Brett Fraser	Non-Executive Board Member
Jules Perkins	Non-Executive Board Member

Website: www.auraenergy.com.au (Under Reconstruction)

For further information contact:

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Executive Chairman and CEO
Phone +61 3 9890 1744

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19-23 Prospect Street
Box Hill VIC 3128

ABN 62 115 927 681

Competent Persons for Tiris Metallurgical Testwork

The Competent Person for the Tiris Metallurgical Testwork is Dr Will Goodall.

The information in the report to which this statement is attached that relates to the testwork and is based on information compiled by Dr Will Goodall. Dr Will Goodall has sufficient experience which is relevant to the testwork program and to the activity which he is undertaking. The qualifies Dr Will Goodall as a Competent Person. Dr Will Goodall is a Member of The Australasian Institute of Mining and Metallurgy. Dr Will Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ABOUT AURA ENERGY'S PROJECTS

TIRIS PROJECT, MAURITANIA (AURA 100%)

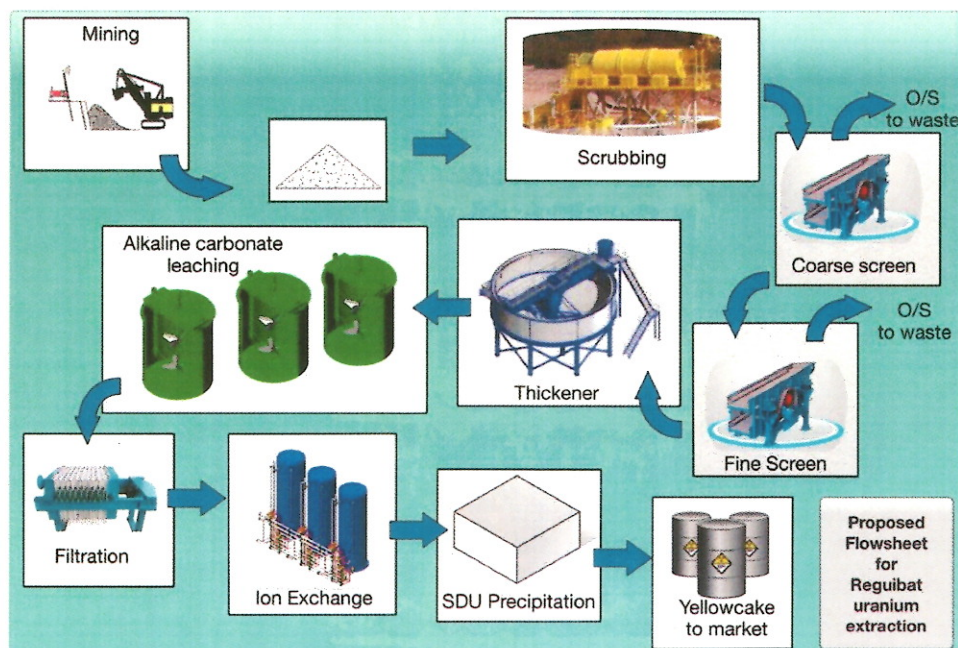
The Tiris Uranium Project is based on a major greenfields uranium discovery in Mauritania, with 49 Mlb U_3O_8 in current resources from 66 million tonnes @ 334 ppm U_3O_8 . The project has several natural attributes which result in low capital and operating costs. These attributes are:

- Shallow flat-lying surface mineralisation (only 1-5 metres deep) 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 2500ppm
- Leads to a very small plant, small footprint and minimal supporting infrastructure
- Leach feed grade 2,000-2,500 ppm U_3O_8 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 unusual characteristics, whilst providing a 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, which indicates 11 million pounds of uranium will be produced over an initial mine life of 15 years, only utilises 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 U_3O_8 for 15 years
- Produce 0.7-1.1 Mlbs U_3O_8 per year
- Expand project from cashflow



HÄGGÅN PROJECT, SWEDEN (AURA 100%)

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.

Sweden remains a nuclear friendly jurisdiction with 10 operating nuclear power reactors. In 2013, Sweden generated 152.5 TWh, of which 65.8 TWh (43%) was from nuclear and 61.3 TWh (40%) from hydro. Sweden imports most of its nuclear fuel, including all enrichment. It is one of the few countries that has the opportunity, within its sovereign borders, to be vertically integrated from nuclear power generation down to the U₃O₈ fuel source. Public opinion polls in the last few years had shown steady majority (over two-thirds) support for nuclear power⁽¹⁾.

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 Häggån Inferred Resource contains **2.35 billion tonnes** at the grades shown in the table below. Metal content is also shown.

Metal	Grade	Content
	ppm	M lbs
U ₃ O ₈	155	803
Ni	316	1640
Zn	431	2230
Mo	207	1070
V	1519	7870

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

Last year the 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; 3.5 Mtpa,

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

(1) <http://www.world-nuclear.org/info/Country-Profiles/Countries-O-S/Sweden/>

Appendix 1

CEO Employment Agreement

Aura Energy Limited has agreed the terms of an employment agreement with its Executive Chairman and Chief Executive Officer, Mr Peter Reeve (Employment Agreement). The Board obtained external advice to ensure that the terms are in line with best practice.

The material terms of the Employment Agreement are as follows:

- (a) \$450,000 salary gross per annum (Base Salary) inclusive of superannuation, comprising \$350,000 in cash and, subject to shareholder approval, \$100,000 in Shares (issued on a quarterly basis in arrears), commencing retrospectively from 1 January 2015;
- (b) subject to shareholder approval (to be sought before 30 June 2015), Mr Reeve will be granted a total of 35,000,000 unlisted Options as follows:
 - (i) 15,000,000 Options exercisable at \$0.10 each, vesting as follows:
 - (A) 8,750,000 Options vesting on issue; and
 - (B) 6,250,000 Options vesting on 9 February 2016; and
 - (ii) 20,000,000 Options exercisable at \$0.15 each, vesting as follows:
 - (A) 2,500,000 Options vesting on 9 February 2016;
 - (B) 8,750,000 Options vesting on 9 February 2017; and
 - (C) 8,750,000 Options vesting on 9 February 2018;
- (c) if Shareholder approval for the above Options is not obtained, the Company will propose an alternative and equivalent mechanism to Mr Reeve. If no such alternative is forthcoming, Mr Reeve may terminate his employment with the Company under the Employment Agreement by giving 3 months' written notice to the Company;
- (d) the Company may terminate Mr Reeve's employment with immediate effect for cause and if Mr Reeve resigns as a director, and without cause with 6 months notice; and
- (e) Mr Reeve may terminate immediately for cause and without cause with 3 months notice.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

AURA ENERGY LIMITED (AEE)

ABN

62 115 927 681

Quarter ended ("current quarter")

31 March 2015

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	(444)	(854)
(b) development	-	-
(c) production	-	-
(d) administration	(318)	(853)
(e) partnering development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grant received	-	-
Net Operating Cash Flows	(751)	(1,691)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(751)	(1,691)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(751)	(1,691)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	1,619
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	.	1,619
	Net increase (decrease) in cash held	(751)	(72)
1.20	Cash at beginning of quarter/year to date	1,293	610
1.21	Exchange rate adjustments to item 1.20	(8)	(4)
1.22	Cash at end of quarter	534	534

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
	158
1.24	Aggregate amount of loans to the parties included in item 1.10
	-

1.25 Explanation necessary for an understanding of the transactions

Payment of MD salary in quarter together with PAYG and superannuation for non-executive directors' fees paid in December 2014

Non-cash financing and investing activities

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

Nil

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

Nil

Financing facilities available

	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	626
4.2 Development	-
4.3 Production	-
4.4 Administration	245
Total	871

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	44	63
5.2 Deposits at call	474	1,214
5.3 Bank overdraft	-	-
5.4 Other: Refundable Guarantees	16	16
Total: cash at end of quarter (item 1.22)	534	1,293

Changes in interests in mining tenements

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

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements
acquired or increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
Nil			

Issued and quoted securities at end of current quarter

	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	274,471,428	274,471,428		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	-	-	\$75,000 convertible note issued 28 Feb 14	
7.6 Changes during quarter		-		
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	570,000	-	<u>Exercise price \$</u> \$0.45	<u>Expiry date</u> 31.03.2016
	1,000,000	-	\$0.20	31.05.2015
	200,000	-	\$0.20	04.12.2016
	6,625,000	-	\$0.20	13.07.2016
	2,250,000	-	\$0.20	13.01.2016
	2,600,000	-	\$0.048	06.03.2017
	26,214,297	-	\$0.06	01.09.2015
		-		
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-		

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)
7.10 Expired during quarter	6,625,000-	-	\$0.015	13.01.2015
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

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:

Company Secretary

Dated: 8 April 2015

Print name: STAN ZILLWOOD

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Interests in Mining Tenements

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%	0% 0% 0%	0% 100% 100%
▶ Motala ProjectHageby nr ▶ Ullevi nr 1 ▶ Stavlosa nr 1	Sweden	0%	0%	100%
 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				