SEPTEMBER QUARTERLY REPORT **31 October 2016**

KEY POINTS:

TIRIS PROJECT (Mauritania)

- Planning continued for restart of Tiris Feasibility Study in December quarter

HÄGGÅN PROJECT (Sweden)

- Initial steps underway for Community Liaison program

CORPORATE

- AIM listing completed raising approximately A$5 million or £2.85 million
- A significant new UK shareholder base has been established via the AIM listing
- Attended Mauritanides conference including high level presentations and meetings with the President, Prime Minister and Mines Minister of Mauritania

QUARTERLY OVERVIEW

Aura Energy successfully gained admission to the London Stock Exchange (AIM), and listed on AIM on Monday, 12th September. The process to achieve this outcome was long and time-consuming however Aura believes it is a decision for the long-term benefit of the company particularly with respect to its future funding needs and relevant shareholders.

The company will apply the majority of the funds to advance the feasibility study for the Tiris Project towards completion.

Discussions were held in Stockholm for planning of a community liaison program for the Häggån Project in Sweden which remains a key asset for the company.

Aura commenced the planning stages for exploration on:

- The Archean Greenstone belts just south of Kinross' large Tasiast Gold Mine and
- The Sabkha adjacent to Aura's uranium projects for soda ash and Lithium

The initial reassessment of these properties, and the discussions held with others in the region, has further highlighted our conviction of the strong prospectivity of these prospects.

TIRIS PROJECT, MAURITANIA (AURA 100%)

Tiris Project Overview

Aura is conducting a Feasibility Study on its 100% owned 49 million pound U_3O_8 calcrete project in Mauritania. The project has low operating costs and low development capital with strong financial returns under long-term pricing scenarios.

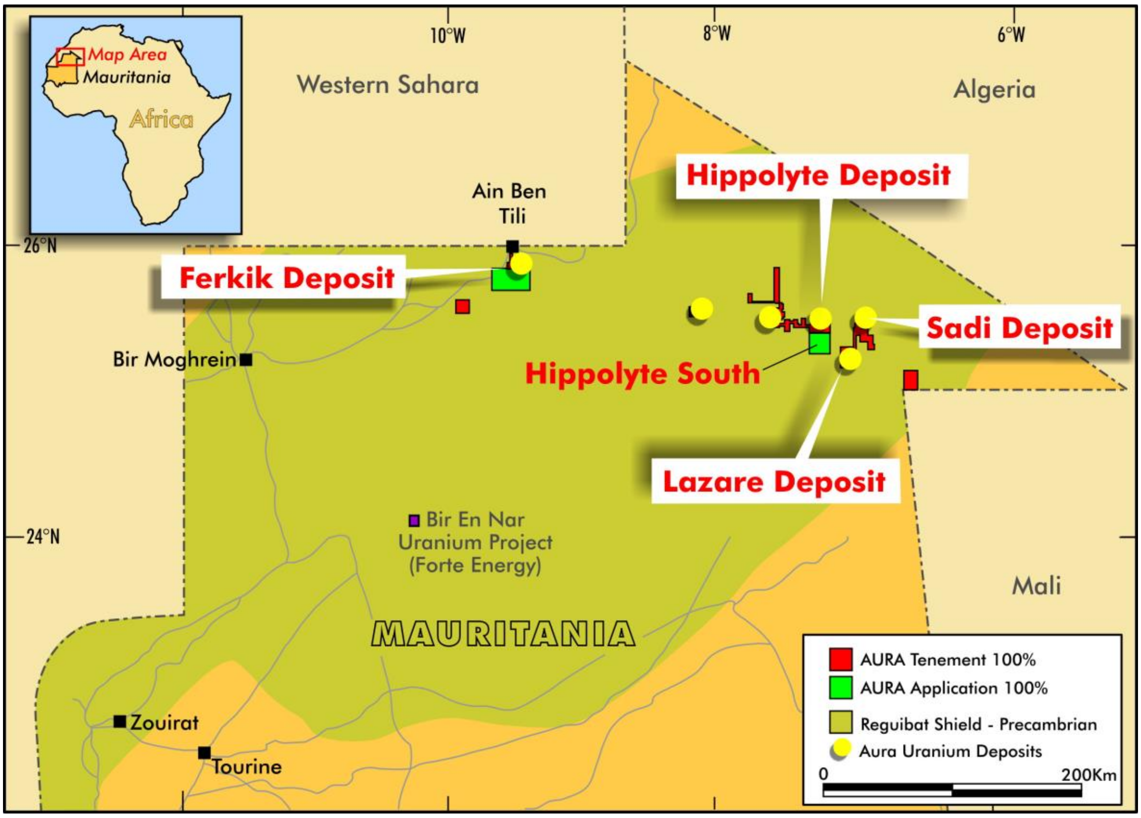

Figure 1: Location of Aura's Tiris Project Uranium Resources.

Tiris Project Studies

The Tiris Feasibility Study will now be recommenced and preliminary planning has been undertaken to recommence the study in earnest during the fourth quarter.

The key areas of initial focus are;

- Down hole logging of Hippolyte and some drilling/sampling
- Water studies
- Continuation of the Environmental Study
- Planning for permitting steps within a 12 month window

This definitive program of works will aim to have the Tiris Feasibility Study complete within 12 months of commencement and leading to a possible decision to mine in late 2017.

HÄGGÅN PROJECT, SWEDEN (AURA 100%)

Häggån Development

The Häggån Project has an Inferred Resource of 803 million pounds of U3O8. Scoping studies previously completed by Aura have indicated that the Häggån Project has the potential be a very large low cost uranium producer.

Discussions continued regarding the community liaison program for the Häggån Project.

The key aspects of the community liaison program are twofold:

- Recruitment of an appropriate representative to further the education and understanding of Aura's project in those areas.
- The completion of an economic development study to outline the benefits of the project in terms of direct and indirect jobs, capital outlay and broader contribution to the local and regional economy.

It is expected this work will commence in the 4th quarter 2016.

Aura continues to press the Häggån project as a unique and strategic energy source in Europe which the European nuclear energy sector is beginning to realise can play an important role as a uranium source in the future.

Aura believes Häggån is a 5-7 year proposition as a development project and is scoping it work program around that time frame.

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CORPORATE

AIM Listing

Aura successfully gained admission to the London Stock Exchange (AIM) and was listed on AIM on Monday, 12th September.

As part of the AIM listing the company has raised £2.24 million (AUD$3.94 million) before expenses by way of a placing of 196,883,849 new Ordinary Shares at £0.0114 (AUD$0.02) per share giving it a market capitalisation of £7.45 million (A$13.1 million) on Admission.

In conjunction with this AIM placement Aura executed subscription agreements with sophisticated Australian investors, to raise a further £607,050 (A$1,065,000) at £0.0114 (AUD$0.02) per share.

As such, the total funds raised in both Australia and the UK was approximately A$5M.

This raising and listing was an outstanding outcome for the Aura Energy and the company has always believed that, given our European and African focus, dual listing on AIM was both an attractive option for Aura and a natural marketplace for us. This is a transformational period for Aura, and as only the second quoted uranium company on AIM, we believe the exercise will generate significant traction for our shareholders as we progress our strategy of phased development and low capital cost projects to allow early cashflow generation particularly from the Tiris Uranium Project.

The success of this dual listing process is a vindication of Aura's uranium assets in Mauritania and Sweden and its gold, soda ash and lithium tenements in Mauritania. This package of development and exploration assets has gained broad market appeal with investors and has been the subject of a full technical review by an independent Competent Person.

Aura received exceptionally strong support from existing and new shareholders for its recent Mauritanian gold transaction where it has secured a vast underexplored tract of greenstone belt just south of the 21 million ounce Tasiast Gold Mine owned by Kinross Gold Corporation. The separate application for lithium and soda ash permits in Mauritania was also well received.

The company is now well funded and positions Aura ideally over the coming years as we build ourselves into a leading uranium developer, advancing our projects towards high-margin, profitable production in the near to medium term.

Aura AIM (only) Placement Statistics

Placing price	1.14 pence A$0.02
Number of Existing Ordinary Shares on issue 9th Sept 2016	457,048,412
Number of Placing Shares being issued	196,883,849
Percentage of Enlarged Issued Share Capital being placed	55 %
Number of Ordinary Shares immediately following Admission	653,932,261
Estimated gross proceeds receivable by the Company	£2.24 million A$3.94 million
Estimated net proceeds receivable by the Company	£1.77 million
Market capitalisation at Placing Price following Admission	£7.45 million A$13.1 million
ISIN	AU000000AEE7
Sedol	BD1RHP4
ASX Code	AEE
AIM Symbol	AURA

Aura Energy Directory

ASX Code:	AEE
AIM Code:	AURA
Shares on issue:	716,401,571
Options on issue:	185,643,069

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*

For further information contact:

Mr Peter Reeve
Executive Chairman and CEO
Phone +61 3 9516 6500
info@auraenergy.com.au

Competent Persons

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 is based on information compiled by Dr Will Goodall. Dr Goodall has sufficient experience that is relevant to the testwork program and to the activity which he is undertaking. This qualifies Dr Goodall as a Competent Personas defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Goodall is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Competent Person for the Tiris and Häggån Resources is Mr Neil Clifford.

The information in the report to which this statement is attached that relates to the resource is based on information compiled by Mr Neil Clifford. Mr Clifford has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Clifford as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Top 20 Shareholders

Top 20 Shareholders **28 October 2016**

Rank	Name	Units	% of Units
1.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	263,692,309	36.81
2.	BNP PARIBAS NOMINEES PTY LTD <ALBERT FRIED CUSTOMER DRP>	59,514,268	8.31
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	58,785,060	8.21
4.	PRE-EMPTIVE TRADING PTY LTD	35,900,000	5.01
5.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	14,063,092	1.96
6.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	13,764,895	1.92
7.	PASAGEAN PTY LIMITED	12,313,946	1.72
8.	MR PETER DESMOND REEVE	9,718,304	1.36
9.	MR MICHAEL BUSHELL	5,474,903	0.76
10.	CITICORP NOMINEES PTY LIMITED	5,296,852	0.74
11.	MR PIETER HOEKSTRA + MRS RUTH HOEKSTRA <HOEKSTRA SUPER FUND A/C>	4,800,000	0.67
12.	YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	4,754,793	0.66
13.	MS MICHELLE ANNE PAINE	4,150,000	0.58
14.	MRS KERRYN PATRICIA DELEN	3,333,840	0.47
15.	MRS LINDA YE + MR DAVID XIAO DONG YE	3,160,000	0.44
16.	DR ROBERT BEESON	3,129,071	0.44
17.	MRS JENNY LEE BUSHELL	3,091,182	0.43
18.	MR PETER ROBERT OTTON + MRS CAROLE ANNE OTTON <OTTON SUPER FUND A/C>	3,000,000	0.42
19.	MR HENDRIK JACOBUS DELEN + MRS KERRYN PATRICIA DELEN <DELEN FAMILY SUPERFUND A/C>	2,914,492	0.41
20.	MR JULIAN CHRISTOPHER PERKINS + MS MARGARET SU-PING FONG <FONG SUPER FUND A/C>	2,861,990	0.40
Total Top 20 Shareholders		**513,718,997**	**71.71**
Remaining Shareholders		**202,682,574**	**28.29**
GRAND TOTAL		**716,401,571**	**100.00**

Top 20 Shareholders **15 July 2016**

Rank	Name	Units	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	63,180,277	13.82
2.	BNP PARIBAS NOMINEES PTY LTD <ALBERT FRIED CUSTOMER DRP>	51,855,234	11.35
3.	PRE-EMPTIVE TRADING PTY LTD	31,250,000	6.84
4.	ONE MANAGED INVESTMENT FUNDS	13,776,875	3.01
5.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	13,764,895	3.01
6.	ONE MANAGED INVESTMENT FUNDS	13,482,919	2.95
7.	PASAGEAN PTY LIMITED	12,180,612	2.67
8.	MR PETER DESMOND REEVE	9,718,304	2.13
9.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	9,303,349	2.04
10.	MR MICHAEL BUSHELL	5,474,903	1.20
11.	MRS KERRYN PATRICIA DELEN	4,937,827	1.08
12.	MRS LINDA YE & MR DAVID XIAO DONG YE	3,710,000	0.81
13.	DR ROBERT BEESON	3,129,071	0.68
14.	MRS JENNY LEE BUSHELL	3,091,182	0.68
15.	MR PETER ROBERT OTTON + MRS CAROLE ANNE OTTON <OTTON SUPER FUND A/C>	3,000,000	0.66
16.	MS MICHELLE ANNE PAINE	3,000,000	0.66
17.	MR JULIAN CHRISTOPHER PERKINS + MS MARGARET SU-PING FONG <FONG SUPER FUND A/C>	2,861,990	0.63
18.	DIRDOT PTY LIMITED <GRIFFITH SUPER FUND A/C>	2,827,500	0.62
19.	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	2,777,873	0.61
20.	MR JOSHUA ADAM TOMLINS	2,768,000	0.61

Total Top 20 Shareholders	**256,090,811**	**56.06**
Remaining Shareholders	**200,957,601**	**43.94**
GRAND TOTAL	**457,048,412**	**100.00**

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[(1)] 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[(2)] 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[(3)] 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[(4).]

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[(5)] 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_3O_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 U_3O_8
- Mining rate 30 Mtpa
- Mined grade 160 ppm U_3O_8 for 30 years
- Production 7.8 Mlbs U_3O_8 per year

NOTES TO PROJECT DESCRIPTIONS

(1) There is a low level of geological confidence associated with inferred mineral resource and there is no certainty that further exploration work will result in the determination of indicated measured resource or that the production target will be realised.

(2) The Company released to the ASX the Tiris Project Scoping Study on 16 July 2014 and the Company believes that no material change to forecast capital and operating costs and forecast production rates have occurred since the release.

(3) There is a low level of geological confidence associated with inferred mineral resource and there is no certainty that further exploration work will result in the determination of indicated measured resource or that the production target will be realised.

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

(5) The Company released to the ASX the Haggan Project Scoping Study on 7 February 2012 and an updated study on 29 May 2014. The Company believes no material change to forecast capital and operating costs and forecast production rates have occurred since the releases.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas 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

ABN	Quarter ended ("current quarter")
90 115 927 681	September 2016

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (three 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	(86)	(86)
	(b) development		
	(c) production		
	(d) administration	(474)	(474)
	(e) AIM listing costs	(399)	(399)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (R&D rebate)		
	Net Operating Cash Flows	(958)	(958)
	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		

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (carried forward)	(958	(958)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(958)	(958)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,002	5,002
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 (Equity raising costs)	(137)	(137)
	Net financing cash flows	4,865	4,865
	Net increase (decrease) in cash held	3,907	3,907
1.20	Cash at beginning of quarter/year to date	318	318
1.21	Exchange rate adjustments to item 1.20	8	8
1.22	**Cash at end of quarter**	4,233	4,233

Payments to directors of the entity, associates of the directors, 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	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

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

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

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	540
4.2 Development	
4.3 Production	
4.4 Administration (including AIM listing costs $140,000)	647
Total	**1,187**

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	2	318
5.2 Deposits at call	4,230	-
5.3 Bank overdraft		
5.4 Other (Bank Guarantees)	-	-
Total: cash at end of quarter (item 1.22)	4,232	318

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

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**	711,319,938	711,319,938		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	196,883,849 53,250,000 3,937,677* 200,00*	196,883,849 53,250,000 3,937,677* 200,000*	1.14 pence (2 cents) $0.02 1.14 pence* $0.02*	1.14 pence (2 cents) $0.02 1.14 pence* $0.02* ** Shares issues for consideration other than cash*
7.5	**+Convertible debt securities** *(description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	200,000 2,600,000 12,500,000 8,750,000 6,250,000 2,500,000 8,750,000 8,750,000 27,226,166 62,111,801 8,163,265 19,979,593 22,943,877 Warrants 6,578,699	- - - - - - - - - - - - - - -	*Exercise price* **$0.20** **$0.0482** **$0.07** **$0.10** **$0.10** **$0.15** **$0.15** **$0.15** **$0.05** **$0.025** **$0.025** **$0.025** **$0.025** **1.14 pence (2 cents)**	*Expiry date* 4 Dec 16 6 Mar 17 17 Jun 18 10 Jun 18 9 Feb 19 9 Feb 19 9 Jun 20 9 Jun 21 17 Jun 17 25 Nov 17 23 Dec 17 5 Feb 18 9 May 18 11 Sep 19
7.8	Issued during quarter	Warrants 6,578,699		*Exercise price* 1.14 pence	*Expiry date* 11 Sep 2019
7.9	Exercised during quarter				
7.10	Expired during quarter			*Exercise price*	*Expiry date*
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

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).

+ See chapter 19 for defined terms.

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 October 2016
Company Secretary

Print name: JM Madden

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 and petroleum 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 or petroleum 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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