

7 December 2016

AURA RECOMMENCES TIRIS DEFINITIVE FEASIBILITY STUDY

TIRIS FIELD ACTIVITIES HAVE NOW COMMENCED

ACTIVITIES TO INCLUDE SAMPLING THE SABKHA PERMIT FOR SODA ASH AND LITHIUM

Aura Energy Limited (ASX:AEE/ AIM:AURA) is pleased to announce that following its successful UK listing and fund raising, activities are now underway with the recommencement of the Tiris Definitive Feasibility Study (DFS) with a target for completion at the end 2017.

The Tiris Uranium project in north eastern Mauritania is a shallow open-pit mining project with a 49Mlbs U_3O_8 Indicated and Inferred Resource, 94% recovery rates and simple processing allowing a potential 500% grade uplift (1). It is forecast to have C1 Cash costs of US\$30/lb U_3O_8 and low-capex costs of US\$45m and has a development MOU signed with a Chinese engineering group (2).

Since the fundraising in September 2016 Aura has continued planning and review for the re-establishment of the DFS program which is now fully underway.

The activities have included the following;

- Appointment of Mr Rod Unwin as the Tiris Study Manager, an experienced African Study Manager having completed studies for Mineral Deposits Ltd on the Sabodala Gold Mine and Grand Cote Mineral Sands Projects in Senegal
- Permanent appointment of Dr Will Goodall as Principal Metallurgist for Aura Energy
- Establishment of the Tiris Project Peer Review Committee
- Commencement of down hole gamma logging of 2015 drillholes
- Ultra-detailed ground radiometric surveying of Mineral Resources
- Planning of geophysical studies for the review and drilling of regional water sources
- Re-commencement of the Environmental Impact Study
- Continuation of metallurgical studies for leaching and beneficiation
- Preparation of documents for the Mining Lease Application
- Meeting with Mines Ministry officials in Mauritania

Aura's Tiris Project remains a small low capex development capable of significant uranium production based on the beneficiation step in the process. The study has a target completion date of end 2017.

As part of the field activities Aura will also commence an initial scoping sample program on its Sabkha, or salt pan, for possible soda ash and lithium occurrences.

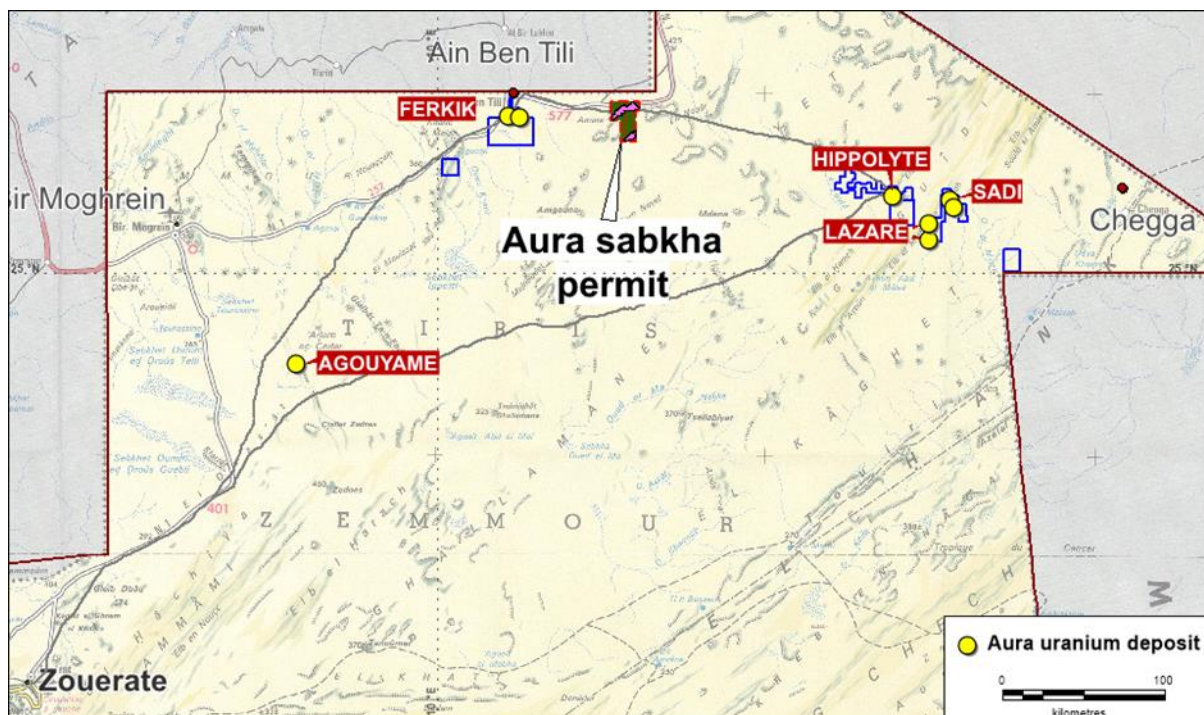


Figure 1: Location of the Sabkha relative to the Aura Uranium Exploration Licences

The location of the Sabkha between Aura's Tiris Project East and West tenements provides a favourable location should a source of soda ash (Na_2CO_3) be identified. Aura's 2014 Scoping Study identified the need for up to 16,000 tonnes of soda ash which, including transport, would account for approximately 25% of Tiris' operating costs (2). Utilising a nearby source of soda ash has the potential to significantly reduce these costs. Additionally potential for revenue from other minerals such as lithium or back-loading soda ash to port for export would further reduce the Tiris operating cost.

Peter Reeve, Aura Energy's Executive Chairman said, *"Aura remains extremely fortunate to have retained such a high-quality team of technical professionals to advance its Tiris Project and Rod Unwin's addition to the team further enhances this; Rod has a proven track record of developing projects in Africa to the production stage."*

With the DFS firmly back underway and field activities commenced we remain confident of completing the study by the end of 2017. Aura maintains that with recovery of the uranium price over the coming two years and the strategic balance of its other minerals exploration program it is perfectly positioned to fund and construct Tiris to coincide uranium production with an improved uranium pricing environment."

To have this study back underway and finally towards completion and with the sampling of Aura's new soda ash and lithium tenements commences an exciting period towards our ultimate goal of cashflow".

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.

Metal

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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 U₃O₈ in current resources (1) from 66 million tonnes @ 334 ppm U₃O₈. 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 U₃O₈ 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 (2);

- 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 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(1). 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 (5);

- 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

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