ASX:AEE

ASX RELEASE **13 December 2021**

'Liquid Gold' in the Sahara - Substantial Water Reconfirmed at Tiris

KEY POINTS:

- Aura has successfully completed the 2021 water drilling campaign, with substantial water encountered in 8 holes, reconfirming the results from water drilling undertaken in 2019.
- The project requires approximately 0.5 giga-litres of water with the Target C22 water occurrence likely to contain several giga-litres of water, with potential for significantly more, without allowing for recharge.
- The presence of sufficient water is important to the mining process, and represents another significant milestone as Aura transforms from uranium explorer to a uranium producer.

Aura Energy Limited (ASX:AEE) ("Aura", the "Company") is pleased to announce the completion and successful results from the Company's 2021 water drilling program, with strong flows encountered at the Tiris Uranium Project ("Tiris", "Project"), reconfirming the results from the 2019 water drilling program undertaken by the Company (ASX Release – 25 September 2019).

Aura completed 8 boreholes for 2021 water drilling program, 7 of which are at Target C22, with all producing strong water flows, including several with high yields as outlined in the table below:

Target	Borehole	Water yield (l/hr)	Water Table (m)
C22	19C22F2	20,000	30.0
C22	21C22F1	18,000	20.4
C22	21C22F2	20,000	19.2
C22	21C22F3	26,000	23.3
C22	21C22F5	3,000	30.0
C22	21C22F6	57,000	16.2
C22	21C22F7	54,000	15.2
C22	21C22F8	20,000	~20

Table 1 – Results from the 2021 water drilling campaign

The location of the water targets and completed bores in relation to project location is shown in Figure 2.

Aura Energy Managing Director, Peter Reeve, commented: "*While Aura has been confident in locating sufficient water for the Project based on earlier work, locating substantial occurrences of water within the Sahara Desert, and within Precambrian basement rocks, was always going to be challenging. We are therefore delighted to have located this large water accumulation so early in our program and close to the proposed plant site.*"

"With sufficient water located in the Oued el Foule Depression at the Project, production can be expedited with capital expenditure and operating costs also likely to remain low in comparison to peer uranium projects[1]*. We look forward to announcing further developments as we transform from a uranium explorer to producer."*

The Project has an initial water requirement of approximately 0.5 giga-litres. Based on the spacing of water bearing drillholes to date, the C22 water occurrence is likely to contain several giga-litres of water, and possibly significantly more, without allowing for recharge. The C22 water field is therefore likely to supply the water requirements of the Project, with long term pump testing, drawdown and recharge observations in progress to confirm this.

The C22 occurrence lies within a metasedimentary zone between 2 granite cupolas (refer Figure 3). It occurs in very flat desert terrain, evident in the photographs below, but within a very shallow, barely perceptible drainage system which is however evident in an enhanced digital terrain model. (Refer Figure 4).

Aura commenced water search activities in the vicinity of its Tiris Uranium deposit in 2018. The uranium deposits lie on Precambrian granite and metamorphic rocks, generally regarded as challenging geology for the location of substantial water resources. For this reason, Aura focussed initially on the Taoudeni Basin, a very large sedimentary basin, the basal members of which supply water for the Zouerate iron-ore operation, some 600 km from Tiris.

A program of geophysics was conducted at this location in 2018/19, with a number of targets identified. However, these are located over 100 km from the project, hence it was decided to attempt to locate a source of water closer to the proposed plant site on the Precambrian shield rocks.

In 2019, 24 targets were identified by lineament analysis for testing by ground geophysics, electro magnetics and resistivity. From this work 9 targets were selected for drill testing.

A drilling program was commenced in 2019. Four holes were completed before the program was suspended due, ironically, to very heavy rain which caused local flooding. Two of the holes intersected significant water flows, the better of which, in Target C22 yielded 15,000 litres per hour.

The drilling program was resumed in August 2021.

1 See '[Competitive Advantage and Comparison Presentation]' released 7 October 2021

Next Steps:

In light of the excellent results from Target C22 Aura has now drawn a halt to the exploratory drilling program, and has drilled five monitoring holes, to model aquifer permissivity, drawdown and recharge characteristics.

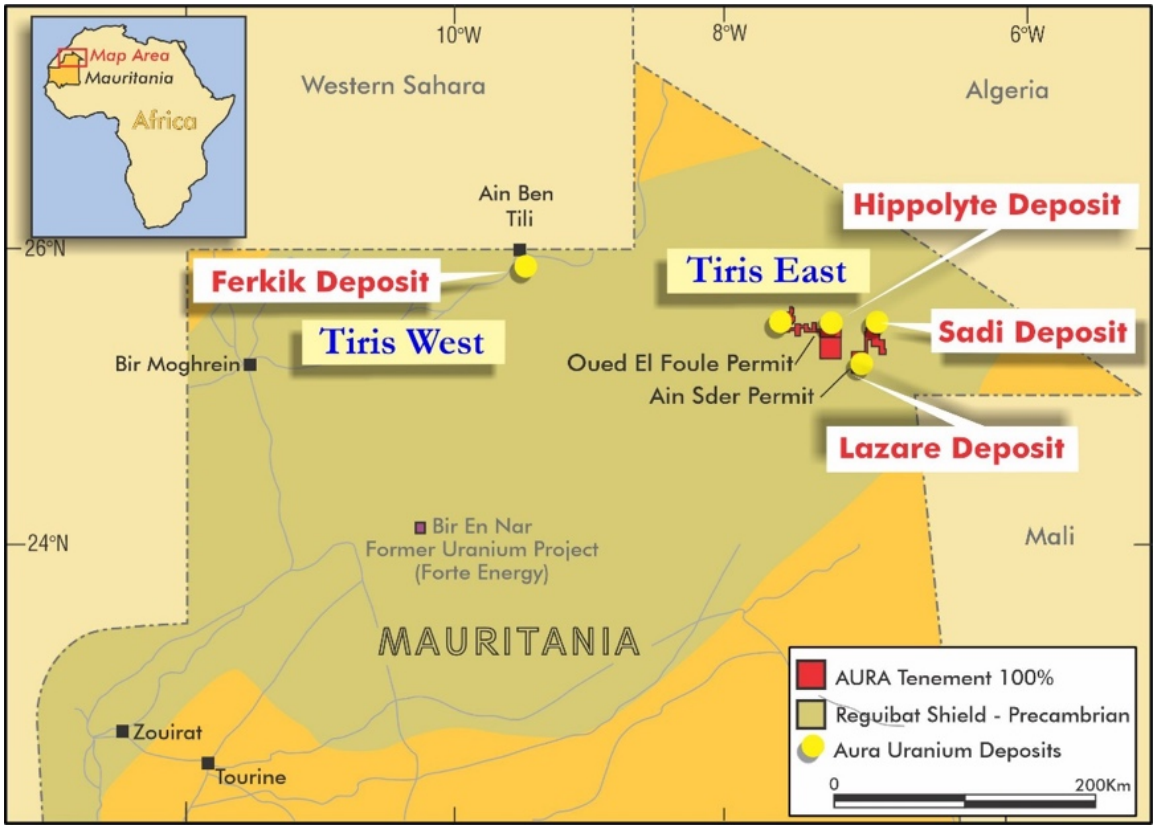


Figure 1: Project Location

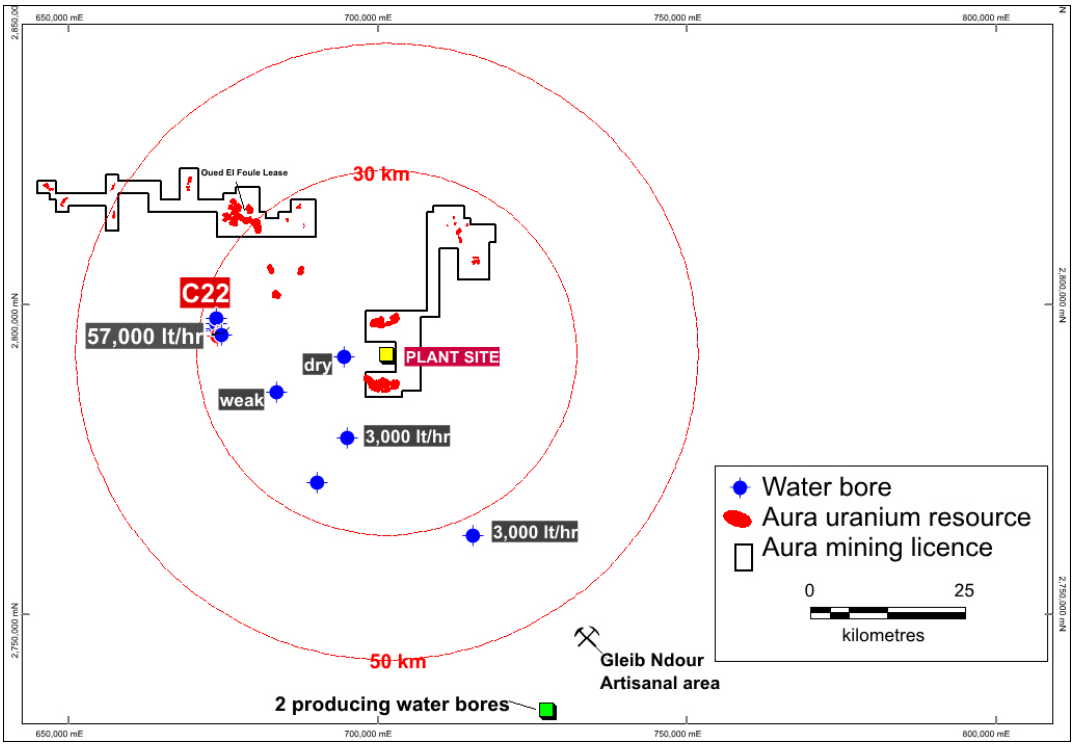
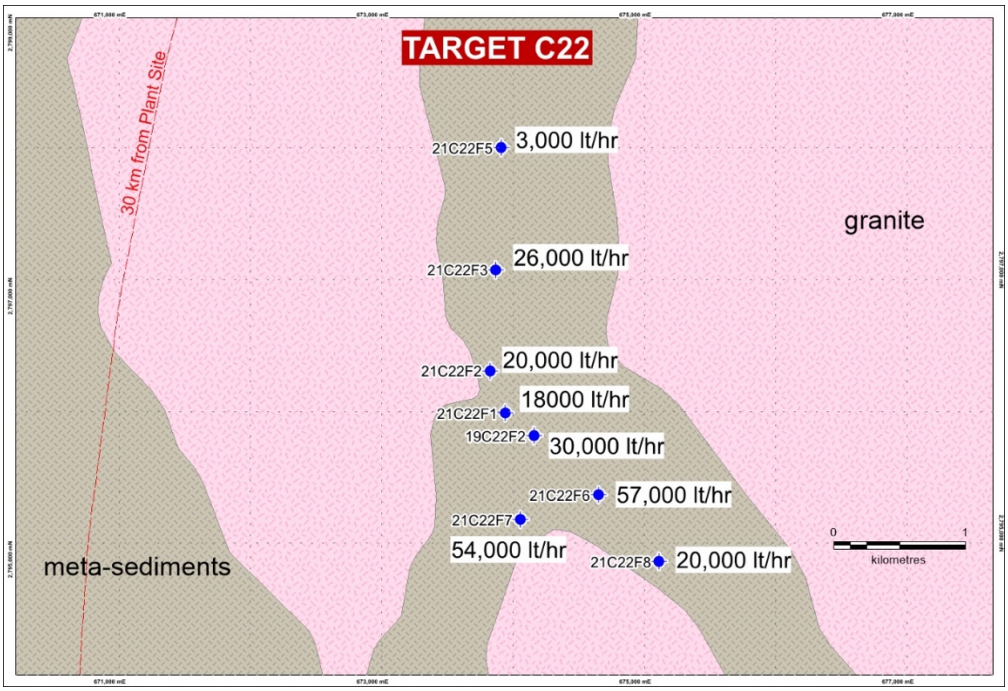


Figure 2: Location of C22 water occurrence in relation to the Tiris Project



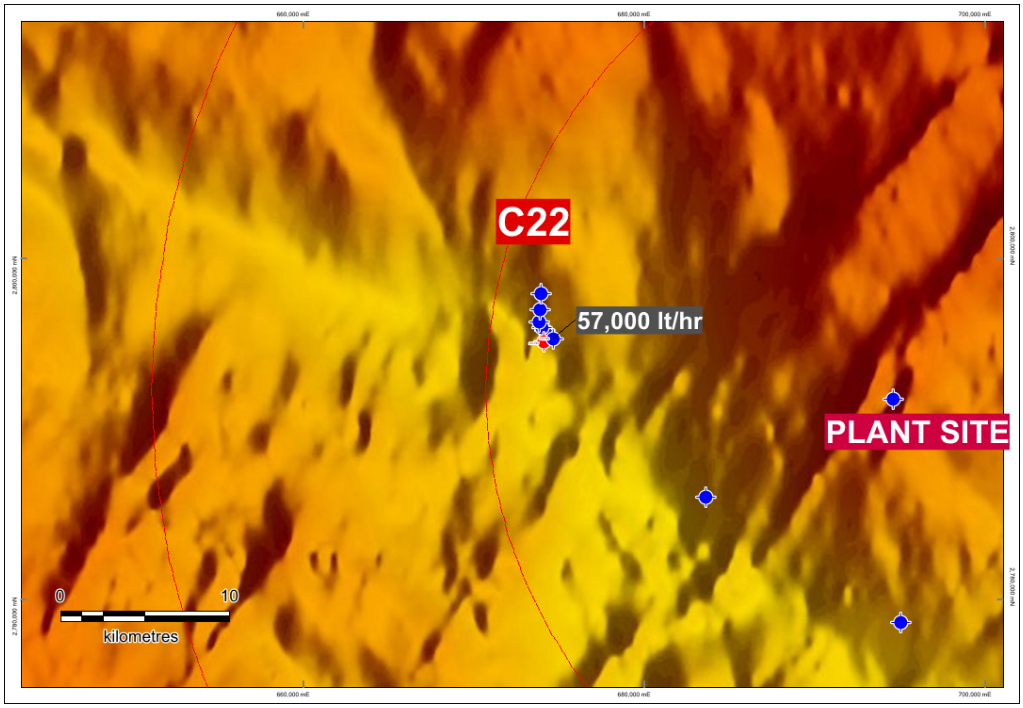


Figure 4: Target C22 on Digital Terrain Model - this DTM image enhances the subtle topography and drainage.

Image 1, 2 & 3 – Water Drilling at the Tiris Uranium Project

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Table 1: 2021 Water Bores Details

Target	Borehole	Water yield (m^3/hr)	Water Table (m)	East	North	EOH	Conductivity µ.s/cm	Start date
C22	21C22F1	18	20.4	673941	2795991	45	13000	8/09/2021
C22	21C22F2	20	19.2	673824	2796312	54	14000	12/09/2021
C22	21C22F3	26	23.3	673868	2797080	66	15900	18/09/2021
C18	21C18F4	3	34	695010	2778730	50		20/09/2021
C22	21C22F5	3	30	673909	2798007	50		23/09/2021
C22	21C22F6	57	16.2	674650	2795371	60	9500	24/09/2021
C22	21C22F7	54	15.2	674058	2795183	48	13500	4/10/2021
C22	21C22F8	20		675113	2794864	66		10/10/2021

This ASX Release was authorised by the Aura Energy Board of Directors.

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Competent Person's Statement

Exploration information in this Announcement is based upon work undertaken by Mr Neil Clifford who is a Member of the Australasian Institute of Geoscientists (AIG). 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 to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Clifford is an independent consultant to Aura Energy Limited and consents to the inclusion in this Announcement of the matters based on their information in the form and context in which it appears.