14 July 2011

First uranium resource in Mauritania - 50 million pounds

HIGHLIGHTS

- Initial resource of 50 Mlbs of uranium at an average grade of 330ppm U_3O_8 compliant with the JORC code
- Reguibat project contains one of the world's larger calcrete uranium resources – confirming emerging uranium province
- Continuous higher grade zones at or close to surface within resource areas
- Potential for substantial increase to resource
- Resource estimate independently prepared by Coffey Mining Ltd
- Aura continues to deliver on strategy and on time

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Häggån Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects. Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

Aura Energy Limited's (ASX Code AEE, "Aura") confidence in the greenfields Reguibat Project in Mauritania has been confirmed by the announcement of the first JORC-code compliant resource.

The Inferred Resource of 50.2 million pounds at 330ppm U_3O_8 on the Reguibat Project was based on a cut-off grade of 100ppm U_3O_8 (Table 1). 48.9 million pounds of this resource are contained in permits 100% held by Aura.

The Reguibat Project comprises several, laterally extensive developments of calcrete uranium mineralisation in northern Mauritania, and confirms that the area is now a major emerging uranium province.

The resource was estimated from results of two drilling programmes, the most recent being completed between November 2010 and February 2011.

Drilling covered all of Aura's wholly owned permits, as well as its joint venture permits, and totaled over 9,100 metres in 2,022 holes.

Final assay results were released on 1 July, 2011 as Aura continues to deliver on its development strategy for West Africa. This new resource has Aura now holding a total of 348 mineral pounds of uranium in inferred resources across all of its projects on three continents.

Resource estimation

The initial Mineral Resource Statement for Aura's uranium projects in Mauritania was prepared by Coffey Mining Ltd (Table 1).

Separate Ordinary Kriged (OK) estimates were undertaken for Ain Sder Central I, Ain Sder Central J, Ain Sder Central C, Oued El Foule Est (Prospects A-G), Oum Ferkik (Prospects L and K), Tenebdar, Aguelt Essfaya and Saabia (Figure 1).

Category	Lower Cut Off	Tonnes	Grade	Contained U_3O_8
	(ppm U_3O_8)	(Mt)	(ppm U_3O_8)	(Mlb)
Inferred	100	68.7	330	50.2
	150	67.3	340	49.9
	200	60.7	350	47.3
	250	48.8	380	41.3
	300	35.8	420	33.4

Table 1: Mineral Resource Statement, Aura Energy Reguibat Project

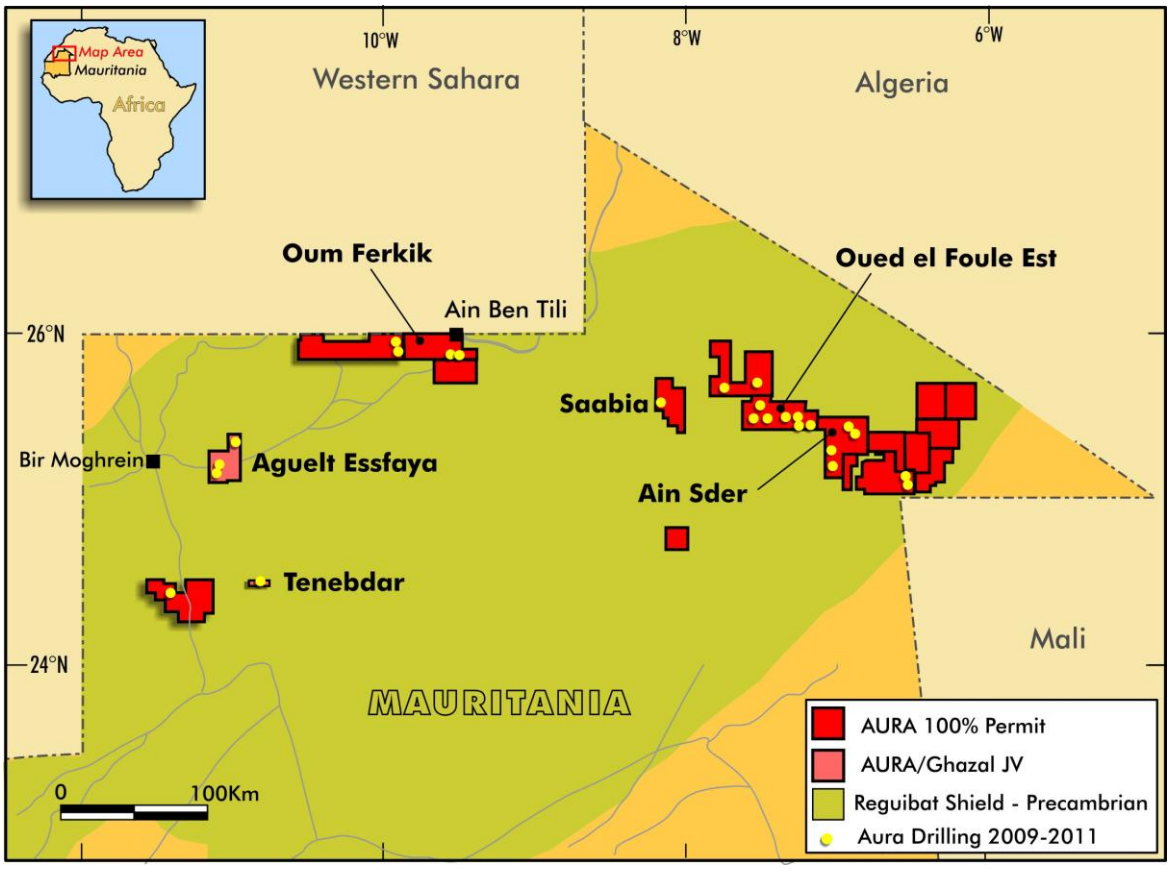

Figure 1: Aura Mauritanian permits and drilling to date

The Reguibat resource compares favourably in terms and grade with many other calcrete uranium resources globally (See Figure 2).

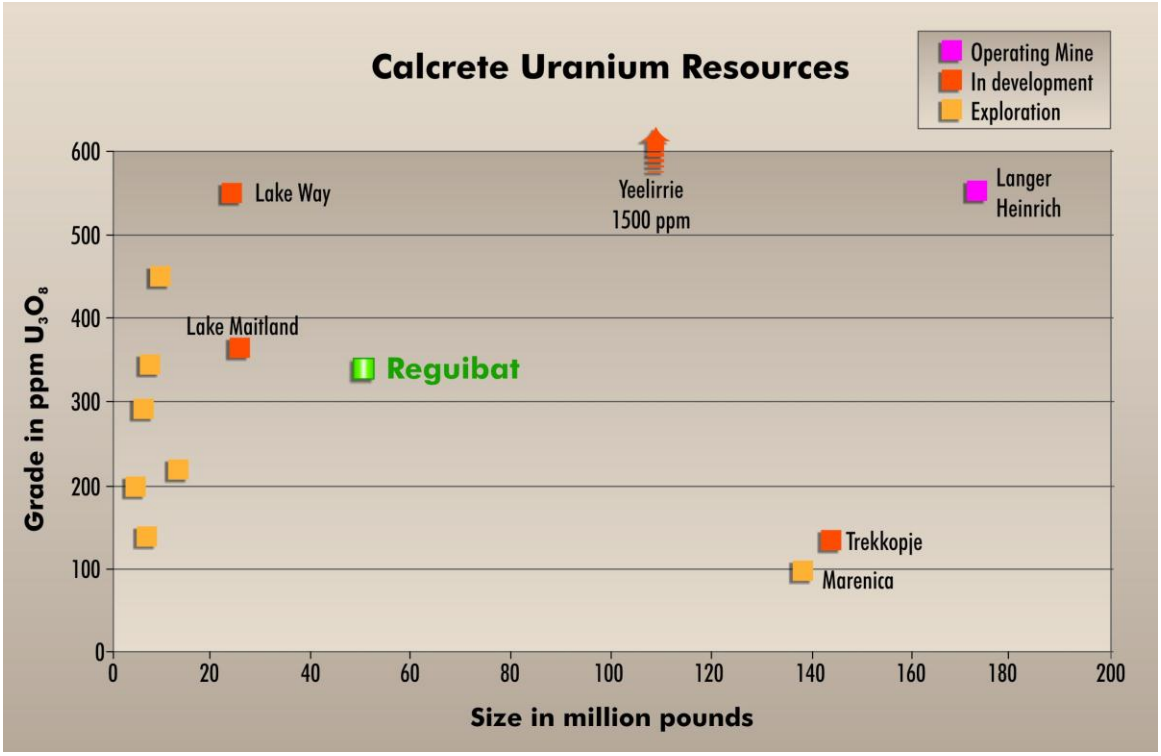

Figure 2: Reguibat project compares positively with other calcrete uranium projects

High grade zones within the overall resource

Parts of the mineralised zones have higher grades than the global average. Many drill holes with higher grade intercepts occur in coherent zones.

Within Oued el Foule Est permit, for example, there are a number of elongate, high grade zones of between 100 and 400 metres width (Figure 3).

Similar, spatially continuous, higher grade zones are observed at other prospects.

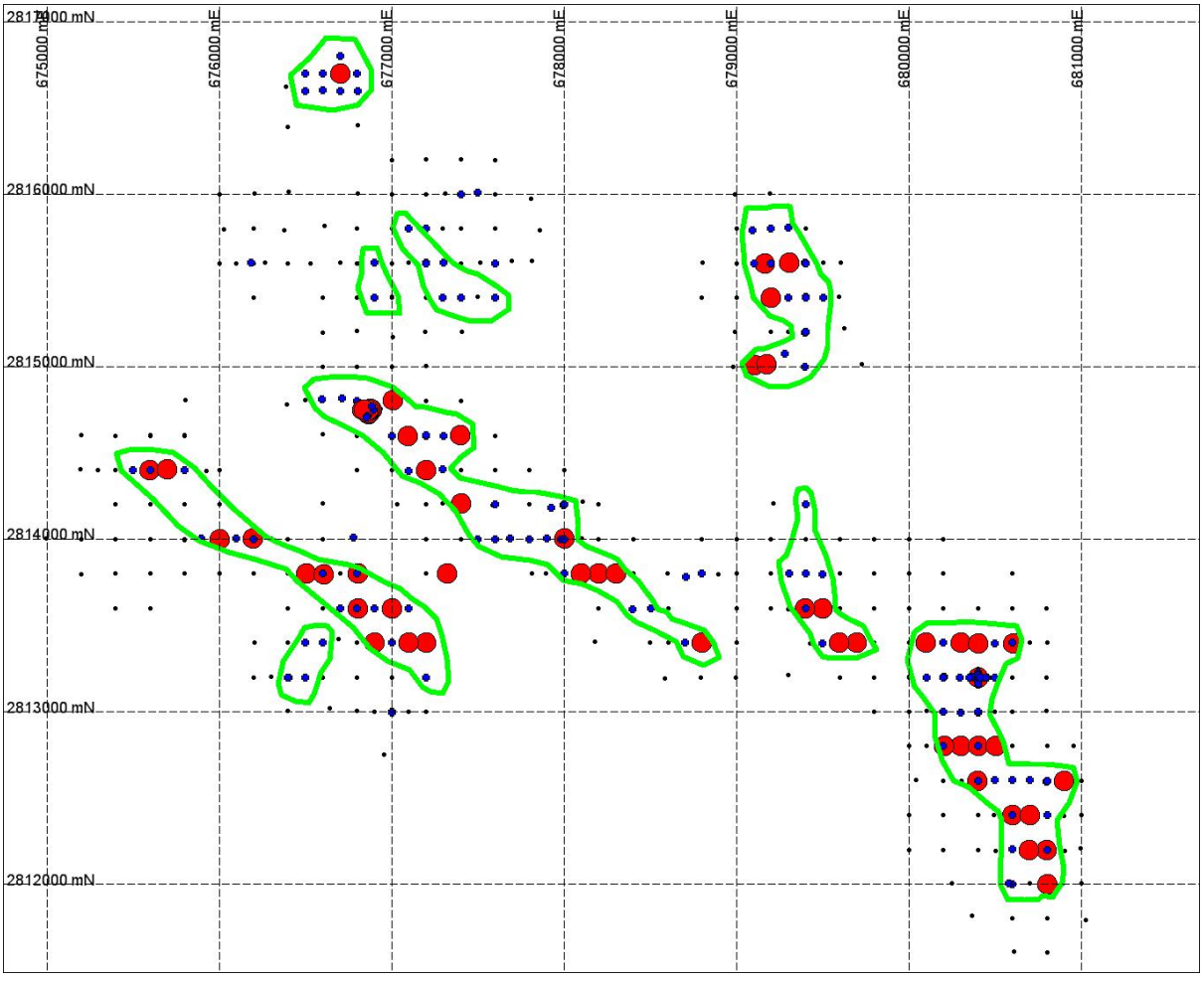

Figure 3: Oued el Foule Est Zone A. Drill holes with average grades of U_3O_8 greater than 400ppm (red points), within mineralised areas (green)

Potential for additional resources

Aura believes that there is potential to substantially increase the resource:

- Aura holds approximately 11,000 square kilometres in northern Mauritania in permits and applications
- The Coffey study has identified an additional potential in areas which have been drilled, but have not been classified as resource because of the lack of supporting information
- Many zones have mineralised drill holes on their margins which are open in at least one direction
- Zones Ain Sder J and Central have mineralisation adjacent to extensive sand dune development, where it is inferred that mineralisation continues under these dunes
- There is a substantial (1,700 by 700 metres) undrilled radiometric anomaly in the Ain Sder permit
- Other radiometric anomalies have yet to be tested
- Aura holds 2,876 square kilometres in permit applications to the east of the Ain Sder permit that are considered prospective, but have never been radiometrically surveyed.

For further information contact:

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Aura Energy Uranium Project					
Reguibat Craton Uraniun Project, Mauritania. June 30th, 2011 Resource Estimates					
Reported at various lower cut-offs (Preferred cutoff : 100ppm U_3O_8)					
Assumed bulk density 2.0t/m3 in mineralisation					
Ordinary Kriged resource estimate based upon 2m U_3O_8 composites					
Parent block size 25m x 25m x 1m, with sub-blocks of 5m x 5m x 0.2m					
Category	**Lower Cut Off**	**Tonnes**	**Grade**	**Contained U_3O_8**	**Contained U_3O_8**
	(ppm U_3O_8)	**(Mt)**	**(ppm U_3O_8)**	(Mkg)	**(MLb)**
Ain_Sder CI Project (Zones 1-3)					
Inferred	**100**	**9.9**	**350**	**3.4**	**7.6**
	150	9.9	350	3.4	7.6
	200	9.6	350	3.4	7.5
	250	8.0	380	3.0	6.7
	300	5.8	420	2.4	5.3
Ain_Sder CJ Project (Zones 4 & 5)					
Inferred	**100**	**7.6**	**360**	**2.8**	**6.1**
	150	7.6	360	2.8	6.1
	200	7.4	370	2.7	6.0
	250	6.4	390	2.5	5.5
	300	4.6	440	2.0	4.4
Ain_Sder CC Project (Zones 6-11)					
Inferred	**100**	**8.6**	**330**	**2.8**	**6.2**
	150	8.2	330	2.7	6.1
	200	7.3	350	2.6	5.7
	250	6.0	380	2.3	5.1
	300	4.1	430	1.8	3.9
Oued El Foule Est A-E Project (Zones 12-19)					
Inferred	**100**	**17.2**	**370**	**6.3**	**13.8**
	150	17.0	370	6.2	13.8
	200	15.8	390	6.0	13.3
	250	13.9	410	5.6	12.3
	300	11.5	430	4.9	10.9
Oued El Foule Est FG Project (Zones 20-23)					
Inferred	**100**	**6.3**	**300**	**1.9**	**4.2**
	150	6.2	310	1.9	4.1
	200	5.5	320	1.8	3.9
	250	3.5	370	1.3	2.9
	300	2.2	430	1.0	2.1

Category	Lower Cut Off	Tonnes	Grade	Contained U_3O_8	Contained U_3O_8
	(ppm U_3O_8)	(Mt)	(ppm U_3O_8)	(Mkg)	(MLb)
Oum Ferkik L Project (Zone 26)					
Inferred	**100**	**11.9**	**330**	**4.0**	**8.8**
	150	11.9	330	4.0	8.7
	200	11.2	340	3.8	8.5
	250	9.1	370	3.4	7.5
	300	6.7	400	2.7	6.0
Oum Ferkik K Project (Zones 27 & 28)					
Inferred	**100**	**4.5**	**240**	**1.1**	**2.4**
	150	4.1	250	1.0	2.3
	200	2.8	280	0.8	1.7
	250	1.6	330	0.5	1.2
	300	0.9	370	0.3	0.8
Tenebdar Project (Zones 24 &25)					
Inferred	**100**	**2.6**	**210**	**0.5**	**1.2**
	150	2.5	210	0.5	1.2
	200	1.4	240	0.3	0.7
	250	0.4	270	0.1	0.2
Aguelt Essfaya Project (Zone 29)					
Inferred	**100**	**0.2**	**120**	**0.0**	**0.1**
All Projects (Zones 1-33)					
Inferred	**100**	**68.7**	**330**	**22.9**	**50.2**
	150	67.3	340	22.6	49.9
	200	60.9	350	21.4	47.3
	250	48.9	380	18.7	41.3
	300	35.9	420	15.2	33.4
* Note Figures have been rounded					

Competent Persons Statement

The Competent Person for the Resource estimation and classification is Mr Oliver Mapeto from Coffey Mining.

The Competent Person for the drill hole data and data quality is Dr Robert Beeson from Aura Energy.

The information in the report to which this statement is attached that relates to the Mineral Resource and is based on information compiled by Oliver Mapeto. Oliver Mapeto is a Member of The Australasian Institute of Mining and Metallurgy and is employed by Coffey Mining Pty Ltd.

Dr Robert Beeson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists.

Notes for the resource estimation include:

- Drilling coverage for the project areas ranges from a nominal 200 metres by 100 metres to 400 metres by 200 metres. All drill holes are vertical. Only RC and chip sampling undertaken by Aura Energy with chemical assays were used in the estimate.
- Coffey Mining has not reviewed the QAQC data in detail; Aura Energy has taken responsibility for the assay database.
- The Aura Energy samples are predominantly collected at one metre intervals with 20% of the samples taken at 0.5 metre interval. Only chemical assays were used in the resource estimate. Further work is required to validate and evaluate the 2009 radiometric assaying for use in future modelling exercises.
- Sample processing was undertaken by Aura Energy and samples were analysed by independent labs for uranium. Samples with chemical assays analysed for uranium were converted to U_3O_8 using a factor (U_3O_8= U* 1.179).
- Summary of drill holes and chemical assays used in the estimate by project;
- Ain Sder Central; 347 drill holes with 851 chemical assays
- Oued El Foule Est; 402 drill holes with 918 chemical assays
- Oum Ferkik; 221 drill holes with 480 chemical assays
- Bir Moghrein; 263 drill holes with 42 chemical assays
- Agouyme; 75 drill holes with 160 chemical assays
- Fai Est; 132 drill holes with 19 chemical assays
- Saabia; 28 drill holes with 26 chemical assays
- Further work is required to create both lithological models for the project regions, and to define and model any gypsiferous regions.
- No topographic data was available; however the estimated regions are understood to be mostly flat. A standard relative level (RL) of 0mRL was assumed for the collar for all drill holes.
- A nominal 100ppm U_3O_8 lower cut-off was used to define the mineralised zones from each of the prospects. The resulting mineralisation interpretations showed generally good geological and sectional continuity.

- The assay data was composited to two metre downhole with statistical analysis on the two metre composites undertaken. Variography and search neighbourhood analysis were also conducted as input into grade estimation. High grade cutting was applied to the composites prior to estimation.
- The method used to obtain grade estimates within the mineralised zones for U_3O_8 was Ordinary Kriging (OK).
- An average bulk density of 2t/m^3 was assumed for all mineralisation based on similar deposits. Further work is required to obtain measured bulk density data from each of the deposits.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate. Material estimated without sufficient drill support and estimated in the third pass was not classified.
- Infill drilling is required to increase the confidence level in the mineralisation interpretation.
- Additional chemical assays are expected to be available for updates in future estimation studies, but this information is not expected to materially impact on the current resource estimates.
- Coffey Mining (Perth) has not undertaken a site visit; however Coffey personnel from our Ghana office have been assisting with the drilling and sampling.