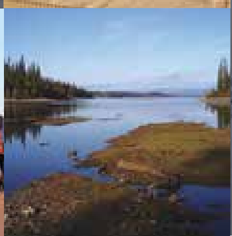
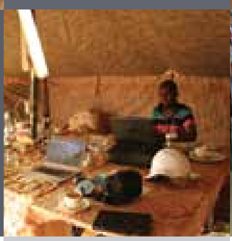
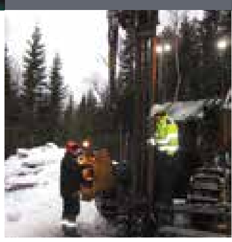
CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017







aura energy

ACN: 115 927 681

CORPORATE DIRECTORY

DIRECTORS

Peter Reeve - Executive Chairman
Bob Beeson - Non-Executive Director
Brett Fraser - Non-Executive Director
Julian Perkins - Non-Executive Director

COMPANY SECRETARY

John Madden

REGISTERED OFFICE

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SHARE REGISTRY

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Pty Limited
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AUDITOR

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Perth, WA 6000

LEGAL ADVISORS

Steinpreis Paganin
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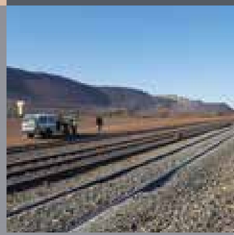
16 Milligan Street
Perth Western Australia 6000



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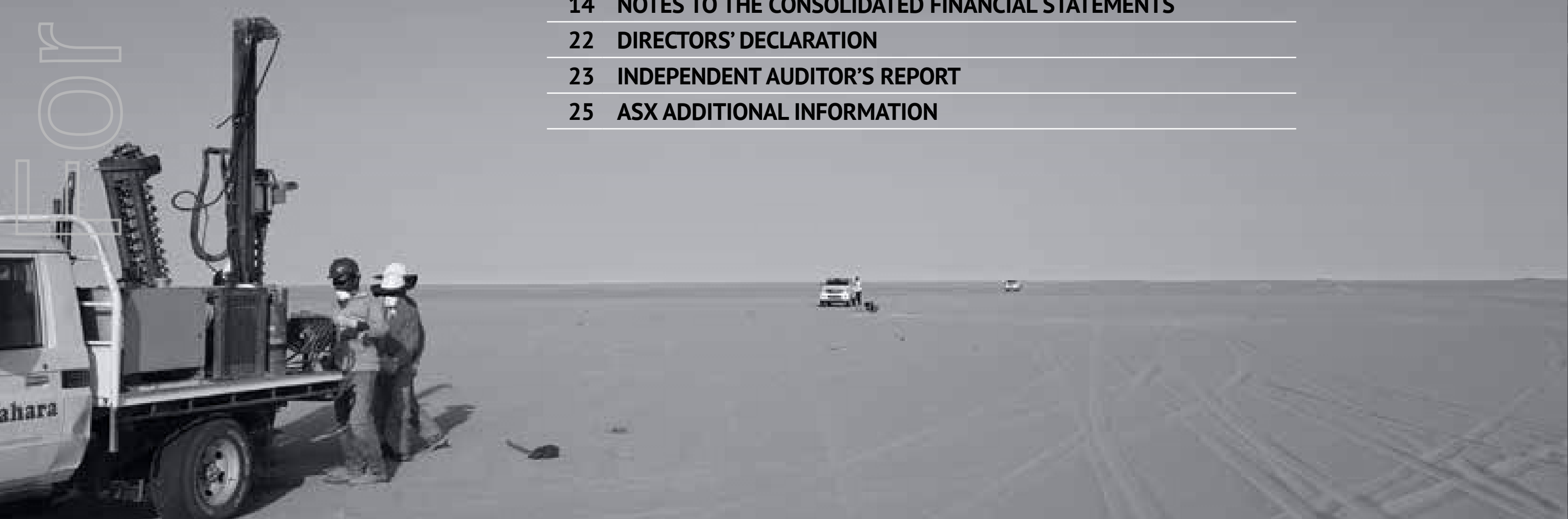
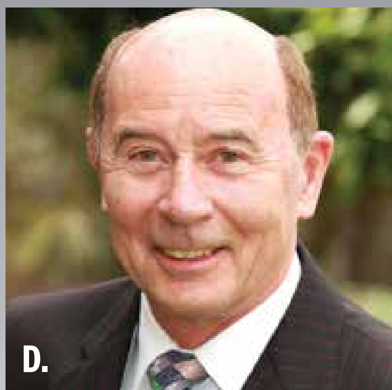


DIRECTORS' REPORT


A.


B.


C.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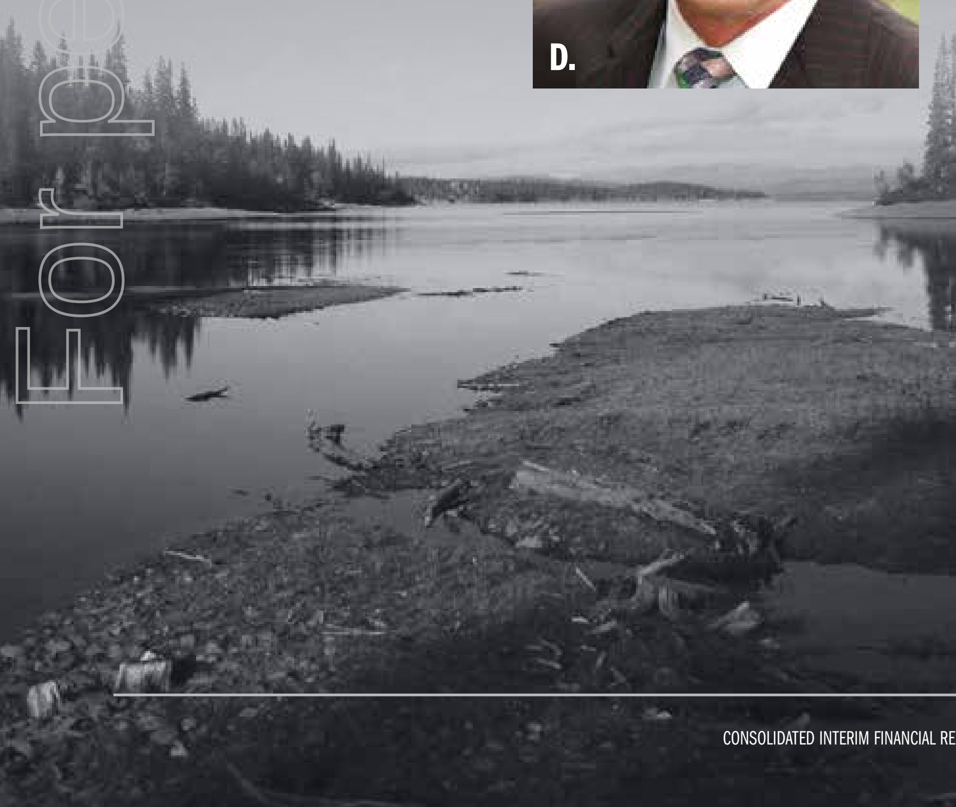

The Directors present their report together with the consolidated interim financial statements of Aura Energy Limited (the "Company or "Aura") and its consolidated entities (the "Group") for the half-year ended 31 December 2017 (the "Half-Year") and the auditor's review report of the condensed consolidated interim financial statements.

DIRECTORS

The Directors of the Company at any time during or since the end of the Half-Year are:

EXECUTIVE

A. **PD Reeve** Appointed 13 July 2014

Executive Chairman and Chief Executive Officer

NON-EXECUTIVE

B. **B Fraser** Appointed 24 August 2005

Non- executive Director

C. **R Beeson** Appointed 31 March 2006

Non-executive Director

D. **JC Perkins** Appointed 7 June 2011

Non-executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration, primarily the discovery and development of uranium deposits in Mauritania and Sweden.

REVIEW OF OPERATIONS

Aura Energy Limited is an Australian incorporated entity and listed on both the Australian Securities Exchange and the Alternative Investment Market. The Company has a diversified portfolio of assets including its advanced exploration assets comprising the Tiris Uranium project located in Mauritania and the Haggan Battery Metals project located in Sweden. The Company also holds soda ash research permits in Mauritania and has a number of gold tenement applications pending approval in Mauritania.

During the Half-Year, The Company continued to progress the Tiris project feasibility study and resolved to pursue separate listing by way of an IPO for its vast Haggan polymetallic property which contains significant quantities of Battery Metals including vanadium, cobalt and nickel.

Whilst the uranium price has shown modest recovery during the Half-Year following cutbacks by large producers, the Tiris project remains the Company's best near-term cashflow project with C1 cash costs of US$19.40/pound U_3O_8. This estimated cash cost per pound is below both spot and long-term contract prices at this time.

The key milestone achieved during the Half-Year for the development of the Tiris project was the approval by Mauritanian authorities of the Environmental Permit.

The company has discussed the delay to the grant of gold tenement with the government. At the most recent meetings with the government of this delay the Company was informed that the tenement will be granted soon. A key diversification strategy for the Company is gold and base metals and the ground subject to the tenement applications is highly prospective.

The Haggan Battery Metals strategy has evolved from the Company's desire to maximise the output of the vast polymetallic resource. The board of directors resolved towards the end of the Half-Year to list the Haggan Battery Metals project as a separate vehicle and therefore, provide this separate vehicle with management, funding and technical drive to ensure that outcome. The rapid development of the battery sector and the significant vanadium content of the Haggan Battery Metals project have created significant opportunities for Aura.

The Company completed a small working capital raising of $1.1 million during the Half-Year.

OPERATING RESULT

The consolidated interim statement of profit or loss and other comprehensive income shows a Loss after tax of $931,680 for the half-year ended 31 December 2017 (2016: $1,514,366).

TIRIS URANIUM PROJECT

The Company is in the process of completing a Definitive Feasibility Study on its 100% owned 49-million-pound U_3O_8. calcrete uranium project in Mauritania (See Figure 1). The Tiris project is a low capital and operating cost development with potential for strong financial returns under long-term pricing scenarios.

DEFINITIVE FEASIBILITY STUDY

During the Half-Year, the Company was granted environmental approval for the Tiris Project with the approval by the Mauritanian Government of the Environmental and Social Impact Assessment (ESIA). The grant of the Environment Permit is a key milestone for the Company to securing its mining licence.

Following optimisation of reagent usage, the Company has significantly reduced estimated operating cost to US$19.40/lb U_3O_8. The achievement of operating costs at this level is extremely positive as the Tiris project is cash flow positive at both spot and contract prices in the current market.

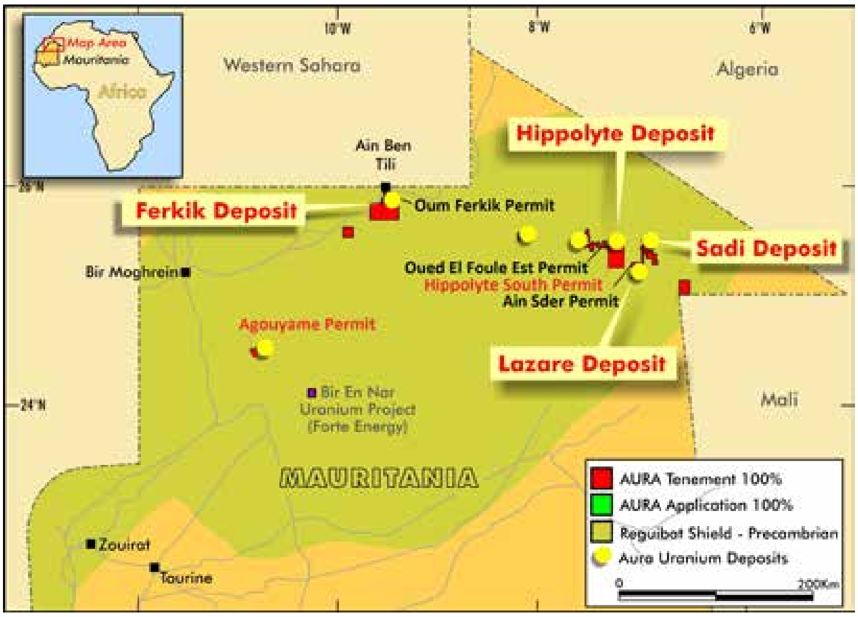

Figure 1: Location of Aura's Tiris Project Uranium Resources

GEOLOGY AND RESOURCE UPGRADE PROGRAMME

An extensive drilling programme was completed during the Half-Year. The objective of this drilling programme is to upgrade the Tiris project resource by a further +5 million pounds of U_3O_8 from Inferred to Indicated/Measured status under JORC reporting standards.

In total, the Company drilled 8,200 metres in 1,428 air-core holes and 59 large diameter diamond drill holes in eight resource zones. Holes were drilled for the most part on a 50-metre x 50-metre pattern with three squares of close spaced (12.5-metre x 12.5-metre) holes to define short range variability (See Figure 2).

All holes were radiometrically logged by geophysical consultants. All diamond drill core was transported to Nouakchott for density determinations, geological logging, core cutting and sampling, and chemical assaying in Ireland in order to validate the downhole radiometric logging results.

150 samples were sent to either ANSTO (Australian Nuclear Science & Technology Organisation) or Actlabs in Canada for radioactivity equilibrium studies.

A new resource estimate based on these results will be carried out during the first quarter 2018.

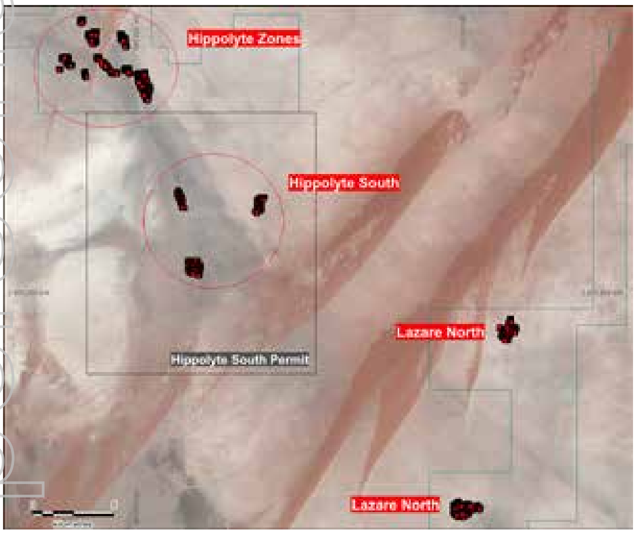

Figure 2: Location of 2017 Drilling Programme (with 2017 drillholes shown in red)

WATER DRILLING

The water drilling program commenced in the previous financial period and was terminated in the Half Year due to excessively slow progress by the contractor arising from equipment problems. The Company is looking to engage a new contractor in the first quarter of 2018.

NEW EXPLORATION PERMITS

Two new exploration permits, Hippolyte South and Agouyame, were grant to Aura by the Council of Ministers in December 2017. Both permits contain significant uranium mineralisation.

The Hippolyte South permit covers 224 km^2 and adjoins to the south of the Hippolyte resources. The permit contains strong radiometric anomalies of a similar size and strength to those associated with the Hippolyte resources (See Figure 3).

An initial drill programme comprising 139 aircore holes was drilled to test the strongest portions of these radiometric anomalies during Half Year. The results will be incorporated in the revised Tiris Resource Estimate to be completed during the first quarter 2018.

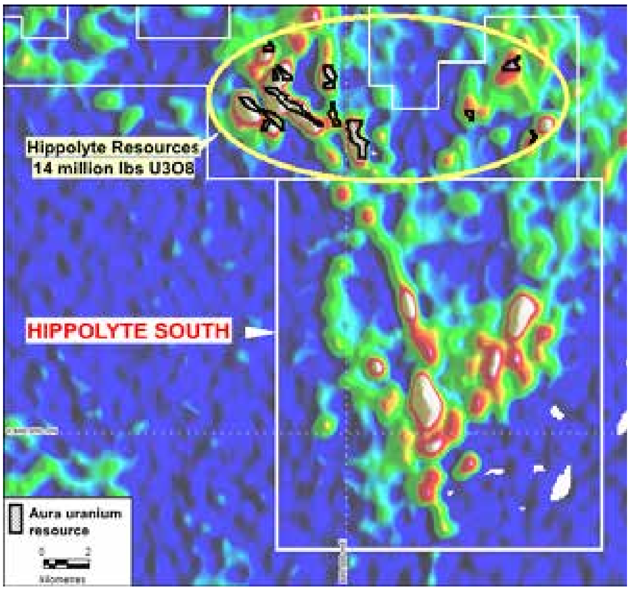

Figure 3: Airborne uranium channel radiometrics showing the new Hippolyte South permit in relation to the Hippolyte resources

The second permit, Agouyame, covers a strong radiometric anomaly, on which a resource of 1.2 million pounds of U_3O_8 has previously been delineated.

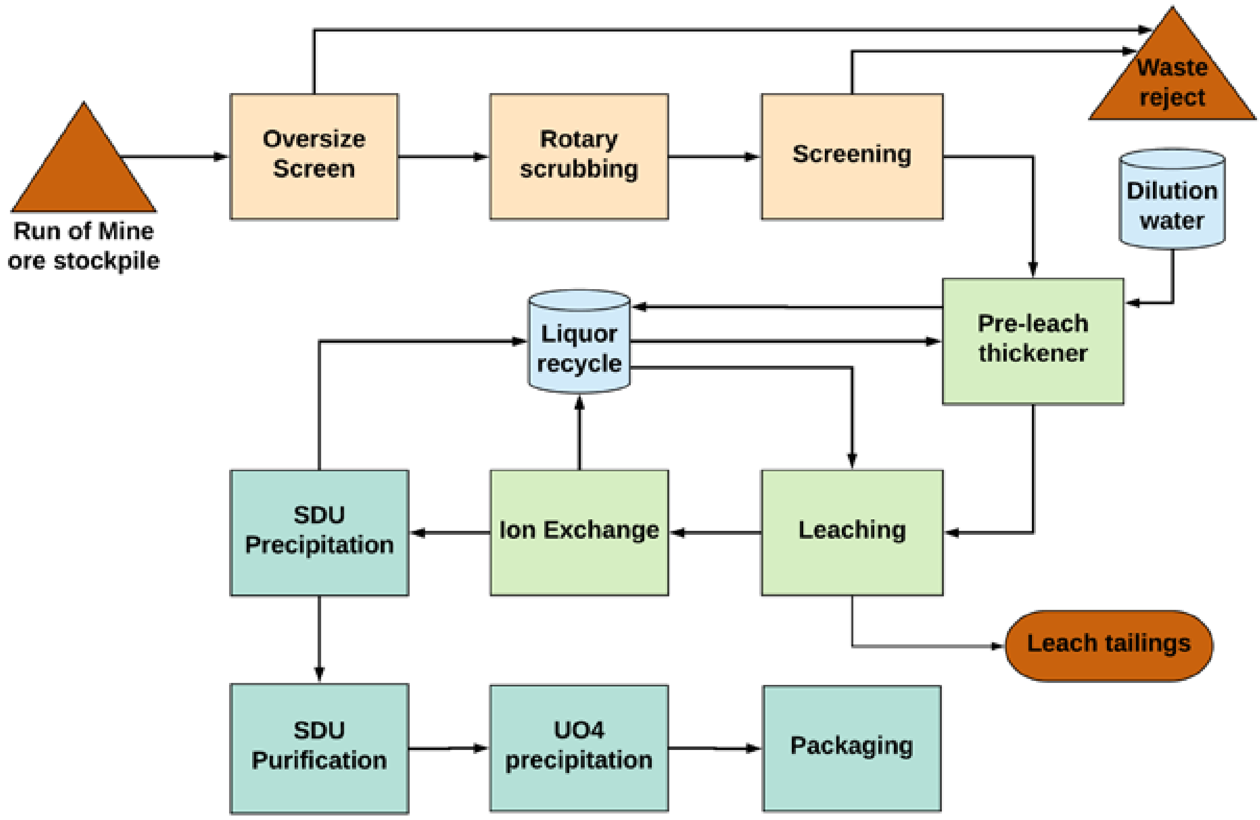

Figure 4: Tiris Metallurgical Flowsheet

METALLURGY

The independent review identified several opportunities for improvements in the process circuit to improve robustness and allow greater flexibility for the remote location. One of the key findings was that decoupling the beneficiation circuit from the leaching circuit would provide the flexibility to operate the beneficiation as a mobile circuit closer to the mining area. This presents significant benefits in reducing trucking requirements.

Figure 4 sets out the process flowsheet for the Tiris project.

Over the remaining course of the Tiris project DFS, test work will be conducted to further define the geometallurgical domains and better understand variability in the mineralisation. This will allow continued optimisation of process parameters, process equipment, consumables and further scope for review of the operating and capital cost estimates.

PROJECT ENGINEERING

Engineering for Tiris project continued to progress with some elements deferred to later in 2018 following on-site test work.

Engineering activities conducted during the Half Year included:

- Completion of an extra option review for a desktop study, budgeting and 3D CAD modelling for a surge tank prior to leaching and replacing the 24 hour ROM stockpile (See Figure 5).
- Revision of pricing, drawings and power loads for U_3O_8 equipment based on 1.5 million pounds per annum throughput
- Completion of container and bulk load handling and storage costs for construction transport from Nouadhibou to Zouerate.
- Securing of competitive bids from major Mauritanian construction companies for hourly labour and equipment hire rates, concrete and steel pricing for input into capital estimate.
- Securing of formal quotes from mining consultants based on the Company's scope of work, to optimise process plant location, mine output and mining fleet.
- Completion of metallurgical peer review was held during the Half Year on the Tiris process testing program and scope of work.

Following the peer review, the Project Design criteria was set at an initial 1million tonnes per annum ROM ore as the project basis. The Company then prepared a cost estimate for a trailer mounted system of rotary drum scrubbing, Derrick screening and pressure filtration. This option will allow on site pilot testing of the key 75-micron separation.

The Company also reviewed the optimum central location for the processing plant, based on reducing trucking costs from the uranium deposits residing in the four widely spread resource zones. The conclusion was to have the front end of the plant (attrition/screening/pumping) transportable and located adjacent to the operating open pit. The slurry would then be pumped up to 20km through a HDPE slurry pipeline, to the permanent centrally located leaching and U_3O_8 drumming plant. Engineering provided approximate pricing for the additional equipment required.

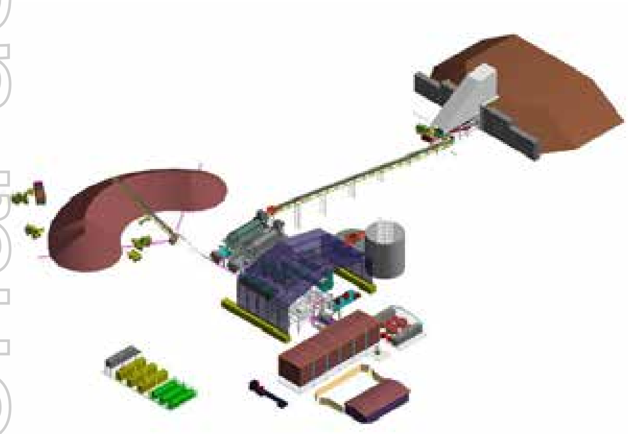

Figure 5: CAD Modelling Surge Tank prior to Leaching

HAGGAN BATTERY METALS PROJECT

The Company previously announced during the Half Year it was reviewing options for the Haggan Project given the large aggregate content of Battery Metals including vanadium, molybdenum, cobalt, neodymium, nickel and zinc. Most of these metals have not been fully considered in the previous technical studies.

Metal price rises over the past 2 years, including 400% for vanadium and 300% for cobalt, have significantly altered the aggregate metal value, and value-mix, of the Haggan deposit. These changes are the key drivers underlying the re-reassessment of the Haggan project.

The Company has always considered Haggan project to be the Company's most valuable long-term asset and the significant recent price rise in Battery Metals has transformed the Haggan projects current value proposition. The Haggan project now has potential to be one of the world's largest sources of Battery Metals and the Company believes a separate listing in this environment has the potential to generate substantial value for shareholders.

Listing the Haggan battery metals project separately with a focussed Swedish management team and the resources to independently finance and propel the project with the new impetus of the growth in Battery Metals will drive development of this substantial multi-commodity project."

The Häggån Polymetallic Project was the subject of a Scoping Study in August 2012 with very favourable technical and financial outcomes however that study did not consider recoveries for vanadium, cobalt recovery and neodymium, In addition, the Scoping Study did not consider:

- Optimisation and improvement of the by-product base metal recoveries; or
- Downstream processing of Battery Metals as an integrated manufacturing Industry.

The Company believes the recent changes in the value of various elements in the Haggan metal content, given the significant changes in the price of the battery related metals, can now drive a new development focus for the project. Additionally, the Company will explore the potential for the new vehicle to create downstream businesses in the battery manufacture sector which will also enhance the prospects for regional employment in central Sweden.

Haggan contains globally significant quantities of vanadium and has the potential to be one of the world's largest sources of vanadium production. Given the current growth of vanadium usage and the importance of Redox-Flow battery technology to grid power storage, Aura sees the potential for substantial project upside in the detailed re-evaluation of this element of the Haggan Project.

The Haggan asset is held by Aura Energy Sweden AB, a separate Swedish entity and as such the process to achieve a separate listing is not expected to experience many hurdles. Aura will initially maintain a substantial ownership of the new vehicle but will consider further third-party investments or sell-downs as satisfactory value accrues in the vehicle. Aura will also entertain, and seek, strategic investors into the new vehicle who operate within aligned Battery Metal industries. This would assist in transforming the Haggan project into a corporate entity which can take advantage of the Green Metals revolution currently underway globally, which the Company believes will continue for many years to come.

The role of vanadium Redox-Flow batteries will transform the use of renewable energy in large scale grid applications with their ability for long term energy storage. The Company has the potential to be a key player in this area and Europe is particularly well positioned to embrace this battery technology.

The Company has commenced early stage planning for the separate listing of Haggan project, including corporatisation of the Haggan asset, search for new management team, renaming of the Swedish controlled entity to the Haggan Battery Metals, consideration of the level of equity to be sold down, the appropriate market to list (London or Toronto) as well as consideration of secondary listing on the Stock exchange in Sweden.

The Company hopes to complete the process as quickly as possible and has set a conceptual timetable of completing the process during the course of 2018.

PROCESS DEVELOPMENT UPDATE

The refocus on Haggan development strategy to 'green' and 'battery group' metals at the resulted in the Company defining the terms of reference for the Haggan Polymetallic Project Option Study. The option study will focus on assessment of development options, within the existing defined JORC Resource, for vanadium recovery and improved efficiency for green and battery metal recovery.

The Haggan project represents one of the world's largest undeveloped vanadium resources with significant value in nickel, zinc, copper and cobalt, in addition to the previously defined uranium value.

Scoping level test work for the Haggan bacterial heap leach process did not place an emphasis on optimisation of vanadium or base metal recovery and only preliminary sighter test work has been undertaken to examine supporting processes for vanadium recovery. Aura has now commenced an Option Study to explore opportunities to improve recoveries of base metals in the bacterial heap leach process and to assess process options for efficient recovery of vanadium. The scope of the Option Study includes:

- Review of scoping test work to focus on identification of opportunities for process improvement for vanadium, nickel, zinc, copper and cobalt recovery.
- Opportunity assessment of alternative processing options.
- Assessment of integrated solutions to produce value added metal products.
- Supporting test work for identified options.

The potential for base metal streaming transactions from this deposit to aid the development is under review, to reposition future development focussed on the benefits of base metal production from the Haggan Battery Metals project. This approach allows a broader appeal of the project in Sweden, with strong industrial spin-off benefits for the local community such as local manufacturing and valued added metal work industries.

The vanadium market continued to experience robust growth during the quarter, demonstrating confidence in the metal as an alternative option for grid scale energy storage. The Figure 6 shows the strong price increase over the past 12 months.

From June 2017, the vanadium price has increased from US$ 5.2/lb V2O5 to US$ 12.80/lb V2O5 on 30 January 2018, an increase of 146%.

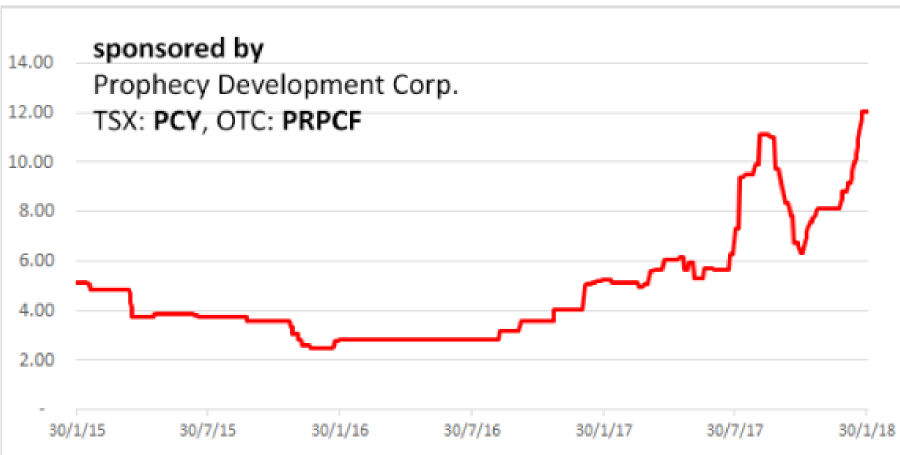

Figure 6: Vanadium price

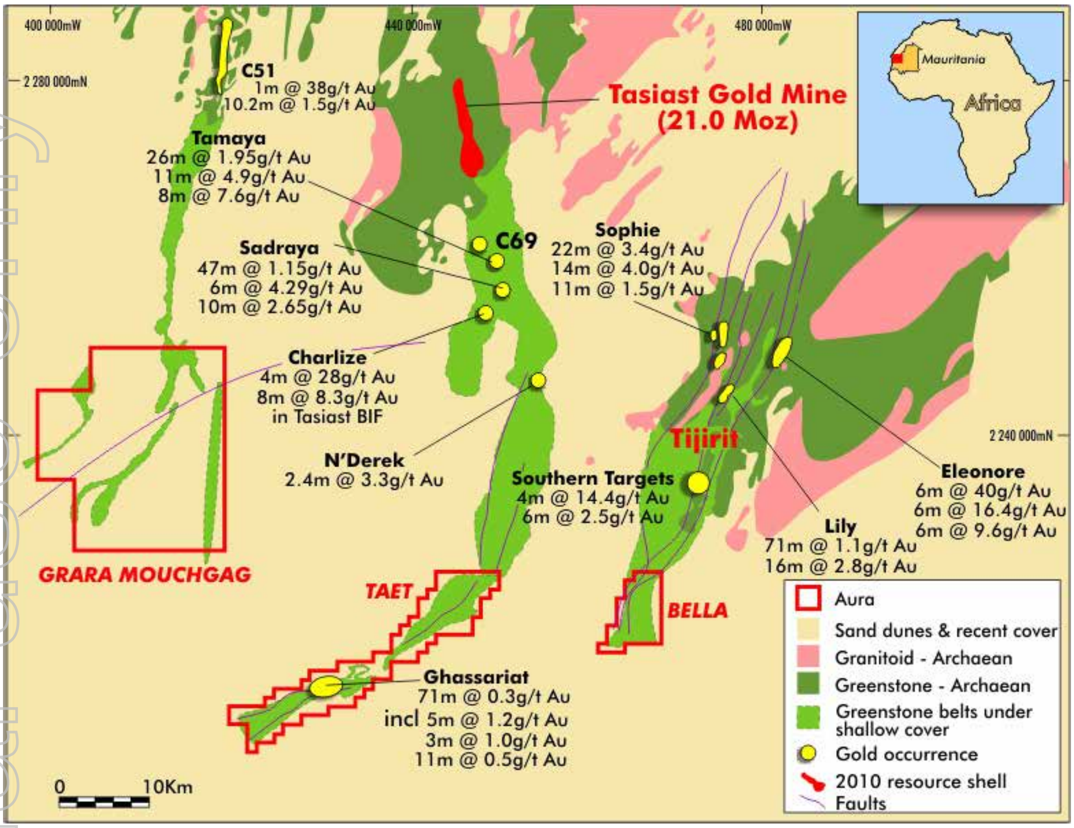

Figure 7: Tasiast Gold Region

TASIAST SOUTH GOLD PROJECT

The Company has applied for 3 exploration permits covering 600 km^2 in the Tasiast area. The grant of these permits has been slower than expected; however the government processes have been completed the Company proposes to undertake an RC and aircore drilling campaign as well as ground geophysics to test already defined targets and to define additional targets that are ready to commence when the permits are granted.

The permit areas cover several greenstone belts which contain gold mineralisation along strike, including the +20 million oz Tasiast deposit and the Tijirit gold deposits currently being actively drilled (See Figure 7). The areas have been evaluated by only one previous explorer who identified a number of gold mineralised zones, including the Ghassariat Zone where an intersection of 71 metres of 0.3 g/t gold, including 5 metres of 1.2 g/t and 3 metres of 1.0 g/t were obtained in an RC drill hole. No follow-up drilling has yet been conducted on this mineralised zone.

SUBSEQUENT EVENTS

Since balance date, 31 December 2017, holders of 8,045,833 options over ordinary shares exercised their rights which resulted in the Company receiving $190,917 in new equity.

LEAD AUDITOR'S INDEPENDENCE

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the half- year ended 31 December 2017.

Signed in accordance with a resolution of the board of directors pursuant to s.306 (3) of the Corporations Act.

PD Reeve

Executive Chairman and Chief Executive Officer

Dated at Windsor this the 15th day of March 2018

AUDITOR'S INDEPENDENCE DECLARATION

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Aura Energy Limited for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 15th day of March 2018

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	NOTE	6 MONTHS TO '31 DEC 2017	6 MONTHS TO '31 DEC 2016
Finance income		**593**	1,784
Administrative expenses		**(423,428)**	(324,543)
Depreciation expense		**(7,398)**	-
Employee benefits expense		**(300,932)**	(320,014)
Exchange fluctuation		**(53,990)**	(72,191)
Listing costs on AIM market		**-**	(683,121)
Share-based payments		**(113,864)**	(120,458)
Other		**(32,661)**	(4,177)
Loss before tax		**(931,680)**	(1,514,366)
Income tax (expense)/benefit		**-**	-
Total profit/(loss) for the period after tax		**(931,680)**	(1,514,366)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange fluctuation		**62,718**	(237,156)
Total other comprehensive income/(loss) for the period		**62,718**	(237,156)
Total comprehensive income/(loss) attributable to members of Aura Energy Limited		**(914,336)**	(1,751,522)
Earnings/(loss) per share attributable to members of Aura Energy Limited			
Basic earnings/(loss) per share (cents)		**(0.12)**	(0.25)
Diluted earnings/(loss) per share (cents)		**(0.12)**	(0.25)

The condensed notes on pages 14 to 21 are an integral part of these consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	NOTE	31 DEC 2017 $	30 JUNE 2017 $
Assets			
Current assets			
Cash and cash equivalents	8	**616,434**	2,652,960
Trade and other receivables	9	**24,794**	62,854
Other	10	**56,360**	53,930
Total current assets		**697,588**	2,769,744
Non-current assets			
Exploration and evaluation	11	**16,907,457**	14,851,820
Property, plant and equipment		**13,103**	18,905
Total non-current assets		**16,920,560**	14,870,469
Total assets		**17,618,148**	17,640,469
Liabilities			
Current liabilities			
Trade and other payables	12	**240,343**	576,605
Provisions	13	**43,572**	118,948
Financial Liabilities		**-**	47,803
Total current liabilities		**283,915**	743,356
Total liabilities		**283,915**	743,356
Net assets		**17,334,233**	16,897,113
Equity			
Issued and paid-up capital	14	**40,751,161**	39,558,943
Reserves		**683,569**	841,671
Accumulated losses		**(24,100,497)**	(23,503,501)
Total equity		**17,334,233**	16,897,113

The condensed notes on pages 14 to 21 are an integral part of these consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	SHARE CAPITAL $	OPTION-BASED PAYMENTS RESERVE $	TRANSLATION RESERVE $	ACCUMULATED LOSSES $	TOTAL $
Opening Balance					
Share issues	5,157,183	-	-	-	**5,157,183**
Equity raising costs	(318,167)	-	-	-	**(318,167)**
Exercise of options over ordinary shares	127,041	-	-	-	**127,041**
Expiry of options over ordinary shares	-	(44,698)	-	44,698	**-**
Cancellation of options over ordinary shares	-	-	-	-	**-**
Transfer to share-based payments reserve	-	-	-	-	**-**
Transfer to option-based payments reserve	-	143,247	-	-	**143,247**
Loss after tax for the period	-	-	-	(1,514,366)	**(1,514,366)**
Other comprehensive income/(loss) for the period	-	-	(237,156)	-	**204,758**
Balance at 31 December 2016	37,750,260	594,200	296,735	(21,442,707)	**17,198,488**
Balance at 1 July 2017	39,558,943	457,481	384,190	(23,503,501)	**16,897,113**
Share issues	1,239,881	-	-	-	**1,239,881**
Equity raising costs	(54,330)	-	-	-	**(54,330)**
Exercise of options over ordinary shares	6,667	-	-	-	**6,667**
Expiry of options over ordinary shares	-	-	-	-	**-**
Cancellation of options over ordinary shares	-	(334,684)	-	334,684	**-**
Transfer to share-based payments reserve	-	-	-	-	**-**
Transfer to option-based payments reserve	-	113,864	-	-	**113,864**
Loss after tax for the period	-	-	-	(931,680)	**(931,680)**
Other comprehensive income/(loss) for the period	-	-	62,718	-	**62,718**
Balance at 31 December 2017	40,751,161	236,661	446,908	(24,100,497)	**17,334,233**

The condensed notes on pages 14 to 21 are an integral part of those consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	NOTE	6 MONTHS TO '31 DEC 2017	6 MONTHS TO '31 DEC 2016
Cash flows from operating activities			
Payments to suppliers and employees		**(801,477)**	(1,533,891)
Interest received		**593**	1,784
Net cash from/(used in) operating activities		**(800,884)**	(1,532,107)
Cash flows from investing activities			
Exploration and evaluation payments		**(2,338,684)**	(253,339)
Acquisition of property, plant and equipment		**(1,596)**	(20,808)
Net cash from/(used in) investing activities		**(2,340,280)**	(274,147)
Cash flows from financing activities			
Share issues		**1,169,049**	5,129,719
Equity raising costs		**(10,421)**	(137,624)
Net cash from/(used in) financing activities		**1,158,628**	4,992,095
Net increase/(decrease) in cash and cash equivalents		**(1,982,536)**	3,185,841
Cash and cash equivalents at beginning of the period		**2,652,960**	317,758
Exchange fluctuation		**(53,990)**	(70,845)
Cash and cash equivalents at period end		**616,434**	3,432,754

The condensed notes on pages 14 to 21 are an integral part of these consolidated interim financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1. REPORTING ENTITY

Aura Energy Limited (the "Company") is a Company incorporated and the laws and regulations of the Commonwealth of Australia.

The address of the Company's registered office is Level 1, 34-36 Punt Road, Windsor. The consolidated interim financial statements as at and for the six-month period ended 31 December 2017 comprises the Company and its controlled entities (together referred to as the "Group" and individually as "Group entities"). The Group undertakes the exploration for and evaluation of uranium and gold opportunities in Mauritania and Battery Metals in Sweden.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2017 are available upon request from the Company's registered office or at www.auraenergy.com.

NOTE 2. STATEMENT OF COMPLIANCE

The consolidated interim financial statements have been prepared in accordance with Australian Accounting Standards, AASB 134 Interim Financial Reporting, and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2017. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2017.

These consolidated interim financial statements were approved by the Board of Directors on 15 March 2017.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in preparing the condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 June 2017.

NOTE 4. ESTIMATES AND JUDGEMENTS

The preparation of the consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the condensed consolidated financial statements as at and for the year ended 30 June 2017.

KEY JUDGEMENT-EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure is carried forward where right of tenure of the area of interest is current. These expenditures are carried forward in respect of areas that have not, at the reporting date, reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The carrying value of capitalised exploration and evaluation expenditure at the reporting date is $16,907,457.

For the six-month period to the 31 December 2017, the Group completed an assessment of its tenement assets and decided that there was no need to recognise any impairment of its exploration and evaluation expenditure carried forward.

NOTE 5. GOING CONCERN

The consolidated interim financial statements have been prepared on a going concern basis, which envisages the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The group incurred a loss after tax for the six-month period ended 31 December 2017 of $931,680 (2016: loss after tax $1,514,366) and net cash outflows from operating and investing activities of $3,141,164 (2016: $1,806,254). As at 31 December 2017, the Group had working capital of $413,673 (June 2017: $2,026,388).

The Company has also raised $190,917 since balance date with holders of options over ordinary shares exercising their rights.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 6. NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE GROUP THAT ARE APPLICABLE TO THE PRESENT HALF-YEAR REPORTING PERIOD

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

There was no material impact.

NOTE 7. OPERATING SEGMENTS

The Group conducts mineral exploration in two geographical segments being Mauritania and Sweden and operates in one industry mineral exploration and mining. Non-reportable segment financial information is reported as Corporate.

SEGMENT INFORMATION

For the half year ended 31 December 2017

	MAURITANIA $	SWEDEN $	CORPORATE $	TOTAL $
Segment revenue	-	-	593	**593**
Segment result	-	-	593	**593**
Expenses attributable to Corporate				
Administrative expense			(423,428)	**(423,428)**
Depreciation expense			(7,398)	**(7,398)**
Employee benefits expense			(300,932)	**(300,932)**
Exchange fluctuation			(53,990)	**(53,990)**
Share-based payments			(113,864)	**(113,864)**
Other			(32,661)	**(32,661)**
Loss after tax				**(931,680)**
As at 31 December 2017				
Segment assets	11,054,050	5,853,407	710,691	**17,618,148**
Segment liabilities	25,164	-	258,751	**283,915**
Segment asset movements for the period				
Additions	1,832,589	184,339	1,596	**2,018,524**
less Impairment	-	-	-	**-**
	1,832,589	184,339	1,596	**2,018,524**

NOTE 7. OPERATING SEGMENTS (CONT)

SEGMENT INFORMATION

For the half year ended 31 December 2016

	MAURITANIA $	SWEDEN $	CORPORATE $	TOTAL $
Segment revenue	-	-	1,784	**1,784**
Segment result	-	-	1,784	**1,784**
Expenses attributable to Corporate				
Administrative expense			(390,243)	**(390,243)**
Depreciation expense			-	**-**
Employee entitlements			(254,314)	**(254,314)**
Exchange fluctuation			(72,191)	**(72,191)**
AIM listing costs			(683,121)	**(683,121)**
Share-based payments			(145,293)	**(145,293)**
Other			(120,458)	**(120,458)**
Government rebate on research and development			(4,177)	**(4,177)**
Loss after tax				**(1,514,366)**
As at 30 June 2017				
Segment assets	9,383,768	5,685,455	2,571,246	**17,640,469**
Segment liabilities	225,765	24,608	492,983	**743,356**
Segment asset movements for the period				
Additions	2,030,513	206,431	-	**2,236,944**
less Impairment	(495,453)	(897,367)	(4,802)	**(1,397,602)**
	1,535,080	(690,936)	(4,802)	**839,342**

NOTE 8. CASH AND CASH EQUIVALENTS

	31 DEC 2017 $	30 JUN 2017 $
Cash at bank	**616,434**	2,614,749
Short-term bank deposits	**-**	38,211
	616,434	2,652,960

NOTE 9. TRADE AND OTHER RECEIVABLES

	31 DEC 2017 $	30 JUN 2017 $
Trade debtors	**7,353**	-
Value-added taxes receivable	**8,207**	62,854
Other receivables	**9,234**	-
	24,794	62,854

Value-added taxes receivable is a generic term for broad-based consumption taxes that the Group is exposed to in the various countries in which it conducts its exploration activities – Australia (goods-and-service tax, Mauritania (value-added tax) and Sweden (value-added taxes).

NOTE 10. OTHER CURRENT ASSETS

	31 DEC 2017 $	30 JUN 2017 $
Other financial assets	**56,360**	53,930

NOTE 11. EXPLORATION AND EVALUATION EXPENDITURE

	31 DEC 2017 $	30 JUN 2017 $
Exploration and evaluation expenditure carried-forward in		
respect of minerals exploration areas of interest		
Exploration and evaluation phases	**16,907,457**	14,851,820
Opening balance	**14,851,820**	14,137,710
Additions	**2,016,928**	2,305,058
Impairments	**-**	(1,397,602)
Foreign exchange fluctuation	**38,709**	(193,346)
Closing balance	**16,907,457**	14,851,820

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the continuation of the Group's right to tenure, future exploration and successful development and commercial exploitation of the respective area of interest or alternatively by their sale.

NOTE 12. TRADE AND OTHER PAYABLES

	31 DEC 2017 $	30 JUN 2017 $
Trade payables	**49,231**	333,684
Accrued expenses	**128,210**	165,282
Other payables	**62,902**	77,639
	240,343	576,605

Trade and other payables are unsecured and non-interest bearing obligations of the Company which arise from the business activities. Trade payables and other accruals, with the exception of amounts due to directors of the Company, are settled within the lower of terms or 30 days.

NOTE 13. SHORT-TERM PROVISIONS

	31 DEC 2017 $	30 JUN 2017 $
Employee benefits	**43,572**	118,948

NOTE 14. ISSUED CAPITAL AND RESERVES

(I) MOVEMENT IN SHARES ON ISSUE

The Company has shares on issue of 854,318,646 (30 June 2017: 792,808,124) and paid-up capital of $40,751,161 (30 June 2017 $39,558,943). All shares on issue are fully paid ordinary shares at no par value.

	DATE OF ISSUE	NUMBER OF SHARES	ISSUE PRICE/$	$
Opening balance at 1 July 2016		**457,048,412**		**32,784,203**
Shares issued during the period:				
AIM listing	12-Sep-16	196,883,849	0.0200	3,937,679
WHI Ireland	12-Sep-16	3,937,677	0.0200	78,754
Australian Placement	16-Sep-16	52,350,000	0.0200	1,065,000
Martin Place Securities	16-Sep16	200,000	0.0200	4,000
Exercise of options	5-Oct-16	4,581,633	0.0250	114,541
Exercise of options	19-Oct-16	500,000	0.0250	12,500
Directors remuneration	21-Dec-16	871,335	0.0154	13,375
Directors remuneration	21-Dec-16	559,623	0.0239	13,375
Consultants	21-Dec-16	1,882,845	0.0239	45,000
Equity raising costs				(318,167)
Closing balance at 31 December 2016		**719,715,374**		**37,750,260**
Opening balance at 1 July 2017		**792,808,124**		**39,558,943**
Shares issued during the period:				
Directors remuneration	**10-Aug-17**	**377,732**	**0.0350**	**13,375**
Directors remuneration	**10-Aug-17**	**550,034**	**0.0240**	**13,375**
Share Placement	**15-Nov-17**	**55,425,000**	**0.0200**	**1,108,500**
Share Placement	**15-Nov-17**	**400,000**	**0.0200**	**8,000**
Exercise of options	**21-Dec-17**	**333,333**	**0.0200**	**6,667**
Contractors	**21-Dec-17**	**2,653,934**	**0.0204**	**54,140**
Consultants	**21-Dec-17**	**1,770,489**	**0.0240**	**42,491**
Equity raising costs				**(54,330)**
Closing balance at 31 December 2017		**854,318,646**		**40,751,161**

NOTE 14. ISSUED CAPITAL AND RESERVES (CONT)

(II) MOVEMENT IN OPTIONS ON ISSUE

The Company has options over ordinary shares granted on issue of 64,664,924 (30 June 2017: 89,553,189 options over ordinary shares).

18,608,333 options over ordinary shares were granted to shareholders or employees for the six-month period ended 31 December 2017 (31 December 2016: nil options over ordinary shares were granted).

	DATE OF ISSUE	NUMBER OF OPTIONS	EXERCISE PRICE/$	EXPIRY DATE
Opening balance at 1 July 2016		197,349,702		
Options granted:		-	-	-
Options exercised:	5-Feb-16	(4,581,633)	0.025	5-Feb-18
	5-Feb-16	(500,000)	0.025	5-Feb-18
Options lapsed	20-Dec-13	(6,625,000)	0.200	13-Jul-16
	4-Dec-12	(26,424,005)	0.200	4-Dec-16
Closing balance at 31 December 2016		**185,443,069**		
Opening balance at 1 July 2017		**89,553,189**		
Options granted:	**15-Nov-17**	**18,608,333**	**0.0200**	**14 Nov-18**
Options exercised:	**15-Nov-17**	**(333,333)**	**0.025**	**14-Nov-18**
Options cancelled	**10-Jun-15**	**(35,000,000)**	**0.10-0.15**	**9-Jun-18 to 9-Feb-21**
Options lapsed:	**20-Dec-15**	**(8,163,265)**	**0.0250**	**23-Dec-17**
Closing balance at 31 December 2017		**64,664,924**		

On 30 November 2017, shareholders approved the awarding of 35,000,000 performance rights to Mr PD Reeve, the Executive Chairman/Managing Director of the Company, with 20,000,000 vesting on 30 November 2018 and 15,000,000 vesting on 30 November 2019.

NOTE 15. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of financial assets and liabilities which are measured at amortised cost including trade and other receivables and trade and other payables and convertible notes.

The carrying amount of the financial assets and liabilities included in these condensed consolidated interim financial statements approximate their fair value.

NOTE 16.CONTINGENT LIABILITIES

On 15 October 2010, the Company and Global Coal Management plc entered into a Share Sale and Purchase Agreement which resulted in the Company acquiring all the shares on issue in GCM

Africa Uranium, the entity which held the beneficial interest of GCM in the above-mentioned research permits in Mauritania.

The Company paid GCM US$100,000 on execution of the Share Sale and Purchase Agreement; US$472,183 in cash plus 2,000,000 fully paid ordinary shares in the Company on completion (due diligence); and, US$500,000 on the first anniversary of completion. The Company also agreed to pay a contingent consideration:

(i) US$2,000,000 (in cash and shares as determine by the Company) on the delineation of 75 million pounds or more Initial Resource (not defined in the Letter Agreement) under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves; and

(ii) US$400,000 in cash and 400,000 fully paid ordinary shares in the Company for each Subsequent Resource of 6,500,000 pounds up to a maximum of US$4,000,000 in cash and 4,000,000 in fully paid ordinary shares.

The obligations to make the contingent consideration payments are held by the Company and the contingent consideration is only payable if the Initial Resource and Subsequent Resource are achieved within 10 years of the date of the Share Sale and Purchase Agreement. Accordingly, the obligation to pay the contingent consideration expires on 15 October 2020.

There are no other contingent liabilities as at 31 December 2017.

NOTE 17. EVENTS SUBSEQUENT TO REPORTING DATE

Shareholders exercised 8,045,833 options over ordinary shares during the course of February 2017 with an exercise price of between 2.0 and 2.5 cents per option over ordinary share. The proceeds from the exercise of options over ordinary shares total $190,917 and will be dedicated to the advancement of the Company's gold projects in Mauritanian.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 9 to 21 are in accordance with the Corporations Act 2001 and

   (a) Comply with Accounting Standard AASB 134 Interim Financial Reporting; and

   (b) Give a true and fair view of the financial position as at 31 December 2017 and of the performance for the half-year ended on that date of the Group.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors made pursuant to section 303(5) of the Corporations Act 2001 and is signed for and on behalf of the directors by:

PD Reeve

Executive Chairman and Chief Executive Officer

Dated this the 15th day of March 2018

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Aura Energy Limited

We have reviewed the accompanying financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Aura Energy Limited (Continued)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Aura Energy Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the period ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 5 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $931,680 during the half year ended 31 December 2017. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 15th day of March 2018

ASX ADDITIONAL INFORMATION

TENEMENT REPORT

COUNTRY	TENEMENT NUMBER	NAME	ORIGINAL DATE OF GRANT	EXPIRY DATE	SQ KMS	HOLDER	EQUITY INTEREST
Mauritania	561	Oum Ferkik	16-Apr-08	20-Nov-17	60	Aura Energy Limited	100%
	563	Oued El Foule Est	16-Apr-08	24-Mar-18	313	Aura Energy Limited	100%
	564	Ain Sder	16-Apr-08	09-Jun-18	330	Aura Energy Limited	100%
	1482	Oum Ferkik Sud	17-Jan-17	17-Jan-20	476	Aura Energy Limited	100%
	2002	Aguelet	17-Jan-17	17-Jan-20	100	Aura Energy Limited	100%
	2365	Oued El Foule Sud	21-Dec-17	20-Dec-20	224	Aura Energy Limited	100%
	2366	Agouyame	21-Dec-17	20-Dec-20	34	Aura Energy Limited	100%
	2357	Hadeibet Beella	1-Mar-16	(Application)	41	TIMCO	100%
	2458	Touerig Taet	1-Mar-16	(Application)	134	TIMCO	100%
Sweden	2007:243	Haggan nr 1	28-Aug-07	28-Aug-17	18.3	Aura Energy Sweden AB	100%
	2009:23	Koborgsmyren nr 1	23-Jan-09	23-Jan-19	5.4	Aura Energy Sweden AB	100%
	2017:7	Skallbole nr 1	20-Jan-16	20-Jan-19	7.8	Aura Energy Sweden AB	100%
	2017:9	Mockelasen nr 1	21-Jan-16	21-Jan-19	17.6	Aura Energy Sweden AB	100%

RESERVES

TIRIS RESOURCE - MAURITANIA

100PPM U_3O_8 CUT-OFF	TONNES (MT)	GRADE	MLBS U_3O_8
Indicated	2	300	2
Inferred	64	335	47
Total	66	334	49

HÄGGÅN RESOURCE

100PPM U_3O_8 CUT-OFF	TONNES (BT)	U_3O_8 (PPM)	MO (PPM)	V (PPM)	NI (PPM)	ZN (PPM)
Inferred	2.35	155	207	1,519	316	431

Uranium	803 Mlbs
Nickel	1,640 Mlbs
Zinc	2,230 Milbs
Molybdenum	1,070 Mlbs

ACN: 115 927 681