

19 APRIL 2018

**HÄGGÅN CONTAINS OF 13.1 BILLION POUNDS VANADIUM AS
INFERRED RESOURCE - GRADE IS 0.28% V₂O₅**

HÄGGÅN VANADIUM GRADE IS 18 TIMES THE URANIUM GRADE

**AURA IS REVIEWING DOWNSTREAM BATTERY BUSINESSES AS
VALUE-ADD TO ITS VANADIUM SECTOR STRATEGY**

VANADIUM TESTWORK PROGRAM PLANNING UNDERWAY

**AURA TO MAINTAIN A 70-80% OWNERSHIP IN ITS
VANADIUM IPO SPIN-OFF**

Aura Energy Limited (AEE; ASX, AURA; AIM) is pleased to advise that the technical review and corporate work on the Häggån Vanadium Battery Metals Project in Sweden is underway and progressing well. The work is focussed around planning for the vanadium test work phase and on the upcoming Häggån Vanadium IPO.

Aura's 100% owned Häggån Project in Sweden is a large polymetallic project with significant Battery Metals, **principally vanadium**, but also **cobalt, nickel, zinc, neodymium, molybdenum** and **uranium**. Most of these metals have only been partially considered in the previous technical studies.

With an Inferred Resource of 13.1 Billion pounds of contained V₂O₅¹ Häggån clearly has the potential to be one of the world's largest sources of vanadium supply. The forecast increase

¹ Aura ASX announcement 22/8/2012

in vanadium demand is expected particularly from the growing market for Vanadium Redox-Flow Battery technology used in grid power storage.

The recent dramatic rise in the price of vanadium has altered the principal focus for the Häggån project development which is now mainly vanadium and other Battery Metals with lower emphasis on uranium.

With the vanadium grade of 0.28% V_2O_5 at a 100ppm U_3O_8 cut-off and 0.33% V_2O_5 at a 180ppm U_3O_8 cut-off grade the vanadium grade is at least 18 times higher concentration than uranium highlighting the new relative importance of the vanadium in the resource and future project.

The Häggån deposit contains consistent mineralisation and has been well drilled. Aura will conduct a review of this significant database of vanadium mineralisation to identify the domains of highest-grade material in the deposit.

As the graph in Figure 1 below shows **20% of all samples (population of 3041 samples in total) in the resource have a grade of greater than 0.4% V_2O_5** . 10% of samples in the resource have a grade greater than 0.45% V_2O_5 . **V_2O_5 grades within the resource range up to 0.65% V_2O_5** and orebody modelling is in progress to determine whether selective mining of high grade zones is feasible.

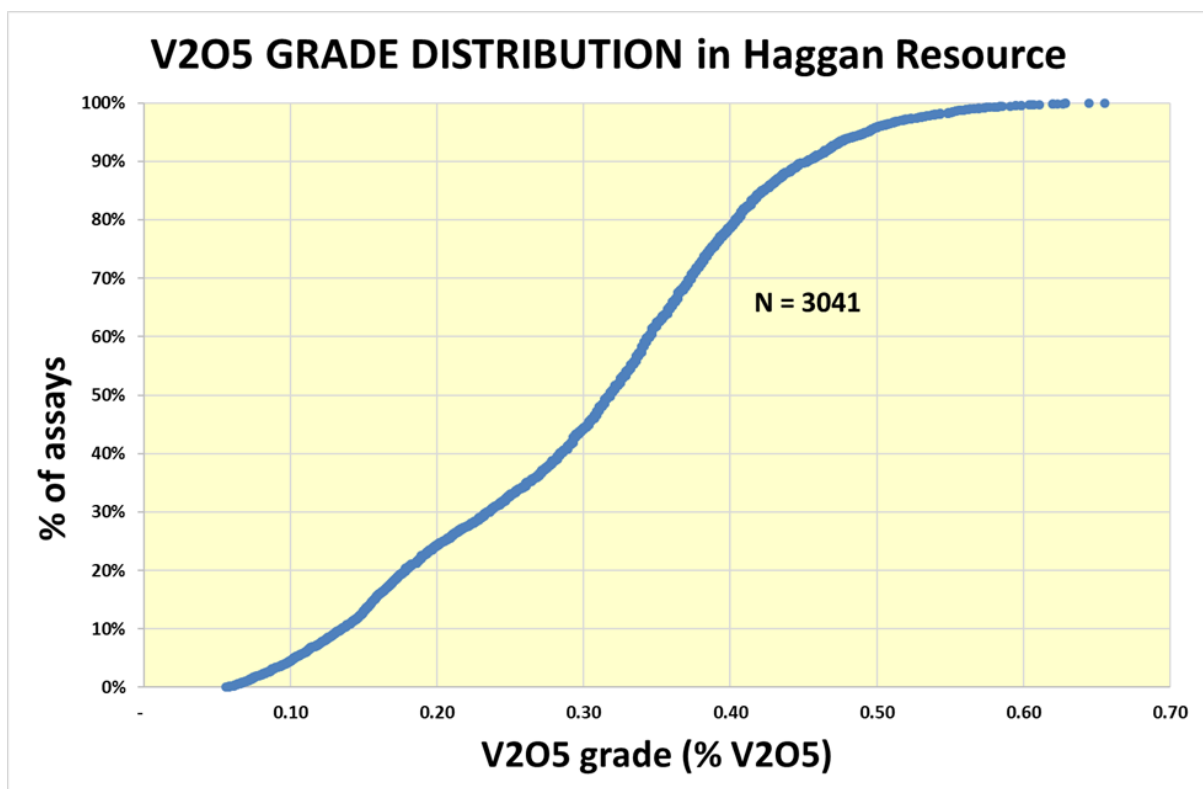


Figure 1. Vanadium grade distribution in the Häggån deposit

Additionally, significant mineralogical test work was conducted during the Scoping Study which will be reviewed to identify opportunities for improved processing options.

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A detailed test work program is under development which includes reviewing previous test work completed on vanadium in the 2012 Häggån Scoping Study. The new test work will utilise material available from existing drilling programs and will investigate options to integrate vanadium processing technology with base metal recovery from the Häggån bacterial heap leach. This test work will aim to increase efficiency of vanadium recovery, reagent consumption and energy requirements, keeping the process at low cost.

As part of the metallurgical review, Aura will investigate options for beneficiation of the Häggån mineralisation to present a higher-grade feed to the main recovery process.

Aura is also reviewing how Häggån Battery Metals can become involved in downstream businesses in the battery research and manufacturing sector. Integration of Battery Metal producing projects into the battery manufacturing sector has a higher likelihood of occurring given the relatively low starting scale that can be used for battery manufacture. This business could enhance the prospects for regional employment in central Sweden near the Häggån Project.

The Häggån asset is currently held by Aura Energy in a separate Swedish entity and planning to achieve a separate listing is underway. Aura has conducted a valuation exercise and is currently conducting a review of international exchanges to determine the best location for listing the vehicle. Several international broking houses have expressed interest in assisting with the listing.

Aura will initially maintain a substantial ownership of the new vehicle (70-80%) but will consider further third-party investments or sell-downs as satisfactory value accrues in the vehicle over time. Aura will also entertain, and seek, strategic investors into the new vehicle who operate within aligned Battery Metal industries.

Aura Energy is targeting for the separate listing process to be completed in second half 2018.

U ₃ O ₈ Cut-off (ppm)	Tonnes (Billion)	V2O5 (ppm)	V2O5 Billion lbs	Ni (ppm)	Zn (ppm)	U3O8 (ppm)	Mo (ppm)
180	0.31	3,324	2.3	388	492	192	260
160	0.94	3,170	6.6	364	480	177	238
140	1.69	2,954	11.0	340	458	165	220
120	2.06	2,811	12.8	327	443	159	212
100	2.15	2,770	13.1	322	438	157	209

Table 1: Inferred Resources at Häggån¹

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Competent Persons

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 an independent consultant to Aura Energy. 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.

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