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29 JANUARY 2019

URANIUM OFFTAKE AGREEMENT CONCLUDED FOR TIRIS URANIUM PROJECT

**AGREEMENT COVERS 800,000 POUNDS U_3O_8 FIXED PRICE
VOLUMES OVER 7 YEARS WITH SUBSTANTIAL ADDITIONAL
OPTION VOLUMES**

AVERAGE PRICE OF SALES OVER US\$44/LB U_3O_8

SIGNIFICANT EXPOSURE RETAINED FOR U_3O_8 PRICE UPSIDE

Aura Energy Limited (AEE; ASX, AURA; AIM) is pleased to advise that it has signed a binding off-take agreement with Curzon Uranium Trading Limited (“Curzon”) for the sale of its uranium production from the Tiris Uranium Project.

The agreement with Curzon covers the sale of 800,000 pounds of uranium production at fixed prices with a further 1.8 million pounds of uranium production available to Curzon as option volumes at fixed and market pricing. The agreement is over a seven-year period starting from the commencement of production and extendable thereafter by mutual consent.

The average price of the agreement is above US\$44 per pound U_3O_8 compared with the current spot price of around US\$29 per pound U_3O_8 and comfortably above Tiris’ total operating cost.

With Tiris’ anticipated production at approximately 1 million pounds U_3O_8 per annum (see Notes 1 and 2 below), importantly, the fixed pricing volumes of this agreement account for between only 15 to 30% of production. This will ensure Aura remains strongly exposed to the potentially higher uranium prices expected by Aura in the future. Aura has also the ability to claw back certain option volumes at its election should the price warrant this action.

Aura is developing its calcrete uranium project in Mauritania and is currently completing a Definitive Feasibility Study (DFS) on the project. The Tiris Project is driven by low operating and development capital costs and is expected to commence construction this year for an anticipated 2020 production start (see Notes 1 and 2 below).

Aura was recently granted an Exploitation Licence by the Mauritanian Government to advance the Tiris Project.

"The completion of this agreement comes after many months of negotiation and clearly positions Aura closer to producer status. This agreement provides Aura with a strong level of certainty over the revenue stream from the fixed prices and excellent upside via the option volumes at market prices. With the price on average exceeding \$44 per pound for this agreement Aura believes this is both constructive and prudent for a company such as Aura early in its development phase".

"With the DFS nearing completion and initial construction anticipated this year, the milestone that this agreement represents is undoubtedly significant. Also significant is the fact that the parties have come to an agreement in which Aura retains its exposure to the upside in the uranium price over the life of the Tiris Project", Mr Peter Reeve, Aura's Executive Chairman, said.

Curzon is a London based trading company which focuses on the front end of the nuclear fuel value chain with a particular focus on U₃O₈ or yellowcake. Curzon engages with small to medium size junior miners on long term off-takes with possible investment where appropriate. As well as strategic mining investments, Curzon is active in the uranium spot and mid-term market as a trader of the physical material. Over a very short time, since the set-up of its uranium business in early 2017, Curzon has become a well-known and respected name within the uranium industry.

Curzon has a diversified portfolio of off-takes around the world to supply electrical utilities with nuclear fuel components on a long-term basis.

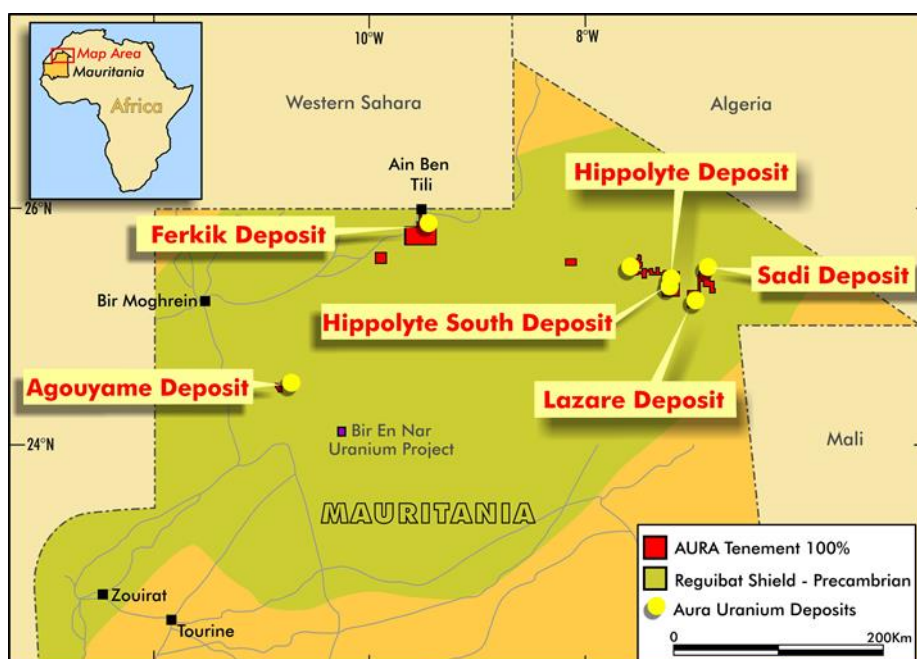


Figure 1. Location of Aura's Tiris Uranium Resources

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Notes to the announcement

- (1) Aura is conducting a Definitive Feasibility Study on its 52 million-pound U₃O₈ Mineral Resource (see ASX announcement, dated 30 April 2018). The Tiris Uranium Project is a near-term development project with production expected in 2020. The Company is not aware of any information or data that materially affects the information included in the relevant market announcement and, in the case of Mineral Resources, that all material assumptions and technical parameters underpinning estimates in the relevant market announcement continue to apply and have not materially changed.*
- (2) The capital and operating costs presented in the Scoping Study (see ASX Announcement, dated 16 July 2014) reflected costs at that time with a relative low level of confidence. The Company is presently undertaking a Definitive Feasibility Study which will update these estimates in terms of current market prices for both capital and operating costs and therefore, increase the level of confidence in estimates. The Company wishes to confirm that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the initial public report continue to apply and have not materially changed.*

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