

ASX RELEASE

31 January 2023

Quarterly Report for the Period Ending 31 December 2022

KEY POINTS:

- Completion of the Tiris Project's 11,600-metre infill drilling program, which has been undertaken to increase the percentage of the 56 Mlbs U₃O₈ to Measured or Indicated status.
- Australian Nuclear Science and Technology Organisation (ANSTO) Minerals confirmed that the yellowcake product from the Tiris Uranium Project in Mauritania meets ASTM International specifications.
- Continued to progress the Tiris Project optimised feasibility study targeting a 3 Mlbs U₃O₈ on target for completion in Q1 2023.
- Commenced the Front-End Engineering Design of the Tiris Project.
- Swedish election held with the new government committing to energy security. The Häggån project development provides a long-term secure domestic energy supply.

Aura Energy Limited (ASX: AEE, AIM: AURA) ("Aura" or "the Company") a company focused on the fast-tracked development of its Tiris Project in Mauritania ("Tiris" or the "Tiris Project"), is pleased to provide an overview of activities for the period ended 31 December 2022 ("Quarter" or "Reporting Period") to accompany the Appendix 5B.

COMPANY ACTIVITIES

During the Quarter the Company achieved significant milestones towards increasing the resource size and quality, progressing the Optimisation of the Definitive Feasibility Study, and continuing with the positive discussions with the Government of Mauritania. Aura Chair Phillip Mitchell and senior management visited Mauritania and met with the Minister of Petroleum, Mines and Energy, the Director General and other key government officials to progress the Mining Conventions and other licensing approvals needed to progress the Tiris Project's development.

Aura's Managing Director Mr David Woodall visited the Häggån Project post the Swedish election to progress the work that could see Häggån play an essential role in Sweden's future energy supply. The key focus is the delivery of the exploitation permit key to the development of the project.

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Aura continues to be well-funded for key programs that will allow a final investment decision to commence development activities in Q4 CY2023.

TIRIS PROJECT UPDATE

Completion of Infill Drilling at the Tiris Project

During the quarter Aura Energy completed the Tiris Resource Upgrade drilling and logging program. The 11,600-metre infill drilling program was undertaken seeking to upgrade the Measured or Indicated resources to approximately 50% within the Tiris Project and to identify further exploration targets within the tenure (refer to ASX and AIM Announcement 19 April 2022). The drilling results are being interpreted, with an announcement to update the resource scheduled in the coming weeks.

The success of the drilling program and the resource upgrades have been designed to provide the basis for growing the Tiris Project to our long-term goal of expanding the Tiris to 3-5 Mlbs U₃O₈ per annum within five years of initial production.

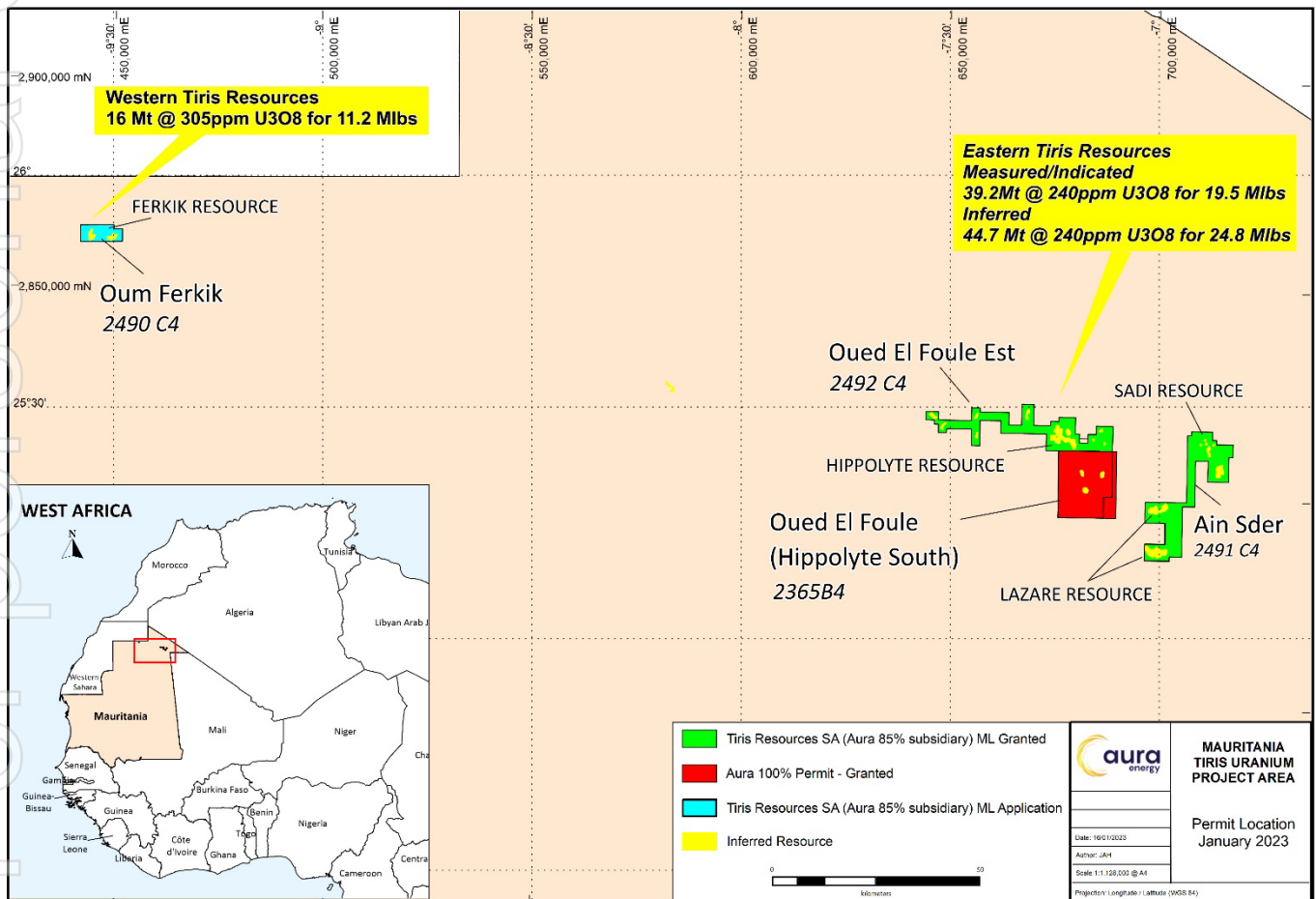


Figure 1 - Aura Energy Limited Distribution of Resources

Historically, conversion of Inferred resources to the Measured and/or Indicated category has occurred at a ratio of approximately 65% with infill drilling. Using new sampling techniques,

the Company has consistently discovered additional mineralisation when drilling areas with high surface radiometric signatures.

Together, and assuming this trend continues, we are confident that our target of identifying sufficient U₃O₈ resources to support a 3-5 Mlbs per annum operation within five years is achievable.

The 2021 Tiris Feasibility Study update (released 18 August 2021) demonstrated that Tiris is a low-capital and low-operating-cost project, with a simple, proven flowsheet. The Tiris Project has a first-mover opportunity with a capital estimate of US\$74.8m and a C1 operating cost of US\$25.43/lb U₃O₈.

Tiris Project Front-End Engineering Design

During the quarter front-end-engineering design (FEED) commenced with engineering by Wallbridge Gilbert and Aztec (WGA) to further the engineering detail of the leaching, ion exchange, and precipitation work areas of the project. Similar engineering on the beneficiation circuit and infrastructure will commence next quarter. The FEED work is designed to have detailed engineering costings as a precursor to the Board's final investment decision targeted for Q4 2023, and the issuing of contracts for long-lead items that have been identified to ensure the timely delivery of the construction of the Tiris Project.

Häggån project

Following the Swedish national elections, the new Government has moved on to its key election strategy of ensuring domestic energy security, supporting the potential to expand nuclear power within the country's energy mix. As a part of this strategy, the governing coalition has publicly stated its support to rescind the uranium mining ban.

In addition, the Swedish Government has stated a shift in policy that looks to fast-track the development of new mining operations, especially those with a focus on battery metals, such as vanadium and nickel - an important outcome for the Häggån Project.

While these changes are favourable to continued development at Häggån, Aura will continue to progress the work required to deliver an exploitation permit in 2024. Key to this will be enhanced consultation and collaboration with all stakeholders at the national, regional, Sami and community levels.

Tiris Yellowcake meets International Standards

During the quarter Aura Energy successfully generated yellowcake production samples from the Tiris Project, at the Company's beneficiation pilot plant (refer to ASX and AIM announcements dated 6 December 2022).

The samples were tested by the Australian Nuclear Science and Technology Organisation (ANSTO) and the results confirmed that the yellowcake product from the Tiris Project meets ASTM International specifications. The result completed the uranium recovery test work

program at the ANSTO laboratory and indicates that Tiris production could be sold in the international market as a high-standard product without penalties¹.

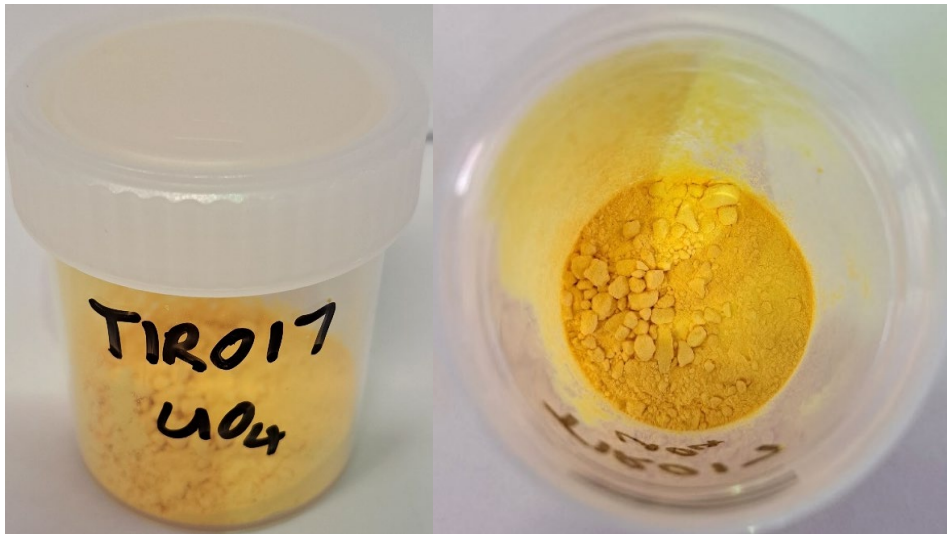


Figure 2 - Aura's Yellowcake Successfully Produced at ANSTO

FINANCE AND OFFTAKE ACTIVITIES

Cash

Aura's cash position as of 31 December 2022 was A\$6.3m, with the major expenditures during the quarter comprising:

- \$1.8m in the Tiris Project development costs (\$2.3m total expenditure on projects) inclusive of an 11,600m drilling program designed to increase the Measured and Indicated resources.
- \$877k of corporate costs.

Forecast net operating cashflow and the investment in exploration and evaluation for the quarter of \$3.2m and the closing cash balance of \$6.3m the company has enough cash for 2.0 quarters.

¹ ASTM C967-20, "Standard Specification for Uranium Ore Concentrate"

Use of Funds under March 2022 Placement	Funds allocated under Prospectus	Funds expended between Placement and 31 Dec 2022	Variance	
Tiris Project	\$7,600,000	3,217,170	\$4,382,830	58%
Costs of the Placement (inc. issue and listing fees)	\$557,000	540,810	\$16,190	3%
Working capital	\$643,000	562,800	\$80,200	12%
Total	\$8,800,000	\$4,320,780	\$4,479,220	51%

Table 1 - Use of Funds under March 2022 Placement

Offtake

The Company has opened discussions with several parties regarding potential offtake contracts for Tiris production.

These discussions will be pursued in the coming weeks with a view to entering into one or more commercial agreements that will de-risk the first phase of development of the Tiris Project.

Tenement Summary

Details of mining tenements, farm-in and farm-out agreements held at the end of the Quarter, and any changes to such tenements and agreements during the Quarter.

Tenement No.	Name	Grant / Application Date	Expiry	Km ²	Holder	Equity
Mauritania						
2491C4	Ain Sder	8/02/2019	Exploitation License	207	Tiris Ressources SA	85%
2492C4	Oued El Foule	8/02/2019	Exploitation License	190	Tiris Ressources SA	85%
561	Oum Ferkik	16/04/2008	Subject to exclusivity	60	Aura Energy Limited	100%
2457B2	Hadeibet Belaa	2/04/2019	2/04/2022	41	Tiris International Mining Co.	100%
2458B2	Touerig Taet	2/04/2019	2/04/2022	134	Tiris International Mining Co.	100%

Tenement No.	Name	Grant / Application Date	Expiry	Km ²	Holder	Equity
Sweden						
2007-243	Haggan nr 1	28/08/2007	28/08/2024	18	Vanadis Battery Metals AB	100%
2018-9	Mockelasen nr 1	21/01/2019	21/01/2024	18	Vanadis Battery Metals AB	100%
2018-7	Skallbole nr 1	20/01/2019	20/01/2024	8	Vanadis Battery Metals AB	100%

Table 2 - Tenement Summary

Farm-in agreement with Nomads Mining Company sarl, Mauritania, to earn up to 70% interest in Nomads 100%-owned exploration permit in Mauritania (refer to ASX announcement 11 June 2019).

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About Aura Energy (ASX: AEE, AIM: AURA)

Aura Energy is an Australian-based minerals company that has major uranium and polymetallic projects with large resources in Africa and Europe.

The Company is now focused on uranium production at the Tiris Project, a major greenfields uranium discovery in Mauritania, with Aura announcing a Resource Upgrade in August 2021 of 10% or 5.0 million lb U3O8 bringing the total JORC Resource to 56 Mlbs (at a 100 ppm U3O8 lower cut-off grade).

Aura also completed a capital estimate update for the Tiris Definitive Feasibility Study, to reflect current global pricing, with these 2021 figures reconfirming Tiris as one of the lowest capex, lowest operating cost uranium projects.

In October 2021, the Company entered a US\$10m Offtake Financing Agreement with Curzon, which includes an additional up to US\$10m facility, bringing the maximum available under the agreement to US\$20m.

In 2023, Aura will continue to transition from a uranium explorer to a uranium producer, capitalising on the rapidly growing demand for nuclear power as the world shifts towards a decarbonised energy system.

Disclaimer Regarding Forward-Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements. The Company does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Mineral Resource and Ore Reserve Estimates

The information in this announcement that relates to Mineral Resources or Ore Reserves is extracted from the reports titled 'Tiris Uranium Project - Resource Upgrade of 10%' released to the Australian Securities Exchange (ASX) on 27 August 2021 and 'Tiris Uranium Project DFS Update' released to the ASX on 18 August 2021 and for which Competent Persons' consents were obtained. Each Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcements.

In respect to Resource statements, there is a low level of geological confidence associated with the inferred mineral resource and there is no certainty that further exploration work will result in the determination of indicated measured resource or that the production target will be realised.

Notes to Project Description

The Company confirms that the material assumptions underpinning the Tiris Uranium Production Target and the associated financial information derived from the Tiris production target as outlined in the Aura Energy release dated 18 August 2021 for the Tiris Uranium Project Definitive Feasibility Study continue to apply and have not materially changed.

The Tiris Uranium Project Resource was released on 27 August 2021 "Resource Upgrade of 10% - Tiris Uranium Project". The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

In respect to Resource statements, there is a low level of geological confidence associated with the inferred mineral resource and there is no certainty that further exploration work will result in the determination of indicated measured resource or that the production target will be realised.

Competent Persons

The Competent Person for the portion of the 2022 Tiris Vanadium Mineral Resource Estimate and classification relating to the Hippolyte, Hippolyte South, Lazare North, and Lazare South deposits is Mr Arnold van der Heyden of H&S Consulting Pty Ltd. The information in the report to which this statement is attached that relates to the 2018 Mineral Resource Estimate is based on information compiled by Mr van der Heyden. Mr van der Heyden has sufficient experience that is relevant to the resource estimation to qualify Mr van der Heyden 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 van der Heyden is an employee of H&S Consultants Pty Ltd, a Sydney-based geological consulting firm. Mr van der Heyden is a Member and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM) and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Competent Person for the portion of the 2022 Tiris Vanadium Resource Estimate and classification relating to all other deposits within the resource (Sadi South, Sadi North, Marie, Hippolyte West, Oum Ferkik East, Oum Ferkik West deposits) is Mr Oliver Mapeto, an independent resources consultant.

The information in the report to which this statement is attached that relates to the 2018 Resource Estimate is based on information compiled by Mr Mapeto. Mr Mapeto has sufficient experience that is relevant to the resource estimation to qualify Mr Mapeto 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 Mapeto is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Competent Person for drill hole data and for integrating the different resource estimates is Mr Neil Clifford. The information in the report to which this statement is attached that relates to compiling resource estimates and drill hole data 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 to qualify 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 a consultant to Aura Energy. Mr Clifford is a Member of the Australasian Institute of Geoscientists. 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.

JANUARY 31, 2023

QUARTERLY CASH REPORT – APPENDIX 5B
QUARTERLY CASH REPORT FOR MINING EXPLORATION ENTITIES

AURA ENERGY LIMITED ASX:AEE
Suite 1, Level 3, 62 Lygon Street
CARLTON SOUTH, VIC 3053

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Summary of cash flow activities for the period

Cash and cash movements

Closing cash for the quarter is \$6.3m, compared to \$8.6m at the end of the previous quarter. This amounts to an outflow of \$2.2m for the quarter and \$4.4m for the Year To Date (YTD).

The areas of movement for the Quarter and YTD are as follows:

	Current Quarter \$'000	Financial Year to date \$'000
Net Operating cashflow	(877)	(1,767)
Net Investing cashflow	(2,282)	(3,900)
Net financing cashflow	941	1,300
FX movements	(16)	(14)
Total net cashflow excluding fx movements	(2,218)	(4,367)

The highest area of activity and payments during the quarter included a receipt of \$974k before costs for the exercise of options, investment in the Tiris Uranium and Tasiast South Gold projects of \$2.28m and admin and corporate costs of \$769k.

Based on an extrapolation of the net operating cashflow and the investment in exploration & evaluation for the quarter of \$3.2m and the closing cash balance of \$6.3m the company has enough cash for 2.0 quarters.

Directors

Mr Philip Mitchell, Non-Executive Chairman
 Dr Nyunggai Warren Mundine, Non-Executive Director
 Mr Bryan Dixon, Non-Executive Director
 Mr Patrick Mutz, Non-Executive Director
 Mr David Woodall, Managing Director & CEO

Share price (prior day closing) \$0.345

Shares on issue 556,801,557
 Market capitalisation \$192.1m
 Closing cash \$6.3m
 Enterprise value \$198.4m

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Aura Energy Limited

ABN

62 115 927 681

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(253)	(523)
	(e) administration and corporate costs	(769)	(1,471)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST input credits)	129	202
1.9	Net cash from / (used in) operating activities	(877)	(1,767)

2. Cash flows from investing activities		Current quarter \$A'000	Year to date (6 months) \$A'000
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(35)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(2,282)	(3,865)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,282)	(3,900)

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3. Cash flows from financing activities		Current quarter \$A'000	Year to date (6 months) \$A'000
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	974	1,385
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(33)	(85)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	941	1,300

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4. Net increase / (decrease) in cash and cash equivalents for the period		Current quarter \$A'000	Year to date (6 months) \$A'000
4.1	Cash and cash equivalents at beginning of period	8,560	10,707
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(877)	(1,767)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,282)	(3,900)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	941	1,300
4.5	Effect of movement in exchange rates on cash held	(16)	(14)
4.6	Cash and cash equivalents at end of period	6,326	6,326

5. Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	6,326	8,560
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,326	8,560

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	132
6.2	Aggregate amount of payments to related parties and their associates included in item 2	34
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1 – Payments for director fees to non-executive and executive directors in the normal course of business at commercial rates, including statutory superannuation and income tax paid on their behalf, and excluding reimbursements of out-of-pocket expenses.

Item 6.2 – Payments to the executive director in the normal course of business at commercial rates, allocated to exploration and evaluation projects.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	n/a		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(877)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(2,282)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,159)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,326
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,326
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.0
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	n/a	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	n/a	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	n/a	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.