

ASX RELEASE

1 February 2023

Transformational Agreements finalised in Mauritania for Tiris Project

KEY POINTS:

- Mining Conventions signed between the Government of Mauritania and Aura
- A key milestone to support financing the development of the Tiris Project
- Mining conventions provide 30 years of financial stability for tax, royalties, and customs
- Shareholders' Agreement with Agence Nationale de Recherches Géologiques et du Patrimoine Minier ("ANARPAM").

Aura Energy Limited (ASX: AEE, AIM: AURA) is pleased to announce the Mauritanian Government's approval and execution of the mining conventions providing tenure security and fiscal certainty for an initial 30-year period, and the Shareholder's Agreement with ANARPAM in relation to the Tiris Project in Mauritania.



Figure 1 - His Excellency Abdessalam Ould Mohamed Salah and Aura Chair Mr Philip Mitchell

Aura Chairman Phil Mitchell commented: "What we see the is potential of the Tiris region in the uranium world. With the formalisation of our Mining Convention and our partnership with ANARPAM, we are keen to work with the Government of Mauritania to develop the Tiris resource. Our increased knowledge and our belief in the quality of the resource gained from the drilling program

and the expansion studies, to be released imminently, we believe will allow us to develop a world-class uranium operation.”

Minister of Petroleum, Mines and Energy Excellency Abdessalam Ould Mohamed Salah, stated:

“The Islamic Republic of Mauritania under President Ghazouani’s leadership recognises the importance of the mineral wealth of our country and how projects like this provide revenues for the State, employment, training, and technology that benefits all Mauritians. This and other important project developments will make Mauritania a significant global energy supplier.

“The agreement between Mauritania and Aura Energy for the development of this significant uranium project is part of the government’s strategy in the joint development of mining and energy projects in the region in oil, gas, uranium or other recoverable mineral substances.”

Director General Mohamed Yahya Hammoudy stated:

“The signing of the agreements is the first step for Mauritania to develop its first uranium mining project in North Africa. The signing of the Mining Conventions pact between the Government of Mauritania and Aura Energy to enable the development of Mauritania's major uranium project "Uranium de Tiris" through a partnership of cooperation and collaboration.”

Key Aspects of the Mining Convention

The purpose of the Mining Convention between the Mauritanian Government and Aura is to provide stability and define the legal and economic conditions that allow mining activities to occur over a period of 30 years. Under the conventions, by executing these documents, the Government provides the financial, fiscal and customs applicable to that allow operating activities to commence. The key aspects of the mining conventions are:

- i. Accelerated depreciation in the first 3 years post commencement of commercial production.
- ii. Defined State participation of up to 20%.
- iii. Tax rate of 25%.
- iv. A royalty rate of 3.5% FOB value
- v. VAT exemption for the importation of movable goods, materials, equipment, vehicles, and other inputs.
- vi. The right to import and transport all mineral substances and materials related to mining activities.
- vii. The right to export minerals and to trade all substances extracted, produced or processed.
- viii. The right to award all contracts, provided, they are competitive on the world market.
- ix. The choice of human resources management policy, with, a preference to be granted, with equal qualifications, to nationals of the Islamic Republic of Mauritania.
- x. Commitment to the training and development of Mauritanian nationals.

Shareholder’s Agreement

Aura subsidiary Tiris Ressources SA (“Tiris Ressources”) and the Mauritanian Government’s Agence Nationale de Recherches Géologiques et du Patrimoine Minier (“ANARPAM”) signed a Shareholders Agreement that creates a long-term partnership with Mauritania in the development and operation of the Tiris Project.

The key terms of the agreement include:

- ANARPAM will hold a 15% Free Participation in Tiris, which cannot be diluted.
- ANARPAM will hold a right to an option to acquire a further 5% at an independently determined value as part of the Agreement.
- Tiris Ressources SA will have a Board of four Directors, including three nominated by Aura Energy, and one nominee from ANARPAM.
- An early annual dividend to ANARPAM in the first three years of the Project - dependent on the uranium price - of between US\$500,000 and US\$800,000, and a mechanism for the recovery of early dividend payments in future years.

The agreement consistent with the Mauritanian Mining Code provides for up to 20% ownership and creates alignment with the government of Mauritania having ANARPAM as Aura's partner for the development of the Tiris Project.



Figure 2 - Aura and ANARPAM Signing of Shareholders' Agreement

Aura's Managing Director, Dave Woodall, commented:

"We are excited to work with Director General Mr El Hachmy Cheikh Sidatty Moulaye Abdallah and the ANARPAM team in partnership to develop the Tiris Project and deliver our objective to grow production to more than 3.0 Mlbs U₃O₈ per year, with both Aura and the people of Mauritania sharing ownership of the project.

"The Tiris Project is anticipated to increase the diversity of global uranium supply at a time when the market is predicting a supply deficit, and as the world responds to the need for more sources of low-emissions energy. The conflict in Ukraine and flow effects to energy markets have created an environment where alternatives to gas and oil are desperately needed.

ANARPAM Director General Mr El Hachmy Cheikh Sidatty Moulaye Abdallah, stated:

"First of all, the Tiris Uranium exploitation project will be for several reasons one of the most important mining projects in Mauritania. Firstly, by the fact that it will be the first uranium mining project in North Africa and secondly, it will make Mauritania a supplier of energy, particularly in the particularly difficult

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global context, marked by the period after COVID-19 and the impacts of the Russia-Ukraine war around the world among others.

“The project is even more important for Mauritania through the significant expectations in terms of revenues for the State, in terms of employment, training and technology transfer. Finally, the signing of the shareholder pact between Aura Energy and ANARPAM demonstrates the great mark of trust between the two partners, now united together for the development of Mauritania's major uranium project "Uranium de Tiris" through a win-win partnership.

“The union (Aura Energy / ANARPAM) will be further consolidated and will result in the joint development of several other mining projects in the region, whether for Uranium or other recoverable mineral substances.”

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This ASX Release is authorised by the Aura Energy Board of Directors.

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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 an 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 inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated measured resources or that the production target will be realised.

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