

Successful Rights Issue Completed

Highlights:

- Aura Energy has successfully completed a Rights Issue with 1,690 shareholders or 83% of the eligible registry participating, and all directors taking up their full entitlement.
- The Rights Issue is the product of a strategy conceived by some of the Company's major shareholders to rebuild Aura Energy following the AGM on 17 March 2021, whereby all 17 resolutions were voted on with 95% acceptance
- The proceeds of the Rights Issue, Loyalty Options Entitlement Rights Issue and placement will provide \$5.8m to the Company, which will be used to expedite the development of the zero emission Tiris Uranium Project. A number of initiatives, including updating the engineering study for the Definitive Feasibility Study (DFS) and drilling the deposit with the aim of expanding the existing resources will be undertaken.
- It is further proposed that the Company will also offer 1 Loyalty Option Entitlement Rights Issue for every 3 Shares held one month following the reinstatement of its securities to the Official List of the ASX.
- Reinstatement to the Official List of the ASX, subject to AEE undertaking and completing agreed upon work programmes and expenditure commitments on AEE's Projects
- Shares are currently free trading on London Stock Exchange AIM market

Aura Energy (ASX:AEE, LSE: AURA) ("Aura Energy", the "Company") is pleased to announce that the Company has successfully completed a Rights Issue to eligible shareholders for 1 share for every 2 shares held post consolidation, at a price of \$0.026 per share, with 1,690 shareholders or 83% of the eligible registry participating, and all directors taking up their full entitlement.

Rights Issue

Commenting on the Rights Issue, Aura Energy Non-Executive Chairman, Martin Rogers, said: "We are very pleased to have successfully completed the Rights Issue with a strong participation rate. Importantly, the proceeds from the Rights Issue coupled with the recent placement have recapitalised the Company, placing Aura Energy in a strong position to expedite the development of its zero-emission Tiris Uranium Project and capitalise on the resurgence in the uranium price, and undertake further exploration activities on its other Projects".

"I would like to thank shareholders who participated, we have been blessed by the long-term support and I would like to welcome some of our new shareholders including Mr. John Hancock, renowned resource investor Mr. Peter Proksa and Mr. Alex Molyneux former CEO of Paladin Energy Ltd.



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It is currently proposed that the Company will undertake a loyalty option rights issue one month following its reinstatement to the Official List of the ASX, which it anticipates to achieve within the coming months. The options rights issue will likely consist of 1 option for every 3 AEE shares held, with the Loyalty Options having an upfront payment of \$0.013 each, an exercise price of \$0.052, and expiry of 30 June 2024". The loyalty option rights issue will be offered to eligible AEE shareholders with a registered address in Australia or New Zealand on a record date to be determined by the Company and a prospectus is anticipated to be lodged with ASIC in due course.

"We look forward to an exciting 2021 for Aura Energy, as we fast track the development of our zero-emission Tiris Uranium Project and other Projects. As your new Chairman I am here to create value on behalf of all shareholders and my goal is to have this Tiris uranium mine operational as soon as practical."

The Company will issue 128,285,974 shares to Rights Issue participants, with the remaining shares from the Rights Issue fully underwritten by KTM Capital, with the shortfall being placed to strategic investors, who will provide long-term support for the Company as it progresses with the development of its zero emission Tiris Uranium Project and other Projects.

The rights issue is a product of the strategy conceived by some of the Company's major shareholders to rebuild the Aura Energy, as the Company aims to capitalise on increasing pressure to decarbonise the global power sector coupled with a resurgence in the uranium price.

Aura Energy is now focussed on the development and drilling of the zero-emission Tiris Uranium Project, with the aim of expanding the existing resources and updating the engineering study for the Definitive Feasibility Study (DFS).

Reinstatement to the Official List of the ASX

The Company has been liaising with ASX with respect to the conditions ASX will require the Company to satisfy in order for the Company to be reinstated to the Official List of the ASX. Following those discussions, ASX has advised that upon the Company undertaking sufficient exploration on its projects in line its proposed expenditure commitments as set out below, and following the completion and results of those exploration programs being released to the market, ASX would be in a position to reinstate AEE's securities to trading on the Official List. ASX has advised that the securities issued under the Rights Issue will be admitted to quotation (whilst noting that the shares will remain in suspension until the Company's securities are reinstated to trading on the Official List).

It is currently proposed that the Company will expend approximately \$1.1m of the funds raised under the Rights Issue as follows:



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Tiris Uranium Project

Resource Information

The uranium mineralisation contains large quantities of vanadium, but a vanadium resource has never been formally estimated. Approximately 3,000 existing sample pulps from drilling in 2011 will be resubmitted for assay for vanadium and a resource consultant will be engaged to model a vanadium resource estimate.

At Sadi South, several dozen drill holes containing uranium and vanadium mineralisation were never included in previous resource estimates due to timing issues. Therefore, a resource consultant will be engaged to generate a resource estimate from this zone.

The Company estimates that approximately \$80,000 will be expended on Vanadium resource assaying and estimation at the Tiris Uranium Project. Sample pulps are currently being recovered from storage and are anticipated to be submitted for analysis. Subject to laboratory capacity to analyse the samples, the resource work should be completed by Q3 of 2021 and it is anticipated that resource estimation work at Sadi South will be completed during this time.

Water drilling

A water drilling program commenced in 2019 at the Tiris Uranium Project where four holes from a planned program of 10 to 12 holes were completed before the program ceased for weather related reasons and did not resume.

Targets identified by ground electrical surveying have already been defined and as such the Company intends to resume the water drilling program.

The Company estimates that approximately \$300,000 will be expended on water drilling at the Tiris Project and expects to begin water drilling at the Tiris Project as soon as possible and aim to have the drilling completed by mid-August 2021.

To that end, the Company's water boring contractor is currently preparing to mobilise and should be on site by mid-June 2021 and the duration of the drilling will depend on initial results, however, the initial phase should be completed by mid-August 2021.

Restate the Tiris Feasibility Study for 2021

The initial Feasibility Study for the Tiris Uranium Project was completed in 2019. In the two years since completion of the initial Feasibility Study it is anticipated that the cost basis may have changed and assumptions around currency conversions may no longer be valid.

To provide a valid basis to assess potential cost reductions in 2021 terms it is recommended that costs inputted in the initial Feasibility Study be updated and would include (among other updates):

- updating material contracting costs from key service providers; and
- reviewing foreign exchange assumptions (and other material assumptions) and updating if required.

The initial Feasibility Study cost estimate was undertaken by Mincore Engineers based in Melbourne. The estimate was completed in the Quest software package and an update of the estimate should only involve input of updated costs. Mincore Engineers have indicated that the process should take



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approximately 4 weeks, of which 2 weeks will be required to request and receive updated quotes and an additional 2 weeks to compile an updated estimate.

The Company estimates that approximately \$30,000 will be expended on the revised Tiris Feasibility Study.

Tiris DFS Review

The Tiris Uranium Project represents one of the lowest cost hard rock uranium development projects globally, however, a number of opportunities were not included in the original Feasibility Study that could result in further reduction of costs. It is proposed that a review of the Feasibility Study be undertaken with the objective of reducing overall capital and operating costs to make the development of the project economically viable in the 2021 uranium market.

It is proposed that the review be undertaken by a third-party engineering company with a well-established reputation in development and assessment of uranium projects. The review will be appropriately scoped and defined and a technically capable engineering consultant is proposed to be engaged during the second quarter of 2021.

Net zero-emissions study

Further, the Company also will establish a scope of work and appoint consultants to undertake a net emissions study with respect to the Tiris Uranium Project and it is anticipated that development of the study guidelines and battery limits will be completed during the second quarter of 2021 with the aim to appoint a qualified consultant shortly thereafter.

Tiris Metallurgical Test work

Development of a test work program for evaluation of vanadium recovery as a by-product option for the Tiris Uranium Project will be undertaken with ANSTO Minerals. This will be undertaken as an extension of Tiris Feasibility test work and will include shipment of bulk beneficiated samples from Mintek laboratories, South Africa.

The Company estimates that a total of \$15,000 will be expended on the metallurgical test work at the Tiris Project and, the Company estimates to begin the metallurgical test work as soon as possible and to have it completed by the end of July 2021.

Häggån Vanadium Project

In the second quarter of 2021 a program of work to develop on metallurgical testing of the Häggån Vanadium Flowsheet examined at scoping level will be undertaken. The development program will include definition of test work requirements, assessment of available drill samples for metallurgical testing and a selection of a technically capable laboratory specialists to undertake the work.

The Company estimates that a total of \$60,000 will be expended on the pre-feasibility study test work development at the Häggån Project. The Company estimates this pre-feasibility study preparation will be completed within the third quarter of 2021.

Tasiast South Gold Project

With respect to the Tasiast South Gold Project, the entire area of greenstones will be surveyed, with three higher priority zones surveyed at 200m x 200m station spacing, and the remainder at 400m x



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200m. As a result, a total of 6221 stations will be surveyed. The Company estimates that a total of \$277,000 will be expended on gravity surveying at the Tasiast South Gold Project.

A geophysical crew from GeoFocus Geophysical Services is currently preparing to mobilise from southern Africa and is expected to be on site by mid-June. The field work is estimated to take approximately 6 weeks and should be complete around mid-July. This is the high summer in the area and the timing may be influenced by weather and dust storms.

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

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