



ASX RELEASE

20 January 2022

## **Chairman's Letter – Uranium Production and Expanding Existing Uranium Resource**

I would like to thank the shareholders of Aura Energy for voting in favour of the resolutions passed at the Company's AGM on 21 December 2021, with the newly appointed Board of Directors now advancing the Tiris Uranium Project ("Tiris" and the 'Project'). I see Aura driving significant value in the Mauritanian economy and for our shareholders, as we expand the resource and rapidly bring the project into production.

The Board is looking forward to this exciting period for Aura. In particular:

- During 2021, the rapidly growing demand for nuclear power has seen the spot uranium price increase by more than 40% and Aura Energy's share price increase by some 260%;
- The team has identified significant opportunities to expand the Tiris resource and we will progress this work immediately;
- Tiris is a magnificent project and with much of the groundwork undertaken to enable the project to move forward, the Company is perfectly positioned to advance one of the most attractive near-term uranium development projects as the market continues to improve.

The new Board has been strategically chosen with a focus on production. As Non-Executive Chairman of the Company, I am keen to contribute my significant experience from senior roles with major mining companies and my mining M&A experience to create additional value for shareholders as we transition to uranium production at Tiris, whilst concurrently working to expand the existing uranium resource.

Non-Executive Directors, Warren Mundine, a prominent independent thinker in the mining and uranium space, and Bryan Dixon, contribute significant experience in building emerging mining companies, positioning Aura strongly for 2022 and beyond.

As announced on 13 January 2022, Dr Will Goodall has been appointed as acting CEO, whilst the Company progresses its recruitment progress to appoint a board-level Managing Director and CEO. Dr Goodall has worked with Aura for 10 years and was responsible for delivering the Tiris Uranium Scoping and Definitive Feasibility Studies, and the Häggån Uranium Scoping Study. Dr Goodall's significant knowledge of Tiris will prove invaluable as we undertake further exploration with the aim of expanding the resource and increasing the reserves and build momentum towards uranium production.



## Increasing Shareholder Value

I look forward to leveraging our collective industry experience and contacts to identify further financing and offtake opportunities. Supporting this, the Company is seeking to expand the current uranium resource through further exploration and commence production at Tiris.

Over the past year, the Aura team has worked diligently to advance the Tiris Uranium Project, including restating the capital estimate in line with 2021 figures for the 2019 Tiris Definitive Feasibility study, reconfirming Tiris as a low capex, low operating cost uranium project, with current and accurate estimates on input costs and operating costs.

The key strategic focus for Aura in 2022 will be to expand the existing uranium resource whilst concurrently progressing towards uranium production at Tiris.

As Aura continues to transition to a uranium producer, during 2022 we will focus on the following to prepare for the final project financing:

- Engagement of an Engineering Consultant to drive engineering design and procurement, preparing the project for construction.
- Further cost reductions at Tiris, with a resource estimate currently underway to include vanadium by-product recovery in the Tiris circuit. This and other outcomes from the Opportunity Review hold the potential to further lower costs with results expected to be announced shortly.
- Resource expansion programs and project development activities to add further value to Tiris.
- The Company will prepare to raise funds through a combination of debt, equity, and offtake agreements to move the project into construction, complementing the existing 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.

## Considerable Potential to Expand the Existing Uranium Resource

The potential to expand the Resource at Tiris is significant and during 2021, Aura announced a Resource Upgrade of 10% or 5.0 million lb U<sub>3</sub>O<sub>8</sub> bringing the total JORC Resource to 56 Mlbs (at a 100 ppm U<sub>3</sub>O<sub>8</sub> lower cut-off grade), which followed a new resource estimate on the Sadi South Zone to incorporate drillholes not included in earlier resource estimates.

Our 2022 resource upgrade program will include further drilling, seeking to upgrade more of our 56 Mlbs resource from Inferred to Measured and Indicated, and to identify further exploration targets within our tenure. The program is designed to expand what is already one of the lowest capex and lowest operating cost uranium projects in the world, and we aspire to expand the resource so that it supports expansion of Tiris to ultimately operate at 3 to 5 Mlbs U<sub>3</sub>O<sub>8</sub> production per year.

We will provide further details on the upcoming exploration programme during Q1, 2022.



## Strengthening partnership with Mauritania

Aura has built a close working relationship with the Mauritanian government, and we continue to work with the strong support of both government and local communities, with Tiris expected to deliver positive societal impacts within the community. We look forward to cementing our relationship with our Mauritanian partner, ANARPAM, meeting with their Director General and nurturing an ongoing close bond.

I look forward to meeting President Mohamed Ould Ghazouani, the Minister for Petroleum, Energy and Mines, Mr Saleh, together with key local community leaders. I also look forward to reinforcing our long-standing commitment in Mauritania as we develop the Tiris uranium project and add further resource value through exploration.

Aura has a strong focus on Environmental, Social and Governance (ESG) practices, having recently undertaken a Net Zero Emission Study, with the aim of forming a sustainable pathway to uranium production, with the results from the report to be announced shortly.

## Green Label for Nuclear Power in 2022

Globally, countries are refocussing upon the critical role that nuclear power plays as a base load source of carbon free energy, and we believe that we are only at the beginning of the uranium bull market.

In recent months, considerable progress has been made in securing international alignment around recognising nuclear power as a sustainable investment.

- China and India have continued to expand the proportion of nuclear in their energy frameworks and with continuing uranium supply pressures, the changing landscape presents an environment of significant upward pressure for uranium prices.
- EU countries have faced record electricity prices through winter as gas prices have soared and availability has been constrained.
- Small modular reactors are being developed affording modular manufacturing and ease of transport, which results in benefits of scale, speed of installation and reduced onsite construction work.

Crucially, on 1 Jan 2022 the European Commission proposed a green taxonomy for nuclear power, which would allow all EU states to provide a green label for EU state investment and ESG labelled investment in Europe which will help in meeting the Net Zero 2050 target.

## Häggån Project

In addition to the Tiris Uranium Project, Aura Energy owns the Häggån asset located in Sweden. In 2019, as part of an orebody modelling study, Aura Energy identified a high-grade vanadium zone close to surface at its wholly-owned Häggån battery metals project in Sweden.

At a higher cut-off grade of 0.4% V<sub>2</sub>O<sub>5</sub>, the Häggån resource contains approximately 113 million tonnes at an average grade of 0.43% V<sub>2</sub>O<sub>5</sub> containing 1.1 billion lbs of V<sub>2</sub>O<sub>5</sub> in Inferred



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Resources, and 11 million tonnes at an average grade of 0.44% V<sub>2</sub>O<sub>5</sub> containing 101 million lbs V<sub>2</sub>O<sub>5</sub> in Indicated Resource.

Of particular interest within the Indicated Resource is the 'Northwest High-Grade Zone', a coherent zone of mineralisation of 42 million tonnes at 0.35% V<sub>2</sub>O<sub>5</sub> commencing at surface and extending to +100 metres below surface.

We see the Häggån asset as a strategically important project in the European battery and energy market, presenting an opportunity for local production of vanadium for use in low-carbon steel and vanadium redox flow batteries, offering grid scale battery solutions which are fully recyclable and can operate safely for more than twenty years.

Aura will continue to work closely with the Swedish government to drive the Häggån Project and support Sweden's energy transition.

### Archaean Gold

As Tiris prepares for production, we aim to create further shareholder value with Peter Reeve having transitioned to the role of Managing Director & CEO of Aura's gold subsidiary, Archaean Greenstone Gold. Peter is now focused on advancing exploration at the highly prospective Tasiast South Gold Project, just 36 km south of Kinross 20 Moz Tasiast Gold Mine.

### Concluding Remarks

We strongly believe that with the low capex and low operating cost Tiris Project, Aura is well positioned to be one the first new uranium producers globally, and we look forward to working closely with the Mauritanian government to rapidly develop the Project. The outlook for uranium markets remains very strong, and Aura looks forward to being a key player in the sector for years to come, as the world continues to shift towards a decarbonised energy system.

I would like to thank shareholders for their support to date and look forward to continuing to advance Aura to near term uranium production as we continue to capitalise on the rapidly growing demand for nuclear energy.

This ASX Release as 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 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 U<sub>3</sub>O<sub>8</sub> bringing the total JORC Resource to 56 Mlbs (at a 100 ppm U<sub>3</sub>O<sub>8</sub> 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 2022, Aura will continue to transition from a uranium explorer to uranium producer, to capitalise on the rapidly growing demand for nuclear power as the world continues to shift towards a decarbonised energy system.

### 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.

### 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.

### Annexure A – Tiris Resource Inventory as at 27 August 2021

Cut-off U <sub>3</sub> O <sub>8</sub> g/t	Resource Zone	Class	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (g/t)	U <sub>3</sub> O <sub>8</sub> (Mkg)	U <sub>3</sub> O <sub>8</sub> (Mlb)
100	All	Measured	10.2	236	2.4	5.3
100	All	Indicated	29.0	222	6.4	14.2
100	All	Total M&I	39.2	226	8.8	19.5
100	All	Inferred	61.1	267	16.3	36.0
100	All	All	100.3	254	25.2	55.5

Note: Totals may not add due to rounding.



## Annexure B – Tiris Reserve Estimate as at 18 August 2021

Description	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (Mlb)
Proved	4.1	339	3.1
Probable	6.8	333	5.0
Total	10.9	336	8.1

## Annexure C – Häggån Resource Statement as at 10 October 2019

V <sub>2</sub> O <sub>5</sub> Cut-off	Class	Mt Ore	V2O5	Mo	Ni	Zn	K2O	Million lbs
%			%	ppm	ppm	ppm	%	V <sub>2</sub> O <sub>5</sub>
0.10%	Indicated	45	0.34	213	365	501	4.11	332
	Inferred	2,503	0.27	200	312	433	3.73	14,873
0.20%	Indicated	42	0.35	217	375	512	4.13	320
	Inferred	1,963	0.30	212	337	463	3.80	13,010
0.30%	Indicated	31	0.38	223	398	536	4.23	258
	Inferred	954	0.35	226	374	503	3.95	7,390
0.40%	Indicated	11	0.44	225	429	580	4.46	101
	Inferred	113	0.43	232	419	562	4.25	1,072

### 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, 'Tiris Uranium Project DFS Update' released to the ASX on 18 August 2021 and 'Häggån Battery Metals project' released to the ASX on 10 October 2019 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 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.