

24 July 2023

QUARTERLY REPORT

30 June 2023

Highlights

- Independent review of historical uranium testwork delivered highly significant results, identifying the potential for a beneficiation step that could reduce capital and operating costs.
- DRA Global appointed to oversee a uranium metallurgical testwork program for core generated from the 2022 drill program, representing the first phase of the uranium scoping study.
- RFP issued to various international laboratories for the upcoming uranium testwork program. A preferred laboratory has been selected, subject to final transportation arrangements.
- De-risking and advancing permitting in parallel with ongoing technical studies through the continued scoping of an Exploration Plan of Operations.
- Successful A\$2.7 million placement allowing the Company to continue to progress the Aurora Energy Metals Project as scoping study work evolves.
- The uranium market continues to improve, with more countries committing to nuclear energy to achieve climate goals whilst the spot price rose 10% during the quarter.

Aurora Energy Metals Limited (**Aurora** or **the Company**) (ASX:1AE) presents its Activities Report for the three months ended 30 June 2023.

The Company is advancing its Aurora Energy Metals Project (**AEMP**) in south-eastern Oregon, USA. The current, multi-phase program is focussed on completing uranium feasibility studies and permitting on its flagship project, the Aurora Energy Metals Project. The Company also aims to define a lithium mineral resource in the soft lakebed sediments that overly and surround the uranium deposit.

The June quarter saw the release of significant results from the independent review of historic metallurgical testwork, the appointment of DRA Global for the next phase of testwork and the advancement of various permitting-related and other project activities.

A \$2.7 million placement was undertaken during the quarter to new and existing institutional, professional and sophisticated investors (**Placement**). Funds will be used to complete uranium metallurgical testwork and a scoping study on the AEMP uranium deposit (**Aurora Uranium Deposit**). The Aurora Uranium Deposit is now acknowledged to be the largest mineable, measured and indicated uranium deposit in the USA.

AURORA ENERGY METALS PROJECT (AEMP)

REVIEW OF HISTORICAL URANIUM TESTWORK SIGNALS LOWER PROCESSING COSTS¹

The independent review of historical uranium metallurgical testwork was completed during the quarter, delivering significant results. Since its discovery the Aurora Uranium Deposit has been the subject of multiple and extensive metallurgical testwork campaigns, with the most recent testwork, conducted in 2012/13, delivering significant and highly promising results.

Simple physical beneficiation techniques were shown to be effective and could be used to upgrade future run-of-mine ore. Specifically, scrubbing and wet screening delivered promising results, demonstrating that Aurora's uranium mineralisation can be separated into different size fractions with different physical and mineralisation characteristics.

The results are highly significant as the efficient removal of hard, coarse waste and low-grade material with minimal uranium loss would allow the deposit to be bulk mined and the ore to be cost-effectively upgraded prior to leaching. This approach would likely result in a reduction in crushing/grinding capital and operating costs.

The 2022 drill program generated over one tonne of material that will be used in the next phase of metallurgical testwork, aimed at replicating the beneficiation results and evaluating various leach options. A testwork protocol was developed and a Request for Proposal (RFP) issued to selected laboratories.

The positive result of the review led to the appointment of DRA Global Limited to oversee the next phase of metallurgical testwork which is planned to commence shortly, the first phase of the upcoming scoping study. The study is planned to be completed by the end of the year, depending on laboratory availability. A preferred laboratory has been selected, subject to final transportation arrangements.

The samples that will be used for the testwork program (half core and "rejects" from last year's drill program) are currently being packed at the laboratory in Reno, Nevada (see Figure 1) and will shortly be ready for dispatch.

¹ ASX Announcement 26 April 2023 – Positive review of historical uranium testwork



Figure 1: Samples packed in drums prior to transportation for the testwork program

MINING SITE VISIT

In preparation for the AEMP uranium scoping study, a mining team visited the project in May 2023 to review options for the overall site layout and proposed transportation corridor.

The visit confirmed that the overall site landscape would readily allow for establishing a mine and associated infrastructure. Early-stage planning has identified options for drainage management. One option is to establish the waste dump 'above' the open pit with drainage channels to divert runoff away from the pit crest and utilise the naturally undulating landscape, Figures 2 and 3.

Along the transport corridor, the natural drainage will ensure reliable year-round access to the operation.

The proposed plant site, situated on private land in Nevada, is well located with safe and easy access to the town of McDermitt for supplies and workforce transport.

A global consultancy has been engaged to supply benchmark cost data. The pit optimisation will include relevant inputs and constraints in relation to the expected location of mine site infrastructure, offices, workshops and stockpiles, as identified during the site visit.

A project schedule and costs will be developed at a level of confidence in-line with a standard scoping study.



Figure 2: Gently undulating topography of the Aurora region

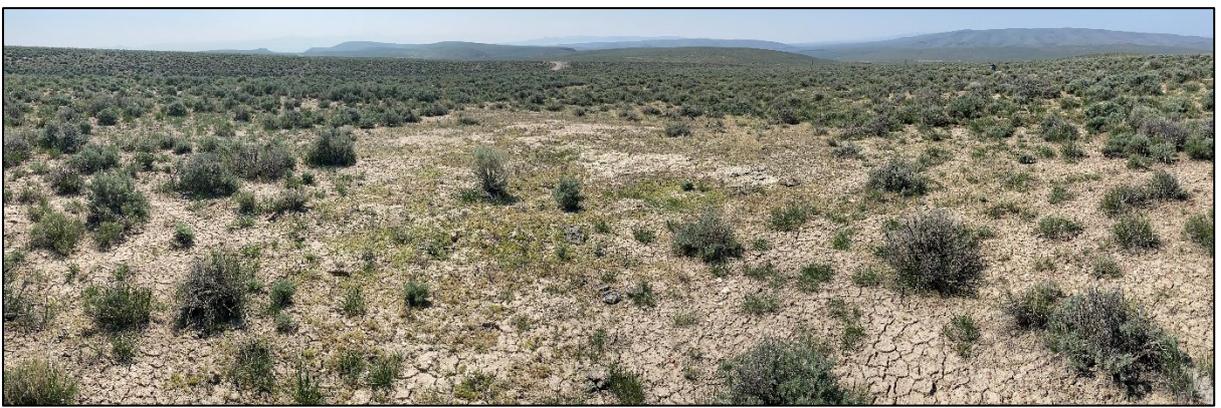


Figure 3: Gently undulating topography of the Aurora region

PERMITTING – EXPLORATION PLAN OF OPERATIONS

Aurora is de-risking the AEMP by advancing permitting in parallel with ongoing technical studies. The next step in the permitting process is to engage with Bureau of Land Management (BLM) in Oregon to compile an Exploration Plan of Operations (EPO). The Company's environmental consultants are working with Aurora to finalise the area to be covered and work program to be completed. Once approval is obtained from the BLM, environmental and cultural baseline studies can be undertaken.

Given the seasonal nature of biological studies, the preparation of an EPO typically takes one year and once approved by the BLM, more intensive activities at site such as geotechnical and hydrological studies and bulk sampling can be conducted.

The Company has already commenced part of the cultural studies with the prior approval of the BLM and the first phase will soon be completed.

URANIUM MARKET CONTINUES TO STRENGTHEN

The uranium market continued to strengthen, with the spot price increasing from US\$50.35/lb to US\$56.20/lb during the quarter and peaking at US\$57.75/lb during the period². There was an increase in buying activity from utilities as well as financial speculators, with several making new forays into the market during the quarter.

In June, the World Nuclear Fuels Market held its 49th Annual Meeting and International Conference in Ljubljana, Slovenia, appropriately themed “Mind the Gap.” The theme acknowledged how changes in the global energy landscape over the last two years, driven by geopolitical uncertainty, a demand for greater accountability for net-zero targets and energy crises experienced in various parts of the world due to failed energy policies, are having a significant impact on supply and demand across the nuclear fuel cycle.

A variety of industry experts talked of the impact of these factors on supply and demand fundamentals, which are at a critical juncture for the uranium, conversion, and enrichment markets. Without critical infrastructure and contractual support from both government and industry participants, some suggested that the markets could face supply deficits of hundreds of millions of pounds of U₃O₈ over the coming decade³.

To that end, in early June, the US Department of Energy announced that it is seeking feedback on two draft requests for proposals (RFP) to acquire high-assay, low-enriched uranium (HALEU) – a crucial material needed to develop and deploy advanced reactors in the US. These advanced reactors include the small modular reactors currently being developed by companies such as NuScale, which is based in Portland, Oregon.

During the quarter, the UK and US launched a first-of-its kind economic partnership, named the Atlantic Declaration, which aims to reduce vulnerabilities across critical supply chains through cooperative action. The Declaration also establishes a new civil nuclear partnership aimed at keeping Russia out of the global civil nuclear power market.

EQUITY PLACEMENT TO PROGRESS AEMP⁴

During the quarter, the Company raised A\$2.7 million via a Placement to new and existing institutional, professional and sophisticated investors. The Placement funds enable Aurora to commit to uranium metallurgical testwork and a scoping study on its AEMP and to advance permitting activities such as the Exploration Plan of Operations for the AEMP.

CORPORATE

CASH

The Company’s consolidated cash at hand was \$3.5m as of 30 June 2023 with no debt.

The majority of the expenditure during the quarter was on exploration and evaluation \$384k, staff costs \$132k and admin and corporate costs \$156k. This information is presented in the Quarterly Cashflow Report (Appendix 5B).

² <https://tradingeconomics.com/commodity/uranium>

³ TradeTech, Market Study 2023: Issue 2

⁴ ASX Announcement 24 May 2023 Successful A\$2.7m Placement to advance Aurora Energy Metals Project

MARKETING & PROMOTION

During the June quarter, the Company presented at the RIU Resources Round Up Conference in Sydney⁵.

JUNE QUARTER ASX RELEASES

The Company released the following exploration announcement during the quarter:

- 26 April 2023 Positive Review of Historical Uranium Testwork

KEY ACTIVITIES PLANNED FOR THE SEPTEMBER 2023 QUARTER

During the September 2023 quarter, the Company plans to:

- Undertake uranium metallurgical testwork at a laboratory in Perth, focussed on beneficiation of existing core and follow-up leach trials as a part of the scoping study;
- Advance project permitting by completing the first phase of a cultural survey and holding kick-of meetings with the US Bureau of Land Management; and
- Conduct more mining and infrastructure related preparatory work for the AEMP scoping study.

ASX ADDITIONAL INFORMATION

1. ASX Listing Rule 5.3.1 – Mining exploration activities and investment activity expenditure during the quarter was \$384,000. Full details of the activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2 – Mining production and development activity expenditure for the quarter was nil and there were no substantive mining exploration activities for the quarter.
3. ASX Listing Rule 5.3.3 – Tenement Schedule – Refer to Appendix 1 for details of the Company's tenements as of 30 June 2023.
4. ASX Listing Rule 5.3.4 – The Company provides the actual vs proposed use of Funds as outlined in Section 3.7 of the Prospectus dated 29 March 2022.

Proposed Use of Funds	Proposed \$	Actual \$	Variance
Uranium exploration and evaluation	2,800,000	\$2,793,398	(\$6,602)
Lithium exploration and evaluation	3,100,000	\$2,204,786	(\$895,214)
Administration costs	1,817,427	\$1,500,536	(\$316,891)
Property, plant and equipment	\$0	\$426,667	(\$426,667)
Expenses of the Offer	574,840	\$414,176	(\$160,664)
Working capital	269,733	\$0	(\$269,733)
Total	8,562,000	\$7,339,562	(\$1,222,438)

5. Major variances in the above table relate to timing of actual spend. The proposed spend was for a two-year period and the Company listed in May 2022. The variance in property,

⁵ ASX Announcement 22 May 2023 – Investor Presentation

plant and equipment expenditure relates to un-forecast expenditure to acquire private land and property, the rationale for this expenditure was included in the Company's September 2022 quarterly report.

6. ASX Listing Rule 5.4.5 – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$85,389 for Salaries, Director Fees and Consulting Fees paid to Directors and \$26,556 for a fully provisioned office and administration and technical staff.

THIS ANNOUNCEMENT HAS BEEN AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY'S BOARD OF DIRECTORS

ABOUT AURORA ENERGY METALS

Aurora Energy Metals is an ASX-listed company focused on the exploration and development of its flagship, the 100% owned Aurora Energy Metals Project in south-east Oregon, USA. Boasting the USA's largest, mineable, measured and indicated uranium deposit (MRE: 107.3Mt @ 214ppm U3O8 for 50.6 Mlbs U3O8) with a shallow high-grade core of 18Mt @ 485ppm U3O8 for 19.2 Mlbs U3O8 and known lithium mineralisation in soft lakebed sediments above and surrounding the well-defined uranium deposit, the Company's vision is to supply minerals that are critical to the USA's energy transition.

ABN: 87 604 406 377 | ASX: 1AE

FOLLOW US ON TWITTER:

https://twitter.com/Aurora_1AE

FOLLOW US ON LINKEDIN:

<https://www.linkedin.com/company/aurora-energy-metals/>

CAPITAL STRUCTURE:

Share Price (21/07/23): \$0.059
Market Cap: \$10.5 million
Shares on Issue: 179 million

COMPANY SECRETARY:

Steven Jackson

SHAREHOLDER CONTACT:

Steven Jackson
Email: info@auroraenergymetals.com
Tel: +61 8 6465 5500

BOARD OF DIRECTORS:

Peter Lester: Non-Executive Chairman
Greg Cochran: Managing Director
Alasdair Cooke: Non-Executive Director

SHAREHOLDERS:

Directors: 15%
Management: 13%
Institutional shareholders: 10%
Balance of Top 20: 14%
Balance of Register: 48%

INVESTOR & MEDIA CONTACT:

Andrew Rowell
White Noise Communications
Tel: +61 (0) 400 466 226
Email: andrew@whitenoisecomms.com

JORC Disclaimer:

Information in this announcement relating to Exploration Results and Mineral Resources is based on information compiled by Mr. Lauritz Barnes (a consultant to Aurora Energy Metals Limited and a shareholder) who is a member of The Australian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists. Mr. Barnes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Barnes consents to the inclusion of the data in the form and context in which it appears.

Information in this announcement relating to Mineral Resources is extracted from the announcement titled 'Uranium Resource Up 34% to 50.6Mlb, Maiden Measured Resource' released by the ASX on 23 November 2022. Aurora Energy Metals Limited confirms that it is not aware of any new information or

data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed. Aurora Energy Metals Limited confirms that the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the original market announcement.

Previous Disclosures:

Information in this announcement is based on the following Aurora Energy Metals Limited Announcements, which are available from the Company's website, www.auroraenergymetals.com.au or the ASX website.

- 23 November 2022 – Uranium Resource Up 34% to 50.6Mlb, Maiden Measured Resource
- 22 December 2022 – Maiden Drill Program Successfully Completed
- 17 January 2023 – Thick Lithium & Uranium Zones Returned- Maiden Drill Program
- 14 February 2023 – Assays extend area of Aurora lithium mineralisation
- 22 February 2023 – Lithium zone expanded significantly, open in all directions
- 26 April 2023 – Positive Review of Historical Uranium Testwork

APPENDIX 1 – TENEMENTS (AS OF 30 JUNE 2023)

Project Name	Location	Claim Name	Interest at 31 March 2023	Interest at 30 June 2023
AEMP	Oregon, USA	AURORA 11-60	100%	100%
AEMP	Oregon, USA	AURORA 62-64	100%	100%
AEMP	Oregon, USA	AURORA 69-78	100%	100%
AEMP	Oregon, USA	AURORA 82-87	100%	100%
AEMP	Oregon, USA	AURORA 97-108	100%	100%
AEMP	Oregon, USA	AURORA 117-125	100%	100%
AEMP	Oregon, USA	AURORA 134-145	100%	100%
AEMP	Oregon, USA	AURORA 236	100%	100%
AEMP	Oregon, USA	AURORA 238	100%	100%
AEMP	Oregon, USA	AURORA 240	100%	100%
AEMP	Oregon, USA	AURORA 242	100%	100%
AEMP	Oregon, USA	AURORA 244	100%	100%
AEMP	Oregon, USA	AURORA 246	100%	100%
AEMP	Oregon, USA	AURORA 248	100%	100%
AEMP	Oregon, USA	AURORA 250	100%	100%
AEMP	Oregon, USA	CROTALUS CREEK 7-9	100%	100%
AEMP	Oregon, USA	CROTALUS CREEK 23	100%	100%
AEMP	Oregon, USA	CROTALUS CREEK 25	100%	100%
AEMP	Oregon, USA	CROTALUS CREEK 27	100%	100%
AEMP	Oregon, USA	CALD 01-91	100%	100%
AEMP	Oregon, USA	CALD 92-279	100%	100%
AEMP	Oregon, USA	JH 01-71	100%	100%
AEMP	Nevada, USA	JH 72-102	100%	100%
AEMP	Nevada, USA	KB 01-56	100%	100%

Appendix 5B



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

Name of entity

Aurora Energy Metals Limited

ABN

87 604 406 377

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(384)	(4,708)
(b) development	-	-
(c) production	-	-
(d) staff costs	(132)	(525)
(e) administration and corporate costs	(156)	(634)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(672)	(5,867)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(427)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the 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	-	(427)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,674	2,674
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(180)	(186)
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	2,494	2,487

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,720	7,317
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(672)	(5,867)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(427)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,494	2,487

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	11	43
4.6	Cash and cash equivalents at end of period	3,554	3,554

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,554	1,720
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)	3,554	1,720

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	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(672)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(672)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,554
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,554
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5
<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>	
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?	
Answer: 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?	
Answer: 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?

Answer: n/a

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.

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: 24 July 2023

Authorised by: Steven Jackson, Company Secretary.....
(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 6: Exploration for and Evaluation of Mineral Resources* and *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 standards apply 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.