

ASX RELEASE

18 August 2021

Capital Estimate Update - Zero Emission Tiris Uranium Project

KEY POINTS:

- The capital estimate update to the zero emission Tiris Uranium Project has been completed to reflect current global pricing.
- Despite significant economic upheaval due to the COVID-19 pandemic, only a modest increase in the Capital Estimate was observed.
- The updated overall capital estimate is A\$106.9M (US\$74.8M) representing an increase of 10.4% in Australian Dollars (19% in US Dollars).
- This increase is within the estimate accuracy of the Definitive Feasibility Study (-15%/+20%) and the sensitivity range ($\pm 20\%$).

Aura Energy Limited (AEE:ASX, AIM:AURA) (“Aura”, the Company) is pleased to announce that the Company has completed the capital estimate update for the zero emission Tiris Uranium Project (“Tiris”, “Project”) in Mauritania to reflect 2021 input costs.

Aura can confirm that despite significant changes in global economies due the COVID-19 pandemic, the Tiris Uranium Project Capital Estimate remains robust and within the error and sensitivity margins of the original estimate.

Since completion of the DFS in 2019, global economic conditions have changed, with increases in steel, freight and other project development costs driven by the COVID-9 pandemic. Subsequently, Aura has updated the capital costs for the DFS to ensure that in the two years since completion, the input costs remain valid.

To understand the impact of changing global conditions on the Tiris Uranium Project Capital cost estimate, Aura commissioned Mincore Engineers Pty Ltd to provide the update to the Tiris capital estimate. This has provided the opportunity for Aura to progress the project with confidence that DFS estimates are robust and up to date.

As announced (ASX Release 21 May 2021), the ASX advised that upon the Company undertaking sufficient exploration on its projects in line its proposed expenditure commitments and following the completion and results of those exploration programs being released to the market, the ASX would be in a position to reinstate Aura’s securities to trading on the Official List.

Aura Energy, Managing Director and CEO, Peter Reeve, commented: “We are pleased to have updated the capital costs for the zero emission Tiris Uranium Project, as we fast track to production. Importantly, despite significant changes in global economic conditions, the

updated capital cost remains within the accuracy and sensitivity boundaries of the 2019 DFS estimate.”

“Aura now has the most current capital estimate in the market compared to its peers and we look forward to relisting on the ASX and advancing the Project to near term production.”

The results of the updated capital costs can be seen in Table 1 below.

Table 1 – Variance in Capital Estimate for Tiris Uranium Project (2019 – 2021)

	2019 Capital Estimate	2021 Capital Estimate	Variation
Australian dollars (AUD)	\$96.8M	\$106.9M	10.4%
US dollars (USD)	\$62.9M	\$74.8M	19.0%

Table 1 shows a modest increase in Capital Estimate of 10.4% in Australian dollars and 19% in US dollars. The variation in currency can be attributed to strengthening of the Australian dollar against the US dollar between 2019 and 2021. This increase is within the estimate accuracy of the Definitive Feasibility Study (-15%/+20%) and the sensitivity range (±20).

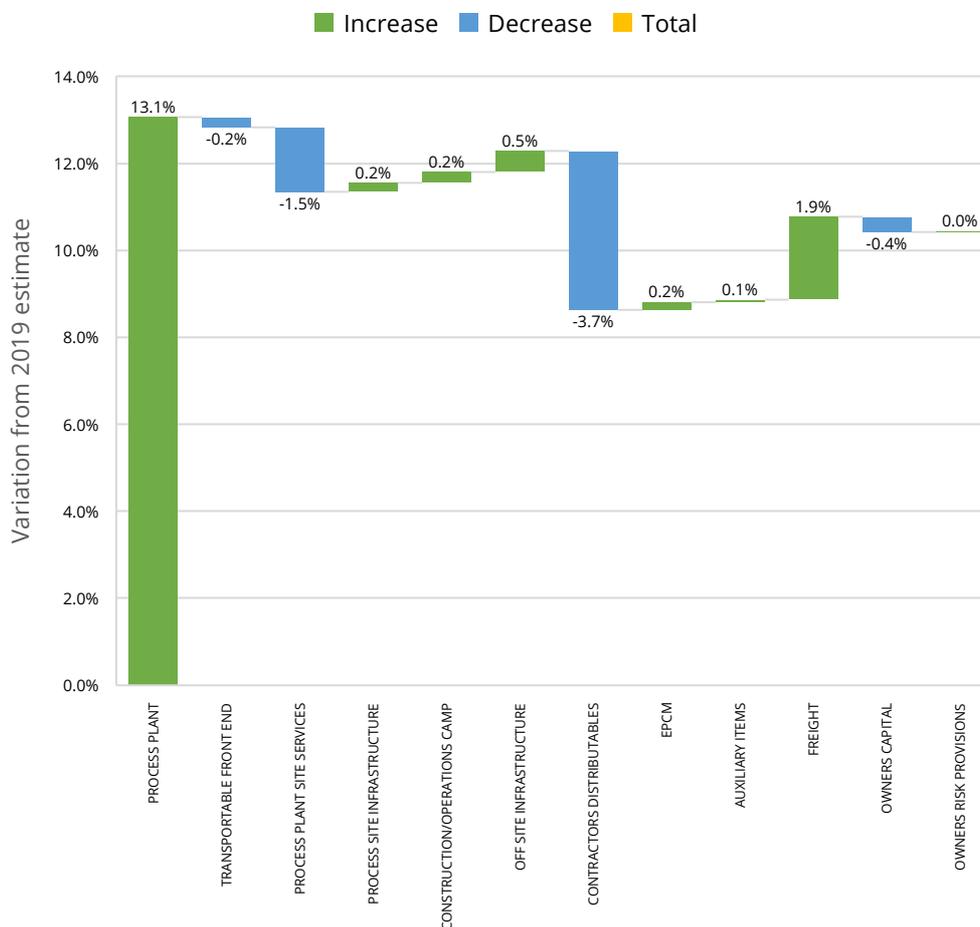
The estimate update was based on currency exchange variations defined in table 2. The basis of updated pricing was 60% requoted and the balance escalated based on material quantities and known price increases.

Table 2 – Variance in Capital Estimate by Currency - Tiris Uranium Project (2019 – 2021)

Currency	1-7-2019	1-7-2021
Australian Dollar	1.0000	1.0000
UK Pound Sterling	0.5494	0.5500
US Dollar	0.6500	0.7000
West African Franc	407.2010	411.9300
Euro	0.6018	0.6300
MRU	24.0500	32.0300
Chinese Yuan	4.8189	4.8800
South African Rand	10.2402	10.7800

Figure 1 below shows the relative change by area in the Capital estimate. The major price increase was observed for the process plant, where equipment pricing is directly affected by bulk commodity costs, such as steel. Savings in process plant site services and contractor distributables were driven by reduced local Mauritanian costs.

Figure 1: Tiris Uranium Project - Variance in Capital Cost (2019 to 2021)



Aura has reviewed the impact of the revised Capital Estimate on the Definitive Feasibility Study (DFS) in ASX Release: Tiris Uranium Definitive feasibility Study Capital Update completed, 18 August 2021.

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

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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.

Statement of the Tiris Uranium Project Resource was reported in ASX announcement: Tiris Resource Upgrade Success, 30 April 2018 and Tiris Uranium Ore Reserve in ASX announcement: Tiris Uranium DFS complete, 29 July 2019. 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 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.