

ASX ANNOUNCEMENT

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AURA ENERGY ACQUIRES PRIME LAND HOLDING IN MAJOR URANIUM PROVINCE

Aura Energy Limited (ASX Code: AEE) ("Aura") has applied for exploration licenses which would give the Company a very substantial landholding in the highly prospective Gunbarrel Basin sandstone-hosted uranium province.

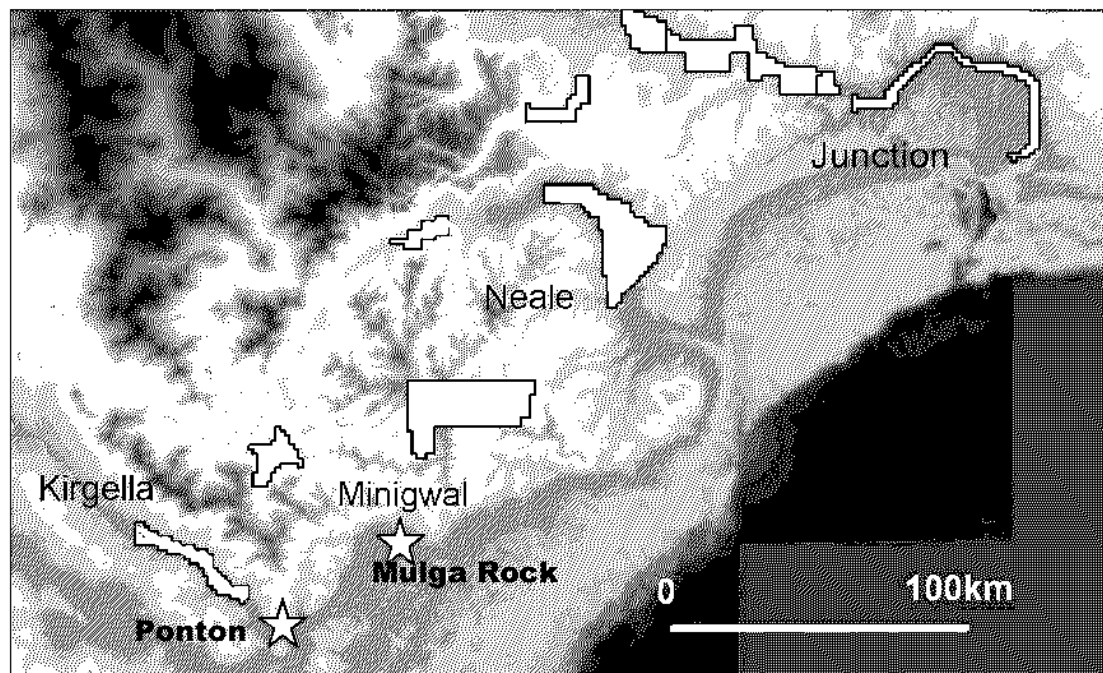
This poorly explored province hosts the Ponton and Mulga Rock uranium deposits. Estimates of the uranium resources in these two deposits exceed 50,000 tonnes of U₃O₈.

The estimates of the uranium present in the known deposits infer that the Gunbarrel Basin is the fourth most significant uranium province in Australia with respect to contained U₃O₈.

Aura Managing Director, Dr Bob Beeson, said today: "The size of the deposits in the Gunbarrel Basin makes this a particularly attractive region in which to explore for uranium deposits. However, despite this uranium endowment, uranium exploration has largely been limited to the southwestern part of the province."

Aura has completed a major analysis of the province, and has significantly increased its tenement applications in the region. Aura will control the largest land holding in this highly mineralised province of any explorer. This holding includes a significant presence in three of the four main palaeochannels in this region.

The Mulga Rock and Ponton uranium deposits lie in palaeochannels draining the eastern part of the Archaean Yilgarn Block. The deposits occur at 30 to 60 metres depth in channels that have surface elevations of 300-350 metres.



Digital elevation model for the eastern Yilgarn showing the similar elevations (green colours) to the mineralised channels at Mulga Rocks and Ponton; Aura properties in white, and uranium deposits are in pale blue

Ponton is a sandstone-hosted uranium deposit similar in form and size to Heathgate Resources' Beverley uranium mine in South Australia. Mulga Rock, also in palaeochannels, is associated with brown coals in the channels. In addition to being a substantial uranium resource, Mulga Rock also contains potentially economic levels of nickel, cobalt and gold.

Aura's targets in the Gunbarrel Basin are both Ponton/Beverley and Mulga Rock type deposits.

Aura's Gunbarrel Basin exploration license application holdings are:

- The Kirgella Rocks Project, which contains 50 kilometres of palaeochannel upstream of Paladin's Ponton uranium deposit, and has only been tested by 4 drill holes
- The Minigwal Project, which includes the interpreted drainage upstream of the Mulga Rocks deposits.
- The Neale and Carlon Projects, covering over 100 kilometres of the Lake Rason palaeochannel, which is the next major palaeochannel north of Mulga Rocks and is believed to be completely untested.
- The Junction Project, which is an extensive drainage system north of the Neale Project, and again is completely untested; Aura holds 244 kilometres of this palaeochannel under application.

Aura has 100% equity in all of its projects

Dr Beeson said "Aura has been fortunate to be able to acquire this exceptional land holding in one of the major uranium provinces of Australia. New technologies, not available to previous uranium explorers, will enable Aura to target drill sites in the project areas and significantly reduce exploration costs".

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