Aura Energy Limited (ASX Code AEE)

HIGHLIGHTS

- **WONDINONG PROJECT DRILLING**
  Downhole logs and assays for the 304 holes drilled at the 100%-owned Wondinong uranium deposit in December have been received:
  - **81% of drill holes containing greater than 200ppm uranium for which assays are available show higher assayed uranium contents than indicated by downhole logging**
  - **Strong mineralisation occurs on the most northerly line of drilling**
  - **Uranium mineralisation extends beyond the 15 square kilometres currently tested, and is open to the north, northwest and south**
  - **Higher grade intersections identified by the assays include WAC048: 1.5m @ 687ppm U, WAC286: 1.0m @ 671ppm U and WAC323: 0.5m @ 926ppm U**
- **Acquisition of the Curbaweeda Project, the next uranium mineralised delta west of Wondinong**
- **Calcrete uranium project programme commences**
- **New compilations highlight the exceptional uranium endowment of the Gunbarrel Basin in comparison with the related palaeochannel province of the Gawler Craton**
  - **Airborne geophysical surveys to be flown in the second quarter**
- **Extensive areas of uranium mineralisation identified in the Kimberleys**
  - **Potential to be a newly discovered uranium province**
  - **New licence applications submitted**
- **Aura has signed a project generation and business development alliance with Global Coal Management plc (GCM)**
  - **GCM brings exceptional project evaluation and development skills, and considerable experience in the London financial markets**

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Wondinong Calcrete Uranium Project

Aura Energy Ltd completed the drilling of 304 holes at its Wondinong uranium project near Mt Magnet in Western Australia in December, and received the downhole logs and assays during the quarter.

The drilling programme has now carried out initial testing of an area of approximately 15 square kilometres of the main prospective area at Wondinong.

Aura's drilling programme is at 200 by 200 metre and 200 by 400 metre centres. The depths of the holes are between 2 and 40 metres, with the majority of the holes being 5 metres deep.

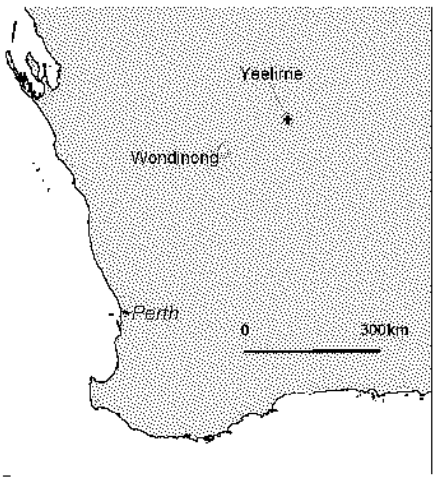

Fig 1: Wondinong Project Location

The uranium mineralisation at Wondinong has a widespread development on the edge of Lake Austin. 81 of the recently completed drill holes contained eU_3O_8 values of greater than 200ppm and intersections of more than 20cm, the level typically used by calcrete uranium explorers to denote the presence of mineralisation. In total 94 Aura drill holes from the September and December programmes contain above 200ppm eU_3O_8.

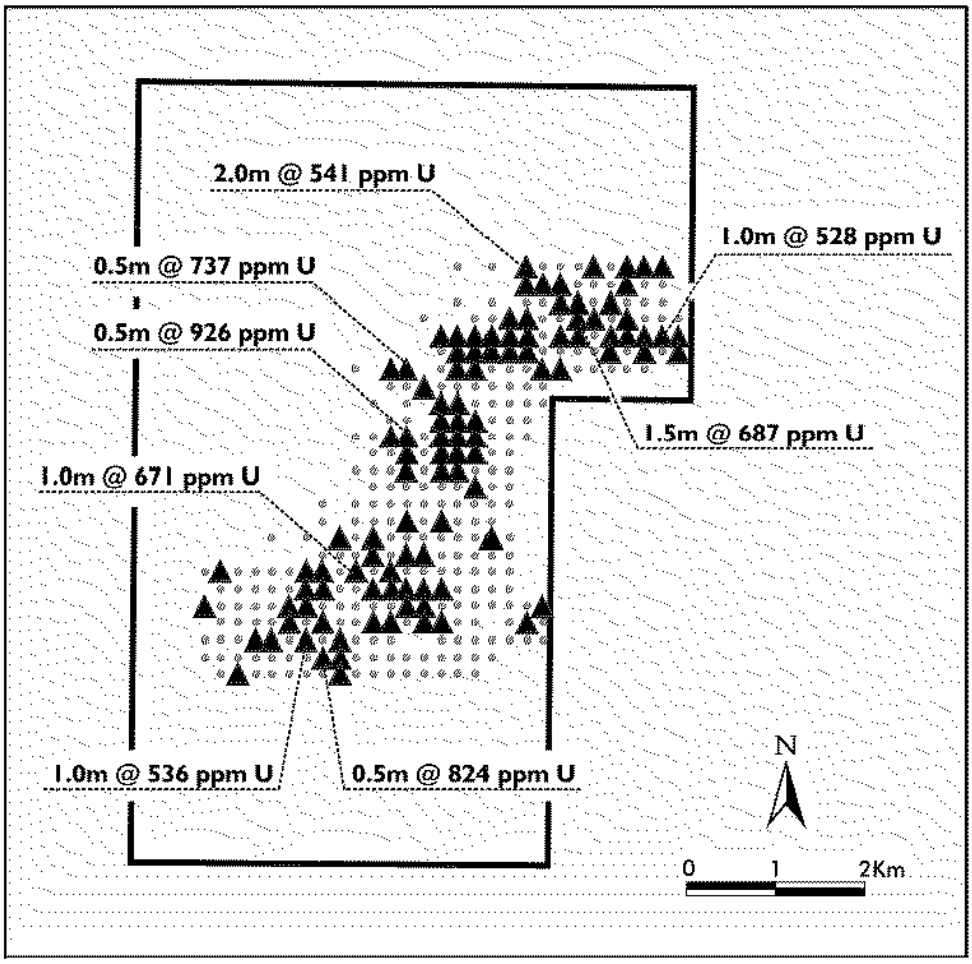

Fig 2 : Distribution of higher uranium intersections from the assay results received to date; Aura drill holes with intercepts with greater than 200ppm eU3O8 over a continuous thickness of more than 20cm, based on downhole radiometric logging (red triangle); other Aura drill holes as green circles

The distribution of holes with >200ppm eU_3O_8 indicates that uranium mineralisation largely occurs in seven coherent zones with lateral continuity. These zones have dimensions that are typically 500 to 1500 metres in length, and 300-800 metres in width.

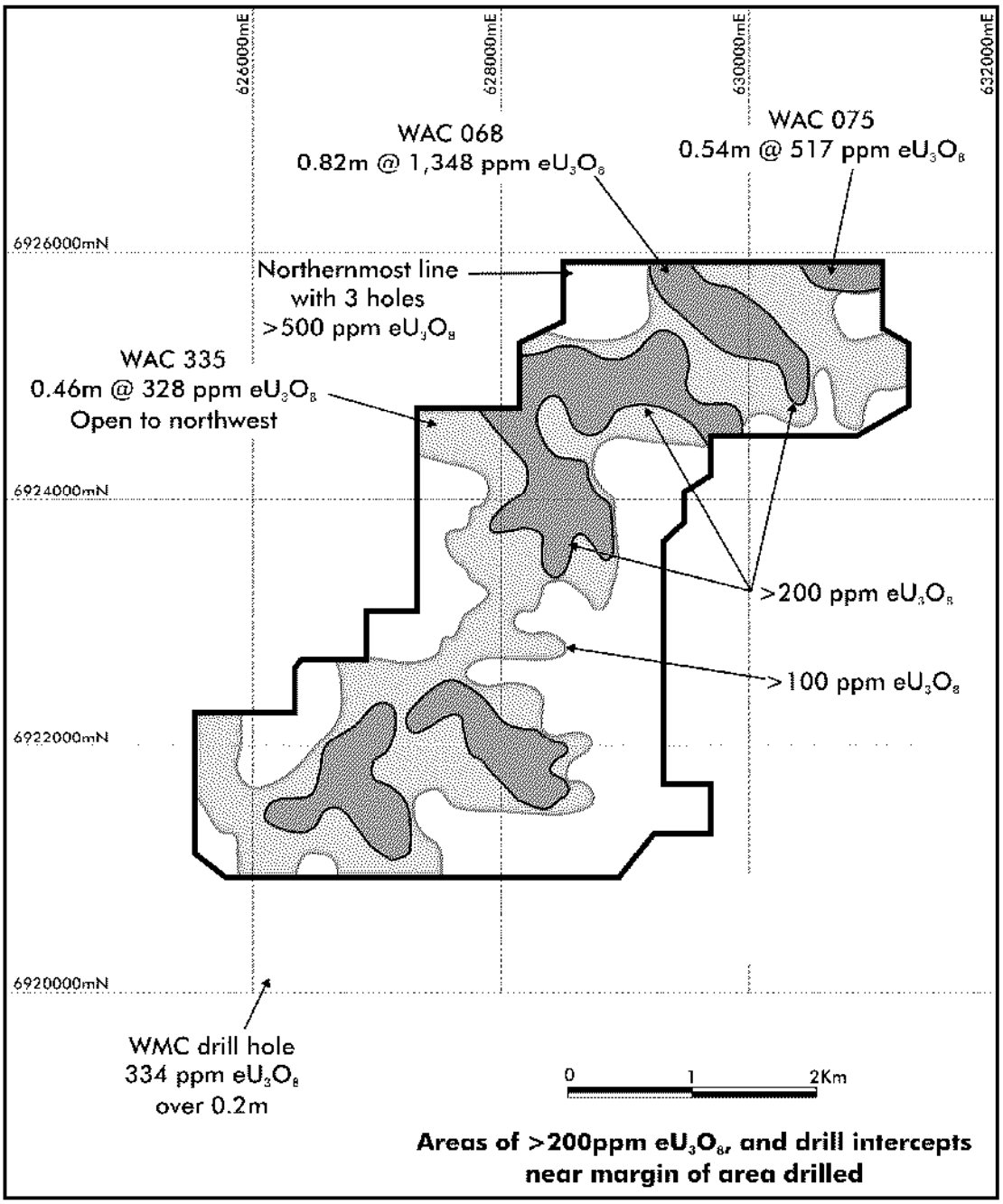

Figure 3 :

- **Zones of greater than 200ppm eU3O8 throughout the drilled area at Wondinong, based on downhole radiometric logging results in Fig. 2;**
- **five zones continue beyond the drilled area;**
- **selected intercepts on the margin of the drilling shown, plus the WMC hole 800m south of the drilling;**
- **grid squares are 2 km;**
- **the outlines of the areas defined may change when assay results are received**

Better intersections from the downhole logging include:

WAC048: 0.74 metres grading 535ppm eU_3O_8
WAC068: 0.82 metres grading 1348ppm eU_3O_8
WAC074: 0.42 metres grading 533ppm eU_3O_8
WAC075: 0.54 metres grading 517ppm eU_3O_8
WAC086: 0.72 metres grading 532ppm eU_3O_8
WAC286: 0.40 metres grading 701ppm eU_3O_8

Three of the six intersections given above are located on the most northerly line drilled, including WAC068, providing considerable encouragement for the discovery of extensions of the mineralisation to the north of the line within the Aura land holding.

The main intersections on this line are between 3 and 4 metres depth, below the depth of mineralisation encountered throughout much of Wondinong. This area is slightly elevated because of a thin cover of kopi dunes, which may be a cause of the change in elevation.

It is known that uranium mineralisation occurs 800m south of the most southerly line drilled, as WMC drilled a narrow intercept of 0.2m at 334ppm eU_3O_8 in that company's broad spaced drilling in the 1970s. Seven drill holes on the most southerly line drilled by Aura contained above 100ppm eU_3O_8.

Uranium mineralisation is also not closed to the northwest, where hole WAC335 (628000E, 6924600N) has an intercept of 0.46m at 328ppm eU_3O_8.

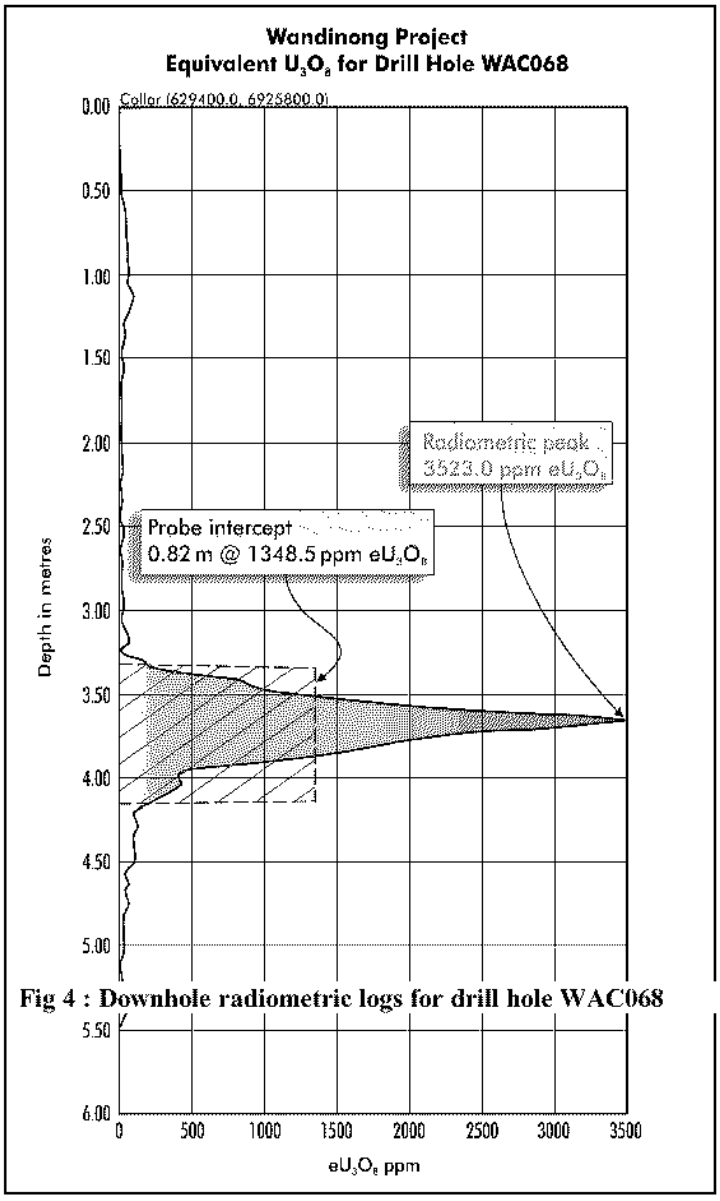

Fig 4 : Downhole radiometric logs for drill hole WAC068

Aura has received assays for 63 drill holes which have either assay or logged uranium values in excess of 200ppm. The contents of uranium for the 63 drill holes are higher than logged values in 51 of these 63 drill holes (81%).

Examples of drill holes with higher assayed than logged uranium results include:

Hole	Assay Result	Logged Result
WAC035	1.0m @ 494ppm U	0.5m @ 253ppm eU_3O_8
WAC039	0.5m @ 737ppm U	0.5m @ 212ppm eU_3O_8
WAC048	1.5m @ 687ppm U	1.18m @ 388ppm eU_3O_8
WAC076	1.0m @ 463ppm U	0.76m @ 242ppm eU_3O_8
WAC237	1.0m @ 489ppm U	1.04m @ 253ppm eU_3O_8
WAC246	1.0m @ 536ppm U	1.14m @ 295ppm eU_3O_8
WAC286	1.0m @ 671ppm U	0.54m @ 556ppm eU_3O_8
WAC323	0.5m @ 926ppm U	1.08m @ 272ppm eU_3O_8
WAC335	2.0m @ 254ppm U	1.08m @ 215ppm eU_3O_8

The assay results also confirm the presence of significant uranium mineralisation on the most northerly line of holes drilled, as is indicated in the drill section below. Aura's land position extends for a further 2 kilometres north of this line, and contains all of the delta system of the Anketell Channel.

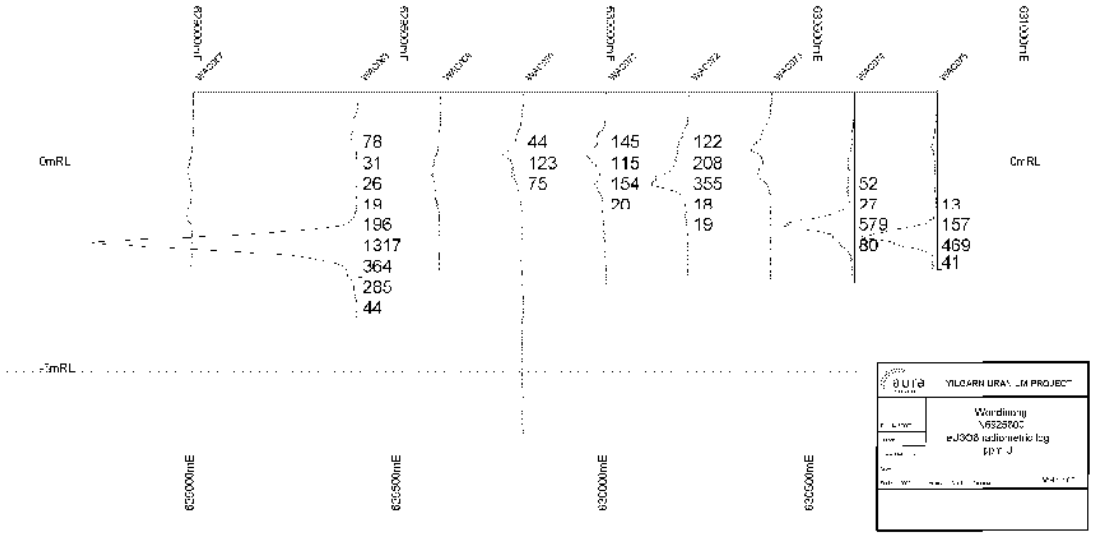

Fig 5 : Drill section for Line 6925800N;
east-west divisions 500 metres, downhole divisions 5 metres; uranium grades in ppm

Aura Energy is planning a further drill programme in the second quarter of 2007 to follow up the intersections obtained from last year's drilling, and to extend the drill pattern where the uranium mineralisation remains open.

New Project acquisition in the Wondinong Project area : Curbaweeda (AEE 100%)

Aura Energy has purchased a 100% interest in the Curbaweeda Project, which covers the next calcrete-bearing channel into Lake Austin west of its Wondinong Project near Mt Magnet in Western Australia.

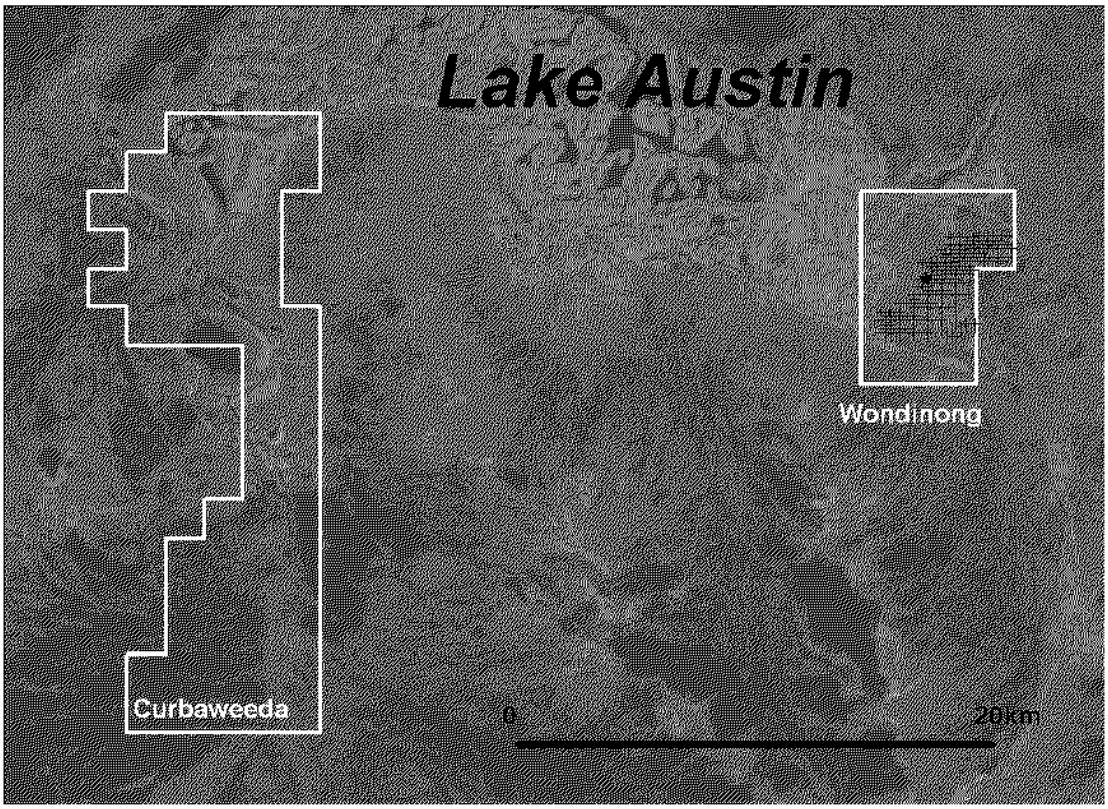

Fig 6 : Landsat image of the eastern end of Lake Austin, showing the delta systems entering Lake Austin, and the location of the Curbaweeda and Wondinong exploration licences, and drill holes completed at Wondinong (crosses)

The Curbaweeda Exploration Licence has an area of 185 square kilometres, and covers 31 kilometres of uranium-anomalous, calcrete-bearing channel and delta system. The drainage system within which the Curbaweeda tenement is located drains the Mt Magnet greenstone belt.

Calcrete is developed throughout the southern part of the Curbaweeda Exploration Licence. Initial reconnaissance has found carnotite in the upper part of the calcrete within the Licence.

The Red-Blue-Green (RGB) image is used in Fig.7 to show areas of higher uranium relative to that of potassium and thorium. The Wondinong uranium deposit shows as an area of strong blue colour. Similar blue areas occur along the Curbaweeda channel.

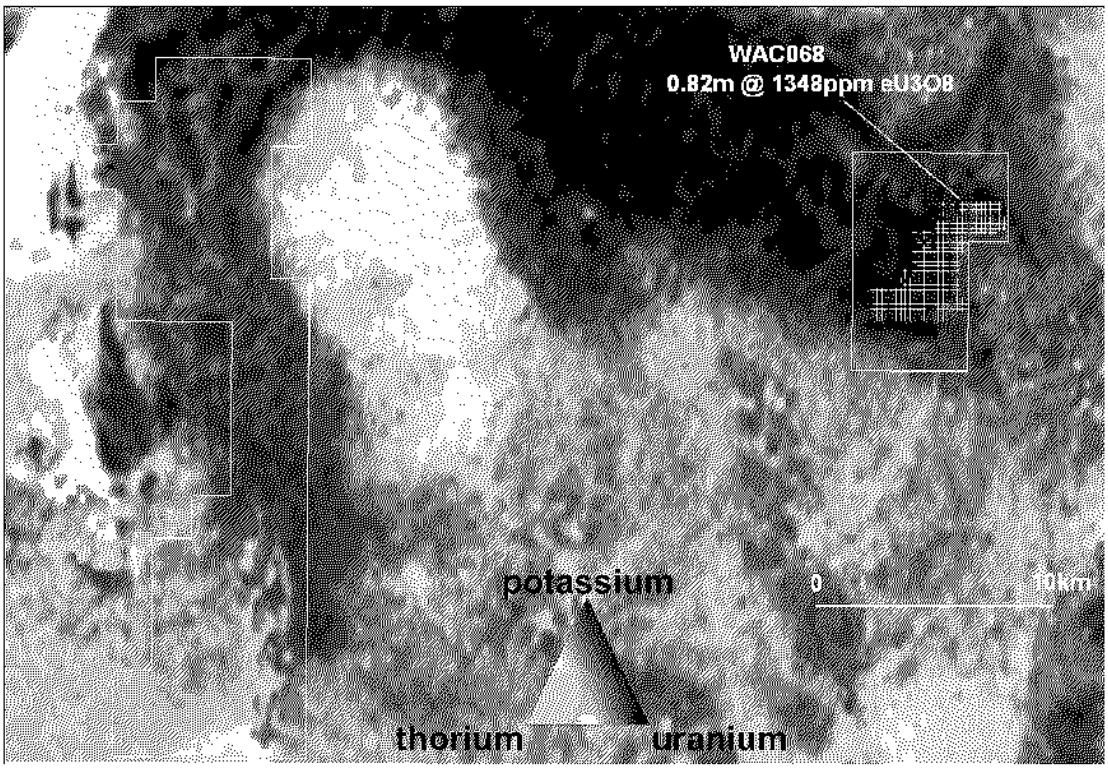

Fig. 7 : Red-blue-green (RGB) image of the airborne radiometrics , with uranium – blue, potassium – red, and thorium – green; areas in which the uranium predominates over the other two elements are denoted by blue, e.g. the Wondinong delta; the RGB image does not give an indication of the amount of uranium present, only the relative amount.

Aura has purchased the Curbaweeda Exploration Licence from Rodney Dale, Robert Scott and Gregory Scott for a cash payment of $9,000 and 600,000 fully paid ordinary shares in Aura.

Aura's programme at Curbaweeda includes detailed radiometric surveys, and drilling of targets.

Calcrete Target Programme (AEE 100%)

The initial testing of the calcrete targets, including the Lake Moore, Altona and Barlee Projects, will commence in the second quarter. The initial phase of this work will include ground radiometric surveys, mapping and auger drilling.

Gunbarrel Basin JV (AEE 100%; Mega Redport funding)

Aura Energy has continued its evaluation and interpretation of the Gunbarrel region of Western Australia. The region forms part of the larger Eucla Basin Province, which is also host to sandstone-hosted uranium deposits on the Gawler Craton in South Australia.

Aura is particularly encouraged by the uranium endowment of this section of the Eucla Basin. The map below clearly indicates that there is at least an order of magnitude difference in the size of the uranium deposits in the Western Australia sector of the Basin. The largest known deposit in the South Australian section is the Warrior Deposit, with a reported contained uranium of 673 tonnes uranium. In contrast Ponton and Mulga Rock are reported to contain 20 to 50 times that amount of uranium.

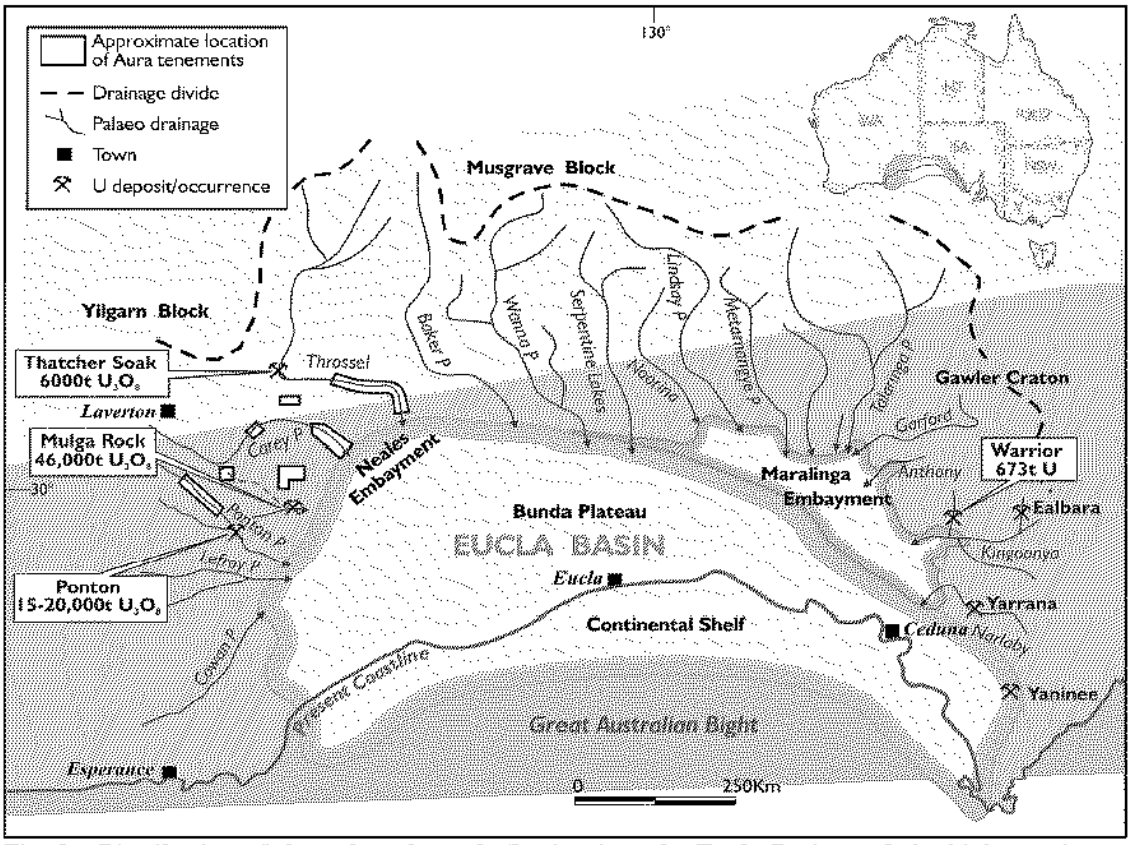

Fig. 8 : Distribution of the palaeochannels flowing into the Eucla Basin, and the high uranium endowment of the deposits in the Western Australia sector of the Basin

The exploration programme for the Gunbarrel Basin JV will commence in the second quarter of 2007. The main components of the initial programme are airborne geophysical surveys.

Aura and Mega have contracted GPX to fly a HoistEM electromagnetic survey over the Project Areas. The objective of this work is to define the position of Tertiary palaeochannels under recent cover rocks. The uranium deposits are commonly hosted by sands at or near the base of the palaeochannels.

In addition the Joint Venture has contracted UTS Geophysics to fly radiometric surveys of the Junction area in the north of the JV area. No previous radiometric surveys have been flown in this area; potential exists for new surface calcrete uranium deposits in the area of the survey, as the Thatcher Soak deposit occurs in this drainage.

Kimberley Basin (AEE 100%)

Aura Energy has acquired extensive areas of airborne radiometric anomalies in the Kimberley Province of Western Australia. Aura has been assessing the Kimberley for its potential to deliver high-grade unconformity-type uranium deposits, analogous to those found in Canada's Athabasca region and the Alligator Rivers Field in the Northern Territory.

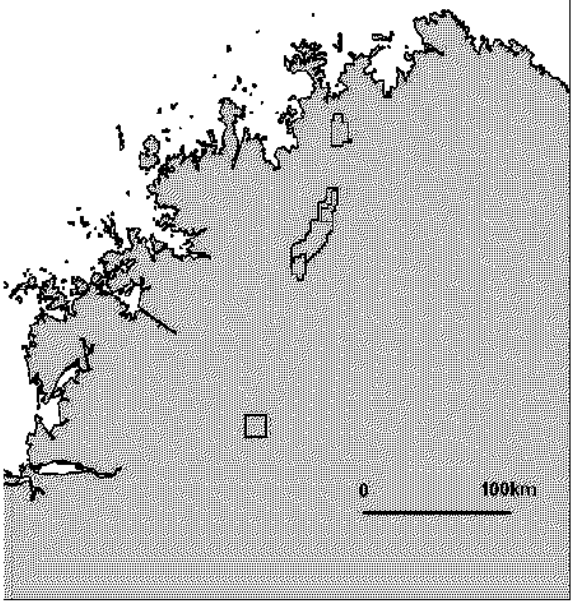

Fig. 9 : Plan showing Aura Energy's Kimberley tenement applications in the area North East of Derby, W.A

Preliminary fieldwork at a small number of anomalies, located within only one of the company's five tenements, has indicated the presence of laterally extensive, flat-lying to shallow-dipping apatite-cemented sandstones, with the apatite being uraniferous.

Hand-held scintillometer counts were 1000 to 2300 counts per second (cps) - approximately 40 times the regional background. Assays of nine radiometrically anomalous samples collected contained in the range of 95 to 238ppm U using the X-ray Fluorescence analytical technique.

The maximum thorium content of the sandstones assayed to date was only 8ppm.

Aura is continuing to evaluate the potential of the region and the nature of the radiometric anomalies. To date only a small number of the radiometric anomalies have been visited in the field.

Aura has applied for two further exploration licenses in the region.

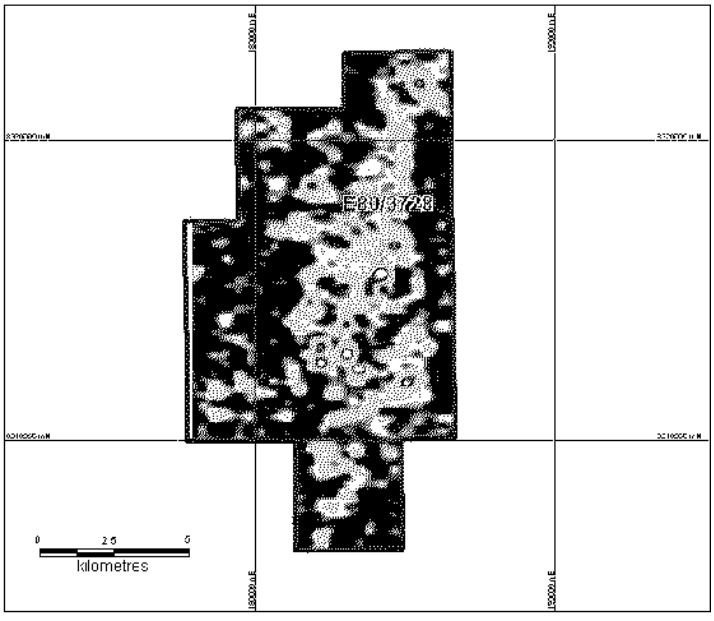

Fig. 10 : Plan showing uranium channel radiometric anomalies in E80/3728

QUARTERLY ACTIVITY REPORT MARCH 2007

Uranium Project Acquisition Alliance For Africa

Aura Energy and Global Coal Management plc (LSE: AIM: GCM) have signed heads of agreement to form an Alliance to identify and acquire uranium projects in Africa. The Alliance brings together the technical uranium experience, targeting and exploration skills of Aura with the project development and mining experience of GCM.

GCM is a London-based resource development company with its shares traded on the Alternative Investment Market, GCM's principal activity is developing the coal project at Phulbari in Northwest Bangladesh. The Group has other investments, being 18.38% of the issued share capital of GVM Metals Limited, a South African mineral processing and coal development company and a 26.5% stake in Peoples Telecommunications and Information Services Ltd, a Bangladesh fixed line telephone operator.

GCM has a Board and management with over 100 years of mine financing, development, operational and management experience at coal, iron ore, copper, lead/zinc, gold and lateritic nickel projects. This encompasses mines in Australia, Indonesia, Zambia, and PNG, and includes senior managerial positions with Rio Tinto and Barclays Capital.

The Alliance represents the beginning of a diversification of Aura's interests into countries and regions outside of Australia.

The Alliance programme will be led by Neil Clifford. Neil is one of Australia's most experienced and successful geologists. He has in excess of 30 years of exploration experience, and has held senior exploration management positions both in Australia and in Europe, including 13 years as Exploration Manager with Billiton Australia and Acacia Resources Ltd.

The Alliance will be managed and exploration conducted by Aura and funds will be provided jointly by Aura and GCM in cash and in kind. The initial term of the alliance is for two years. GCM's obligation is to provide funding of A$400,000 for the first two years' activities of the alliance. Aura will identify and present project opportunities to the Alliance. Projects accepted by the Alliance will commence as GCM – Aura Joint Ventures, initially sole funded by GCM. Aura has the right to participate in any Joint Venture with a minority (30% or 10%) interest, or Aura may elect to retain a 2% Net Smelter Royalty. Any project presented but not accepted by the Alliance may be taken up by Aura.

Initial work on the programme by Aura has commenced.

The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Beeson is a member of the Australian Institute of Geoscientists and 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. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.