



Aura Energy Limited

ABN 62 115 927 681

Half Year Financial Report
31 December 2023

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Corporate Directory



Aura Energy Limited

ABN 62 115 927 681

Directors

Philip Mitchell

Bryan Dixon

Warren Mundine

Patrick Mutz

Andrew Grove

(appointed 30 January 2024)

David Woodall

(resigned 30 January 2024)

Non-Executive Chair

Non-Executive Director

Non-Executive Director

Non-Executive Director

Managing Director & CEO

Managing Director & CEO

Company Secretary

Ross Kennedy

Nominated Advisor & Broker

SP Angel Corporate Finance LLP

Prince Frederick House

35-39 Maddox Street

London United Kingdom W1S 2PP

Registered Office

Level 30

35 Collins Street

Melbourne VIC 3000

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T: + 61 3 9101 8551

Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

Share Register

Computershare Investor Services Pty. Ltd.

Level 2, Reserve Bank Building

45 St Georges Terrace Perth WA 6000

Stock Exchange Listings

Australian Securities Exchange

AIM Market of the London Stock Exchange

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Directors' Report

Your directors present their report on the consolidated entity consisting of Aura Energy Limited ('Aura' or the 'Company') and the entities it controlled (the 'Group') at the end of, or during, the half-year ended 31 December 2023 (the 'Period').

Directors

The following persons were Directors of the Company during the whole of the financial period and up to the date of this report, except as otherwise indicated:

Mr Philip Mitchell, Non-Executive Chair

Mr Bryan Dixon, Non-Executive Director

Mr Warren Mundine, Non-Executive Director

Mr Patrick Mutz, Non-Executive Director

Mr Andrew Grove, Managing Director & CEO (appointed 30 January 2024)

Mr David Woodall, Managing Director & CEO (resigned 30 January 2024)

Principal activities

The principal activities of the consolidated entity during the course of the Period were the development, exploration and evaluation of uranium in Mauritania and vanadium and other battery metals in Sweden.

There was no significant change in the nature of these activities during the Period.

Operations Review

Aura is an ASX and AIM-listed minerals exploration and development company, focused on the development of the Tiris Uranium Project in Mauritania and the Häggån Vanadium Polymetallic Project in Sweden. During the period, Aura has achieved several milestones and made significant progress with both projects.

Tiris Uranium Project

The Front-End Engineering Design ('FEED') Study for the Tiris Project ('Tiris') progressed significantly during the Period, with the results published on 28 February 2024. The FEED Study confirms Tiris as high-value low-risk commercial scaled low-cost near-term uranium mine. Tiris has the key advantage that the beneficiation of the shallow free digging ore delivers very high grade (~1,900ppm U_3O_8), material to the leaching circuit without the need for crushing or grinding.

Operationally, an extensional drilling program on the Tiris East tenements was mobilised during the Period and commenced in early January 2024. This program is targeting an Exploration Target in the range of 8-32 Mlbs U_3O_8 aiming to increase the total Tiris resources towards 100Mlbs U_3O_8 . While uncertainty over the conversion of the exploration program remains, if it provides a low-cost uplift to the resource inventory, it will introduce an opportunity to increase production rates and/or extend the mine life at Tiris.

Directors' Report

During the Period, the Company completed a detailed regional evaluation program based on historical drilling and radiometric data that underpins the Tiris Uranium Project. After this analysis, Aura applied for an additional ~13,000 km² of exploration tenements in the broader Tiris Uranium Province in November 2023, securing a significant strategic position in a prospective but underexplored uranium province. Subject to successful granting of these applications, Aura will work progressively to confirm and test exploration targets within these tenements throughout the course of 2024 and 2025.

Moving into 2024, Aura will continue the transition towards becoming a uranium producer. Aura continues to believe that demand for uranium will grow significantly over the next two decades. The increasing global demand for electricity and the global shift towards low carbon energy sources will require a significant increase in nuclear power generation and uranium demand. We have already seen the spot U₃O₈ price increase from US\$65/lb in 2023 to the current US\$95/lb. Offtake discussions have continued to advance in the backdrop of the strongly appreciating uranium spot market. Funding discussions will commence shortly and the Company will progress towards a Final Investment Decision ('FID') in 2024.

Häggån Vanadium Project

In September 2023, the Company announced the completion of the Scoping Study for the Häggån Vanadium Project in Sweden. Häggån hosts a world-class polymetallic ore body with a global scale vanadium resource. The Base Case Scenario outlined in the Scoping Study demonstrated outstanding economics with an NPV range from US\$380-US\$1,231 million, depending on final plant construction and forward price assumptions. This Base Case included only <3% of Häggån's known 2.0Bn tonne Mineral Resource Estimate and assumed that uranium would not be extracted from the project.

A summary of the Scoping Study demonstrated:

- Post-tax NPV ranging from US\$380 – US\$1,231 Million.
- A post-tax IRR of 26% - 47% and a payback period of 1.5 to 2 years.
- Initial capital cost of US\$593 Million to generate an operating cash flow of between US\$140-\$270 Million per annum.
- Häggån currently has defined a global Mineral Resource Estimate of ~2 Billion tonnes at an average grade of 0.3% V₂O₅, containing 13.3 Billion lbs V₂O₅ at a 0.2% V₂O₅ cutoff.
- The Häggån Mineral Resource also contains significant uranium totalling 800 Million pounds of U₃O₈.
- The Base Case scenario proposes mining the high-grade zone at ~5.9Mtpa producing approximately:
 - 10,400 tpa high-quality vanadium flake.
 - ~217,000 tpa V₂O₅ sulphate of potash (SOP) by-product for sale as fertiliser.
 - 3,000 tpa mixed sulphide product.

The outcomes of the Scoping Study were immediately used as input for the application process for a 25-year Exploitation permit application. This process has included multiple consultation meetings that have been conducted with local communities in Sweden during the Period.

Directors' Report

Aura also continues to support the Swedish Government's strategy to create energy independence and the methodical approach it is taking to potentially rescinding the legislated ban on uranium mining. The change in language used in the energy target policy from "100% renewable" to "100% fossil-free" electricity by the Swedish parliament, is tangible evidence of the shift in sentiment towards the use of nuclear power due to its stability, reliability and lack of greenhouse emissions. The Swedish Government has recently initiated an inquiry to consider lifting the current ban on uranium mining. If the sale of uranium was allowed, it would add additional upside to the economic outcomes for Häggån.

Corporate

During the Period, the Company announced the appointment of Ross Kennedy as Company Secretary replacing Mr Phillip Hains. Mr Kennedy is an experienced Company Secretary with more than 30 years of experience.

The Company's registered office changed to Level 30, 35 Collins Street, Melbourne, Victoria, Australia.

A total of 6,660,150 AEEO Options were exercised during the Period.

Financial Review

The Group's consolidated net loss for the half year ended 31 December 2023 after providing for income tax amounted to \$2,987,251 (2022: \$3,316,842).

The Group held net assets of \$37,826,938 as at 31 December 2023 (30 June 2023: \$39,802,295), including cash and cash equivalents of \$5,866,138 (30 June 2023: \$11,238,716).

Refer to the preceding "Operations Review" section for further details on the operations of the company.

Events occurring after the balance sheet date

On 25 January 2024, the Company announced that it had entered into Option Funding Agreements with certain investors who have agreed to prepay the Company approximately \$4.3 million, equal to the exercise monies for all remaining unexercised listed options expiring 30 June 2024. The funds will be repaid to the investors upon receipt of option exercise monies as and when the current Option Holders exercise their options.

As part of the Options Funding Agreements, the Company entered into an agreement with PAC Partners Securities Pty Limited (the 'Underwriter') to underwrite 20 million unexercised listed options ("Underwritten Options") whereby the Underwriter will receive shares equal to the number of shares to be issued on exercise of 100% of the Underwritten Options that are not exercised by the Option Holders by the Option Expiry Date, in lieu of cash. The Options are listed and have an expiry date of 30 June 2024, an exercise price of \$0.052 each, and on exercise convert into ordinary fully paid shares in the Company.

On 30 January 2024, the Company announced the resignation of David Woodall and the appointment of Andrew Grove as Managing Director and CEO.

Directors' Report

On 28 February 2024, the Company announced the FEED Study results for the Tiris Uranium Project, noting the following key points:

- FEED study confirms excellent economics and capital efficiency to develop Tiris into a globally significant near-term uranium operation:
 - o NPV₈ of US\$366 million
 - o IRR of 34% post tax and 2.5 year payback
 - o Uranium price of US\$80/lb U₃O₈
- Average base case production of 1.9Mlbspa U₃O₈ over a 17-year mine life
- Shallow free dig open pit mining and beneficiation delivers a low cost, high-grade leach feed averaging 1,997ppm U₃O₈ for first five years and 1,743ppm U₃O₈ life of mine
- Low AISC of US\$34.5/lb U₃O₈ demonstrates strong margins
- Efficient capital cost of US\$230 million supporting a long mine life
- Final Investment Decision expected late in 2024 for an 18-month construction timeline to first production
- Processing facility designed for future expansion beyond 2Mlbspa
- Extensional drill program underway targeting further resource growth

On 15 March 2024, the Company's securities on ASX went into a trading halt, pending an announcement about the outcome of a Private Placement ("Placement"). Joint Lead Managers for the Placement have been formally engaged. As at the date of this report, the outcome of the Placement is not certain.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Dividends

No dividends have been paid or declared by the Company for the current financial period. No dividends were paid for the previous financial period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Directors' Report

This report is made in accordance with a resolution of directors.

A handwritten signature in blue ink that reads 'Andrew Grove'.

Andrew Grove

Managing Director and CEO

15 March 2024

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To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Aura Energy Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 15th day of March 2024
Perth, Western Australia

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Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the half year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Continuing operations			
Other losses		(11,229)	(129,426)
Employee benefits		(670,885)	(398,296)
General & Administrative expenses	6	(1,395,567)	(1,151,054)
Share based payment expenses		(523,173)	(1,221,745)
Operating loss		(2,600,854)	(2,900,521)
Finance income		154,512	24,112
Finance expense	8(b)	(8,066)	-
Finance income - net		146,446	24,112
Loss before income tax		(2,454,408)	(2,876,409)
Income tax expense		-	-
Loss from continuing operations		(2,454,408)	(2,876,409)
Loss from disposal group		(532,843)	(440,436)
Loss for the Period		(2,987,251)	(3,316,845)
Loss is attributable to:			
Owners of Aura Energy Limited		(2,979,549)	(3,304,204)
Non-controlling interests		(7,702)	(12,638)
		(2,987,251)	(3,316,842)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		142,393	9,696
Total comprehensive loss for the Period		142,393	9,696
Total Comprehensive Loss after income tax for the year attributable to equity holders of the Company		(2,844,858)	(3,307,146)
Total comprehensive income for the Period is attributable to:			
Owners of Aura Energy Limited		(2,860,466)	(3,294,789)
Non-controlling interests		15,608	(12,357)
		(2,844,858)	(3,307,146)
Basic and diluted loss per share attributable to equity holders of the Company:		Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company		(0.43)	(0.56)
From continuing operations and disposal group attributable to the ordinary equity holders of the company		(0.52)	(0.64)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023



	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	5,862,213	11,238,716
Other receivables		178,215	57,531
Other current assets		94,880	35,404
Assets classified as disposal group		2,612,405	2,735,650
Total current assets		8,747,713	14,067,301
Non-current assets			
Security deposits		53,295	50,380
Plant and equipment		9,524	5,158
Right of use assets	8(a)	267,140	-
Exploration and evaluation	9	32,827,319	27,248,300
Total non-current assets		33,157,278	27,303,838
Total assets		41,904,991	41,371,139
Liabilities			
Current liabilities			
Trade and other payables	10	3,564,118	1,310,087
Employee benefits		107,215	87,110
Other current liabilities		3,067	667
Lease liabilities	8(b)	82,674	-
Liabilities directly associated with assets classified as disposal group		112,041	170,980
Total current liabilities		3,869,115	1,568,844
Non-current liabilities			
Employee benefits		1,847	-
Lease liabilities	8(b)	207,091	-
Total non-current liabilities		208,938	-
Total liabilities		4,078,053	1,568,844
Net assets		37,826,938	39,802,295
Equity			
Share capital	11	82,278,531	81,832,301
Other equity		314,346	314,346
Other reserves	12	5,006,460	4,464,106
Accumulated losses		(49,712,736)	(46,733,187)
Capital and reserves attributable to owners of parent		37,886,601	39,877,566
Non-controlling interests		(59,663)	(75,271)
Total equity		37,826,938	39,802,295

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2022

Attributable to owners of Aura Energy Limited							
Note	Share capital \$	Other equity \$	Other reserves \$	Accumulated losses \$	Total \$	Non-controlling interests \$	Total equity \$
Balance at 1 July 2022	69,357,543	314,346	3,946,825	(40,240,837)	33,377,877	236,573	33,614,450
Loss after income tax expense for the half year	-	-	-	(3,304,204)	(3,304,204)	(12,638)	(3,316,842)
Other comprehensive income for the half year	-	-	9,415	-	9,415	281	9,696
Total comprehensive loss for the half year	-	-	9,415	(3,304,204)	(3,294,789)	(12,357)	(3,307,146)
<i>Transactions with owners in their capacity as owners</i>							
Contributions of equity, net of transaction costs and tax	(11,498)	-	-	-	(11,498)	-	(11,498)
Share based payments	243,000	-	-	-	243,000	-	243,000
Options exercised	1,944,283	-	(558,699)	-	1,385,584	-	1,385,584
Loan funded securities	-	-	1,221,745	-	1,221,745	-	1,221,745
Balance at 31 December 2022	71,533,328	314,346	4,619,286	(43,545,041)	32,921,919	224,216	33,146,135

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

Attributable to owners of Aura Energy Limited								
Note	Share capital	Other equity	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity	
	\$	\$	\$	\$	\$	\$	\$	
Balance at 1 July 2023	81,832,301	314,346	4,464,106	(46,733,187)	39,877,566	(75,271)	39,802,295	
Loss after income tax expense for the half year	-	-	-	(2,979,549)	(2,979,549)	(7,702)	(2,987,250)	
Other comprehensive income for the half year	-	-	119,083	-	119,083	23,310	142,393	
Total comprehensive loss for the half year	-	-	119,083	(2,979,549)	(2,860,465)	15,608	(2,844,857)	
Transactions with owners in their capacity as owners								
Options exercised	11	346,328	-	-	346,328	-	346,328	
Transfer from reserves on exercise of options		99,902	-	(99,902)	-	-	-	
Loan funded securities		-	-	523,173	523,173	-	523,173	
Balance at 31 December 2023		82,278,531	314,346	5,006,460	(49,712,736)	37,886,601	(59,663)	37,826,938

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Operating activities			
Loss after income tax expense for the year		(2,987,251)	(3,316,845)
<i>Adjustments for:</i>			
Depreciation expense		36,726	766
Exchange fluctuations		(13,771)	118,148
Share based payments		523,173	1,221,745
Finance costs		8,066	-
<i>Change in operating assets and liabilities:</i>			
Decrease/(increase) in other receivables		(120,684)	(12,979)
Decrease/(increase) in other operating assets		(59,476)	(31,732)
Increase/(decrease) in trade and other payables		(85,685)	512,730
Increase/(decrease) in employee benefits		(11,959)	(20,460)
Increase/(decrease) in other operating liabilities		2,400	102,802
Net cash flows used in operating activities		(2,708,461)	(1,425,825)
Investing activities			
Payments for plant and equipment		(5,740)	-
Payments for exploration and evaluation		(3,034,497)	(4,295,300)
Net cash used in investing activities		(3,040,237)	(4,295,300)
Financing activities			
Share issue transaction costs		-	(11,498)
Exercise of options		346,328	1,385,184
Net cash from financing activities		346,328	1,373,686
Net decrease in cash and cash equivalents		(5,402,370)	(4,347,439)
Cash and cash equivalents, beginning of year		11,276,307	10,706,700
Effects of exchange rate changes on cash and cash equivalents		(7,799)	(33,870)
Cash and cash equivalents, end of the half year	7	5,866,138	6,325,391

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



1. General Information

These financial statements are consolidated financial statements for the group consisting of Aura Energy Limited (the 'Company') and its subsidiaries. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Aura Energy Limited is a public company limited by shares, incorporated and domiciled in Australia.

The Company's registered office and principal place of business is:

Level 30
35 Collins Street
Melbourne VIC 3000

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2024.

2. Material accounting policy information

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Aura Energy Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

3. Adoption of new and revised Australian Accounting Standards

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



4. Going concern

For the half year ended 31 December 2023, the Group has incurred a net loss after tax of \$2,987,251 (31 December 2022: net loss \$3,316,842) and net cash outflows from operations of \$2,708,461 (31 December 2022: \$1,425,825). The Group's cash balance as at 31 December 2023 was \$5,866,138 (30 June 2023: \$11,238,716).

As the Group is in the exploration stage and does not generate operating cash inflows, the Group is dependent on further capital raises or external financing to maintain operations which results in a material uncertainty which may cast significant doubt on whether the Group can continue as a going concern.

Post period end, on 25 January 2024, the Company announced that it had entered into Option Funding Agreements with certain investors who have agreed to prepay the Company approximately \$4.3 million (gross), equal to the exercise monies for all remaining options expiring 30 June 2024. The funds will be repaid to the investors upon receipt of option exercise monies as and when the current Option holders exercise their options.

On 15 March 2024, the Company's securities on ASX went into a trading halt, pending an announcement about the outcome of a Private Placement ("Placement"). Joint Lead Managers for the Placement have been formally engaged. As at the date of this report, the outcome of the Placement is not certain.

Following receipt of funds from the Options Funding Agreements, the Directors have reviewed the business outlook and cash flow forecasts and have assessed that the Group is and will remain a going concern and believe that the going concern basis of preparation of the accounts is appropriate, however, this is subject to Group's ability to implement some or all of the following potential actions:

- raising equity funds through capital markets and/or strategic investors; and/or
- exploring strategic joint venture and offtake opportunities; and/or
- scale back or deferral of exploration expenditure; and/or
- deferral of discretionary operating expenditures if required

Should the Group not be successful in managing its cashflow through the above means, a material uncertainty exists which may cast significant doubt on whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



5. Operating segments

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board.

The Group's operating segments are as follows:

- Uranium – Project consists of the Tiris Uranium Project located in Mauritania of which Aura holds an 85% interest in the Project.
- Vanadium – Project consists of the Häggån Polymetallic Project is located in Berg municipality in the province of Jämtland in central Sweden. Aura holds a 100% direct interest in the deposit.
- Gold and Base Metals – Project consists of the Tasiast South Gold and Base Metals Project located in Mauritania. The Project comprises of three tenements, including the Nomads Joint Venture, where Aura has earned a 70% interest.
- Corporate - corporate expenses and share-based payments are examples of items that are not allocated to operating segments as they are not considered part of the core operation of any segment.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



5. Operating segments (continued)

(b) Financial Breakdown

The segment information for the reportable segments for the half year ended 31 December 2023 and 31 December 2022 is as follows:

	Uranium \$	Vanadium \$	Gold & base metals \$	Corporate \$	Total \$
31 December 2023					
Total income	(7,663)	-	-	150,946	143,283
Operating expenses	(173,196)	(65,968)	-	(1,827,288)	(2,066,452)
Share based payments	-	-	-	(523,173)	(523,173)
Finance costs	(8,066)	-	-	-	(8,066)
Other expenses / income	-	-	(71,053)	71,053	-
Loss from disposal group	-	-	(532,843)	-	(532,843)
Loss for the year	(188,926)	(65,968)	(603,895)	(2,128,462)	(2,987,251)
31 December 2023					
Segment assets	24,477,874	8,826,493	2,612,405	5,988,219	41,904,991
Segment liabilities	2,120,677	594,869	112,041	1,250,466	4,078,053
31 December 2022					
Total income	(83,890)	(44,195)	2,137	(3,478)	(129,426)
Operating expenses	(364)	(31,167)	-	(1,517,816)	(1,549,347)
Finance costs	-	-	-	24,112	24,112
Share based payments	-	-	-	(1,221,745)	(1,221,745)
Finance costs	(365,066)	(217,987)	-	583,053	-
Loss from disposal group	-	-	(197,947)	(242,489)	(440,436)
Loss for the year	(449,320)	(293,349)	(195,810)	(2,378,363)	(3,316,842)
30 June 2023					
Segment assets	20,155,913	7,092,387	2,698,059	11,424,780	41,371,139
Segment liabilities	-	-	-	1,568,844	1,568,844

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



6. Other expenses

A breakdown of General and Administrative expenses by nature for the half year ended 31 December 2023 and 31 December 2022 is as follows:

	31 Dec 2023	31 Dec 2022
	\$	\$
Accounting and audit	(16,939)	(227,679)
Computers and communication	(66,293)	(88,924)
Consultants & Advisors	(391,035)	(263,015)
Depreciation	(36,726)	(766)
Insurance	(78,148)	(92,729)
Investor relations	(227,649)	(136,580)
General & Administrative	(93,438)	(41,683)
Legal expenses	(149,360)	(23,497)
Listing and share registry	(97,756)	(75,079)
Travel and entertainment	(238,223)	(201,102)
Total General & administrative expenses	(1,395,567)	(1,151,054)

7. Cash and cash equivalents

	31 Dec 2023	30 Jun 2023
	\$	\$
Cash and cash equivalents	5,862,213	11,238,716
Cash at bank attributable to disposal group	3,925	37,591
Cash and cash equivalents	5,866,138	11,276,307

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made and have original maturities of less than 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



8. Right of use assets and lease liabilities

The Group entered into an office lease on 14 September 2023 with a 3 year term.

(a) Right of use asset

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening balance	-	-
Additions	300,533	-
Depreciation	(35,354)	-
Exchange differences	1,961	-
Closing balance	267,140	-

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



8. Right of use assets and lease liabilities (continued)

(b) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Set out below are the carrying amounts of lease liabilities and the movements during the half year:

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening balance	-	-
Initial recognition	300,533	-
Interest	8,066	-
Principal	(29,412)	-
Exchange differences	10,578	-
Closing balance	289,765	-

Disclosed as:

	31 Dec 2023	30 Jun 2023
	\$	\$
Current liability	82,674	-
Non-current liability	207,091	-
Total lease liabilities	289,765	-

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



9. Exploration and evaluation assets

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening net book value	27,248,300	22,323,176
Expenditure capitalised during the half year	5,319,775	7,116,546
Exchange differences	273,913	(1,187,576)
Assets transferred to disposal group	(14,669)	(1,003,846)
Closing net book value	32,827,319	27,248,300

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the consolidated entity's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the Indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

On 16 November 2023, the Company received exploration renewal permits for its Tasiast South Gold Project which includes Hadeibet Bellaa, Touerig Taet tenements, held by TIMCO and the Nderk tenement, held by Nomads Mining sarl, which the Company holds a 70% equity interest). The Group's Tasiast South Gold Project has been classified as part of the Group's held for sale assets.

The Company is awaiting the granting of the exploitation permit for the Oum Ferkik tenement for the Tiris Project. As of 31 December 2023, the carrying value of the exploration and evaluation assets for the Oum Ferkik tenement was \$277,779 (30 June 2023: \$120,721).

On 19 January 2024, subsequent to the end of the period, the Company submitted renewal applications and paid the renewal fees for Mockelasen nr 1 and Skallbole nr 1. The review is currently under review by Bergsstaten and the renewal is expected to be granted by Q2 2024.

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



10. Trade and other payables

	31 Dec 2023	30 Jun 2023
	\$	\$
Trade payables	596,296	125,694
Accrued expenses	2,736,012	1,158,818
Payroll tax and other statutory liabilities	231,810	24,101
Other payables	-	1,474
Trade and other payables	3,564,118	1,310,087

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



11. Equity

	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	No. of shares	No. of shares	\$	\$
Ordinary shares - fully paid	623,144,354	616,484,204	82,278,531	81,832,301

(a) Movements in ordinary shares

	Date	No. of shares	\$
Opening balance 1 Jul 2023		616,484,204	81,832,301
Shares issued at \$0.052 on exercise of options	18-Jul-23	352,000	18,304
Shares issued at \$0.052 on exercise of options	17-Aug-23	302,000	15,704
Shares issued at \$0.052 on exercise of options	31-Aug-23	387,000	20,124
Shares issued at \$0.052 on exercise of options	21-Sep-23	249,687	12,984
Shares issued at \$0.052 on exercise of options	26-Sep-23	100,000	5,200
Shares issued at \$0.052 on exercise of options	26-Sep-23	421,153	21,900
Shares issued at \$0.052 on exercise of options	26-Sep-23	300,000	15,600
Shares issued at \$0.052 on exercise of options	11-Oct-23	2,476	129
Shares issued at \$0.052 on exercise of options	11-Oct-23	274,000	14,247
Shares issued at \$0.052 on exercise of options	11-Oct-23	70,010	3,640
Shares issued at \$0.052 on exercise of options	13-Oct-23	100,000	5,200
Shares issued at \$0.052 on exercise of options	27-Oct-23	40,000	2,080
Shares issued at \$0.052 on exercise of options	27-Oct-23	46,733	2,430
Shares issued at \$0.052 on exercise of options	27-Oct-23	318,000	16,536
Shares issued at \$0.052 on exercise of options	08-Nov-23	26,666	1,387
Shares issued at \$0.052 on exercise of options	08-Nov-23	30,000	1,560
Shares issued at \$0.052 on exercise of options	16-Nov-23	116,666	6,067
Shares issued at \$0.052 on exercise of options	16-Nov-23	1,163,034	60,478
Shares issued at \$0.052 on exercise of options	28-Nov-23	8,461	440
Shares issued at \$0.052 on exercise of options	28-Nov-23	275,000	14,300
Shares issued at \$0.052 on exercise of options	13-Dec-23	2,166	113
Shares issued at \$0.052 on exercise of options	13-Dec-23	250,000	13,000
Shares issued at \$0.052 on exercise of options	21-Dec-23	1,465,098	76,185
Shares issued at \$0.052 on exercise of options	21-Dec-23	360,000	18,720
Transfer from reserves on exercise of options during the period			99,902
Closing balance 31 Dec 2023		623,144,354	82,278,531

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



12. Other reserves

The following table shows a breakdown of the condensed consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the Period. A description of the nature and purpose of each reserve is provided below the table.

	Share based payments	Foreign currency translation	Total other reserves
Opening balance 1 July 2023	5,026,940	(562,834)	4,464,106
Currency translation differences	-	119,083	119,083
Other comprehensive income	-	119,083	119,083
<i>Transactions with owners in their capacity as owners</i>			
Options exercised	(99,902)	-	(99,902)
Loan funded securities	523,173	-	523,173
Closing balance at 31 December 2023	5,450,211	(443,751)	5,006,460

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and loan funded shares issued to key management personnel, other employees and eligible contractors.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



13. Interests in other entities

The consolidated entity's subsidiaries at 31 December 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests held equals the voting rights held by the consolidated entity. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/country of incorporation	Ownership interest held	
		31-Dec-23	30-Jun-23
		%	%
Vanadis Battery Metals AB	Sweden	100	100
Aura Energy Mauritania Pty Ltd	Australia	100	100
Tiris Ressources SA	Mauritania	85	85
Tiris International Mining Company sarl	Mauritania	100	100
Archaean Greenstone Gold Limited	Australia	100	100
Tiris Zemmour Resources Pty Ltd	Australia	100	100
North-East Resources Pty Ltd	Australia	100	100
Mauritanian Services Sauri *	Mauritania	100	-

*Mauritanian Services Sauri was incorporated on 13 September 2023.

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Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023



14. Events after the reporting period

On 25 January 2024, the Company announced that it had entered into Option Funding Agreements with certain investors who have agreed to prepay the Company approximately \$4.3 million, equal to the exercise monies for all remaining options expiring 30 June 2024. The funds will be repaid to the investors upon receipt of option exercise monies as and when the current Option holders exercise their options.

In addition, the Company entered into an underwriting agreement with PAC Partners Securities Pty Limited for 20 million options ("Underwritten Options") whereby the Underwriter will receive shares equal to the number of shares to be issued on exercise of 100% of the Underwritten Options that are not exercised by the Option Holders by the Option Expiry Date, in lieu of cash. The Options are listed and have an expiry date of 30 June 2024 and an exercise price of \$0.052 each, and on issue convert into ordinary fully paid shares in the Company.

On 30 January 2024, the Company announced the resignation of David Woodall and the appointment of Andrew Grove as Managing Director and CEO.

On 28 February 2024, the Company released the FEED Study results for the Tiris Uranium project in Mauritania, noting the following key points:

- Front End Engineering Design ("FEED") study confirms excellent economics and capital efficiency to develop Tiris into a globally significant near-term uranium operation:
 - o NPV8% of US\$366 million
 - o IRR of 34% post tax and 2.5 year payback
 - o Uranium price of US\$ 80/lb U₃O₈
- Average base case production of 1.9Mlbspa U₃O₈ over a 17-year mine life
- Shallow free dig open pit mining and beneficiation delivers a low cost, high-grade leach feed averaging 1,997ppm U₃O₈ for first five years and 1,743ppm U₃O₈ life of mine
- Low AISC of US\$34.5/lb U₃O₈ demonstrates strong margins
- Efficient capital cost of US\$230 million supporting a long mine life
- Final Investment Decision expected late in 2024 for an 18-month construction timeline to first production
- Processing facility designed for future expansion beyond 2Mlbspa
- Extensional drill program underway targeting further resource growth

On 15 March 2024, the Company's securities on ASX went into a trading halt, pending an announcement about the outcome of a Private Placement ("Placement"). Joint Lead Managers for the Placement have been formally engaged. As at the date of this report, the outcome of the Placement is not certain.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors Declaration 31 December 2023



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink that reads "Andrew Grove".

Andrew Grove

Managing Director and CEO

15 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AURA ENERGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aura Energy Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the half-year financial report, which indicates that the Consolidated Entity incurred a net loss of \$2,987,251 during the half year ended 31 December 2023. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 4 indicate a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 15th day of March 2024
Perth, Western Australia