

16 April 2024

Offtake restructure delivers significant value to the Tiris Uranium Project

Aura Energy Limited (ASX: AEE, AIM: AURA ("Aura" or the "Company") and Curzon Uranium Ltd. ("Curzon") have agreed to a restructure of the historical uranium offtake agreement^[1], materially increasing the price receivable for planned uranium production and releasing significant value for the Tiris Uranium Project.

KEY POINTS:

- Average fixed price contract price increases 70% to US\$74.75/lb U₃O₈ from US\$44.09/lb U₃O₈ subject to Final Investment Decision by 31 March 2025
- Total contracted volumes (fixed and variable priced contracts) reduce from 2.6Mlbs to 2.1Mlbs over same 7-year term
- US\$41M of additional revenue delivered to the Tiris Project cash flows at a uranium price of US\$80/lb U₃O₈
- Project NPV_g increases US\$22M to US\$388M and IRR improves 2% to 36% compared to Front End Engineering Design ("FEED") study economics^[2] delivered in March 2024
- Restructured offtake to deliver 150,000lbs U₃O₈ per annum under fixed price terms averaging US\$74.75/lb U₃O₈ and 150,000lbs U₃O₈ per annum at spot less 4% discount over 7 years
- Restructuring fee of US\$3.5M to be paid to Curzon either in cash or in Aura shares priced at A\$0.18 per share
- Curzon to also take a US\$3.5M placement of Aura shares at A\$0.18 per share
- Shares subject to escrow arrangements
- The placement and settlement will take place at the conclusion of final documentation and subject to the Company's placement capacity being refreshed at the upcoming shareholders' meeting

Andrew Grove Aura's MD and CEO commented:

"We are very pleased with the cooperation and consideration received from Curzon - a leading global trader in uranium - on this restructured offtake agreement and welcome Curzon as an important partner and Aura shareholder for the development of the Tiris Uranium Project which will have significant mutual benefits for both parties."

"The restructured offtake agreement releases significant value in the Project and is another important step in the development of the Tiris Uranium Project."

Details

Aura is pleased to advise on developments and activities relating to the Tiris Uranium Project in Mauritania aimed at enhancing value, achieving final investment decision in 2024 and ultimately delivering a uranium mine at Tiris for the benefit of all stakeholders.

Aura and Curzon have signed an agreement replacing the existing contractual arrangements between Aura and a subsidiary of Curzon, with a new take or pay offtake contract, with pricing terms detailed in Appendix 1. The new agreement provides Aura, and its subsidiary Tiris Ressources SA, with materially higher realised uranium prices that will enhance shareholder returns and third-party financing opportunities, while giving Curzon certainty about its supply arrangements.

The new contract will provide for a fixed volume of 300,000lbs per annum of uranium concentrate to be delivered over seven years, totalling 2.1Mlbs U₃O₈.

150,000lbs of the annual volume will be priced based on the prevailing uranium spot price at time of delivery ("Market Price") less a discount, and 150,000lbs of the annual volume will be priced on a fixed basis ("Fixed Price") to be determined as follows:

- Case A: If an investment decision on the Tiris project is made by 31st March 2025, Curzon will pay an average Fixed Price of US\$74.75/lb U₃O₈, Market Price subject to a 4% discount
- Case B: If an investment decision is made by 30th September 2025, Curzon will pay an average Fixed Price of US\$72.25/lb U₃O₈, Market Price subject to a 4% discount
- Case C: If an investment decision is made between 1st October 2025 and 15th August 2030, Curzon will pay an average Fixed Price of US\$65.25/lb U₃O₈, with a further US\$1.25/lb U₃O₈ decline in Fixed Price for each year of delay in the investment decision post 2025, Market Price subject to a 5% discount
- Case D: If an investment decision is made after 15th August 2030, there will be no offtake agreement and Curzon will be paid a 1% royalty on net revenues up to total value of US\$30M

A restructuring fee of US\$3.5M will be paid to Curzon either in cash or in Company's shares, at Curzon's election, priced at A\$0.18 per Aura share. These shares will be subject to escrow until first production from the Project.

Curzon has also agreed to an equity placement in Aura of US\$3.5M priced at A\$0.18 per Aura share ("Curzon Placement"). 50% of these shares will be held in escrow until the earlier of Final Investment Decision ("FID") for the Tiris Project or 30th June 2025.

The Curzon Placement and settlement of the first 50% of shares will take place at the conclusion of final documentation and subject to the Company's placement capacity being refreshed at the upcoming Aura shareholders' meeting.

These arrangements cancel and replace all previous agreements between Aura and the Curzon entities^[3].

Updating the FEED^[4] economics with the new offtake pricing results in a significant increase in revenue of US\$41M and increases the NPV_g to US\$388M from US\$366M. IRR also increases by 2% to 36%, as set out in Table 1. All other inputs into the FEED economics remain unchanged.

	Units	FEED Base Case	FEED New Contract Pricing
Uranium Price	US\$/lbs U ₃ O ₈	\$80	\$80
Avg Annual Production	Mlbs pa U ₃ O ₈	2	2
Post-tax NPV _g	US\$ million	366	388
Post-tax IRR	%	34%	36%
Average All-in Sustaining Costs	US\$/lbs U ₃ O ₈	34.5	34.5
Life of Mine Revenue	US\$ million	2,354	2,395
Initial Life of Mine	Years	17	17
Capital Expenditure	US\$ million	230	230
Payback period	Years	2.5	2.5

Table 1: Comparison between FEED economics as published 29 March 2024 and impact of new offtake pricing.

ENDS

The Board of Aura Energy Ltd has approved this announcement.

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

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About Aura Energy (ASX: AEE, AIM: AURA)

Aura Energy is an Australian-based mineral company with major uranium and polymetallic projects in Africa and Europe.

The Company is focused on developing a uranium mine at the Tiris Uranium Project, a major greenfield uranium discovery in Mauritania. The February 2024 FEED study demonstrated Tiris to be a near-term low-cost 2Mlbs U₃O₈ pa near term uranium mine with a 17-year mine life with excellent economics and optionality to expand to accommodate future resource growth.

Aura plans to transition from a uranium explorer to a uranium producer to capitalise on the rapidly growing demand for nuclear power as the world shifts towards a decarbonised energy sector.

Beyond the Tiris Project, Aura owns 100% of the Häggån Project in Sweden. Häggån contains a global-scale 2.5Bt vanadium, sulphate of potash ("SOP") and uranium resource. Utilising only 3% of the resource, a 2023 Scoping Study outlined a 27-year mine life based on mining 3.5Mtpa.

Disclaimer Regarding Forward-Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements. The Company does not give any assurance or guarantee that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Appendix 1 - Annual pricing terms

Contract term: 7 years

Contract volume: 150,000 lbs pa of U₃O₈ at Fixed Price and 150,000 lbs pa of U₃O₈ at Market Price less a Discount.

Case A - FID no later than 31/03/2025

Delivery start year: 2026 or 2027 at Aura's option to nominate no later than 7 days after the FID

Fixed Prices:

Year 1	US\$71.00/lb U ₃ O ₈
Year 2	US\$72.25/lb U ₃ O ₈
Year 3	US\$73.50/lb U ₃ O ₈
Year 4	US\$74.75/lb U ₃ O ₈
Year 5	US\$76.00/lb U ₃ O ₈
Year 6	US\$77.25/lb U ₃ O ₈
Year 7	US\$78.50/lb U ₃ O ₈

Discount on Market Price: 4%

Case B - FID no later than 31/09/2025

Delivery start year: 2027, 2028 or 2029 at Aura's option to nominate no later than 7 days after FID

Case B Fixed Price: same as Case A minus US\$2.50/lb U₃O₈ in each respective year

Discount on Market Price: 4%

Case C - FID no later than 15/08/2030

Delivery start year: 2028, 2029, 2030, 2031, 2032 or 2033 at Aura's option to nominate no later than 7 days after FID

Case C Fixed Price: same as Case B minus US\$7.00/lb U₃O₈ in each respective year, plus an additional discount of US\$1.25/lb U₃O₈ for every additional year in which the FID is taken after the end of 2025

Discount on Market Price: 5%

Case D - No FID has been taken by 15/08/2030

Royalty: a royalty of 1% of net revenues from Tiris Project up to a total amount of US\$30M

[1] ASX Releases: "US\$10m Offtake Financing Agreement for Tiris Uranium Project" 7 October 2021 and "Aura Concludes Offtake Agreement" 29 January 2019

[2] ASX Release: "FEED study confirms excellent economics for the Tiris Uranium Project" 28 February 2024

[3] ASX Releases: "US\$10m Offtake Financing Agreement for Tiris Uranium Project" 7 October 2021 and "Aura Concludes Offtake Agreement" 29 January 2019

[4] ASX Release: "FEED study confirms excellent economics for the Tiris Uranium Project" 28 February 2024

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