

3 March 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

COMPANY OVERVIEW

Aurora Uranium, through its wholly owned US subsidiary Oregon Energy LLC, holds 100% of the Aurora Uranium Project which is a volcanic-hosted uranium deposit located in southeast Oregon, USA. Previous exploration on the deposit, including detailed drilling, showed that a significant uranium resource occurs within a near-surface, flat-lying zone of mineralisation that is potentially amenable to extraction by open pit methods.

INDUSTRY OVERVIEW

Although the uranium sector has struggled since the 2011 Fukushima disaster in Japan there has been significant improvement with a recent commodities research note from Macquarie Bank naming uranium as the “best mined commodity of 2015”¹.

Demand for nuclear power is growing, from established nations such as the USA and Japan as well as emerging economies like China and India whom are now embracing low-emission nuclear power over traditional coal-fired power. Unlike coal, oil or natural gas, nuclear energy is carbon-free, making it one of the most cleanest, efficient and reliable energy sources which aligns with the global climate deal agreed at the United Nations Climate Change Conference held in Paris late last year.

Although Japan is restarting some of its reactors and US nuclear energy use is the highest seen for many years, China is leading the way with the country’s demand far outstripping their supply.

According to the World Nuclear Association, there are 30 nuclear reactors operating in China, another 24 currently under construction and an additional 100 more planned to be built by 2030. The Nuclear Energy Institute advises there are currently 438 nuclear reactors generating electricity globally and another 67 new plants under construction in 15 countries. Further good news for the sector is that the nuclear reactors now being built will be much larger than existing nuclear power plants and will require even more uranium.

Mr Bill Fry
Executive Director

For any further information, please refer to the Company’s website (see aurauranium.com.au) or contact the Company directly on +61 8 6465 5500

¹‘Australian uranium in demand as china goes full steam for nuclear’, The Sydney Morning Herald, 31 December 2015

CASH FLOW REPORT

	Current Quarter \$'000	Year to Date (6 months) \$'000
Cash flows related to operating activities		
Receipts from product sales and related debtors	-	12
Payments for:		
(a) exploration and evaluation	(13)	(46)
(b) development	-	-
(c) production	-	-
(d) administration	(24)	(24)
Dividends received	-	-
Interest and other items of a similar nature received	-	-
Interest and other costs of finance paid	-	-
Income taxes paid	-	-
Other (provide details if material)	-	-
Net Operating Cash Flows	(36)	(58)

Cash flows related to investing activities		
Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
Net investing cash flows	-	-

Cash flows related to financing activities		
Proceeds from issues of shares, options, etc.	-	50
Cost of the Issue	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	-	-
Other (provide details if material)	-	-
Net financing cash flows	-	50

Net increase (decrease) in cash held	(36)	(8)
Cash at beginning of quarter/year to date	80	46
Exchange rate adjustments	(2)	4
Cash at end of quarter	42	42

	Current quarter \$'000	Previous quarter \$'000
Cash on hand and at bank	14	50
Deposits at call	28	30
Cash at end of quarter	42	80