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**AURA ENERGY LIMITED**  
**ACN 115 927 681**  
**NOTICE OF GENERAL MEETING**

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**Time:** 11:00 AM (AEST)  
**Date:** 19 June 2019  
**Place:** Level 1, 34-36 Punt Road, Windsor, Victoria

**This is an important document that requires your immediate attention.**

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the General Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 7:00 pm (AEST) on 18 June 2019.

If you have questions about the General Meeting or the resolutions to be voted on, please call the Company Secretary on +61 3 9516 6500.

***If you are unable to attend the Meeting, you are encouraged to complete and submit the proxy form attached to this Notice as your vote is important.***

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Aura Energy Limited (**Company**) will be held at Level 1, 34-36 Punt Road, Windsor, Victoria commencing at 11:00 am (AEST) (**Meeting**).

The Explanatory Memorandum that accompanies and forms part of this Notice of General Meeting (together, **Notice**) provides additional information on matters to be considered at the Meeting. The Proxy Form also forms part of this Notice of General Meeting.

Shareholders are urged to vote by attending the Meeting in person, or by returning a completed Proxy Form. Instructions on how to complete the Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 11:00 am (AEST) on 17 June 2019.

Terms and abbreviations used in this Notice are defined in the Glossary at Section 7 of the Explanatory Memorandum.

Shareholders are encouraged to read the Explanatory Memorandum carefully before deciding how to vote.

## AGENDA

<b>Resolution 1: Approval to issue Replacement Note</b>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the Replacement Note to Lind Global Macro Fund, LP on the terms and conditions in the Explanatory Memorandum”.</i></p> <p><u>Voting exclusion</u></p> <p>The Company will disregard any votes cast in favour of this Resolution by, or on behalf of:</p> <ul style="list-style-type: none"><li>(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company; or</li><li>(b) associates of those persons.</li></ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"><li>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</li><li>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</li></ul>
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<p><b>Resolution 2: Ratification of Original Note</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the Original Note on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting Exclusion</u></p> <p>The Company will disregard any votes cast in favour of this Resolution by the Noteholder (and any associates or nominees of the Noteholder) who participated in the issue of the security.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</li> <li>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</li> </ul>
<p><b>Resolution 3: Approval to issue Listed Options</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve this issue of up to 13,041,670 Listed Options to persons who participated in the SPP and the Placement on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting Exclusion</u></p> <p>The Company has received a waiver from Listing Rules 7.3.8 to permit Resolution 3 not to include a voting exclusion statement that excludes the votes of any person who participated in the SPP (or any associate of such a person), on the condition that the Company excludes any votes cast on this Resolution by any proposed underwriter or sub-underwriter of the SPP (of which there is none).</p> <p>As such, the Company will disregard any votes cast in favour of this Resolution by, or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the Placement, or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or</li> <li>(b) associates of those persons.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</li> <li>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</li> </ul>

<p><b>Resolution 4: Approval to issue Loyalty Options</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 7,825,005 Loyalty Options on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u></p> <p>The Company has received a waiver from Listing Rules 7.3.8 to permit Resolution 4 not to include a voting exclusion statement that excludes the votes of any person who participated in the SPP (or any associate of such a person), on the condition that the Company excludes any votes cast on this Resolution by any proposed underwriter or sub-underwriter of the SPP (of which there is none).</p> <p>As such, the Company will disregard any votes cast in favour of this Resolution by, or on behalf of:</p> <p>(a) a person who participated in the Placement, or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or</p> <p>(b) associates of those persons.</p> <p>However, the Company need not disregard a vote if:</p> <p>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</p> <p>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>
<p><b>Resolution 5:Ratification of February Placement Shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution, the following:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,437,500 February Placement Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u></p> <p>The Company will disregard any votes cast in favour of this Resolution by, or on behalf of a person (and any associate or nominee of such a person) who participated in the issue of the securities.</p> <p>However, the Company need not disregard a vote if:</p> <p>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</p> <p>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>

<p><b>Resolution 6:Ratification of Collateral Shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution, the following:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Collateral Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u></p> <p>The Company will disregard any votes cast in favour of this Resolution by, or on behalf of a person (and any associate or nominee of such a person) who participated in the issue of the securities.</p> <p>However, the Company need not disregard a vote if:</p> <p>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</p> <p>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>
<p><b>Resolution 7:Ratification of Geogruppen Shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution, the following:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 26,890,922 Geogruppen Shares under Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u></p> <p>The Company will disregard any votes cast in favour of this Resolution by, or on behalf of a person (and any associate or nominee of such a person) who participated in the issue of the securities.</p> <p>However, the Company need not disregard a vote if:</p> <p>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</p> <p>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>
<p><b>Resolution 8:Ratification of Noteholder Options</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution, the following:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 62,500,000 Noteholder Options under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u></p>

	<p>The Company will disregard any votes cast in favour of this Resolution by, or on behalf of the Noteholder (and any associate or nominee of the Noteholder) who participated in the issue of the securities.</p> <p>However, the Company need not disregard a vote if:</p> <p>(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or</p> <p>(b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>
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## VOTING

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

(a) Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

(b) Voting by an appointed representative ('proxy')

A Shareholder of the Company who is entitled to attend and vote at the Meeting has a right to appoint a person as their proxy to attend and vote for the Shareholder at the Meeting.

A proxy need not be a Shareholder of the Company. A proxy can either be an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- (i) appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act; and
- (ii) provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting.

If satisfactory evidence of the appointment as corporate representative is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the specified time and in accordance with the instructions set out on the enclosed Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (i) each Shareholder has a right to appoint a proxy;
- (ii) the proxy need not be a Shareholder of the Company; and
- (iii) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged directly by the member making the appointment at least 48 hours before the appointed time of the meeting.

(c) Proxy vote if appointment specifies way to vote

In accordance with section 250BB of the Corporations Act, Shareholders are advised that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution. If it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as instructed); and
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution- the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chairperson of meeting at which the resolution is voted on- the proxy must vote on a poll, and must vote that way (i.e. as instructed); and
- (iv) if the proxy is not the Chairperson of the meeting at which the resolution is voted on – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as instructed).

If the proxy is a member, this subsection does not affect the way that person can cast votes in their individual capacity as a member of the Company.

(d) Transfer of non-chair proxy to chair in certain circumstances

Under section 250BC of the Corporations Act, the Chairperson is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on that resolution at that meeting if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- (ii) the appointed proxy is not the chair of the meeting; and
- (iii) at the meeting, a poll is duly demanded on the question that the resolution be passed; and
- (iv) either of the following apply:
  - (A) if a record of attendance is made for the meeting – the proxy is not recorded as attending;
  - (B) the proxy does not vote on the resolution.

(e) Lodgement of Proxy Form

If voting by proxy, please complete and sign the enclosed Proxy Form and return it by one of the methods set out below so that it is received no less than 48 hours before the Meeting. Proxy Forms that do not meet this deadline will be invalid.

Post	Aura Energy Limited Level 1, 34-36 Punt Road Windsor, Victoria 3181
Fax	+61 (3) 9516 6565

Email	info@auraenergy.com.au
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**PLEASE NOTE THAT THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS THE SUBJECT OF THIS NOTICE.**

**THE COMPANY ALSO WISHES TO INFORM SHAREHOLDERS THAT THE CHAIRPERSON INTENDS TO EXERCISE ALL AVAILABLE PROXIES IN FAVOUR OF THE RESOLUTIONS.**

Dated: 20 May 2019

By order of the Board

JM Madden  
Company Secretary



# EXPLANATORY MEMORANDUM

The Explanatory Statement has been prepared for the purposes of the Corporations Act and the Listing Rules. The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company that is material to Shareholders in deciding whether or not to approve the Resolutions as set out in the Notice at the Meeting to be held at level 1, 34-36 Punt Road, Windsor, Victoria on 19 June 2019 commencing at 11:00 am (AEST).

The Company recommends that Shareholders read this Explanatory Memorandum in full and in conjunction with the Notice before making any decisions in relation to the proposed Resolutions.

Please contact the Company Secretary on +61 3 9516 6500 between 9:00am and 5:00pm (AEST) if you have any questions about the Meeting or the Resolutions the subject of this Notice.

## 1. Background to Resolutions 1 and 2

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### 1.1 Agreement

The Company entered into a convertible note funding agreement dated 30 April 2019 with Lind Global Macro Fund, LP (**Noteholder**) (**Agreement**) pursuant to which the Company issued the following securities:

- (a) a convertible note with a term of 26 months expiring 30 June 2021 (**Maturity Date**) and a face value of \$2,400,000 to the Noteholder (**Original Note**);
- (b) 50,000,000 Shares (**Collateral Shares**) in consideration for the Noteholder entering into the Agreement and purchasing the convertible security; and
- (c) 62,500,000 Options exercisable at \$0.016 each, on or before 30 April 2022, and otherwise on the terms set out in Schedule 1 (**Noteholder Options**).

The Company and each of its wholly owned subsidiaries have secured the Company's obligations under the Agreement. This means that if the Company is unable to repay its payment obligations, the Noteholder may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration.

As at the date of this Notice, the Noteholder has advanced the Company the full draw down amount of \$2,000,000. The Noteholder may convert up to a maximum aggregate of 13,382,452 Shares (**Conversion Cap**) at the conversion prices set out in Section 1.2. Under the terms of the Agreement, the Company may elect, at its discretion, to buy back the outstanding balance of the Original Note, subject to the Noteholder having the option to convert, at its discretion, up to 33% of the face value of the Original Note on issue at the lesser of the Fixed Price of the Monthly Conversion Price (as those terms are defined in Section 1.2).

Under the terms of the Agreement, the Company is required to seek Shareholder approval to issue another convertible note to the Noteholder (**Replacement Note**) (the subject of Resolution 1) that is not subject to the Conversion Cap and is otherwise on the same terms as the Original Note. Please refer to Section 2 for further detail on the Replacement Note.

For a summary of the material terms of the Original Note (and Replacement Note) please refer to Schedule 4.

### 1.2 Conversion

Under the Original Note, the Noteholder may, at any time, convert an amount of the security into Shares not exceeding the Conversion Cap at the conversion price of:

- (a) \$0.016 (**Fixed Price**); or

- (b) after the date which is 60 days after completion of the Agreement, in any calendar month, the Noteholder may convert up to \$100,000 worth of Shares at 90% of the average of 5 daily VWAPs chosen by the Noteholder from the daily VWAPs for the 20 Trading Days immediately prior to the date the Company receives a conversion notice from the Noteholder (**Monthly Conversion Price**).

Subject to Shareholder approval being obtained for Resolution 1, the Company will issue the Replacement Note to the Noteholder and, upon such issue, the outstanding Original Note will be redeemed and the Replacement Note will be outstanding. For the avoidance of doubt, the face value of the Replacement Note will be \$2,400,000 less any amounts the Noteholder has converted into Shares under the Original Note.

### 1.3 Issue or repayment of additional securities under the Agreement

Pursuant to, and in accordance with, the Agreement, the Company issued 50,000,000 Shares (**Collateral Shares**), comprising the collateral shareholding (**Collateral Shareholding**), and 62,500,000 Options (**Noteholder Options**) to the Noteholder on 30 April 2019.

- (a) Collateral Shareholding

During the term of the Agreement, the Noteholder:

- (i) may sell, assign, mortgage or otherwise deal with the Collateral Shareholding at its discretion (for the avoidance of doubt, this will have no effect on the Collateral Shareholding amount unless they are collateralised in accordance with Section 1.3(a)(ii)); and
- (ii) may elect to reduce, in whole or in part, the Collateral Shareholding, at any time, by paying the consideration (**Collateralisation Price**) for the nominated amount to be collateralised. The Collateralisation Price is determined by the following formula:

$C = A \times B$  where:

A = the portion of the Collateral Shareholding the Noteholder seeks to reduce; and

B = the price per Share equal to 90% of the average of 5 VWAPs per Share in the 20 consecutive trading days immediately prior to the date of collateralisation, as selected at the Noteholder's discretion.

As at the Maturity Date, notwithstanding the manner in which the Noteholder deals with the Collateral Shareholding, the Noteholder will be deemed to hold the Collateral Shareholding amount of the Collateral Shares less any amount that has been collateralised in accordance with the process set out in Section 1.3.

For example, if the Noteholder elects to reduce its Collateral Shareholding by 15,000,000 Shares and on the basis that the Noteholder does not elect to carry out additional collateralisations during the term, the Noteholder's Collateral Shareholding will be 35,000,000 Shares at the Maturity Date. The 35,000,000 Shares shall be dealt with in accordance with the process set out in the next paragraph.

If the Noteholder has not collateralised all of the Collateral Shareholding by the Maturity Date and the Company has satisfied its repayment obligations, the Noteholder must:

- (i) transfer that number of Shares comprising the Collateral Shareholding to the Company for no consideration to or at the direction of the Company; or
- (ii) subject to the Shares trading on ASX on the relevant day and trading for at least 5 trading days prior to payment, pay the Company in immediately available funds an

amount equal to the outstanding Collateral Shareholding number multiplied by the Collateralisation Price.

(b) Options

The Company issued the Noteholder Options to the Noteholder with each Option exercisable at \$0.016 on or before 30 April 2022 and otherwise on the terms set out in Schedule 1.

#### 1.4 Event of default

The events of default (**Events of Default**) under the Agreement are summarised in the terms set out in Schedule 4. If an Event of Default occurs, and the Event of Default is not remedied or waived by the relevant party, the Noteholder may:

- (a) give notice to the Company to satisfy all of its outstanding obligations under the Agreement, effective immediately; and/or
- (b) terminate the Agreement, effective as at the date of the Noteholder's notice given under Section 1.4(b).

Upon an Event of Default occurring, interest payable on the Original Note will be at a rate per annum which is 6% more than the "Cash Rate Target" last published by the Reserve Bank of Australia at the time of the Event of Default.

Interest will accrue from the earliest date of the Event of Default on the amount outstanding and will compound monthly for as long as the Event of Default is not remedied and such interest will be payable on a monthly basis in arrears.

## 2. Resolution 1 – Approval to issue Replacement Note

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### 2.1 General

As summarised in Section 1 and as set out in the cleansing statement announced on 30 April 2019, the Company issued the Original Note to the Noteholder pursuant to the Agreement. The Noteholder is not a related party of the Company and, as at the date of this Notice, holds a shareholding of 4.14% in the Company. For completeness, on 8 May 2019 and in accordance with section 671B of the Corporations Act, the Noteholder released a substantial shareholder notice to the market disclosing that it, together with its associates, holds an aggregate voting power in the Company of 5.89%.

Under the Agreement, the Company is obligated to seek Shareholder approval to issue a Replacement Note (**Replacement Note**). The Replacement Note is to be issued on the same terms as the Original Note except the security will not be subject to the Conversion Cap. The face value of the Replacement Note will be the outstanding face value of the Original Note. For example, if the Noteholder converts 15,000,000 Shares at the Fixed Price (comprising \$240,000 worth of Shares) under the Original Note, the outstanding face value under the Replacement Note will be \$2,160,000.

Please refer to the summary of material terms of the Replacement Note set out in Schedule 4. If Resolution 1 is approved by Shareholders, the Company will withdraw Resolution 2.

If Shareholder approval is not obtained for Resolution 1, the Company will not be able to meet its obligation under the Agreement to issue the Noteholder the Replacement Note which may constitute an Event of Default under the Agreement. If an Event of Default occurs and is not remedied, the Noteholder may elect to redeem the outstanding amount under the Original Note from the Company immediately. If the Company is unable to satisfy its repayment obligations as and when requested, the Noteholder may seek to enforce its security over the Company and its assets and the Company may become an externally administered body corporate.

For the avoidance of doubt, if Shareholder approval is not obtained for Resolution 1 to issue the Replacement Note, the Company will continue to seek Shareholder approval to ratify the issue of the Original Note under Resolution 2.

## 2.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue, or agree to issue, securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval.

Shareholder approval is sought pursuant to Resolution 1 so that the Replacement Note can be issued as an equity instrument. The effect of Resolution 1 will be to allow the Replacement Note to be issued as an Equity Security without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 1 is approved by Shareholders, the Company will withdraw Resolution 2. Shareholders should be aware that if Shareholder approval is not obtained for Resolution 1, an Event of Default will occur as the Company will not be able to meet its obligation to issue the Replacement Note to the Noteholder under the Agreement.

## 2.3 Examples of conversion of the Replacement Note

The conversion of the Replacement Note will be the lower of:

- (a) the Fixed Conversion Price; or
- (b) the Monthly Conversion Price.

The Company has prepared the following examples in the table below to demonstrate the potential dilution effect of the conversion of the Replacement Note into Shares at the conversion prices of: \$0.016 (being the Fixed Price) and the Monthly Conversion Prices of \$0.001 and \$0.013.

The following assumptions apply to the table:

- (c) the Noteholder does not convert any amount under the Original Note (this means the Replacement Note will have the same face value of \$2,400,000);
- (a) the Noteholder converts the total face value under the Replacement Note; and
- (b) prior to the conversion of the Replacement Note, the Company does not issue any additional Shares to Noteholders and no other Equity Securities are issued, converted or exercised.

For completeness, the Noteholder may only convert up to an aggregate of \$100,000 per month at the Monthly Conversion Price.

Conversion Price	Shares on issue as at date of Notice	Shares issued on conversion	Dilution to Shareholders (%)
\$0.001	1,207,200,524	240,000,000	16.58
\$0.013	1,207,200,524	184,615,385	13.26
\$0.016	1,207,200,524	150,000,000	11.05

## 2.4 Effect of issue of Replacement Note on substantial Shareholders

The table below demonstrates the maximum dilution effect that the issue of the Replacement Note will have on the Company's substantial shareholders' relevant interest on the following bases:

- (a) the Noteholder does not convert any amount under the Convertible Note prior to the issue of the Replacement Note; and
- (b) no additional Shares are issued to Shareholders prior to the conversion of the Replacement Note and no other Equity Securities are issued, converted or exercised.

Substantial Holder	Current Shareholding at date of Notice	Current relevant interest (%)	Relevant interest with conversion price of \$0.001 (%)	Relevant interest with conversion price of \$0.013 (%)	Relevant interest with conversion price of \$0.016 (%)
Asean Deep Value Fund	170,255,456	14.10	11.76	12.23	12.54
Computershare Clearing Pty Ltd <sup>1</sup>	120,301,797	9.97	8.31	8.64	8.86
Pre-emptive Trading Pty Ltd	73,900,000	6.12	5.11	5.31	5.45
The Lind Partners LLC <sup>2</sup>	71,065,475	5.89	21.49	18.37	16.29

### Notes:

1. Computershare Clearing Pty Ltd holds the Chess Depository Interests on behalf of the Company's UK investors.
2. The Lind Partners LLC holds its interest through associated entities, the Australian Special Opportunity Fund and Lind Global Macro Fund LP.

## 2.5 Specific Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Replacement Note:

- (a) the maximum number of securities to be issued is one convertible security, being the Replacement Note;
- (b) if Resolution 1 is approved, the Replacement Note will be issued at the time approval is obtained (i.e. the date of this Meeting);
- (c) the issue price of the Replacement Note is \$2,400,000. Subject to obtaining Shareholder approval for Resolution 1, the Noteholder may elect to convert, in whole or in part, the Replacement Note into Shares at the conversion price equal to the lower of:
  - (i) the Fixed Price; or
  - (ii) after the date which is 60 days after completion of the Agreement, in any calendar month, up to \$100,000 worth of Shares at the Monthly Conversion Price;
- (d) the Replacement Note will be issued to Lind Global Macro Fund, LP;

- (e) the material terms of the Replacement Note are summarised in Schedule 4. Shares issued on conversion of the Replacement Note will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue;
- (f) funds raised from the issue of the Replacement Note will be used to finance the remaining work on the Company's definitive feasibility study for the Tiris Project and for general working capital purposes.
- (g) the issue date of the Replacement Note will be the date of the Meeting;
- (h) a voting exclusion statement is included in this Notice.

### **3. Resolution 2 – Ratification of issue of Original Note**

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#### **3.1 General**

As summarised in Section 1 and as set out in the Company's cleansing statement announced on 30 April 2019, the Company issued the Original Note to the Noteholder in accordance with the Agreement.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Original Note which the Company issued within the last 12 months without obtaining prior Shareholder approval.

In accordance with the terms of the Original Note, the Noteholder may convert, at its discretion, in whole or in part, up to a maximum aggregate of 13,382,452 Shares, at the Fixed Price or Monthly Conversion Price.

Under the Agreement, the Company is obligated to seek Shareholder approval for the issue of the Replacement Note the subject of Resolution 1.

If Shareholders approve Resolution 1:

- (a) the Original Note will be redeemed in full and the Replacement Note will be outstanding; and
- (b) the Company will withdraw this Resolution 2.

If Shareholders do not approve Resolution 1, the Company will continue to seek Shareholder approval for this Resolution 2 for the purposes of refreshing its placement capacity under Listing Rule 7.1.

#### **3.2 Listing Rule 7.1**

Listing Rule 7.1 is summarised in Section 2.2 above.

#### **3.3 Listing Rule 7.4**

In accordance with Listing Rule 7.1, the Company must not, subject to specific exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and in accordance with Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1

The Original Note was issued within the Company's 15% annual limit permitted under Listing Rule 7.1 and did not require obtaining Shareholder approval.

The effect of Shareholders passing this Resolution 2 will be to allow the Company to issue securities in the future up its 15% placement capacity under Listing Rule 7.1 without obtaining Shareholder approval.

### 3.4 Technical information required by Listing Rule 7.5

Pursuant to and accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2.

- (a) one convertible security, being the Original Note, was issued as a debt instrument on 30 April 2019 (the maximum amount of Shares to be issued on conversion of the Original Note is 13,382,452 Shares);
- (b) the Original Note was issued at \$2,400,000;
- (c) the material terms of the Original Note are summarised in Schedule 4. The Shares issued on conversion of the Original Note (if any) will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue;
- (d) the Original Note was issued to Lind Global Macro Fund, LP;
- (e) funds raised from the issue of the Replacement Note will be used to finance the remaining work on the Company's definitive feasibility study for the Tiris Project and for general working capital purposes; and
- (f) a voting exclusion statement is included in this Notice.

## 4. Resolution 3 – Approval to issue Listed Options

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### 4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 13,041,670 Options (**Listed Options**) to Shareholders that participated in the Placement and SPP (**Listed Options Offer**), with both capital raises completing on 22 February 2019.

Subject to Shareholders approving Resolution 3, the Listed Options will be issued under a Prospectus to be issued by the Company in connection with its entitlement offer, the terms of which were announced on 5 February 2019.

The Company has received a waiver from Listing Rules 10.11 to permit the Company to issue the Listed Options to related parties of the Company who participated in the SPP. ASX granted this waiver on the basis that the related parties participated in the SPP, and will be issued the Listed Options in connection with the SPP, on the same terms as any other eligible shareholders. For this reason, the Company is not seeking Shareholder approval for the issue of 1,250,000 Listed Options to Directors Robert Beeson and Julian Perkins.

### 4.2 Listing Rule 7.1

Listing Rule 7.1 is summarised in Section 2.2 above.

The effect of Resolution 3 will be to allow the Company to issue up to 13,041,670 Listed Options pursuant to the Listed Options Offer under the Prospectus during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 4.3 Technical information required by Listing Rule 7.3

Pursuant to and accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of securities to be issued is 13,041,670 Listed Options;
- (b) the Listed Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Listed Options will occur on the same date;
- (c) the Listed Options will be issued for nil consideration;
- (d) the Listed Options will be issued to Shareholders that participated in the SPP and/or Placement;
- (e) the Listed Options will be issued on the terms and conditions set out in Schedule 2.
- (f) the funds raised from the Listed Options will be applied to progress the Company's Tiris Project, Haggan Project and for general working capital purposes.

### 5. Resolution 4 – Approval to issue Loyalty Options

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#### 5.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 7,825,005 Options (**Loyalty Options**) to Shareholders that participated in the Placement and SPP (**Loyalty Options Offer**), with both capital raises completing on 22 February 2019.

Subject to Shareholders approving Resolution 4, the Listed Options will be issued under a Prospectus to be issued by the Company in connection with its entitlement offer, the terms of which were announced on 5 February 2019.

The Loyalty Options are subject to a vesting condition that the Optionholder remains a Shareholder as at the vesting date, being 31 July 2019 (**Vesting Date**). Any unvested Loyalty Options will lapse on the Vesting Date.

On the Vesting Date, the number of Loyalty Options will vest equal to the lesser of the aggregate number of Shares (i.e. the total number of Shares held in the Loyalty Option holder's share-trading account) following:

- (a) the issue date of the Shares pursuant to the SPP and Placement in relation to the Loyalty Options offered under the Prospectus; and
- (b) the number of Loyalty Options held on the Vesting Date,

held on the Vesting Date divided by 5.

The table on the next page illustrates how the Vesting Condition operates with various transaction scenarios undertaken by Loyalty Option holders prior the Vesting Date.



Loyalty Option Scenarios					
<b>No. Shares held on Issue Date</b>	90,000	90,000	90,000	90,000	90,000
<b>No. Loyalty Options Issued</b>	18,000	18,000	18,000	18,000	18,000
<b>Transactions completing before Vesting Date</b>	No transactions	Shareholder purchases 10,000 Shares before Vesting Date	Shareholder sells 30,000 Shares before the Vesting Date	Shareholder sells 45,000 Shares then purchases 45,000 Shares before Vesting Date	Shareholder sells 40,000 Shares then purchases 10,000 Shares before Vesting Date
<b>No. Shares held on Vesting Date</b>	90,000	100,000	60,000	90,000	60,000
<b>No. of Loyalty Options that vest</b>	18,000	18,000	12,000	18,000	12,000
<b>No. Loyalty Options that lapse</b>	Nil	Nil	6,000	Nil	6,000
<b>Reason</b>	Same number of Shares held therefore all Loyalty Options vest.	Shareholders who purchase additional Shares such that their shareholding at the Vesting Date is greater than their holding at the Issue Date are not entitled to additional Loyalty Options.	Number of Shares held divided by 5 is now less than number of Loyalty Options on Vesting Date.	Same number of Shares held therefore all Loyalty Options vest.	Number of Shares held divided by 5 is now less than number of Loyalty Options on Vesting Date.

The Company has received a waiver from Listing Rules 10.11 to permit the Company to issue the Loyalty Options to related parties of the Company who participated in the SPP. ASX granted this waiver on the basis that the related parties participated in the SPP, and will be issued the Loyalty Options in connection with the SPP, on the same terms as any other eligible shareholders. For this reason, the Company is not seeking Shareholder approval for the issue of 1,250,000 Loyalty Options to Directors Robert Beeson and Julian Perkins.

## 5.2 Listing Rule 7.1

Listing Rule 7.1 is summarised in Section 2.2 above.

The effect of Resolution 4 will be to allow the Company to issue up to 7,825,005 Loyalty Options pursuant to the Loyalty Options Offer under the Prospectus during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **5.3 Technical information required by Listing Rule 7.3**

Pursuant to and accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of securities to be issued is 7,825,005 Loyalty Options;
- (b) the Loyalty Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Loyalty Options will occur on the same date;
- (c) the Loyalty Options will be issued for nil consideration;
- (d) the Loyalty Options will be issued to shareholders that participated in the SPP and/or Placement;
- (e) the Loyalty Options will be issued on the terms and conditions set out in Schedule 3;
- (f) the funds raised from the Loyalty Options will be applied to will be applied to progress the Company's Tiris Project, Haggan Project and for general working capital purposes.

## **6. Resolutions 5 –8 (inclusive) - Ratification of prior issues of securities**

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### **6.1 General**

Resolutions 5-8 (inclusive) seek Shareholder approval ratification pursuant to Listing Rule 7.4 for the issue of a total of 102,328,422 Shares and 62,500,000 Noteholder Options which the Company issued within the last 12 months without obtaining prior Shareholder approval (**Placement Securities**).

### **6.2 Listing Rules 7.1 and 7.1A**

Listing Rule 7.1 is summarised in Section 2.2 above.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held 14 November 2018.

### **6.3 Listing Rule 7.4**

Listing Rule 7.4 is summarised in Section 3.3.

The Placement Securities were issued within the Company's 15% and 10% annual placement capacity as permitted under Listing Rules 7.1 and 7.1 respectively.

The effect of Shareholders passing each of Resolutions 5-8 (inclusive) will be to allow the Company to issue securities in the future up to its 15% annual placement capacity (as set out in Listing Rule 7.1) and within the Company's additional 10% annual limit (as set out in Listing Rule 7.1A), without obtaining prior Shareholder approval.

### **6.4 Technical information required by Listing Rule 7.5**

Pursuant to and accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5-8 (inclusive).

(a) **February Placement (Resolution 5)**

- (i) 25,437,500 Shares were issued on 12 February 2019 and 25 February 2019 (**February Placement Shares**);
- (ii) the February Placement Shares were issued at \$0.016 per Share;
- (iii) the February Placement Shares were issued to unrelated sophisticated and professional investors;
- (iv) the February Placement Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;
- (v) the February Placement shares raised a total of \$407,000 (before costs) and the Company has used these funds to assist with financing the remaining work on the Company's definitive feasibility study for the Tiris Project and for general working capital purposes; and
- (vi) a voting exclusion statement is included in this Notice.

(b) **Geogruppen Placement (Resolution 6)**

- (i) 26,890,922 Shares were issued on 23 April 2019 (**Geogruppen Shares**);
- (ii) the Geogruppen Shares were issued at \$0.012 per Share;
- (iii) the Geogruppen Shares were issued to Geogruppen AB pursuant to a settlement agreement for drilling services in Sweden;
- (iv) the Geogruppen Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;
- (v) no funds will be raised from the issue of the Geogruppen Shares as they were issued for nil consideration in consideration for services provided to the Company; and
- (vi) a voting exclusion statement is included in this Notice.

(c) **Noteholder Securities (Resolutions 7 and 8)**

- (i) 50,000,000 Collateral Shares and 62,500,000 Noteholder Options were issued (**Noteholder Securities**);
- (ii) the Noteholder Securities were issued for nil consideration;
- (iii) the Noteholder Securities were issued to the Noteholder who is not a related party of the Company ;
- (iv) the Collateral Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue and the Noteholder Options are each exercisable at \$0.016 each on or before 30 April 2022 and otherwise on the terms set out in Schedule 1;
- (v) the Noteholder Securities did not raise any funds as they were issued in part consideration for the Noteholder entering into the Agreement; and
- (vi) a voting exclusion statement is included in this Notice.

## 7. GLOSSARY

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In this Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian Dollars.
<b>AEST</b>	means Australian Eastern Standard Time.
<b>Agreement</b>	means the convertible note funding agreement dated 30 April 2019 between the Company and the Noteholder.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Chairperson</b>	means the person appointed to chair the Meeting convened by this Notice.
<b>Collateralisation Price</b>	has the meaning ascribed in Section 1.3(a)(ii).
<b>Collateral Shareholding</b>	50,000,000 Shares issued to the Noteholder less any amount of Shares that are collateralised by way of the collateralisation procedure set out in Section 1.3.
<b>Collateral Shares</b>	means 50,000,000 Shares issued to the Noteholder pursuant to the Agreement as set out in Section 6.4(b)(i).
<b>Company</b>	means Aura Energy Limited ACN 115 927 681.
<b>Constitution</b>	means the constitution of the Company as at the date of this Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Equity Security</b>	has the same meaning as the Listing Rules.
<b>Explanatory Memorandum</b>	means this explanatory memorandum which forms part of the Notice.
<b>February Placement Shares</b>	means the 25,437,500 Shares issued pursuant to the Placement as set out in Section 6.4(a).
<b>Geogruppen Shares</b>	means the 26,890,922 Shares issued to Geogruppen AB, an entity incorporated in Sweden, pursuant to a settlement agreement between Geogruppen AB and the Company.
<b>Listing Rules</b>	means the official listing rules of the ASX.
<b>Maturity Date</b>	means the date that the funded amount under the Original Note becomes due and payable, being 30 June 2021.
<b>Meeting</b>	means the general meeting of Shareholders to be held on 19 June 2019.
<b>Monthly Conversion Price</b>	has the meaning ascribed in Section 2.3(b).

<b>Noteholder Options</b>	means 62,500,000 Options exercisable at \$0.016 each on or before 30 April 2022 and otherwise on the terms set out in Schedule 1.
<b>Noteholder Securities</b>	means the Collateral Shares and the Noteholder Options as set out in Section 6.4(c).
<b>Notice</b>	means this notice of meeting.
<b>Option</b>	Means an option which entitles the holder to subscribe for one Share.
<b>Ordinary Resolution</b>	means a resolution requiring to be passed by a majority of such shareholders, as being entitled to do so, vote in person or by proxy on such resolution.
<b>Original Note</b>	means the convertible security issued to the in accordance with the Agreement and on the terms set out in Schedule 4.
<b>Placement</b>	means the placement of Shares at an issue price of \$0.016 each to sophisticated and institutional Noteholders to raise a total of \$407,000 (before associated costs).
<b>Placement Securities</b>	has the meaning ascribed in Section 6.1.
<b>Prospectus</b>	means the prospectus proposed to be issued by the Company in relation to the offers of Listed Options and Loyalty Options the subject of Resolutions 3 and 4.
<b>Relevant Interest</b>	has the meaning given in section 608 of the Corporations Act.
<b>Replacement Note</b>	means the convertible security to be issued to the Noteholder on substantively the same terms as the Original Note as set out in Schedule 4.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Schedule</b>	means a schedule of this Notice.
<b>Section</b>	means a section of this Explanatory Memorandum.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>SPP</b>	means the share purchase plan that the Company announced on 21 February 2019 pursuant to which eligible Shareholders were offered to apply for up to \$15,000 worth of Shares at an issue price of \$0.016 each.
<b>Tiris Project</b>	means the Company's Tiris Uranium Project in Mauritania.
<b>Trading Day</b>	has the meaning given to that term in the Listing Rules.
<b>Vesting Date</b>	means 31 July 2019.
<b>VWAP</b>	means the volume weighted average price.

## Schedule 1 – Terms of Noteholder Options

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For the purposes of this Schedule 1, an 'Option' means an Noteholder Option.

- (a) **(Nature of Options)** Each Option will grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the Options Exercise Price (subject to any adjustment under this Agreement). Each Option will be exercisable by the Option holder complying with its obligations under this clause at any time after the time of the grant of the Option and prior to the Options Expiration Date, after which time it will lapse.
- (b) **(Exercise of Options)** Without limiting the generality of, and subject to, the other provisions of the Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
  - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to this Agreement as Annexure A (the Exercise Form), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder);
  - (ii) a copy, whether facsimile or otherwise, of any exercise form required by the share registrar; and
  - (iii) payment of an amount equal to the Options Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).

As soon as reasonably practicable, but in any event no later than two (2) Business Days after receipt of a duly completed Exercise Form and the payment referred to in clause b(ii), the Company must cause its securities registrar to:

- (i) issue and Electronically Deliver the Shares in respect of which the Options are so exercised by the Option holder; and
  - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.
- (c) **(Bonus Issues)** If prior to an exercise of an Option, but after the issue of the Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.
  - (d) **(Rights Issues)** If prior to an exercise of an Option, but after the issue of the Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Shareholding at the time of the offer, the Options Exercise Price will be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).
  - (e) **(Reconstruction of Capital)** In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (i) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options will be reduced or increased in the same proportion as, and the nature of the Shares will be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
  - (ii) an appropriate adjustment will be made to the Options Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options will not alter.
- (f) **(Cumulative Adjustments)** Full effect will be given to the provisions of clauses (c) and (e), as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.
- (g) **(Notice of Adjustments)** Whenever the number of Shares over which an Option is exercisable, or the Options Exercise Price, is adjusted pursuant to this Agreement, the Company must give notice of the adjustment to all the Option holders as soon as reasonably practicable and in any event, within three (3) Business Days.
- (h) **(Rights prior to Exercise)** Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.
- (i) **(Redemption)** The Options will not be redeemable by the Company.
- (j) **(Assignability and transferability)** The Options will be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law.

## Schedule 2 - Terms of Listed Options

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The terms of the Listed Options are as follows:

- (a) **(Entitlement):** Each Listed Option entitles the holder to subscribe for one Share upon exercise of each Listed Option.
- (b) **(Issue Price):** The Listed Options will be issued for nil consideration.
- (c) **(Exercise Price):** The Listed Options have an exercise price of \$0.022 per Listed Option.
- (d) **(Expiry Date):** The Listed Options will expire at 5:00pm (AEST) on the date that is 2 years from the date of issue. A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Listed Options are exercisable at any time on or prior to the Expiry Date.
- (f) **(Exercise):** The Listed Options may be exercised by providing notice in writing to the Company before the Expiry Date specifying:
  - (i) the number of Listed Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Listed Options being exercised,
- (Notice of Exercise),** A Notice of Exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Listed Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.
- (g) **(Quotation of the Options):** The Company will apply for quotation of the Listed Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Listed Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (h) **(Ranking of Shares):** All Shares issued on exercise of the Listed Options will, upon allotment, be fully paid and rank equally with the then Shares of the Company.
- (i) **(Reorganisation of capital):** If, before exercise or expiry of the Listed Options, the Company implements a reorganisation of its capital, the Listed Options must be treated in the manner required by the Listing Rules. The Company must notify the Optionholder of any proposed variation to the terms and conditions of the Listed Options no less than 15 Business days prior to the date of variation and any variation to the terms and conditions of the Listed Options immediately after the date of variation.
- (j) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without first exercising the Listed Options prior to the Record Date (as that term is defined in the Listing Rules) for the relevant offer.
- (k) **(Variation of Listed Option terms):** Subject to the Listing Rules, the terms of the Listed Options applicable to a particular Optionholder may be varied at any time by written agreement between the Company and the relevant Optionholder. Unless permitted by the circumstances listed in Listing Rule 6.22, a Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.
- (l) **(Transferability of the Listed Options):** The Listed Options are transferable from the date of issue subject to any restrictions or escrow arrangements imposed by ASX or under Australian securities laws.



## Schedule 3 – Terms of Loyalty Options

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The terms of the Loyalty Options are as follows:

- (a) **(Issue price):** The Loyalty Options will be issued for \$0.005 each.
- (b) **(Entitlement to be issued Shares and Vesting):** Upon vesting and subject to paragraph (f) below, each Loyalty Option entitles the holder to be issued one Share for each Loyalty Option vested.

The number of Loyalty Options to vest will be the lesser of:

- (i) the number of Loyalty Options held on the Vesting Date; and
- (ii) the number of Shares held on the Vesting Date divided by 5, where the Vesting Date is 31 July 2019.

Loyalty Options which do not vest on the Vesting Date will immediately lapse.

- (c) **(Exercise price):** The exercise price of the Loyalty Options is \$0.022 each. **(Expiry Date):**
- (d) **(Expiry Date):** The expiry date of the Loyalty Options is 1 year from the date of issue. The Loyalty Options may be exercised at any time after vesting and prior to the Expiry Date, in whole or in part, upon payment of the exercise price per Loyalty Option.
- (e) **(Transferable):** The Loyalty Options are not quoted and are not transferable prior to vesting.
- (f) **(Exercise):** The Company will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (**Notice of Exercise**). Loyalty Options may be exercised by the Loyalty Options holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Shares to be allotted, and the identity of the proposed allottee. The Notice of Exercise by a Loyalty Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Shares.
- (g) **(Ranking of Shares):** All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Loyalty Options.
- (h) **(Participation rights):** There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to shareholders during the term of the Loyalty Options. Thereby, the Loyalty Option holder has no rights to change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Loyalty Option holder will be notified of a proposed issue after the issue is announced. This will give Loyalty Option holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in such issues.
- (i) **(Bonus issue):** if from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Loyalty Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Loyalty Options had been exercised before the Loyalty Option Record Date for the Bonus Issue.
- (j) **(Reconstructions):** In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

## Schedule 4 – Material terms of Original Note and Replacement Note

The table below sets out a summary of the material terms of the Original Note. Unless otherwise specified in the notes accompanying the table, the same terms apply to the Replacement Note.

<b>Term</b>	26 months
<b>Face Value</b>	\$2,400,000
<b>Funded amount</b>	\$2,000,000
<b>Conditions precedent</b>	<p>The Noteholder will have no obligation to pay or advance the funded amount to the Company, unless conditions precedent set out below are fulfilled, or waived in writing by the Noteholder, prior to completion of the Agreement.</p> <ul style="list-style-type: none"> <li>• The Company has delivered or caused to be delivered to the Noteholder, and the Noteholder has received; <ul style="list-style-type: none"> <li>○ a copy of the resolutions duly adopted by the Board and copies of such additional documents, certificates, payments, assignments, transfers and other deliveries as the Noteholder or its legal counsel may reasonably request;</li> <li>○ the security documents have been executed by all parties to them other than the Noteholder; and</li> <li>○ the flow of funds request.</li> </ul> </li> <li>• The representations and warranties of the Company contained in this Agreement are true and correct in all respects as of the dates as of which they are made or deemed to be made under this Agreement.</li> <li>• Any and all consents, permits, approvals, registrations, waivers and documents and ancillary transaction documents issued by the Company to the Noteholder and remain in full force and effect.</li> <li>• The Noteholder is of the opinion, acting reasonably, that, no Event of Default has occurred and no Event of Default would result from completion being effected.</li> <li>• The Company has performed or complied in all respects with all agreements and covenants required by this Agreement as at or prior to the completion.</li> <li>• The Company has issued the Options and Collateral Shares to the Noteholder.</li> </ul>
<b>Interest</b>	Nil
<b>Issue Date</b>	30 April 2019
<b>Security</b>	Yes.

<b>Conversion<sup>1</sup></b>	<p>Within 60 days of completion of the Agreement (Initial Period), the Noteholder may convert, at any time and on more than one occasion, a maximum aggregate of 13,382,452 Shares at \$0.016.</p> <p>Alternatively, the Noteholder may convert up to \$100,000 worth of Shares at the Monthly Conversion Price (as defined below), provided the issue does not exceed 13,382,452 Shares, after the Initial Period and prior to the Company issuing the Replacement Note.</p>
<b>Conversion Price</b>	<p>\$0.016 (<b>Fixed Price</b>) or 90% of the average 5 daily VWAPs chosen by the Noteholder from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date (<b>Monthly Conversion Price</b>).</p>
<b>Cash substitution formula</b>	<p>If an issue of Shares to the Noteholder in accordance with the terms of the Agreement would result in the Noteholder acquiring a relevant interest in the Shares which would cause the Noteholder's (and its associates') voting power in the Company (and its associates) to exceed 19.99%, then without limiting any of the Noteholder's other rights under the Agreement:</p> <ul style="list-style-type: none"> <li>• the Noteholder may by written notice to the Company require the Company to pay a cash amount to the Noteholder, within 5 business days, equal to Z multiplied by \$C, where: <ul style="list-style-type: none"> <li>○ Z = the number of new Shares which, if issued to the Noteholder, would cause the Noteholder's relevant interest in the Company to exceed 19.99%; and</li> <li>○ \$C = the VWAP per Share on the date the Noteholder's Shares were to be issued.</li> </ul> </li> </ul>
<b>Repayment upon maturity</b>	<p>The amount outstanding in cash (being the face value less the amount of Shares issued on conversion)</p>
<b>Buy-back rights</b>	<p>The Company is permitted, in its sole discretion, to buy-back the outstanding balance of the Convertible Note for up to 33% of the face value of the Convertible Note on issue (as determined by the Noteholder) at the lesser of \$0.016 or and the Monthly Conversion Price.</p>
<b>Issue of additional securities</b>	<p>The Company must issue the Noteholder Securities at the time of closing the Agreement. The Noteholder Options are each exercisable at \$0.016 on or before 30 April 2022 and are otherwise on the terms set out in Schedule 1</p>
<b>Transferability</b>	<p>The Convertible Note is assignable.</p>
<b>Events of Default</b>	<p>Any of the following will constitute an event of default:</p> <ul style="list-style-type: none"> <li>• any of the representations, warranties, or covenants made by the Company or any of its agents, officers, directors, employees or representatives in any transaction document, materials or public filing are inaccurate, false or misleading in any material respect, as of the date as of which it is made or deemed to be made, or any certificate or financial or other written statements furnished by or on behalf of the Company to the Noteholder, any of its representatives, or the Company's</li> </ul>

	<p>shareholders, is inaccurate, false or misleading, in any material respect, as of the date as of which it is made or deemed to be made or repeated (in each case where qualified by an express reference to the representation or the warranty being given on a particular other date or dates, on that date or dates);</p> <ul style="list-style-type: none"> <li>• the Company or any subsidiary of the Company suffers or incurs an insolvency event;</li> <li>• the Company or any of its subsidiaries ceases, suspends, or threatens to cease or suspend, the conduct of all or a substantial part of its business, or disposes of, or threatens to dispose of, a substantial part of its assets;</li> <li>• the Company or any of its subsidiaries takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act;</li> <li>• the Company does not comply with its obligation to lodge cleansing statements at the time Shares are issued on conversion of the Convertible Note;</li> <li>• any Noteholder's Shares are not quoted or not able to be freely traded on ASX (as appropriate) within three (3) Business Days following the date of their issue;</li> <li>• there is a stop order, suspension of trading, cessation of quotation, or removal of the Company or the Shares from the ASX Official List (or a fact or circumstance which may cause such an event), except for a suspension of trading; <ul style="list-style-type: none"> <li>○ not exceeding five (5) Trading Days in a rolling twelve month period, where such period commences from the Execution Date; or</li> <li>○ as agreed to by the Noteholder;</li> </ul> </li> <li>• any of the conditions precedent to closing the Agreement or for the issuance of Shares on conversion of the Convertible Note have not have been fulfilled in a timely manner or the time prescribed;</li> <li>• the Company challenges, disputes or denies the right of the Noteholder to receive any Noteholder's Shares or Options, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Noteholder's rights to receive any Noteholder's Shares or Options;</li> <li>• a transaction document or a contemplated transaction has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person that is not the Noteholder or its Affiliate to be, wholly or partly void, voidable or unenforceable;</li> <li>• any person has commenced any action, claim, proceeding, suit, investigation, or action against any other person or otherwise asserted any claim before any Governmental Authority, which seeks to restrain, challenge, deny, enjoin, limit, modify, delay, or dispute, the right of the Noteholder or the Company to enter into any transaction documents or undertake</li> </ul>
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	<p>any of the contemplated transactions (other than a vexatious or frivolous proceeding or claim);</p> <ul style="list-style-type: none"> <li>• any event, condition or development occurs or arises which in the opinion of the Noteholder (acting reasonably) has or would be likely to have a material adverse effect on the assets, liabilities, results of operations, condition (financial or otherwise), business or prospects of the Company and its subsidiaries taken as a whole or the ability of the Company to perform its obligations;</li> <li>• any consent, permit, approval, registration or waiver necessary for the consummation of those contemplated transactions that remain to be consummated at the applicable time, has not been issued or received, or does not remain in full force and effect;</li> <li>• the transactions to be undertaken at closing of the Agreement would result in the Company breaching Listing Rule 7.1;</li> <li>• the Noteholder has not received all those items required to be delivered to it in connection with the closing of the Agreement or upon the exercise of Options in accordance with the Agreement;</li> <li>• the Company fails to perform, comply with, or observe, any other term, covenant, undertaking, obligation or agreement under any transaction document;</li> <li>• the Company fails to comply with the conditions precedent to issuing the Shares on conversion of the Convertible Note or maintain sufficient placement capacity and/or obtain the required shareholders' approvals to maintain the placement capacity;</li> <li>• a default judgment of an amount of AU\$100,000 or greater is entered against the Company or any of its subsidiaries;</li> <li>• the Company and/or any of its subsidiaries defaults in relation to any payment obligation under any financial accommodation, including any loan, advance, debenture or other form of financing entered into with a third party (taking into account any applicable grace period agreed by the relevant third party);</li> <li>• any present or future liabilities, including contingent liabilities, of the Company or any of its subsidiaries for an amount or amounts totalling more than AU\$100,000 have not been satisfied on time (taking into account any applicable grace period agreed by the relevant third party to whom such liabilities are owed), or have become prematurely payable as a result of its default or breach (howsoever described);</li> <li>• the Company does not, within 90 days of closing of the Agreement, obtain shareholder approval to the issue of the Replacement Convertible Security to the Noteholder and issue the Replacement Convertible Security to the Noteholder; or</li> <li>• any event of default (however described) occurs under the security documents.</li> </ul>
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<p><b>Interest payable on Event of Default</b></p>	<p>Upon an Event of Default occurring, interest payable on the Convertible Note will be at a rate per annum which is 6% more than the “Cash Rate Target” last published by the Reserve Bank of Australia at the time of the Event of Default.</p> <p>Interest will accrue from the earliest date of the Event of Default on the amount outstanding and will compound monthly for as long as the Event of Default is not remedied and such interest will be payable on a monthly basis in arrears.</p>
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**Notes:**

1. The Replacement Note will not be subject to any maximum aggregate conversion amount.