



AEE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE SAMPLEVILLE VIC 3030

20 June 2019

Dear Optionholder

Notice to Optionholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of options in Aura Energy Limited (ASX: AEE) (**Company**) as at today's date.

As announced on the ASX on 21 February 2019, the Company is issuing a short form transaction-specific prospectus (**Prospectus**) with the Australian Securities and Investments Commission (**ASIC**) under section 713 of the *Corporations Act 2001* (Cth). In accordance with the Prospectus, eligible shareholders will be offered a non-renounceable pro-rata entitlement of 1 Loyalty Entitlement Option for every 5 fully paid ordinary shares in the capital of the Company (**Shares**) held on 25 June 2019 (**Record Date**) at an issue price of \$0.005 each (**Entitlement Offer**).

Pursuant to the Entitlement Offer, the Company will issue up to 241,440,105 Loyalty Entitlement Options to raise up to \$1,223,891 (before costs). Shares issued on exercise of Loyalty Entitlement Options will rank equally with other fully paid ordinary shares.

As at the close of trading on 19 June 2019, the Company's Share trading price is at \$0.011. This means that the Options to be issued pursuant to the Entitlement Offer are 'out of the money' as each class has an exercise price of \$0.022. The Company and its directors do not warrant that the Loyalty Entitlement Options will come 'into the money' or the future performance of the Company.

Capitalised terms not otherwise defined have the same meaning given in the Prospectus.

Eligibility

The Entitlement Offer is open to all shareholders with registered addresses in Australia or New Zealand as at the Record Date (**Eligible Shareholders**). Under the terms of the Options you currently hold, there is no entitlement to participate in the Entitlement Offer unless you exercise your options, and are entered onto the register as a shareholder of the Company by 5pm (AEST) on the Record Date.

Prospectus

Details of the Entitlement Offer are contained in the Prospectus that was lodged with ASIC yesterday and will be sent to Eligible Shareholders in due course. The Prospectus can also be accessed from the ASX website (www.asx.com.au) and the Company's website (www.auraenergy.com.au).

Actions required of Optionholders

If you wish to participate in the Entitlement Offer, a notice of options exercise and payment of the options exercise price should be lodged with the Company's share registry, Computershare Investor Services Pty Limited, with sufficient time to ensure that you are registered as a shareholder of the Company by the Record Date.

If you do not wish to participate in the Entitlement Offer, no action is required.

Before deciding whether to exercise all or part of your options, we urge you to consider the terms of the Entitlement Offer and carefully read the Prospectus. If necessary, please also seek advice from your financial adviser.

For all enquiries concerning the Entitlement Offer, please contact the Company on (03) 9516 6500 and for all general shareholder enquiries, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +613 9415 4000 (outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Madden', written in a cursive style.

John Madden
Company Secretary