



# AURA ENERGY LIMITED

ACN 115 927 681

For the offer of a non-renounceable pro rata entitlement offer to Eligible Shareholders on the basis of 1 Loyalty Entitlement Option for every 5 Shares held on the record date at an issue price of \$0.005 per Loyalty Entitlement Option to raise up to approximately \$1,223,891 (**Entitlement Offer**).

This Prospectus also contains the following Secondary Offers to SPP Participants and Placement Participants:

- an offer of 1 free attaching Listed Option for every 3 Shares subscribed for and issued under the SPP and/or Placement with each Listed Option exercisable at \$0.022 each and expiring 2 years from the date of issue (**Listed Option Offer**); and
- an offer of 1 free attaching Loyalty Option for every 5 Shares held at the SPP Shares Issue Date and Placement Share Issue Date with each Loyalty Option exercisable at A\$0.022 and expiring 1 year from the date of issue (**Loyalty Option Offer**).

In this document, '**Offers**' refers to both the Entitlement Offer and the Secondary Offers, and '**New Options**' refers to the Options to be issued pursuant to the Offers.

## IMPORTANT INFORMATION:

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document and should be read in its entirety.

**As at 19 June 2019, the Company's Shares were trading on the ASX at \$0.011 per Share. The Company's trading price has dropped significantly since the Company first announced the Offers, as such, the New Options are currently 'out of the money' with each New Option having an exercise price of \$0.022. Shareholders should be aware that there is no guarantee if, or when, the Company's trading price will recover and if the New Options will be 'in the money' and worth exercising.**

Shareholders should be aware that the Loyalty Entitlement Options under the Entitlement Offer have an issue price of \$0.005 each. The Loyalty Entitlement Options are subject to the vesting condition that the Eligible Shareholder remains a Shareholder as at the vesting date of 31 July 2019 (**Vesting Condition**). Shareholders should note that if they do not satisfy the Vesting Condition, their Loyalty Entitlement Options will lapse and they will not be entitled to receive a refund of application monies.

SPP Participants and Placement Participants should note that they must return the personalised Entitlement and Acceptance Form accompanying the Prospectus to receive their allocation of Listed Options and/or Loyalty Options before the Closing Date. Acceptance of the Secondary Offers is not conditional on acceptance of your Entitlement (in whole or in part) under the Entitlement Offer.

If you are in any doubt as to what to do in relation to the Offers, you should consult your professional adviser immediately. The Options offered under this Prospectus should be considered speculative in nature. This Prospectus is not for distribution or release in the United States of America or to U.S. persons.

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## IMPORTANT INFORMATION

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### Prospectus

This Prospectus is dated 20 June 2019 and a copy of this Prospectus was lodged with ASIC on the same date with the consent of all Directors. Neither ASIC nor the ASX nor any of their respective officers take any responsibility for the contents of this Prospectus.

No New Options will be issued under this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to the ASX within seven days of the date of this Prospectus for Official Quotation of the Listed Options under the proposed ticker code ASX: AEEOB.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 34-36 Punt Road, Windsor, Victoria 3181, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.1).

This Prospectus is a transaction-specific prospectus for an offer of Options to acquire 'continuously quoted securities' and has been issued pursuant to section 713 of the Corporations Act. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making statements in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers. You must read this Prospectus in conjunction with publicly available information that the Company has disclosed to the ASX.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offers.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand (including electronic copies) may be restricted by law. If you have come into possession of this Prospectus outside of Australia and New Zealand you should seek advice and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. The lodgement of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of such laws.

### Note to prospective investors

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that any prospective investor reads this Prospectus carefully and in full before deciding whether to invest in the Company.

In considering the prospects of the Company, and before deciding whether to invest in it, a potential investor should:

- (a) consider the risks that could affect the financial performance or position of the Company;
- (b) carefully consider these risks, together with their investment objectives, financial situation and particular needs (including financial and taxation issues); and
- (c) seek professional advice from their accountant, financial adviser, stockbroker, lawyer or other professional adviser.

There are risks of investing in the Company outlined in Section 4 of this Prospectus, but there may be other risk factors that should be considered depending on your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, or the performance of its listed Securities.

No person is authorised to give any information relating to, or make any representation in connection with the Offers, which is not contained in this Prospectus.

### Obtaining a copy of this Prospectus

This Prospectus may be obtained from the Company's website at [www.auraenergy.com.au](http://www.auraenergy.com.au). Shareholders in jurisdictions other than Australia and New Zealand, or who are, or are acting for the account or benefit of, a person in foreign jurisdictions are not entitled to access the electronic version of this Prospectus. Persons who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus.

## OFFERS SUMMARY

Question	Answer
What is the Entitlement Offer?	This Prospectus relates to the non-renounceable pro-rata Entitlement Offer to Eligible Shareholders of one Loyalty Option for every five Shares held at the Record Date with each Loyalty Option issuable at \$0.005, exercisable at \$0.022 and expiring one year from the issue date. The Loyalty Entitlement Options are subject to a vesting condition that the Eligible Shareholder remains a Shareholder as at the Vesting Date ( <b>Vesting Condition</b> ). For further details on the Entitlement Offer and the operation of the Vesting Condition, see Sections 1.2(a) and 1.6 respectively.
What are the Secondary Offers?	<p>An offer to SPP Participants and Placement Participants of 1 free attaching Listed Option for every three SPP Shares and/or Placement Shares subscribed for and issued under the SPP and/or Placement (as applicable) with each Listed Option exercisable at \$0.022, expiring 2 years from the date of issue and otherwise on the terms set out in Section 1.2(b).</p> <p>An offer of 1 free attaching Option (<b>Loyalty Option</b>) for every 5 Shares held as at the SPP Shares Issue Date and/or Placement Share Issue Date with each Loyalty Option exercisable at \$0.022 and expiring 1 year from the date of issue (<b>Loyalty Options Offer</b>). The Loyalty Options are subject to the same Vesting Condition as the Loyalty Entitlement Options. Any unvested Loyalty Options will lapse on the Vesting Date.</p> <p>For further details on how the Vesting Condition will operate and for the rights and liabilities attaching to the Loyalty Options, please refer to Section 1.6 and Section 5.2 respectively.</p>
What is the purpose of the Entitlement Offer?	Funds raised from the Entitlement Offer (after costs) will be used to fund the Company's exploration activities at

Question	Answer
	its Tiris Project and Häggån Project and for general working capital purposes.
When is the offer period for the Entitlement Offer and the Secondary Offers?	<p>The Entitlement Offer will open on Tuesday, 25 June 2019 and close at 5:00pm (AEST) on Tuesday, 9 July 2019.</p> <p>The Secondary Offers will both open on Thursday, 20 June 2019 and will close on the Tuesday, 9 July 2019.</p> <p>For more details on the timing of the Offers, please refer to the indicative timetable on page viii.</p>
How are Applications for Loyalty Entitlement Options to be made?	<p>Applications for the Loyalty Entitlement Options are to be made by payment via your unique BPAY® reference number or by mailing a completed Entitlement and Acceptance Form and payment to:</p> <p>Computer Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001</p> <p>An Eligible Shareholder may pay the Application Monies by cheque, bank draft or via BPAY®. All cheques must be in Australian currency and made payable to 'Aura Energy Limited' and crossed 'Not Negotiable'. For further details see Section 2.</p>
What key risk factors should be considered?	There are a number of key risk factors that should be considered by a prospective investor in the Company, of both a general nature and specific to the Company. For details see Section 4.
How do the New Options, and Shares resulting from the exercise of the New Options, rank?	<p>Each New Option gives the Optionholder the right to subscribe for 1 fully paid ordinary share in the Company, which will then rank equally with existing Shares from the date of their issue. For further details on the terms of the New Options see Section 5.</p> <p>The Shares issued as a result of the exercise of the New Options will be fully paid ordinary shares in the Company and will rank equally with existing Shares from the date of their issue. See Section 5.1 and 5.2 for further details on the terms of the Shares to be issued pursuant to the exercise of the New Options.</p>
What is the effect of the Entitlement Offer on the Company?	For the effect of the Entitlement on the Company, please refer to the pro-forma balance sheet and capital structure set out in Sections 3.2 and 3.3 and the dilution example set out in Section 1.8.
How can I obtain more information?	If you have further questions or enquiries regarding the Offer please contact the Company by telephone on +61 3 9516 6500 or by email at <a href="mailto:info@auraenergy.com.au">info@auraenergy.com.au</a> .

## Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors for investors to consider are set out in Section 4. These risks, and other general risks relating to the investment of listed Securities not specifically referred to, may affect the value of the Securities in the future. As such, any investment in the Company should be considered highly speculative. If in doubt as to what to do in relation to the Offers, investors should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

The table below sets out a summary of the key risks.

Key risk	Further information
<b>Capital, funding and going concern</b>  The Company is engaged in mineral exploration and does not have a continuing source of revenue or operating cash flow. Accordingly, the Company can only continue as a going concern if it is able to raise equity or debt capital in the future to fund its operations. There can be no guarantee that the Company will be able to raise additional equity or debt capital and, if the Company is unable to do so, the financial and operating position of the Company may be adversely affected. In that case the value of an investment in the Company may be significantly diminished, or at worst, become valueless.	Section 4.2(a)
<b>Default on Convertible Note</b>  The Company has issued a convertible security to the Investor in the form of the Replacement Note. The Replacement Note is secured by the Company and each of its wholly owned subsidiaries until the Company repays the outstanding amount of \$2,400,000, either by way of Shares issued on conversion of the Replacement Note or by cash at the Maturity Date. This means that if the Company is unable to repay its payment obligations, the Investor may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration.	Section 4.2(d)
<b>Risks relating to Listed Options and Shares</b>  The Company is listed on the ASX and AIM. Consequently, share market conditions may affect the price of the Company's securities regardless of its operating performance. Many factors will affect the trading price of the Listed Options, and resulting Shares issued upon the exercise of the New Options, including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally. In particular, you should be aware that mineral exploration by its nature is a high risk endeavour and accordingly, there is a significant risk that the Company's proposed exploration programs will not succeed.	Section 4.2(e)
<b>Tenements and native title</b>  The Company has interests in tenements in Mauritania and Sweden. Interests in these tenements are governed by the	Section 4.2(f)

respective legislation in which the Company's tenements are located, and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Further, if the Company is not able to renew or extend its exploration licences as and when required, no further exploration can be undertaken on the Company's projects which will negatively impact the financial performance and position of the Company. There can be no guarantee that a renewal or extension of the license will be obtained in the future.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights exists. If native title rights do exist, they may affect the Company's ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations.

**Mining risk**

Section 4.2(g)

The nature of mineral exploration, mining and mineral processing involves hazards and unexpected events which could result in the Company incurring uninsured losses and/or liabilities to third parties. These could include rock falls, flooding, inclement weather, war or terrorist activity, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected. Resources activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses. There is a risk that the results of exploration and the estimates of resources, which are published from time to time, may be incorrect. Any discovery may not be commercially viable or recoverable. Furthermore, it may not be possible to establish a resource within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (JORC Code) and consequently no reserves can be established.

**Commodity price volatility risk**

Section 4.2(h)

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the Company's control, including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macro-economic factors.

**Sovereign and political risks**

Section 4.2(i)

The Company carries out exploration activities in Mauritania and Sweden. Potential risks include changes to the political, legal

and fiscal systems which might affect the ownership and operation of the interests in Mauritania and/or Sweden. This may include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

## **Disclaimer**

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to, or in connection with, this Prospectus.

It is expected that the Listed Options, and the Shares resulting from the exercise of the New Options, will be quoted on ASX. The Loyalty Options and Loyalty Entitlement Options will not be quoted.

## **Foreign jurisdictions**

This Prospectus does not constitute an offer or invitation to apply for Loyalty Entitlement Options in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Options, or to otherwise permit a public offering of the New Options, in any jurisdiction outside Australia and New Zealand.

The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Refer to further details at Section 1.16.

## **Forward looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and its management team.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

## CORPORATE DIRECTORY

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### Directors

Mr Peter Reeve - Executive Chairman and Managing Director

Mr Robert Beeson - Non-Executive Director

Mr Brett Fraser - Non-Executive Director

Mr Julian Perkins - Non-Executive Director

### Share Registry\*

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

PERTH WA 6000

Telephone: 1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

### Company Secretary

Mr John Madden

### Auditor\*

Bentleys Audit & Corporate (WA) Pty Ltd

### Registered and Principal Office

London House, Level 3, 216 St Georges Terrace

Level 1, 34-36 Punt Road

PERTH WA 6000

WINDSOR VIC 3181

Phone: +61 3 9516 6500

### Solicitors

Email: [info@auraenergy.com.au](mailto:info@auraenergy.com.au)

Dentons Australia Limited

Website: [www.auraenergy.com.au](http://www.auraenergy.com.au)

Level 18, 567 Collins Street

**ASX Code:** AEE (Shares)

MELBOURNE VIC 3000

**Proposed ASX Code:** AEEOB (Listed Options)

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## INDICATIVE TIMETABLE

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Event	Date
Hold General Meeting	19 June 2019
Lodgement of Appendix 3B and Prospectus with ASX and ASIC Opening date of Listed Option Offer and Loyalty Options Offer	20 June 2019
Notice of Entitlement Offer sent to Shareholders	21 June 2019
Shares quoted on an 'EX' basis	24 June 2019
Record date for determining Entitlements	25 June 2019
Prospectus and Entitlement Offer and Acceptance Form despatched to Eligible Shareholders	28 June 2019
Last day to extend Entitlement Offer closing date	4 July 2019
Closing date of Entitlement Offer, Listed Option Offer and Loyalty Options Offer	9 July 2019
Entity notifies ASX of undersubscriptions	12 July 2019
Anticipated date for issue of Loyalty Entitlement Option and Listed Options	18 July 2019
Anticipated date for commencement of Listed Options trading on a normal settlement basis	18 July 2019
Vesting date for all loyalty options, vested options being calculated as the lower of the number of options held, and the number of shares held divided by 5	31 July 2019

### Notes:

1. This timetable is indicative only and is subject to change.
2. The Directors reserve the right to extend the Loyalty Entitlement Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, anticipated issue and trading dates may vary.

## LETTER FROM THE BOARD

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Dear Shareholder

Aura Energy Limited ACN 115 927 681 (**Company**) is continuing to push the development of its two projects, the Tiris Project in Mauritania and the Häggån Project in Sweden. The Company believes cash flow from these high-quality projects is the best course for the creation of Shareholder value.

The Company is also securing exciting, highly prospective greenstone gold mineralisation ground in Mauritania within the vicinity of the Kinross Tasiast gold project.

The Company has continued to advance the Definitive Feasibility Study (DFS) for the Tiris Project with solid and meaningful progress and proposes to release the outcomes in July 2019.

The Company has continued to put in place the necessary building blocks to make production from the Tiris Project a reality and, to that end, recently concluded earlier this year two important agreements;

- The Tiris Uranium Offtake Agreement; and
- Appointment of SD Capital and GKB Ventures under a mandate to provide project finance for both the Tiris and Häggån Projects.

The offtake provides a strong degree of certainty for the Company and its financiers in the revenue streams from the project but importantly leave strong upside to a rising uranium price.

With the confidence from that production offtake and the financing steps that the Company has commenced, the Company continues to target construction in 2019 and expects first production in 2020.

The Company's Häggån Project is also progressing well with the Company completing a 2,000-metre drilling campaign to upgrade the Inferred Resource now completed to Measured and Indicated Resources (as those terms are defined in the JORC Code) to allow for the publication of the Scoping Study under revised guidelines released by ASIC. Laboratory assaying is underway and geological consultants are waiting for the results to complete a new resource estimate. The projects capital and operating estimates have been completed and have provided strong encouragement to progress the project.

The Company was awarded two gold tenements in Mauritania at the Hadebeit Bella and the Touerig Taet prospects and has secured by way of a Farm-in and Joint Venture arrangement adjacent ground.

The Company secured from Shareholders \$626,000 by way of the Placement and Share Purchase Plan announced on the 5 February 2019. It also secured a \$2,000,000 convertible note facility from Lind Global Macro Fund LP on 30 April 2019.

The financing announced on 5 February 2019 sought to reward Shareholders for supporting the Company with an entitlement granted to Shareholders in Australia and New Zealand to participate in an Entitlement Offer.

The Loyalty Entitlement Options will vest on 31 July 2019. The goal of the Entitlement Offer is to reward Shareholders for their long-term support, provide stability to the share price and enable the advancement of the Tiris and the Häggån Projects. With the Company having undertaken the convertible note Issue in late April, the Entitlement Offer was delayed.

Notwithstanding this delay, I hope you will support the Company with this opportunity to acquire a 1-year Loyalty Entitlement Option at 0.5 cents per Option.



PD Reeve  
Executive Chairman and CEO



# 1. DETAILS OF THE OFFERS

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## 1.1 Background to Offers

### (a) Placement

On Tuesday, 5 February 2019, the Company announced that it would undertake a placement of 61,062,500 fully paid ordinary shares (**Placement Shares**) to professional and/or sophisticated investors (**Placement Participants**) at A\$0.016 per Placement Share to raise a total of \$0.977 million (before associated costs) (**Placement**).

Due to subscription agreements for the Placement not being honoured by various subscribers, there was a shortfall of \$570,000 which resulted in the Company raising a total amount of \$407,000 (before costs).

### (b) Share purchase plan

On Thursday, 21 February 2019, the Company lodged a share purchase plan offer document (**SPP**), in accordance with ASIC Class Order CO 09/425, offering Eligible Shareholders (**SPP Participants**) the opportunity to apply for up to \$15,000 worth of SPP Shares (**SPP Shares**) at an issue price of \$0.016 per SPP Share (being the same issue price as the Placement Shares) (**SPP Offer**).

The issue price of the SPP Shares represented an 11% discount to the volume weighted average price of the Shares quoted on the ASX during the five (5) trading days immediately prior to the date of the announcement of the SPP.

The SPP Offer closed on Friday, 22 March 2019 and raised a total of approximately \$219,000 (before associated costs).

### (c) Convertible note raise

On 30 April 2019, the Company announced it had entered into a convertible loan funding agreement (**Agreement**) with Lind Global Macro Fund LP (**Investor**) pursuant to which the Company issued a convertible security to the Investor with a term of 26 months and a face value of \$2,400,000 (**Original Note**).

Under the Original Note, the Investor was limited to converting a maximum aggregate of 13,382,462 Shares (**Conversion Cap**) at the conversion prices of either:

- (i) the fixed price of \$0.016; or
- (ii) up to \$100,000 worth of Shares at 90% of the average of 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the date the Company receives a conversion notice from the Investor,

(each, a **Conversion Price**).

The Investor has advanced the principal amount of \$2,000,000 to the Company. Pursuant to the Agreement, the Company sought, and received, Shareholder approval to issue the Investor with a convertible security to replace the Original Note (**Replacement Note**). The Replacement Note will be issued to the Investor on substantively the same terms as the Original Note, except the Conversion Cap will no longer be applicable.

The Replacement Note is secured by the Company and each of its wholly owned subsidiaries until the Company repays the outstanding amount of \$2,400,000, either by way of Shares issued on conversion of the Replacement Note or by cash at the Maturity Date. This means that if the Company is unable to repay its payment obligations, the Investor may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration.

Under the Agreement, the Company also issued to the Investor:

- (i) 50,000,000 Shares to the Investor (**Collateral Shares**); and
- (ii) 62,500,000 Options with each Option exercisable at \$0.016 on or before 30 April 2022.

For a summary of the material terms of the Replacement Note, please refer to Section 5.3.

## 1.2 Offers

The Company is making the following offers (**Offers**) under this Prospectus:

### (a) Entitlement Offer

The Company is offering Shareholders with registered addresses in Australia and New Zealand (**Eligible Shareholders**) a non-renounceable pro-rata entitlement offer of 1 Loyalty Entitlement Option for every five Shares held at 5:00pm (AEST) on the Record Date (**Entitlement**), at an issue price of \$0.005 each, exercisable at \$0.022 each, vesting on 31 July 2019 (**Vesting Date**), and otherwise on the terms outlined in Section 5.2 (**Entitlement Offer**).

The Loyalty Entitlement Options are subject to a vesting condition that the Option holder holds Shares as at the Vesting Date (**Vesting Condition**). Any unvested Loyalty Entitlement Options will lapse on the Vesting Date. For further details on how the Vesting Condition will operate in practice, please refer to Section 1.6.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options on issue will be exercised before the Record Date. On the basis that no Options are exercised prior to the Record Date, 241,440,105 Loyalty Entitlement Options can be issued pursuant to the Entitlement Offer, raising a maximum amount of \$ 1,223,891 (before associated costs).

The Entitlement Offer is not underwritten.

For the purposes of calculating Entitlements, fractions will be rounded up to the nearest whole number. Please refer to Section 1.6 for the rights and liabilities attaching to the Loyalty Options.

### (b) Secondary Offers

In connection with the Placement and SPP Offer, the Company is making the following offers (**Secondary Offers**) under this Prospectus:

#### (i) Listed Option Offer

An offer to SPP Participants and Placement Participants of 1 free attaching quoted Option (**Listed Option**) for every three SPP Shares and/or Placement Shares subscribed for and issued under the SPP and/or Placement (as applicable) with each Listed Option exercisable at \$0.022, expiring 2 years from the date of issue and otherwise on the terms set out in Section 5.1.

No consideration is payable for the issue of the Listed Options as the Listed Options are free attaching to the SPP Shares and Placement Shares.

The Listed Options are intended to be quoted on ASX and will each be exercisable at \$0.022 on or before 20 May 2021.

Full terms and conditions of the Listed Options are contained in Section 5.1. All Shares issued upon exercise of the Listed Options will rank equally in all respects with the existing Shares on issue at the date of this Prospectus. Please refer to Section 5.4 for the rights and liabilities attaching to the resulting Shares to be issued upon the exercise of the Listed Options.

(ii) Loyalty Option Offer

An offer of one free attaching Option (**Loyalty Option**) for every five Shares held as at the SPP Shares Issue Date and/or Placement Share Issue Date with each Loyalty Option exercisable at \$0.022 and expiring 1 year from the date of issue (Loyalty Options Offer). The Loyalty Options are subject to the same Vesting Condition as the Loyalty Entitlement Options. Any unvested Loyalty Options will lapse on the Vesting Date.

For further details on how the Vesting Condition will operate in practice and for the rights and liabilities attaching to the Loyalty Options, please refer to Section 1.6 and Section 5.2 respectively.

Full terms and conditions of the Loyalty Options are contained in Section 5.2. All Shares issued upon exercise of the Loyalty Options will rank equally in all respects with the existing Shares on issue at the date of this Prospectus. Please refer to Section 5.4 for the rights and liabilities attaching to the resulting Shares to be issued upon exercise of the Listed Options. The purpose of the Entitlement Offer and the intended use of funds are set out in Sections 3.1 and 1.7.

### **1.3 No minimum subscription**

There is no minimum subscription for the Entitlement Offer.

### **1.4 No underwriting**

The Offers are not underwritten.

### **1.5 No shortfall offer**

There is no shortfall offer for the Entitlement Offer.

### **1.6 Vesting condition of Loyalty Options and Loyalty Entitlement Options**

The Loyalty Options and Loyalty Entitlement Options are subject to the Vesting Condition. On the Vesting Date, the number of Loyalty Options and Loyalty Entitlement Options will vest equal to the lesser of:

- (a) the aggregate number of Shares (i.e. the total number of Shares held in the Loyalty Option holder's share-trading account) following:
  - (i) the issue date of the SPP Shares/Placement Shares in relation to the Loyalty Options Offer; and/or
  - (ii) the Record Date of the Loyalty Entitlement Options in relation to the Loyalty Options Entitlement Offer, and
- (b) the number of Loyalty Options/Loyalty Entitlement Options held on the Vesting Date,

divided by 5.

For the avoidance of doubt, if an investor participated in the SPP and/or Placement and also participates in the Entitlement Offer, the investor's Loyalty Entitlement Options will vest independently from their Loyalty Options received under the Loyalty Options Offer (i.e. the Loyalty Options and Loyalty Entitlement Options will not be aggregated for the purposes of determining vesting at the Vesting Date).

The table below provides a general illustration of 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.

Please refer to Schedule 1 for further examples outlining various scenarios that may assist you to evaluate your position in relation to the securities you hold, or will hold if you participate in the Entitlement Offer, that are subject to the Vesting Condition.

## 1.7 Use of funds

No funds will be raised from the issue of the Listed Options or Loyalty Options.

On the basis that the Entitlement Offer is fully subscribed and no Options are exercised on or prior to the Record Date, the proceeds raised from the Entitlement Offer will be approximately \$1,223,891 (before associated costs).

Proceeds of the Entitlement Offer will contribute towards exploration at the Tiris Project and Häggån Project plus general working capital.

***The Company is aware that it is unlikely that it will raise the maximum amount of \$1,223,891 under this Prospectus due to the current share trading price and market conditions. The Company notes that it has prepared the use of funds table below for compliance purposes.***

Proposed use of funds <sup>1</sup>	\$	%
Tiris Project	611,950	50%
Häggån Project	100,000	8.2%
Mauritania gold	150,000	12.2%
Working capital	361,941	29.6%
<b>Total</b>	<b>1,223,891</b>	<b>100%</b>

### Notes:

1. The funds raised assume the Entitlement Offer is fully subscribed and no Options are exercised prior to the Record Date. Please refer to Section 6.9 for details of the expenses of the Entitlement Offer.
2. The above table is a statement of the Directors' current intention as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds may change depending on a number of operational, regulatory and economic factors which may alter the way funds are ultimately applied. As such, the Board reserves the right to change the way the funds are applied on this basis.

## 1.8 Dilution

No dilution will occur as a result of the issue of the Loyalty Entitlement Options pursuant to the Entitlement Offer under this Prospectus.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings may be diluted on and from the Vesting Date, as Eligible Shareholders participating in the Entitlement Offer will be entitled to exercise their Loyalty Entitlement Options. The table below illustrates the potential dilution effect of the Entitlement Offer on Shareholders on the following assumptions:

- (a) participating Shareholders held the same number of Shares as non-participating Shareholders at the Record Date;
- (b) participating shareholders took up all of their Entitlement; and

- (c) the Company does not issue any additional Shares and no other Equity Securities are issued, converted or exercised.

Holder	Shares held at date Record Date	Holding (%) at Record Date	Entitlement <sup>1</sup>	Shares held at Vesting Date <sup>2</sup>	Holding (%) at post Vesting Date <sup>3</sup>
<b>Non-participating Shareholders</b>					
Shareholder 1	25,000,000	2.06	5,000,000	25,000,000	1.73
Shareholder 2	15,000,000	1.24	3,000,000	15,000,000	1.04
Shareholder 3	10,000,000	0.83	2,000,000	10,000,000	0.69
<b>Participating Shareholders</b>					
Shareholder 4	25,000,000	2.06	5,000,000	30,000,000	2.08
Shareholder 5	15,000,000	1.24	3,000,000	18,000,000	1.25
Shareholder 6	10,000,000	0.83	2,000,000	12,000,000	0.83

**Notes:**

1. This table assumes that the non-participating Shareholders were the only Shareholders that did not take up their Entitlement (therefore, it is assumed a total of 231,440,105 Loyalty Entitlement Options are issued under the Entitlement Offer).
2. This figure assumes that all of the Loyalty Entitlement Options have vested and that participating Shareholders have exercised all of their Entitlement following the Vesting Date.
3. This figure assumes the following:
  - a. participating shareholders' Entitlement vests in full at the Vesting Date and that they exercise all of their Loyalty Entitlement Options at the Vesting Date; and
  - b. no other additional Shares are issued or convertible securities such as options are exercised.

### 1.9 Opening and closing dates for Offers

The table below sets out the respective opening and closing dates for each Offer. The Board reserves the right to vary these dates, in their absolute discretion, subject to the requirements of the Listing Rules.

Offer	Opening Date	Closing Date <sup>1</sup>
Listed Option Offer	20 June 2019	9 July 2019
Loyalty Option Offer	20 June 2019	9 July 2019
Entitlement Offer	25 June 2019	9 July 2019

**Notes:**

1. Application Forms will be accepted until 5:00pm (AEST) on the relevant closing date.

### 1.10 Effect on control of Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company to more than 20% or from a starting point of above 20% and below 90%.

The Entitlement Offer will not have any direct effect on the voting power of substantial shareholders as only Options are being issued under the Entitlement Offer.

#### **1.11 No rights trading**

The rights attaching to the Entitlement are non-renounceable. There will be no trading of rights on ASX and you may not dispose of your right to receive all or part of your Entitlement to any other party. If you do not take up your right to receive your Entitlement by the Entitlement Offer Closing Date, the offer to you will lapse.

#### **1.12 Issue Date and despatch**

New Options issued under the Offers will be issued in accordance with the Listing Rules and the indicative timetable set out on page viii of this Prospectus.

Security holder statements will be despatched on the Business Day following the issue of the New Options under the Offers.

#### **1.13 Application Monies held on trust**

All Application Monies received pursuant to the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to the Loyalty Entitlement Offer. All Application Monies will be returned as soon as practicable (without interest) if the relevant Loyalty Entitlement Options are not issued.

#### **1.14 ASX quotation**

Application has been or will be made to the ASX for the Official Quotation of the Listed Options within seven days after the date of this Prospectus.

If the ASX does not grant permission for Official Quotation of the Listed Options within three months of the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not allot or issue any Listed Options (unless ASIC grants to the Company an exemption permitting the allotment and issue). No money will be raised from the issue of Listed Options under the Listed Option Offer.

The fact that the ASX may grant Official Quotation to the Listed Options is not an indication of the merits of the Company or the Listed Options.

The Company will not seek Official Quotation of the Loyalty Entitlement Options or the Loyalty Options. Upon exercise of the New Options and issue of the resulting Shares, the Company will seek quotation of the new Shares.

#### **1.15 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, otherwise known as CHESS. CHESS is operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Rules.

If you have a CHESS sponsorship agreement with your stockbroker, ASX Settlement will send you a CHESS statement instead of a certificate. The CHESS statement will set out your holding of Shares and Options (including New Options issued under this Prospectus), provide details of your holder identification number, and provide the participant identification number of the sponsor.

If you are not broker-sponsored, your New Options will be registered on the Issuer Sponsored sub-register by default. If you are registered on the Issuer Sponsored subregister, your statement will be despatched by the Share Registry and will contain the number of New Options issued to you under this Prospectus and your security holder reference number.

CHESS statements and Issuer Sponsored statements will routinely be sent out to Shareholders and Optionholders at the end of any calendar month during which the balances of their holdings change. Shareholders and Optionholders may request a statement at any other time, however, a charge may be payable for additional statements.

#### 1.16 Ineligible foreign Shareholders

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation.

Any persons who come into possession of this Prospectus outside of Australia and New Zealand should seek advice on, and adhere to, any legal restrictions regarding this Prospectus. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes it is unreasonable to make the Entitlement Offer to Ineligible Foreign Shareholders and has formed such view having regard to the following:

- (a) the number and value of the Options that would be made to those Shareholders; and
- (b) the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

#### 1.17 New Zealand offer restrictions

The Entitlement Offer to Eligible Shareholders with registered addresses in New Zealand is made pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Loyalty Entitlement Options.

#### 1.18 Substantial Shareholders

As at the date of this Prospectus, Shareholders (and their associates) that hold 5% or more of the Shares on issue are set out below:

Shareholder	Shares	Shareholding (%)
Asean Deep Value Fund	170,255,456	14.10
Computershare Clearing Pty Ltd	127,163,898	10.39
Pre-emptive Trading Pty Ltd	74,250,000	6.07

No Shareholder's shareholding will increase directly as a result of the Entitlement Offer as only Loyalty Entitlement Options are being issued.

Eligible Shareholders should be aware that if they do not take up their full Entitlement under the Entitlement Offer, their holdings may be diluted if participating Eligible Shareholders exercise their Loyalty Entitlement Options at, or following, the Vesting Date.

#### 1.19 Risk factors

An investment in Securities is highly speculative. Please refer to Section 4 for specific risks associated with an investment in the Company.

## **1.20 Taxation**

The Company encourages you to seek independent taxation advice regarding your investment decision to participate in the Offers as the taxation consequences of subscribing under this Prospectus will depend on your particular circumstances.

Please note that the taxation treatment of Australian securities may not be the same as for New Zealand securities. It is the responsibility of Shareholders to ensure compliance with all laws of any country in which they receive this Prospectus.

The Company, its advisers and its officers, do not accept any responsibility or liability for any such taxation consequences to Applications.

## **1.21 Major activities and financial information**

A summary of the Company's activities and financial information for the financial year ended 30 June 2018 and half year ended 31 December 2018 can be located in the Company's 2018 Annual Report and Half Yearly Report for the six month period to 31 December 2018 lodged with ASX. The Company's continuous disclosure notices since the lodgement of its Annual Report on 28 September 2018 are set out in Section 6.1.

## **1.22 Privacy**

The Company collects information about each person who lodges an Entitlement and Acceptance Form for the purposes of processing the application and, if it is successful, issuing the New Options.

Lodgement of an Entitlement and Acceptance Form constitutes an agreement that the Company may use the information in that form to assess applications for the New Options, to provide facilities and services to Security holders, and to carry out various administrative functions. The Company may disclose such information to the Share Registry, the Company's related bodies, agents, contractors, and third party service providers (including mailing houses), the ASX and ASIC and other regulatory bodies on the basis that they deal with such information in accordance with relevant privacy laws.

If you do not provide the correct information required on the Entitlement and Acceptance Form, the Company may not be able to issue you with your Entitlement.

An applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **1.23 Enquiries**

Please contact the Company Secretary on +61 3 9516 6500 in relation to any questions regarding the Offers.

## **2. ACTION REQUIRED BY SHAREHOLDERS**

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### **2.1 Accepting your Entitlement (in whole or in part)**

To accept all or part of your Entitlement, you must subscribe to the Entitlement Offer by completing and returning the personalised Entitlement and Acceptance Form accompanying this Prospectus, in accordance with the instructions set out in the Entitlement and Acceptance Form.

If paying by cheque, bank draft or money order please complete the Entitlement and Acceptance Form by filling in the details on the form, specifying all, or the part, of your Entitlement you wish to subscribe for.

If you do not wish to take up any part of your Entitlement, you are not required to take any action.

Please pay by the Application Monies (at \$0.005 per Loyalty Entitlement Option) in the form of any of the following:

- (a) cheque, you should make the cheque payable to 'Aura Energy Limited' and crossed 'Not Negotiable';
- (b) bank draft or money order drawn on and payable at any Australian bank; or
- (c) BPAY®, payment should be made in accordance with the instructions set out on the Application Form using the reference number shown on the form. If you make your payment by BPAY® you do not need to complete and return the Application Form (however if you are participating in the Secondary Offers you will need to return the Application Form in accordance with Section 2.3). Your BPAY® payment cannot be withdrawn.

Your payment must be in Australian currency. The amount payable on application will be deemed not to have been received until cleared funds are received. Completed Application Forms (and, if paying by cheque a cheque for the Application Money) must be mailed to the postal address set out on the Application Form.

All acceptances must be received by 5:00pm (AEST) on the Entitlement Offer Closing Date, being Tuesday, 9 July 2019.

A completed and lodged Application Form or a payment by BPAY constitutes a binding offer to acquire the Loyalty Entitlement Options on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Application Form is not completed correctly it may still be treated as a valid Application Form. The Directors' decision whether to treat an application as valid and how to construe, amend or complete, the Application Form is final.

If we receive your Application Form after 5.00pm (AEST) on Tuesday, 9 July 2019, the Directors may, at their discretion, accept or reject your application.

We will allot and issue the New Options as soon as practicable in accordance with the Listing Rules and the indicative timetable set out on page viii of this Prospectus. We will also despatch holding statements in relation to the Options as soon as practicable after the date of this Prospectus.

### **2.2 Entitlement not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected if you do not accept any of your Entitlement.

### **2.3 If SPP Participants and Placement Participants wish to participate in the Secondary Offers**

SPP Participants and Placement Participants will receive one personalised Application Form which will set out their allocation of Listed Options and Loyalty Options that they are entitled to subscribe for under the Secondary Offers. SPP Participants and Placement Participants may choose to subscribe for their allocation of Listed Options and Loyalty Options for nil consideration and are not required to participate in the Entitlement Offer.

Please complete the Application Form by filling in the details on the form, specifying the following:

- (a) if you're subscribing for your allocation under the Listed Options Offer, all, or the part, of your allocation you wish to subscribe for;
- (b) if you're subscribing for your allocation under the Loyalty Options Offer, all, or the part, of your allocation you wish to subscribe for; and/or
- (c) if you're participating in the Entitlement Offer, all, or the part, of your allocation your Entitlement you wish to subscribe for;

A completed and lodged Application Form constitutes a binding offer to acquire the specified Securities set out in the form on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Application Form is not completed correctly it may still be treated as a valid Application Form. The Directors' decision whether to treat an application as valid and how to construe, amend or complete, the Application Form is final.

Completed personalised Application Forms must be received by the Closing Date and should be delivered in accordance with the instructions contained in the Application Form.

SPP Participants and Placement Participants should note that they must return the personalised Application Form accompanying the Prospectus to receive their allocation of Listed Options and/or Loyalty Options before the Closing Date. Acceptance of the Secondary Offers is not conditional on acceptance of your Entitlement (in whole or in part) under the Entitlement Offer.

We will allot and issue the New Options as soon as practicable in accordance with the Listing Rules and the indicative timetable set out on page viii of this Prospectus. We will also despatch holding statements in relation to the Options as soon as practicable after the date of this Prospectus.

### **2.4 Risks Relating to Listed Options and Shares**

The Company is listed on the ASX and AIM. Consequently, share market conditions may affect the price of the Company's securities regardless of its operating performance. Many factors will affect the trading price of the Listed Options, and resulting Shares from the exercise of the New Options, including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally. In particular, you should be aware that mineral exploration by its nature is a high risk endeavour and accordingly, there is a significant risk that the Company's proposed exploration programs will not succeed.

Please refer to Section 4 for further details of the risks associated with the Offers.

### **2.5 Enquiries concerning the Offers**

For all enquiries concerning the Prospectus, please contact Aura Energy Limited on +61 3 9516 6500.

For all general shareholder enquiries, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

### 3. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

#### 3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to reward the loyalty of Shareholders. If the Entitlement Offer is fully subscribed, the Company will raise a total of up to approximately \$1,223,891 (before associated costs).

Funds raised from the Entitlement Offer (after costs) will be used to fund the Company's exploration activities at its Tiris Project and Häggån Project and for general working capital purposes.

#### 3.2 Effect of Entitlement Offer

##### (a) Financial position

The effect of the Entitlement Offer (on a fully subscribed basis) will be to increase the cash reserves by \$ 1,223,891 (before associated costs of the Offers) and increasing the number of New Options on issue, as set out in the pro forma capital structure and the pro-forma balance sheet set out in Sections 3.2(b) and 3.3 respectively.

Financial Position	Amount (\$)
Increase in cash balance on completion of Entitlement Offer <sup>1</sup>	1,223,891
Expenses of Offers <sup>2</sup>	50,000
Project expenditure (see Section 1.7)	861,950
Working capital	311,941
<b>Total</b>	<b>1,223,891</b>

**Notes:**

1. Assumes Entitlement Offer is fully subscribed.
2. Refer to Section 6.9 for further details on the estimated expenses of the Offers.

##### (b) Effect on capital structure

	Number of Shares	Number of Unlisted Options	Number of Listed Options	Performance Rights
Balance at the date of this Prospectus <sup>1</sup>	1,223,891,343	169,236,144 <sup>2</sup>	Nil	32,500,000 <sup>3</sup>
Loyalty Options to be issued pursuant to Loyalty Options Offer	Nil	7,825,005	Nil	Nil
Listed Options to be issued pursuant to	Nil	Nil	13,041,670	Nil

	Number Shares	of Number Unlisted Options	of Number Listed Options	of Performance Rights
Listed Option Offer				
Maximum number of Loyalty Entitlement Options issued under the Entitlement Offer	Nil	241,440,105	Nil	Nil
<b>Total<sup>4</sup></b>	1,223,891,343	418,501,254	13,041,670	32,500,000

**Notes:**

1. Includes the issue of 13,687,500 under the SPP and 25,437,500 under the Placement.
2. Comprising 106,736,144 Options exercisable at \$0.033 on or before 30 September 2019.
3. Comprises 17,500,000 vesting on 30 November 2019 and 15,000,000 Performance Rights vesting in three tranches:
  - a. 4,950,000 Performance Rights on 17 June 2019;
  - b. 4,950,000 Performance Rights on 17 June 2020; and
  - c. 5,100,000 Performance Rights on 17 June 2021.
4. Assumes no Options are exercised prior to the Record Date and that the Entitlement Offer is fully subscribed.

### 3.3 Statement of financial position

The unaudited balance sheet as at 31 May 2019 and the unaudited pro forma balance sheet as at 31 May 2019 are set out below and have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared:

- (a) assuming all Entitlements are accepted;
- (b) assuming no Options are exercised prior to the Record Date; and
- (c) taking into account the expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the Company's assets and liabilities, and the Company's pro-forma assets and liabilities as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**AURA ENERGY LIMITED**  
**Consolidation Statement of Financial Position**

	30-Jun-18	31-Dec-18	31-May-19
<b>Assets</b>			
<b>Current assets</b>			
Cash	2,844,169	680,729	1,063,016
Receivables	23,881	78,015	146,192
Other current assets	60,926	93,427	93,916
	<u>2,928,976</u>	<u>852,171</u>	<u>1,303,124</u>
<b>Non-current assets</b>			
PP&E	8,124	6,000	4,728
E&E	17,687,868	19,280,087	20,540,585
	<u>17,695,992</u>	<u>19,286,087</u>	<u>20,545,313</u>
<b>Total assets</b>	<u>20,624,968</u>	<u>20,138,258</u>	<u>21,848,437</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	303,133	504,774	211,739
Provisions	28,405	53,766	59,801
	<u>331,538</u>	<u>558,540</u>	<u>271,540</u>
<b>Non-current liabilities</b>			
Convertible notes			1,346,282
Provisions			16,887
	<u>0</u>	<u>0</u>	<u>1,363,169</u>
<b>Total liabilities</b>	<u>331,538</u>	<u>558,540</u>	<u>1,634,709</u>
<b>Net assets</b>	<u>20,293,430</u>	<u>19,579,718</u>	<u>20,213,728</u>
<b>Equity</b>			
Paid-up capital	44,698,295	45,173,083	46,315,108
Reserves	638,387	848,931	1,134,179
Accumulated losses	-25,043,252	-26,442,296	-27,235,559
	<u>20,293,430</u>	<u>19,579,718</u>	<u>20,213,728</u>

### 3.4 Market price of Shares

The highest and lowest recorded closing market sale prices of the Shares quoted on the ASX during the three month period immediately prior to the lodgement of this Prospectus with ASIC is set out below.

Lowest	\$0.008 on 9 May 2019
Highest	\$0.013 on 21 March 2019

### 3.5 Dividend policy

The Directors are not able to state when, or if, dividends will be paid in the future as the determination of any dividends will depend on the Company's future revenue, financial position and cash requirements.

## 4. RISK FACTORS

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There are risks associated with an investment in the New Options. A non-exhaustive list of some of the key risks is set out below.

### 4.1 General risks

(a) Speculative nature of investment

Prospective investors should be aware that there are risks associated with investments in Securities listed on a securities exchange. The value of Securities can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investors' perceptions, movements in interest rates and stock markets, variations in the operating costs and any future capital raising costs. Accordingly, the Listed Options, and the Shares issued upon the exercise of the New Options, may trade on the ASX at a different price than the issue price.

The Shares issued upon the exercise of the New Options carry no guarantee with respect to the payment of dividends, returns of capital or their market value. An investment in the Company is speculative. Prospective applicants should carefully consider whether the New Options are a suitable investment for them before deciding to apply. The Company encourages any prospective applicant that is in doubt of whether to participate in the Offers to consult their professional advisers before deciding whether to invest.

(b) Market conditions

The market price of the Company's Securities may fall or rise as a result of varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook, interest rates, inflation rates, currency fluctuations, changes in investor sentiment, the demand for and supply of capital and terrorism or other hostilities.

As at 19 June 2019, the Company's Share trading price was at \$0.011. This means that the New Options 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 New Options will come 'into the money' or the future performance of the Company.

(c) Economic risk

Factors, such as, but not limited to, political movements, stock market trends, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Company's operating costs, profit margins and Share price. These factors are beyond the Company's control and the Company cannot, to any degree of certainty, predict how they will impact the Company.

(d) Regulatory risk

Operations may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on acceptable terms. There can be no guarantee that any requisite approvals will be obtained and a failure to obtain any such approval would mean that the Company's ability to develop or operate any project, or potentially acquire any project, may be limited either in part or absolutely. The regulatory environment for the Company's operations could change in ways that could substantially increase liabilities, tax or costs of compliance thereby materially and adversely affecting the Company's financial position.

(e) Force majeure risk

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions

(f) Government

Changes of government, monetary policies, taxation, regulation and other laws in Mauritania and Sweden can have a significant influence on the Company's prospects and the potential returns to investors. These factors are beyond the control of the Company and its Directors.

(g) Taxation

The acquisition of, and exercise of New Options may have tax consequences which are contingent upon the circumstances of individual Shareholders. To the maximum extent permitted by law, the Company, its officers and our advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for the New Options under the Offers.

## 4.2 Specific risks

(a) Capital, funding and going concern risks

The Company is engaged in mineral exploration and does not have a continuing source of revenue or operating cash flow. Accordingly, the Company can only continue as a going concern if it is able to raise equity or debt capital in the future to fund its operations. Whilst the Company has a track record of raising substantial capital over an extended period of time, there can be no guarantee that the Company will be able to raise additional equity capital if and when required, or on terms favourable to the Company or at all. If the Company is unable to secure additional funding, the Company's financial and operating position may be adversely affected and the value of an investment in the Company may be significantly diminished, or at worst, become valueless.

(b) Financing risks

The Company may not raise sufficient funds from this capital raising and may need to raise additional funds in the future. There is no guarantee that the Entitlement Offer will be fully subscribed. There is no assurance that the Company will be able to secure additional funding for its exploration projects in Mauritania and Sweden, whether debt, equity, or otherwise, on acceptable terms, if at all. Any additional equity financing will dilute shareholdings.

(c) Potential for dilution

Shareholders should be aware that any additional financing or fundraising may be dilutive to Shareholders as it may be undertaken at lower prices than the current market price of Shares or may involve restrictive covenants that limit the Company's operations and business strategy.

(d) Default on convertible note risk

As summarised in Section 1.1(c), the Company has issued a convertible security to the Investor in the form of the Replacement Note. The Replacement Note is secured by the Company and each of its wholly owned subsidiaries until the Company repays the outstanding amount of \$2,400,000, either by way of Shares issued on conversion of the Replacement Note or by cash at the Maturity Date. This means that if the Company is unable to repay its payment obligations under the Replacement Note (refer to Section 5.3 for further information), the Investor may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration. There are no guarantees that the Company will be able to meet its repayment obligations if a default event occurs under the Replacement Note.

(e) Risks relating to Listed Options and Shares

The Company is listed on the ASX and AIM. Consequently, share market conditions may affect the price of the Company's securities regardless of its operating performance. Many factors will affect the trading price of the Listed Options, and resulting Shares from the exercise of the New Options, including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally. In particular, you should be aware that mineral exploration by its nature is a high risk endeavour and accordingly, there is a significant risk that the Company's proposed exploration programs will not result in exploration success.

(f) Tenement risks and native title

The Company has interests in tenements in Mauritania and Sweden. Interests in these tenements are governed by the respective legislation in which the tenements are located, and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Furthermore, at the end of the specific term of a licence, whilst it is possible to apply to renew or extend a licence, there can be no guarantee that a renewal or extension of the license will be obtained. If a licence is not renewed or extended then no further exploration can be undertaken on the Company's projects and any expenditure that has been capitalised in the accounts of the Company will have to be written-off thereby negatively impacting the Company's financial performance and position. Recoverability of the carrying amount of exploration assets is dependent on the successful exploration, recovery and sale of base and precious metals.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate

common law native title rights exists. If native title rights do exist, they may affect Company's ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations.

(g) Mining risk

The nature of mineral exploration, mining and mineral processing involves hazards and unexpected events which could result in the Company incurring uninsured losses and/or liabilities to third parties. These could include rock falls, flooding, inclement weather, war or terrorist activity, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected. Resources activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses. There is a risk that the results of exploration and the estimates of resources, which are published from time to time, may be incorrect. Any discovery may not be commercially viable or recoverable. Furthermore, it may not be possible to establish a resource within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (**JORC Code**) and consequently no reserves can be established.

(h) Commodity price volatility risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the Company's (potential) income to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the Company's control, including the international supply and demand for commodities, the quality of the minerals produced, governments' actions, forward selling activities and other macro-economic factors.

(i) Sovereign risk

The Company carries out exploration activities in Mauritania and Sweden. There are particular risks attached to exploration and mining operations in developing countries such as Mauritania which may not be applicable to mining and exploration activities carried out in developed countries. For example, Mauritania's political stability is challenged by ethnic tensions among its Arab-Berber and Afro Mauritanian communities, prevailing threats of domestic and regional terrorism in North-West Africa and, in the past, military coups.

Other potential risks include changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Mauritania and/or Sweden. This may include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes. The Company cannot accurately predict the future occurrence of such changes which may have an adverse effect on the Company's operations and profitability.

(j) Profit and dividend risk

The Company is not presently profitable and may never be so. The Company has never paid a dividend and may never do so.

## 5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

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### 5.1 Terms attaching to Listed Options

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.

## 5.2 Terms attaching to Loyalty Options

For this Section 5.2, a reference to “Loyalty Options” refers to both the Loyalty Options and the Loyalty Entitlement Options.

The Loyalty Options are issued on the following terms:

- (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.
- (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 Optionholder a notice that is to be completed when exercising the Loyalty Options (**Notice of Exercise**). Loyalty Options may be exercised by the Loyalty Optionholder 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 Optionholder must be accompanied by full payment for the relevant number of Shares being subscribed to, 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 Optionholder 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 (as defined below). The

Company will ensure, for the purposes of determining entitlements to any issue, that the Loyalty Optionholder will be notified of a proposed issue after it is announced. This will give Loyalty Optionholders 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 Shareholders (**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 Optionholder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

### 5.3 Terms attaching to 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.

Term	26 months
Face value	\$2,400,000
Funded amount	\$2,000,000
Conditions precedent	<p>The Investor 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 Investor, 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 Investor, and the Investor 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 Investor or its legal counsel may reasonably request;</li> <li>○ the security documents that have been executed by all parties to them other than the Investor; and</li> <li>○ the flow of funds request.</li> </ul> </li> <li>• The Company's representations and warranties 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 Investor and remain in full force and effect.</li> </ul>

	<ul style="list-style-type: none"> <li>The Investor 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 (as defined in Section 1.1(c)) to the Investor.</li> </ul>
Interest	Nil
Issue Date	30 April 2019
Security	Yes.
Conversion	<p>Within 60 days of completion of the Agreement (Initial Period), the Investor 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 Investor 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>
Conversion Price	\$0.016 (being the fixed price) or 90% of the average 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date ( <b>Monthly Conversion Price</b> ).
Cash substitution formula	<p>If an issue of Shares to the Investor in accordance with the terms of the Agreement would result in the Investor acquiring a relevant interest in the Shares which would cause the Investor's (and its associates') voting power in the Company (and its associates) to exceed 19.99%, then without limiting any of the Investor's other rights under the Agreement:</p> <ul style="list-style-type: none"> <li>the Investor may by written notice to the Company require the Company to pay a cash amount to the Investor, 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 Investor, would cause the Investor's relevant interest in the Company to exceed 19.99%; and</li> <li>\$C = the VWAP per Share on the date the Investor's Shares were to be issued.</li> </ul> </li> </ul>
Repayment upon maturity	The amount outstanding in cash (being the face value less the amount of Shares issued on conversion)
Buy-back rights	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 Investor) at the lesser of \$0.016 or and the Monthly Conversion Price.

Issue of additional securities	The Company must issue the Investor the Securities at the time of closing the Agreement. The Investor Options are each exercisable at \$0.016 on or before 30 April 2022.
Transferability	The Convertible Note is assignable.
Events of Default	<p>Any of the following will constitute an event of default (<b>Event of Default</b>):</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 Investor, any of its representatives, or the Company's 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);</li> <li>• the Company or any of its subsidiaries 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 Investor'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 Investor;</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> </ul>

	<ul style="list-style-type: none"> <li>• the Company challenges, disputes or denies the Investor's right to receive any Investor's Shares or Options, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Investor's rights to receive any Investor'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 Investor 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 Investor or the Company to enter into any transaction documents or undertake any of the contemplated transactions (other than a vexatious or frivolous proceeding or claim);</li> <li>• any event, condition or development occurs or arises which in the Investor's opinion (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 Investor 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</li> </ul>
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	<p>into account any applicable grace period agreed by the relevant third party);</p> <ul style="list-style-type: none"> <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 Note to the Investor; or</li> <li>• any Event of Default (however described) occurs under the security documents.</li> </ul>
Interest payable on Event of Default	<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>

**Notes:**

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

**5.4 Terms attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares that will be issued upon exercise of the New Options that are being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meeting of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the Company's profits may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the Company's property, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. The Company is required to give at least 28 days written notice to Shareholders specifying the intention to propose the resolution as a special resolution.

## **6. ADDITIONAL INFORMATION**

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### **6.1 Continuous disclosure and documents available for inspection**

The Company is a 'disclosing entity' under the Corporations Act. In accordance with the Corporations Act and the Listing Rules, the Company is subject to continuous disclosure obligations which require it to disclose any information to the ASX which a reasonable person, and their professional advisers, would expect to have a material effect on the price or value of the Company's securities.

This Prospectus is a 'transaction-specific prospectus' and is only required to contain information in relation to the effect of the issue of the securities on the Company and the rights attaching to those securities. The Company is not required to include the same level of disclosure as a section 710 'full form' prospectus under the Corporations Act.

Copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, an ASIC office.

The Company will also provide a copy of each of the following documents, free of charge, to any person who asks for it, during the offer period under this Prospectus:

- (a) the Company's Annual Report for the financial year ended 30 June 2018 (being the Company's most recent annual financial report lodged with ASIC prior to the issue of this Prospectus);
- (b) the Company's Half Yearly Report for the period ending 31 December 2018; and
- (c) all continuous disclosure notices given by the Company after the lodgement of the Annual Report and before the lodgement of this Prospectus with ASIC being:

Date	Description
11/06/2019	Cleansing Statement and Appendix 3B
11/06/2019	Aura completes Farm-in and Joint Venture Agreement
24/05/2019	Appointment of Joint Broker on AIM Market
23/05/2019	Yellowcake Production
22/05/2019	Cleansing Statement and Appendix 3B
21/05/2019	Notice of General Meeting
16/05/2019	Change in substantial holding
15/05/2019	Change in substantial holding
13/05/2019	Change in substantial holding
08/05/ 2019	Becoming a substantial holder
07/05/ 2019	Change in substantial holding
30/04/2019	Quarterly Report March 2019 and Appendix 5B
30/04/2019	\$2 Million Financing
30/04/2019	Cleansing Statement and Appendix 3B
23/04/2019	Cleansing Statement and Appendix 3B
08/04/2019	Additional information on gold tenements
05/04/2019	Changes in substantial holding
03/04/2019	Gold & Base Metals Tenements Granted
22/03/2019	Change of Director's Interest Notice
22/03/2019	Change of Director's Interest Notice
22/03/2019	Appendix 3B
20/03/2019	121 Conference Hong Kong March 2019
07/03/2019	Half Year Accounts
26/02/2019	Cleansing Statement and Appendix 3B
05/02/2019	Placement and SPP Announcement
31/01/2019	Quarterly Report December 2018 & Appendix 5B
31/01/2019	Trading Halt

Date	Description
30/01/2019	Aura appoints Financial Advisors
29/01/2019	Aura Concludes Offtake Agreement
04/01/2019	Cleansing Statement and appendix 3B
04/01/2019	Change of Director's Interest Notice
18/12/2018	Tiris uranium Project Exploitation License Granted
03/12/2018	IG TV London interview with Executive Chairman & CEO
27/11/2018	Change in substantial holding
19/11/2018	Cleansing Statement and Appendix 3B
19/11/2018	Change in substantial holding
15/11/2018	Results of Meeting
14/11/2018	Aura Energy 2018 AGM Chairman's Address
14/11/2018	2018 AGM Presentation
05/11/2018	Change in substantial holding
05/11/2018	Change in substantial holding
05/11/2018	Change in substantial holding
31/10/2018	Quarterly Report September 2018 & Appendix 5B
30/10/2018	Tiris Project DFS Update
26/10/2018	Addendum to Notice to Annual General Meeting
25/10/2018	Häggån Vanadium Project Update
17/10/2018	Vanadium recovery targeted at the Tiris Project
15/10/2018	2018 Notice of Annual General Meeting and Proxy Form

In addition to the documents stated above, Shareholders may inspect the following documents throughout the offer period during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.10 and the consents provided by the Directors approving the issue of, and making of the Offers under, this Prospectus.

## 6.2 Information excluded from continuous disclosure

There is no information that has not been disclosed in accordance with the continuous disclosure requirements of the Listing Rules which has not otherwise been disclosed, and which the Board considers would reasonably require disclosure to assess the Company's assets and liabilities, financial position and the rights and liabilities attaching to the New Options, in this Prospectus.

## 6.3 ASIC determination

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## 6.4 Interests of Directors

Except as disclosed in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or has held at any time during the last two years prior to the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Entitlement Offer; or
- (c) the Entitlement Offer,

nor has anyone paid, or agreed to pay, any amount or given, or agreed to give, any benefit to any such person in connection with the promotion or formation of the Company or with the Entitlement Offer.

## 6.5 Directors' Security holdings in the Company

The relevant interest of each of the Directors in the Company as at the date of this Prospectus, together with their respective Entitlement, is set out below.

Director	Shares	Option	Performance Rights	Entitlement	Shareholding (%) <sup>1</sup>
Mr Peter Reeve	27,218,304 <sup>2</sup>			6,062,473	2.25
Mr Robert Beeson	5,949,437 <sup>3</sup>			1,1227,388	0.49
Mr Brett Fraser	3,569,461 <sup>4</sup>			713,893	0.29
Mr Julian Perkins	3,799,490 <sup>5</sup>			572,398	0.31

### Notes:

1. Shareholding as at date of Prospectus.
2. Mr Reeve directly holds 27,218,304 Shares and indirectly holds 285,000 Shares through Anne Barbara Reeve and 2,809,061 Shares as a beneficiary of the Reeve Family Trust.
3. Mr Beeson directly holds 3,129,071 Shares and indirectly holds 2,820,366 Shares as follows:
  - a. 1,478,958 Shares through the Beeson Superannuation Account;
  - b. 963,543 Shares through the Beeson Super Fund;

- c. 30,000 Shares jointly with Ms Patricia Ann Beeson through the Beeson Superannuation Account; and
  - d. 35,365 Shares through Ms Patricia Ann Beeson.
4. Mr Fraser directly holds 546,965 Shares and indirectly holds 1,429,168 Shares and 1,593,328 Shares through associated entities.
  5. Mr Perkins jointly holds 3,799,490 Shares with Ms Margaret Fong.

As at the date of this Prospectus, none of the Directors intend to take up any of their Entitlement.

## 6.6 Remuneration

### (a) Non-Executive Directors

Non-Executive Directors' remuneration for services provided is governed by the Constitution. The Constitution states that the total aggregate remuneration to be paid to Non-Executive Directors will be determined by Shareholders at a general meeting, to be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares. Shareholders last approved the Non-Executive Directors' remuneration fee pool to be \$300,000 at the annual general meeting held on 30 November 2017.

Directors are also entitled to be remunerated where they have been called upon to perform extra services or make any special exertions on behalf of the Company or its business. Such additional remuneration may be either in addition to, or in substitution for, their proportion of the aggregate remuneration fee pool.

### (b) Executive Directors

The remuneration of Executive Directors is governed by their terms of employment with the Company and is fixed by the Board. The current remuneration of the Executive Chairman, being Managing Director, Mr Peter Reeve is \$425,000 base salary, \$25,000 in superannuation contributions and 35,000,000 Performance Shares (of which 17,500,000 vested on 30 November 2018 and the remaining Performance Shares vest on 30 November 2019).

Directors received the following remuneration for the year ended 30 June 2017:

Director	Fees, and salary (\$)	Superannuation (\$)	Equity (\$)	Options and Performance Shares	Total (\$)
Mr Peter Reeve	324,562	25,438	100,000 <sup>1</sup>	69,552 Options  35,000,000 Performance Shares <sup>2</sup>	
Mr Robert Beeson	40,000	3,800			
Mr Brett Fraser	40,000	3,800			
Mr Julian Perkins	40,000	3,800			

#### Notes:

1. Mr Reeve was issued 1,921,295 Shares (net of tax) in the Company pursuant to his contract of employment
2. The Performance Shares were issued for nil consideration and will vest in two equal tranches, on 30 November 2018 and 30 November 2019.

Directors received the following remuneration for the year ended 30 June 2018:

Director	Fees, and salary (\$)	Superannuation (\$)	Equity (\$)	Options and Performance Shares	Total (\$)
Mr Peter Reeve	400,000	25,000	25,000	297,916 <sup>1</sup>	747,916
Mr Robert Beeson	40,000	3,800	-	-	43,800
Mr Brett Fraser	40,000	3,800	-	-	43,800
Mr Julian Perkins	43,800	Nil	-	-	43,800

**Notes:**

1. Mr Reeve was issued 927,766 Shares (net of tax) in the Company pursuant to his employment contract.

## 6.7 Related party transactions

Other than as set out in the Prospectus, there are no related party transactions involved in the Offers.

## 6.8 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Dentons will be paid approximately \$22,500 (plus GST) in fees for legal services in connection with the Offers.

Computershare has been appointed to conduct the Company's share registry functions and to provide administrative services in relation to the management, and processing, of the Applications received pursuant to the Offers under this Prospectus, and will be paid for these services in accordance with standard industry terms and conditions.

## 6.9 Expenses of the Entitlement Offer

The estimated expenses connected with Offers are as follows:

Item	\$
ASIC lodgement fees	3,206
ASX quotation fees	3,000
Legal fees and expenses	22,500
Printing and distribution	2,500
Miscellaneous	18,794
<b>Total</b>	<b>50,000</b>

## 6.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company is primarily responsible for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties (unless expressly stated to the contrary in this Section 6.10);
- (b) has had no involvement in the preparation of this Prospectus (unless expressly stated to the contrary in this Section 6.10);
- (c) has not authorised or caused the issue of this Prospectus; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 6.10.

Dentons has given its written consent to being named in this Prospectus as the legal advisers to the Company and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC

Computershare has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named.

Bentleys Audit & Corporate (WA) Pty Ltd has given, and at the date hereof has not withdrawn, its written consent to be named in the Prospectus as the Company's auditor in the form and context in which it is named.

Copies of the consents referred to above are available for inspection, without charge, at the Company's registered office during office hours.

There are other persons referred to in this Prospectus who have not made statements included in this Prospectus (including by incorporation by reference). There are no statements made in this Prospectus on the basis of any statements made by these persons. These

persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

#### **6.11 Electronic Prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact us and we will send you either a hard copy or a further electronic copy of the Prospectus free of charge. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.auraenergy.com.au](http://www.auraenergy.com.au).

We reserve the right not to accept an Application Form from any Shareholder if we have reason to believe that when that Shareholder accessed the electronic version of the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary disclosure.

### **7. DIRECTORS' AUTHORISATION**

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This Prospectus is issued by the Company and the Directors have each consented, by resolution, to its lodgement with ASIC.

This Prospectus is signed for and on behalf of the Company by:



**Peter Reeve**  
Executive Chairman  
Dated: 20 June 2019

## 8. GLOSSARY

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The capitalised terms in this Prospectus have the following definitions:

**\$** means Australian Dollars.

**AEST** means Australian Eastern Daylight Time.

**AIM** means the AIM Market of the London Stock Exchange.

**Annual Report** means the annual report to Shareholders disclosed on the ASX on 28 September 2018.

**Applications** mean valid applications for the Offers.

**Application Form** means the personalised form accompanying this Prospectus that sets out the Entitlement of the Eligible Shareholder and, if applicable, the allocation of securities that the Eligible Shareholder is entitled to subscribe for, and be issued, pursuant to the Secondary Offers.

**Application Monies** means the application monies received for the Loyalty Entitlement Options.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means the ASX Clearing House Electronic Subregistry System.

**Closing Date** means 9 July 2019.

**Company** means Aura Energy Limited ACN 115 927 681

**Company Secretary** means Mr John Madden, the Company's Secretary.

**Computershare** means Computershare Investor Services Pty Limited ACN 078 279 277.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Convertible Note** means either the Original Note or the Replacement Note as the context requires.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Dentons** means Dentons Australia Limited ACN 100 963 308.

**Directors** means the directors of the Company as at the date of the Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**Entitlement** means the number of Loyalty Entitlement Options that an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer, being one Loyalty Entitlement Option for every five Shares held at the Record Date.

**Entitlement Offer** means the non-renounceable pro rata offer of one Loyalty Entitlement Option for every five Shares held at the Record Date.

**Entitlement Offer and Acceptance Form** means the personalised entitlement and acceptance form accompanying this Prospectus that sets out the Entitlement of the Eligible Shareholder and, if applicable, the allocation of securities that the Eligible Shareholder is entitled to subscribe for and be issued pursuant to the Secondary Offers.

**Entitlement Offer Closing Date** means 9 July 2019.

**Event of Default** has the meaning ascribed in Section 5.3.

**Executive Directors** means a chief executive officer or managing director of the Company.

**General Meeting** means the general shareholders meeting held on 19 June 2019.

**Häggån Project** means the Häggån Vanadium Project being carried out by the Company in central Sweden.

**Half Yearly Report** means the Company's half yearly report and accounts disclosed on the ASX on 16 March 2018.

**Ineligible Shareholder** means a Shareholder with a registered address outside of Australia or New Zealand.

**Investor** means Lind Global Macro Fund, LP, an entity incorporated in the United States of America.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsoring agreement with a broker or without the holder being admitted as an institution participant in CHESS.

**Listed Options** means the free-attaching Options to be issued pursuant to the Listed Option Offer with each Option exercisable at \$0.022, expiring 2 years from the date of issue and otherwise on the terms set out in Section 5.1.

**Listed Option Offer** means the offer of one Quoted Option for every three Shares subscribed for, and issued, under the SPP/Placement (as applicable).

**Listing Rules** means the listing rules of the ASX.

**Loyalty Entitlement Options** means the Options to be issued pursuant to the Entitlement Offer at \$0.005 per Option, with each Option exercisable at \$0.022, expiring 1 year from the date of issue and otherwise on the terms set out in Section 5.2.

**Loyalty Options** means the Options to be issued pursuant to the Loyalty Options Offer, with each Option exercisable at \$0.022, expiring 1 year from the date of issue and otherwise on the terms set out in Section 5.2.

**Loyalty Option holder** means the holder of either a Loyalty Option or a Loyalty Entitlement Option.

**Loyalty Option Offer** means the offer of one Loyalty Option for every 5 Shares subscribed for, and issued, under the SPP/Placement (as applicable).

**Maturity Date** means 26 months from completion of the Convertible Note.

**Monthly Conversion Price** has the meaning ascribed in Section 5.3.

**New Option** means an Option issued pursuant to the Offers under this Prospectus.

**Offers** means the Entitlement Offer and the Secondary Offers.

**Official Quotation** means the quotation of securities on admission to the official list of the ASX.

**Option** means the right to acquire one Share in the capital of the Company.

**Optionholder** means the holder of an Option.

**Original Note** has the meaning given in Section 1.1(c).

**Performance Right** means a right to acquire a Share subject to certain performance milestones being met.

**Performance Shares** means the 35,000,000 Shares issued to Director, Mr Peter Reeve.

**Placement** means the placement of Shares at an issue price of \$0.016 each to sophisticated and institutional investors to raise a total of \$0.077 million (before associated costs).

**Placement Participants** means professional and/or sophisticated investors involved in the Placement.

**Placement Shares** means the 61,062,500 fully paid ordinary shares in the Placement.

**Placement Share Issue Date** means the date the tranche 1 Placement Participants or Tranche 2 Placement Participants were issued the Placement Shares.

**Prospectus** means this prospectus dated 20 June 2019.

**Record Date** means 5:00pm (AEST) on 25 June 2019.

**Replacement Note** has the meaning given in Section 1.1(c).

**Schedule** means a schedule of this Prospectus.

**Secondary Offers** means the Loyalty Options Offer and the Listed Option Offer.

**Secondary Offers Closing Date** means 9 July 2019.

**Section** means a section of this Prospectus.

**Securities** mean any securities issued or granted by the Company, including Shares, Options and Performance Rights, and **Security** means any one of them.

**Shares** means fully paid ordinary shares in the capital of the Company, and **Share** means any one of them.

**Share Registry** means Computershare.

**Shareholder** means a holder of Shares.

**SPP** means the share purchase plan dated 21 February 2019 pursuant to which each Eligible Shareholder was offered to apply for up to \$15,000 worth of Shares at an issue price of \$0.016 each.

**SPP Offer** has the meaning given in Section 1.1(b).

**SPP Participant** means an Eligible Shareholder that subscribed for and was issued Shares under the SPP.

**SPP Shares** has the meaning given in Section 1.1(b).

**SPP Share Issue Date** means Friday, 22 March 2019.

**Tiris Project** means the Tiris Uranium Project carried out by the Company in Mauritania.

**Trading Days** means any day that the ASX is open.

**Vesting Condition** has the meaning in “Offers Summary” table on page ii of this document.

**Vesting Date** means 31 July 2019.

**VWAP** means the volume weighted average price.

## Schedule 1 - Vesting condition examples

The Company has prepared the examples below to assist Shareholders with understanding the operation of the Vesting Condition and how vesting will occur at the Vesting Date.

### Example 1 - Shareholder subscribes in SPP

Assume a Shareholder subscribes for, and is issued, \$10,000 worth of SPP Shares. The shareholder will be entitled to be issued the SPP Shares, Listed Options and Loyalty Options.

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	1,000,000	-	
SPP Shares subscribed for and issued	625,000	-	10,000
Listed Options issued in connection with SPP		208,334	Nil
Loyalty Options issued in connection with SPP		325,000	Nil issue price (Note exercise price at \$0.022each)
Security holding at SPP Share Issue Date (assuming no trades made since opening of SPP Offer)	1,625,000	-	
Total shareholding as at Vesting Date	1,625,000	325,000	
Total number of Loyalty Options vesting on Vesting Date		325,000	Nil
Total security holding as at Vesting Date	1,625,000	325,000 unlisted Loyalty Options 208,334 Listed Options	

Examples 2-6 (inclusive) on the following pages relate to the Loyalty Entitlement Options issued under the Entitlement Offer.

### Example 2 - Entitlement Offer for a Shareholder that subscribes to the SPP

Assume the same Shareholder in Example 1 takes up their full Entitlement under the Entitlement Offer and has not exercised any Options or made any trades since the SPP Share Issue Date:

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	1,000,000	-	-
SPP Shares subscribed for and issued	625,000	-	10,000
Security holding at SPP Share Issue Date (assuming no trades made or options exercised since opening of SPP Offer)	1,625,000		
Listed Options issued in connection with SPP		208,334	Nil
Loyalty Options issued in connection with SPP		325,000	Nil
Entitlement under the Entitlement Offer (assuming no trades made or options exercised since SPP Share Issue Date)		325,000	1,625
Loyalty Options vested in connection with SPP		325,000	
Loyalty Options vested under Entitlement Offer		325,000	
Total security holding as at Vesting Date	1,625,000	650,000 unlisted Loyalty Options 208,334 Listed Options	11,625

### Example 3

*Shareholder subscribes to SPP, Entitlement Offer and sells part of its holding prior to the Vesting Date.*

Assume a Shareholder holds 625,000 Shares prior to subscribing for \$10,000 worth of SPP Shares. The Shareholder then subscribes for their full Entitlement under the Entitlement Offer and does not make any trades or exercise any Options prior the record date of the Entitlement Offer.

Prior to the Vesting Date, the Shareholder sells 625,000 Shares and therefore only holds 625,000 Shares at the Vesting Date.

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	625,000	-	
SPP Shares subscribed	625,000	-	10,000

	Shares	Options	Cost (\$)
for and issued			
Security holding at SPP Share Issue Date (assuming no trades made or options exercised since opening of SPP Offer)	1,250,000	-	
Listed Options issued in connection with SPP		208,334	Nil
Loyalty Options issued in connection with SPP		250,000	Nil
Entitlement under the Entitlement Offer (assuming no trades made or options exercised since SPP Share Issue Date)		250,000	1,250
Total security holding after closing date of Entitlement Offer (due to sale of 625,000 Shares)	625,000	500,000 unlisted Loyalty Options 208,334 Listed Options	No refund
Loyalty Options vested in connection with SPP		125,000	
Loyalty Options vested under Entitlement Offer		125,000	
Total security holding after Vesting Date	625,000	250,000 unlisted Loyalty Options 208,334 Listed Options	11,250

The Shareholder will not be entitled to any refund of application monies associated with the Loyalty Options Entitlement Offer. The Shareholder will forfeit an amount of \$625.00

#### Example 4

*Shareholder holds 625,000 shares prior to SPP, does not subscribe to SPP but subscribes for full Entitlement under Entitlement Offer and has not disposed of any portion of its shareholding at the Vesting Date.*

Assume a Shareholder holds 625,000 Shares prior to the SPP Offer and the Record Date. The Shareholder did not subscribe to the SPP Offer but subscribes for its full Entitlement under the Entitlement Offer. The Shareholder does not exercise any Options or make any trades prior to the Vesting Date.

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	625,000	-	

	Shares	Options	Cost (\$)
SPP Shares subscribed for and issued	Nil	-	Nil
Security holding at SPP Share Issue Date (assuming no trades made or options exercised since opening of SPP Offer)	625,000		
Listed Options issued in connection with SPP		Nil	Nil
Loyalty Options issued in connection with SPP		Nil	Nil
Entitlement under the Entitlement Offer		125,000	625
Total security holding as at Vesting Date	625,000	125,000 Loyalty Options	625

#### Example 5

*Shareholder has an existing holding of 625,000 Shares, does not subscribe to SPP but subscribes to the Entitlement Offer and sells part of its shareholding prior to the Vesting Date.*

Assume a Shareholder holds 625,000 Shares, does not subscribe to the SPP but subscribes for all of its Entitlement under the Entitlement Offer. The Shareholder then sells 125,000 Shares prior to the Vesting Date.

As a result of selling a portion of Shares prior to the Vesting Date, the Shareholder's Loyalty Entitlement Options will be adjusted by dividing the shareholder's total shareholding at the Vesting Date by 5.

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	625,000	-	
SPP Shares subscribed for and issued	Nil	-	Nil
Listed Options issued in connection with SPP		Nil	
Loyalty Options issued in connection with SPP		Nil	
Entitlement under the Entitlement Offer (assuming no trades made or options exercised since SPP Share Issue Date)		125,000	625 (each Loyalty Option is issue at \$0.005 and exercisable at \$0.022)

	Shares	Options	Cost (\$)
Total shareholding prior to Vesting Date (due to sale of 125,000 Shares)	500,000	100,000	No refund
Security holding at Vesting Date	500,000	100,000	625

### Example 6

*Shareholder holds 625,000 Shares prior to SPP Offer, participates for \$10,000 worth of SPP Shares, purchases an additional 125,000 Shares between the SPP Offer and Record Date of Entitlement Offer however sells 1,250,000 Shares prior to the Vesting Date*

	Shares	Options	Cost (\$)
Security holding prior to SPP Offer	625,000	-	
SPP Shares subscribed for and issued	625,000	-	10,000
Security holding at SPP Share Issue Date (assuming no trades made or options exercised since opening of SPP Offer)	1,250,000		
Listed Options issued in connection with SPP		208,334	Nil
Loyalty Options issued in connection with SPP		250,000	Nil
Total security holding after purchase of 125,000 Shares	1,375,000	208,334 Listed Options 250,000 listed Loyalty Options	
Entitlement under the Entitlement Offer (assuming no trades made or options exercised since SPP Shares Issue Date)		275,000	1,375 (each Loyalty Option is issue at \$0.005 and exercisable at \$0.022)
Total security holding after closing date of Entitlement Offer (due to sale of 625,000 Shares)	1,375,000	525,000 unlisted Loyalty Options 208,334 Listed Options	No refund
Total security holding as at Vesting Date (after sale of 1,250,000 Shares)	125,000	50,000 unlisted Loyalty Options 208,334 Listed Options	

	Shares	Options	Cost (\$)
Loyalty Options vested in connection with SPP		25,000	
Loyalty Options vested under Loyalty Options Entitlement Offer		25,000	
Total security holding after Vesting Date	625,000	50,000 unlisted Loyalty Options 208,334 Listed Options	11,375