

30 OCTOBER 2020

AURA SIGNS FUNDING FACILITY

Aura Energy Limited (AEE:ASX, AURA: AIM) advises that it has signed a convertible note agreement with L1 Capital Global Opportunities Master Fund (**Investor**), which has a head office in Melbourne, for \$250,000 (**Agreement**) which will be used for general corporate purposes. This was signed August 20th 2020.

The terms of the note are listed below which will require shareholder approval:

Purchase Price:	A\$250,000.
Number of Convertible Securities:	250,000
Face Value:	A\$1.25 per Convertible Security
Interest Rate:	1.5% per month payable in cash
Maturity Date:	6 months after the Purchase Date, or up to 12 months at the Investors sole discretion
Security:	Subordinate to Convertible Security Facility Agreement
Conversion Price:	£0.004 where the Investor is issued Depository Interests on AIM or the AUD equivalent where the Investor is issued Shares on with the Exchange Rate used being the rate on the day immediately prior to the Conversion Notice Date
Conversion Period:	The Investor has no right of conversion of the convertible securities until the Company has obtained Shareholder Approval and then only for the period of 3 months following such approval
Commitment Fee:	3% of the Purchase Price payable by the issue of Commitment Shares or cash should Shareholder Approval not be obtained
Commitment Shares:	Shares equal to the Commitment Fee divided by the Conversion Price.
Options:	Series A: 25,000,000 Options with an exercise price of 0.7 Australian cents per option (based on an AIM price of 0.4 British pence and AUD/GBP=0.5473 and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

Series B: 25,000,000 Options with an exercise price equal to the closing VWAP on the London Stock Exchange on the Actual Trading Day immediately prior to the date Shareholder Approval is obtained converted into AUD using the Exchange Rate on the same day and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

Shareholder Approval:

The Company has no obligation to issue any shares on conversion of the convertible securities, nor issue the Commitment Shares or Options, until shareholder approval is obtained.

Anti-Dilution:

If the Company issues Shares below the Conversion Price or convertible securities (including options) convertible or exercisable at a price below the Conversion Price, the Conversion Price will be amended down to the lower price.

Events of Default:

The Agreement provides that a default will occur on the occurrence of certain events including:

- the Company fails to repay the amount outstanding in respect of the relevant Convertible Securities to the Investor in cash on the maturity date or such other date required by the Agreement;
- any Cleansing Prospectus is not issued in the manner and in the time period specified in the Agreement;
- the Company breaches any of its representations and warranties under the Agreement;
- any securities are not issued to the Investor within the time period specified in this Agreement;
- any of the Investor's Shares are not quoted on ASX by the second business day immediately following the date of their issue (or where the Company is still subject to suspension on ASX, within two business days of being reinstated to quotation on ASX);
- a security interest over an asset the Company or a related entity is enforced;
- any present or future liabilities, including contingent liabilities, of the Company or a related entity for an amount or amounts totalling more than \$250,000 are not satisfied on time, or become prematurely payable;
- the Company or a related entity grants any security interest over any of its assets, or a security interest comes into existence over any such assets without the Investor's prior written consent;

- a Change of Control occurs, or is reasonably likely to occur, without the Investor's prior written consent.

The Agreement is also subject to other events of default customary for a commercial agreement of this type.

Unremedied or irremediable events of default shall give the Investor the right to call for payment of monies owing (subject to the face value uplift) and/or terminate the Agreement. In addition, the Agreement provides that in the event of default by the Company, the face value of the Notes may be increased by 20% and additional interest payable at a rate of 15% per annum.

The Company will prepare a notice of meeting for shareholders to approve the convertible note facility as well as securities to be issued under the convertible note facility with the meeting to be held as soon as possible. The Company will also prepare a Cleansing Prospectus to remove any trading restrictions under the Corporations Act for any shares issued on conversion of the convertible notes.

For further information please contact:

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