

A wide-angle photograph of a mining site at sunset. In the foreground, a white truck with a large circular conveyor system is parked on a dirt road. Several workers in hard hats and safety gear are standing around the truck. The background shows a vast, flat landscape under a sky with scattered clouds and a low sun.

EXPLORE, DISCOVER, DEVELOP

JUNE QUARTERLY REPORT

31st July 2020

KEY POINTS:

QUARTER SUMMARY

The Company remains focussed on the key elements of its business despite the ongoing shareholder activism within the company and the impact of Covid-19 on advancing its projects.

Aura is in the enviable position of possessing a construction-ready uranium project which the board of directors believes is one of the most compelling uranium development projects in the world. The focus on financing activities for the Tiris Uranium Project via the Export Credit Agency financing process continued with initiation of discussions for additional long-term uranium sale contracts.

Immediately after the end of the quarter, the Company completed a Term Sheet for funding of its gold assets with Canadian interests. The formal agreement will be subject to shareholder approval with a meeting proposed for September.

The Swedish compensation claim continues with the Company having progressed funding arrangements for this litigation during the period.

A general meeting of shareholders was held on 21 May 2020. At this meeting, shareholders rejected all six nominees put forward by ASEAN Deep Value Fund and Mr JL Bennett. Despite all resolutions being rejected by shareholders, ASEAN has requisitioned another general meeting of shareholders for 14 August 2020 where it will seek again to have its nominees (that were rejected by shareholders on 21 May 2020) appointed to the board of directors.

With the board of directors focused on creating shareholder value through advancing exploration on its gold assets and funding the development of the Tiris Project, the actions of ASEAN, is simply undermining relationships the board of directors and management have developed in Mauritania and Sweden as well as potentially undermining the proposed gold transaction. Despite numerous requests for ASEAN to state their exploration and mining expertise, the Company has never received a response. The board of directors believe the proposed nominees put forward by ASEAN do not have the requisite skills or work experience to conduct exploration and development activities. None of the nominees of ASEAN have disclosed any mining experience.

As shareholders are aware from other announcements made by the Company, the proposed funding arrangement put forward by ASEAN without disclosing the party that would provide the funding required the Company to buy back terms of up to 200%, or US\$9 million, should the Company wish to unwind the funding arrangement. The board of directors (other than Mr JL Bennett) rejected the funding arrangement as the discussions lacked transparency in order for the board of directors to discharge their duty as directors of a publicly listed entity and the terms were fundamentally value destroying for shareholders.

The terms were simply crippling for the Company in terms of achieving mine development finance in the future and add significantly to the operating cost of the mine.

The board of directors remains concerned that the actions of ASEAN has the potential to negatively impact the listing of the Company on ASX and AIM.

TIRIS PROJECT, MAURITANIA (AURA 85%)

Other than financing discussions no activity took place on the Tiris Project as the closure of the Australian borders with the outbreak of the coronavirus pandemic prevented any travel by directors and management to Africa.

HÄGGÅN BATTERY METALS PROJECT, SWEDEN (AURA 100%)

The Häggån Battery Metals project was placed on care-and-maintenance following the outbreak of the coronavirus pandemic.

The Swedish compensation claim remains ongoing and the Company continues to be steadfast in action to recover the value of the ban on the mining of uranium mineralisation within the Haggan deposit.

TASIAST SOUTH GOLD PROJECT, MAURITANIA (AURA 100%)

No new work occurred on the Tasiast South Project during the quarter.

Following the end of the quarter the Company executed a Term Sheet with Chilean Metals Inc for the funding of \$4.5 million of expenditure with Chilean earning a 50% equity interest in the entity that will eventually own the gold assets.

The transaction will be put to shareholders for approval at a general meeting in September.

CORPORATE

Shareholder Action

On 21 May 2020, shareholders rejected all resolutions put to them by Mr JL Bennett pursuant to a director's requisition of a shareholders meeting and ASEAN pursuant to a shareholder's requisition of a general meeting.

Despite this outcome, ASEAN has requisitioned another meeting to restructure the board of directors with putting forward any strategy to create shareholder value.

Shareholders should download from the company's website, the Notice of Meeting which sets out clearly why they should again reject the actions of ASEAN. The board of directors has set out in the Notice of Meeting the reasons shareholders should consider very carefully the statements made by ASEAN in its formal correspondence (and informally on social media).

The nominees put forward by ASEAN have no experience in exploration, mine development and mining operations and the crippling structure of its proposed funding arrangement completely undermines mine development finance that forms the basis of funding African mining projects.

Shareholders will recall, ASEAN proposed the following terms:

- Convertible Note - A\$3-4 million
- Coupon/Interest rate - 15% p.a.
- Term - 24 months
- Conversion Price - 1-month VWAP at 24 months
- Aura to have a right to buy back the Convertible Note after:
 - 1 year for A\$6 million (100% of face value); or
 - 2 years for A\$9 million (200% of face value)

- Royalty - US\$1 per pound royalty on each pound of Tiris production, which based on the current mining plan would be equivalent to US\$17m over the current life-of-mine
- Majority board representation for ASEAN for arranging the convertible note when its holding in the Company is only 18%.
- Finder's fee payable of 5% of the value of the replacement note raised (the equivalent to 23 million options in the Company at an exercise price of at 0.7 cents) which ASEAN failed to disclose in a letter to shareholders prior to the meeting on 21 May 2020.

The board of directors rejected the offer on these terms which it considered to be unacceptable and fundamentally excessive with comparable transactions. In particular, the US\$17 million royalty to be granted was disproportionate to the A\$3-4 million funding arrangement under a convertible note instrument. This royalty would force the overall cost of the **ASEAN convertible note to be several orders of magnitude more expensive than the existing convertible note.**

Additionally, ASEAN refused to identify the counterparties behind the funding to be provided for the proposed convertible note. The board of directors were advised in a conversation with advisors for ASEAN that the party was an individual whilst ASEAN Deep Value Fund stated in the letter to shareholders it was an investment bank. The majority of the board of directors did not believe the overall terms of the convertible note proposed by ASEAN were in the best interests of the Company and its shareholders. Negotiations on the note were then suspended.

The board of directors also note other elements of ASEAN requests, including

- Prior to the election of Mr JL Bennett, ASEAN requested Aura appoint Mr JL Bennett to the board of directors with immediate effect and
- ASEAN requested the board of directors to discontinue legal proceedings against Mr Bennett for the alleged non-payment of subscription monies in the February 2019 placement notwithstanding the fiduciary duty of directors to continue this action.

Further, there is serious potential for disruption to AIM listing with significant changes to the board of directors as the Nominated Advisor must be satisfied of the skills and qualifications of directors.

Payments to related parties and their associates

The Company made payments to the Executive Chairman during the quarter for outstanding salary obligations for the period 1 November 2019 to 31 March 2020.

Aura Energy Directory

ASX Code:	AEE
AIM Code:	AURA
Shares on issue:	2,557,535,966
Unlisted Options on issue:	95,541,679
Performance Rights on issue:	10,000,000

Board of Directors:

Peter Reeve	Executive Chairman
Bob Beeson	Non-Executive director
John Bennett	Non-executive director
Robert Craigie	Non-executive director
Paul Heber	Non-executive director
Jules Perkins	Non-executive director

Website: www.auraenergy.com.au

For further information contact:

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Top 20 Shareholders
30 July 2020

Rank	Name	Units	% of Units
1.	LIND GLOBAL MACRO FUND LP	462,200,183	18.07
2.	ASEAN DEEP VALUE FUND	200,000,000	7.82
3.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	196,591,681	7.69
4.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	188,289,764	7.36
5.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	126,261,598	4.94
6.	CITICORP NOMINEES PTY LIMITED	109,611,148	4.29
7.	ASEAN DEEP VALUE FUND	100,000,000	3.91
8.	PRE-EMPTIVE TRADING PTY LTD	76,600,000	3.00
9.	BEIRNE TRADING PTY LTD	44,731,665	1.75
10.	MR PETER DESMOND REEVE	44,718,304	1.75
11.	ROTHERWOOD ENTERPRISES PTY LTD	43,500,000	1.70
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	41,201,378	1.61
13.	WONFAIR INVESTMENTS PTY LTD	39,600,000	1.55
14.	GEOGRUPPEN I GOTEBOG AB KAJUN DESIGNS PTY LTD	26,890,922	1.05
15.	MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	25,292,000	0.99
16.	MS JUSTINE WOODFORD	25,131,579	0.98
17.	MR LUKE PETER DALE + MRS MARIEANNE ERIKA DALE	23,152,568	0.91
18.	MR SEBASTIAN MADEJA + MRS SYLVIA MADEJA	20,000,000	0.78
19.	KAJUN DESIGNS PTY LTD	17,500,000	0.68
19.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	15,364,895	0.60
Total Top 20 Shareholders		1,826,637,685	71.42
Remaining Shareholders		730,898,281	28.58
GRAND TOTAL		2,557,535,966	100.00

Top 20 Shareholders**28 April 2020**

Rank	Name	Units	% of Units
1.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	339,151,988	17.07
2.	LIND GLOBAL MACRO FUND LP	175,000,000	8.81
3.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	167,734,544	8.44
4.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	117,939,726	5.94
5.	CITICORP NOMINEES PTY LIMITED	109,137,648	5.49
6.	ASEAN DEEP VALUE FUND	100,000,000	5.03
7.	PRE-EMPTIVE TRADING PTY LTD	76,600,000	3.86
8.	WONFAIR INVESTMENTS PTY LTD	43,569,998	2.19
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	41,701,378	2.10
10.	MR PETER DESMOND REEVE	27,218,304	1.37
11.	GEOGRUPPEN I GOTEBOG AB	26,890,922	1.35
12.	MR LUKE PETER DALE + MRS MARIEANNE ERIKA DALE	25,152,568	1.27
13.	MR SEBASTIAN MADEJA + MRS SYLVIA MADEJA	20,000,000	1.01
14.	KAJUN DESIGNS PTY LTD	16,499,999	0.83
15.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	15,364,895	0.77
16.	MR THOMAS IAN BARRETT	15,000,000	0.75
17.	MR MALCOLM ALEXANDER BRIODY	12,006,905	0.60
18.	MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	10,995,000	0.55
19.	MRS LISA GORDON	10,000,000	0.50
19.	GOVINDA FREEDOM FUND PTY LTD <SUPER GOVINDA A/C>	10,000,000	0.50
19.	SOLANO INVESTMENT LLC	10,000,000	0.50
Total Top 21 Shareholders		1,369,963,875	68.95
Remaining Shareholders		616,808,350	31.05
GRAND TOTAL		1,986,772,225	100.00

Tenement report

Country	Tenement Number	Name	Grant/ Application date	Expiry date	kms/sq	Holder	Equity
Mauritania	2491C4	Ain Sder	8/02/2019	Exploitation Licence	190	Tiris Ressources SA	85%
	2492C4	Oued El Foule Est	8/02/2019	Exploitation Licence	207	Tiris Ressources SA	85%
	561	Oum Ferkik	16/04/2008	Subject to exclusivity negotiation	60	Aura Energy Limited	100%
	2365	Oued el Foule Sud	19/02/2018	19/02/2021	224	Aura Energy Limited	100%
	2366	Agouyame	19/02/2018	19/02/2021	34	Aura Energy Limited	100%
	2457	Hadeibet Bellaa	2/04/2019	2/04/2022	41	Tiris International Mining	100%
	2458	Touerig Taet	2/04/2019	2/04/2022	134	Tiris International Mining	100%
	Sweden	2007-243	Haggan nr 1	28/08/2007	28/08/2022	18.3	Vanadis Battery Metals AB
2018-9		Mockelasen nr 1	21/01/2019	21/01/2022	17.6	Vanadis Battery Metals AB	100%
2018-7		Skallbole nr 1	20/01/2019	20/01/2022	7.8	Vanadis Battery Metals AB	100%

APPENDIX 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Aura Energy Limited

ABN

62 115 927 681

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(118)	(966)
(b) development		
(c) production		
(d) staff costs	(115)	(388)
(e) administration and corporate costs	(154)	(954)
1.3 Dividends received (see note 3)		
1.4 Interest received		1
1.5 Interest and other costs of finance paid		(11)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	41	326
1.9 Net cash from / (used in) operating activities	(346)	(1,992)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	330	1,004
3.2	Proceeds from issue of convertible debt securities		350
3.3	Proceeds from exercise of options	(3)	79
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		250
3.6	Repayment of borrowings		(250)
3.7	Transaction costs related to loans and borrowings		(18)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	327	(1,415)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	256	812
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(346)	(1,992)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	327	1,415
4.4	Net cash from / (used in) financing activities (item 3.10 above)	237	235

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	-
4.6	Cash and cash equivalents at end of period	235	235

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	235	235
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	235	235

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	102
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p>The amounts of payments to related parties and their associates under Section 6.1 represents outstanding obligations for salaries due to the Executive Chairman for the period 1 November 2019 to 31 March 2020.</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	310
7.4	Total financing facilities	310
7.5	Unused financing facilities available at quarter end	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1	(346)
8.2	-
8.3	(346)
8.4	235
8.5	-
8.6	(111)
8.7	Negative
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: The Company continues to review its cost and believes transactions such as the farm-out of the gold assets (subject to shareholder approval) will reduce the "cash" burn rate. Despite the continuing review the Company does not believe costs will be significantly reduced in the first quarter of 2020/21 financial year.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: The Company believes it will be able to raise sufficient funds over the next six months to fund expenditures either through equity or quasi-equity instruments.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The current coronavirus environment with countries closing borders is likely to negatively impact on advancing its Tiris and gold projects in Mauritania. The Company will continue to look at opportunities to separately list its Haggan projects over the next six months.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2020



Authorised by:
Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.