
AURA ENERGY LIMITED

ACN 115 927 681

NOTICE OF GENERAL MEETING

TIME: 11:00 AEST

DATE: 12 June 2018

PLACE: Level 1, 34-36 Punt Road, Windsor, Victoria, Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9516 6500.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11.00am AEST on 10 June 2018.

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IMPORTANT INFORMATION

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

BUSINESS OF THE MEETING

AGENDA

1. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUES OF SHARES AND OPTIONS FOR CAPITAL RAISING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 55,425,000 Shares to subscribers to the Capital Raising completed on 15 November 2017; and

(b) 18,475,000 Options to subscribers to the Capital Raising completed on 15 November 2017,

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CONTRACTOR AND CONSULTANT SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,424,423 Shares to consultants and contractors on 3 January 2018 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 SHARES PURSUANT TO PRIVATE PLACEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue 113,000,000 Shares to subscribers to the Private

Placement at a price of 1.9 cents per share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the proposed issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF TRANCHE 2 SHARES PURSUANT TO PRIVATE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 81,736,842 Shares to subscribers to the Private Placement at an issue price of 1.9 cents per share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF TRANCHE 1 AND TRANCHE 2 OPTIONS PURSUANT TO PRIVATE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 97,368,421 Options to all subscribers to the Private Placement on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF OPTIONS TO ADVISOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Peak Asset Management Pty Ltd on the same terms and conditions as Options issued to subscribers to the Private Placement set out in the Explanatory Statement.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 7 May 2018

By order of the Board



**JM Madden
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

1.1 General

On 15 November 2017, the Company announced the completion of a capital raising of \$1,108,500 through the issue of 55,425,000 Shares at an issue price of \$0.02 per Share together with one (1) free attaching Option for every 3 (three) Share subscribed for and issued (**Capital Raising**).

The Company issued the Shares and Options the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 55,425,000 Shares and 18,475,000 Options were issued;
- (b) the issue price per Share was \$0.02 and the issue price of the Options was nil as they were issued free attaching with the Shares on a 1 for 3 basis;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options are exercisable at \$0.02 and expiry no later than 12-months after the date of issue (see Schedule 1);
- (e) the Shares and Options were issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue were used for working capital.

2. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CONSULTANTS AND CONTRACTORS**

2.1 **General**

The Company issued 4,424,423 Shares to consultants and contractors on 3 January 2018 in lieu of services provided to the Company.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 **Technical information required by ASX Listing Rule 7.4**

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

- (a) 4,424,423 Shares were issued;
- (b) the issue price for the Shares was \$0.0204 for 2,653,934 Shares and \$0.0240 for 1,770,489 Shares;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to consultants and contractors none of whom are related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for services provided to the Company

3. **RESOLUTIONS 3, 4 AND 5 – APPROVAL FOR THE ISSUE OF TRANCHE 1 AND TRANCHE 2 SHARES AND OPTIONS**

3.1 **Background to the Private Placement**

On 29 March 2018, the Company announced that it had completed a private Placement comprising two tranches. The Private Placement will raise \$3.7 million (before costs) and is made on the following terms:

- (a) 194,736,842 Shares at \$0.019 per Share; and
- (b) a one (1) for two (2) free attaching Option at \$0.033 per Option with an expiry 18-months from date of Shareholder approval resulting in the issue of 97,368,421 Options,

(together, the **Private Placement**).

The Company intends to use the funds raised from the Private Placement on advancement of the Haggan battery metals project (including the IPO); exploration and evaluation of the Tiris project and working capital.

On 5 April 2018, the Company issued Shares at an issue price of \$0.019) and on 17 April 2018, the Company issued 28,947,370 Shares to raise \$2,260,000 (**Tranche 1**) to raise approximately \$1,597,000 (**Tranche 1**). In total, the Company issued 113,000 Shares at an issue price of \$0.019 under Tranche 1.

78,476,071 Shares (comprising 49,528,701 Shares on 5 April 2018 and 28,947,370 Shares on 17 April 2018) were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 30 November 2017 and 34,523,929 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

The Company intends to issue a further 81,736,842 Shares pursuant to the Private Placement (**Tranche 2**) following Shareholder approval. Approval is being sought under Resolution 4 of this Notice for issue of Tranche 2 Shares. All Options to be issued under Tranche 1 and Tranche 2 (**Tranche 1 and Tranche 2 Options**) are subject to Shareholder approval pursuant to Resolution 5 of this Notice.

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

3.3 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to capacity to issue Shares without prior Shareholder approval under ASX Listing Rule 7.1, a Company that is eligible and obtains Shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities which represents no more than 10% of the number of fully paid ordinary securities on issue at the commencement of the 12-month period as adjusted in accordance with the formula set out in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

3.4 Resolution 3 – Ratification of Tranche 1 Shares

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Shares (**Ratification**).

By ratifying this issue the subject of Resolution 4, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 4 being passed by the requisite majority.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the Company issued on 5 April 2018, 84,052,630 Shares and on 17 April 2018 a further 28,947,370 Shares pursuant to the Private Placement, totalling 113,000,000 Shares on the following basis:
 - (i) 34,523,929 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 78,476,071 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.019 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued to sophisticated and professional investors who are not related parties of the Company; and
- (e) the Company intends to use the funds raised from the issue of Tranche 1 as set out in Section 3.1.

3.5 Resolution 4 – Approval to issue Tranche 2 Shares

Resolution 4 seeks Shareholder approve for the issue of up to 81,736,842 Shares (**Tranche 2 Shares**) to subscribers to the Private Placement.

The effect of Resolution 4 will be to allow the Company to issue the Tranche 2 Shares pursuant to the Private Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares that the Company will issue 81,736,842 Shares;
- (b) the Shares will be issued no later than 3-months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Shares will occur on the same date.
- (c) the issue price for the Shares is \$0.019 per Share;
- (d) the Shares issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued to sophisticated and professional investors who are not related parties of the Company; and

- (f) the Company intends to use the funds raised from the issue of Tranche 2 as set out in Section 3.1.

3.6 Resolution 5 – Approval to issue Tranche 1 and Tranche 2 Options

Resolution 5 seeks Shareholder approve for the issue of up to 97,368,421 Options (comprising the 56,499,999 Tranche 1 and 40,868,422 Tranche 2 Options) to subscribers under the Private Placement.

The effect of Resolution 5 will be to allow the Company to issue the Tranche 1 and Tranche 2 Options pursuant to the Private Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Options that the Company will issue under both Tranche 1 and Tranche 2 is 97,368,421 Options;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Private Placement on a 1:2 basis;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (e) no funds will be raised from the issue as the Options are being issued free attaching to the Tranche 1 and Tranche 2 Shares.

4. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF OPTIONS TO ADVISOR

4.1 General

As stated above, on 29 March 2018, the Company announced it had completed a private Placement comprising Tranche 1 and Tranche 2 Shares and Options raising \$3.7 million (before costs).

The Company executed a Letter of Engagement with Peak Asset Management Pty Ltd (**Peak Asset Management**) and agreed to pay Peak Asset Management equity raising costs in cash as well as 5,000,000 Options on the same terms and conditions as Options issued to subscribers to the Private Placement.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Advisor Options that the Company will issue is 5,000,000;

- (b) the Advisor Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Options will occur on the same date;
- (c) the Advisor Options will be issued for nil cash consideration in consideration for equity raising services;
- (d) the Advisor Options will be issued to Peak Asset Management who is not a related party of the Company;
- (e) the Options to be issued to Peak Asset Management will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue as the Advisor Options are being issued in consideration for services provided by Peak Asset Management.

GLOSSARY

\$ means Australian dollars.

Advisor Options means the Options for equity raising services provided by advisors to the Private Placement.

AEST means Australian Eastern Standard Time as observed in Victoria.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Aura Energy Limited (ACN 115 927 681).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Engagement Letter has the meaning in Section 4.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Private Placement means the placement of Shares and the issue of Options made by the Company to Subscribers to Tranche 1 and Tranche 2 of the \$3.7 million fundraising.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a Section in the Explanation Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Subscriber means a person who subscribed to the Private Placement (either Tranche 1 or Tranche 2).

SCHEDULE 1 – CAPITAL RAISING OPTIONS TERMS AND CONDITIONS

1. Nature of Options

- (a) Each Option shall issue the holder of that Option the right to be issued one Share at an exercise price of \$0.02 per Option (**Option Exercise Price**).
- (b) Each Option shall be exercisable at any time after the time of its issue and prior to 15 November 2018, after which time it will lapse.

2. Exercise of Options

- (a) Without limiting the generality of, and subject to, the other provisions of the Engagement Letter, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to the Engagement Letter as Annexure A (the **Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time (the **Exercise Price**), by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than one (1) Business Day after receipt of a duly completed Exercise Form and the payment referred to in clause 2(a)(ii), the Company shall cause its securities registrar to:
 - (i) issue and electronically deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.

3. Bonus Issues

If, prior to an exercise of an Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

4. Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Share holding at the time of the offer, the Option Exercise

Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

5. Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Shares shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

6. Cumulative Adjustments

Full effect shall be given to the provisions of clauses 3 to 5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

7. Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to the Engagement Letter, the Company shall give notice of the adjustment to all the Option holders, within one (1) Business Day.

8. Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

9. Redemption

The Options shall not be redeemable by the Company.

10. Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law. The Company will not apply for quotation of the Options on ASX

SCHEDULE 2 – PRIVATE PLACEMENT OPTIONS TERMS AND CONDITIONS

1. Nature of Options

- (a) Each Option shall issue the holder of that Option the right to be issued one Share at an exercise price of \$0.033 per Option (**Option Exercise Price**).
- (b) Each Option shall be exercisable at any time after the time of its issue and prior to 30 September 2019, after which time it will lapse.

2. Exercise of Options

- (a) Without limiting the generality of, and subject to, the other provisions of the Engagement Letter, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to the Agreement as Annexure A (the **Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time (the **Exercise Price**), by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than one (1) Business Day after receipt of a duly completed Exercise Form and the payment referred to in clause 2(a)(ii), the Company shall cause its securities registrar to:
 - (i) issue and electronically deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.

3. Bonus Issues

If, prior to an exercise of an Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

4. Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with

respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Share holding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

5. Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Shares shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

6. Cumulative Adjustments

Full effect shall be given to the provisions of clauses 3 to 5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

7. Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to this Agreement, the Company shall give notice of the adjustment to all the Option holders, within one (1) Business Day.

8. Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

9. Redemption

The Options shall not be redeemable by the Company.

10. Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law. The Company will not apply for quotation of the Options on ASX.

PROXY FORM

AURA ENERGY LIMITED
ACN 115 927 681

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.00am (AEST), on Tuesday, 12 June 2018 at Level 1, 34-36 Punt Road, Windsor VIC 3181, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of prior issue of Capital Raising Shares and Options	☐	☐	☐
Resolution 2	Ratification of prior issue of Contractor and Consultant Shares	☐	☐	☐
Resolution 3	Ratification of issue of Tranche 1 Shares issued pursuant to Private Placement	☐	☐	☐
Resolution 4	Approval to issue Tranche 2 Shares pursuant to Private Placement	☐	☐	☐
Resolution 5	Approval to issue Tranche 1 and Tranche 2 Options pursuant to Private Placement	☐	☐	☐
Resolution 6	Approval for the issue of Options to Advisor	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Aura Energy Limited, Level 1, 34-36 Punt Road, Windsor VIC 3181; or
 - (b) facsimile to the Company on facsimile number +61 3 9516 6565; or
 - (c) email to the Company at john.madden@auraenergy.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.



AEE

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

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11:00am (AEST) Sunday, 10 June 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Aura Energy Limited hereby appoint



the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Aura Energy Limited to be held at Level 1, 34-36 Punt Road, Windsor, Victoria on Tuesday, 12 June 2018 at 11:00am (AEST) and at any adjournment or postponement of that meeting.

STEP 2

Items of Business



PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Ratification of prior issues of Shares and Options for Capital Raising

For Against Abstain

☐☐☐

Resolution 2 Ratification of prior issue of Contractor and Consultant Shares

☐☐☐

Resolution 3 Ratification of prior issue of Tranche 1 Shares pursuant to Private Placement

☐☐☐

Resolution 4 Approval for the issue of Tranche 2 Shares pursuant to Private Placement

☐☐☐

Resolution 5 Approval for the issue of Tranche 1 and Tranche 2 Options pursuant to Private Placement

☐☐☐

Resolution 6 Approval for the issue of Options to Advisor

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

AEE

999999A

Computershare +