



12 February 2021

Dear Shareholder

**IMPORTANT INFORMATION REGARDING SHAREHOLDER VOTING
AT THE ANNUAL GENERAL MEETING**

The Annual General Meeting (the “Meeting”) for the Company is scheduled for Wed 17 March 2021 at 9.15 am (AEDT) and will be conducted as a virtual meeting.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, the Company will not be dispatching physical copies of the Notice of Annual General Meeting (Notice). Instead, a copy of the Notice is available at the following link and has also been lodged on the Australian Securities Exchange (ASX) - <http://www.auraenergy.com.au/announcements-2020.html> should be read in its entirety prior to voting.

Details will be available by separate announcement at least 7 days before the meeting, alternatively contact via [.phillip.ea@thecfo.com.au](mailto:phillip.ea@thecfo.com.au) with the Subject heading: **AEE 2020 AGM**

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and online voting at the Meeting in accordance with instructions set out below.

The board of directors request all shareholders who wish to vote to either:

- (i) Vote by lodging a proxy prior to Mon 15 March 2021 at 9.15 am (AEDT) (the Proxy cut-off time is 48 hours prior to the Meeting); or
- (ii) Shareholders who wish to participate and vote at the Meeting should refer to the instructions set out below as points (2) and (3).

The board of directors recommend shareholders vote by proxy.

Specifically, shareholders can participate as follows:

1. Vote by Proxy

Shareholders are recommended to appoint the Chair at the Meeting as their proxy. Shareholders can then complete the proxy form to provide specific instructions on how their vote is cast on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

2. Attending the Meeting.

The Meeting will be accessible to all shareholders via a live conference facility, which will allow a shareholder to listen and observe the proceedings of the Meeting.

Aura Energy Limited

ACN 115 927 681

Suite 1, Level 3, 62 Lygon Street Carlton South Victoria 3053 Australia
Phone: +61 (0)3 9824 5254

Details will be available by separate announcement at least 7 days before the meeting, alternatively contact via .phillip.ea@thecfo.com.au with the Subject heading: **AEE 2020 AGM** to receive details or ask questions ahead of the meeting.

3. Shareholders and proxy holders will be able to vote at the meeting by:

- (i) Visiting <http://web.lumiagm.com.on> a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer, Edge and Firefox;
- (ii) Using a unique ID (provided to shareholders only)

Online voting registration will commence 30 minutes prior to the start of the Meeting. For full details on how to log on and vote online, please refer to the user guide (the user guide text will be a hyperlink).

4. Shareholders are advised to submit questions in advance of the Meeting to the Company by E-mail to .phillip.ea@thecfo.com.au or go to the Contact Us at the Aura Energy website www.auraenergy.com.au. Responses will be provided at the Meeting in respect of all valid questions received prior to the proxy cut-off time.

The announcement is authorised for market release by the board of directors of Aura Energy Limited.

Yours faithfully

PD Reeve
Executive Chairman

AURA ENERGY LIMITED
ACN 115 927 681

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the virtual Meeting:

TIME: Wed, 17 March 2021

DATE: 9:15am (AEDT) (registration from 9.00am)

PLACE: Virtual meeting by way of telephone conference

Details will be available by separate announcement at least 7 days before the meeting, alternatively contact via .phillip.ea@thecfo.com.au with the Subject heading: **AEE 2020 AGM** to receive details or ask questions ahead of the meeting.

The business of the Meeting affects your shareholding, and your vote is important. This Notice should be read in its entirety. If you are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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 at 9:15am (AEDT) on 15 March 2021

BUSINESS OF THE MEETING

Agenda

1. BACKGROUND

1.1 Recapitalisation

- (a) The Company is an Australian incorporated company listed on the ASX and AIM market of the London Stock Exchange. The Company's shares were placed into voluntary suspension on the Official List of the ASX on 20 May 2020 pending the release of an announcement clarifying recent market releases issued by the Company.
- (b) The Company's shares have remained in suspension since 20 May 2020 and, following discussions with its corporate advisors, now proposes to undertake a series of capital raisings in order to, among other matters set out in this document, recapitalise the Company and recommence the trading of its shares on the Official List of the ASX.
- (c) The major shareholders are substantial shareholders (substantial shareholders hold 5% or greater under the Australian market definition) of the Company that have been in discussion with the Company and its representatives with respect to the proposed recapitalisation of the Company (**Recapitalisation Proposal**) that includes a proposed underwritten Rights Issue and subsequent Options Rights Issue.
- (d) The indicative timetable for the Rights Issue is to follow by separate release.
- (e) The Recapitalisation Proposal being pursued under a Non-Binding Term Sheet includes a number of significant undertakings by the Company and its Major Shareholders to advance the mining projects held by the Company. The significant undertakings include:
 - (a) Capital raising initiatives (see 1.1(e);
 - (b) Restructuring of the board of directors and realignment of roles and responsibilities (see Section 1.2);
 - (c) Conversion of convertible notes on issue into Shares under the Replacement Convertible Note and the Follow-on Replacement Convertible Note;
 - (d) Extinguishment of outstanding obligations to non-executive directors as well as obligations, in part, of the Executive Chairman for services;
 - (e) Placement of Shares to nominated new directors and the incentivisation of the nominated new directors with the issue of Options
 - (f) Placement of Shares to sophisticated and professional investors to raise capital prior to the capital raisings set out in (i) above;
 - (g) Settlement of outstanding claims against the Company brought by certain shareholders with an agreed issue of Shares and Options (see Section 1.3);
 - (h) Consolidation of shares to attractive new investors for larger capital raisings over time; and

- (i) other matters the Major Shareholders believe necessary to advance the mining projects held by the Company.

The Major Shareholders of the Company are:

Lind Global Macro Fund LP	18.70%
ASEAN Deep Value Fund	14.99%
Axel Saringen	5.29%
Pre-emptive Trading Pty Ltd	3.00%

- (f) The Company proposes to undertake the Rights Issue immediately following the approval of all resolutions at AGM on 17 March 2021. The Rights Issue will be underwritten and will be undertaken at \$0.002 (pre-consolidation) or \$0.026 (post-Consolidation) on 1 for 3 basis to raise approximately \$2.2 million. The approval of all the resolutions at this AGM will enable parties participating in the Share Placement (Resolution 17) and directors (Resolutions 14 and 15) as well as newly appointed directors (Resolution 16) to participate in the Rights Issue. The Company anticipates that the issue of shares for the above-mentioned resolutions will be completed by 19 March 2021 and accordingly, all shareholders on the share register as at 22 March 2021 will be entitled to participate in the Rights Issue.
- (g) The Rights Issue will be underwritten by KTM Capital Pty Ltd and sub-underwritten by PAC Partners Securities Pty Ltd. The Company will pay the underwriter (or its nominees) 6% plus GST of the total amount raised as well as out-of-pocket expenses. The underwriting is subject to Conditions Precedent including completion by the underwriter of due diligence and approval of a prospectus by regulatory bodies.
- (h) 3 months after the Rights Issue, the Company will undertake a 1:3 underwritten Loyalty Options Rights Issue with an upfront payment of \$0.001 per Loyalty Option (on a pre-consolidation basis) or \$0.013 per Loyalty Option (on a post-Consolidation basis), an exercise price of \$0.004 per Loyalty Option (on a pre-Consolidation basis) or \$0.052 (on a post-Consolidation basis) expiring on 30 June 2023 and this will provide approximately \$1.4 million in upfront proceeds.
- (h) The proposed use of funds from the various equity initiatives is set out in the following table:

Description	\$000s
Gross proceeds from:	
- Share Placement (see Resolutions 11 and 12)	800
- Rights Issue (see Section 1.1(e))	2,200
- Loyalty Options (see Section 1.1(g))	1,015
less Costs	185
Net proceeds	3,830
Use of funds	
Tiris and Haggan projects exploration and evaluation	1,680
Corporate costs	825
Settlement of outstanding obligations as at the date of this Notice of Meeting	760

Working capital	565
Total use of funds	3,830

Details of the use of funds are as follows:

Tiris project	\$000s
Country costs (including tenement fees)	280
Resource definition drilling	300
Water drilling	300
Consultants	100
Total	980

Haggan project	\$000s
Country costs (including tenement fees)	50
Metallurgical testwork	200
Consultants	150
Total	400

Tasiast gold and gold joint ventures	\$000s
Geophysics (induced polarisation)	250
Consultants	50
Total	300

Corporate costs	\$000s
Employees and directors	310
Consultants	270
Secretarial (listing costs, share registry)	160
Office and other costs	85
Total	825

Settlement of outstanding obligations	\$000s
Employees	70
Consultants (legal, nominated advisor and joint broker)	435
Mauritanian and Swedish country costs	185
Other obligations	70
Total	760

1.2 New Corporate Governance

- (a) At the conclusion of the AGM all of the current Non-executive directors will retire and two new non-executive directors, Mr Martin Rogers as Chairman and Mr. Peter

Ward, will drive the new Company's corporate governance including compliance with the appropriate requirement of the AIM listing.

- (b) Mr. Peter Reeve will undertake the role as CEO/MD and enter into a side letter to his employment contract for a salary of \$200,000 per year and without cause termination payment of \$225,000 (current termination amount). Board to negotiate an incentive package of shares/options based on milestones within the next 6 months.
- (c) On 2 November 2020, the Company announced its corporate governance statement and revised corporate policies (Corporate Governance Statement). The changes implement the most recent ASX Corporate Governance Council's third edition of its Corporate Governance Principles and Recommendations (ASXCGC Recommendations).
- (d) The Company is committed to a high level of corporate governance with strong ethical behaviour, integrity and respect notwithstanding its relative size to other exploration entities listed on the ASX. The Company believes that adopting and operating in accordance with high standards of corporate governance is essential for its long-term future.
- (e) The corporate governance model illustrated in the Corporate Governance Statement illustrates the Company's management system. It sets out the way the Company works to enable it to understand its and manage its exploration projects to achieve its objective of creating value for stakeholders.
- (f) In accordance with the Company's AIM Listing requirements, the appointment of Directors will be subject to satisfactory due diligence being completed by SP Angel Corporate Finance LLP, the Company's nominated adviser.

1.3 Settlement of outstanding litigation

- (a) ASEAN, Saringen, Pre-Emptive Trading Pty Ltd (PET) and the Company have agreed to settle outstanding litigation and have executed a Term Sheet which will result in the Company issuing both Shares and Options to ASEAN Saringen and PET at the Rights Issue price of \$0.004 per Share (on a pre-Consolidation basis) or \$0.052 per Share (on a post-Consolidation basis) and the Options at an exercise price of \$0.004 cents per Option (on a pre-Consolidation basis) or \$0.052 cents per Option (on a post-Consolidation basis). The parties have formalised the agreed terms set out in the executed Settlement Agreements.
- (b) Shareholders will recall that the Company applied to the Supreme Court of Victoria on 12 August 2020 alleging that ASEAN, Saringen, PET and Hoertlehner held a relevant interest in each other's shares totalling 24.05%.

The Company had applied to the ASIC to assist it with serving of Tracing Notices on Clearstream Banking SA (Luxembourg) and, later, Flatex Bank AG (Germany) to identify the beneficial holder of 5.27% of the shares on issue in the Company. Both of the above entities sit below the registered shareholder of these shares, JP Morgan Australia Nominees Pty Limited.

The Tracing Notices identified Mr Axel Saringen (a resident of Germany) and his controlled entity Milaco GmbH as the holder of these shares.

Messrs Hoertlehner (a resident of Panama), Roes (a resident of Hong Kong) and Saringen are on the supervisory board of Gamigo AG. Mr Hoertlehner was nominated by Mr JL Bennett on two occasions to become a director of the Company and Mr Roes is a director of ASEAN Deep Value Fund. Mr Hoertlehner holds 0.8%

of the shares on issue in the Company, PET (an entity controlled by Mr JL Bennett) holds 3% of the shares on issue in the Company and ASEAN Deep Value Fund holds 15.01% of the shares on issue in the Company.

The Company abandoned its legal action and negotiated with the parties it alleged had a relevant interest each other's shares settlement of costs.

- (c) Deeds of Settlement have agreed and signed by the parties. The Company cannot issue any Shares or Options under the Deeds of Settlement without shareholder approval due to its obligations to comply with the ASX ruling following the Company's breach of Listing Rule 7.1 and accordingly, Resolutions 14 and 15 reflect the obligations of the Company.

In addition to the financial settlement, the parties referred to in Section 1.3(a) have agreed that on approval of the financial settlement by shareholders:

- no party will directly or indirectly take any steps to appoint or remove a director of the Company (or support or encourage any shareholder or director to appoint or remove) where under the Corporations Act, Company's Constitution or otherwise;
- any existing requisitions or nominations to appoint directors will be deemed withdrawn; and
- no party will disparage or criticise any other party or its officers in a public forum, including without limitation on social media.

Further, following shareholder approval of resolutions 14 and 15:

- the Company will release each of the parties referred to in Section 1.3(a) and their directors and officers from all claims which it has or would or might have against the parties; and
- the parties referred to in section 1.3(a) release and discharge the Company, directors and officers from all claims which they have or would or might have against the Company, its directors and its officers,

1.4 Focus on Company Assets to increase Shareholder value

- (a) The Company remains focused on its primary uranium mining asset in Mauritania.
- (b) Further to this, the Company commenced a process during the financial year to spin-off its gold assets in Mauritania. In July 2020, the Company announced a proposed transaction. The proposed transaction effectively values the gold assets at C\$9 million and therefore, at a significant premium to the costs incurred by the Company in assembling very prospective ground in Mauritania.
- (c) Moreover, the Company implemented a number of cost savings measures with a reduction in the number of consultants contracted to the Company, contract-employees terms and conditions in Australia, Mauritania and Sweden.
- (d) Non-executive directors have deferred emoluments and outstanding obligations to consultants and contract employees were extinguished by way of the issue of shares and escrowed for 24 months. With the northern hemisphere entering its winter the Company remains cautious on how best to advance its projects in these times of Covid-19 and accordingly, believes that the focus on advancing and listing its gold assets provides the best short-term opportunity until mid-2021 whilst aiming to increase Shareholder value.

(e)

1.5 Related Party Transactions

The proposed transactions with the Directors, Lind Global Macro Fund LP (as a substantial shareholder), ASEAN Deep Value Fund, Pre-emptive Trading Pty Ltd, as more particularly set out in this notice, are deemed to be related party transactions pursuant to Rule 13 of the AIM Rules for Companies. Paul Heber, being the director independent of the transactions considers, having consulted with the Company's Nominated Adviser, SP Angel Corporate Finance LLP, that the proposed transactions are fair and reasonable insofar as the shareholders of the Company are concerned.

1.6 Timetable for Consolidation of Depositary Interests

It is proposed that the securities of the Company be consolidated on the basis of one (1) new share (or Option) be issued from every thirteen (13) shares (or Options) held.

If the consolidation is approved by shareholders, the issued share capital of the Company is expected to be:

	Pre-Consolidation	Post-Consolidation
Shares on Issue	2,557,535,966	196,733,536
Options on Issue	94,104,161	7,238,782

The last day for dealing in the *pre-Consolidation Shares* on AIM is expected to be detailed in a separate announcement.

Shareholders who hold Depositary Interests, which represent pre-Consolidation Shares, will have such interests disabled in their CREST accounts on the Consolidation Record Date, and their CREST accounts will be credited with Depositary Interests representing the Shares to which they are entitled following admission of the Shares to trading on the AIM market of the London Stock Exchange plc, which is expected to take place on in March 2021, further details to be provided by separate announcement.

Following the consolidation, any existing share certificates will cease to be valid and new share certificates are expected to be despatched to those Shareholders who hold their *pre-Consolidation Shares* in certificated form, further details to be provided by separate announcement.

2. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- the voter is the Chair and the appointment of the Chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

4. RESOLUTION 2 – CONDITIONAL SPILL RESOLUTION

Subject to and conditional upon at least 25% of the votes on Resolution 2 being cast against Resolution 2, to consider and, if thought fit, pass the following resolutions as **ordinary resolutions**:

- (a) *“That, the Company will convene another meeting of shareholders (Spill Meeting) within 90 days.*
- (b) *That, all the directors of the Company:*
 - (i) *who are directors at the date of the annual general meeting; and*
 - (ii) *who are not the managing director of the Company who may continue to hold office indefinitely under the ASX Listing Rules without being re-elected to the office, cease to hold office, immediately before the end of the Spill Meeting.*
- (c) *That, resolutions to appoint new directors to replace the vacated directors will be put to the vote at the Spill Meeting.”*

Note: This resolution shall be determined under section 250(V) and section 250R(4)-(10) of the Corporations Act.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- the voter is the Chair and the appointment of the Chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 3 – CONSOLIDATION OF SECURITIES

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

“That, subject to all other Resolutions being passed, for the purposes of section 254H of the Corporations Act, and for all other purposes, approval is given for the consolidation of the Company’s existing securities on the basis that:

- (a) *every 13 pre-Consolidation Shares be consolidated into 1 Share; and*
- (b) *every 13 pre-Consolidation Options be consolidated into 1 Option,*

with fractional entitlements rounded down to the nearest whole number, on the terms and conditions set out in the Explanatory Statement.”

6. RESOLUTION 4 – APPOINTMENT OF DIRECTOR (MARTIN ROGERS)

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

“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Martin Rogers, be elected as a Director.

Note that for the purpose of complying with the AIM Listing requirements, this appointment will also be subject to satisfactory due diligence being completed by the Company’s nominated advisor.

7. RESOLUTION 5 – APPOINTMENT OF DIRECTOR (PETER WARD)

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

“That, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.3 and for all other purposes, Peter Ward, be elected as a Director.”

Note that for the purpose of complying with the AIM Listing requirements, this appointment will also be subject to satisfactory due diligence being completed by the Company’s nominated advisor.

8. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF SHARES UNDER THE REPLACEMENT CONVERTIBLE NOTE AND THE FOLLOW-ON REPLACEMENT CONVERTIBLE NOTE TO CONVERT THE AMOUNT OUTSTANDING

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

“That, Shareholders approve the issue of up to 155,000,000 Shares (on a pre-Consolidation basis) or 11,923,077 Shares (on a post-Consolidation basis) under the Replacement Convertible Note and Follow-on Replacement Convertible Note to Lind Global Macro Fund LP on the terms and conditions in the Explanatory Memorandum and to issue to convert the amount outstanding as at the date of this Meeting.”

Voting exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- Lind Global Macro Fund LP; or
- an associate Lind Global Macro Fund LP.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF OPTIONS (JANUARY 2020 PLACEMENT)

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

“That, Shareholders approve the issue of 52,708,331 Options (on a pre-Consolidation basis) or 4,054,487 Options (on a post-Consolidation basis) to sophisticated and professional investors (and/or its nominees), each exercisable at \$0.008 each (on a pre-Consolidation basis) or \$0.104 each (on a post-Consolidation basis), on or before 2 years from the date of issue, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the 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 entity; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF OPTIONS (MARCH 2020 PLACEMENT)

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

“That, Shareholders approve the issue of 25,000,000 Options (on a pre-Consolidation basis) or 1,923,077 Options (on a post-Consolidation basis) to sophisticated and professional investors (and/or its nominees) each exercisable at \$0.008 each (on a pre-Consolidation basis) or \$0.104 each (on a post-Consolidation basis), on or before 2 years from the date of issue, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the 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 entity; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- | |
|--|
| <ul style="list-style-type: none">○ the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way. |
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11. RESOLUTION 9 – APPROVAL FOR THE ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS TO EXTINGUISH OUTSTANDING REMUNERATION

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of:

- (a) Up to 34,675,000 Shares (on a pre-Consolidation basis) or up to 2,667,308 Shares (on a post-Consolidation basis) to Robert Beeson (or his respective nominees).;
- (b) Up to 34,675,000 Shares (on a pre-Consolidation basis) or up to 2,667,308 Shares (on a post-Consolidation basis) to Jules Perkins (or his respective nominees).;
- (c) Up to 23,725,000 Shares (on a pre-Consolidation basis) or up to 1,825,000 Shares (on a post-Consolidation basis) to John Bennett (or his respective nominees);
- (d) Up to 15,955,000 Shares (on a pre-Consolidation basis) or up to up to 1,227,308 Shares (on a post-Consolidation basis) to Robert Craigie (or his respective nominees);
- (e) Paul Heber will not be issued equity in relation to his outstanding remuneration as he maintains his independence for AIM purposes; and
- (f) Up to 8,460,000 Shares (on a pre-Consolidation basis) or up to 650,769 Shares (on a post-Consolidation basis) to Brett Fraser (or his respective nominee)

At a price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis) to extinguish outstanding obligations on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Robert Beeson, John Bennett, Brett Fraser, Jules Perkins and Robert Craigie; or
- an associate of Robert Beeson, John Bennett, Jules Perkins and Robert Craigie.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. **RESOLUTION 10 – APPROVAL FOR THE ISSUE OF SHARES TO EXECUTIVE CHAIRMAN TO PARTLY EXTINGUISH OUTSTANDING REMUNERATION**

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue 50,000,000 Shares (on a pre-Consolidation basis) or 3,846,154 Shares at a price of \$0.002 per Share (on a post-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis) to the Executive Chairman Peter Reeve to extinguish outstanding remuneration on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Peter Reeve; or
- an associate of Peter Reeve.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

13. **RESOLUTION 11 – APPROVAL FOR THE PLACEMENT OF SHARES TO FUTURE NON-EXECUTIVE DIRECTORS**

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of

- (a) 25,000,000 Shares (on a pre-Consolidation basis) or 1,923,077 Shares (on a post-Consolidation basis) to Peter Ward; and
- (b) 50,000,000 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to Martin Rogers; and

at an issue price of \$0.002 each (on a pre-Consolidation basis) or \$0.026 each (on a post-Consolidation basis) for proceeds of \$150,000 on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Peter Ward or Martin Rogers; or
- an associate of Peter Ward or Martin Rogers.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

14. RESOLUTION 12 – APPROVAL FOR THE PLACEMENT OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

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

“That, Shareholders approve the issue of:

- (a) 75,000,003 Shares (on a pre-Consolidation basis) or 5,769,231 Shares (on a post-Consolidation basis) to Peter Proksa;
- (b) 50,000,002 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to John Hancock;
- (c) 50,000,002 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to Alex Molyneux;
- (d) 50,000,002 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to David O’Neill;
- (e) 50,000,002 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to Martin Holland; and

(f) 50,000,002 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) to Keith Kerridge;

at an issue price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 (on a post-Consolidation basis) for proceeds of \$650,000, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Peter Proksa, John Hancock, Martin Holland, Keith Kerridge, David O'Neill or Alex Molyneux; or
- an associate of Peter Proksa, John Hancock, Martin Holland, Keith Kerridge, David O'Neill or Alex Molyneux.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

15. RESOLUTION 13 – APPROVAL FOR THE ISSUE OF OPTIONS TO FUTURE NON-EXECUTIVE DIRECTORS

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of:

- (a) 75,000,000 Options (pre-Consolidation basis) or 5,769,230 Options (on a post-Consolidation basis) to Peter Ward; and
- (b) 200,000,000 Options (pre-Consolidation) or 15,384,616 Options (on a post-Consolidation basis) to Martin Rogers;

exercisable at \$0.004 each (on a pre-Consolidation basis) or \$0.052 each (on a post-Consolidation basis), on or before 30 June 2023 on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Peter Ward and Martin Rogers; or
- an associate of Peter Ward or Martin Rogers.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

16. RESOLUTION 14 – APPROVAL FOR THE ISSUE OF SHARES PURSUANT TO SETTLEMENT OF LITIGATION COSTS

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

“That, Shareholders approve the issue 75,000,000 Shares (on a pre-Consolidation basis) or 5,769,231 Shares (on a post-Consolidation basis) at an issue price of \$0.002 each (on a pre-Consolidation basis) or \$0.026 each (on a post-Consolidation basis), to parties awarded costs on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- ASEAN Deep Value Fund;
- David Peter O'Neill;
- David Eric Roes;
- Pre-emptive Trading Limited;
- John Leslie Bennett;
- Axel Saringen and his controlled entity Milaco GmbH;
- Florian Hoertlehner; or
- an associate of the above-mentioned persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

17. RESOLUTION 15 – ISSUE OF OPTIONS PURSUANT TO SETTLEMENT OF LITIGATION COSTS

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

“That, Shareholders approve the issue 75,000,000 Options (on a pre-Consolidation basis) or 5,769,231 Options (on a post-Consolidation basis) exercisable at \$0.004 each (on a pre-Consolidation basis) or \$0.052 each (on a post-Consolidation basis), on or before 30th June 2023 to parties awarded costs on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- ASEAN Deep Value Fund;
- David Peter O’Neil;
- David Eric Roes;
- Pre-emptive Trading Limited;
- John Leslie Bennett;
- Axel Saringen and his controlled entity Milaco GmbH;
- Florian Hoertlehner; or
- an associate of the above-mentioned persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

18. RESOLUTION 16 – ISSUE OF SHARES TO CFO SOLUTIONS PTY LTD

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

“That, Shareholders approve the issue 45,000,000 Shares (on a pre-Consolidation basis) or 3,461,538 Shares (on a post-Consolidation basis) at an issue price of \$0.002 each (on a pre-Consolidation basis) or \$0.026 each (on a post-Consolidation basis), to CFO Solutions Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion

The Company will disregard any votes cast in favour of the 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 entity; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

19. RESOLUTION 17 – APPROVAL OF THE ISSUE OF OPTIONS

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

“that, Shareholders approve the issue of 50,000,000 Options (on a pre-Consolidation basis) or 3,846,154 Options (post-consolidation basis) to L1 Capital Global Opportunities Master Fund at an exercise price of \$0.004 each (on a pre-Consolidation basis) or \$0.052 each (on a post-Consolidation basis).”

Voting exclusion

The Company will disregard any votes cast in favour of the 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 entity; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 12 February 2021
By order of the Board

PD Reeve
Executive Chairman

EXPLANATORY STATEMENT

Important information

Notice is given that the Annual General Meeting of the shareholders of Aura Energy Limited ACN 621 122 905 (**Company**) will be virtually by way of telephone conference on Wednesday 17 March 2021, commencing at 9:15am (AEDT).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Unless stated otherwise, reference to Shares and Options in this Notice and Explanatory Statement assume that the Consolidation has occurred and are therefore to be interpreted as being on a post-Consolidation basis.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in

advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- Postal P.O. Box 655, Carlton South Victoria 3053 Australia; or
- email to the Company at info@auraenergy.com.au,

so that it is received by no later than 9:15am (AEST) on 15 March 2021. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7:00pm (AEST) on 10 March 2021. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company on +61 (0)3 9824 5254.

1. BACKGROUND

1.1 Recapitalisation

- (a) The Company is an Australian incorporated company listed on the ASX. The Company's shares were placed into voluntary suspension on the Official List of the ASX on 20 May 2020 pending the release of an announcement clarifying recent market releases issued by the Company.
- (b) The Company's shares have remained in suspension since 20 May 2020 and, following discussions with its corporate advisors, now proposes to undertake a series of capital raisings in order to, among other matters set out in this document, recapitalise the Company and recommence the trading of its shares on the Official List of the ASX.
- (c) The major shareholders are substantial shareholders of the Company that have been in discussion with the Company and its representatives with respect to the proposed recapitalisation of the Company (**Recapitalisation Proposal**) that includes a proposed underwritten Rights Issue and subsequent Options Rights Issue.
- (d) The indicative timetable for the Rights Issue is to follow by separate release
- (e) The Recapitalisation Proposal being pursued under a Non-Binding Term Sheet includes a number of significant undertakings by the Company and its Major Shareholders to advance the mining projects held by the Company. The significant undertakings include:
 - (a) Capital raising initiatives (see 1.1(e);
 - (b) Restructuring of the board of directors and realignment of roles and responsibilities (see Section 1.2);
 - (c) Conversion of convertible notes on issue into Shares under the Replacement Convertible Note and the Follow-on Replacement Convertible Note;
 - (d) Extinguishment of outstanding obligations to non-executive directors as well as obligations, in part, of the Executive Chairman for services;
 - (e) Placement of Shares to nominated new directors and the incentivisation of the nominated new directors with the issue of Options;
 - (f) Placement of Shares to sophisticated and professional investors to raise capital prior to the capital raisings set out in (i) above;
 - (g) Settlement of outstanding claims against the Company brought by certain shareholders with an agreed issue of Shares and Options (see Section 1.3);
 - (h) Consolidation of shares to attractive new investors for larger capital raisings over time; and
 - (i) other matters the Major Shareholders believe necessary to advance the mining projects held by the Company.

The Major Shareholders of the Company are:

Lind Global Macro Fund LP	18.70%
ASEAN Deep Value Fund	14.99%
Axel Saringen	5.29%
Pre-emptive Trading Pty Ltd	3.00%

- (f) The Company proposes to undertake the Rights Issue immediately following the approval of all resolutions at AGM on 17 March 2021. The Rights Issue will be underwritten and will be undertaken at \$0.002 (pre-consolidation) or \$0.026 (post-Consolidation) on 1 for 3 bases to raise approximately \$2.2 million. The approval of all the resolutions at this AGM will enable parties participating in the Share Placement (Resolution 17) and directors (Resolutions 14 and 15) as well as newly appointed directors (Resolution 16) to participate in the Rights Issue. The Company anticipates that the issue of shares for the above-mentioned resolutions will be completed by 19 March 2021 and accordingly, all shareholders on the share register as at 22 March 2021 will be entitled to participate in the Rights Issue.
- (g) The Rights Issue will be underwritten by KTM Capital Pty Ltd and sub-underwritten by PAC Partners Securities Pty Ltd. The Company will pay the underwriter (or its nominees) 6% plus GST of the total amount raised as well as out-of-pocket expenses. The underwriting is subject to Conditions Precedent including completion by the underwriter of due diligence and approval of a prospectus by regulatory bodies.
- (h) 3 months after the Rights Issue, the Company will undertake a 1:3 underwritten Loyalty Options Rights Issue with an upfront payment of \$0.001 per Loyalty Option (on a pre-consolidation basis) or \$0.013 per Loyalty Option (on a post-Consolidation basis), an exercise price of \$0.004 per Loyalty Option (on a pre-Consolidation basis) or \$0.052 (on a post-Consolidation basis) expiring on 30 June 2023 and this will provide approximately \$1.4 million in upfront proceeds.
- (i) The proposed use of funds from the various equity initiatives is set out in the following table:

Description	\$000s
Gross proceeds from:	
- Share Placement (see Resolutions 11 and 12)	800
- Rights Issue (see Section 1.1(e))	2,200
- Loyalty Options (see Section 1.1(g))	1,015
less Costs	185
Net proceeds	3,830
Use of funds	
Tiris and Haggan projects exploration and evaluation	1,680
Corporate costs	825
Settlement of outstanding obligations as at the date of this Notice of Meeting	760
Working capital	565
Total use of funds	3,830

Tiris project	\$000s
Country costs (including tenement fees)	280

Resource definition drilling	300
Water drilling	300
Consultants	100
Total	980

Haggan project	\$000s
Country costs (including tenement fees)	50
Metallurgical test work	200
Consultants	150
Total	400

Tasiast gold and gold joint ventures	\$000s
Geophysics (induced polarisation)	250
Consultants	50
Total	300

Corporate costs	\$000s
Employees and directors	310
Consultants	270
Secretarial (listing costs, share registry)	160
Office and other costs	85
Total	825

Settlement of outstanding obligations	\$000s
Employees	70
Consultants (legal, nominated advisor and joint broker)	435
Mauritanian and Swedish country costs	185
Other obligations	70
Total	760

1.2 New Corporate Governance

- (a) At the conclusion of the AGM all of the current Non-executive directors will retire and two new non-executive directors, Mr Martin Rogers as Chairman and Mr Peter Ward, will drive the new Company's corporate governance.
- (b) Mr PD Reeve will undertake the role as CEO/MD and enter into a side letter to his employment contract for a salary of \$200,000 per year. and without cause termination payment of \$225,000 (current termination amount). Board to negotiate an incentive package of shares/options based on milestones within the next 6 months. All shares and options to be issued to Mr PD Reeve will be subject to prior shareholder approval.
- (c) On 2 November 2020, the Company announced its corporate governance statement and revised corporate policies (Corporate Governance Statement). The changes implement the most recent ASX Corporate Governance Council's third edition of its Corporate Governance Principles and Recommendations (ASXCGC Recommendations).
- (d) The Company is committed to a high level of corporate governance with strong ethical behaviour, integrity and respect notwithstanding its relative size to other

exploration entities listed on the ASX. The Company believes that adopting and operating in accordance with high standards of corporate governance is essential for its long-term future.

- (e) The corporate governance model illustrated in the Corporate Governance Statement illustrates the Company's management system. It sets out the way the Company works to enable it to understand its and manage its exploration projects to achieve its objective of creating value for stakeholders.

1.3 Settlement of outstanding litigation

- (a) ASEAN, Sartingen, Pre-Emptive Trading Pty Ltd (PET) and the Company have agreed to settle outstanding litigation and have executed a Term Sheet which will result in the Company issuing both Shares and Options to ASEAN Sartingen and PET at the Rights Issue price of \$0.004 per Share (on a pre-Consolidation basis) or \$0.052 per Share (on a post-Consolidation basis) and the Options at an exercise price of \$0.004 cents per Option (on a pre-Consolidation basis) or \$0.052 cents per Option (on a post-Consolidation basis). The parties will formalise the agreed terms set out in the Term Sheet during the course of January 2021 with the execution of Settlement Agreements.
- (b) Shareholders will recall that the Company applied to the Supreme Court of Victoria on 12 August 2020 alleging that ASEAN, Sartingen, PET and Hoertlehner held a relevant interest in each other's shares totalling 24.05%.

The Company had applied to the ASIC to assist it with serving of Tracing Notices on Clearstream Banking SA (Luxembourg) and, later, Flatex Bank AG (Germany) to identify the beneficial holder of 5.27% of the shares on issue in the Company. Both of the above entities sit below the registered shareholder of these shares, JP Morgan Australia Nominees Pty Limited.

The Tracing Notices identified Mr Axel Sartingen (a resident of Germany) and his controlled entity Milaco GmbH as the holder of these shares.

Messrs Hoertlehner (a resident of Panama), Roes (a resident of Hong Kong) and Sartingen are on the supervisory board of Gamigo AG. Mr Hoertlehner was nominated by Mr JL Bennett on two occasions to become a director of the Company and Mr Roes is a director of ASEAN Deep Value Fund. Mr Hoertlehner holds 0.8% of the shares on issue in the Company, PET (an entity controlled by Mr JL Bennett) holds 3% of the shares on issue in the Company and ASEAN Deep Value Fund holds 15.01% of the shares on issue in the Company.

The Company abandoned its legal action and negotiated with the parties it alleged had a relevant interest each other's shares settlement of costs.

- (c) Deeds of Settlement have been executed. The Company cannot issue any Shares or Options under the Deeds of Settlement without shareholder approval due to its obligations to comply with the ASX ruling on the Company's breach of Listing Rule 7.1 and accordingly, Resolutions 14 and 15 reflect the obligations of the Company.

In addition to the financial settlement, the parties referred to in Section 1.3(a) have agreed that on approval of the financial settlement by shareholders:

- no party will directly or indirectly take any steps to appoint or remove a director of the Company (or support or encourage any shareholder or director to appoint or remove) where under the Corporations Act, Company's Constitution or otherwise;
- any existing requisitions or nominations to appoint directors will be deemed withdrawn; an

- no party will disparage or criticise any other party or its officers in a public forum, including without limitation on social media.

Further, following shareholder approval of resolutions 14 and 15:

- the Company will release each of the parties referred to in Section 1.3(a) and their directors and officers from all claims which it has or would or might have against the parties; and
- the parties referred to in section 1.3(a) release and discharge the Company, directors and officers from all claims which they have or would or might have against the Company, its directors and its officers,

1.4 Focus on Company Assets to increase Shareholder value

- (a) The Company remains focused on its primary uranium mining asset in Mauritania.
- (b) Further to this, the Company commenced a process during the financial year to spin-off its gold assets in Mauritania. In July 2020, the Company announced a proposed transaction. The proposed transaction effectively values the gold assets at C\$9 million and therefore, at a significant premium to the costs incurred by the Company in assembling very prospective ground in Mauritania.
- (c) Moreover, the Company implemented a number of cost savings measures with a reduction in the number of consultants contracted to the Company, contract-employees terms and conditions in Australia, Mauritania and Sweden.
- (d) Non-executive directors have deferred emoluments and outstanding obligations to consultants and contract employees were extinguished by way of the issue of shares and escrowed for 24 months. With the northern hemisphere entering its winter the Company remains cautious on how best to advance its projects in these times of Covid-19 and accordingly, believes that the focus on advancing and listing its gold assets provides the best short-term opportunity until mid-2021 whilst aiming to increase Shareholder value.

2. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.auraenergy.com.au.

3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind Company or the directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Directors and senior management. The Remuneration Report is part of the directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Meeting.

3.2 Voting consequences

The Company is required to put to its Shareholders a resolution proposing the calling of another meeting of Shareholders to consider the appointment of directors of the Company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a Shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the Company is approved will be the directors of the Company.

3.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were greater than 25%.

4. RESOLUTION 2 – CONDITIONAL SPILL RESOLUTION

4.1 Corporations Act

The Corporations Act requires that a spill resolution be included in the Notice of Meeting where:

- (a) The Remuneration Report at the previous Annual General Meeting of the Company (which was held on 18 November 2019) received at least 25% of the "no" votes; and
- (b) At the following Annual General Meeting (this meeting to be held on 17 March 2021) the Remuneration Report receives at least 25% of the "no" votes.

4.2 Spill Meeting

If a Spill Meeting is held, pursuant to section 250V(1)(b)(i) of the Corporations Act, the directors who will cease to hold office immediately before the end of the Spill Meeting (unless they resign before the Spill Meeting) will be:

Dr R Beeson
Mr JL Bennett
Mr RC Craigie
Mr PD Heber
Mr JC Perkins

The above directors have agreed to resign as director immediately following the end of this Annual General Meeting on 17 March 2021 and therefore, do not seek re-election. In such circumstances, the Spill Meeting will not be required.

5. RESOLUTION 3 - CONSOLIDATION OF SECURITIES

- (a) Resolution 3 is an ordinary resolution which seeks to approve the alteration of the Company's share capital by consolidating its existing Shares and Options on a basis of one (1) new Share (or Option) for every 13 (thirteen) Shares (or Options) held (**Consolidation**). The record date for determining the Consolidation will be 22 March 2021. Any fractional entitlements as a result of the Consolidation will be rounded down to the nearest whole number.
- (b) The Consolidation of Shares requires approval for the purposes of section 254H of the Corporations Act by way of an ordinary resolution, meaning that at least fifty percent (50%) of votes must be cast in favour of the Resolution in order for it to be passed.

5.1.2 Section 245H of the Corporations Act

- (a) Section 254H of the Corporations Act enables a company to convert all of its ordinary securities into a smaller number of securities by a resolution passed at a general meeting. The conversion proposed by Resolution 3 is permitted under section 254H of the Corporations Act.
- (b) The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

The Company has a significant number of shares on issue and, the Recapitalisation Proposal set out in this Notice of meeting will result in a significant of new shares being issued to enable the Company to advance its exploration projects. The board of directors believe the Consolidation of Shares and Options will provide the best platform for the Company to advance its exploration projects in Mauritania and Sweden. Further, the Consolidation of Shares and Options will adjust the capital structure in a manner that will align the Company's share structure with its peers on the ASX and the AIM. The Consolidation of Shares and Options should result in a share price level that is more attractive to a wider range of investors and particularly, for institutional investors and large sophisticated and professional investors. These investors look for reduced share price volatility as the minimum permissible share price movement permitted on the ASX (presently 0.5 cents for the Company) will represent a small proportion of the Company's market capitalisation.

The Company will need significantly more new equity in future years to advance its projects to development and the Consolidation of Shares and Options provides the basis for the commencement of this process.

- (c) By way of example, a Shareholder currently holding 130,000 Shares will hold 10,000 Shares as a result of the Consolidation.
- (d) The Company's balance sheet and tax position will remain unaltered as a result of the Consolidation. However, the Company's issued capital will be reduced from 2,557,535,966 Shares to approximately 196,733,536 Shares (subject to rounding) as a result of the Consolidation. Further, the Company will consolidate outstanding options over ordinary shares on the same basis as the consolidation of shares with the number of Options on issue reduced from 94,104,161 Options to approximately 7,238,782 Options.
- (e) After the Consolidation becomes effective, the Company will arrange for new holding statements for the Shares to be issued to Shareholders.

5.1.3 Shares

The Company's issued share capital and options on issue as a result of the Consolidation on basis of one (1) new Share (or Option) for every 13 (thirteen) Shares (or Options) held will be as follows (subject to rounding):

	Pre-Consolidation	Post-Consolidation
Shares on Issue	2,557,535,966	196,733,536
Options on Issue	94,104,161	7,238,782

5.1.4 Options pricing

The exercise price of Options as a result of the Consolidation of Shares and Options on a 1 new Option for every 13 Options held basis will be as follows:

Grant date	Expiry date	Pre-Consolidation No/Price	Post-Consolidation No/Price
30 April 2019	30 April 2022	62,500,000 \$0.016	4,807,692 \$0.208
23 June 2019	31 August 2021	11,604,161 \$0.022	892,628 \$0.286
18 Nov 2019	18 Nov 2022	20,000,000 \$0.00754	1,538,462 \$0.0980

5.1.5 Holding Statements

Following the Consolidation, all holding statements for existing Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares (on a post-Consolidation basis). After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares and Options to be issued to Shareholders.

5.1.6 Timetable

Subject to approval by shareholders of 1 to 17, the Consolidation of Shares and Options is a key term of the Recapitalisation Proposal and will take effect as follows:

Event	Business Day
Announcement of Consolidation of shares	12 Feb 2021
Notification to ASX that the Share Consolidation is approved	17 Mar 2021
Last day of trading for pre-Consolidation shares	17 Mar 2021
Record date for register update	22 Mar 2021
Despatch of Consolidation holding statements to each security holder	29 Mar 2021

5.2 Recapitalisation Proposal

Section 1.1(d) sets out the actions to be undertaken by the Company and the board of directors to realise the Recapitalisation Proposal. The Recapitalisation Proposal is an “all-inclusive” set of actions proposed by the board of directors and the nominated new directors to create shareholder value through the advancement of the mining projects held by the Company.

The board of directors, in discussions with the nominated new directors, believe that the approval of all resolutions establishes an environment where the Company can focus on advancement of its mining projects with new working capital to enable a Rights Issue to be undertaken as well as extinguish a number of legacy issues surrounding outstanding obligations to directors and other parties and the withdrawal of litigation issues between the Company and certain shareholders.

The Consolidation of shares has the potential to broaden the base of investors through reduction in volatility in price movements.

5.3 Implications of resolution not being approved

If the resolution is not approved, a key term of the Recapitalisation Proposal will be undermined, and this may have implications for the achieve of the goals of the Recapitalisation Proposal through the attraction of institutions and sophisticated and professional investors to provide new equity. More importantly, the raising of new equity via the Share Placements (subject to approval in this Notice of Meeting) and the Rights Issue (proposed to after this Meeting) form a fundamental requirement for the Company to apply to the ASX for readmission to the Official List.

5.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders approve this Resolution.

6. RESOLUTION 4 – ELECTION OF DIRECTOR – MARTIN ROGERS

6.1 General

The Constitution of the Company and ASX Listing Rule 14.3 provides for the election of eligible persons to be Directors of the Company. Mr Rogers has been nominated by the Board to be elected as Director of the Company

A seasoned fund manager, Martin Rogers has spent decades in investment markets. He is an experienced entrepreneur and investor in all aspects of deal origination, due diligence, operations management and financial execution.

Mr Rogers has Chemical Engineering and Computer Science degrees and has a depth of experience in incubating companies and publicly listed organisations. Mr Rogers has backed founders who are building remarkable businesses and work with them to make it a reality.

6.2 Qualifications and other material directorships

B. Engineering(Chemical), B. Science(Comp), RG146 Managed Investments

Chief Investment Officer, KTM Ventures Innovation Fund LP

Chairman of Investment Committee, Spring Capital Investment

6.3 Independence

If elected, the Board considers Mr Rogers will be an independent director.

6.4 Board recommendation

The Board supports the election of Mr Rogers and recommends that Shareholders vote in favour of this Resolution.

Note that for the purpose of complying with the AIM Listing requirements, this appointment will also be subject to satisfactory due diligence being completed by the Company's nominated advisor.

7. RESOLUTION 5 – ELECTION OF DIRECTOR – PETER WARD

7.1 General

The Constitution of the Company and ASX Listing Rule 14.3 provides for the election of eligible persons to be Directors of the Company. Mr Ward has been nominated by the Board to be elected as Director of the Company.

Mr Ward holds Bachelor of Business (Banking & Finance) from Monash University and has over 30 years' experience in financial services and capital markets. He is currently Executive, Corporate Broking at PAC Partners which is a leading advisory, equity capital markets and research house focused on emerging and mid-cap companies with a strong track record in the resources sector.

Peter's Australian investment banking experience and knowledge of the Company's projects and shareholders will assist the Board as Aura embarks on the advancement of its key projects.

7.2 Qualifications and other material directorships

Mr Ward holds Bachelor of Business (Banking & Finance) from Monash University and has over 30 years' experience in financial services and capital markets.

7.3 Independence

If elected, the Board considers Mr Ward will be an independent director.

7.4 Board recommendation

The Board supports the election of Mr Ward and recommends that Shareholders vote in favour of this Resolution.

Note that for the purpose of complying with the AIM Listing requirements, this appointment will also be subject to satisfactory due diligence being completed by the Company's nominated advisor.

8. RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARES UNDER THE REPLACEMENT CONVERTIBLE NOTE AND FOLLOW-ON REPLACEMENT CONVERTIBLE NOTE TO CONVERT THE AMOUNT OUTSTANDING

8.1 Agreement

- (a) The Company entered into a convertible note agreement dated 30 April 2019 with Lind Global Macro Fund LP (**Noteholder**) (an unrelated third party and existing shareholder) pursuant to which the Company issued a convertible note with a face value of \$2,400,000 to the Noteholder (**Original Convertible Note**). Under the Original Convertible Note, the Noteholder advanced the principal amount of \$2,000,000 to the Company, subject to certain conditions precedent being satisfied
- (b) On 19 June 2019, the Company secured Shareholder approval for the issue to the Noteholder of a replacement convertible security note (Replacement Convertible

Note) on the same terms as those set out in the Original Convertible Note issued on 30 April 2019 (June Meeting).

- (c) On 18 November 2019 (Variation Date), the Company entered into a deed of variation with the Noteholder to modify the Original Convertible Note to permit the Noteholder to lend a second advance of \$350,000 in consideration for the issuance of a convertible security with a face value of \$420,000 (**Original Follow-On Convertible Note**). Other than the terms of the Original Follow-On Convertible Note outlined below, the terms of the Original Convertible Note remain the same.
- (d) On 31 January 2020, the Company secured Shareholder approval for the issue to the Noteholder of a replacement convertible security note (**Follow-on Replacement Convertible Note**) on the same terms as those set out in the Original Convertible Note issued on 18 November 2019 (January Meeting).
- (e) The Company and each of its wholly owned subsidiaries have secured the Company's obligations under the Agreement. This means that if the Company is unable to repay its payment obligations, the Noteholder may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration.
- (f) As at the date of this Notice, the Noteholder has advanced the Company the full drawdown amount of \$2,350,000 (face value \$2,820,000). As at the date of this Notice of Meeting, the Noteholder has converted 2,091,667 notes into fully paid ordinary shares with a face value of \$2,510,000. The difference between the face value of both the Replacement Convertible Note and the Follow-on Replacement Convertible Note (\$2,820,000) and the face value of convertible notes converted into fully paid ordinary shares as at the date of the Meeting (\$2,510,000) is \$310,000.
- (g) The number of convertible notes outstanding is 258,333 with a face value of \$310,000.
- (h) In any calendar month the Noteholder may convert up to \$100,000 worth of Shares under the Replacement Convertible Note and adjusted to \$125,000 worth of Shares under the Follow-On Replacement Convertible Note, at the Monthly Conversion Price however, this limit can be exceeded during a Market Capitalisation Conversion Price Period pursuant (as defined below) to CI 5.2(g). A Market Capitalisation Conversion Price Period:
 - (a) It starts when the market capitalisation is less than A\$9,000,000 for five (5) consecutive Trading Days; and
 - (b) It ends when the market capitalisation is subsequently more than A\$9,000,000 for five (5) consecutive Trading Days (after the end of the fifth consecutive Trading Day on which this occurs).

The funds available under the Replacement Convertible Note and the Follow-on Replacement Convertible Notes were drawdown, in full, on 2 May 2019 and 20 November 2019, respectively. As stated above, the amount outstanding represents the residual convertible notes that have not been converted in fully paid ordinary shares.

A review by the ASX of the disclosures made by the Company in relation to the Replacement Convertible Note and the Follow-on Replacement Convertible Note concluded that the Company did not adequately disclose the Market Capitalisation Price Period definition set out in Section 8.1(h) above and its implications on the quantum of convertible notes that could be converted into Shares at any time once the Market Capitalisation Price period was triggered. The ASX concluded that the Company was in breach of Listing Rule 7.1 as a result of the conversion of

convertible notes from the utilisation of the Noteholder of the Market Capitalisation Conversion Price Period.

There are 258,333 convertible notes with a face value of \$310,000 outstanding as at the date of this Meeting.

8.2 Conversion of outstanding notes by the Noteholder

The Noteholder has informed the Company that it intends to convert up to 155,000,000 Shares (on a pre-Consolidation basis) or 11,923,077 Shares (on a post-Consolidation basis) outstanding at the Rights Issue Price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis) as part of the Recapitalisation Proposal. The issue of 11,923,077 Shares at the Rights Issue Price will exceed \$125,000 permitted and set out in section 8.1(h) above and therefore, a waiver to the \$125,000 maximum amount conversion in any calendar month is sought from shareholders. The Shares to be issued to the Noteholder will be issued within three months from the date of this Meeting.

8.3 Collateral Shareholding

During the term of the Agreement, the Noteholder:

- (a) may sell, assign, mortgage or otherwise deal with the Collateral Shareholding at its discretion (for the avoidance of doubt, this will have no effect on the Collateral Shareholding amount unless they are collateralised in accordance with the formula set out (ii) below; and
- (b) may elect to reduce, in whole or in part, the Collateral Shareholding, at any time, by paying the consideration (Collateralisation Price) for the nominated amount to be collateralised. The Collateralisation Price is determined by the following formula:

$C = A \times B$ where:

A = the portion of the Collateral Shareholding the Noteholder seeks to reduce; and

B = the price per Share equal to 90% of the average of 5 VWAPs per Share in the 20 consecutive trading days immediately prior to the date of collateralisation, as selected at the Noteholder's discretion.

- (c) As at the Maturity Date, notwithstanding the manner in which the Noteholder deals with the Collateral Shareholding, the Noteholder will be deemed to hold the Collateral Shareholding amount of the Collateral Shares less any amount that has been collateralised in accordance with the process set out in this Section 5.3.
- (d) For example, if the Noteholder elects to reduce its Collateral Shareholding from 58,750,000 by 5,000,000 Shares and on the basis that the Noteholder does not elect to carry out additional collateralisations during the term, the Noteholder's Collateral Shareholding will be 53,750,000 Shares at the Maturity Date. The 53,750,000 Shares shall be dealt with in accordance with the process set out in the next Section.
- (e) If the Noteholder has not collateralised all of the Collateral Shareholding by the Maturity Date and the Company has satisfied its repayment obligations, the Noteholder must:
 - (a) transfer that number of Shares comprising the Collateral Shareholding to the Company for no consideration to or at the direction of the Company; or
 - (b) subject to the Shares trading on ASX on the relevant day and trading for at least 5 trading days prior to payment, pay the Company in immediately

available funds an amount equal to the outstanding Collateral Shareholding number multiplied by the Collateralisation Price.

- (f) The Noteholder has been issued a total of 50,000,000 Collateral Shares (on a pre-consolidation basis) on 30 April 2019 (with shareholder approval on 19 June 2019) or 3,846,154 Collateral Shares (on a post-Consolidation basis) and 8,750,000 Collateral Shares on 18 November 2019 (with shareholder approval on 31 January 2020) (on a pre-Consolidation basis) or 673,077 Collateral Shares (on a post-Consolidation basis).
- (g) If the Noteholder elects transfer the Collateral Shareholding to the Company on conversion of the amount outstanding as at the date of this Notice of Meeting the maximum number of Shares that the Company will issue the Noteholder will be 96,250,000 Shares (on a pre-Consolidation basis) or 7,403,846 Shares (on a post-Consolidation basis) which is arrived at by deducting from the number of Shares to be issued on conversion of the face value of the Replacement Convertible Note and the Follow-on Replacement Convertible Note (155,000,000 Shares on a pre-Consolidation basis) (or 11,923,077 Shares on a post-Consolidation basis)). The total number of Collateral Shares held at the date of this meeting is 58,750,000 Shares (on a pre-Consolidation basis) or 4,519,231 Shares on a post-Consolidation basis.
- (h) The Company seeks Shareholder approval for the issue of up to 155,000,000 Shares on a pre-Consolidation basis or 11,923,077 Shares on a post-Consolidation basis by way of a waiver to the maximum amount of conversion of convertible notes in any calendar month in order to convert all Convertible Notes outstanding into fully paid ordinary Shares.
- (i) If shareholders do not approve this Resolution the Noteholder is entitled to declare the Company in default of the Replacement Convertible Note and the Follow-on Convertible Note and request repayment, in full, by way of a cash settlement.

8.4 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. As a result, the Company cannot refresh its placement capacity under Listing Rule 7.1 until 30 June 2022.

As stated above, a review by the ASX of the disclosures made by the Company in relation to the Replacement Convertible Note and the Follow-on Replacement Convertible Note concluded that the Company did not adequately disclose the Market Capitalisation Price Period definition set out in section 8.1(h) above and its implications on the quantum of convertible notes that could be converted into Shares at any time once the Market Capitalisation Price period was triggered. The ASX concluded that the Company was in breach of Listing Rule 7.1 as a result of the conversion of convertible notes from the utilisation of the Noteholder of the Market Capitalisation Conversion Price Period.

8.5 Additional information required by Listing Rule 7.3

The following information is provided in order for the Company confirm the ability of the Company to issue shares on the conversion of the outstanding convertible notes under the Replacement Convertible Note and Follow-On Replacement Convertible Note:

- (a) the maximum number of securities to be issued on conversion of the amount outstanding is 155,000,000 Shares (on a pre-Consolidation basis) or 11,923,077 Shares (on a post-Consolidation basis) at the with the Shares issued at \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation Shares);

- (b) the Noteholder is entitled to the convertible notes under the Replacement Convertible Note and the Replacement Follow-on Convertible Note into Shares at the conversion price equal to the lower of:
 - (a) the Fixed Price; or
 - (b) up to \$125,000 worth of Shares at the Monthly Conversion Price;
- (c) this Resolution is to confirm the Capacity of the Company to issue Shares under the Replacement Convertible Note and the Follow-on Replacement Convertible Note and waiver the conversion limits set out in the Replacement Follow-on Convertible Note and therefore, extinguish all the outstanding convertible notes (\$310,000);
- (d) the Replacement Convertible Note and Follow-on Convertible Note is held by Lind Global Macro Fund, LP;
- (e) Shares issued on conversion of the Replacement Convertible Note and the Follow-On Replacement Convertible Note will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue;
- (f) funds have been drawdown to fund exploration activities between May 2019 and November 2019;
- (g) the approval of the issue of Shares set out in the Resolution will be the date of the Meeting; and
- (h) a voting exclusion statement is included in this Notice.

8.6 Implications of the resolution not being approved

If shareholders do not approve the resolution, a key term of the Recapitalisation Proposal would be undermined, and the Noteholder will be entitled to convert the outstanding convertible notes in accordance with Section 8.5(b) rather than a single conversion which is envisaged by this Resolution as the single conversion exceeds the limits set in Section 8.5(b).

8.7 Directors Recommendation

The Directors unanimously recommend that Shareholders approve this Resolution.

9. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF OPTIONS

9.1 General

- (a) On 15 January 2020, the Company completed the January 2020 Placement of Shares and Options to sophisticated and professional investors in Australia and the equivalent of sophisticated and professional investors in the United Kingdom (or their respective nominees).
- (b) Under the January 2020 Placement the Company issued 105,416, 664 Shares (on a pre-Consolidation basis) or 8,108,974 Shares (on a post-Consolidation basis) and agreed to issue, subject to Shareholder approval, 52,708,332 free-attaching Options (on a pre-Consolidation basis) or 4,054,487 free-attaching Options (on a post-Consolidation basis) at \$0.008 per Option (on a pre-Consolidation basis) or \$0.104 per Option (on a post-Consolidation basis) with an expiry date of 2 years from the date of issue.
- (c) Resolution 7 seeks Shareholder approval for the issue of the above Options.

9.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. The approval of this resolution does not enable the Company to refresh its placement capacity for the issue to Subscribers to the Share Placement options pursuant to the terms and conditions of the Share Placement Subscription Deed.

9.3 Additional information

The following information is provided to Shareholders in relation to Resolution 7:

- (a) Maximum number of securities the entity is to issue

52,708,332 free-attaching Options (on a pre-Consolidation basis) or 4,054,487 free attaching Options (on a post-Consolidation basis).

- (b) Date by which the entity will issue the securities

The Options will be issued to sophisticated and professional investors shortly after the Meeting. In any event, however, no Shares will be issued to sophisticated and professional investors later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Options will be issued for nil cash consideration in connection with the January 2020 Placement.

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

(a) Klip Pty Ltd 16,666,666 Options (on a pre-consolidation basis) or 1,282,051 Options (on a post-Consolidation basis);

(b) Lind Global Macro Fund LP 3,333,334 Options (on a pre-consolidation basis) or 256,410 Options (on a post-Consolidation basis);

(c) Rotherwood Enterprises Pty Ltd 11,111,111 Options (on a pre-consolidation basis) or 854,701 Options (on a post-Consolidation basis);

(d) Yarandi Limited 4,444,445 Options (on a pre-consolidation basis) or 341,880 Options (on a post-Consolidation basis); and

(e) Clients of SP Angel Corporate Finance LP pursuant to Depositary Interests on the Alternative Investment Market 17,152,777 Options (on a pre-Consolidation basis) or 1,319,444 Options (on a post-Consolidation basis).

- (e) Terms of the securities

The Options will be each exercisable at \$0.008 per Option (on a pre-Consolidation basis) or \$0.104 per Option (on a post-Consolidation basis), expiring two years from the date of issue and otherwise were issued on the terms and conditions of the January 2020 Placement and the Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares.

- (f) Intended use of the funds raised

Working capital.

9.4 Implications of resolution not being approved

If Shareholders do not approve this resolution the Company would be in breach of the offer terms set out in the Subscription Deed with investors entitled to some form of compensation. It is important to note that all parties to the Settlement (see Resolutions 14 and 15) as well as Lind Global Macro Fund LP have agreed to vote in favour of all resolutions to be put to shareholders at the Annual General Meeting and therefore, the rejection of this resolution is highly unlikely to occur.

9.5 Directors Recommendation

The Directors unanimously recommend that Shareholders approve this Resolution.

10. RESOLUTION 8 – APPROVAL FOR ISSUE OF OPTIONS

10.1 General

- (a) On 18 March 2020, the Company completed the March 2020 Placement of Shares and Options to sophisticated and professional investors in Australia (or their respective nominees).
- (b) Under the March 2020 Placement the Company issued 50,000,000 Shares (on a pre-Consolidation basis) or 3,846,154 Shares (on a post-Consolidation basis) and agreed to issue, subject to Shareholder approval, 25,000,000 free-attaching Options (on a pre-Consolidation basis) or 1,923,077 free-attaching Options (on a post-Consolidation basis) at \$0.008 per Option (on a pre-Consolidation basis) or \$0.104 per Option (on a post-Consolidation basis) with an expiry date of 2 years from the date of issue (the **March 2020 Placement**).
- (c) Resolution 8 seeks Shareholder approval for the issue of the above Options.

10.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. The approval of this resolution does not enable the Company to refresh its placement capacity for the issue to Subscribers to the Share Placement options pursuant to the terms and conditions of the Share Placement Subscription Deed.

10.3 Additional information

The following information is provided to Shareholders in relation to Resolution 8:

- (a) Maximum number of securities the entity is to issue

25,000,000 free-attaching Options (on a pre-Consolidation basis) or 1,923,077 free attaching Options (on a post-Consolidation basis).
- (b) Date by which the entity will issue the securities

The Options will be issued to sophisticated and professional investors shortly after the Meeting. In any event, however, no Shares will be issued to sophisticated and professional investors later than 3 months after the Meeting, (or any such longer period permitted by ASX).
- (c) Issue price of the securities

The Options will be issued for nil cash consideration in connection with the March 2020 Placement.

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

Klip Pty Ltd and Rotherwood Enterprises Pty Ltd (or their respective nominees).

- (e) Terms of the securities

The Options will be each exercisable at \$0.008 per Share (on a pre-Consolidation basis) or \$0.104 (on a post-Consolidation basis), expiring two years from the date of issue and otherwise were issued on the terms and conditions of the March 2020 Placement and the Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares.

- (f) Intended use of the funds raised

Working capital.

10.4 Implications of the resolution not being approved

If Shareholders do not approve this resolution the Company would be in breach of the offer terms set out in the Subscription Deed with investors entitled to some form of compensation. It is important to note that all parties to the Settlement (see Resolutions 14 and 15) as well as Lind Global Macro Fund LP have agreed to vote in favour of all resolutions to be put to shareholders at the Annual General Meeting and therefore, the rejection of this resolution is highly unlikely to occur.

10.5 Directors Recommendation

The Directors unanimously recommend that Shareholders approve this Resolution.

11. RESOLUTIONS 9 AND 10 – APPROVAL FOR THE ISSUE OF SHARES TO DIRECTORS

11.1 General

- (a) The Company has accrued non-executive directors' emoluments since 1 July 2019 for Mr Beeson and Mr Perkins, 6 January 2020 for Mr Bennett and 8 May 2020 Messrs RC Craigie and PD Heber. The amounts due to non-executive directors will total \$266,870 by mid March 2021 and the settlement forms part of the Recapitalisation Proposal.
- (b) Dr R Besson and Messrs JL Bennett, RC Craigie, PD Heber and JC Perkins have agreed to retire at the end of this Meeting and accordingly, the amounts outstanding are required to be settled. These retiring directors (with the exception of Paul Heber who maintains status as an independent director for AIM purposes) have agreed, subject to Shareholder approval, to have outstanding emoluments extinguished by way of the issue of fully paid ordinary shares in the Company and for those shares to being voluntary escrowed for 24 months from the date of issue.
- (c) Emoluments and remuneration for the non-executive directors and the Executive Chairman have accrued over the previous 18 months as result of the limited capacity of the Company to raise new equity due, in part, to shareholder disputes and the requisitioning by shareholders of s.249D shareholder meetings and, in part, to poor equity raising conditions (including the impact of the coronavirus pandemic and continuing low uranium prices).
- (d) The existing directors have agreed to retire as directors of the Company in order to enable the Company to move forward without shareholder disputes and create value for shareholders through the Company applying for readmission to the Official List,

- (e) The amounts due to each director is set out in the Table:

Notes

The amounts disclosed as due to the directors for the financial year ended 30 June 2020 represent the amounts disclosed in the 2020 Remuneration Report and audited by Bentleys Audit & Corporate (WA) Pty Ltd.

The amounts disclosed as due to the directors for the financial period 1 July 2020 to mid March 2021 represent the amounts accrued for the seven months to mid March 2021

Mr BF Fraser resigned as a director on 18 November 2019; however, the amount due to Mr Fraser for his period as a director of the Company (1 July 2019 to 18 November 2019) for the financial year ended 30 June 2020 remains outstanding as at the date of this Meeting (see 2020 Remuneration Report).

The amounts due to directors (as well as Mr BF Francis) represent entitlements set out in their respective Letters of Appointment and therefore, are reasonable benefits.

- (f) The Company and Mr PD Reeve executed a Contract of Employment on 9 February 2015. Under this Contract of Employment Mr Reeve was entitled to remuneration of \$450,000 comprising \$350,000 in cash salary and \$100,000 in share-based payments. On 2 November 2017, the Company and Mr Reeve amended the Contract of Employment (see 2018 Remuneration Report) with the share-based payments component of his remuneration converted to a cash salary with the cash salary being \$450,000.

On 13 November 2019, the Company informed the market that it had implemented a cost reduction programme (see ASX Announcement, dated 13 November 2020). As part of this cost reduction programme the Company and Mr Reeve agreed to a temporary reduction in his remuneration to \$280,000 plus \$25,000 in superannuation.

The Company has accrued remuneration due to Mr Reeve from 1 May 2020 to 31 December 2020. The total remuneration due to Mr Reeve by balance date 31 December 2020 is \$207,801 in salary (based on a revised annual remuneration of \$280,000 plus superannuation agreed as part of the cost reduction programme) and \$31,807 in superannuation (including a carryover amount from the 2019 financial year of \$6,807. In addition, Mr Reeve has accrued annual leave entitlements of \$121,376 in annual leave (accumulated from 9 February 2015).

As part of the Recapitalisation Programme, Mr Reeve has agreed to enter into a side letter with the Company to reduce his remuneration to \$200,000 (inclusive of superannuation) and to set his without cause termination entitlements to \$225,000. Further, Mr Reeve has agreed to:

- (a) The issue of 50,000,000 Shares in the Company, for \$100,000 of remuneration in part settlement of the amount due to him as at 31 December 2020 with the shares subject to a voluntary escrow of 24-months;
- (b) The payment of \$50,000 in cash on completion of the proposed Rights Issue in part settlement of the amount due to him as at 31 December 2020; and
- (c) The payment of the balance of remuneration and annual leave entitlements in cash following the raising by the Company of \$10,000,000 in cash and/or Shares.

The Company and Mr Reeve will negotiate an incentive scheme of a combination of shares and options within six months of the completion of the Recapitalisation Proposal.

- (g) Resolutions 9 and 10 seek Shareholder approval for the issue of the above Shares

11.2 Chapter 2E of the Corporations Act

- (a) For a public company to give a financial benefit to a related party of the public company, the public company must:
 - (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
 - (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.
- (b) The issue of the Remuneration Shares constitutes giving a financial benefit as the Non-Executive Directors are related parties of the Company by virtue of being Directors.
- (c) The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Remuneration Shares pursuant to section 208 of the Corporations Act.

11.3 Listing Rule 10.11

- (a) The Company is proposing to issue the Remuneration Shares to the Directors in lieu of fees (**Issue**). Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:
 - (a) 10.11.1 a related party;
 - (b) 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
 - (c) 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
 - (d) 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
 - (e) 10.11.5 a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Shareholders,

unless it obtains the approval of its Shareholders. The Issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.
- (b) Resolutions 9 and 10 seek the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.
- (c) Approval under Listing Rule 7.1 is not required as Shareholder approval is sought under Listing Rule 10.11. Accordingly, the issue of the Remuneration Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

11.4 ASX Listing Rule and Corporations Act Disclosures

- (a) The following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, specifically 10.13.2, 10.13.5 and 10.13.8.
- (b) The following person will be given securities under Resolutions 9 and 10 respectively:
 - (a) Up to 34,675,000 Shares (on a post-Consolidation basis) or up to 2,667,308 Shares (on a post-Consolidation basis) to Robert Beeson (or his respective nominees) for the period 1 July 2020 to *mid* March 2021;
 - (b) Up to 34,675,000 Shares (on a post-Consolidation basis) or up to 2,667,308 Shares (on a post-Consolidation basis) to Julian Perkins (or his respective nominees) for the period 1 July 2020 to *mid* March 2021;
 - (c) Up to 23,725,000 Shares (on a post-Consolidation basis) or up to 1,825,000 Shares (on a post-Consolidation basis) to John Bennett (or his respective nominees) for the period 6 January 2020 to *mid* March 2021;
 - (d) Up to 15,955,000 Shares (on a post-Consolidation basis) or up to 1,227,308 Shares (on a post-Consolidation basis) to Robert Craigie (or his respective nominees) for the period 8 May 2020 to *mid* March 2021; and
 - (e) Paul Heber will not be issued equity in relation to his outstanding remunerations as he maintains his independence for AIM purposes;
 - (f) Up to 8,460,000 Shares (on a pre-Consolidation basis) or up to 650,769 Shares (on a post-Consolidation basis) to Brett Fraser for the period 1 July 2019 to 18 November 2019; and
 - (g) Up to 50,000,000 Shares (on a post-Consolidation basis) or up to 3,846,154 Shares (on a post-Consolidation basis) to Peter Reeve (or his respective nominees) in part settlement of amounts due to Mr Reeve for remuneration from 1 May 2020 to 31 December 2020.
- (c) The persons receiving securities per Resolutions 9 and 10 are Directors of the Company and are therefore a related party under ASX Listing Rule 10.11.1 and/or under ASX Listing Rule 10.11.4 an associate of a person referred to in ASX Listing Rule 10.11.1.
- (d) Pursuant to ASX Listing Rule 10.13.5 the date or dates on which all securities to be issued under Resolutions 9 and 14 will be no later than one month after the date of the Meeting, that is no later than 29 February 2021.
- (e) The Shares will be offered at an issue price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 (on a post-Consolidation basis). The total value of the shares issued to non-executive director totals \$266,870 (including a previous non-executive director) and under the Constitution the maximum amount allocated to remunerate non-executive directors in a financial year is \$300,000. The maximum amount of remuneration was approved at the annual general meeting on 30 November 2017.
- (f) ASX Listing Rule 10.13.8 states that if the person is a director of the Company and therefore a related party under ASX Listing Rule 10.11.1 and the issue of Shares is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package is to be outlined. This information is outlined as per below:

- (a) The Company and Mr PD Reeve executed a Contract of Employment on 9 February 2015. Under this Contract of Employment Mr Reeve was entitled to remuneration of \$450,000 comprising \$350,000 in cash salary and \$100,000 in share-based payments. On 2 November 2017, the Company and Mr Reeve amended the Contract of Employment (see 2018 Remuneration Report) with the share-based payments component of his remuneration converted to a cash salary with the cash salary being \$450,000.

On 13 November 2019, the Company informed the market that it had implemented a cost reduction programme (see ASX Announcement, dated 13 November 2020). As part of this cost reduction programme the Company and Mr Reeve agreed to a temporary reduction in his remuneration to \$280,000 plus \$25,000 in superannuation.

As part of the Recapitalisation Proposal, Mr Reeve has agreed to enter into a side letter with the Company to reduce his remuneration to \$200,000 (inclusive of superannuation) and to set his without cause termination entitlements to \$225,000. Further, Mr Reeve has agreed to:

- (a) the issue of 50,000,000 Shares in the Company, for \$100,000 of remuneration in part settlement of the amount due to him as at 31 December 2020 with the shares subject to a voluntary escrow of 24-months;
 - (b) the payment of \$50,000 in cash on completion of the proposed Rights Issue in part settlement of the amount due to him as at 31 December 2020; and
 - (c) the payment of the balance of remuneration and annual leave entitlements in cash following the raising by the Company of \$10,000,000 in cash and/or Shares.
- (a) The Company and Mr Reeve will negotiate an incentive scheme of a combination of shares and options within six months of the completion of the Recapitalisation Proposal with the agreed incentive scheme to be put to shareholders prior to the issue of any Shares or Options under the agreed incentive scheme. Non-executive directors are entitled under Letters of Appointment to \$40,000 per year in remuneration plus superannuation at 9.5%; and
- (b) The amount due to Messrs JL Bennett, RC Craigie, BF Fraser and PD Heber reflects remuneration from the period of appointment.
- (d) The relevant interests of the related parties in securities of the Company following the passing of Resolutions 9 and 10 is outlined in Section 11.5 below.
- (e) No funds will be raised from the issue of Shares in Resolutions 9 and 10. The securities to be issued to the Directors are being issued in lieu of cash remuneration. Please see Section 11.5 for further information.
- (f) The securities to be issued to the Directors (or their respective nominees) are not being issued under an agreement.
- (g) The securities to be issued to the Directors (or their respective nominees) will be subject to escrow 24 months from the date of issue.
- (h) A voting exclusion statement has been included for the purposes of Resolutions 9 and 10.

11.5 Reasons for Issue of Securities to Directors

In order to preserve cash reserves, the Company is seeking approval to issue Shares to PD Reeve, R Beeson, JL Bennett, RC Craigie, BF Fraser, PD Heber and JC Perkins (and/or their respective nominees) in lieu of remuneration and emoluments for their services to the Company. The Directors believe that this form of remuneration is beneficial to the Company's operation and is reasonable given the Company's position.

11.6 Effect of Issue of Securities on Interests of Directors (excluding BF Fraser who resigned on 18 November 2019)

Pre Consolidation	PD Reeve	R Beeson	J Bennett	RC Craigie	PD Heber	JC Perkins	Total
Current holding	44,748,304	5,949,437	76,600,000	-	-	3,799,490	131,097,231
Resolution 9	-	34,675,000	23,725,000	15,955,000	-	34,675,000	109,030,000
Resolution 10	50,000,000	-	-	-	-	-	50,000,000
Total	94,748,304	40,624,437	100,325,000	15,955,000	-	38,474,490	290,127,231
Post Consolidation	PD Reeve	R Beeson	J Bennett	RC Craigie	PD Heber	JC Perkins	Total
Current holding	3,442,177	457,649	5,892,308	-	-	292,268	10,084,402
Resolution 9	-	2,667,308	1,825,000	1,227,308	-	2,667,308	8,386,923
Resolution 10	3,846,154	-	-	-	-	-	3,846,154
Total	7,288,331	3,124,957	7,717,308	1,227,308	-	2,959,576	22,317,479

Note: PD Heber will not receive shares by way of payment for his directors fees as he maintains his independence for AIM purposes

11.8 Implications of the resolution not being approved

If shareholders do not approve these Resolutions, a key term of the Recapitalisation Proposal will be undermined, and the Company will continue to owe Mr Reeve and the non-executive directors' substantial amounts for services to the Company under a revised Contract of Employment and Letters of Appointment.

11.9 Board recommendation

The Board seeks approval of Shareholders for this Resolution.

12. RESOLUTION 11 – APPROVAL FOR PLACEMENT OF SHARES TO FUTURE NON-EXECUTIVE DIRECTORS

12.1 General

- (a) Martin Rogers and Peter Ward have been nominated to join the Company as non-executive directors of the Company and have agreed to subscribe to Shares in the Company. Mr Rogers wishes to subscribe to 50,000,000 Shares (on a pre-Consolidation basis) or 3,846,554 Shares (on a post-Consolidation basis) and Mr Ward wish to subscribe to 25,000,000 Shares (on a pre-Consolidation basis) or 1,923,077 Shares (on a post-Consolidation basis) each at an issue price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis) to raise up to \$150,000.
- (b) Resolution 11 seeks Shareholder approval to issue the above Shares.

12.2 Chapter 2E Corporations Act and Listing Rule 10.11

- (a) As noted at Section 11.2 above, for a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act and give the benefit within 15 months following such approval.
- (b) The issue of the Shares to Mr Rogers and Mr Ward constitutes giving a financial benefit as future Non-Executive Directors are related parties of the Company, for the purposes of Listing Rule 10.11 by virtue of being Directors.
- (c) Resolution 11 seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

- (d) Approval under Listing Rule 7.1 is not required as Shareholder approval is sought under Listing Rule 10.11. Accordingly, the issue of the Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

12.3 ASX Listing Rule and Corporations Act Disclosures

The following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, specifically 10.13.2, 10.13.5 and 10.13.8.

- (a) The following person will be given securities under Resolution 11 respectively:
 - (a) 50,000,000 Shares (on a pre-Consolidation basis) or 3,846,554 Shares (on a post-Consolidation basis) to Martin Rogers (or his respective nominees); and
 - (b) 25,000,000 Shares (on a pre-Consolidation basis) or 1,923,077 Shares (on a post-Consolidation basis) to Peter Ward (or his respective nominees) and.
- (b) The persons receiving securities pursuant to Resolution 11 are future Non-Executive Directors of the Company and are therefore a related party under ASX Listing Rule 10.11.1 and/or under ASX Listing Rule 10.11.4 an associate of a person referred to in ASX Listing Rule 10.11.1.
- (c) Pursuant to ASX Listing Rule 10.13.5 the date or dates on which all securities to be issued under Resolution 16 will be no later than one month after the date of the meeting, that is no later than 29 February 2021.
- (d) The Shares will be offered at an issue price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 (on a post Consolidation basis).
- (e) ASX Listing Rule 10.13.8 states that if the person is a director of the Company and therefore a related party under ASX Listing Rule 10.11.1 and the issue of Shares is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package is to be outlined. Mr Rogers and Mr Ward will be remunerated as follows:
 - (a) Martin Rogers - \$75,000 in financial year 2021; and
 - (b) Peter Ward - \$40,000 in financial year 2021.
- (f) The relevant interests of the related parties in securities of the Company following the passing of Resolution 11 are outlined in Section 12.5 below.
- (g) Up to \$150,000 will be raised from the issue of Shares.
- (h) The securities to be issued to the Directors (or their respective nominees) are not being issued under an agreement.
- (i) Intended use of the funds raised
General working capital
- (j) A voting exclusion statement has been included for the purposes of Resolution 11.

12.4 Reasons for Issue of Securities to Directors

Allowing future non-executive directors to be shareholders of the Company.

12.5 Effect of Issue of Securities on Interests of Directors

On a pre-Consolidation basis

	M Rogers	P Ward
Current	-	3,000,000
Resolution 11	50,000,000	25,000,000
	<u>50,000,000</u>	<u>28,000,000</u>

On a post-Consolidation basis

	M Rogers	P Ward
Current	-	230,769
Resolution 11	3,846,154	1,923,077
	<u>3,846,154</u>	<u>2,153,846</u>

12.6 Implications of the resolution not being approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal will be undermined, and Company may not secure the funds the Mr Rogers and Mr Ward have agreed to inject into the Company and Mr Rogers and Mr Ward may not accept their appointments as directors.

12.7 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

13. RESOLUTION 12 – APPROVAL FOR PLACEMENT OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

13.1 General

(a) The Company seeks to make a Placement of 325,000,013 Shares (on a pre-Consolidation basis) or 25,000,001 Shares on a post-Consolidation basis) on the same terms and conditions of the Entitlement Offer price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis) to sophisticated and professional investors Peter Proksa (75,000,003 Shares on a pre-Consolidation basis) or 5,769,231 Shares on a post-Consolidation basis), John Hancock (50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis), Martin Holland (50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis), Keith Kerridge (50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis), David O'Neill (50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis) and Alex Molyneux (50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis).

(b) Resolution 12 seeks Shareholder above to issue the above Shares.

13.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note.

Accordingly, the approval of this resolution will not result in a change to placement capacity of as the Company cannot refresh its placement capacity under Listing Rule 7.1 until 30 June 2022.

13.3 Additional information

The following information is provided to Shareholders in relation to Resolution 12:

- (a) Maximum number of securities the entity is to issue

325,000,013 Shares (on a pre-Consolidation basis) or 25,000,001 Shares (on a post-Consolidation basis)

- (b) Date by which the entity will issue the securities

The Shares will be issued to Peter Proksa, John Hancock, Martin Holland, Keith Kerridge and Alex Molyneux (or their respective nominees) shortly after the Meeting. In any event, however, no Shares will be issued to sophisticated and professional investors later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Shares will be issued for cash consideration of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis).

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

325,000,013 Shares (on a pre-Consolidation basis) or 25,000,001 Shares (on a post-Consolidation basis) will be issued as follows:

- (i) 75,000,003 Shares on a pre-Consolidation basis) or 5,769,231 Shares on a post-Consolidation basis to Peter Proksa (or his respective nominees);
- (ii) 50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis) to Martin Holland (or his respective nominees);
- (iii) 50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis to Alex Molyneux (or his respective nominees);
- (iv) 50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis to David O'Neill (or his respective nominees);
- (v) 50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis to John Hancock (or his respective nominees; and
- (vi) 50,000,002 Shares on a pre-Consolidation basis or 3,846,154 Shares on a post-Consolidation basis to Keith Kerridge (or his respective nominees).

- (e) Terms of the securities

The Shares issued will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

- (f) Intended use of the funds raised

General working capital

13.4 Implications of the resolution not being approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal is undermined, and the Company will not secure working capital funds to pursue larger equity raising initiatives.

13.5 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

14. RESOLUTION 13 – APPROVAL FOR ISSUE OF OPTIONS TO FUTURE NON-EXECUTIVE DIRECTORS

14.1 General

- (a) Martin Rogers and Peter Ward have been nominated to join the Company as non-executive directors of the Company and have performed over recent months negotiations between Major Shareholders in the Company in order to bring a cessation to disputes, litigation and enable the Company to apply for readmission to the ASX Official List.
- (b) The Company has agreed to issue 200,000,000 Options (on a pre-Consolidation basis) or 15,384,616 Options (on a post-Consolidation basis) to Mr Rogers (or his respective nominees) and 75,000,000 Options (on a pre-Consolidation basis) or 5,769,231 Options (on a post-Consolidation basis) to Mr Ward (or his respective nominees) at an exercise price of \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis) and an expiry date of 30 June 2023.
- (c) Resolution 13 seeks Shareholder approval to issue the above Options.

14.2 Chapter 2E Corporations Act and Listing Rule 10.11

- (a) As noted at Section 11.2 above, for a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act and give the benefit within 15 months following such approval.
- (b) The issue of the Options to Mr Rogers and Mr Ward (or their respective nominees) constitutes giving a financial benefit as future Non-Executive Directors are related parties of the Company, for the purposes of Listing Rule 10.11 by virtue of being Directors.
- (c) Resolution 13 seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.
- (d) Approval under Listing Rule 7.1 is not required as Shareholder approval is sought under Listing Rule 10.11. Accordingly, the issue of the Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

14.3 ASX Listing Rule and Corporations Act Disclosures

The following information is provided in accordance with section 219 of the Corporations Act and ASX Listing Rule 10.13, specifically 10.13.2, 10.13.5 and 10.13.8.

- (a) The following person will be given securities under Resolution 13 respectively:
 - (a) 200,000,000 Options (on a pre-Consolidation basis) or 15,384,616 Options (on a post-Consolidation basis) to Martin Rogers (or his respective nominees); and
 - (b) 75,000,000 Options (on a pre-Consolidation basis) or 5,769,231 Options (on a post-Consolidation basis) to Peter Ward (or his respective nominees).

- (b) The persons receiving securities pursuant to Resolution 13 are future Non-Executive Directors of the Company and are therefore a related party under ASX Listing Rule 10.11.1 and/or under ASX Listing Rule 10.11.4 an associate of a person referred to in ASX Listing Rule 10.11.1.
- (c) Pursuant to ASX Listing Rule 10.13.5 the date or dates on which all securities to be issued under Resolution 13 will be no later than one month after the date of the meeting, that is no later than 15 March 2021.
- (d) The Options will be offered at an exercise price of \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis).
- (e) ASX Listing Rule 10.13.8 states that if the person is a director of the Company and therefore a related party under ASX Listing Rule 10.11.1 and the issue of Shares is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package is to be outlined. Mr Rogers and Mr Ward will be remunerated as follows:
 - (a) Martin Rogers - \$75,000 in financial year 2021; and
 - (b) Peter Ward - \$40,000 in financial 2021.
- (f) The relevant interests of the related parties in securities of the Company following the passing of Resolution 13 are outlined in Section 14.5 below.
- (g) The securities to be issued to the Directors (or their respective nominees) are not being issued under an agreement.
- (h) A voting exclusion statement has been included for the purposes of Resolution 13.

14.4 Reasons for Issue of Securities to Future Directors

To provide remuneration incentives to future directors.

14.5 Effect of Issue of Securities on Interests of Future Directors

On a pre-Consolidation basis

	M Rogers	P Ward
Current	-	-
Resolution 13	200,000,000	75,000,000
	<u>200,000,000</u>	<u>75,000,000</u>

On a post-Consolidation basis

	M Rogers	P Ward
Current	-	-
Resolution 13	15,384,616	5,769,231
	<u>15,384,616</u>	<u>5,769,231</u>

14.6 Implications of resolution not being approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal will be undermined, and Mr Rogers and Mr Ward may not accept their appointments to the board of directors and subscribe to shares which will provide funds for working capital.

14.7 Board recommendation

The Board seeks approval of Shareholders for this Resolution.

15. RESOLUTION 14 – APPROVAL FOR ISSUE OF SHARES PURSUANT TO RELEASE AND SETTLEMENT OF LITIGATION

15.1 General

- (a) ASEAN, Saringen, Pre-Emptive Trading Pty Ltd (PET) and the Company have executed a Settlement Agreement which will result in the Company issuing both Shares and Options to ASEAN Saringen and PET at the Rights Issue price of \$0.004 per Share (on a pre-Consolidation basis) or \$0.052 per Share (on a post-Consolidation basis) and the Options at an exercise price of \$0.004 cents per Option (on a pre-Consolidation basis) or \$0.052 cents per Option (on a post-Consolidation basis). The parties have in January 2021 executed Settlement Agreements.

- (b) Shareholders will recall that the Company applied to the Supreme Court of Victoria on 12 August 2020 alleging that ASEAN, Saringen, PET and Hoertlehner held a relevant interest in each other's shares totalling 24.05%.

The Company had applied to the ASIC to assist it with serving of Tracing Notices on Clearstream Banking SA (Luxembourg) and, later, Flatex Bank AG (Germany) to identify the beneficial holder of 5.27% of the shares on issue in the Company. Both of the above entities sit below the registered shareholder of these shares, JP Morgan Australia Nominees Pty Limited.

The Tracing Notices identified Mr Axel Saringen (a resident of Germany) and his controlled entity Milaco GmbH as the holder of these shares.

Messrs Hoertlehner (a resident of Panama), Roes (a resident of Hong Kong) and Saringen are on the supervisory board of Gamigo AG. Mr Hoertlehner was nominated by Mr JL Bennett on two occasions to become a director of the Company and Mr Roes is a director of ASEAN Deep Value Fund. Mr Hoertlehner holds 0.8% of the shares on issue in the Company, PET (an entity controlled by Mr JL Bennett) holds 3% of the shares on issue in the Company and ASEAN Deep Value Fund holds 15.01% of the shares on issue in the Company.

The Company abandoned its legal action and negotiated with the parties it alleged had a relevant interest each other's shares settlement of costs.

- (c) Deeds of Settlement have been executed and the parties have agreed to the terms and conditions set out in these Deeds of Settlement – the Deeds of Settlement have since been signed by all parties. The Company cannot issue any Shares or Options under the Deeds of Settlement without shareholder approval due to its obligations to comply with the ASX ruling following the Company's breach of Listing Rule 7.1 and accordingly, Resolutions 14 and 15 reflect the obligations of the Company.

In addition to the financial settlement, the parties referred to in Section 15.1(a) have agreed that on approval of the financial settlement by shareholders:

- no party will directly or indirectly take any steps to appoint or remove a director of the Company (or support or encourage any shareholder or director to appoint or remove) where under the Corporations Act, Company's Constitution or otherwise;

- any existing requisitions or nominations to appoint directors will be deemed withdrawn; and
- no party will disparage or criticise any other party or its officers in a public forum, including without limitation on social media.

Further, following shareholder approval of resolutions 14 and 15:

- the Company will release each of the parties referred to in Section 15.1(a) and their directors and officers from all claims which it has or would or might have against the parties; and
- the parties referred to in section 15.1(a) release and discharge the Company, directors and officers from all claims which they have or would or might have against the Company, its directors and its officers,

- (a) Resolution 14 seeks Shareholder approval to issue the above Shares.

15.2 Implications of the breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. Accordingly, the approval of this resolution does not impact placement capacity as the Company cannot refresh placement capacity until 30 June 2022.

15.3 Additional information

The following information is provided to Shareholders in relation to Resolution 14:

- (a) Maximum number of securities the entity is to issue

75,000,000 Shares (on a pre-Consolidation basis) or 5,769,231 Shares (on a post-Consolidation basis)

- (b) Date by which the entity will issue the securities

The Shares will be issued to all the parties referred to in Section 15.1(a) or their respective nominees shortly after the Meeting. In any event, however, no Shares will be issued to sophisticated and professional investors later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Shares will be issued at a fair value of \$0.004 per Share (on a pre-Consolidation basis) or \$0.052 per Share (on a post-Consolidation basis).

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

The Shares will be issued to all the parties (or their respective nominees) referred to in Section 15.1(a).

- (e) Terms of the securities

The Shares issued will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The securities will be subject to a 24-month voluntary escrow from date of issue.

- (f) Intended use of the funds raised

To settle litigation between all the parties referred to in Section 15.1(a) and the Company, issue 75,000,000 Shares (on a pre-Consolidation basis) or 5,769,231 Shares (on a post-Consolidation basis). The total value of the shares to be issued to the parties referred to in Section 16.1(a) is \$300,000.

15.4 Related parties

None of the parties to the litigation settlement set out in Section 15.1(a) are related parties pursuant to Listing Rule 10.11.

15.5 Implications of the resolution not being approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal is undermined, and the parties to the litigation may resume litigation and seek compensation from the courts.

15.6 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

16. RESOLUTION 15 – APPROVAL FOR ISSUE OF OPTIONS PURSUANT TO RELEASE AND SETTLEMENT OF LITIGATION

16.1 General

- (a) ASEAN, Saringen, Pre-Emptive Trading Pty Ltd (PET) and the Company have agreed to settle outstanding litigation and have executed a Settlement Agreement which will result in the Company issuing both Shares and Options to ASEAN Saringen and PET at the Rights Issue price of \$0.004 per Share (on a pre-Consolidation basis) or \$0.052 per Share (on a post-Consolidation basis) and the Options at an exercise price of \$0.004 cents per Option (on a pre-Consolidation basis) or \$0.052 cents per Option (on a post-Consolidation basis). The parties have during the course of January 2021 executed Settlement Agreements.
- (b) Shareholders will recall that the Company applied to the Supreme Court of Victoria on 12 August 2020 alleging that ASEAN, Saringen, PET and Hoertlehner held a relevant interest in each other's shares totalling 24.05%.

The Company had applied to the ASIC to assist it with serving of Tracing Notices on Clearstream Banking SA (Luxembourg) and, later, Flatex Bank AG (Germany) to identify the beneficial holder of 5.27% of the shares on issue in the Company. Both of the above entities sit below the registered shareholder of these shares, JP Morgan Australia Nominees Pty Limited.

The Tracing Notices identified Mr Axel Saringen (a resident of Germany) and his controlled entity Milaco GmbH as the holder of these shares.

Messrs Hoertlehner (a resident of Panama), Roes (a resident of Hong Kong) and Saringen are on the supervisory board of Gamigo AG. Mr Hoertlehner was nominated by Mr JL Bennett on two occasions to become a director of the Company and Mr Roes is a director of ASEAN Deep Value Fund. Mr Hoertlehner holds 0.8% of the shares on issue in the Company, PET (an entity controlled by Mr JL Bennett) holds 3% of the shares on issue in the Company and ASEAN Deep Value Fund holds 15.01% of the shares on issue in the Company.

The Company abandoned its legal action and negotiated with the parties it alleged had a relevant interest each other's shares settlement of costs.

- (c) Deeds of Settlement have been prepared and the parties have agreed to the terms and conditions set out in these Deeds of Settlement. The Company cannot issue any Shares or Options under the Deeds of Settlement without shareholder approval due to its obligations to comply with the ASX ruling on the Company's breach of Listing Rule 7.1 and accordingly, Resolutions 14 and 15 reflect the obligations of the Company.

In addition to the financial settlement, the parties referred to in Section 16.1(a) have agreed that on approval of the financial settlement by shareholders:

- no party will directly or indirectly take any steps to appoint or remove a director of the Company (or support or encourage any shareholder or director to appoint or remove) where under the Corporations Act, Company's Constitution or otherwise;
- any existing requisitions or nominations to appoint directors will be deemed withdrawn; and
- no party will disparage or criticise any other party or its officers in a public forum, including without limitation on social media.

Further, following shareholder approval of resolutions 14 and 15:

- the Company will release each of the parties referred to in Section 16.1(a) and their directors and officers from all claims which it has or would or might have against the parties; and
- the parties referred to in section 16.1(a) release and discharge the Company, directors and officers from all claims which they have or would or might have against the Company, its directors and its officers,

- (b) Resolution 15 seeks Shareholder approval for the issue of the above Options.

16.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. The approval of this resolution does not impact placement capacity under Listing Rule 7.1. The Company cannot refresh its placement capacity under Listing Rule 7.1 until 30 June 2022.

16.3 Additional information

The following information is provided to Shareholders in relation to Resolution 15:

- (a) Maximum number of securities the entity is to issue.
- (b) 75,000,000 Options (on a pre-Consolidation basis) or 5,769,231 Options (on a post-Consolidation basis) Date by which the entity will issue the securities.

The Options will be issued to all the parties (or their respective nominees) referred to in Section 16.1(a) shortly after the Meeting. In any event, however, no Shares will be issued to sophisticated and professional investors later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Options will be issued for \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis) and have a fair value of \$128,946 using a Black-Scholes valuation model for options.

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected.

The Options will be issued to all the parties (or their respective nominees) referred to in Section 16.1(a).

- (e) Terms of the securities

The Options will be exercisable at \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis) with an expiry date of 30 June 2024. The securities will be subject to a 24-month voluntary escrow from date of issue.

- (f) Intended use of the funds raised.

To settle litigation between all the parties referred to in Section 16.1(a) and the Company.

16.4 Related parties

None of the parties to the litigation settlement set out in Section 15.1(a) are related parties pursuant to Listing Rule 10.11.

16.5 If the resolution is not approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal is undermined and the parties to the litigation may resume litigation and seek compensation from the courts.

16.6 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

17. RESOLUTION 16 – APPROVAL FOR ISSUE OF SHARES THE CFO SOLUTION PTY LTD

17.1 General

- (a) The Company executed a letter of engagement with CFO Solutions Pty Ltd to provide accounting, ASX compliance and company secretary service. The Company will issue Shares for services provided.
- (b) Resolution 16 seeks Shareholder approval for the issue of Shares.

17.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. As a result, the Company cannot refresh its placement capacity under Listing Rule 7.1 until 30 June 2022.

17.3 Additional information

The following information is provided to Shareholders in relation to Resolution 16:

- (a) Maximum number of securities the entity is to issue
- (b) 45,000,000 Shares (on a pre-Consolidation basis) or 3,461,538 Shares (on a post-Consolidation basis) Date by which the entity will issue the securities for a total value of \$90,000.

The Shares will be issued to The CFO Solution Pty Ltd (or its respective nominees) shortly after the Meeting. In any event, however, no Shares will be issued later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Shares will be issued for nil cash consideration but at a price of \$0.002 per Share (on a pre-Consolidation basis) or \$0.026 per Share (on a post-Consolidation basis)

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

The Shares will be issued to The CFO Solution Pty Ltd (or its respective nominees) who are not related parties of the Company.

- (e) Terms of the securities

The Shares issued will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The shares issued will be subject to a 24-month escrow from the date of issue.

- (f) Intended use of the funds raised

For consideration for services provided to the Company.

17.4 Implications of resolution not being approved

If shareholders do not approve this Resolution, the Company may not be able to secure The CFO Solution Pty Ltd to provide the services set out above.

17.5 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

18. RESOLUTION 17 – APPROVAL FOR ISSUE OF OPTIONS TO L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND

18.1 General

- (a) On 20 August 2020, the Company and L1 Capital Global Opportunities Master Fund (the "Investor") entered into a Convertible Securities Agreement for \$250,000 (the "Purchase Price") for working capital purposes.

The Company issued 250,000 convertible securities with a face value of \$1.25 per convertible security with interest accruing at a rate of 1.5% per month and payable in cash.

The Convertible Securities Agreement matures six months after the Purchase Date and can be extended for a of up to 12 months at the Investors sole discretion.

The Company proposes to repay the Investor by way of cash and has completed negotiation to issue the Investor 50,000,000 Options (on a pre-Consolidation basis) or 3,846,154 Options (on a post-Consolidation basis) at a \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis) with a three-year expiry date from the date of issue.

- (b) Resolution 17 seeks Shareholder approval for the issue of Options.

18.2 Implications of breach of Listing Rule 7.1

On 28 October 2020, the Company accepted a determination by the ASX that it had exceeded its placement capacity available under Listing Rule 7.1 due to non-disclosure of the impact of Market Capitalisation Conversion Price Period in the Replacement Convertible Note and the Follow-on Replacement Convertible Note. As a result, the Company cannot refresh its placement capacity under Listing Rule 7.1 until 30 June 2022.

18.3 Additional information

The following information is provided to Shareholders in relation to Resolution 17:

- (a) Maximum number of securities the entity is to issue
- (b) 50,000,000 Options (on a pre-Consolidation basis) or 3,846,154 Options (on a post-Consolidation basis) Date by which the entity will issue the securities

The Shares will be issued to L1 Capital Global Opportunities Master Fund shortly after the Meeting. In any event, however, no Options will be issued later than 3 months after the Meeting, (or any such longer period permitted by ASX).

- (c) Issue price of the securities

The Options will be issued for nil cash consideration in satisfaction of services provided to the Company.

- (d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected.

The Shares will be issued to L1 Capital Global Opportunities Master Fund (or their respective nominees) who are not related parties of the Company.

- (e) Terms of the securities

The Options will be exercisable at \$0.004 per Option (on a pre-Consolidation basis) or \$0.052 per Option (on a post-Consolidation basis) and in line with the listed class of options, expire 3-years after the date of issue and have a fair value of \$102,682 using a Black-Scholes valuation model for options.

- (f) Intended use of the funds raised.

\$250,000 was raised by the Company under the terms and conditions of the Convertible Securities Agreement for working capital and the issue of Options in this Resolution 17 relates to the consideration payable to the Investor for the funds above.

18.3 Implications of the resolution not being approved

If shareholders do not approve this Resolution, a key term of the Recapitalisation Proposal is undermined the Company may be in default of the Convertible Securities Agreement.

18.4 Board recommendation

The Directors seek approval of Shareholders for this Resolution.

GLOSSARY

\$ means Australian dollars.

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

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 Friday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Collateral Shares means the Shares issued by the Company to Lind Global Macro Fund LP (the Noteholder) for zero consideration on execution of the Original Convertible Note, dated 30 April 2020, and the Follow-on Convertible Note, dated 18 November 2019, and held by the Noteholder as security until maturity where the Collateral Shares are returned to the Company and cancelled or are deducted from the number of Shares to be issued on the receipt by the Company of the final Conversion Notice that extinguished its obligations under the Replacement Convertible Note and the Follow-on Replacement Convertible Note.

Collateral Shareholding means the Collateral Shares issued to the Noteholder or its nominee in accordance with the Original Convertible Note, dated 30 April 2019, and the Follow-on Original Convertible Note, dated 18 November 2019.

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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the Remuneration Report set out in the Director's report section of the Company's annual financial report for the year ended 2020.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Voting Power has the meaning given to it in the Corporations Act.

VWAP means volume weighted average price.

WST means Western Standard Time.

ANNEXURE A – DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE AGM

Issue Date	Number	Shares on Issue	Type	Issue Price	Discount to market price at issue date	Placement Capacity (before issue)	Placement Capacity (after Issue)
15 January 2020	105,416,667	1,529,357,222	Placement	\$0.0045	No discount	117,757,750	12,341,086
10 February 2020	11,164,037	1,546,521,255	Issue of shares for services	\$0.008	VWAP	12,341,086	1.177,049
18 February 2020	48,750,000	1,589,271,259	Lind Conversion	\$0.004	As per agreement	1.177,049	(11,635,451)
1 March 2020	4,193,788	1,593,465,047	Issue of shares for services	\$0.008	VWAP	(11,635,451)	(15,829,239)
9 March 2020	50,000,000	1,643,465,047	Lind Conversion	\$0.004	As per agreement	(15,829,239)	(28,970,265)
18 March 2020	50,000,000	1,693,465,047	Ind Conversion	\$0.004	As per agreement	(28,970,265)	(78,970,265)
18 March 2020	50,000,000	1,743,465,047	Placement	\$0.004	No discount	(78,970,265)	(128,970,265)
8 April 2020	50,000,000	1,805,965,407	Lind Conversion	\$0.004	As per agreement	(128,970,265)	(119,595,265)
20 April 2020	5,807,178	1,811,772,225	Issue of shares for services	\$0.004	VWAP	(119,595,265)	(125,402,443)
24 April 2020	60,000,000	1,871,772,225	Lind Conversion	\$0.002	As per agreement	(125,402,443)	(185,402,443)
26 April 2020	115,000,000	1,986,772,225	Lind Conversion	\$0.002	As per agreement	(185,402,443)	(305,402,443)
8 May 2020	120,000,000	2,106,772,225	Placement	\$0.00275	No discount	(305,402,443)	(420,402,443)
13 May 2020	63,263,741	2,170,035,966	Issue of shares for services	\$0.0038	5% discount	(420,402,443)	(483,666,184)
15 May 2020	280,000,000	2,450,035,966	Lind Conversion	\$0.002	As per agreement	(483,666,184)	(691,791,184)
17 May 2020	90,000,000	2,540,035,966	Lind Conversion	\$0.002	As per agreement	(691,791,184)	(781,791,184)
18 May 2020	17,500,000	2,557,535,966	Performance rights converted to shares	\$0.022	No discount	(781,791,184)	(764,291.184)

Notes:

1. All Shares are fully paid ordinary shares in the Company ranking equally in all respect with existing Shares in the Company
2. The current value of Options has been measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option. NO account is taken of any performance conditions included in the terms of the Options.
3. For completeness, on 30 September 2019 the Company cancelled 106,736,144 Options and 6,578,699 warrants as these classes of securities had expired in accordance with their terms.

PROXY FORM

AURA ENERGY LIMITED ACN 115 927 681 ANNUAL 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 9:15am (AEDT), on Monday, 15 March 2021, at Suite 1, Level 3, 62 Lygon Street, Carlton South, Victoria, 3053 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on all of the Resolutions 1 – 17 (inclusive) (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

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	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Conditional Spill Resolution	☐	☐	☐
Resolution 3	Consolidation of Securities	☐	☐	☐
Resolution 4	Election of Martin Rogers	☐	☐	☐
Resolution 5	Election of Peter Ward	☐	☐	☐
Resolution 6	Approval of the issue of shares	☐	☐	☐
Resolution 7	Approval of the issue of Options	☐	☐	☐
Resolution 8	Approval of the issue of Options	☐	☐	☐
Resolution 9	Approval for the issue of Shares to Non-Executive Directors	☐	☐	☐
Resolution 10	Approval for the issue of Shares to Executive Chairman	☐	☐	☐
Resolution 11	Approval of placement of Shares to Future Non-executive Directors	☐	☐	☐
Resolution 12	Approval of placement of Shares to sophisticated and professional investor	☐	☐	☐
Resolution 13	Approval for the issue of Options to Future Non-Executive Directors	☐	☐	☐
Resolution 14	Approval of the issue of Shares to release and settle litigation	☐	☐	☐
Resolution 15	Approval of the issue of Options to release and settle Litigation	☐	☐	☐
Resolution 16	Approval for the issue of Shares to CFO Solutions Pty Ltd	☐	☐	☐
Resolution 17	Approval of the issue of Options to L1 Capital	☐	☐	☐

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:

E-mail address:

Contact telephone
(daytime):

Consent for contact by e-mail
in relation to this Proxy Form: YES ☐ NO ☐

1. Instructions for completing Proxy Form

2. **(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.
3. **(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.
4. **(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.
5. **(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.
6. **(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.
7. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
- (a) **post to Post Office Box 655 Carlton South Victoria 3053 Australia; or**
 - (b) **Suite 1, Level 3, 62 Lygon Street Carlton South Victoria 3053 Australia; or**
 - (c) **email to the Company at info@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.