



ACN 115 927 681

NOTICE OF GENERAL MEETING
INCORPORATING DIRECTORS' STATEMENT, NOTICE OF GENERAL MEETING, EXPLANATORY
MEMORANDUM, PROXY FORM AND REQUISITIONING SHAREHOLDER'S STATEMENT

Meeting to be held at
Level 1
34-36 Punt Road
Windsor, Victoria, 3181
on
Tuesday, 14 April 2020
at
2:00 pm (AEST)

A majority of the Directors of Aura Energy Limited recommend that shareholders:

VOTE AGAINST ALL RESOLUTIONS

This is an important document that requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

If you have questions about the Meeting or the Resolutions to be voted on, please call the Company on (03) 9516 6500, Monday and Wednesdays between 8:30am and 5:00pm AEST.

DIRECTORS' STATEMENT

13 March 2020

Dear Shareholder

On 17 February 2020, Aura Energy Limited ("Aura Energy" or the "Company") received a letter from Mr John Bennett pursuant to article 12.3 of the Constitution requiring the Company to convene a general meeting of shareholders at which to consider and vote on resolutions for:

- The election of Mr Florian A. Hoertlehner as a Director
- The election of Mr Florian Bauer as a Director
- The election of Mr Hendrik Delen as a Director

Mr Bennett was elected as a Director on 7 January 2020, less than three months ago, following a shareholders meeting requested by Pre-emptive Trading Pty Ltd, which Mr Bennett owns and controls ("Pre-emptive Trading"), which company holds approximately 4.8% of the shares in Aura Energy.

Subsequently, on 20 February 2020, Aura Energy received a notice under section 249D of the Corporations Act from ASEAN Deep Value Fund ("ASEAN"), which holds approximately 6.3% of the capital in its own name and a further (approximately) 13.2% through a nominee, requesting the Company call a general meeting of shareholders to consider and vote on resolutions for:

- The election of Mr David Eric Roes as a Director
- The election of Mr David Peter O'Neil as a Director
- The election of Mr Raymond Gin as a Director

In compliance with the above, Aura Energy has issued this Notice of Meeting which includes the following items of special business:

- Resolution 1 – Election of Mr David Eric Roes as a Director
- Resolution 2 – Election of Mr Hendrik Delen as a Director
- Resolution 3 – Election of Mr Raymond Gin as a Director
- Resolution 4 – Election of Mr Florian Bauer as a Director
- Resolution 5 – Election of Mr David Peter O'Neil as a Director
- Resolution 6 – Election of Mr Florian A Hoertlehner as a Director

The meeting of shareholders is to be held on Tuesday, 14 April 2020.

We, Peter Reeve, Julian Perkins and Bob Beeson, who are Directors of the Company and are not subject to removal resolutions (not for now), write this letter to you to seek your support.

We consider it is in the best interests of the Company and all shareholders, other than Pre-emptive Trading and ASEAN, to vote AGAINST all six resolutions.

Our reasons for making this recommendation are as follows:

1. Aura Energy has a strong well-articulated plan for advancing from development into production. Neither ASEAN nor Mr Bennett, nor their Non-Executive Director nominations, have articulated a plan for the Company
2. Based on information received, the Board nominees do not have any skills required to progress a mineral exploration and development company or as directors of a listed company operating in a developing country

3. Potential loss, or reduction, of the current management team would have a severe negative impact on the development of the Company's projects. Accordingly, Mr Bennett's previous intent to seek to remove Peter Reeve should be of concern to shareholders
4. ASEAN's proposed convertible note comes at an exorbitant cost, requiring Aura Energy to pay a US\$17 million (~A\$26m) royalty on the A\$3-4 million note (with a coupon rate attached to this value), an additional 400% fee, and a finder's fee of 5% of the face value of the convertible note
5. ASEAN has made a number of incomplete statements to shareholders and investors concerning governance and cost matters
6. Aura Energy has commenced legal action against Pre-Emptive Trading, Mr Bennett's company, for alleged non-payment of subscription monies in the February 2019 placement. The Company is concerned that, if Board control changes, these proceedings will be inappropriately discontinued to the disadvantage of all other shareholders
7. The Lind convertible note was formally executed in April 2019 and contains an event of default triggered by a change of more than 50% of the Company's directors
8. The Company's London AIM market listing may suffer irreparable damage if Board control changes
9. Adding six Directors to the current four Directors is not structurally or financially sustainable for the company and, as such, the shape and composition of the Aura Energy Board moving forward is unclear
10. This current action is effectively a takeover by stealth. If ASEAN and Mr Bennett wish to acquire effective control of the Company, they should do so by making a full takeover offer to shareholders

These 10 key points are expanded on in the following Attachment section which we urge you to read to fully to understand the serious consequences of not voting against all six resolutions.

For these reasons, we seek your support by voting AGAINST all six resolutions at the Company's forthcoming General Meeting.

You can do so by completing and returning the green proxy form which is enclosed with this booklet.

Remember, every single vote is important, no matter how big or how small your holding.

We are pleased that this matter, which has come at a significant cost to Aura Energy, will with your help soon be over so we can get on with the important task of running your Company.

Please understand that you must vote to help defeat these resolutions to save the Company from potential jeopardy and place the Company on a strong footing to go forward.

Yours sincerely

Peter Reeve
Executive Chairman

Julian Perkins
Non-Executive Director

Bob Beeson
Non-Executive Director

ATTACHMENT

1. AURA ENERGY HAS A STRONG WELL-ARTICULATED PLAN FOR ADVANCING FROM DEVELOPMENT INTO PRODUCTION. NEITHER ASEAN NOR MR BENNETT HAVE ARTICULATED A PLAN FOR THE COMPANY.

The Board of Directors and management team have a demonstrated track record of discovery of the Company's projects through to the early development stages. This team clearly has the best plan for advancing the Company's projects and generally running the Company and this is what will drive the share price in the future.

On the other hand, neither ASEAN nor Mr Bennett have articulated a plan.

In the Chairman's Address at the recent Annual General Meeting, the Company updated shareholders on our progress for the year, including in respect of the Company's key projects, the Tiris Uranium Project in Mauritania and the Häggån Vanadium Project in Sweden.

In relation to Tiris, we have recently:

- Secured the Exploitation License, enabling us to prepare for development swiftly and with confidence when the uranium price recovers
- Secured an Offtake Agreement for Tiris uranium production, which still allows exposure to higher uranium prices in the future
- Advanced metallurgical test-work, which included producing the first ever Mauritanian Yellowcake. It also commenced studies into the recovery of vanadium as a by-product from the uranium stream
- Completed the Definitive Feasibility Study, which demonstrated that the Project had excellent financial metrics and was one of the most compelling uranium development projects in the world
- Commenced a process to obtain low-cost Export Credit Finance, a key part of financing Tiris Uranium. This process is ongoing.

In relation to Häggån Vanadium, we have recently:

- Defined the high-grade ore zone
- Completed a detailed Scoping Study
- Completed metallurgical test-work achieving very strong recoveries and product quality

The Company has also worked hard over the last three years to diversify its portfolio, so it is not solely reliant on the recovery in the uranium price. The Company has been able to assemble an excellent package of gold and base metal tenements in Mauritania which is poised to provide excellent exploration opportunities for the Company in the sought-after gold sector.

The Company has continued to develop relationships with and to work effectively with various groups to achieve a substantial funding package to advance these projects and reduce reliance on new equity to fund this project.

The Company and its board have always and will in future maintain high levels of corporate integrity and principle. As an example, when the Swedish Government suddenly voted last year to ban uranium mining, the Aura Energy board decided not to let this action go unchallenged. In what was a brave step for a small company, Aura Energy lodged a claim pursuant to the Energy Charter Treaty against the Kingdom of Sweden seeking compensation for the financial loss resulting from the ban imposed on the mining of uranium.

The claim is for a significant sum of money and Aura Energy will advance this claim aggressively in order to protect what was rightfully in its possession and which was confiscated by the Swedish Government despite Aura working to the letter of Swedish mining law for the 12 years that it operated the Project.

Work on the claim is currently active and we hope to progressively report milestones in this important and potentially ground-breaking action for the Company.

All in all, with limited funds and staff numbers, and in oftentimes trying circumstances, we are satisfied with what we have achieved.

ASEAN provided a Requisitioning Shareholder's Statement which is included in the Notice of Meeting.

That document discusses in brief detail such matters as remuneration, governance and finance, which we address later in this statement.

However, the Requisitioning Shareholder's Statement is silent as to what, if any, plans ASEAN or its nominees have for Tiris, Häggån (indeed, Häggån is not even mentioned in its document) or the gold tenements.

Mr Bennett also had the opportunity in the Notice of Meeting to set out for shareholders what plans he and his nominees had for the Company. He chose not to and, so, we do not know what if any plans for the Company he might have.

We consider it would be unwise for shareholders to support the election of groups of directors who have not set out even a rudimentary plan for the future of your Company.

2. THE BOARD NOMINEES DO NOT HAVE ANY SKILLS REQUIRED TO PROGRESS A MINERAL EXPLORATION AND DEVELOPMENT COMPANY OR AS A DIRECTOR OF A LISTED COMPANY.

As set out above, both Mr Bennett and ASEAN have each submitted three persons for election as Directors of the Company.

In relation to Mr Bennett's nominees:

- Both Mr Hoertlehner and Mr Bauer provide their usual residential address as being Panama, an established tax haven
- Mr Delen's experience would seem to be in manufacturing and logistics
- None of Messrs Hoertlehner, Bauer and Delen would seem to have experience in the resources/mining sector

In relation to ASEAN's nominees, Messrs Roes, Mr O'Neil and Gin:

- They provide as their usual residential addresses Hong Kong, Indonesia and New Zealand, respectively
- None would seem to have experience in the resources/mining sector
- None have disclosed previous directorships of ASX-listed public companies
- ASEAN is a Cayman Island registered company, a jurisdiction noted for a lack of corporate transparency and an identified tax haven.

The Company has written to both ASEAN and Mr Bennett requesting they provide further credentials on their respective nominees. Neither chose to provide any further information.

Mr Bennett did not provide any resumes of qualifications and work experience and did not offer to draft a Statement to justify their nomination to be directors of the Company.

ASEAN provided brief resumes of work experience and the work experience of its nominations are set out in the Requisitioning Shareholder Statement.

3. **POTENTIAL LOSS OF THE CURRENT AURA ENERGY TEAM WOULD HAVE A SEVERE NEGATIVE IMPACT ON DEVELOPMENT OF THE COMPANY'S PROJECTS. ACCORDINGLY, MR BENNETT'S PREVIOUS INTENT TO SEEK TO REMOVE PETER REEVE SHOULD BE OF CONCERN TO SHAREHOLDERS.**

A key asset of the Company or, for that matter, any company where specialist skills, knowledge or relationships are required, is the key personnel.

Loss of key personnel can potentially have a severe negative impact on the progress of any company.

This is relevant in the case of the Company because, though neither ASEAN nor Mr Bennett has currently sought the removal of Mr Reeve or, for that matter, any of the current Directors, we consider it likely that they will do so in the event that control of the Board changes.

Moreover, the Company's corporate and technical staff have already indicated that, in the event of Board change of control, they would likely leave the Company.

The previous removal of highly skilled Director Mr Brett Fraser by Mr Bennett and the previous intent to remove Mr Julian Perkins, coupled with the lack of resource/mining sector experience of some of the proposed directors, demonstrates cavalier ignorance regarding the importance of a strong team.

The Company's key projects, the Tiris Uranium Project in Mauritania and the Haggan Vanadium Project Sweden, are specialist projects which have been developed by the current Board and management team over a period of 12 years. In Mauritania, Sweden and London, Aura Energy's management and team have developed close relationships with many people and these relationships are critical to the advancement of these projects. There is also the potential for the loss of the projects due to the current disruption of project schedules and generally slower progress.

Disruption of these key project relationships could have a devastating impact on progressing the development of the Company's asset base.

Progressing these projects not only requires a breadth of knowledge and experience in the core resources disciplines such as geology, mining, metallurgy, etc. but also experience operating in the foreign jurisdictions in which they are located.

The current Board and management team have all the requisite skills, corporate knowledge and memory to progress these projects efficiently and effectively.

On the other hand, the nominee directors do not.

Accordingly, we consider that the loss of the current Aura Energy team would have a severe negative impact on the progress of the Company's projects.

4. **ASEAN'S PROPOSED CONVERTIBLE NOTE COMES AT EXORBITANT COST, REQUIRING AURA ENERGY TO PAY A US\$17 MILLION (~A\$26M) ROYALTY ON THE A\$3-4 MILLION NOTE (WITH AN ATTACHING COUPON RATE), REPRESENTING AN ADDITIONAL 400% FEE, AND A FINDER'S FEE OF 5% OF THE FACE VALUE OF THE CONVERTIBLE NOTE.**

Seemingly underlying ASEAN's efforts to have three nominees appointed so it can take control of the Board is its desire to see the Lind Facility replaced with a convertible note, in respect of which it is the principal negotiator for so-far unidentified parties.

The terms proposed by ASEAN include:

- Principal amount: A\$3 to 4 million
- Interest rate: 15% p.a.
- Term: 24 months

- Buyback terms: 1 year - A\$6 million); 2 years - A\$9 million
- Tiris royalty: US\$1 per pound, which has a value of US\$17 million
- Board composition: Majority of board seats to ASEAN
- Finder's fee: 5% of the note value payable to ASEAN

Such terms would be extremely beneficial to ASEAN and very much to the detriment of the Company and therefore to you, our shareholders. Further, we believe the proposed \$17 million Tiris royalty fee is so large that it will present significant problems for the development funding for the project.

Whilst we have been openly supportive of replacing the Lind Facility if a facility on more favourable terms is available, the terms of ASEAN's proposed replacement facility will come at an exorbitant cost to the Company. Your Board intends to continue to seek a suitable replacement facility if you reject the ASEAN/Bennett resolutions.

The only way for shareholders to ensure that the ASEAN convertible note funding proposal is not implemented is to vote against the election of ASEAN's three nominee directors.

5. ASEAN HAS MADE A NUMBER OF INCOMPLETE STATEMENTS CONCERNING GOVERNANCE AND COST MATTERS.

Two claims made by ASEAN in its Requisitioning Shareholder's Statement are, in the opinion of your Board, represent an extremely superficial analysis of some important areas for shareholders to understand to shareholders.

First, ASEAN has stated that Peter Reeve being both the Chairman and Managing Director is poor corporate governance.

The Board, in principle agrees with the separation of roles, but there are sound, realistic reasons for the Board electing to continue with this arrangement until now, the main one being to avoid the cost of a separate chairman.

In an ideal world, if the Company were a much larger company with greater access to funds, it would be right and proper for the Company to have in place corporate governance measures that in every way accorded with the ASX's Corporate Governance Principles and Recommendations, including splitting the role of Chairman and Managing Director.

By Mr Reeve sharing the duties, this saves the Company money. There are many junior resources and other small listed companies that do likewise.

The second misleading claim by ASEAN states that Mr Reeve's remuneration for FY2019 was in excess of \$800,000. The base salary for Mr Reeve was \$450,000 (inclusive of superannuation) plus \$362,832 in share-based payments with the valuation of these share-based payments determined under Australian Accounting Standards Board standard AASB 2 Share-based payments. The valuation date applied to the accounting for share-based payments was 30 November 2017.

As such, only if all shareholders benefit will Mr Reeve enjoy any value in his options/ performance rights.

It is noted that, in response to the recent difficulty in financing the Company's activities, Mr Reeve's base salary was reduced by approximately 38% to \$280,000 per annum.

The argument put by ASEAN in its Requisitioning Shareholder's Statement on 20 February 2020 seeking to reduce costs ignores the efforts of the Board to reduce costs in recent months.

Secondly, in its letter to shareholder dated on or around 2 February 2020, ASEAN states that "...the Board has received over \$4.6m in compensation during the past five years...". This figure represents the remuneration for Key Management Personnel and therefore directors and officers of the Company as well as retirement benefits paid to the former Managing Director. Moreover, this figure includes approximately 22% of remuneration which was settled by way of share-based payments determined in accordance with accounting standards

Despite ASEAN and Mr Bennett claiming they are keen to reduce costs they have proposed;

- a. Six new directors which will add an estimated A\$240,000 per annum to corporate overheads
 - b. A royalty which will cost A\$26 million and significantly increase the low cash operating cost and economic attractiveness of the Tiris Project which the Aura Energy team has worked so hard to achieve, and
 - c. A finder's fee of A\$175,000, payable to themselves in the first few weeks of them getting elected.
6. AURA ENERGY HAS COMMENCED LEGAL ACTION AGAINST PRE-EMPTIVE TRADING, MR BENNETT'S COMPANY, FOR ALLEGED NON-PAYMENT OF SUBSCRIPTION MONIES IN THE FEBRUARY 2019 PLACEMENT. THE COMPANY IS CONCERNED THAT, IF BOARD CONTROL CHANGES, THESE PROCEEDINGS WILL BE INAPPROPRIATELY DISCONTINUED.

As shareholders are aware, The Company has commenced legal proceedings against Pre-Emptive Trading.

The proceedings concern the fact that Pre-emptive Trading allegedly failed to honour a Subscription Agreement pursuant to which it was obliged to subscribe for shares in the Company to the value of \$456,000, resulting in a material shortfall in the amount of capital raised.

In need of additional source of funds to complete the Tiris Definitive Feasibility Study and the Haggan Scoping Study following Pre-emptive Trading's default, the only solution open at that time and at the necessary short notice was additional funding by means of a convertible note. Of two offers received, by far the most attractive was from Lind Partners LLC, with whom the Company also had confidence as a result of a satisfactory arrangements once before under similar circumstances.

The Company has issued two letters of demand to Pre-Emptive Trading. There is a risk that a key reason for Mr Bennett seeking to appoint his nominees to the Board of the Company is because, once in control, he will direct them to discontinue the legal proceedings against him. Your Board considers that, given the amount in question, the Company has a fiduciary duty to have a court of law determine the outcome.

We note that ASEAN has previously urged The Company to discontinue the proceedings against Pre-Emptive Trading as well, without providing a satisfactory reason for the request.

7. THE EXISTING LIND CONVERTIBLE NOTE CONTAINS AN EVENT OF DEFAULT TRIGGERED BY A CHANGE OF MORE THAN 50% OF THE COMPANY'S DIRECTORS.

The Lind Facility includes provisions that the agreement may be terminated on a change of control of Aura Energy, meaning that the principal amount outstanding – currently approximately \$1,725,000 – would need to be repaid within seven (7) days.

Lind has advised the Company that it would regard the election of ASEAN's nominees as representing a change of control and that it would seriously need to consider its position.

This is of considerable concern to the Company as the availability of funds to repay the Lind facility is problematic.

8. AURA ENERGY'S LONDON AIM LISTING MAY SUFFER IRREPARABLE DAMAGE IF BOARD CONTROL CHANGES.

As shareholders are aware, shares in the Company are listed not only on the ASX but also on AIM, the London Stock Exchange's international market for smaller, growing companies.

This listing cost approximately \$1 million but it was considered to be a prudent course of action given that Aura Energy's two major projects, Tiris and Haggan, are located in jurisdictions (Mauritania and Sweden, respectively) which are far more familiar to the London investment community than their counterparts in Australia.

This has indeed met the Board's expectations and has proved to be an excellent new source of funds, with approximately 60% of all funds raised since 2016 having been undertaken through AIM. There are strong indications that AIM will continue to provide funds for this Company in the years to come, but much depends on the good working relationships developed with key brokers and investors in London and Europe.

The issue that arises here is that, in the event of a change in Aura Energy's Board of Directors, the Company's Nominated Advisor (NOMAD) has the right to review the new composition of the Board and to resign in the event that a Director(s) appointed does not meet its standards.

Should this NOMAD resignation occur, Aura Energy will be suspended from trading on the AIM market. The Company then has 30 days to secure a replacement Nominated Advisor, will failure to do so seeing it delisted from the AIM.

9. ADDING SIX DIRECTORS TO THE CURRENT FOUR DIRECTORS IS NOT STRUCTURALLY OR FINANCIALLY SUSTAINABLE AND, AS SUCH, THE SHAPE AND COMPOSITION OF THE AURA ENERGY BOARD MOVING FORWARD IS UNCLEAR.

The Board currently comprises four members.

The resolutions currently before shareholders propose the election of six additional Directors, three nominated by ASEAN and three nominated by Mr Bennett. It is doubtful if there is any other listed junior mineral exploration company with ten directors and the need for so many must be seriously questioned by shareholders, as must their qualifications, suitability and motivation for seeking such responsibilities.

It is important that shareholders are aware that the outcome of each of these resolutions is independent of the outcome of each of the other resolutions.

As such, at the conclusion of the general meeting, the Board composition of the Company is highly uncertain.

The Board could potentially comprise from the current four directors up to as many as nine directors (the limit under the Constitution at the present time), the majority of whom almost certainly have never met and who may or may not be capable of working together effectively. Creating a board of directors in this way carries a significant risk of failure of governance and compliance.

Shareholders' interests are far better served by a Board of genuinely independent, qualified and experienced directors capable of working together collegiately in spite of differences of opinion. This has long been the character of your present Board.

The cost of administering the Company is an important consideration which requires the Board to maintain a prudent balance between a minimum number of directors and executives with a sufficiency of the essential skills and experience needed to manage the multiplicity of special risks and opportunities that a multinational junior exploration company must deal with.

If shareholders elect any of the six new directors proposed by ASEAN and Mr Bennett, future Board meetings could see the Company having to bear the cost of flying to Australia two Directors from Panama, and one from each of Hong Kong, Jakarta, New Zealand and South Australia. Quite clearly, travel and accommodation expenses would come to represent an exorbitant cost for the Company. Alternatively, board meetings by electronic means across such diverse countries and time zones would be at the least inefficient and costly.

In summary, we consider that the resolutions proposed by both ASEAN and Mr Bennett are likely to result in an outcome that would be totally unworkable and, taken together, give the impression of being casually conceived without any serious depth of analysis or proper understanding of the Company's business.

10. THIS CURRENT ACTION IS IN EFFECT A TAKEOVER BY STEALTH. IF ASEAN AND MR BENNETT WISH TO ACQUIRE EFFECTIVE CONTROL OF THE COMPANY THEY SHOULD DO SO BY MAKING A FULL OFFER TO SHAREHOLDERS

ASEAN currently holds approximately 19% of the shares in Aura Energy.

In a board comprising four or five directors, this level of shareholding might justify one seat on the Board, not the four it is currently seeking.

If all the resolutions proposed by ASEAN are all passed, ASEAN will essentially have effective control of the Board because we consider it likely that Mr Bennett will vote with the ASEAN appointees.

Accordingly, we consider that, by their actions, ASEAN is seeking to take effective control of Aura Energy (through taking control of the Aura Energy Board) with less than 20% of the shares by stealth, without making a share acquisition transaction, whether a Takeover Offer or a Scheme of Arrangement, that would see all other shareholders receive a fair and reasonable offer for their shares, including an appropriate control premium.

NOTICE OF GENERAL MEETING AND AGENDA

Notice is hereby given that a general meeting of Aura Energy Limited (the “Company”) will be held at Level 1, 34-36 Punt Road, Windsor, Victoria, 3181 on Tuesday, 14 April 2020 commencing at 2:00 pm Australian Eastern Standard Time (“AEST”) (“Meeting”).

The Explanatory Memorandum that accompanies and forms part of this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Proxy Forms also form part of this Notice of General Meeting.

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 as Shareholders at 2:00 pm AEST on Sunday, 12 April 2020.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete the Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 2:00 pm AEST on Sunday, 12 April 2020.

Terms and abbreviations used in this Notice of General Meeting and Explanatory Memorandum are defined in the Glossary of the Explanatory Memorandum.

Shareholders should read the Explanatory Memorandum before deciding how to vote.

AGENDA

Resolution 1: Election of Mr David Eric Roes as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr David Eric Roes, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.”

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 1.

Resolution 2: Election of Mr Hendrik Delen as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Henrik Delen, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.”

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 2.

Resolution 3: Election of Mr Raymond Gin as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Raymond Gin, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.”

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 3.

Resolution 4: Election of Mr Florian Bauer as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr Florian Bauer, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed."

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 4.

Resolution 5: Election of Mr David Peter O'Neil as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr David Peter O'Neil, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed."

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 5.

Resolution 6: Election of Mr Florian A Hoertlehner as a Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr Florian A Hoertlehner, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed."

The majority of Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 6.

Proxies, attorneys and corporate representatives

A member entitled to attend and vote at the Meeting may appoint a proxy, attorney or representative to give its vote and, if entitled to cast two or more votes, is entitled to appoint no more than two proxies. If two proxies are appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If such proportion is not specified, each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded. A proxy may, but need not be, a member of the Company and a member may appoint an individual or a body corporate to act as its proxy.

For the convenience of Shareholders, two proxy forms have been included with this Explanatory Memorandum, a green proxy form and a white proxy form.

The green proxy form has been completed in line with the recommendation of the majority of Directors – Mr Peter Reeve, Mr Julian Perkins and Dr Bob Beeson - and has been paid for by them out of their personal funds. If you wish to vote in accordance with the recommendation of the majority of Directors, you should execute the green proxy form and return it in accordance with the instructions on the form. If you execute and return the green proxy form, you do not need to complete the white proxy form.

If you wish to appoint a proxy and do not wish to vote in accordance with the recommendations of the majority of the Directors, you should follow the instructions on the white proxy form to indicate your voting directions and return it following the instructions on the form.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, executed in accordance with the Corporations Act.

Proxy forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged directly by the member making the appointment at least 48 hours before the appointed time of the Meeting.

Lodgment details for proxy forms are as follows:

Post	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
Facsimile	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
Custodian Voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Voting

The Chairman intends to put each Resolution that is moved at the Meeting to a poll. Voting results will be announced to the ASX as soon as practicable after the Meeting.

Entitlement to attend and vote

All Shareholders may attend the Meeting.

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 as Shareholders of the Company at 2:00 pm AEST on Sunday, 12 April 2020. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

ASX

A final copy of this Notice of General Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX nor any of its respective officers takes any responsibility for the contents of this document.

By order of the Board:

John Madden
Company Secretary
Dated: 13 March 2020

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting of the Company to be held at Level 1, 34-36 Punt Road, Windsor, Victoria, 3181 on Tuesday, 14 April 2020 commencing at 2:00 pm AEST.

The purpose of this Explanatory Memorandum is to explain the background to the Meeting and the Resolutions, and to provide information that the Board considers material to Shareholders in relation to the Resolutions.

The Company recommends that Shareholders read this Explanatory Memorandum and Directors' Statement (which is included in this Notice of General Meeting) before making any decisions in relation to the Resolutions.

Background to special business being put to the Meeting

On 17 February 2020, the Company received a letter from Director, Mr John Bennett, requesting the Company to call a general meeting of shareholders pursuant to article 12.3 of the Constitution to consider and vote on resolutions for:

- The election of Mr Florian A. Hoertlehner as a Director
- The election of Mr Florian Bauer as a Director
- The election of Mr Hendrik Delen as a Director

On 20 February 2020, the Company received a notice under section 249D of the Corporations Act from ASEAN Deep Value Fund ("ASEAN"), a member of the Company with at least 5% of the votes that may be cast at a general meeting, requesting the Company call a general meeting to consider and vote on resolutions for:

- The election of Mr David Eric Roes as a Director
- The election of Mr David Peter O'Neil as a Director
- The election of Mr Raymond Gin as a Director

In compliance with the above, the Company has issued this Notice of General Meeting and voting will be conducted in accordance with Article 14.3 of the Constitution (which can be found on the company's website www.auraenergy.com.au under the AIM Rule 26 Section, and shareholders can familiarise themselves with this voting process) and includes the following items of special business:

- Resolution 1 – Election of Mr David Eric Roes as a Director
- Resolution 2 – Election of Mr Hendrik Delen as a Director
- Resolution 3 – Election of Mr Raymond Gin as a Director
- Resolution 4 – Election of Mr Florian Bauer as a Director
- Resolution 5 – Election of Mr David Peter O'Neil as a Director
- Resolution 6 – Election of Mr Florian A Hoertlehner as a Director

Directors Peter Reeve, Julian Perkins and Bob Beeson recommend that shareholders vote Against all Resolutions.

Voting by the majority of Shareholders in accordance with the recommendation of Directors Peter Reeve, Julian Perkins and Bob Beeson will result in a Board comprising Mr Peter Reeve, Mr Julian Perkins, Dr Bob Beeson and Mr John Bennett – a Board comprising four members.

Director John Bennett recommends that shareholders vote For all resolutions.

Voting by the majority of Shareholders in accordance with the recommendation of Mr Bennett will result in a Board comprising Mr Peter Reeve, Mr Julian Perkins, Dr Bob Beeson, Mr John Bennett, Mr David Eric Roes, Mr Hendrik Delen, Mr Raymond Gin, Mr Florian Bauer and Mr David Peter O'Neil – a Board comprising nine members.

At this juncture, ASEAN's view as to how shareholders should vote on the resolutions proposed by Mr Bennett are not known.

However, if ASEAN supports Mr Bennett's resolutions as we anticipate, the Aura Energy Board will comprise the same persons as the Board that will arise if shareholders vote in accordance with the recommendation of Mr Bennett – a Board comprising nine members.

Frequently asked questions

On what basis has ASEAN called the Meeting to have Resolutions considered and voted on for the election to the Board of Messrs Roes, O'Neil and Gin?	Any shareholder (or group of shareholders) holding more than 5% of the votes that may be cast at a general meeting is entitled to call and arrange to hold a general meeting to have resolutions considered and voted on. Three resolutions are being put before the Meeting as a result of a request from ASEAN which, in aggregate, holds more than 5% of the Company's shares.
Why does ASEAN wish to elect Messrs Roes, O'Neil and Gin to the Board?	ASEAN has provided a statement under section 249P of the Corporations Act ("Requisitioning Shareholder's Statement") which is included in this Notice of General Meeting and which sets out its reasons for seeking to elect Messrs Roes, O'Neil and Gin to the Board. Directors Peter Reeve, Julian Perkins and Bob Beeson disagree with the reasons set out by ASEAN.
On what basis has Director John Bennett requested Resolutions be considered and voted on for the election to the Board of Messrs Hoertlehner, Bauer and Delen?	Article 12.3 of the Company's Constitution provides that a Director of the Company may convene a general meeting of shareholders at which resolutions are considered. Three resolutions are being put before the Meeting as a result of a request by Mr Bennett who is a Director of the Company.
Why does Mr Bennett wish to elect Messrs Hoertlehner, Bauer and Delen to the Board?	Whilst Mr Bennett has advised Aura Energy that he intends to vote for the six resolutions, he has not stated his reasons for doing so. Aura Energy asked Mr Bennett if he would like to include a Statement in the Notice of General Meeting setting out his reasons. However, he declined to do so on the basis that he was not required to do so by Law.
Why do Directors Reeve, Perkins and Beeson recommend shareholders vote against all Resolutions?	Directors Peter Reeve, Julian Perkins and Bob Beeson recommend shareholders vote against all Resolutions for the reasons set out in the Directors' Statement to Shareholders which is included in this Notice of General Meeting.

Further information

If you have questions about the Meeting or the Resolutions to be voted on, please call the Company on (03) 9516 6500, Monday and Wednesdays between 8:30am and 5:00pm AEST.

Important dates and times

Last time/date for receipt of valid proxies	2:00 pm (AEST) on Sunday, 12 April 2020
Record time/date to determine Shareholders eligible to vote	2:00 pm (AEST) on Sunday, 12 April 2020
Meeting	2:00 pm (AEST) on Tuesday, 14 April 2020

Nature of Resolutions

All of the Resolutions are ordinary resolutions, meaning they can be passed by a simple majority of votes cast by Shareholders entitled to vote.

Special Business

Resolution 1 – Election of Mr David Eric Roes as a Director

Resolution 1 relates to the appointment of Mr David Eric Roes as a Director.

ASEAN has provided the following information concerning Mr Roes:

- He was born in New York in 1966
- His usual residential address is Hong Kong
- He is a director and the Chief Executive Officer of Asean Investment Management and Asean Investment Advisors Limited and indirectly a substantial shareholder in the Company.
- His only other public listed company directorship is that of Asia-Pacific Investment Joint Stock Company which is listed in Vietnam

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Roes holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr Roes as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Roes.

Resolution 2 – Election of Mr Hendrik Delen as a Director

Resolution 2 relates to the appointment of Mr Hendrik Delen as a Director.

Mr Bennett has provided the following information concerning Mr Delen:

- He was born in South Africa in 1968
- His usual residential address is South Australia
- He is a "Corporate senior executive with 20 years' experience in manufacturing, global supply chain management, international business development".
- He has no directorships

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Delen holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr Delen as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Delen.

Resolution 3 – Election of Mr Raymond Gin as a Director

Resolution 3 relates to the appointment of Mr Raymond Gin as a Director.

ASEAN has provided the following information concerning Mr Gin:

- He was born in New Zealand in 1965
- His usual residential address is Auckland, New Zealand
- He “is a retired fund manager with 20 years of Asian experience. He oversaw US\$3bn of assets in Indonesia, with considerable experience in assessing mining companies.”
- He has no public listed company directorships

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Gin holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr Gin as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Gin.

Resolution 4 – Election of Mr Florian Bauer as a Director

Resolution 4 relates to the appointment of Mr Florian Bauer as a Director.

Mr Bennett has provided the following information concerning Mr Bauer:

- He was born in Germany in 1974
- His usual residential address is Panama City, Panama
- He is an investor
- He has no directorships

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Bauer holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr Bauer as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Bauer.

Resolution 5 – Election of Mr David Peter O’Neil as a Director

Resolution 5 relates to the appointment of Mr David Peter O’Neil as a Director.

ASEAN has provided the following information concerning Mr O’Neil:

- He was born in New Zealand in 1972
- His usual residential address is Jakarta, Indonesia
- He is a director of ASEAN Deep Value Fund; a director, the ultimate shareholder and Chief Investment Officer of Asean Investment Management and Asean Investment Advisors Limited and indirectly a substantial shareholder in the Company.
- His has no other public listed company directorships

The Company is not in a position to verify any of this information.

The Company is not aware of Mr O’Neil holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr O’Neil as a Director is set out in detail in the Directors’ Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr O’Neil.

Resolution 6 – Election of Mr Florian A Hoertlehner as a Director

Resolution 6 relates to the appointment of Mr Florian A Hoertlehner as a Director.

Mr Bennett has provided the following information concerning Mr Hoertlehner:

- He was born in Germany in 1976
- His usual residential address is Panama
- He occupation is Investor
- He is a director of Gamigo AG, Hamburg

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Hoertlehner holding any Shares or Options in the Company.

Information as to why Directors Peter Reeve, Julian Perkins and Bob Beeson recommend Shareholders vote against, and will be voting all the Shares they hold against, the election of Mr Hoertlehner as a Director is set out in detail in the Directors’ Statement which is included in this Notice of General Meeting.



Directors Peter Reeve, Julian Perkins and Bob Beeson do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Hoertlehner.

GLOSSARY

In this Notice of General Meeting and Explanatory Memorandum:

AEST	means Australian Eastern Standard Time.
ASEAN	means ASEAN Deep Value Fund.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	means the board of Directors.
Chairman	means the Chairman of Aura Energy Limited.
Company	means Aura Energy Limited (ACN 115 927 681).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Directors' Statement	means the statement prepared by Mr Peter Reeve, Mr Julian Perkins and Dr Bob Beeson relating to the proposed Resolutions, as set out at the front of this Notice of General Meeting.
Explanatory Memorandum	means this explanatory memorandum.
Meeting	means the general meeting of shareholders of the Company to be held at 1, 34-36 Punt Road, Windsor, Victoria, 3181 on Tuesday, 14 April 2020 commencing at 2:00 pm AEST.
Notice of General Meeting	means this Notice of Meeting.
Option	means an option to acquire a fully paid ordinary share in the capital of the Company.
Ordinary Resolution	means a resolution requiring to be passed by a majority of such shareholders, as being entitled to do so, voting in person or by proxy on such resolution.
Requisitioning Shareholder's Statement	means the statement prepared by ASEAN pursuant to section 249P of the Corporations Act relating to its proposed Resolutions.
Resolution	means a resolution set out in the Notice of General Meeting.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AEST)** Sunday, 12 April 2020.

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

☐

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

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Aura Energy Limited to be held at Level 1, 34-36 Punt Road, Windsor, Victoria on Tuesday, 14 April 2020 at 2:00pm (AEST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



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

Recommendation

A majority of the Directors of Aura Energy recommends that you vote **AGAINST** all resolutions.

Against

Abstain

For

☒☐☐

Against

Abstain

For

Resolution 1 Election of Mr David Eric Roes as a Director	☐	☐	☐
Resolution 2 Election of Mr Hendrik Delen as a Director	☐	☐	☐
Resolution 3 Election of Mr Raymond Gin as a Director	☐	☐	☐
Resolution 4 Election of Mr Florian Bauer as a Director	☐	☐	☐
Resolution 5 Election of Mr David Peter O'Neil as a Director	☐	☐	☐
Resolution 6 Election of Mr Florian A. Hoertlehner as a Director	☐	☐	☐

The Chairman of the meeting intends to vote undirected proxies **AGAINST** all resolutions.

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

AEE

262119A



Computershare +

REQUISITIONING SHAREHOLDER'S STATEMENT

Explanatory Statement

ASEAN Deep Value Fund (ASEAN) the largest single shareholder (approx. 17%) of Aura Energy Limited (Company or Aura) has issued a notice under s.249D of the Corporations Act to seek to make a selection of Board changes.

We have taken action to seek to materially improve the alignment of the interests of shareholders with those of the Board. Our action has been taken having identified the following key issues/concerns:

- a) Compensation to certain Board members which is considered by ASEAN to be excessive, not in the best interests of the majority of stakeholders and which ASEAN feels is not justified in the circumstances of the Company.

By way of example, based on public disclosures, the Company's Managing Director/Chairman received overall remuneration (including the value of share-based payments) of in excess of \$800,000 for FY2019. We also note that at the 2019 AGM, the vote on the Company's Remuneration Report was overwhelming rejected, which is indicative of the sentiment of non-associated shareholders in respect of current compensation arrangements. We also consider there to be governance issues associated with the Managing Director also holding the Chairmanship.

- b) The Board continuing to use, what we consider to be, 'last resort' financing which is excessively dilutive and creates downward pressure on the Company's share price. Further, to ASEAN's knowledge, the Company failed to adequately disclose that the conversion price of the Lind Global facility was subject to downwards rounding provisions, which resulted in recent share issues in December 2019 being made at a discount of more than 30% to the 5-day VWAP (rather than 10% as disclosed). In addition, changes to the terms of the facility announced on the morning of the Company's 2019 AGM, included change in control terms which appear to protect the positions of the incumbent Board which, in our view, create a potential conflict with the rights of shareholders to elect Board members.

Related to this, ASEAN understands that an investor known to it has recently made an alternative funding proposal for a replacement facility which it does not believe has been given due consideration by the Board, particularly where a further deep discount (approx. 36%) non-strategic equity raising has been completed in January 2020. While ASEAN is not in a position to fully compare the existing and proposed financing options, it understands the revised proposal had the potential remove the overhang created by the current funding facility and provide for conversion at no discount to VWAP in 24 months. In any case, we believe the recent financing arrangements are indicative of insufficient effort having been made to develop relationships with strategic funders or large shareholders who can provide more favourable long-term solutions.

- 2 -

ASEAN has sought to raise its concerns in discussion with the Board however does not feel its views have been seriously taken into consideration. We are therefore putting forward resolutions to appoint David Roes, David O'Neil and Raymond Gin.

David Roes has been active in the financial industry for more than 25 years with experience in commercial banking, strategic planning and portfolio advisory services.

David O'Neil has been working in the finance industry for over 20 years, with extensive experience in corporate finance, investment analysis and investing in the Asian region.

Raymond Gin is a retired fund manager with 20 years of Asian experience. He oversaw US\$3bn of assets in Indonesia, with considerable experience in assessing mining companies.

We believe that the changes required are overdue and necessary to create the positive outcome required for stakeholders. As the largest shareholder in Aura, driven by the continued fall in the market cap and discount to other peer group pre-production Uranium mine developers, we have taken this step to create a framework from which the key deficiencies can be corrected. The results of the recent AGM and EGM are a testament to what shareholders feel regarding the Board's recent decision making.

The key deficiencies that ASEAN believes the proposed changes to the Board can rectify, assuming all public information to date is true and correct are:

- a) Alignment of Director remuneration with the circumstances of the Company, providing a structure which will enable the Company to sustain operations on a low cash -flow burn if related commodity markets continue to be unfriendly.
- b) The ability to source, and properly assess, proposals from strategic investors/financiers with the potential to: (i) replace existing financing arrangement with more favourable/less dilutive alternatives; and (ii) open new avenues for strategic finance to seek to move Tiris into production.
- c) Splitting the Chairmanship from the Managing Director to improve the governance of the Board and removal of potential conflicts of interest.
- d) We are also hopeful that a change in Board and governance practices will assist in addressing disputes/discontent of other shareholders which have, in our view, caused significant recent distraction.

As the largest shareholder, we are willing to continue to support the Company if the issues we consider exist today are rectified. We are not prepared to continue to support or endorse the existing Board mix as it stands today.

- 3 -

Ultimately, by shareholders voting in favour of the resolutions ASEAN are putting forward, we are hopeful that over the next 12 months the reconstituted Board will be able to:

- a) Control dilution and achieve financing arrangements which are at higher prices than recent issues and involve long-term minded/strategic investors.
- b) Implement cost control in-line with a micro-cap Company and aligned to shareholder interests with benefits dictated by performance and the creation of shareholder value.
- c) Replace the existing financing facility which we believe is having a material negative affect on investor confidence.
- d) Assuming a sustained recovery in the Uranium market, a focus on securing the equity requirements to advance Tiris towards production.

We invite shareholders to vote their shares to create positive change and join us in creating a successful future for Aura.

REQUISITIONING DIRECTOR'S STATEMENT

The Company requested Mr JL Bennet to provide a Requisitioning Directors Statement and was informed that unless it was required by law he would decline to write such a statement.

