

15 May 2014

ISSUE OF SHARES Appendix 3B & 708A Notice

Aura Energy advises that on 13 May 2014, 4,210,845 fully paid ordinary shares that were approved for issue at a general meeting of the Company on 8 May 2014 were issued as follows:

1,433,067 shares issued to directors in partial settlement of fees and salaries for the period from January to April 2014, and;

2,777,778 shares issued to HSBC Custodian Nominees (Australia) Limited as custodian for the Australian Special Opportunity Fund (Investor) in accordance with the agreement entered into on 28 February 2014.

Under that agreement Aura received \$75,000 on 14 April 2014 and has now converted the funds into shares at an issue price of \$0.027 per share.

The price is calculated as 90% of the VWAP of three consecutive trading days in the past month as selected by the Investor.

The Appendix 3B and 708A Notice for the above issues are appended.

For further information contact:

Stan Zillwood

Company Secretary, +61 (0)3 9890 1744

info@auraenergy.com.au

Headquartered in Melbourne and listed on the ASX, Aura Energy (AEE) is an explorer and developer of uranium assets. The company has advanced uranium projects with large resources that are close to the surface in both Europe and Africa and also has a resource in Australia. Aura holds a total of 860 million pounds (389,000 tonnes) uranium in inferred resources. Its two main projects include: the Häggån Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by completing feasibility studies on these two projects.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AURA ENERGY LIMITED

ABN

62 1415 927 681

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,777,778 Shares for the second tranche payment in relation to a subscription facility with The Australian Special Opportunity Fund LP as announced on 3 March 2014 (Funding Facility)

1,433,067 shares issued to directors |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares will rank equally with existing Shares in all respects.
5 Issue price or consideration	Shares - 2,777,778 Shares issued at a issue price of 2.7 cents per Share (for a total of \$75,000) - 1,433,067 shares issued at an average deemed issue price of 3.9 cents per share based on the VWAP of shares in the month of employment
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	- To settle the second tranche of funding from The Australian Special Opportunity Fund LP as announced on 3 March 2014. - To part pay directors' fees and salary in shares January to April 2014
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b The date the security holder resolution under rule 7.1A was passed	N/A

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	NIL
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NIL
6f	Number of +securities issued under an exception in rule 7.2	NIL
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 29,237,331 7.1A N/A
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	13 May 2014

Number	+Class
--------	--------

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	194,915,542	Fully Paid Ordinary Shares
		35,789,218	20c Options 1 Dec 2014
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		350,000	30c options 23.12.14
		570,000	45c options 31.3.16
		3,500,000	31c options 31.10.14
		1,000,000	20c options 31.5.15
		200,000	20c options 4.12.16
		6,625,000	15c options 13.1.15
		2,250,000	20c options 13.1.16
		6,625,000	20c options 13.7.16
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Fully Paid Shares described in Part 1, not the options
- (b) ☐ All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A				
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">N/A</td> <td style="padding: 5px;">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A
Number	+Class					
N/A	N/A					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Director/Company secretary)

Date: 15-5-2014

Print name: STANLEY FRANK ZILAND

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	168,713,449
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	4,073,392 (SPP) 10,498,750 (Placement) 2,200,000 (Collateral Shares) 2,946,378 (Commencement Fee) 2,272,727 (1 st Tranche) 2,777,778 (2 nd Tranche) 1,433,067 (Director's salary and fees)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	194,915,541

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	29,237,331
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	29,237,331
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	29,237,331 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	N/A
“E”	N/A

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



15 May 2014

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

On 13 May 2014, Aura Energy Ltd (**Company**) issued 4,210,845 fully paid ordinary shares in the capital of the Company (**Shares**) to the following:

- 2,777,778 Shares in relation to a second tranche payment to the Australian Special Opportunity Fund, LP under an equity subscription agreement with the Company, as previously announced on 3 March 2014.
- 1,433,067 Shares to directors of Aura Energy Limited in part payment of fees and salary as approved at the general meeting of the Company on 8 May 2014.

The Company gives notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

1. the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

For Aura Energy Ltd

A handwritten signature in black ink, appearing to read "Stan Zillwood", written over a circular stamp or seal.

Stan Zillwood
Company Secretary