



AURA ENERGY LIMITED

ACN 115 927 681

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11am (AEDT)

DATE: Wednesday, 26 November 2014

PLACE: Barnet Room, Westin Hotel, 1 Martin Place, Sydney NSW

A copy of the Aura Energy Limited 2014 Annual Report can be found at:
www.auraenergy.com.au

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9890 1744.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11am (AEDT) on Wednesday, 26 November 2014 at:

Barnet Room
Westin Hotel
1 Martin Place
SYDNEY NSW 2000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm (AEDT) on 24 November 2014.

Voting in person

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

Voting by proxy

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

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

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

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- ☛ the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- ☛ if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- ☛ if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- ☛ if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- ☛ an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- ☛ the appointed proxy is not the chair of the meeting; and
- ☛ at the meeting, a poll is duly demanded on the resolution; and
- ☛ either of the following applies:
 - ▶ the proxy is not recorded as attending the meeting; or
 - ▶ the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. 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 2014."

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) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) 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

- (c) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JULIAN PERKINS

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 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Julian Perkins, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,571,429 Shares to BBY Nominees Pty Ltd, a nominee of Lind, on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES TO MR JOHN WILSON (CONSULTANT)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 238,264 Shares on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES TO MR NEIL CLIFFORD (CONSULTANT)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 84,732 Shares on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES TO MR DAVID BORTEN (CONSULTANT)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,796 Shares on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES TO MR WILLIAM GOODALL (CONSULTANT)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 538,012 Shares on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES TO GEORGE WIDELSKI & ASSOCIATES (CONSULTANT)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 989,291 Shares on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 9 - ISSUE OF SHARES TO RELATED PARTY – DR ROBERT BEESON

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$48,538 worth of Shares to Dr Robert Beeson (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Dr Robert Beeson (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by

the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 - ISSUE OF SHARES TO RELATED PARTY – MR PETER REEVE

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$112,015 worth of Shares to Mr Peter Reeve (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Reeve (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and

- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 - ISSUE OF SHARES TO RELATED PARTY – MR JULIAN PERKINS

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$27,500 worth of Shares to Mr Julian Perkins (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Julian Perkins (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 12 - ISSUE OF SHARES TO RELATED PARTY – MR BRETT FRASER

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$20,718 worth of Shares to Mr Brett Fraser (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Brett Fraser (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 13 – APPROVAL FOR THE ISSUE OF SHARES - PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 65,000,000 Shares at an issue price of not less than 80% of the average market price for the Shares on the ASX over the last 5 trading days on which sales in the Shares were recorded before the date of the proposed issue and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 14 – PLACEMENT – SHARES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue \$75,000 worth of Shares to BBY Nominees Pty Ltd, a nominee of Lind, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 17 October 2014

By order of the Board

A handwritten signature in black ink, appearing to read 'Stan Zillwood', with a large, stylized initial 'S'.

Stan Zillwood
Company Secretary

EXPLANATORY STATEMENT

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

1. 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 2014 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.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 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 the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a 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 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.

2.3 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 more than 25%. Accordingly, a Spill Resolution was put forward to shareholders. However, shareholders voted against the resolution and a Spill Meeting was not required to be held.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel ¹	Voted	Not voted ³
Chair ²	Voted	Voted at discretion of Proxy ⁴
Other	Voted	Voted at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JULIAN PERKINS

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) In determining the number of Directors to retire, no account is to be taken of:

- (i) a Director who only holds office until the next annual general meeting pursuant to clause of the Constitution; and/ or
- (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has four Directors (including the managing director) and accordingly one must retire.

Mr Julian Perkins, the Director longest in office since his last election, retires by rotation and seeks re-election.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 General

As announced on 3 March 2014, the Company entered into a share purchase and convertible security agreement dated 28 February 2014 (**Agreement**) with The Australian Special Opportunity Fund, LP a fund managed by Lind Partners LLC (together, **Lind**).

In accordance with the Agreement, the Company will issue \$75,000 worth of Shares to Lind (or its nominee, BBY Nominees Pty Ltd), being **Tranche 5**, before the date of the Meeting. The issue price of the Shares will be \$0.021 (**Issue Price**) and a total of 3,571,429 Shares will be issued to Lind prior to the date of the Meeting.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to be issued prior to the date of the Meeting (**Ratification**).

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

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

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

4.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 3,571,429 Shares will be issued prior to the date of the Meeting;
- (b) the issue price was \$0.021 per Share as elected by Lind in accordance with the Agreement;

- (c) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued to The Australian Special Opportunity Fund, LP (or its nominee, BBY Nominees Pty Ltd), neither of which are related parties of the Company; and
- (e) the funds raised from the issue will be used towards conducting a feasibility study for Reguibat and for general exploration and working capital purposes.

5. RESOLUTIONS 4 TO 8 – RATIFICATION OF PRIOR ISSUE – SHARES TO CONSULTANTS

5.1 General

The Company issued a total of 1,881,095 Shares in consideration for services provided by consultants in the following proportions:

- (a) 238,264 Shares to John Wilson on 10 June 2014
- (b) 84,732 Shares to Neil Clifford on 10 June 2014;
- (c) 30,796 Shares to David Borten on 10 June 2014;
- (d) 538,012 Shares to William Goodall on 8 October 2014; and
- (e) 989,291 Shares to George Widelski & Associates on 8 October 2014.

(together, the **Consultants**).

Resolutions 4 to 8 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 and 7.4 is set out in section 4.1 above.

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

5.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 1,881,095 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of consultancy services provided by each of the Consultants;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to John Wilson, Neil Clifford, David Borten, William Goodall and George Widelski & Associates, who are not related parties of the Company; and

- (e) no funds were raised from this issue as the Shares were issued in consideration for consultancy services.

6. RESOLUTIONS 9 TO 12 – ISSUE OF SHARES TO RELATED PARTIES

6.1 General

During the financial year, the directors agreed to defer payment of their fees and a portion of the Managing Director's salary going forward in order to conserve the cash position of the Company. The intention of resolutions 9 to 12 are to settle the net after tax unpaid fees and salary due to directors by the issue of fully paid ordinary shares. This arrangement to defer payments is still in place.

Resolutions 9 to 12 seek Shareholder approval for the grant of the shares to the directors (or their nominees). To the extent Shareholders do not approve the issue of the shares, the directors will be entitled to be paid their respective deferred salary and fees in cash.

The Company has agreed, subject to obtaining Shareholder approval, to issue directors Dr Robert Beeson, Mr Peter Reeve, Mr Julian Perkins and Mr Brett Fraser (or their nominees) (the **Related Parties**) with Shares in lieu of salary and Director fees (**Related Party Shares**) as follows:

- (a) Dr Robert Beeson (or his nominee) is to be issued Shares in satisfaction of unpaid salary owed to Dr Beeson, being \$33,373 for the period 1 December 2013 to 30 November 2014 and 21.5 days worked in addition to his salary from 1 December 2013 to 30 September 2014, being \$15,165;
- (b) Mr Peter Reeve (or his nominee) is to be issued Shares in satisfaction of unpaid director fees for the period 1 December 2013 to 30 November 2014, being \$36,311, and to fees pursuant to his letter of appointment with the Company for a total of 58 days from 13 July 2013 to 30 June 2014, being \$75,704; and
- (c) Mr Julian Perkins (or his nominee) is to be issued Shares in satisfaction of unpaid director fees for the period 1 June 2014 to 30 November 2014; and
- (d) Mr Brett Fraser (or his nominee) is to be issued Shares in satisfaction of unpaid director fees for the period 1 June 2014 to 30 November 2014.

The issue price for the Related Party Shares will be, with respect to Related Party Shares issued in lieu of salary or Director fees accrued in a particular month, equal to the monthly VWAP for Shares for that month or in the case of the fees to be paid to Dr Beeson and Mr Reeve in addition to their salaries, the additional fees will be converted at the 5 day VWAP prior to the date of issue of the Shares.

Set out below are worked examples of the number of Related Party Shares that may be issued to the Related Parties based on issue prices of \$0.03, \$0.04 and \$0.05 (assuming no further Shares are issued or Options exercised).

Director	Assumed Issue Price	Salary/fees	Number of Shares ¹	Dilution effect on existing Shareholders ¹
Dr Beeson	\$0.03	\$48,538	1,617,933	0.61%
	\$0.04	\$48,538	1,213,450	0.46%
	\$0.05	\$48,538	970,760	0.37%

Director	Assumed Issue Price	Salary/fees	Number of Shares ¹	Dilution effect on existing Shareholders ¹
P Reeve	\$0.03	\$112,015	3,733,833	1.41%
	\$0.04	\$112,015	2,800,375	1.06%
	\$0.05	\$112,015	2,240,300	0.84%
J Perkins	\$0.03	\$27,500	916,667	0.35%
	\$0.04	\$27,500	687,500	0.26%
	\$0.05	\$27,500	550,000	0.21%
B Fraser	\$0.03	\$20,718	690,600	0.26%
	\$0.04	\$20,718	517,950	0.20%
	\$0.05	\$20,718	414,360	0.16%

Note:

1. Assumes that no Shares are issued under Resolutions 9 to 14 and is based on a capital structure of 265,197,154 Shares (which includes the Shares issued under Resolutions 4 to 8).

The Company has obtained a waiver of ASX Listing Rule 10.13.5 to enable the Related Party Shares to have an issue price based on the above formula rather than stating an exact issue price in the Notice.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity 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.

The grant of Related Party Shares constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

Each Director considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares to each of the other Directors because the agreement to grant Related Party Shares in satisfaction of Director fees is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 9 to 12:

- (a) the Related Party Shares will be granted to Dr Robert Beeson, Mr Peter Reeve, Mr Julian Perkins and Mr Brett Fraser (or their nominees);
- (b) the maximum number of Related Party Shares to be issued is:
 - (i) up to \$48,538 worth of Shares in the case of Dr Robert Beeson (in satisfaction of unpaid salary owed to Dr Beeson, being \$33,373 for the period 1 December 2013 to 30 November 2014, and 21.5 days worked in addition to his salary from 1 December 2013 to 30 September 2014, being \$15,165);
 - (ii) up to \$112,015 worth of Shares in the case of Mr Peter Reeve (in satisfaction of unpaid director fees owed to Mr Peter Reeve during the period 1 December 2013 to 30 November 2014, being \$36,311, and to fees pursuant to his letter of appointment with the Company for a total of 58 days from 13 July 2013 to 30 June 2014, being \$75,704);
 - (iii) up to \$27,500 worth of Shares in the case of Mr Julian Perkins (in satisfaction of unpaid director fees owed to Mr Perkins between 1 June 2014 to 30 November 2014); and
 - (iv) up to \$20,718 worth of Shares in the case of Mr Brett Fraser (in satisfaction of unpaid director fees owed to Mr Fraser between 1 June 2014 to 30 November 2014);
- (c) the issue price of the Related Party Shares will be, in respect of Shares issued in lieu of salary or Director fees accrued in a particular month, equal to the monthly VWAP for Shares for that month or in the case of the fees to be paid to Dr Beeson and Mr Reeve in addition to their salaries, the additional fees will be converted at the 5 day VWAP prior to the date of issue of the Shares;
- (d) the Related Party Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Related Party Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Shares to the Related Parties (or their

nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 13 – APPROVAL FOR THE ISSUE OF SHARES - PLACEMENT

7.1 General

Resolution 13 seeks Shareholder approval for the proposed issue of up to 65,000,000 Shares by way of a placement (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 13 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares which may be issued is 65,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed; the Shares will be issued to sophisticated and professional investors who are not related parties of the Company;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the Company intends to use the funds raised from the Placement as follows:

Description	Current Year
Reguibat Feasibility Study	70%
General exploration activity	20%
Working Capital ¹	10%
Total	100%

Note 1: Any funds not expended on the feasibility study or exploration will be included in the Company's working capital budget.

8. RESOLUTION 14 – APPROVAL FOR THE ISSUE OF SHARES - LIND PLACEMENT

8.1 General

In accordance with the Agreement (set out in Resolution 3 above), the Company will issue \$75,000 worth of Shares to Lind (or its nominee, BBY Nominees Pty Ltd), being tranche 5, before the date of the Meeting.

Resolution 14 seeks Shareholder approval for a further issue of \$75,000 worth of Shares to Lind (or its nominee, BBY Nominees Pty Ltd), being tranche 6, after the date of the Meeting (**Lind Placement**).

The issue price of the Shares will equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued (**Issue Price**).

As such, the actual number of Shares that will be issued is not currently known. Once issued, the Company will announce how many Shares it has issued in accordance with the ASX Listing Rules.

Set out below is a worked example of the number of Shares that may be issued based on Issue Prices of \$0.03, \$0.04 and \$0.05 (assuming no further Shares are issued or Options exercised).

Assumed Issue Price	Maximum number of Shares	Current Shares on issue ¹	Expanded Number of Shares	Dilution effect on existing Shareholders
\$0.03	2,500,000	265,197,154	267,697,154	0.93%
\$0.04	1,875,000	265,197,154	267,072,154	0.70%
\$0.05	1,500,000	265,197,154	266,697,154	0.56%

Note:

1. Does not include the Shares to be issued under Resolutions 9 to 14 and assumes that no other Shares are issued.

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 14 will be to allow the Company to issue the Shares pursuant to the Lind Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued will be that number of Shares which, when multiplied by the Issue Price, equals \$75,000. The Company will announce the number of Shares for tranche 6 in accordance with the ASX Listing Rules before the Meeting;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued and will be announced on 3 April 2014 following the issue, but prior to the Meeting but, in accordance with the ASX Listing Rules, shall not be less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed ;

- (d) the Shares will be issued to The Australian Special Opportunity Fund, LP (or its nominee, BBY Nominees Pty Ltd), neither of which are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from the issue will be used towards conducting a scoping study for Reguibat and for general exploration and working capital purposes.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting 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 Monday, 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) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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 30 June 2014.

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

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Lodge your vote:



By Mail:

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

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

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

For all enquiries call:

(within Australia) 1300 544 913
(outside Australia) +61 3 9938 4320

└ 000001 000 AEE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11:00am (AEDT) Monday, 24 November 2014

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

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

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

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

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

Attending the Meeting

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

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

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.auraenergy.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



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

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



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



I 9999999999

I ND

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 Annual General Meeting of Aura Energy Limited to be held in the Barnet Room, Westin Hotel, 1 Martin Place, Sydney, New South Wales on Wednesday, 26 November 2014 at 11:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 9, 10, 11 and 12 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 9, 10, 11 and 12 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 9, 10, 11 and 12 by marking the appropriate box in step 2 below.

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.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	☐	☐	☐	Resolution 8	Ratification of Prior Issue-Shares to George Widelski & Associates (Consultant)	☐	☐	☐
Resolution 2	Re-election of Director - Mr Julian Perkins	☐	☐	☐	Resolution 9	Issue of Shares to Related Party - Dr Robert Beeson	☐	☐	☐
Resolution 3	Ratification of Prior Issue of Shares	☐	☐	☐	Resolution 10	Issue of Shares to Related Party - Mr Peter Reeve	☐	☐	☐
Resolution 4	Ratification of Prior Issue-Shares to Mr John Wilson (Consultant)	☐	☐	☐	Resolution 11	Issue of Shares to Related Party - Mr Julian Perkins	☐	☐	☐
Resolution 5	Ratification of Prior Issue-Shares to Mr Neil Clifford (Consultant)	☐	☐	☐	Resolution 12	Issue of Shares to Related Party - Mr Brett Fraser	☐	☐	☐
Resolution 6	Ratification of Prior Issue-Shares to Mr David Borten (Consultant)	☐	☐	☐	Resolution 13	Approval for the Issue of Shares - Placement	☐	☐	☐
Resolution 7	Ratification of Prior Issue-Shares to Mr William Goodall (Consultant)	☐	☐	☐	Resolution 14	Placement - Shares	☐	☐	☐

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

AEE

190920A

Computershare +