aura energy

ACN 115 927 681

ANNUAL REPORT

30 June 2015

CORPORATE DIRECTORY

Directors

Peter Reeve	Executive Chairman and Managing Director
Robert (Bob) Beeson	Non-executive director
Brett Fraser	Non-executive director
Julian (Jules) Perkins	Non-executive director

Company Secretary

Stanley Zillwood

Head Office and Registered Office

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Share Registry

Computershare Registry Services
Level 11, 172 St Georges Terrace
Perth WA 6000

Securities Exchange

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000
ASX Code: AEE

Auditor

Bentleys
Level 1, 12 Kings Park Road
West Perth WA 6005

ANNUAL REPORT
30 JUNE 2015

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CHAIRMAN'S LETTER

Dear Shareholders

Aura is fortunate to have two attractive, 100% owned, development stage assets with resources totalling 852 million pounds of uranium oxide, which positions the Company to become a major producer in the years ahead. The near-term project, the Tiris Uranium Project in Mauritania, is currently in the Feasibility Study stage and is a low capital expenditure project that can be brought on stream in a couple of years to provide near term cash flow to the Company. The second asset, the Häggån Uranium Project, is a world class, strategic European uranium deposit located in Sweden, with the potential to be a long-term major supplier to northern European nuclear reactors.

Both projects are estimated to have very low operating costs and exceptionally capital efficient development cost requirements, stemming from innovative science and design. Aura is in this fortunate position because of the experience and technical strength of the management and operating team assembled.

2015 has seen a strong and positive push forward, with the commencement of the Tiris Definitive Feasibility Study (DFS) which provides Aura with the best chance of generating a significant positive cash flow in the shortest time frame. However, similar to last year, the broad environment has seen the uranium price rise initially and then drift down, while support for both the junior sector and for uranium equities has remained challenging.

The key activities within Aura in 2015 were;

- Completion of the Tiris Scoping Study and commencement of the Tiris DFS.
- 4250 metre drilling program at Tiris for exploration and Mineral Resource upgrade.
- Continued larger-scale beneficiation testwork on the Tiris Project.
- Site visits and engagement with Mauritanian resource development departments and Government to progress the Tiris Project.
- Fund raising to ensure progression of the project studies.
- Corporate and uranium market engagement to advance Tiris.

Aura plans to continue to progress the Tiris DFS during 2016 at a prudent pace, recognising the difficulty in accessing funding sources in the current market environment.

There is potential for improvement in the uranium price, with a consensus that Japanese reactor restarts and the lack of term contracting is moving the sector ever closer to a period where long-term uranium inventory books need to be rebuilt by nuclear utilities.

During 2015 the founding Managing Director and CEO, Bob Beeson, retired from his role. On behalf of the Board, I thank him for his significant contribution to the Company, particularly in creating the culture of exploration within Aura that led to the discovery of two globally significant uranium deposits in remarkably short time. Within the industry it is understood that this is a rare feat and we wish he and his wife Pat well for the future. Bob has remained on the Board in a non-executive capacity. I would also like to thank all Aura Energy employees and contractors in Australia, Sweden and Mauritania for their contribution during the year as companies are nothing more than the aggregation of their quality people.

Regards

PETER REEVE
Executive Chairman, Aura Energy Limited

OPERATIONS REVIEW 2015

2015 was a watershed year for Aura Energy as the Company embarked on the path towards development of its first project, the Tiris Uranium Project, in Mauritania. Whilst activity centred on Tiris, it by no means diminishes our enthusiasm for our exceptional project in Sweden, the Häggån Uranium Project.

With the focus of Aura switching from exploration to project development and the path into a mining company over the coming years, a large amount of work focused on reviewing and creating appropriate structures and systems to ensure that any new development projects are managed from a solid footing. This included growing attention to the Company's safety systems. Safety for all people concerned with our Company is a core component of our current and future development activities and operations.

The members of the Tiris project team were confirmed, allowing the project and finance requirements to be integrated on a day to day basis and consideration of the broad spectrum of requirements for the Tiris Project.

Fundraising became central to the Company during the year as the push to progress project development is unrelenting and unavoidably expensive. The need to find a reliable and sustainable source of funding to continue on this development path is very important to Aura and remained unfulfilled at year end. Subsequent to year end however, Aura was however able to attract the attention and support of a London-based group of seasoned resource investors who have indicated their intention to see the Tiris project through to production. This may lead to additional fund raising in that region, a region that does have an appreciation of African and European based projects.

TIRIS PROJECT

The Tiris Uranium Project is an excellent near-term development project and Aura's key opportunity to produce significant cash flow and returns for shareholders in the coming 2-3 years.

The Project has progressed to Definitive Feasibility Study (DFS) stage and this study is scheduled for completion at the end of 2016. Depending on the timely availability of an adequate flow of funds to complete the work as presently scheduled and budgeted, the Project is planned to be in production in early 2018.

The Tiris Uranium Project has an initial production profile up to 1 million lb per annum with the Scoping Study indicating an average life of mine (LOM) production of approximately 800,000 lb over 15 years.

There are a number of natural attributes of the Project which derive from the very fine nature of the uranium mineral, carnotite. This allows a simple beneficiation step of washing and screening to achieve an upgrade of up to 700% to the leach feed. This in turn leads to a project that has;

- **A very small physical footprint**
- **No grinding – huge construction and operating savings**
- **Easily scalability – modular, assembled on-site**

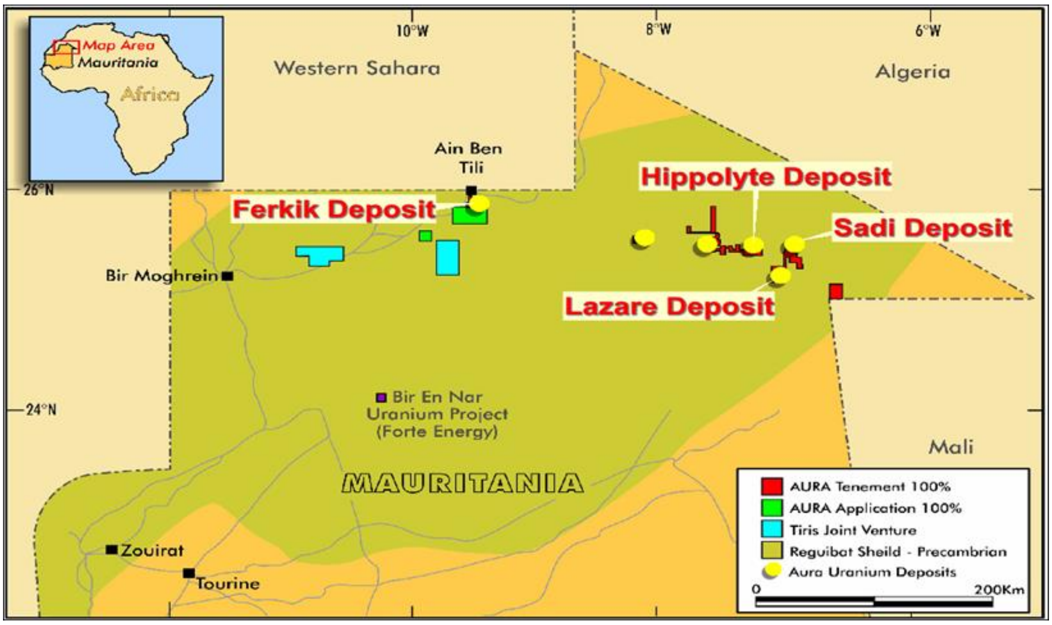
The resulting capital and operating costs are US$45 million and US$30/lb U_3O_8 which are both extremely competitive in this environment and compete well with the in-situ leach uranium projects which are also well known for low capital and operating costs.

The key to low cash costs at Tiris is the:

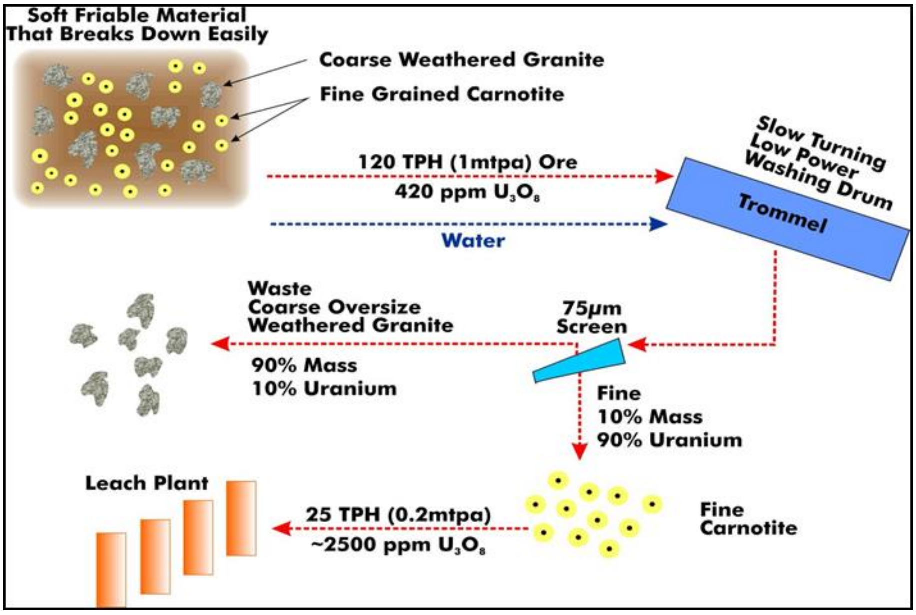
- **Shallow Mining at 1- 5 metres depth**
- **Ore Upgrades by 500 - 700% - from 335 ppm to circa 2,500 ppm U_3O_8**
- **Excellent Leach Recovery and rate - 94% in 4 hours**

The project financial outcomes from the Scoping Study were;

- Pre-tax cashflow (15 years) : A$360 M using US$65/lb U_3O_8 @ 90 cents AUD
- IRR of 78% before tax and royalties



Location of Aura's Tiris Uranium Project deposits in Mauritania



Explanation of the beneficiation step for the Tiris Uranium Project

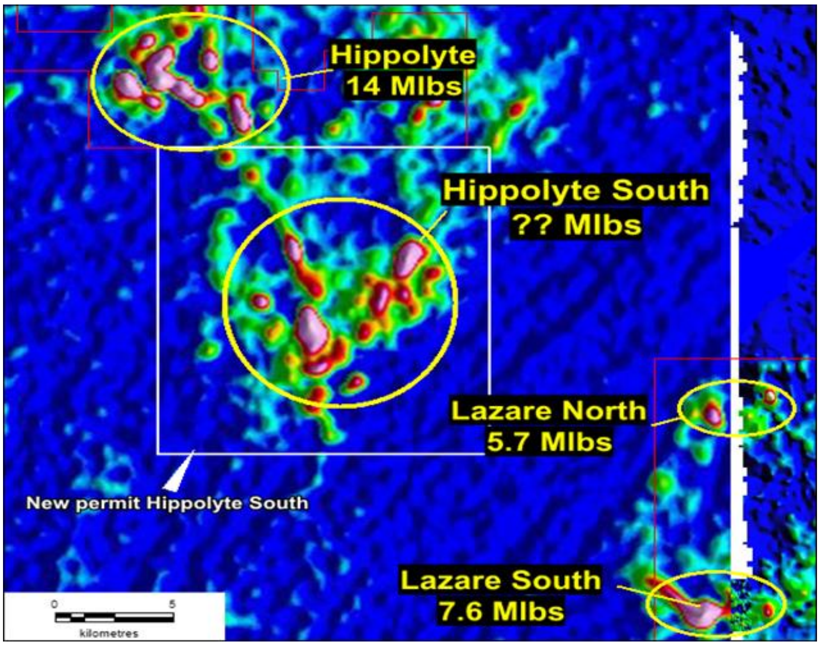
Importantly the Scoping Study financials only account for approximately 20% of the known resources, providing excellent upside on the project economics and presenting a strong case for further expansion. Initial modelling of expansion cases has been undertaken and indicates a very robust financial case.

The Project attributes for Tiris are unique. The low capital and operating costs, the early stage of project optimisation, the new Hippolyte South tenement application and the regional exploration potential give the Company great confidence that this can be a very large long life project with significant financial returns to shareholders.

During the year, the key activities on the Tiris Uranium Project were:

- Completion of the Tiris Scoping Study.
- Confirmation of excellent beneficiation results, up to 700% in further testwork.
- Commencement of the Tiris Definitive Feasibility Study.
- Development of a detailed project schedule.
- Further studies to confirm the capital and operating costs estimates.
- Completion of a 4250m drilling program to allow upgrade of the planned early production resources to the Measured Resource category.
- Application for a new tenement, Hippolyte South, which demonstrates all the positive radiometric, drilling and structural indicators of the main Hippolyte tenement which contains 14 M lb U_3O_8.
- A comprehensive country visit by the Executive Chairman and project team where all aspects of the Project were reviewed. During this visit, meetings with key resource departments and the Mines Minister were conducted.
- Completion of a first phase of water studies.
- Successful drilling results from the Sadi area of the Project which were important in highlighting high grade mineralisation in areas where **no** radiometric response was found.
- Detailed work towards a comprehensive geometallurgical model.
- Development of a detailed permit register for the Project's development.

Drilling during the 2015 campaign at the Hippolyte Zone



New tenement application at Hippolyte South – its radiometric response is similar to Hippolyte, Aura's main deposit which contains 14 million lb

HÄGGÅN PROJECT

The Häggån Project is one of the world's largest undeveloped uranium deposits and is strategically located within Western Europe.

With an Inferred Resource of 803 M lb, the deposit has the potential to provide Sweden, which is 50% nuclear dependent for electricity, with energy self-sufficiency for many decades.

Aura, whilst understanding the difficulty in the current market for funding such a large development, believes that Häggån is an extremely valuable project which, in due course, will be an excellent profitable long-life mine in one of the most stable countries in the world.

During 2015 Aura took steps to reinvigorate its approach to the Häggån Project with a view to undertaking as many low cost steps as possible to advance it. This included visits to site, discussion with local landowners, meetings with Government officials and contacts with potential contractors on advancing community and Government engagement. The potential to undertake a corporate transaction with an appropriate partner remains a live option.

During the year, the key activities on the Häggån Project were as follows:

- Two diamond drill holes completed on the Häggån and Marby tenements to confirm resource continuity.
- Planning for future drilling with the key aim of delineating a portion of Measured Resource.
- Planning for next stage of definitive leach testwork which will centre around scoping column leach testwork and will lead to large scale 'crib' leach pilot tests to determine the final leach parameters for an operation.
- Discussion around next steps of local, regional and national community engagement.

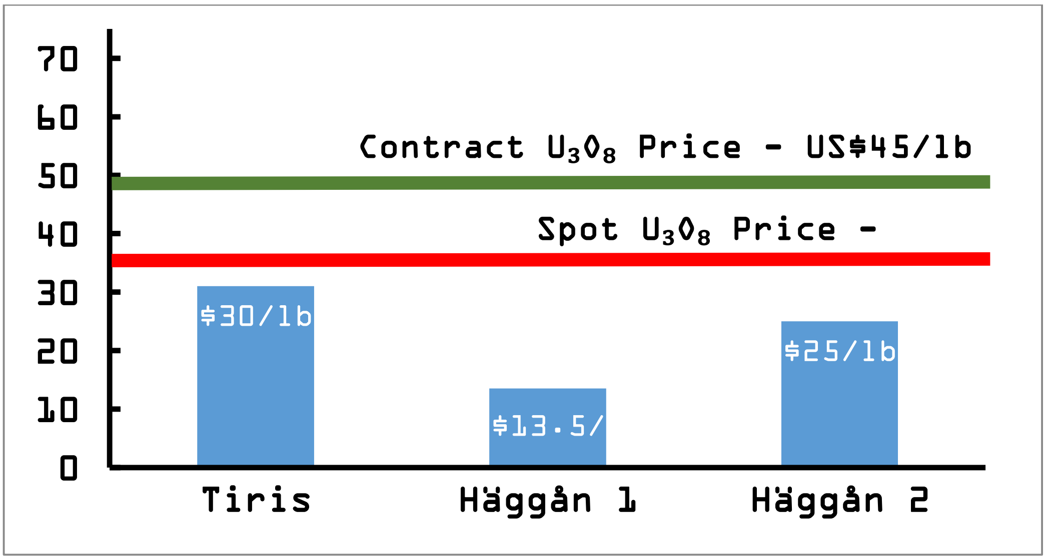
CORPORATE

During the year, Aura underwent a number of changes in preparation for its transformation into a development and production organisation. These involved various campaigns to raise finance, corporate structural development and strategic planning for both Tiris and Häggån. The potential for funding project advancements via a company stake, project stake, development capital transactions and product offtake all remain under active consideration and review by the Board. In addition, every opportunity was undertaken to promote Aura on the global uranium stage as a viable developing producer company.

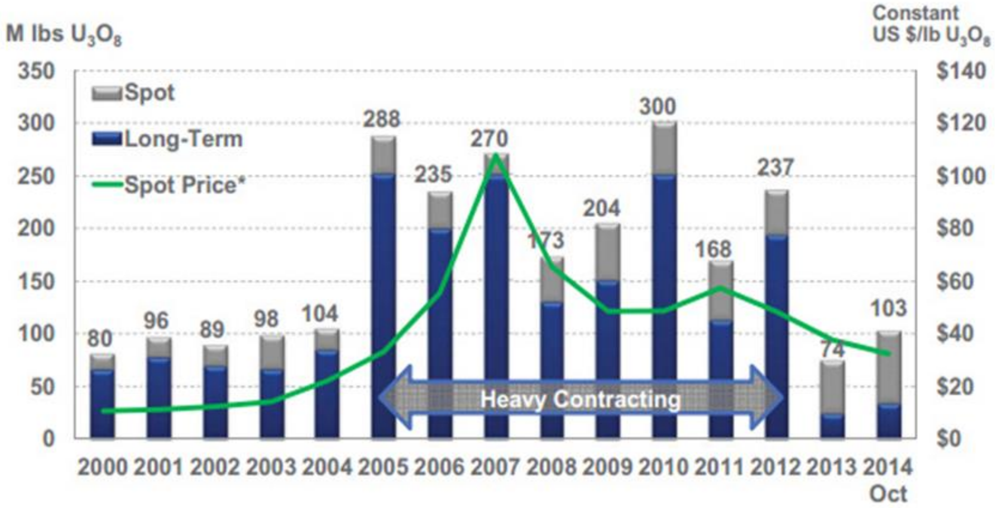
The near-future rise of the uranium price appears certain, given the relentless construction of many new nuclear reactors and the lack of new Long Term U_3O_8 Contracts being signed. It continues to be evident that, as the 2018 to 2020 period approaches, nuclear utilities that have enjoyed Fukushima-induced low spot U_3O_8 prices will be forced to enter this term market en-masse resulting in a sharp increase of U_3O_8 prices across the spot, mid-term and long-term price series.

The key corporate activities during the year were:

- Discussion with potential partners for both Tiris and Häggån.
- Discussion with companies who could assist with the engineering development of Tiris.
- Discussions with the nuclear utility sector regarding potential product offtake.
- Fundraising activities.
- Discussions with Mauritanian and Swedish Government officials.



Aura's Project C1 Cash Costs versus current spot and contract U_3O_8 prices



Historical Spot (grey) and LT Contract (blue) sales for U_3O_8
Note: The very low level of contract sales in 2013 & 2014 – A potential driver for U_3O_8 price recovery.

Competent Persons

The Competent Person for the Tiris Metallurgical Testwork is Dr Will Goodall.

The information in the report to which this statement is attached that relates to the testwork is based on information compiled by Dr Will Goodall. Dr Goodall has sufficient experience that is relevant to the testwork program and to the activity which he is undertaking. This qualifies Dr Goodall as a Competent Personas defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Goodall is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Goodall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Competent Person for the Tiris and Haggan Resources is Mr Neil Clifford.

The information in the report to which this statement is attached that relates to the resource is based on information compiled by Mr Neil Clifford. Mr Clifford has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr Clifford as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2015.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

- Mr Peter Reeve — *Executive Chairman and Managing Director* (appointed Executive Chairman on 1 January 2015 and Managing Director on 30 April 2015)
- Dr Robert Beeson — *Non-executive director* (retired as Managing Director on 31 December 2014)
- Mr Brett Fraser — *Non-executive director*
- Mr Julian Perkins — *Non-executive director*

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

- Mr Stanley Zillwood — *Company Secretary*

3. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the exploration and evaluation of its projects in Sweden and Mauritania.

4. DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the financial year ended 30 June 2015.

5. REVIEW OF OPERATIONS

5.1. Operation Review

A detailed review of the Group's exploration activities is set out in the section entitled Operations Review on page 4 in this annual report.

5.2. Operating Results

The consolidated loss for the year amounted to $2,493,900 (2014: $3,855,498). The decrease is largely attributable to the reduction in write-off of exploration assets as set out in Note 11 Exploration and evaluation assets.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Groups assessment in this regard can be found in Note 1 Statement of significant accounting policies-Going concern. The auditor's report contains an emphasis on matter in this regard.

5.3. Financial Position

The net assets of the Group have increased by $1,062,951 from 30 June 2014 to $13,761,825 at 30 June 2015.

As at 30 June 2015, the Group's cash and cash equivalent increased from 30 June 2014 by $372,533 (including foreign exchange movements) to $943,011. The Group had a working capital surplus of $500,426 (2014: $30,423 working capital deficit), that included the debt component of a convertible note of $43,040 (2014: $188,600).

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

- The Group brought to account an impairment of its Mauritanian and Swedish assets at balance date. The impairment totalled $1,045,240 and relates relinquishment of non-core tenements. In 2014, the Group wrote off exploration expenditure of $2,880,191. The write-off largely related to the withdrawal from Australian exploration.

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 September 2015, the Company completed a placement of ordinary shares to a London-based group of investors with WH Ireland. Under the terms and conditions of the placement the Company will receive $0.761 million in two tranches comprising (i) 48,660,000 fully paid ordinary shares to be issued at 1.225 cents per share shares immediately for gross proceeds of $596,085 and (ii) 13,451,801 fully paid ordinary shares at 1.225 cents per share subject to shareholders approval at the annual general meeting for gross proceeds of $164,785.

The Company has also agreed to issue to the investor group 1 option for each share subscribed with a strike price of 2.5 cents per option over ordinary share and an expiry date 2 years from the date of completion of the second tranche.

The Company has committed to undertaking an Initial Public Offering (IPO) on the Alternate Investment Market (AIM) in London within the coming months. The investor group has committed to be the cornerstone investors of the AIM IPO.

8. LIKELY DEVELOPMENTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

9. INFORMATION ON DIRECTORS

Mr. Peter Reeve	Executive Chairman and Managing Director
Qualifications	Bachelor of Applied Sciences.
Experience	Board member since 13 July 2014 with over 30 years' experience positions with Rio Tinto, Billiton Australia and Newcrest Mining as well as experience as a Resource Fund Manager and Resources Corporate Finance Director at J B Were & Son. More recently Peter was Chief Executive Officer of Ivanhoe Australia Ltd.
Interest in shares and options	5,442,804 ordinary shares in Aura Energy Limited and 39,333,104 options.
Directorships held in other listed entities	Nil
Dr. Robert Beeson	Director (Non-executive)
Qualifications	Bachelor of Science with Honours; PhD; Member of the Australian Institute of Geoscientists
Experience	Board member since 31 March 2006. Geologist with over 35 years of global experience in uranium and other commodity management, exploration and development.
Interest in shares and options	5,636,937 ordinary shares in Aura Energy Limited and 2,295,205 options.
Directorships held in other listed entities	Managing Director of Drake Resources Limited from November 2004 until 31 January 2014. Non-executive director or Drake Resources Limited since 1 February 2014. No other directorships in the past three years.
Mr. Brett Fraser	Director (Non-executive)
Qualifications	Fellow of Certified Practicing Accountants; Fellow of the Financial Services Institute of Australasia; Grad Dip Finance, Securities Institute of Australia; Bachelor of Business (Accounting); International Marketing Institute - AGSM Sydney.
Experience	Board member since 24 August 2005.
Interest in shares and options	3,957,600 ordinary shares in Aura Energy Limited and 901,000 options.
Directorships held in other listed entities	Current Non-executive director and Chairman of Drake Resources Limited since March 2004, and Non-executive director and Chairman of Blina Diamonds NL since September 2008. Past director of Doray Minerals Limited from October 2009 until November 2011. No other directorships in the past three years.

DIRECTORS' REPORT

Mr. Julian Perkins	Director (Non-executive)
Qualifications	Master of Science (Imperial College of Science & Technology) 1972; Associate of the Camborne School of Metalliferous Mining (Honours) 1967; Fellow of the Australasian Institute of Mining and Metallurgy; Graduate of the Australian Institute of Company Directors.
Experience	Board member since 7 June 2011. Mr. Perkins has over 40 years' experience in operations and management with major companies in the international minerals industry. He was Manager of Mining & Technology (Australia) for AngloGold Ashanti Ltd, until 2006. His career includes operating and management roles on the Zambian Copperbelt, leading the mineral processing at Shell Research in the Netherlands before returning to corporate management in Australia. He was Chairman of Parker Centre Ltd for Hydrometallurgy from 2006 to 2012 and previously a director of the CRC Mining and the Australian Centre for Mining Environmental Research.
Interest in shares and options	2,861,990 ordinary shares in Aura Energy Limited and 1,392,595 options.
Directorships held in other listed entities	No other directorships held in other listed entities.

10. MEETINGS OF DIRECTORS

During the financial year the board of directors held six meetings (including committees of directors) with the remainder of meetings conducted by way of written resolution. Attendances by each director during the year were as follows:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS: DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Peter Reeve	17	17	*At the date of this report, the Remuneration and Governance Committee and Audit and Risk Committee comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*					
Bob Beeson	17	16						
Brett Fraser	17	17						
Jules Perkins	17	17						

11. NON-AUDIT SERVICES

During the year ended 30 June 2015, taxation consulting services were provided to the Company by a party related to the auditors, Bentleys. These services amounted to $5,812 (2014: $3,000). Details of remuneration paid to the auditor can be found within the financial statements at Note 4 Auditor's remuneration.

The directors are satisfied that the provision of non-audit services during the year by Bentleys (or by another person or firm on Bentley's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

12. INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the directors.

- The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $9,515 (2014: $9,500).
- No indemnity has been paid to auditors of the Group.

13. ENVIRONMENTAL REGULATIONS

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

The directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

14. OPTIONS

At the date of this report, the unissued ordinary shares of Aura Energy Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
31 March 2011	31 March 2016	$0.450	570,000
4 December 2012	4 December 2016	$0.200	200,000
20 December 2013	13 January 2016	$0.200	2,250,000
20 December 2013	13 July 2016	$0.200	6,625,000
8 March 2014	6 March 2017	$0.048	2,600,000
1 September 2014	1 September 2015	$0.060	26,414,005
12 November 2014	12 November 2018	$0.070	12,500,000
17 June 2015	17 June 2017	$0.050	27,226,166
10 June 2015	9 June 2018	$0.100	8,750,000
10 June 2015	9 February 2019	$0.100	6,250,000
10 June 2015	9 February 2019	$0.150	2,500,000
10 June 2015	9 February 2020	$0.150	8,750,000
10 June 2015	9 February 2021	$0.150	8,750,000
			113,385,171

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

15. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

16. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found in the annual report.

17. REMUNERATION REPORT (AUDITED)

17.1. Remuneration Policy

The remuneration policy of the Group has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of directors believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

DIRECTORS' REPORT

The policy of the board of directors for determining the nature and amount of remuneration for board members and senior executives of the Group is described in the following paragraphs.

The remuneration policy of the Group sets the terms and conditions for executive directors and other senior executives. Due to the rapidly changing circumstances of the Group in recent years, the policy is reviewed annually by the board of directors with the purpose of maintaining alignment of the board and management with the Group's strategic objectives. Management is also entitled to participate in employee share and option arrangements. All executives receive a base salary which takes into account such factors as length of service and experience, superannuation and options. The board of directors reviews executive packages annually by reference to the performance of the Group, individual executives and relevant comparable remuneration data from similar listed companies and appropriate industry sectors. Independent expert advice is sought as required.

The total amount of non-executive directors' remuneration is proposed by the board of directors from time to time at the Annual General Meeting and is subject to formal approval by shareholders. Within this limit, the board of directors presently remunerates non-executive directors at around the average of those obtained from relevant comparable data from similar listed companies and appropriate industry sectors. A measure of longer-term incentive is provided by the allocation of options to non-executive directors. The Board determines remuneration to individual non-executive directors, working within the limit set by shareholders, and taking into account any special duties or accountability. Payments to non-executive directors are not linked to Company performance but in order to align their interest with those of shareholders, non-executive directors are encouraged to hold shares in Aura Energy Limited.

Executives and non-executive directors have received a superannuation guarantee contribution as required by law, which increased to 9.5% on 1 July 2014, but do not receive any other retirement benefits.

All remuneration paid to non-executive directors and executives is valued at the cost to the Company and is expensed. Options given to directors and employees are valued using the Black-Scholes methodology. Details of directors' and executives' interests in options as at 30 June 2015 are provided in 17.5b of the Remuneration Report of the financial statements.

Following the last AGM, the Company has since December 2014 paid a portion of directors' fees by way of issues of fully paid ordinary shares on an average VWAP basis.

The Chairman became Executive Chairman and Managing Director of the Company with effect on 1 January 2015 and accordingly, is a fulltime employee. The Executive Chairman and Managing Director has agreed to settle 20% of his net pay in shares.

17.2. Remuneration Details for the Year Ended 30 June 2015

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group:

2015 *Group Key Management Personnel*	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Compensation consisting of options
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Peter Reeve(1)(2)(10)	330,167	-	-	-	26,833	-	50,000	96,704	503,704	19.19%
Bob Beeson(3)(4)(10)	182,650	-	-	-	17,369	-	-	-	200,019	-
Brett Fraser(5)(6)(10)	58,333	-	-	-	5,542	-	-	-	63,875	-
Jules Perkins(7)(8)(10)	53,750	-	-	-	5,106	-	-	-	58,856	-
Stanley Zillwood(9)(10)	-	-	-	102,816	-	-	-	-	102,816	-
	624,900	-	-	102,816	54,850	-	50,000	96,704	929,270	10.14%

(1) Mr Reeve was issued 4,612,380 fully paid ordinary shares in lieu of director's emolument.
(2) Mr Reeve was appointed Executive Chairman and Managing Director on 1 January 2015 and as a result, the remuneration paid to Mr Reeve reflects his appointment to his dual role.

(3) Mr Beeson was issued 2,566,315 fully paid ordinary shares in lieu of director's emolument.
(4) Mr Beeson retired as Managing Director of Aura Energy Limited on 31 December 2014. As at balance date, 30 June 2015, Mr Beeson is entitled to accrued annual leave and long service amounting to $122,122. At the date of this Remuneration Report the Company is in discussion with Mr Beeson over other matters relating to his contract of employment.
(5) Mr Fraser was issued 729,290 fully paid ordinary shares in lieu of director's emolument.
(6) Wolfstar Group Pty Ltd, a company controlled by Mr Fraser, provided financial services to Aura Energy Limited during the financial year. These services were provided indirectly by Mr Fraser and have therefore not been included in remuneration. Please refer to part 17.7.
(7) Mr Perkins was issued 1,936,042 fully paid ordinary shares in lieu of director's emolument.
(8) RRI Trust, a company controlled by Mr Perkins, provided metallurgical consulting services to the Aura Energy Limited during the year.
(9) The Company Secretary and CFO, Stan Zillwood is employed by Foster Resources Pty Ltd, a company controlled by Mr Zillwood, to provide services to the Group under a contract dated 30 December 2013.
(10) Amounts disclosed for Equity settled share-based payments exclude share-based payments accrued in 2014 but settled in the current financial year (see Footnote 6 in the 2014 table for remuneration details for 2014 below).
(11) Other transactions with key management personnel are set out in part 17.7.

2014 *Group Key Management Personnel*	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Compen-sation consisting of options
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Peter Reeve [4][6]	67,588	-	24,368	-	8,814	-	-	24,440	125,210	19.52%
Bob Beeson[3][4][6]	271,836	-	16,251	-	29,913	-	-	11,718	329,718	3.55%
Brett Fraser[1][4] [6]	46,068	-	13,932	-	5,550	-	-	6,893	72,443	9.52%
Jules Perkins[2][6]	36,667	-	18,333	1,375	5,088	-	-	6,893	68,356	10.08%
Jay Stephenson[1]	1,995	-	-	-	184	-	-	-	2,179	-
Simon O'Loughlin	1,995	-	-	-	184	-	-	-	2,179	-
Leigh Junk	1,995	-	-	-	184	-	-	-	2,179	-
Stanley Zillwood[5][6]	-	-	-	43,341	-	-	-	-	43,341	-
	428,144	-	72,884	44,716	49,917	-	-	49,944	645,605	7.74%

(1) Wolfstar Group Pty Ltd, a company controlled by Mr Fraser, provides financial services and company secretarial services to Aura Energy Limited. These services were provided indirectly by Messrs Fraser and Stephenson and have therefore not been included in remuneration. Please refer to part 17.7.
(2) Amounts paid to the RRI Trust are in respect to metallurgical consulting provided directly by Mr. Perkins.
(3) From February 2013, Dr Beeson ceased acting as a dual Managing Director for Aura Energy and Drake Resources, and became solely employed by Aura Energy Limited in this role.
(4) An expense was raised in the year for options issued in current and /or prior periods, in accordance with their vesting conditions. Refer part 17.4 Share-based compensation.
(5) The Company Secretary and CFO, Stan Zillwood is employed by Foster Resources Pty Ltd, a company controlled by Mr Zillwood, to provide services to the Group under a contract dated 30 December 2013.
(6) For the 2014 financial year the following amounts remain unpaid: P Reeve $11,666 ($7,754 to be settled in shares); B Beeson $10,753 ($6,500 to be settled in shares); B Fraser $5,000 ($3,483 to be settled in shares); and J Perkins $4,583 all to be settled in shares and S. Zillwood $7,500.

17.3. Service Agreements

The Executive Chairman and Managing Director, Peter Reeve, is employed under a deed of employment, effective 1 January 2015.

The employment deed stipulates a four weeks' resignation period. The Company may terminate the employment deed without cause by providing four weeks' written notice, or making payment in lieu of notice based on the individual's annual salary component.

If employment is terminated other than for serious misconduct, and the Employee is not then otherwise in default of deed and his employment, the Managing Director will, in connection with his retirement from the Office, receive in addition to the required four weeks' notice period, three months' salary. An additional benefit may be paid in the amount of one month for every year of service. This is subject to the provisions of the *Corporations Act 2001* (Cth), which may require shareholder approval.

DIRECTORS' REPORT

17. REMUNERATION REPORT (AUDITED)

17.4. Share-based compensation

a. **Incentive Option Scheme**

Options are granted under the Aura Energy Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. Options are granted under the plan for no consideration.

b. **Director and Key Management Personnel Options**

On 9 June 2015, the following share options were granted to the Executive Chairman and Managing Director of the Company to take up:

(i) 8,750,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 June 2018.

(ii) 6,250,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 February 2019.

(iii) 2,500,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2019.

(iv) 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2020.

(v) 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2021.

On 24 November 2013, the following share options were granted to directors to take up ordinary shares:

(vi) 2,000,000 at an exercise price of $0.15 each. The options are exercisable on or before 13 January 2015.

(vii) 2,250,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 January 2016.

(viii) 2,000,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 July 2016.

(ix) 4,625,000 at an exercise price of $0.15 each. The options are exercisable on or before 13 January 2015.

(x) 4,625,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 July 2016.

On 24 November 2011, 3,500,000 share options were granted to directors to take up ordinary shares at an exercise price of $0.31 each. The options are exercisable on or before 31 October 2014.

c. **Share-based Payments**

The terms and conditions relating to options granted as remuneration during the year to directors and key management personnel are as follows:

2015 *Group Key Management Person*	Grant date	Grant value $ (Note 1)	Reason for Grant	Vesting date	Percentage vested during year %	Percentage forfeited during year %	Percentage remaining as unvested %	Expiry date	Range of possible values relating to future payments
Peter Reeve	10 Jun 2015	66,436	Note 1	9 Jun 2015	100			9 Jun 2018	-
	10 Jun 2015	57,884	Note 1	9 Feb 2016	-		100	9 Feb 2019	-
	10 Jun 2015	19,445	Note 1	9 Feb 2016	-		100	9 Feb 2019	-
	10 Jun 2015	87,364	Note 1	9 Feb 2017	-		100	9 Feb 2020	-
	10 Jun 2015	103,555	Note 1	9 Feb 2018	-		100	9 Feb 2021	-

Note 1. The options have been granted to the Executive Chairman and Managing Director as part of his remuneration and for future performance. The vesting conditions of the options are as follows:

- Tranche 1: vest at immediately, exercisable at 10 cents, expire 9 June 2018.
- Tranche 2: vest at 8 months from issue, exercisable at 10 cents, expire 9 February 2019.
- Tranche 3 vest at 8 months from issue, exercisable at 15 cents, expire 9 February 2019.
- Tranche 4: vest at 20 months from issue, exercisable at 15 cents, expire 9 February 2020.
- Tranche 5 vest at 32 months from issue, exercisable at 15 cents, expire 9 February 2021.

17. REMUNERATION REPORT (AUDITED)

2014 *Group Key Management Person*	Grant date	Grant value $ (Note 4)	Reason for Grant	Vesting date	Percentage vested during year %	Percentage forfeited during year %	Percentage remaining as unvested %	Expiry date	Range of possible values relating to future payments
Peter Reeve	21 Nov 2013	7,890	Note 2	21 Nov 2014	100	-	-	13 Jan 2015	-
	21 Nov 2013	13,534	Note 2	21 May 2015	39	-	61	13 Jan 2016	-
	21 Nov 2013	16,100	Note 2	21 Nov 2015	29	-	71	13 July 2016	-
Robert Beeson	21 Nov 2013	2,511	Note 3	21 Nov 2014	100			13 Jan 2016	
	21 Nov 2013	9,207	Note 3	21 Nov 2014	100	-	-	13 Jul 2016	-
Brett Fraser	21 Nov 2013	1,477	Note 3	21 Nov 2014	100	-	-	13 Jan 2016	-
	21 Nov 2013	5,416	Note 3	21 Nov 2014	100	-	-	13 Jul 2016	-
Julian Perkins	21 Nov 2013	1,477	Note 3	21 Nov 2014	100	-	-	13 Jan 2016	-
	21 Nov 2013	5,416	Note 3	21 Nov 2014	100	-	-	13 Jul 2016	-

Note 2. The options have been granted to the Executive Chairman and Managing Director as part of his remuneration and for future performance. The vesting conditions of the options are as follows:

- Tranche 1: vest at immediately, exercisable at 15 cents, expire 13 January 2015.
- Tranche 2: vest at 18 months from issue, exercisable at 20 cents, expire 13 January 2016.
- Tranche 3: vest at 24 months from issue, exercisable at 20 cents, expire 13 July 2016.

Note 3. The options have been granted to the directors (excluding the Executive Chairman and Managing Director) to provide a market-linked incentive package in their capacity as directors and for future performance by them in their roles. The vesting conditions of the options are as follows:

- Tranche 1: vest at immediately, exercisable at 15 cents, expire 13 January 2015.
- Tranche 2: vest at immediately, exercisable at 20 cents, expire 13 July 2016.

Note 4. The options have been granted to directors to provide a market-linked incentive package in their capacity as directors and for future performance by them in their roles. The vesting conditions of the options are as follows:

- Director options will vest 12 months after the issue date.
- Key Management Personnel (KMP) options will vest 12 months after the issue date and if the Director is continually employed by the Company during that 12 months.
- KMP options vest only if the share price is greater than 26 cents for 5 consecutive days during the 12 months vesting period.

Note 5. The monetary value of the percentage vested during the period has been reflected in the table of benefits and payments on the previous page.

All options were issued by Aura Energy Limited and entitle the holder to one ordinary share in the Company for each option exercised.

Details of all Share-Based Payments in existence during the year can be found at Note 19 Share-Based Payments.

DIRECTORS' REPORT

17. REMUNERATION REPORT (AUDITED)

d. Description of Options Issued as Remuneration

Details of the options granted as remuneration to those KMP listed in the previous tables are as follows:

Grant date	Issuer	Entitlement on exercise	Dates exercisable	Exercise price $	Value per option at grant date $	Amount paid/ payable by recipient $
			From vesting date to			-
10 Jun 2015			9 Jun 2018 (expiry)	0.10	0.0076	-
10 Jun 2015			9 Feb 2019 (expiry)	0.10	0.0093	-
10 Jun 2015			9 Feb 2019 (expiry)	0.15	0.0078	-
10 Jun 2015			9 Feb 2020 (expiry)	0.15	0.0100	-
10 Jun 2015	Aura Energy Ltd	1:1 ordinary shares	9 Feb 2021 (expiry)	0.15	0.0118	-
21 Nov 2013			13 Jan 2015 (expiry)	0.15	0.0039	-
21 Nov 2013			13 Jan 2016 (expiry)	0.20	0.0060	-
21 Nov 2013			13 Jul 2016 (expiry)	0.20	0.0080	-
21 Nov 2013			13 Jan 2016 (expiry)	0.15	0.0012	-
21 Nov 2013			13 Jul 2016 (expiry)	0.20	0.0043	-

Option values at grant date were determined using the Black-Scholes method.

Details relating to service and performance criteria required for vesting have been provided in the within the financial statements at Note 19 Share-based payments.

17.5. Key management personnel (KMP) equity holdings

a. Fully paid ordinary shares of Aura Energy Limited held by each KMP

2015 *Group Key Management Person*	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year (1) No.	Balance at end of year No.
Peter Reeve	664,830	4,611,766	-	166,208	5,442,804
Robert Beeson	2,730,216	2,566,315	-	340,406	5,636,937
Brett Fraser	2,676,310	729,290	-	552,000	3,957,600
Julian Perkins	740,758	1,936,042	-	185,190	2,861,990
Stanley Zillwood	-	-	-	-	-
	6,812,114	9,843,413	-	1,243,804	17,899,331

During the financial year the Key Management Personnel subscribed to fully paid ordinary shares pursuant to the non-renounceable rights issue to shareholders on 5 September 2014.

17. REMUNERATION REPORT (AUDITED)

2014 Group Key Management Person	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year[(1)] No.	Balance at end of year No.
Peter Reeve	-	664,830	-	-	664,830
Robert Beeson[(1)]	2,257,460	442,756	-	30,000	2,730,216
Brett Fraser[(3)]	2,486,040	380,540	-	(190,270)	2,676,310
Julian Perkins	240,000	500,758	-	-	740,758
Jay Stephenson [(2)]	1,881,067	-	-	-	1,881,067
Simon O'Loughlin [(2)]	993,112	-	-	-	993,112
Leigh Junk [(2)]	937,500	-	-	-	937,500
Stanley Zillwood	-	-	-	-	-
	8,795,179	1,988,884	-	(160,270)	10,623,793

(1) *Other changes during the year relate to shares purchased or sold on market.*

(2) *Equities disclosed are up to and as at the date of resignation.*

(3) *Other changes during the year relates to shares received as compensation by B Fraser being allotted to a third party.*

b. Options of Aura Energy Limited held by each KMP

2015 Group Key Management Person	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.
Peter Reeve[(1)]	6,250,000	35,000,000		(1,916,896)	39,333,104	13,000,000
Robert Beeson[(2)]	6,520,710	-	-	(4,225,505)	2,295,205	2,295,205
Brett Fraser[(3)]	2,326,579	-	-	(1,425,579)	901,000	901,000
Julian Perkins[(4)]	2,556,667	-	-	(1,164,072)	1,392,595	1,392,595
Stanley Zillwood	-	-	-	-	-	-
	17,653,956	35,000,000	-	(8,732,052)	43,921,904	17,588,800

(1) Mr Reeve was issued 83,104 options over ordinary shares pursuant to the non-renounceable rights issue on 5 September 2014 and 2,000,000 options over ordinary shares previously granted to Mr Reeve expired during the financial year.

(2) Mr Beeson was issued 274,495 options over ordinary shares pursuant to the non-renounceable rights issue on 5 September 2014 and 4,500,000 options over ordinary shares previously granted to Mr Beeson expired during the financial year.

(3) Mr Fraser was issued 74,421 options over ordinary shares pursuant to the non-renounceable rights issue on 5 September 2014 and 1,500,000 options over ordinary shares previously granted to Mr Fraser expired during the financial year.

(4) Mr Perkins was issued 85,928 options over ordinary shares pursuant to the non-renounceable rights issue on 5 September 2014 and 1,250,000 options over ordinary shares previously granted to Mr Perkins expired during the financial year.

DIRECTORS' REPORT

17. REMUNERATION REPORT (AUDITED)

2014 *Group Key Management Person*	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.
Peter Reeve	-	6,250,000			6,250,000	2,000,000
Robert Beeson	2,270,710	4,250,000	-	-	6,520,710	6,520,710
Brett Fraser[(2)]	1,076,579	2,500,000	-	(1,250,000)	2,326,579	2,326,579
Julian Perkins	56,667	2,500,000	-	-	2,556,667	2,556,667
Jay Stephenson [(1)]	1,013,368	-	-	-	1,013,368	1,013,368
Simon O'Loughlin [(1)]	125,000	-	-	-	125,000	125,000
Leigh Junk [(1)]	125,000	-	-	-	125,000	125,000
Stanley Zillwood	-	-	-	-	-	-
	4,667,324	15,500,000	-	(1,250,000)	18,917,324	14,667,324

(1) Equities disclosed are up to and as at the date of resignation.

(2) Other changes represent options issued to a third-party.

17.6. Loans to key management personnel

There are no loans made to directors of Aura Energy as at 30 June 2015 (2014: nil).

17.7. Other transactions with key management personnel

	Note	2015 $	2014 $
• **Wolfstar Group Pty Ltd**			
○ Wolfstar Group Pty Ltd, a company controlled by Mr Fraser, provides financial services and company secretarial services to Aura Energy Limited. These services were provided directly and indirectly by Mr Fraser and, in 2014 Messrs Fraser and Jay Stephenson, and have therefore not been included in the Remuneration table contained in part 17.2 of this Remuneration Report.		-	64,917
○ Financial services provided by Wolfstar Group.		24,303	17,987
○ Amounts due from Wolfstar Group for other services provided by Aura Energy staff.		-	-
• **Drake Resources Limited**			
○ Amounts due to Drake Resources for other services.		2,576	-
○ Amounts due from Drake Resources for other services provided by Aura Energy Limited staff.		53,590	-
• **RRI Trust** Mr Perkins provides metallurgical consulting services to the Group that is charged through the RRI Trust, being a trust associated with Mr Perkins.		9,628	1,804
• **Amounts owing to KMP**			
Payable for unpaid fees			
○ P. Reeve		-	11,666
○ B. Beeson		-	10,753
○ B. Fraser		-	5,000
○ J. Perkins		-	4,583
○ S. Zillwood		28,527	7,500

17. REMUNERATION REPORT (AUDITED)

There have been no other transactions involving equity instruments other than those described in this Annual Report.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

PETER REEVE
Chairman
Dated this Wednesday, 30 September 2015

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL** CA
Chartered Accountants	**Director**

Dated at Perth this 30th day of September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Continuing operations			
Revenue	2	19,159	8,332
Other income	2	3,064	79,451
		22,223	87,783
Project partnering and divestment		(3,757)	(4,785)
Accounting and audit fees	4	(126,869)	(190,577)
Business development		(6,000)	(26,419)
Computers and communications		(27,150)	(29,025)
Depreciation	10	(4,676)	(6,700)
Employee benefits		(638,556)	(562,693)
Finance Costs		(60,564)	(3,064)
Impairment of exploration expenditure previously capitalised		(1,045,240)	(2,880,191)
Insurance		(39,451)	(36,223)
Legal and consulting fees		(182,309)	(67,229)
Public relations		(67,526)	(94,165)
Rent and utilities		(33,168)	(123,832)
Share-based payments	19	(96,704)	(49,944)
Share registry and listing fees		(63,522)	(69,517)
Travel and accommodation		(92,836)	(162,686)
Write-off of exploration assets		(12,026)	-
Other expenses		(15,769)	(41,860)
Loss before income tax	3	(2,493,900)	(4,261,127)
Income tax benefit	5	-	405,629
Loss from continuing operations		(2,493,900)	(3,855,498)
Other comprehensive income, net of income tax			
• *Items that will not be reclassified subsequently to profit or loss*		-	-
• *Items that may be reclassified subsequently to profit or loss:*			
Foreign currency movement		13,327	(294,741)
Other comprehensive income for the year, net of tax		13,327	(294,741)
Total comprehensive income attributable to members of the parent entity		(2,480,573)	(4,150,239)
Earnings per share:		¢	¢
Basic loss per share (cents per share)	6	(0.93)	(2.07)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	7	943,011	570,478
Trade and other receivables	8	96,282	92,830
Financial assets	9	44,157	64,453
Total current assets		1,083,450	727,761
Non-current assets			
Plant and equipment	10	1,602	2,994
Exploration and evaluation assets	11	13,259,797	12,726,303
Total non-current assets		13,261,399	12,729,297
Total assets		14,344,849	13,457,058
Current liabilities			
Trade and other payables	12	401,345	431,087
Short-term provisions	13	138,639	106,081
Borrowings	14	43,040	221,016
Total current liabilities		583,024	758,184
Total liabilities		583,024	758,184
Net assets		13,761,825	12,698,874
Equity			
Issued capital	15	31,311,988	27,935,558
Reserves	16	901,252	1,238,119
Accumulated losses		(18,451,415)	(16,474,803)
TOTAL EQUITY		13,761,825	12,698,874

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital $	Accumulated Losses $	Options Reserve $	Foreign Exchange Translation Reserve $	Total $
Balance at 1 July 2013	27,759,558	(12,619,305)	642,516	783,742	16,566,511
Loss for the year attributable owners of the parent	-	(3,855,498)	-	-	(3,855,498)
Other comprehensive income for the year attributable owners of the parent	-	-	-	(294,741)	(294,741)
Total comprehensive income for the year attributable owners of the parent	-	(3,855,498)	-	(294,741)	(4,150,239)
Transaction with owners, directly in equity					
Shares issued during the year	359,944	-	-	-	359,944
Transaction costs	(183,944)	-	-	-	(183,944)
Options expired during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options issued during the year	-	-	106,602	-	106,602
Balance at 30 June 2014	27,935,558	(16,474,803)	749,118	489,001	12,698,874
Balance at 1 July 2014	27,935,558	(16,474,803)	749,118	489,001	12,698,874
Loss for the year attributable owners of the parent	-	(2,493,900)	-	-	(2,493,900)
Other comprehensive income for the year attributable owners of the parent	-	-	-	13,327	13,327
Total comprehensive income for the year attributable owners of the parent	-	(2,493,900)	-	13,327	(2,480,573)
Transaction with owners, directly in equity					
Shares issued during the year	3,691,230	-	-	-	3,691,230
Transaction costs	(314,800)	-	-	-	(314,800)
Options expired during the year	-	517,288	(517,288)	-	-
Options exercised during the year	-	-	-	-	-
Options issued during the year		-	167,094	-	167,094
Balance at 30 June 2015	31,311,988	(18,451,415)	398,924	502,328	13,761,825

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers			-
Interest received		19,159	8,332
Interest and borrowing costs		-	(3,064)
Payments to suppliers and employees		(1,074,840)	(1,491,687)
Payments for exploration expenditure		(1,438,205)	(846,242)
Rebate received for Research and Development		-	405,629
Net cash used in operating activities	18a	(2,493,886)	(1,927,032)
Cash flows from investing activities			
Purchase of plant and equipment		(3,285)	-
Net cash used in investing activities		(3,285)	-
Cash flows from financing activities			
Proceeds from issue of shares		3,065,806	234,943
Proceeds from issue of convertible notes			250,000
Capital raising costs		(186,723)	(15,000)
Net cash provided by financing activities		2,879,083	469,943
Net increase/(decrease) in cash held		381,912	(1,457,089)
Cash at 1 July		570,478	2,012,295
Change in foreign currency held		(9,379)	15,272
Cash at 30 June	7	943,011	570,478

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Aura Energy Limited and controlled entities ("Consolidated Group" or "Group"). Aura Energy Limited is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of the parent entity, Aura Energy Limited, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

a. Basis of preparation

i. Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 30 September 2015 by the directors of the Company.

ii. Financial position

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

iii. Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $2,493,900 (2014: $3,855,498) and a net cash out-flow from operating activities of $2,493,886 (2014: $1,927,032)

As at 30 June 2015, the Group had working capital of $500,426 (2014: $30,423 working capital deficit), that included the debt component of a convertible note of $43,040 (2014: $188,600).

These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern.

The Directors are confident of the ability of the Company to raise capital as and when required, which has been demonstrated by the Company completing a placement with a London based group of investors on 17 September 2015 to raise over $750,000. As part of the investment, the Company has committed to investigating the possibility of undertaking an Initial Public Offering on the Alternate Investment Market in London within the coming months to obtain greater access to capital to fund feasibility studies for its projects.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of the Group's exploration assets. These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern.

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

iv. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 1r Critical accounting estimates and judgments.

v. Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

b. Principles of consolidation

A controlled entity is any entity over which Aura Energy Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. A list of controlled entities is contained in Note 17 Controlled entities in the financial statements.

All inter-group balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Business combinations

Business combinations occur when an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquire and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c. Exploration and development expenditure

i. Recognition and measurement

Exploration, evaluation, and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

ii. Subsequent measurement

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

iii. Site restoration and rehabilitation

Costs of site restoration will be provided over the life of the project, when such costs are incurred or the Group becomes liable pursuant to a development agreement with government agencies. In the exploration and evaluation phase, all drill holes are collared and any site disturbance is restored with the costs incorporated in the costs of exploration and evaluation. Site restoration costs will include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Where the Group receives the Australian Government's Research and Development Tax Incentive, The Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 5 Income tax.

e. Plant and equipment

i. Recognition and measurement

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see Note 1m Impairment of non-financial assets and 1c Exploration and development expenditure).

ii. Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- Plant and equipment 20.00%
- Computers 33.00%
- Motor Vehicles 25.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Employee benefits

For the period ending 30 June 2015 the Company has three employees.

i. Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

ii. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

iii. Other long-term benefits

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

g. Equity-settled compensation

The Group operates an employee share ownership scheme. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

h. Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Management fees are recognised on portion of completion basis.

Gain on disposal of tenements, and revenue from equipment chargebacks, are recognised on receipt of compensation.

All revenue is stated net of the amount of value added taxes (see Note 1i Value-added taxes).

i. Value-added taxes

Value-added taxes (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and in Mauritanian (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the taxation authority.

j. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

k. Financial instruments

i. Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and subsequent measurement

(1) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

(2) *Loans*

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) *Trade and other receivables*

Trade and other receivables are stated at amortised cost. Receivables are usually settled within 30 to 90 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

(4) *Trade and other payables*

Trade payables and other payable are recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

(5) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(6) *Share capital*

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

ix. Financial income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

l. Earnings per share

i. Basic earnings per share

Basic earnings (or loss) per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings (or loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as share-based payments.

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

m. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets (Note 1d Income tax) and exploration and evaluation assets (Note 1c Exploration and development expenditure) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and Groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

n. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

o. Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

p. **Fair value estimation**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Information about the assumptions made in determining fair values of assets and liabilities is disclosed in the notes specific to that asset or liability.

q. **Fair value of assets and liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

i. **Valuation techniques**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, the Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(1) *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

(2) *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

(3) *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

ii. Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

(1) *Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(2) *Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

(3) *Level 3*

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

a. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa or

b. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

r. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

i. Key Judgements – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in Note 1c Exploration and development expenditure.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The carrying value of capitalised expenditure at reporting date is $13,259,797 (2014: $12,726,303).

During the financial year, the Group undertook assessment of its tenement assets, as a result of this assessment, the Group decided to impair some of its exploration assets. Refer to Note 11 Exploration and evaluation assets.

ii. Key Judgements – Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

iii. Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer to Note 5 Income tax.

iv. Key Estimate — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

v. Key Estimate – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 19 Share-based payments.

s. Application of new and revised Australian Accounting Standards ("AASBs")

The following accounting standards have been applied for the first time for years ended 30 June 2015.

i. AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 provides application guidance to AASB 132 Financial *Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132 including the clarification of the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement may be considered equivalent to net settlement.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

ii. AASB 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of the impaired assets is based on fair value less costs of disposal.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

iii. AASB 2013-4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (AASB 139)*

AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty as a consequence of laws or regulations.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

iv. AASB 2013-5 *Amendment to Australian Accounting Standards – Investment Entities*

(AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 132, AASB 134 and AASB 139

This Australian Accounting Standard relates solely to the investment entities and therefore, has no impact on the Group.

v. AASB 2013-7 Amendments to AASB 1038 10 arising from AASB 10 in relation to consolidation and interests of policy holders

AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source of consolidation requirements applicable to insurance entities.

This Australian Accounting Standard relates solely to the insurance sector and therefore, has no impact on the Group.

vi. AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references of AASB CF 2013-1 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

vii. AASB 1031 *Materiality*

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.

AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

viii. *AASB 1055 and AASB 2013-1 Budgetary Reporting*

This standard specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government.

AASB 2013-1 removes the requirements relating to the disclosure of budgetary information from AASB 1049 Whole of Government and General Government Sector Financial Reporting (without substantive amendments). All budgetary reporting requirements applicable to the public sector entities are now with AASB 1055.

This Australian Accounting Standards relates solely to government and therefore, has no impact on the Group.

ix. *AASB 20014-1 Part A Annual Improvements 2010-2012 Cycle*

AASB 2014-1 Part A sets out amendments to Australian Accounting Standards arising from issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRS) *Annual Improvements to IFRS 2010-2012 Cycle*

Annual Improvements to IFRS 2010-2012 Cycle address the following matters

AASB 2 Clarifies the definition of vesting conditions and market condition and introduces the definition of performance condition and service condition.

AASB 3 Clarifies the classification requirements contingent consideration in a business combination by removing all references to AASB 137.

These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its controlled entities or apply AASB 3 *Business Combinations* when it obtains control of another entity.

These amendments require an investment entity to measure unconsolidated controlled entities at fair value through profit or loss in its consolidated and separate financial statements.

These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 17.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 8 Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets.

AASB 116 and AASB 138 Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.

AASB 124 Defines a management entity providing Key Management Personnel (KMP) services as a related entity of the reporting entity. The amendments added an exemption from the detailed disclosure requirements of Paragraph 17 of AASB 124 *Related Party Disclosures* for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

x. *AASB 20014-1 Part A Annual Improvements 2010-2012 Cycle*

Annual Improvements to IFRS 2011-2013 Cycle address the following matters:

AASB 13 Clarifies that the portfolio exception in Paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9 regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 12.

AASB 140 Clarifies that judgment is needed to determine whether an acquisition of investment property is solely acquisition of an investment property or whether it is the acquisition of a Group of assets or a business combination in the scope of AASB 3 that includes an investment property. The judgment is to be based on guidance set out in AASB 3.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

xi. *Amendments to Australian Accounting Standards Part B Defined Benefits Plans Employee Contributions (Amendments to AASB 119 Employee Benefits*

AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the format terms of the benefit plan and linked to service.

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related services is rendered, instead of attributing the contributions to the periods of service.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

xii. *Amendments to AASB 1052 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements (AASB 1053)*

The standard makes amendments to AASB 1052 Application of Tiers of Australian Accounting Standards to

- Clarify that AASB 1053 relates only to general purpose financial statements.
- Make AASB 1053consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 First-time Adoption of Australian Accounting Standards.
- Clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 13) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements.
- Specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

The amendments set out in this Australian Accounting Standard have been reviewed and the Group has determined that the amendments have no impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

t. **New Accounting Standards for application in future periods**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

i. *AASB 9 Financial Instruments (December 2014 replaces AASB 139 and supersedes AASB 9 issued December 2009 (as amended) and amended December 2010)*
Applicable for annual reporting periods commencing on or after 1 January 2018.

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI).
  - The remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities.
- Derecognition requirements for financial assets and liabilities.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010), AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters* and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*.

The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).

ii. *AASB 14 Regulatory deferral accounts*
Applicable for annual reporting periods commencing on or after 1 January 2016.

AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. To enhance, however, comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately.

iii. *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Ventures*
Applicable for annual reporting periods commencing on or after 1 January 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:

- The acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11.
- The acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

iv. *AASB 1024-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)*

Applicable for annual reporting periods commencing on or after 1 January 2016.

AASB *Property Plant and Equipment* and AASB 138 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.

v. *AASB 2014-6 Amendments to Australian Accounting Standards – Agricultural: Bearer Plants (AASB 101, AASB 116, AASB 117, ASSB 123, AASB 136, AASB 140 and AASB 141)*

Applicable for annual reporting periods commencing on or after 1 January 2016.

The amendments require bearer plants such as grape vines, rubber trees and oil palms to be accounted for in the same way as property plant and equipment under AASB 116.

vi. *AASB 15 Revenue Contracts with Customers*

Applicable for annual reporting periods commencing on or after 1 January 2017.

The IASB issued IFRS 15 *Revenue from Contracts with Customers* which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations.

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and applies a series of steps set out in the standard.

vii. *AASB 1056 Superannuation Entities*

Applicable for annual reporting periods commencing on or after 1 July 2016

AASB 1056 is a new Standard and will apply to superannuation entities and specifies that superannuation entities prepare general purpose financial statements as well as superannuation specific information.

viii. *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*

Applicable for annual reporting periods commencing on or after 1 January 2016.

AASB 2014-9 amends AASB 127 *Separate Financial Statements* and consequentially amends AABS 1 First-time Adoption of Australian Standards and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in controlled entities, joint ventures and associates in their separate financial statements.

ix. *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Applicable for annual reporting periods commencing on or after 1 January 2016.

AASB 2014-10 amends AASB 10 *Consolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle)

Applicable for annual reporting periods commencing on or after 1 January 2016

The principle amendments are as follows:

- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* – where an entity reclassifies an asset (or disposal Group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in Paragraphs 27-29 to account for this change.
- AASB 7 *Financial Instruments: Disclosures* – clarifies how an entity should apply the guidance set out in Paragraph 42C to a servicing contract and clarifies the additional disclosure requirements for interim financial reporting.
- AASB 119 *Employee Benefits* – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefits obligations should be denominated in the same currency as the liability.
- AASB 134 *Interim Financial Reporting* – clarifies the meaning of disclosure of information elsewhere in the interim financial report and requires the inclusion of cross-reference from the interim financial statements to the location of the information.

x. *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative*

Applicable for annual reporting periods commencing on or after 1 January 2016.

The standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage entities to apply professional judgement in determining what information to disclose in the financial statements.

xi. *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

Applicable for annual reporting periods commencing on or after 1 July 2015.

This standard completes the project by the AASN to remove the Australian guidance on materiality from Australian Accounting Standards.

xii. *AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent*

Applicable for annual reporting periods commencing on or after 1 July 2015.

This amendment aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian Groups with a foreign parent.

xiii. *AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities Applying the Consolidation Exception*

Applicable for annual reporting periods commencing on or after 1 July 2015.

This standard sets out the amendments to AASB 10, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.

xiv. *AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*

Applicable for annual reporting periods commencing on or after 1 July 2016

This standard makes the amendments to AASB 124 to extend the scope of that Standard to include not-for-profit public sector entities.

The Group has assessed the impact of amendments to Australian Accounting Standards (as set out in i to xv above) that will apply in future as at the date of this financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 REVENUE AND OTHER INCOME

	2015 $	2014 $
a. **Revenue**		
• Interest received from financial institutions	19,159	8,332
• Management fees	-	-
Total Revenue	19,159	8,332
b. **Other income**		
• Interest on convertible note	-	48,684
• Foreign exchange gain		30,767
• Other	3,064	-
Total Other Income	3,064	79,451

NOTE 3 LOSS BEFORE INCOME TAX

	2015 $	2014 $
The following significant revenue and (expense) items are relevant in explaining the financial performance:		
Superannuation expense	(49,362)	(77,725)

NOTE 4 AUDITOR'S REMUNERATION

	2015 $	2014 $
Remuneration of the auditor of the Group for:		
• Auditing or reviewing the financial reports	38,000	32,950
• Taxation services provided by a related practice of the auditor	5,812	3,000
	43,812	35,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5 INCOME TAX

	Note	2015 $	2014 $
Income tax expense/(benefit)			
Current tax		-	-
Deferred tax		-	-
Tax rebate for research and development		-	(405,629)
		-	(405,629)
Deferred income tax expense included in income tax expense comprises:			
• Increase/(decrease) in deferred tax assets	5c	-	279,000
• (Increase)/decrease in deferred tax liabilities	5d	-	(279,000)
		-	-
Reconciliation of income tax expense to prima facie tax payable			
The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating loss at 30% (2014: 30%)		(748,170)	(1,278,338)
Add/(less)			
Tax effect of:			
• Capital-raising costs deductible		(72,468)	(70,691)
• Impairment of exploration expenditure previously capitalised		313,572	-
• Share-based payments		29,011	14,983
• Write-off of exploration assets		20,408	864,057
• Other		17,251	-
• Deferred tax asset not brought to account		440,396	469,989
Income tax expense/(benefit) attributable to operating loss		-	-
Less rebates:			
Tax rebate for research and development		-	(405,629)
Income tax expense/(benefit)		-	(405,629)
		%	%
The applicable weighted average effective tax rates attributable to operating profit are as follows		Nil	nil
		$	$
Balance of franking account at year end		Nil	nil

NOTE 5 INCOME TAX	Note	2015 $	2014 $
Deferred tax assets			
Tax losses		3,330,219	3,132,262
Provisions and accruals		57,543	69,337
Other		100,245	105,563
		3,488,007	3,307,162
Set-off deferred tax liabilities	5d	-	-
Net deferred tax assets		3,488,007	3,307,162
Less deferred tax assets not recognised		(3,488,007)	(3,307,162)
Net tax assets		-	-
Deferred tax liabilities			
Exploration expenditure		-	-
		-	-
Set-off deferred tax assets	5c	-	-
Net deferred tax liabilities		-	-
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:			
• Revenue losses		11,100,731	10,790,535
• Capital losses		691,104	691,104
		11,791,835	11,481,639

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised.

ii. The Group continues to comply with conditions for deductibility imposed by law.

iii. No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6 EARNINGS PER SHARE

	Note	2015 $	2014 $
a. Loss from continuing operations for the year		(2,493,900)	(3,855,498)

	2015 No.	2014 No.
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	266,928,484	186,055,240

	2015 ¢	2014 ¢
c. Basic and diluted earnings per share (cents per share)	(0.93)	(2.07)

i. The Group is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, ordinary share capital in respect of potential ordinary shares would lead to diluted earnings per share that shows an inferior view of the earnings per share. Therefore in the event the Company has dilutionary equity instruments on issue, the diluted loss per share for the year ended 30 June 2015 is the same as basic loss per share, whilst the Company remains loss making.

ii. There are 74,635,171 (2014: 50,659,218) options over ordinary shares that have vested.

NOTE 7 CASH AND CASH EQUIVALENTS

	Note	2015 $	2014 $
Cash at bank		926,987	554,953
Short-term bank deposits	7a	16,024	15,525
		943,011	570,478

a. Short-term deposits are made for varying periods of between 1 day and 6 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The bank deposit is held by Westpac as security for their guarantee. The effective interest rate on short-term term deposits and maturity date is as follows:

	Principal $	Terms (Days)	Interest rate %	Maturity Date
Aura Energy Limited	16,024	90	2.45	1 September 2015[1]
	16,024			

[1] This account was subsequent rolled over for a further 90 days

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.

NOTE 8 TRADE AND OTHER RECEIVABLES

	Note	2015 $	2014 $
Current			
Value-added tax receivable	8a	72,169	31,065
Trade debtors		24,261	29,728
Other		4,890	37,075
Less: Provision for impairment		(5,038)	(5,038)
		96,282	92,830

a. Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and in Mauritanian (VAT).

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.

NOTE 9 FINANCIAL ASSETS

	2015 $	2014 $
Current		
Mauritanian cautions/bonds receivable	44,157	64,453
	44,157	64,453

NOTE 10 PLANT AND EQUIPMENT

	2015 $	2014 $
Non-current		
Plant and equipment	160,102	156,818
Accumulated depreciation	(158,500)	(153,824)
	1,602	2,994
Motor vehicles	-	-
Accumulated depreciation	-	-
	-	-
Total plant and equipment	1,602	2,994
a. **Movements in carrying amounts**		
Balance at the beginning of year	2,994	9,694
Additions	3,284	-
Depreciation expense	(4,676)	(6,700)
Carrying amount at the end of year	1,602	2,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11 EXPLORATION AND EVALUATION ASSETS	Note	2015 $	2014 $
Non-current			
Exploration expenditure capitalised:			
• Exploration and evaluation phase at cost		14,347,295	15,089,645
Add: Effect of exchange rate changes on exploration and evaluation assets		(42,258)	516,849
Less: Exploration expenditure impairment	11b	(1,045,240)	(2,880,191)
Net carrying value	11a,b	13,259,797	12,726,303

a. The value of the Group interest in exploration expenditure is dependent upon:

- The continuance of the Group's rights to tenure of the areas of interest.
- The results of future exploration.
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

b. The Group was unsuccessful in its appeal of a decision made by the Swedish mining authorities not to grant an extension to one of its tenements. As a result the Group recognised during the financial year, an impairment against the carrying value of the tenement for $243,086.

In addition, the Group relinquished the Oued El Foule Nord and Saabia tenements in Mauritania as not being required for the Tiris Uranium Project. As a result the Group recognised during the financial year, an impairment against the carrying value of the tenements of $802,154.

NOTE 12 TRADE AND OTHER PAYABLES		2015 $	2014 $
Current			
Unsecured			
Trade payables	12a	232,876	229,901
Accrued expenses		102,223	137,937
Other taxes payable		66,246	63,249
		401,345	431,087

a. Trade payables are non-interest bearing and arise from the usual operating activities of the Group. Trade payables and other payables and accruals, except directors' fees, are usually settled within the lower of terms of trade or 30 days.

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.

NOTE 13 SHORT-TERM PROVISIONS

	Note	2015 $	2014 $
Current			
Employee benefits		138,639	106,081
		138,639	106,081

	2015 No.	2014 No.
Number of employees at year end	1	3

NOTE 14 BORROWINGS

		2015 $	2014 $
Current			
Short-term borrowings	14a	-	32,416
Convertible notes		43,040	188,600
		43,040	221,016

a. Short-term borrowings comprise premium funding for insurance policies, repayable within 12 months.

b. On 28 February 2014, Aura Energy Limited entered into a financing arrangement to provide up to $3,775,000 over 24 months. Under the agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, Aura Energy Limited received $325,000, in the form of a $250,000 convertible note and $75,000 as a prepayment for placement of ordinary shares in Aura Energy Limited. Lind will further invest in tranches of $75,000, in monthly share subscriptions, over the next two years. The convertible notes and shares will be issued at a 10% discount to a specified three day volume weighted share price.

Further key terms of the agreement are as follows:

- The $250,000 convertible note is secured by the issue of 2,200,000 shares. Aura Energy Limited has the ability to repurchase the Note at a premium to the issue price during the first 90 days of the agreement.
- An issue of 2,946,378 shares as a commencement fees for the provision of the funding facility.
- The issue of 2,600,000 options with an exercise price of 4.8 cents and the three year expiration date.

The convertible note liability is measured at its present value.

During the course of the financial year, Lind converted $200,000 of the $250,000 convertible note into fully paid ordinary shares of Aura Energy Limited. As a result of the conversion, Aura Energy Limited issued 11,111,111 fully paid ordinary shares to Lind.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 15 ISSUED CAPITAL	Note	2015 $	2014 $
The Company has issued share capital amounting to 335,065,783 (2014: 195,825,149 fully paid ordinary shares at no par value.	15a	31,311,988	27,935,558
a. Equity raised during the financial year			
At the beginning of the reporting period		27,935,558	27,759,558
Shares issued during the year:			
• 2,946,378 Shares issued on 6 March 2014	15a.ii	-	125,000
• 2,200,000 Shares issued on 6 March 2014	15a.iii	-	nil
• 2,272,727 Shares issued on 8 April 2014	15a.iv	-	75,000
• 2,777,778 Shares issued on 13 May 2014	15a.v	-	75,000
• 1,433,067 Shares issued on 13 May 2014	15a.vi	-	56,031
• 555,816 Shares issued on 6 June 2014	15a.vii	-	16,855
• 353,792 Shares issued on 10 June 2014	15a.viii	-	12,058
• 4,166,667 Shares issued on 9 July 2014	15a.ix	75,000	-
• 9,722,222 Shares issued on 24 July 2014	15a.x	175,000	-
• 52,428,510 Shares issued on 9 September 2014	15a.xi	1,572,855	-
• 1,527,303 Shares10 October 2014	15a.xii	60,250	-
• 292 Shares issued on 13 October 2014	15a.xiii	18	-
• 3,571,429 Shares issued on 20 October 2014	15a.xiv	75,000	-
• 355,104 Shares issued on 5 December 2014	15a.xv	11,358	-
• 6,874,752 Shares issued on 19 December 2014	15a.xvi	204,244	-
• 40,762,340 Shares issued on 22 April 2015	15a.xvii	1,019,059	-
• 9,440,000 Shares issued on 12 June 2015	15a.xviii	236,000	-
• 1,055,174 Shares issued on 12 June 2015	15a.xix	30,000	-
• 1,388,889 Shares issued on 12 June 2015	15a.xx	25,000	-
• 3,697,952 Shares issued on 29 June 2015	15a.xxi	101,196	-
• 4,250,000 Shares issued on 29 June 2015	15a.xxii	106,250	
Transaction costs relating to share issues		(314,800)	(183,944)
At reporting date		31,311,988	27,935,558

NOTE 15 ISSUED CAPITAL

	Note	2015 No.	2014 No.
At the beginning of the reporting period		195,825,149	183,285,591
Ordinary shares issued during the financial year:			
• 2,946,378 Shares issued on 6 March 2014	15a.ii	-	2,946,378
• 2,200,000 Shares issued on 6 March 2014	15a.iii	-	2,200,000
• 2,272,727 Shares issued on 8 April 2014	15a.iv	-	2,272,727
• 2,777,778 Shares issued on 13 May 2014	15a.v	-	2,777,778
• 1,433,067 Shares issued on 13 May 2014	15a.vi	-	1,433,067
• 555,816 Shares issued on 6 June 2014	15a.vii	-	555,816
• 353,792 Shares issued on 10 June 2014	15a.viii	-	353,792
• 4,166,667 Shares issued on 9 July 2014	15a.ix	4,166,667	-
• 9,722,222 Shares issued on 24 July 2014	15a.x	9,722,222	-
• 52,428,510 Shares issued on 9 September 2014	15a.xi	52,428,510	-
• 1,527,303 Shares issued on 10 October 2014	15a.xii	1,527,303	-
• 292 Shares issued on 13 October 2014	15a.xiii	292	-
• 3,571,429 Shares issued on 20 October 2014	15a.xiv	3,571,429	-
• 355,104 Shares issued on 5 December 2014	15a.xv	355,104	-
• 6,874,752 Shares issued on 19 December 2014	15a.xvi	6,874,752	-
• 40,762,340 Shares issued on 22 April 2015	15a.xvii	40,762,340	-
• 9,440,000 Shares issued on 12 June 2015	15a.xviii	9,440,000	-
• 1,055,174 Shares issued on 12 June 2015	15a.xix	1,055,174	-
• 1,388,889 Shares issued on 12 June 2015	15a.xx	1,388,889	-
• 3,697,952 Shares issued on 29 June 2015	15a.xxi	3,697,952	-
• 4,250,000 Shares issued on 29 June 2015	15a.xxii	4,250,000	
At reporting date		335,065,783	195,825,149

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 15 ISSUED CAPITAL

i. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

ii. Issued under financing agreement with The Australian Special Opportunity Fund LP (ASOF) to settle $125,000 facility fee

iii. Issued as collateral for the $250,000 convertible note from ASOF.

iv. Issued under financing agreement with ASOF.

v. Issued under financing agreement with ASOF.

vi. Issued to directors in lieu of entitlement to cash emoluments.

vii. Issued to directors in lieu of entitlement to cash emoluments.

viii. Issued to settle amounts due to consultants for services rendered.

ix. Issued under financing agreement with ASOF.

x. Issued on conversion by ASOF of $175,000 in convertible notes into fully paid ordinary shares.

xi. Issued pursuant to rights issue to shareholders.

xii. Issued to settle amounts due to consultants for services rendered.

xiii. Issued on conversion of options over ordinary shares into fully paid ordinary shares.

xiv. Issued under financing agreement with ASOF.

xv. Issued to settle amounts due to consultants for services rendered.

xvi. Issued to directors in lieu of entitlement to cash emoluments.

xvii. Issued pursuant to share placement.

xviii. Issued pursuant to share purchase plan to shareholders.

xix. Issued to corporate advisor under capital raising agreement.

xx. Issued on conversion by ASOF of $25,000 in convertible notes into fully paid ordinary shares.

xxi. Issued to directors in lieu of entitlement to cash emoluments.

xxii. Issued pursuant to shortfall under share purchase plan.

b. Options

For information relating to the Aura Energy Limited employee options scheme, including details of options issued, issued and lapsed during the financial year, and the options outstanding at balance date, refer to Note 19 Share-based payments. The total number of options on issue is as follows:

	2015 No.	2014 No.
Listed options	27,226,166	35,789,218
Unlisted options	86,159,005	23,745,000
	113,385,171	59,534,218

NOTE 15 ISSUED CAPITAL

c. Capital Management

i. Capital management policy

The directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

ii. Current ratio

The current ratio the Group at 30 June 2015 and 30 June 2014 was as follows:

	Note	2015 No.	2014 No.
Current ratio		1.78	0.96

iii. Working capital position

The working capital position of the Group at 30 June 2015 and 30 June 2014 was as follows:

	Note	2015 No.	2014 No.
Cash and cash equivalents	7	943,011	570,478
Trade and other receivables	8	96,282	92,830
Financial assets	9	44,157	64,453
Trade and other payables	12	(401,345)	(431,087)
Short-term borrowings	14	(43,040)	(106,081)
Short-term provisions	13	(138,639)	(221,016)
Working capital position / (deficit)		500,426	(30,423)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16 RESERVES

	Note	2015 $	2014 $
Option reserve	16a	398,924	749,118
Foreign exchange reserve	16b	502,328	489,001
		901,252	1,238,119

a. **Option reserve**

The option reserve records items recognised as expenses on the value of employee and consultant share options.

b. **Foreign exchange translation reserve**

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiary.

NOTE 17 CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned	
			2015	2014
Keyano Jack Pty Limited	Australia	Ordinary	100%	100%
Aura Energy Sweden AB	Sweden	Ordinary	100%	100%
GCM Africa Uranium Limited	United Kingdom	Ordinary	100%	100%

a. Investments in subsidiaries are accounted for at cost.

NOTE 18 CASH FLOW INFORMATION

	Note	2015 $	2015 $
a. Reconciliation of cash flow from operations to loss after income tax			
Loss after income tax		(2,493,900)	(3,855,498)
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in profit from ordinary activities:			
• Share-based payments expense		96,704	49,944
• Emoluments to directors and consulting fees paid by way of shares		305,441	-
• Net interest on convertible notes		57,304	(48,684)
• Depreciation		4,676	6,700
• Effects of foreign exchange on translation		9,379	(89,053)
• Impairment of exploration expenditure previously capitalised		1,045,240	-
• Reclassification of insurance funding		(32,416)	-
• Write-off of capitalised exploration		-	2,880,191
• Capitalised exploration expenditure included in cash flows from operations		(1,438,205)	(846,242)
• Other		1,152	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
• (Increase)/decrease in receivables and prepayments		11,377	10,096
• Increase/(decrease) in trade and other payables		(93,196)	(24,256)
• Increase/(decrease) in provisions		32,558	(10,230)
Cash flow from operations		(2,493,886)	(1,927,032)

b. **Credit standby facilities**

The Group has no credit standby facilities.

c. **Non-Cash Investing and Financing Activities**

The Group has no non-cash investing and financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19 SHARE-BASED PAYMENTS	Note	2015 $	2014 $
Share-based payment expense		96,704	49,944

a. The above share-based payment expense is comprised of the following arrangements in place at 30 June 2015:

9 June 2015, the following share options were granted to the Executive Chairman and Managing Director of the Company to take up:

(i) 8,750,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 June 2018.

(ii) 6,250,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 February 2019.

(iii) 2,500,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2019.

(iv) 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2020.

(v) 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2021.

The options hold no voting or dividend rights and are not transferable. At balance date, no options have been exercised or forfeited and the 35,000,000 options remain.

b. The above share-based payment expense is comprised of the following arrangements in place at 30 June 2014:

On 24 November 2013, the following share options were granted to directors of the Company to take up ordinary shares:

(vi) 2,000,000 at an exercise price of $0.15 each. The options are exercisable on or before 13 January 2015.

(vii) 2,250,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 January 2016.

(viii) 2,000,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 July 2016.

(ix) 4,625,000 at an exercise price of $0.15 each. The options are exercisable on or before 13 January 2015.

(x) 4,625,000 at an exercise price of $0.20 each. The options are exercisable on or before 13 July 2016.

The options hold no voting or dividend rights and are not transferable. At balance date, 6,625,000 lapsed and the remaining 8,875,000 options have not been exercised or forfeited and remain.

c. Share-based payments recognised directly in equity and in place at 30 June 2015:

On 11 November 2014, the following share options were granted to corporate advisors pursuant to a capital raising agreement to take 12,500,000 ordinary shares at an exercise price of $0.07 each. The options are exercisable on or before 11 November 2018. $70,389 was deemed transaction costs for the financial year under the capital raising agreement and has been recognized as such in the consolidated statement of changes in equity.

d. Share-based payments recognised directly in equity and in place at 30 June 2014:

On 8 March 2014, 2,600,000 options were issued under an agreement with The Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, to take up ordinary shares at an exercise price of $0.048 each. The options expire 6 March 2017. $56,661 was deemed a transaction costs under the agreement and has been recognised as such in the consolidated statement of changes in equity.

NOTE 19 SHARE-BASED PAYMENTS

a. **Movement in share-based payment arrangements during the period**

A summary of the movements of all Company options issued as share-based payments is as follows:

	2015		2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	26,745,000	$0.1940	8,645,000	$0.2654
Issued	47,500,000	$0.1132	18,100,000	$0.1599
Exercised	-	-	-	-
Expired	(14,500,000)	($0.2013)	-	-
Outstanding at year-end	59,745,000	$0.1267	26,745,000	$0.1940
Exercisable at year-end	20,995,000	$0.1463	17,870,000	$0.1907

The weighted average remaining contractual life of options outstanding at year end is 2.653 years (2014: 1.496 years. The weighted average exercise price of outstanding shares at the end of the reporting period is $0.1267 (2014: $0.1940).

b. **Fair value of options grants during the period**

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.00922 (2014: $0.00407). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	11 November 2014	9 June 2015	
Grant date share price:	$0.021	$0.021	
Option exercise price:	$0.07	$0.10	$0.15
Number of options issued:	12,500,000	15,000,000	20,000,000
Remaining life (years):	3.0	3.28	4.98
Expected share price volatility:	107%		
Risk-free interest rate:	2.0%		

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20 KEY MANAGEMENT PERSONNEL COMPENSATION

a. **Key management personnel ("KMP")**

The names are positions of KMP are as follows:

- Peter Reeve — *Executive Chairman and Managing Director (with effect 1 January 2015)*
- Robert (Bob) Beeson — *Non-executive director (Managing Director until retirement on 31 December 2014)*
- Brett Fraser — *Non-executive director*
- Julian (Jules) Perkins — *Non-executive director*
- Stanley Zillwood — *Company Secretary*

b. **KMP compensation**

The totals of remuneration paid to KMP during the year are as follows:

	2015 $	2014 $
Short-term employee benefits	727,716	545,744
Post-employment benefits	54,850	49,917
Share-based payments in equity	50,000	-
Share-based payments in options	96,704	49,994
Other long term benefits	-	-
Termination benefits	-	-
Total	929,270	645,605

Refer to the Remuneration Report contained in the Director’s Report for details of the remuneration paid to each member of the Group’s KMP for the year ended 30 June 2015.

NOTE 21 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other than those transactions contained in section 17.7 Other transactions with key management personnel are set out in the Remuneration Report, there are no other related party transactions.

NOTE 22 COMMITMENTS

	2015 $	2014 $
a. **Exploration expenditure commitments:**		
Exploration tenement minimum expenditure requirements	101,482	588,912
Payable:		
• not later than 12 months	52,947	212,647
• between 12 months and 5 years	48,535	376,265
• greater than 5 years	-	-
	101,482	588,912

The Group has no contracted exploration expenditure, however the Group has accounted for core asset tenement renewals as expenditure the Group is committed to.

	2015 $	2014 $
b. **Operating lease commitments:**		
Operating leases contracted for or committed to but not capitalised in the financial statements		
Payable:		
• not later than 12 months	16,636	19,900
• between 12 months and 5 years	-	13,618
• greater than 5 years	-	-
	16,636	33,518

The Group shares premises with a number of companies. Balances stated represent the maximum gross amount payable, prior to reimbursement from other parties.

NOTE 23 OPERATING SEGMENTS

a. **Identification of reportable segments**

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of uranium projects. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the two principal locations of its projects – Sweden and Mauritania. The Group also maintains a treasury function, primarily responsible for raising capital and managing and distributing those funds raised.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23 OPERATING SEGMENTS

b. **Basis of accounting for purposes of reporting by operating segments**

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

ii. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The board of directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Non-exploration impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23 OPERATING SEGMENTS

For the Year to 30 June 2015	Australian Exploration $	Sweden Exploration $	West African Exploration $	Treasury $	Total $
Segment revenue	3,064	-	-	19,159	22,223
Segment results	3,064	(264,389)	(802,155)	19,159	(1,044,321)
Amounts not included in segment results but reviewed by Board:					
Expenses not directly allocable to identifiable segments or areas of interest					
• Accounting and audit fees					(126,869)
• Business development					(6,000)
• Computers and communications					(27,150)
• Depreciation					(4,676)
• Employee benefits expense					(638,556)
• Financing costs					(60,564)
• Impairment					-
• Insurance					(39,451)
• Legal and consulting					(182,309)
• Public relations					(67,526)
• Rent and utilities					(33,168)
• Share-based payment expenses					(96,704)
• Share registry and listing fees					(63,522)
• Travel and accommodation					(92,836)
• Other unallocated expenses					(10,248)
Loss after income tax					(2,493,900)
As at 30 June 2015					
Segment assets	4,801	6,311,094	6,943,902	987,168	14,246,965
Unallocated assets:					
• Trade and other receivables					96,282
• Plant and equipment					1,602
• Other non-current assets					-
Total assets					14,344,849
Segment asset increases for the period:					
• Capital expenditure-exploration	-	252,046	1,326,688	-	1,578,734
• Less: Write-off of exploration assets	-	(243,085)	(802,155)	-	(1,045,240)
	-	8,961	524,533	-	533,494
Segment liabilities	-	5,032	115,793	-	120,825
Unallocated liabilities:					
• Trade and other payables					280,520
• Short-term provisions					138,639
• Short-term borrowings					43,040
Total liabilities					583,024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 23 OPERATING SEGMENTS

For the Year to 30 June 2014	Australian Exploration $	Sweden Exploration $	West African Exploration $	Treasury $	Total $
Segment revenue	-	-	-	87,783	87,783
Segment results	(954,767)	(1,559,848)	(365,576)	82,998	(2,797,193)
Amounts not included in segment results but reviewed by Board:					
Expenses not directly allocable to identifiable segments or areas of interest					
• Accounting and audit fees					(190,577)
• Business development					(26,419)
• Computers and communications					(29,025)
• Depreciation					(6,700)
• Employee benefits expense					(562,693)
• Financing costs					(3,064)
• Impairment					-
• Insurance					(36,223)
• Legal and consulting					(67,229)
• Public relations					(94,165)
• Rent and utilities					(123,832)
• Share-based payment expenses					(49,944)
• Share registry and listing fees					(69,517)
• Travel and accommodation					(162,686)
• Other unallocated expenses					(41,860)
• Tax rebate for research and development					405,629
Loss after income tax					(3,855,498)
As at 30 June 2014					
Segment assets	-	6,327,428	6,500,553	533,254	13,361,235
Unallocated assets:					
Trade and other receivables					92,829
Plant and equipment					2,994
Other non-current assets					-
Total assets					13,457,058
Segment asset increases for the period:					
• Capital expenditure-exploration	-	349,250	555,901	-	905,151
• Less: Write-off of exploration assets	(954,767)	(1,559,848)	(365,576)	-	(2,880,191)
	(954,767)	(1,210,598)	190,325	-	(1,975,040)
Segment liabilities	3,300	41,967	68,550	75,000	188,817
Unallocated Liabilities:					
• Trade and other payables					242,270
• Short term provisions					106,081
• Short-term borrowings					221,016
Total liabilities					758,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24 FINANCIAL RISK MANAGEMENT

a. **Financial risk management policies**

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below:

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2015 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2014 Total $
Financial assets								
• Cash and cash equivalents	943,011	-	-	943,011	554,953	15,525	-	570,478
• Trade and other receivables	-	-	96,282	96,282	-	-	92,830	92,830
• Financial assets	-	16,024	28,133	44,157	-	-	64,453	64,453
Total financial assets	943,011	16,024	124,415	1,083,450	554,953	15,525	157,283	727,761
Financial liabilities								
Financial liabilities at amortised cost								
• Trade and other payables	-	-	401,345	401,345	-	-	431,087	431,087
• Short-term borrowings	-	43,040	-	43,040	-	221,016	-	221,016
Total financial liabilities	-	43,040	401,345	444,385	-	221,016	431,087	652,103
Net financial assets	943,011	(27,016)	(276,930)	639,065	554,953	(205,491)	(273,804)	75,658

b. **Specific financial risk exposures and management**

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. The board of directors has adopted practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group

The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

NOTESTO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24 FINANCIAL RISK MANAGEMENT

- *Credit risk exposures*

  The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

  Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

- *Impairment losses*

  Group's financial assets that are past due total $11,295 (2014: $nil).

  There has been no allowance for impairment in respect of the financial assets of the Group during this year.

ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The board of directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

(1) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

(2) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian dollars functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal; however the Board continues to review this exposure regularly.

NOTE 24 FINANCIAL RISK MANAGEMENT

(3) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is exposed to securities price risk on investments held for trading or for medium to longer terms.

The investment in listed equities has been valued at the market price prevailing at balance date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment.

At balance date, the Group does not hold financial instruments that would give rise to price risk.

iv. Sensitivity analyses

(4) Interest rates

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

A change of 100 basis points in the interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis was performed on a change of 100 basis points for 2015.

	Profit $	Equity $
Year ended 30 June 2015		
± 100 basis points change in interest rates	±7,788	±7,788
Year ended 30 June 2014		
± 100 basis points change in interest rates	±5,705	±5,705

(5) Foreign exchange

The Group main exposure to foreign currency risk is to Swedish Krona (SEK) for assets the Group holds through its Swedish subsidiary, Aura Energy Sweden AB. The following table illustrates sensitivities to the Group's exposures to changes in the SEK rate. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2015		
± 10% of Australian dollar strengthening/weakening against the SEK	Nil	+75,050 -105,458
Year ended 30 June 2014		
± 10% of Australian dollar strengthening/weakening against the SEK	Nil	+572,914 -700,228

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24 FINANCIAL RISK MANAGEMENT

v. Net fair values

(6) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table below and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

vi. Financial liability and asset maturity analysis

	Within 1 Year		Total	
	2015 $	2014 $	2015 $	2014 $
Financial liabilities due for payment				
• Trade and other payables	401,345	431,087	401,345	431,087
• Short-term borrowings	43,040	221,016	43,040	221,016
Total contractual outflows	444,385	652,103	444,385	652,103
Financial assets				
• Cash and cash equivalents	943,011	570,478	943,011	570,478
• Trade and other receivables	96,282	92,830	96,282	92,830
• Financial assets	44,157	64,453	44,157	64,453
Total anticipated inflows	1,083,450	727,761	1,083,450	727,761
Net (outflow)/inflow on financial instruments	639,065	75,658	639,065	75,658

NOTE 25 EVENTS SUBSEQUENT TO REPORTING DATE

On 17 September 2015, the Company completed a placement of ordinary shares to a London-based group of investors with WH Ireland. Under the terms and conditions of the placement the Company will receive $0.761 million in two tranches comprising (i) 48,660,000 fully paid ordinary shares to be issued at 1.225 cents per share shares immediately for gross proceeds of $596,085 and (ii) 13,451,801 fully paid ordinary shares at 1.225 cents per share subject to shareholders approval at the annual general meeting for gross proceeds of $164,785.

The Company has also agreed to issue to the investor group I option for each share subscribed with a strike price of 2.5 cents per option over ordinary share and an expiry date 2 years from the date of completion of the second tranche.

The Company has committed to undertaking an Initial Public Offering (IPO) on the Alternate Investment Market (AIM) in London within the coming months. The investor group has committed to be the cornerstone investors of the AIM IPO.

NOTE 26 PARENT ENTITY DISCLOSURES

	Note	2015 $	2014 $
a. Financial position of Aura Energy Limited			
Current assets			
Cash and cash equivalents		910,881	545,183
Trade and other receivables		57,242	550,325
Financial assets		44,157	64,453
Total current assets		1,012,280	1,159,961
Non-current assets			
Plant and equipment		1,602	2,994
Financial assets	26b	8,158,529	8,177,908
Other assets		5,167,407	4,485,341
Total non-current assets		13,327,538	12,666,243
Total assets		14,339,818	13,826,204
Current liabilities			
Trade and other payables		396,314	410,605
Short-term provisions		138,639	122,782
Short-term borrowings		43,040	32,416
Total current liabilities		577,993	565,803
Total liabilities		577,993	565,803
Net assets		13,761,825	13,260,401
Equity			
Issued capital		31,311,988	28,354,502
Option reserve		398,924	653,046
Accumulated losses		(17,949,087)	(15,747,147)
Total equity		13,761,825	13,260,401
b. Financial assets			
Loans to subsidiaries	26b.i	6,251,629	6,108,675
Shares in controlled entities at cost		1,906,900	2,069,233
Net carrying value		8,158,529	8,177,908

i. Loans are provided by the parent entity to its controlled entities to fund their activities. The eventual recovery of loans and investments will be dependent upon the successful commercial application of these projects or their sale to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 26 PARENT ENTITY DISCLOSURES

	2015 $	2014 $
c. **Financial performance of Aura Energy Limited**		
Loss for the year	(2,853,498)	(3,451,677)
Other comprehensive income	-	-
Total comprehensive income	(2,853,498)	(3,451,677)

d. **Guarantees entered into by Aura Energy Limited for the debts of its subsidiaries**

There are no guarantees entered into by Aura Energy Limited for the debts of its subsidiaries as at 30 June 2015 (2014: none).

e. **Contingent liabilities of Aura Energy Limited**

There are no contingent liabilities as at 30 June 2015, other than as detailed in Note 27 Contingent liabilities (2014: none).

f. **Commitments by Aura Energy Limited**	2015 $	2014 $
i. Exploration expenditure commitments:		
Exploration tenement minimum expenditure requirements	101,482	588,912
Payable:		
• not later than 12 months	52,947	212,647
• between 12 months and 5 years	48,535	376,265
• greater than 5 years	-	-
	101,482	588,912

The Group has no contracted exploration expenditure, however the Group has treatment core asset tenement renewals as expenditure the Group is committed to.

ii. **Operating lease commitments:**

Operating leases contracted for or committed to but not capitalised in the financial statements

	2015 $	2014 $
Payable:		
• not later than 12 months	13,618	19,900
• between 12 months and 5 years	-	13,618
• greater than 5 years	-	-
	13,618	33,518

The Group shares premises with a number of companies. Balances stated represent the maximum gross amount payable, prior to reimbursement from other parties.

The amounts presented above are applicable for both Aura Energy Limited (the parent) and the Consolidated Group.

NOTE 27 CONTINGENT LIABILITIES

The Group has a contingent consideration of US$2,000,000 to the vendors of GCM Africa Uranium Limited if the uranium resource it holds exceeds 75,000,000 Lb, and up to an additional US$4,000,000 plus 4,000,000 Aura shares if the resource significantly exceeds this 75,000,000 Lb.

There are no other contingent liabilities as at 30 June 2015.

NOTE 28 COMPANY DETAILS

The registered office and principal place of the Company is:

Address: Suite 3, Level 1
19-23 Prospect Place
Box Hill VIC 3128
Telephone: +61 (0)3 9890 1744
Facsimile: +61 (0)3 9890 3411
Website: www.auraenergy.com.au
E-mail: info@auraenergy.com.au

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes to the accounts are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) Comply with Accounting Standards.

   (b) Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements.

   (c) Give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company and Consolidated Group.

2. The Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) The financial records of the Company for the financial year have been properly maintained in accordance with s.286 of the *Corporations Act 2001* (Cth).

   (b) The financial statements and notes for the financial year comply with the Accounting Standards.

   (c) The financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.295(5) and is signed for and on behalf of the directors by:

PETER REEVE
Chairman

Dated this Wednesday, 30 September 2015

Bentleys
THINKING AHEAD

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bentleys.com.au

Independent Auditor's Report

To the Members of Aura Energy Limited

We have audited the accompanying financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

a. The financial report of Aura Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1a(iii) in the financial report which indicates that the Consolidated Entity incurred a net loss of $2,493,900 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1a(iii), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Aura Energy Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

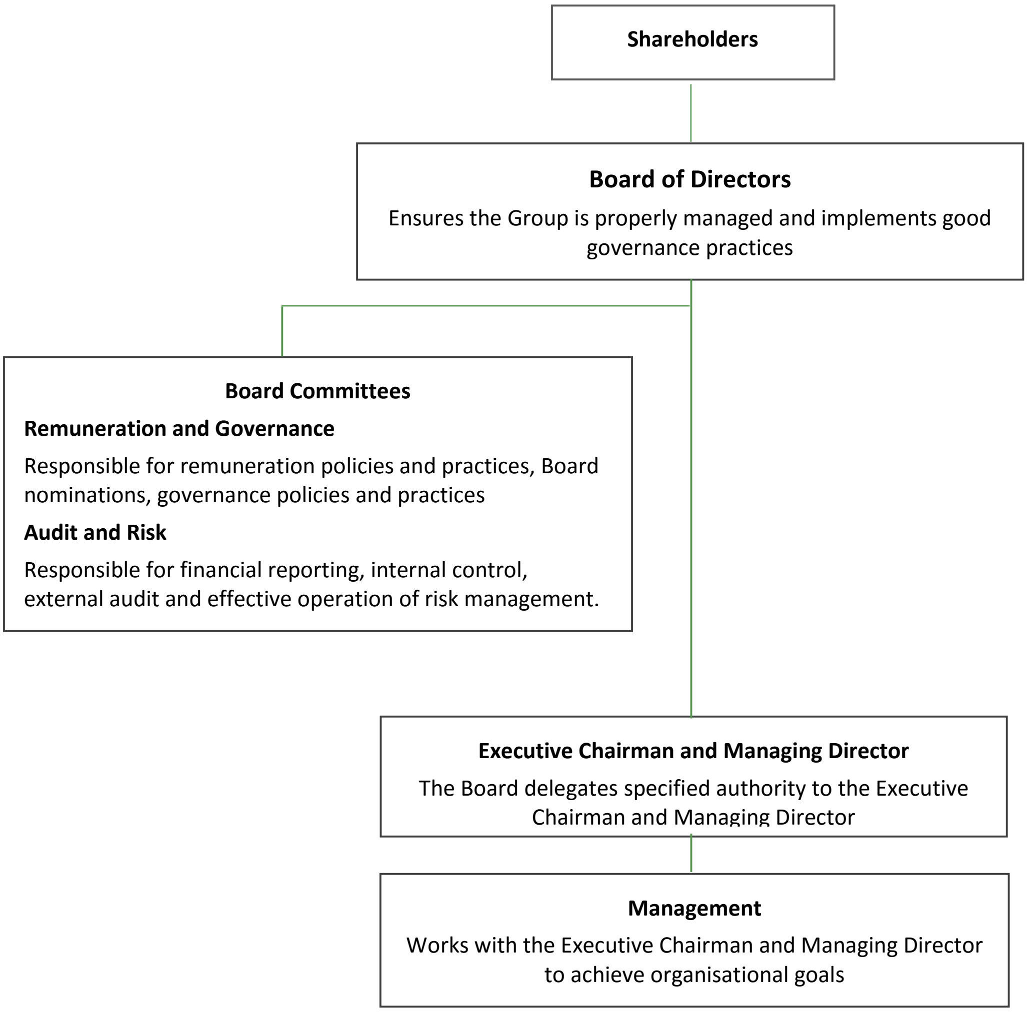
Dated at Perth this 30th day of September 2015

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance, notwithstanding the size and nature of the Group. The Board reviews and seeks to continuously improve the governance framework and practices as Group resources, skills, and capabilities grow.

The Group presently has only one fulltime employee, being the Executive Chairman and Managing Director. All activities are provided to the Group either by consultants or part time/casual employees.

The Board agreed to merge the roles of Chairman and Managing Director as an interim measure to better manage costs and, due to the overriding requirement of the Group to seek new funding, and, given the particular skills and experience of the individual concerned, to best present the commercial and technical merits of its projects to potential investors. The Board will reassess the arrangement regularly to determine when the roles should again be separated.

The present governance structure of the Group is represented by the following diagram.



A description of the Group's main corporate governance practices in place as at 30 June 2015 is set out below. Unless otherwise disclosed in this Corporate Governance Statement, the Group seeks to comply with the ASX Corporate Governance Council Principles and Recommendations, 3rd Edition.

The Company is currently reviewing its governance practices to comply as far as is practicable with these latest recommendations.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 (a): Role of the Board and of Management

The specific responsibilities of the Board are set out in a Board Charter, which is part of its documented Corporate Governance Plan. Responsibilities not listed as being reserved for the Board are delegated to the Chief Executive Officer (CEO) and Managing Director. The Board reserves the right to add to or amend its and the CEO's responsibilities as it sees fit.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Executive Chairman and Managing Director. This delegation is reviewed as the Board considers appropriate.

Recommendation 1.1 (b): Matters Expressly Reserved for the Board.

- Ensuring a high standard of corporate governance practice and regulatory compliance, and promoting ethical and responsible practice throughout the Group.
- Providing leadership and strategic direction to the Group and approval of corporate strategy, ensuring that appropriate resources are available to meet strategic objectives.
- Reviewing and approving business plans, budgets and financial plans and the adequacy and integrity of financial and other reporting.
- Overseeing and monitoring organisation performance and the achievement of the Group's strategic objectives.
- Monitoring financial performance including approval of the annual, half-yearly and quarterly financial reports.
- Recommending to shareholders the appointment of the external auditor when required, liaison and receiving the report of the external auditor.
- Appointment of the Chairman.
- Appointment, remuneration, performance assessment and termination of the Managing Director and CEO.
- Ratifying the appointment and/or removal of other senior executives and contributing to their performance assessment..
- Overseeing the operation of the Group's system for legal and internal compliance and control, and for systems of risk management.
- Ensuring effective management processes are in place and approving major corporate initiatives, including major capital expenditure, management of capital and significant acquisitions and divestitures, and issues of shares, options, equity instruments or other securities.
- Enhancing and protecting the reputation of the organization; and ensuring appropriate resources are available to senior management.
- Approval of significant changes to the organizational structure

The Executive Chairman and Managing Director is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board.

Recommendation 1.2 (a): Undertake Appropriate Checks Before Appointing a Director.
No new appointment of a director has occurred during the period of this report.

Recommendation 1.2 (b): Provide Security Holders with Relevant Information About Director Candidates
Information pertaining to directors standing in future for re-election that will be provided to security holders will include relevant biographical details. The majority of this information is available at all times on the Company's website or in its annual report.

Recommendation 1.3: Written Terms of Employment Agreements
All directors, including the Managing Director and CEO, have written and signed agreements setting out the terms of their employment. The material terms of employment of the Executive Chairman and Managing Director were disclosed at the time of his engagement.

Recommendation 1.4: The Company Secretary Should Be Accountable Directly to the Board
The Company Secretary is accountable directly to the Board, not only through the Executive Chairman, but because the Chairman is not an independent director, also directly to the Board and to individual directors as required.

Recommendation 1.5: A Listed Entity Should Have a Diversity Policy

The Company does not at present have a formal diversity policy. The Board is committed to diversity within its own make-up and in its future team of employees and intends to develop a diversity policy in due course.

Recommendation 1.6 (a): Board Performance Evaluation

At present, the Board evaluates its collective performance after each meeting. No performance evaluation process of individual directors has been undertaken to date. The Board recognizes the advantages of such a process and intends to gradually introduce a more structured evaluation process.

Recommendation 1.6 (b): Disclosure of Board Performance Evaluation

Please note the information provided under Recommendation 1.6 (a).

Recommendation 1.7: Performance Evaluation of Senior Executives

At present, the Company has only one senior executive who is also Chairman and Managing Director. This executive commenced his role at the beginning of 2015 and no formal evaluation of his performance has been undertaken to date.

Principle 2: Structure the Board to add value

The Board operates in accordance with the broad principles set out in its charter which is available from the corporate governance information section of the Company website at www.auraenergy.com.au. The charter details the Board's composition and responsibilities.

The Board has been constituted so that it has an effective composition, size and commitment to adequately discharge its responsibilities and duties, given the Company's current size and the scale of operations.

Recommendation 2.1: Nomination Committee

The Board has a Nomination Committee comprising of its four directors, two of whom were determined to be independent as defined by the ASX criteria, at the balance date. The Committee has a charter. It has not met formally during the year. Instead, the Board has addressed its composition, range of skills and effectiveness as part of its regular business.

The Company considers that each of the directors possesses skills and experience suitable for guiding the Company and that, collectively, the current range of skills, knowledge, experience and independence of the Board is adequate for the Company's current strategy, size and operations.

Recommendation 2.2: Skills Matrix

The Board does not at present have a formal skills matrix but acknowledges the usefulness of this and will consider the creation of one.

Recommendation 2.3: Director Independence and Length of Service

The names of the directors considered by the Board to be independent directors are Brett Fraser and Julian Perkins. Details of these directors, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' Report. Robert Beeson was, at the date of signing the Directors' Report, a non-executive director who was not considered independent by the Board at that time.

Recommendation 2.4: Majority of Independent Directors

At present, independent directors comprise 50% of the Board. One other director is non-executive but does not at present fully meet the factors relevant to assessing independence that are provided by the ASX Corporate Governance Principles, 3rd Edition. The Board nevertheless believes, and consciously strives to achieve that it always acts in the best interests of the Company and its security holders generally.

Recommendation 2.5: The Chair to be Independent and Not Also the CEO

With effect from January 2015, Peter Reeve was appointed by the Board to be both Executive Chairman and CEO, and shortly afterwards to be also Managing Director. Although the Board recognized at the time that this conflicts with Recommendation 2.5, it nevertheless believed and continues to believe that this arrangement is in the best interests of the Company and shareholders at this time. The Board believes that Mr. Reeve possesses the skills, experience and network to successfully lead the Company through this period of extreme financial difficulty for junior minerals companies and that, to raise the necessary finance from sources both local and international, his appointment as

Executive Chairman and its consequent status would be of assistance. The Board and Mr Reeve acknowledged at the outset that this was not to be a long term arrangement and the non-executive directors will decide when it is appropriate to separate the powers of Chairman and CEO again.

Recommendation 2.6: Induction program for New Directors

The Company does not have a formal induction program or a professional development program for new directors at present. Directors do nominate themselves for specific professional development activities from time to time and the Board considers each such proposal on its merits. Current Board policy is for the cost of approved professional development activities to be shared 50/50 between the director and the Company.

Principle 3: Act Ethically and Responsibly

Recommendation 3.1 (a): Code of Conduct

The Company has a Code of Conduct (The Code) which has been endorsed by the Board and applies to all directors and employees. The Code is periodically updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity. The Code outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices.

Recommendation 3.1 (b): Disclosure of The Code

The Code provides a framework for decisions and actions in relation to ethical conduct in employment. It addresses the accountabilities of managers, supervisors and employees for adherence to the Code and for the reporting of breaches, actual or suspected. Guidelines for personal and professional behavior are set out. There is a comprehensive section on conflict of interest, with examples and what to do if uncertain about whether disclosure is called for. The Code also covers public and media comment, the use of Company resources, security of information, intellectual property and copyright, discrimination and harassment, corrupt conduct, insider trading, as well as a number of other general guidelines for behaviour.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 Audit Committee

The Company has an Audit and Risk Committee. The members of the Audit and Risk Committee at the date of this report are:

- Mr Brett Fraser (Chairman)
- Dr Bob Beeson
- Mr Julian Perkins

Two of these directors are independent. All three are non-executive directors. The Chairman is independent and is not the Chair of the Board. Details of each director's qualifications and attendance are set out in the Directors' Report.

The Committee's primary roles, as set out in its Charter, is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- The quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure process.
- Compliance with all applicable laws, regulations and Company policy.
- The effectiveness of the Company's internal control environment, reporting systems, accounting and financial controls.
- The selection, retention and monitoring of the independence and performance of the Company's external auditors.
- Approve any non-audit services.
- Provide an avenue of communication among the external auditors, management and the Board.
- Oversee the effective operation of the risk management framework.

All members of the Committee are financially literate and have an appropriate understanding of the mining and exploration sector in which the Group operates.

The Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Recommendation 4.2: CEO and CFO Declaration About Financial Records

The Board receives from its CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board does not approve the Company's financial statements without first having received such a declaration and having itself received and reviewed the final version of the financial statements.

Recommendation 4.3: External Auditor to Attend AGM

The Company holds an Annual General Meeting which is attended in person by a representative from the external auditor who is available to answer any questions arising from security holders.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 (a): Written Policy for Compliance with Continuous Disclosure Obligations

The Company does not have a current formal written policy on continuous disclosure. The Company at present has only one full-time employee, the Executive Chairman and Managing Director, and a small number of consultants and part-time employees. The Executive Chairman and Managing Director, as well as the other directors, the part-time Company Secretary and the part-time Chief Financial Officer, are fully acquainted with the continuous disclosure requirements of the Company and the topic is a constant feature of Board Meetings and informal dialogue between these persons. It is the intention of the Board to introduce a formal policy document in due course, the content of which will be along the lines indicated below under Recommendation 5.1 (b).

Recommendation 5.1 (b): Disclosure of the Policy or a Summary

Although no formal policy currently exists, the Company understands and respects that timely disclosure of price sensitive information is a foundation to the operation of an efficient securities market. It also respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- Continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities.
- Communicating effectively with shareholders through releases to the market via ASX's disclosure portal, information transmitted to shareholders and the general meetings of the Company.
- Information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the market.
- Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals.
- Making it easy for shareholders to participate in general meetings of the Company.
- Requesting that the external auditor attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.
- The Company also makes available contact details (phone and email) for shareholders to make enquiries to the Company.

The Company Secretary has been formally nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of ASX's listing rules.

The Company seeks to provide opportunities for shareholders to participate through electronic means. This includes having information such as the Company announcements, media briefings, details of Company meetings, press releases and audited financial reports for at least the last three years all available on the Company's website.

The website also includes a feedback mechanism and an option for shareholders to register their email address for inclusion on distribution email updates of Company announcements and/or media releases.

Principle 6: Respect the Rights of Security Holders

Recommendation 6.1: Provide Information About Itself and its Governance via its Website

The Company has been radically upgrading and redesigning its website in recent months, a process which is now nearing completion. The section on corporate governance is currently under construction and it will include links to details about all directors and senior executives, the constitution, the board and board committee charters and to Company policies. The website already includes links to its annual reports and financial statements, ASX announcements, notices of meetings of security holders and presentations, and much other information relating to projects, structure and history. The website remains partially operational and partially under construction at the time of writing.

Recommendation 6.2: Investor Relations Program

The Company principally engages with its security holders at its AGM or personally as requested by individual security holders, which is a practice that the Company encourages.

Recommendation 6.3: Policies and Processes to Facilitate and Encourage Participation

Questions from security holders, whether or not present at General Meetings, are encouraged and answered as fully as possible. The Company has experienced a pleasing number of questions at such meetings.

Recommendation 6.4: Option to Receive and Send Electronic Communications

The Company does not currently offer this facility but agrees that it is a desirable short-term objective.

Principle 7: Recognise and manage risk

Recommendation 7.1: Risk Committee

The Company currently incorporates the duties of a Risk Committee into its Audit and Risk Committee (see Recommendation 4.1)

The Audit and Risk Committee principally oversees financial and general business risk. Technical and operational risk is addressed by the Board as a whole during its meetings.

Recommendation 7.2: Risk Management Framework Review

Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. At present, the Company does not have a complete and current formal risk management framework and consequently no review has taken place during the reporting period.

The risks involved in a resources sector company and the specific uncertainties for the Company are continuously monitored and acted upon by the Executive Chairman and Managing Director, who appraises the Board as to the effectiveness of the Company's management of its material business risks. Given the very small size of the Company and the very limited range its current activities the Board believes that this is presently the most pragmatic and cost-effective means of managing risk. The Board acknowledges, however, that a more structured and comprehensive risk management system will be required when business activities increase in the near future and plans are being made to create and implement such a system.

Recommendation 7.3: Internal Audit Function

The Company does not at present have an internal audit function. The recognition, evaluation and management of risk is managed on a day to day basis by the Executive Chairman and Managing Director, the Company Secretary and the Chief Financial Officer, overseen and monitored by the Board.

Recommendation 7.4: Disclosure and Management of Material Exposures to Economic, Environmental and Social Sustainability Risks

The Company has identified the following as the current areas of possible material business risk that management and the Board carefully monitor:

- Exploration and resource evaluation activities
- Expenditure controls and financial reporting
- Funding

- Uranium price, supply and demand
- Mineral lease tenure
- Sovereign and political risks
- Compliance with laws and regulations in all countries in which the Company operates
- Continuous disclosure
- Occupational health and safety
- Security of personnel
- Environmental protection and community expectations

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1: Remuneration Committee

A charter for a Remuneration Committee currently exists but because there is only one full-time employee, remuneration for the Executive Chairman and Managing Director (a recent appointment) will be evaluated by the three non-executive directors. This issue is under review by the Board.

Recommendation 8.2: Policies and Practices Regarding Remuneration

Information on the remuneration provided to non-executive directors and the executive director, including the principles used to determine remuneration, is provided in the Directors' Report, under the heading 'Remuneration Report'.

The Board's policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board, in consultation with independent advisors where considered necessary, determine payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

Fees for Non-executive Directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, these directors are encouraged to hold shares in the Company.

Due to shortages of funding on occasion during the period under review, non-executive directors fees have at different times been reduced, suspended, or compensated by the issue of shares.

Recommendation 8.3: Equity-based Remuneration Schemes

The Company's present policy is not to permit participants receiving equity-based remuneration to enter into transactions which limit the economic risk of participation.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 SHAREHOLDING AS AT 24 SEPTEMBER 2015

a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 10,000	463	1,993,867	0.60
10,001 – 100,000	700	27,239,115	8.13
100,001 – 1,000,000	342	106,718,355	31.85
1,000,001 – 1,000,000,000	48	199,114,446	59.42
TOTAL	**1,553**	**335,065,783**	**100.00**

b. Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $ 0.0150 per unit	33,334	848	3,364,743

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. 20 Largest Shareholders — Ordinary Shares as at 24 September 2015.

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	BNP PARIBAS NOMINEES PTY LTD <ALFRED FRIED CUSTOMER DRP>	33,419,640	9.97
2.	UBS NOMINEES PTY LTD	32,915,794	9.82
3.	PRE-EMPTIVE TRADING PTY LTD	24,000,000	7.16
4.	PASAGEAN PTY LIMITED	10,000,000	2.98
5.	MR MICHAEL BUSHELL	5,975,903	1.78
6.	MR PETER REEVE	5,442,804	1.62
7.	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	5,000,000	1.49
8.	DRAKE RESOURCES LIMITED	4,795,000	1.43
9.	MRS KERRYN PATRICIA DELEN	3,850,000	1.15
10.	DR ROBERT BEESON	3,129,071	0.93
11.	MRS JENNY LEE BUSHELL	3,091,182	0.92
12.	MR PETER ROBERT OTTON & MRS CAROLE ANN OTTON <OTTON S/F>	3,000,000	0.90
13.	MR JULIAN C PERKINS & MS MARGARET SU-PING FONG<FONG S/F>	2,861,990	0.85
14.	DIRDOT PTY LTD <GRIFFITH SUPER FUND>	2,787,500	0.83
15.	DUNDEE COURT INVESTMENT PTY LTD <SUPER FUND A/C>	2,650,000	0.79
16.	CRX INVESTMENTS PTY LIMITED	2,646,875	0.79
17.	SUVALE NOMINEES PTY LTD	2,626,043	0.78
18.	MRS LINDA YE & MR DAVID XIAO DONG YE	2,553,972	0.76
19.	ALCARDO INVESTMENTS LIMITED <STYLED 102501 A/C>	2,500,000	0.75
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,484,817	0.74
	TOTAL	**155,730,591**	**46.44**

e. **20 Largest Optionholders — Listed options expiring 17 June 2017 @$0.05 as at 24 September 2015.**

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	PRE-EMPTIVE TRADING PTY LTD	4,814,000	17.68
2.	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	3,050,000	11.20
3.	MRS KERRYN PATRICIA DELEN	2,125,000	7.80
4.	UBS NOMINEES PTY LTD	1,800,000	6.61
5.	PASAGEAN PTY LIMITED MR MICHAEL BUSHELL	1,600,000	5.88
6.	BNP PARIBAS NOMINEES PTY LTD <ALBERT FRIED CUSTOMMER DRP>	1,500,000	5.51
7.	ALCARDO INVESTMENTS LIMITED <STYLED 102501 A/C>	1,249,999	4.59
8.	ONETALKTRUE PTY LTD THE OLVER SUPER FUND A/C	830,000	3.05
9.	YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	800,000	2.94
10.	MR NEIL FRANCIS STUART	500,000	1.84
11.	MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD <MPSSF NO 2 A/C>	487,500	1.79
12.	SPINNAKER INVESTMENT MANAGEMEN T PTY LTD	450,000	1.65
13.	MAGNA EQUITIES II LLC	400,000	1.47
14.	SHAYNE BATROS PTY LTD	400,000	1.47
15.	MR JOHN CHRISTOPHER BRIDGES + MS LEANNE BEVERLEY DONALD <DONGES SUPERANNUATION A/C>	300,000	1.10
16.	CRX INVESTMENTS PTY LIMITED	300,000	1.10
17.	MS JAYNE ELLIS	300,000	1.10
18.	MR ROBERT ANTHONY GENTILE + MRS MICHAELA MAREE GENTILE	300,000	1.10
19.	MR KONSTANTINOS KORKIDAS	300,000	1.10
20.	MR PETER JOSEPH SHANNON	300,000	1.10
	TOTAL	**21,806,499**	**80.08**

2 The name of the Company Secretary is Stanley Zillwood.

3 PRINCIPAL REGISTERED OFFICE

As disclosed in Note 28 Company Details of this Annual Report.

4 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES

As disclosed in the Corporate Directory of this Annual Report.

5 STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

6 UNQUOTED SECURITIES

a. **Options over Unissued Shares**

A total of 113,385,171 (2014: 59,534,218) options are on issue of which 44,645,000 (2014: 24,145,000) options are issued to the four (4) Directors as at 28 September 2015.

7 USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

TENEMENT REPORT

As at 30 June 2015

Europe

SWEDEN

Häggån Project

Häggån nr 1	100%
Marby nr 1	100%
Koborgsmyren nr 1	100%
Häggån nr 3	100%

West Africa

MAURITANIA

Tiris Project

Oued El Foule Est	100%
Ain Sder	100%
Oum Ferkik Sud	100%
Oued El Merre	100%
Aguellet	100%
Oued Bel Guerdane	100%
Oued El Keheb	100%

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