Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

Aura Energy Limited

ABN/ARBN	Financial year ended
61 115 927 681	30 June 2015

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ these pages of our annual report: 73-79

☐ this URL on our website: ____________________

The Corporate Governance Statement is accurate and up to date as at 30 September 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 30 September 2015

Sign here: ____________________
Company secretary

Print name: Stan Zillwood

---

[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☑ in our Corporate Governance Statement ...	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at this location: *Insert location here*	☑ No new appointment of a director has occurred. 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 on the Company's website.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at this location: *Insert location here*	☑ 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.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at this location: *Insert location here*	☑ The Company Secretary is accountable directly to the Board, not only through the Executive Chairman, but because the Chairman is not a non-executive director, also directly to the Board and to individual directors as required.
1.5	A listed entity should: (a) have a diversity policy which includes	... the fact that we have a diversity policy that complies with paragraph (a):	☑ The Company does not at present have a formal diversity policy. The Board is committed to diversity

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed …
	requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	☑ in our Corporate Governance Statement … and a copy of our diversity policy or a summary of it: ☐ at this location: *Insert location here* … the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: *Insert location here* … and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: *Insert location here*	within its own make-up and in its future team of employees and intends to develop a diversity policy.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _Insert location here_ ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _Insert location here_	☑ The Board evaluates its collective performance after each meeting. No performance evaluation process of individual directors has been undertaken to date. The Board recognises the advantages of such a process and intends to gradually introduce a more structured evaluation process.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _Insert location here_ ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _Insert location here_	☑ At present, the Company has only one senior executive who is also Executive 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.

<table>
<tr><th colspan="2">Corporate Governance Council recommendation</th><th>We have followed the recommendation in full for the whole of the period above. We have disclosed …</th><th>We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed …</th></tr>
<tr><td colspan="4"><u>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</u></td></tr>
<tr><td>2.1</td><td>The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u>
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td><td>[If the entity complies with paragraph (a):]
… the fact that we have a nomination committee that complies with paragraphs (1) and (2):
☐ in our Corporate Governance Statement <u>OR</u>
☐ at this location:
______
Insert location here

… and a copy of the charter of the committee:
☐ at this location:
______
Insert location here

… and the information referred to in paragraphs (4) and (5):
☐ in our Corporate Governance Statement <u>OR</u>
☐ at this location:
______
Insert location here

[If the entity complies with paragraph (b):]
… the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:
☐ in our Corporate Governance Statement <u>OR</u>
☐ at this location:
______
Insert location here</td><td>✓ The Board has a remuneration committee that has this responsibility the current size of both the Group and the Board have not required a nomination process in the past two years. Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.</td></tr>
</table>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☐ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: *Insert location here*	✓ The Board does not at present have a formal skills matrix but acknowledges the usefulness of this and will consider the creation of one.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ✓ in our Corporate Governance Statement	
2.4	A majority of the board of a listed entity should be independent directors.		✓ The Board is comprised of three Non – executive directors and a single Executive director. The Board considers that two of the Non-executive directors are independent. 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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		✓ 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 recognised 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.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		✓ 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.

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.		✓ The Group has a written Code of Conduct for directors and employees. The Code is periodically updated as 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. 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 behaviour 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			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board,		✓ The Group has an Audit and Risk Committee. The members at the date of this report are Mr Brett Fraser (Chairman), Dr Bob Beeson and Mr Julian Perkins. Two of these directors, including the Chairman, are independent. All three are non-executive directors. The Chairman is not the Chairman of

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed …
	and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		the Board. Details of each director's qualifications and attendance are set out in the Directors' Report. The Committee's primary roles
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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 entity 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 receives a declaration from the CEO and CFO regarding accounts prior to them being signed and accordance with the requirements of the Corporations Act. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		✓ The Group meets its regulatory obligations regarding the attendance of the auditor at the Annual General Meeting. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.		✓ The Group takes its continuous disclosure obligations seriously and at all times seeks to ensure that he market is fully informed. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.		✓ The Group is in the process of establishing a new website to best informed shareholders and investors. Currently the website meets part of the recommendation on completion, the recommendation should be met in full.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		✓ The Group has combined the roles of Chairman and Managing Director for the purpose of maximising its investor relations activity.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		✓ The Group has an informal process of engagement with security holders in addition it has relocated AGM meetings to encourage attendance by security holders. The Group is considering whether there is a need to develop and disclose specific policies for this recommendation.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		✓ The Group provides this facility and is considering the adoption of this recommendation as part of its corporate review of corporate governance.

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u>			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **<u>OR</u>** (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		✓ The Group has an Audit and Risk Committee that is chaired by an independent director. The other Non-executive directors are members. The committee meets on and as required basis. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.		✓ The committee undertakes the process of reviewing the Group's risk management out of the work by the external auditors. The Group is considering the adoption of this recommendation as part of its review of corporate governance.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; **<u>OR</u>** (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		✓ Because of the size of the Group, it does not have an internal audit function. The main work in this area is carried out as part of the system's review by the external auditors.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		✓ The Group is not aware of any environmental, economic or social sustainability exposures beyond those in normal course of business in the exploration and mining sector. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		✓ The Group has a Remuneration Committee that is chaired by an independent director. The other Non-executive directors are members. The committee meets on and as required basis. The current size of the operation with only a single fulltime employee does not warrant a significant role for the committee in the management of the Group. The Group is considering the adoption of this recommendation as part of its review of corporate governance.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed …
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		✓ The Group remunerates Non-executive directors within the amount approve by shareholders in general meeting. Currently the process of individual directors remuneration is in accordance with the Constitution of the Company The Group is considering the adoption of this recommendation as part of its review of corporate governance.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		✓ The Group has an equity based remuneration arrangement with the Executive Chairman and Managing Director that has been announced. This involves an element of remuneration settled in fully paid shares. There are no other transactions involved. The Company has an employee share plan however currently the only participant is the Executive Chairman and Managing Director. Non-executive directors have participated to the extent of taking shares in lieu of cash payments. The Group is considering the adoption of this recommendation as part of its corporate review of corporate governance.