

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Aura Energy Limited

ABN / ARBN

62 115 927 681

Financial year ended:

30 June 2016

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

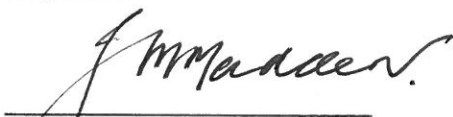
☐ This URL on our website: <http://www.auraenergy.com.au/governance.html>

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* and has been approved by the board.

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

Date: 30 November 2016

Name of Director or Secretary authorising
lodgement:



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. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 <u>OR</u> ☐ at http://www.austraenergy.com.au/governance.html ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at http://www.austraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 <u>OR</u> ☐ at http://www.austraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 <u>OR</u> ☐ at http://www.austraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.
 + See chapter 19 for defined terms
 2 November 2015

Appendix 4G Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ... ⁴
1.5	A listed entity should: (a) have a diversity policy which includes 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.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☐ at [insert location] ... and 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 OR ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 [insert location] ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 [insert location] ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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Appendix 4G
Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	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; or (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.	[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 http://www.auraenergy.com.au/governance.html ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] [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 [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 [insert location]	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

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2 November 2015

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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 ... ⁴
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 <u>OR</u> ☐ at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the length of service of each director: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

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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, 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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): x in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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 fact that we follow this recommendation: x in our Corporate Governance Statement <u>OR</u> ☐ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement

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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 fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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.	... our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... information about us and our governance on our website: ☒ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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 fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement

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Appendix 4G **Key to Disclosures Corporate Governance Council Principles and Recommendations**

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 ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	× an explanation why that is so in our Corporate Governance Statement
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 fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	× an explanation why that is so in our Corporate Governance Statement

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Key to Disclosures Corporate Governance Council Principles and Recommendations

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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; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement

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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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at http://www.auraenergy.com.au/governance.html ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at http://www.auraenergy.com.au/governance.html [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at http://www.auraenergy.com.au/governance.html	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES		
- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

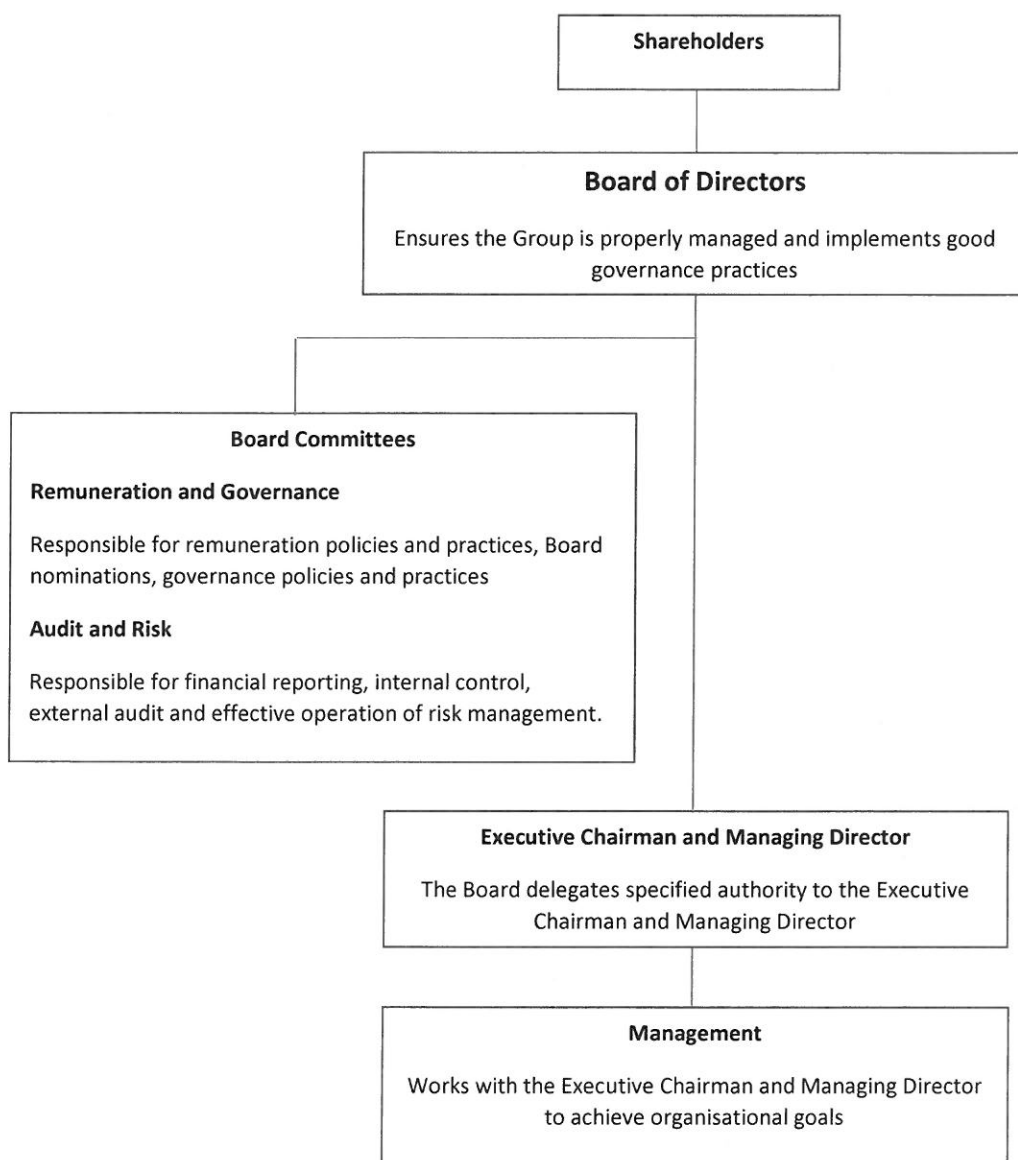
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The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance, notwithstanding the size and nature of the Group. The Board reviews and seeks to continuously improve the governance framework and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