



30 April 2019

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Notice under Section 708A(12C)(e) of the Corporations Act 2001 (Cth)

Dear Sir

Aura Energy Limited (**Company**) has prepared this cleansing notice (**Cleansing Notice**) for the purposes of section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82) to permit fully paid ordinary shares in the capital of the Company (**Shares**) to be issued on conversion of the convertible note issued by the Company to Lind Global Macro Fund LP (**Investor**) to be on-sold to retail investors.

This notice is important and should be read in its entirety. Neither the Australian Securities & Investments Commission (**ASIC**) nor the Australian Securities Exchange takes responsibility for the contents of this Cleansing Notice.

1. Background to Cleansing Notice

On 5 February 2019, the Company announced it had completed a placement (**Placement**) of \$0.977 million to sophisticated and institutional investors. Due to subscription agreements for the Placement not being honoured by various subscribers, there was a shortfall of \$570,000. As such, the Company confirms that the Placement completed on 25 February 2019 and raised a total of \$407,000 (before costs). The Company entered into a convertible note agreement dated 30 April 2019 with the Investor (**Agreement**) (an unrelated third party and existing shareholder) pursuant to which the Company issued a convertible note with a face value of \$2,400,000 to the Investor (**Convertible Note**). Under the Convertible Note, the Investor will advance the principal amount of \$2,000,000 to the Company within ten days business days of signing the Agreement, subject to certain conditions precedent being satisfied (as set out in paragraph 5 below). Under the Agreement, the Investor cannot convert more than 13,382,452 Shares in aggregate before the Company issues it with the Replacement Convertible Note (as defined below).

Within 90 days of completion of the Agreement, the Company will issue the Investor with a replacement convertible security note (**Replacement Convertible Note**) on the same terms as the Agreement, subject to receiving shareholder approval at a general meeting. The Replacement Convertible Note will replace the Convertible Note the subject of this Cleansing Notice in its entirety. Another cleansing notice in relation to the Replacement Convertible Note will be released to the market in due course.

The key terms of the Convertible Note are set out in paragraph 5 below.

The Company gives notice that:

- the Company issued the Convertible Note without disclosure to investors under Part 6D.2 of the Corporations Act; and

Aura Energy Limited

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- this notice is given in accordance with section 708A(12C)(e) of the Corporations Act.

2. Contents of Cleansing Notice

This Cleansing Notice sets out information investors and their professional advisers would reasonably require to make an informed assessment of the effect of the issue of the Convertible Note on the Company and summarises the rights and liabilities attaching to the Convertible Note and the Shares that will be issued on conversion of the Convertible Note.

3. Effect of issue of Convertible Note on the Company

The Convertible Note was issued to the Investor without disclosure to investors under Part 6D.2 of the Corporations Act and without shareholder approval.

The issue of the Convertible Note will have the following effect on the Company:

- the Convertible Note has a face value of AUD \$2,400,000 and is secured until the Company repays the outstanding amount of \$2,400,000, either by way of Shares issued on conversion of the Convertible Note or by cash at the maturity date; and
- the Investor may convert at its discretion, in whole or in part, an aggregate of 13,382,452 Shares under the Convertible Note in accordance with the formula set out in paragraph 5 below.

Under the Replacement Convertible Note, the Investor will have discretion to convert the Replacement Convertible Note in any amount it sees fit, up to the value of \$2,400,000 less any amount converted under the first Convertible Note the subject of this Cleansing Notice.

For the avoidance of doubt, the Investor is not obligated to convert any amounts under the Convertible Note or Replacement Convertible Note.

Effect on capital structure

As at the date of this Cleaning Notice, the capital structure of the Company is as follows:

	Number of Shares	Number of Unlisted Options	Performance Rights
Balance at the date of this Cleansing Notice ¹	1,207,200,524	169,236,144	32,000,000
Total	1,207,200,524	169,236,144²	32,000,000

Notes:

1. Assumes that no additional Shares are issued prior to conversion of the Convertible Note and no convertible securities (such as options) are exercised.
2. The Company also has 6,578,699 warrants on issue exercisable at 2 cents via the AIM market.

The Convertible Note is convertible into Shares based on the conversion formula set out in paragraph 5 below. The number of Shares issued to the Investor on conversion and the drawdown amount will depend on various factors, including, the exchange rate for USD/AUD as well as the volume weighted average price (VWAP) for Shares as at the conversion date.

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The tables below demonstrate the potential effect of the conversion of the Convertible Note on the capital structure as at:

- the date of this Cleansing Notice, and
- following the issue of the Replacement Convertible Note to the Investor (subject to shareholder approval).

Effect of issue of the Convertible Note on Company as at date of Cleansing Notice

This table demonstrates the maximum dilution effect of the issue of the Convertible Note on the Company as at the date of this Cleansing Notice. The Investor may only issue up to a maximum aggregate of 13,382,452 Shares at either the fixed conversion price or Monthly Conversion Price (as set out in paragraph 5).

Shareholder	Number of Shares	Percentage (%)
Existing Shareholders	1,157,200,524	94.81
Investor – current shareholding	50,000,000	4.10
Investor – new Shares issued on conversion of maximum aggregate number of Shares under Convertible Note	13,382,452	1.09
TOTAL	1,220,582,976¹	100%

Notes:

1. Assumes that no additional Shares are issued prior to conversion of the Convertible Note and no convertible securities (such as options) are exercised.

Effect of issue of the Replacement Convertible Note on Company

The tables below demonstrate the maximum dilution effect on the Company following the issue of the Replacement Convertible Note (subject to shareholder approval) on the following assumptions:

- the Investor converts the full amount under the Replacement Convertible Note at the fixed price of \$0.016 (refer to Table 1); or
- the Investor converts the full amount under the Replacement Convertible Note at the variable conversion price of 90% of the average 5 daily VWAPs chosen by the

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Investor from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date (**Monthly Conversion Price**);

- the Investor does not convert any amounts under the Convertible Note the subject of this Cleansing Notice;
- the Investor elects to collateralise, and pay the Company consideration for, the 50,000,000 Collateral Shares in accordance with the process set out at paragraph 5; and
- the Company does not issue any additional Shares prior to conversion of the Replacement Convertible Note and no convertible securities (such as options) are exercised.

Table 1

Shareholder	Number of Shares issued at fixed conversion price of \$0.016 ¹	Percentage (%)
Existing Shareholders	1,157,200,524	85.26
Investor shareholding post conversion of Convertible Note	200,000,000 ²	14.74
TOTAL	1,357,200,524	100

Notes:

1. Assumes Convertible Note is converted at fixed price of \$0.016 per Share.
2. Assumes 150,000,000 Shares are issued on conversion of the Replacement Convertible Note.
3. Assumes that no additional Shares are issued prior to conversion of the Convertible Note and no convertible securities (such as options) are exercised.

Table 2

The table below demonstrates the maximum dilutive effect on Shareholders if the Investor converts the full amount under the Replacement Convertible Note at the Monthly Conversion Prices of \$0.001 and, as a second example, \$0.013. For completeness, the Investor may only convert up to \$100,000 per month at the Monthly Conversion Price.

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Shareholder	Number of Shares issued at Monthly Conversion Price of \$0.001	Percentage (%)	Number of Shares issued at Monthly Conversion Price of \$0.013	Percentage (%)
Existing Shareholders	1,157,200,524	79.96	1,157,200,524	83.14
Investor shareholding post conversion of Convertible Note	290,000,000	20.04 ¹	234,615,385	16.86
TOTAL	1,447,200,524	100	1,391,815,909	100

Notes:

1. Under the Agreement, where the Shares issued on conversion of the Convertible Note would result in the Investor acquiring a relevant interest in excess of 19.99%, the Investor may by written notice require the Company to pay the Investor an amount determined by the cash substitution formula set out in paragraph 1.
2. Assumes that no additional Shares are issued prior to conversion of the Convertible Note and no convertible securities (such as options) are exercised.

As at the date of this Cleansing Notice, the Company has four substantial shareholders (as set out in the table below). The table demonstrates the effect on the substantial shareholders' relevant interest on the basis that:

- the Investor does not convert any amount under the Convertible Note prior to the issue of the Replacement Convertible Note;
- the Company issues the Replacement Convertible Note to the Investor, subject to obtaining shareholder approval; and
- no additional Shares are issued prior to conversion of the Replacement Convertible Note and no convertible securities (such as options) are exercised.

Substantial Holder	Current Shareholding	Current relevant interest (%)	Relevant interest with conversion price of \$0.001 (%)	Relevant interest with conversion price of \$0.013 (%)	Relevant interest with conversion price of \$0.016 (%)
Pre-emptive Trading Pty Ltd	73,100,000	6.32	5.05	5.25%	5.39%

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Substantial Holder	Current Shareholding	Current relevant interest (%)	Relevant interest with conversion price of \$0.001 (%)	Relevant interest with conversion price of \$0.013 (%)	Relevant interest with conversion price of \$0.016 (%)
Citicorp Nominees Pty Limited	92,477,796	7.99	6.39	6.64%	6.64%
Asean Deep Value Fund	102,596,963	8.87	7.09	7.37%	7.56%
Computershare Clearing Pty Ltd ¹	119,301,797	10.31	8.24	8.57%	8.79%

Notes:

1. Computershare Clearing Pty Ltd holds the Chess Depositary Interests on behalf of the Company's UK investors.

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4. Pro-forma statement of financial position

AURA ENERGY LIMITED					
Proforma Consolidation Statement of Financial Position					
	31-Mar-19	Share-based Payments Geo-gruppen	S&G	Convertible Notes	Adjusted
Assets					
Current assets					
Cash	159,427			1,938,000	2,097,427
Receivables	57,679	64,538			122,217
Other current assets	93,829				93,829
	<u>310,935</u>	<u>64,538</u>	<u>0</u>	<u>1,938,000</u>	<u>2,313,473</u>
Non-current assets					
PP&E	6,076				6,076
E&E	20,032,365	57,153			20,089,518
	<u>20,038,441</u>	<u>57,153</u>	<u>0</u>	<u>0</u>	<u>20,095,594</u>
Total assets	20,349,376	121,691	0	1,938,000	22,409,067
Liabilities					
Current liabilities					
Payables	751,551	-200,000	-42,156		509,395
Provisions	67,482				67,482
	<u>819,033</u>	<u>-200,000</u>	<u>-42,156</u>	<u>0</u>	<u>576,877</u>
Non-current liabilities					
Borrowings				1,253,333	1,253,333
Total liabilities	819,033	-200,000	-42,156	1,253,333	1,830,210
Net assets	19,530,343	321,691	42,156	684,667	20,578,857
Equity					
Paid-up capital	45,799,058	321,691	42,156		46,162,905
Reserves	668,624				668,624
Accumulated losses	-26,937,339			684,667	-26,252,672
Total equity	19,530,343	321,691	42,156	684,667	20,578,857

Notes

On 23 April 2019, the Company issued 26,89,922 fully paid shares to geo-gruppen as settlement for a drilling contract

On 1 May 2019, the Company will issue 2,877,934 fully paid ordinary shares at the February/March VWAP for corporate advisory services for February/March 2019

Convertible note facility is accounted for in accordance with AASB 9 with the fair value at inception being \$1,253,333 and the gain on inception amortised over the life of the convertible facility.

5. Rights and liabilities attaching to the Convertible Note

Term	26 months
Face Value	\$2,400,000
Funded amount	\$2,000,000
Conditions	The Investor will have no obligation to pay or advance the funded

precedent	amount to the Company, unless conditions precedent set out below are fulfilled, or waived in writing by the Investor, prior to completion of the Agreement. • The Company has delivered or caused to be delivered to the Investor, and the Investor has received; ○ a copy of the resolutions duly adopted by the Board and copies of such additional documents, certificates, payments, assignments, transfers and other deliveries as the Investor or its legal counsel may reasonably request; ○ the security documents have been executed by all parties to them other than the Investor; and ○ the flow of funds request. • The representations and warranties of the Company contained in this Agreement are true and correct in all respects as of the dates as of which they are made or deemed to be made under this Agreement. • Any and all consents, permits, approvals, registrations, waivers and documents and ancillary transaction documents issued by the Company to the Investor and remain in full force and effect. • The Investor is of the opinion, acting reasonably, that, no Event of Default has occurred and no Event of Default would result from completion being effected. • The Company has performed or complied in all respects with all agreements and covenants required by this Agreement as at or prior to the completion. • The Company has issued the Options and Collateral Shares to the Investor.
Interest	Nil
Issue Date	30 April 2019
Security	Yes
Conversion	Within 60 days of completion of the Agreement (Initial Period), the Investor may convert, at any time and on more than one occasion, a maximum aggregate of 13,382,452 Shares at \$0.016. Alternatively, the Investor may convert up to \$100,000 worth of Shares at the Monthly Conversion Price (as defined below), provided the issue does not exceed 13,382,452 Shares, after the Initial Period and prior to the Company issuing the Replacement

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	Convertible Note.
Conversion Price	\$0.016 or 90% of the average 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date (Monthly Conversion Price).
Cash substitution formula	If an issue of Shares to the Investor in accordance with the terms of the Agreement would result in the Investor acquiring a relevant interest in the Shares which would cause the Investor's (and its associates') voting power in the Company (and its associates) to exceed 19.99%, then without limiting any of the Investor's other rights under the Agreement: - the Investor may by written notice to the Company require the Company to pay a cash amount to the Investor, within 5 business days, equal to Z multiplied by \$C, where: - Z = the number of new Shares which, if issued to the Investor, would cause the Investor's relevant interest in the Company to exceed 19.99%; and \$C = the VWAP per Share on the date the Investor's Shares were to be issued.
Repayment upon maturity	The amount outstanding in cash (being the face value less the amount of Shares issued on conversion)
Buy-back rights	The Company is permitted, in its sole discretion, to buy-back the outstanding balance of the Convertible Note for up to 33% of the face value of the Convertible Note on issue (as determined by the Investor) at the lesser of \$0.016 or and the Monthly Conversion Price.
Issue of additional securities	The Company must issue 50,000,000 Shares and 62,500,000 Options to the Investor at the time of closing the Agreement. The Options are each exercisable at \$0.016 and expire 3 years from the date of issue and otherwise on the terms set out in paragraph 7.
Transferability	The Convertible Note is assignable.
Events of Default	Any of the following will constitute an event of default: any of the representations, warranties, or covenants made by the Company or any of its agents, officers, directors, employees or representatives in any transaction document, materials or public filing are inaccurate, false or misleading in any material respect, as of the date as of which it is made or deemed to be made, or any certificate or financial or other written statements furnished by or on behalf of the Company to the Investor, any of its representatives, or the Company's shareholders, is inaccurate, false or misleading, in any material respect, as of the date as of which it is made or deemed to be made or repeated (in each case where qualified

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	by an express reference to the representation or the warranty being given on a particular other date or dates, on that date or dates); • the Company or any subsidiary of the Company suffers or incurs an insolvency event; • the Company or any of its subsidiaries ceases, suspends, or threatens to cease or suspend, the conduct of all or a substantial part of its business, or disposes of, or threatens to dispose of, a substantial part of its assets; • the Company or any of its subsidiaries takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act; • the Company does not comply with its obligation to lodge cleansing statements at the time Shares are issued on conversion of the Convertible Note; • any Investor's Shares are not quoted or not able to be freely traded on ASX (as appropriate) within three (3) Business Days following the date of their issue; • there is a stop order, suspension of trading, cessation of quotation, or removal of the Company or the Shares from the ASX Official List (or a fact or circumstance which may cause such an event), except for a suspension of trading; ○ not exceeding five (5) Trading Days in a rolling twelve month period, where such period commences from the Execution Date; or ○ as agreed to by the Investor; • any of the conditions precedent to closing the Agreement or for the issuance of Shares on conversion of the Convertible Note have not have been fulfilled in a timely manner or the time prescribed; • the Company challenges, disputes or denies the right of the Investor to receive any Investor's Shares or Options, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Investor's rights to receive any Investor's Shares or Options; • a transaction document or a contemplated transaction has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person that is not the Investor or its Affiliate to be, wholly or partly void, voidable or unenforceable; • any person has commenced any action, claim, proceeding, suit, investigation, or action against any other person or
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	otherwise asserted any claim before any Governmental Authority, which seeks to restrain, challenge, deny, enjoin, limit, modify, delay, or dispute, the right of the Investor or the Company to enter into any transaction documents or undertake any of the contemplated transactions (other than a vexatious or frivolous proceeding or claim); • any event, condition or development occurs or arises which in the opinion of the Investor (acting reasonably) has or would be likely to have a material adverse effect on the assets, liabilities, results of operations, condition (financial or otherwise), business or prospects of the Company and its subsidiaries taken as a whole or the ability of the Company to perform its obligations; • any consent, permit, approval, registration or waiver necessary for the consummation of those contemplated transactions that remain to be consummated at the applicable time, has not been issued or received, or does not remain in full force and effect; • the transactions to be undertaken at closing of the Agreement would result in the Company breaching Listing Rule 7.1; • the Investor has not received all those items required to be delivered to it in connection with the closing of the Agreement or upon the exercise of Options in accordance with the Agreement; • the Company fails to perform, comply with, or observe, any other term, covenant, undertaking, obligation or agreement under any transaction document; • the Company fails to comply with the conditions precedent to issuing the Shares on conversion of the Convertible Note or maintain sufficient placement capacity and/or obtain the required shareholders' approvals to maintain the placement capacity; • a default judgment of an amount of AU\$100,000 or greater is entered against the Company or any of its subsidiaries; • the Company and/or any of its subsidiaries defaults in relation to any payment obligation under any financial accommodation, including any loan, advance, debenture or other form of financing entered into with a third party (taking into account any applicable grace period agreed by the relevant third party); • any present or future liabilities, including contingent liabilities, of the Company or any of its subsidiaries for an amount or amounts totalling more than AU\$100,000 have not been satisfied on time (taking into account any applicable grace
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	period agreed by the relevant third party to whom such liabilities are owed), or have become prematurely payable as a result of its default or breach (howsoever described); - the Company does not, within 90 days of closing of the Agreement, obtain shareholder approval to the issue of the Replacement Convertible Security to the Investor and issue the Replacement Convertible Security to the Investor; or - any event of default (however described) occurs under the security documents.
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Under the Agreement, the Company also issued to the Investor:

- 50,000,000 Shares to the Investor (**Collateral Shares**) on the terms described below; and
- 62,500,000 unlisted Options with each Option exercisable at \$0.016 on or before 30 April 2022.

The Investor may sell, assign, mortgage or otherwise deal with the Collateral Shares at its discretion. Notwithstanding how the Investor chooses to deal with the Collateral Shares during the term of the Agreement, the Investor will be deemed to hold the 50,000,000 Collateral Shares, less the amount collateralised (in accordance with the process described below), at the maturity date of the Agreement.

During the term of the Agreement, the Investor may elect to reduce its Collateral Shareholding by advancing in cleared funds to the Company by multiplying the amount of Collateral Shares it seeks to reduce by the price per Share equal to 90% of the average of 5 VWAPs per Share in the 20 consecutive trading days immediately prior to the date of collateralisation, as selected at the Investor's discretion (**Collateralisation Price**).

If the Investor has not collateralised all of the Collateral Shares by the maturity date and the Company has satisfied its repayment obligations, the Investor must:

- transfer that number of Collateral Shares to the Company for no consideration to or at the direction of the Company; or
- subject to the Shares trading on ASX on the relevant day and trading for at least 5 trading days prior to payment, pay the Company in immediately available funds an amount equal to the outstanding Collateral Shareholding number multiplied by the Collateralisation Price.

6. Rights and liabilities attaching to the Shares that will be issued on conversion of the Convertible Note

Each Share issued to the Investor upon conversion of the Convertible Note will be issued as a fully paid ordinary share and will rank equally with existing Shares in all respects.

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7. Rights and liabilities attaching to the Options

7.1 Nature of Options

- 7.1.1 Each Option will grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the Options Exercise Price (subject to any adjustment under this Agreement).
- 7.1.2 Each Option will be exercisable by the Option holder complying with its obligations under this paragraph 7 at any time after the time of the grant of the Option and prior to the Options Expiration Date, after which time it will lapse.

7.2 Exercise of Options

- 7.2.1 Without limiting the generality of, and subject to, the other provisions of the Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (a) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to the Agreement as Annexure A (**Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder);
 - (b) a copy, whether facsimile or otherwise, of any exercise form required by the share registrar; and
 - (c) payment of an amount equal to the Options Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- 7.2.2 As soon as reasonably practicable, but in any event no later than two (2) Business Days after receipt of a duly completed Exercise Form and the payment referred to in paragraph 7.2.1(c), the Company must cause its securities registrar to:
 - (a) issue and Electronically Deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (b) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.

7.3 Bonus Issues

If prior to an exercise of an Option, but after the issue of the Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such

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Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

7.4 Rights Issues

If prior to an exercise of an Option, but after the issue of the Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Shareholding at the time of the offer, the Options Exercise Price will be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

7.5 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- 7.5.1 the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options will be reduced or increased in the same proportion as, and the nature of the Shares will be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- 7.5.2 an appropriate adjustment will be made to the Options Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options will not alter.

7.6 Cumulative Adjustments

Full effect will be given to the provisions of paragraphs 7.3 to 7.5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

7.7 Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Options Exercise Price, is adjusted pursuant to this Agreement, the Company must give notice of the adjustment to all the Option holders as soon as reasonably practicable and in any event, within three (3) Business Days.

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7.8 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

7.9 Redemption

The Options will not be redeemable by the Company.

7.10 Assignability and Transferability

The Options will be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law.

8. Compliance with continuous disclosure

The Company is a 'disclosing entity' under the Corporations Act. In accordance with the Corporations Act and the Listing Rules, the Company is subject to continuous disclosure obligations which require it to disclose information to the ASX as it arises for the purposes of making that information available to the market.

Copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, an ASIC office. The Company will provide a copy of the following documents to any person on request and free of charge:

- the annual financial report most recently lodged with ASIC by the Company;
- any half-year report lodged with ASIC after lodgement of that annual financial report and before lodgement of this Cleansing Notice; and
- any continuous disclosure notices given after the lodgement of that annual financial report and before lodgement of this Cleansing Notice.

9. No excluded information

As at the date of, and other than as set out in this Cleansing Notice, there is no information that:

- has been excluded from a continuous disclosure notice in accordance with the Listing Rules of the prescribed financial market whose operator was given notice; and
- is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the body and
 - the rights and liabilities attaching to the Convertible Note and resulting Shares to be issued on conversion of the Convertible Note.

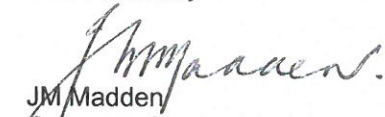
Aura Energy Limited

ACN 115 927 681

Level 1, 34-36 Punt Road, Windsor, Victoria, Australia, 3181
Phone: +61 (0)3 9516 6500/Facsimile: +61 (0)3 9516 6565



Yours faithfully


JM Madden
Company Secretary

Aura Energy Limited

ACN 115 927 681

Level 1, 34-36 Punt Road, Windsor, Victoria, Australia, 3181

Phone: +61 (0)3 9516 6500/Facsimile: +61 (0)3 9516 6565

Appendix 3B

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

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

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

Name of entity

Aura Energy Limited

ABN

62 115 927 681

We (the entity) give ASX the following information.

Part 1 - All issues

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

- 1 +Class of +securities issued or to be issued

Fully paid ordinary shares (Shares)
Options over ordinary shares (Options)
Convertible Note

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

50,000,000 Shares as collateral for the Agreement (Collateral Shares)
62,500,000 Options exercisable at 1.6 cents per option on or before 29 April 2022
1 Convertible Note

+ See chapter 19 for defined terms.

- | | |
|---|---|
| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>The Shares issued as collateral shares rank equally with existing Shares.
 The Options are exercisable at 1.6 cents per Option expiring on 29 April 2021 and exercisable into one Share for each Option
 The Options are unlisted and on exercise the Shares will rank on equal terms with existing Shares.
 The Convertible Note has a face value of \$2,400,000 with a maturity date 26 months from the date of completion and is otherwise on the terms set out in the cleansing notice for the convertible note announced 29/04/19</p> |
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>The Collateral Shares will be quoted and rank equally with existing Shares on issue in the Company.
 The Options are a new class of options and Shares issued on exercise will rank equally with existing Shares
 The Convertible Note does not rank equally with existing Shares on issue as it does not carry any dividend or voting rights at shareholder meetings or participation rights in any rights issue made by the Company (the Shares issued on conversion of the Convertible Note will rank equally with existing Shares).</p> |
| <p>5 Issue price or consideration</p> | <p>The Collateral Shares are issued for zero consideration for the Convertible Note.
 The Options are issued for zero consideration for the Convertible Note.
 Convertible Note is issued for \$2,000,000.</p> |
| <p>6 Purpose of the issue
 (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>The purpose of the issue of Collateral Shares and Options is to complete the Convertible Note and enable the Company to drawdown \$2,000,000.
 The purpose of the issue of the Convertible Note is to secure finance for the Company's Tiris Project, Haggan Project and for general working capital.</p> |

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	14 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	152,477,381 fully paid ordinary shares
6d	Number of +securities issued with security holder approval under rule 7.1A	26,890,922 fully paid ordinary shares
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing rule 7.1 13,382,452 Listing rule 7.1A 83,682,400

+ See chapter 19 for defined terms.

7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	29 April 2019																
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,207,200,524</td><td>Fully paid ordinary shares (ASX Code: AEE)</td></tr></table>	Number	+Class	1,207,200,524	Fully paid ordinary shares (ASX Code: AEE)												
Number	+Class																	
1,207,200,524	Fully paid ordinary shares (ASX Code: AEE)																	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>96,815,790</td><td>3.3c options 30/9/19</td></tr><tr><td>9,920,354</td><td>3.3c options 30/9/19</td></tr><tr><td>62,500,000</td><td>1.6c options 29/4/22</td></tr><tr><td>6,578,699</td><td>1.14 pence (2 cents) warrants 11/9/19</td></tr><tr><td>17,500,000</td><td>Zero consideration performance rights vesting 30/11/19</td></tr><tr><td>15,000,000</td><td>Zero consideration performance rights with 33% vesting 17/6/19; 33% vesting on 17/6/20 and 34% vesting on 17/6/21</td></tr><tr><td></td><td>Convertible note (maximum of 13,382,452 Shares can be issued)</td></tr></table>	Number	+Class	96,815,790	3.3c options 30/9/19	9,920,354	3.3c options 30/9/19	62,500,000	1.6c options 29/4/22	6,578,699	1.14 pence (2 cents) warrants 11/9/19	17,500,000	Zero consideration performance rights vesting 30/11/19	15,000,000	Zero consideration performance rights with 33% vesting 17/6/19; 33% vesting on 17/6/20 and 34% vesting on 17/6/21		Convertible note (maximum of 13,382,452 Shares can be issued)
Number	+Class																	
96,815,790	3.3c options 30/9/19																	
9,920,354	3.3c options 30/9/19																	
62,500,000	1.6c options 29/4/22																	
6,578,699	1.14 pence (2 cents) warrants 11/9/19																	
17,500,000	Zero consideration performance rights vesting 30/11/19																	
15,000,000	Zero consideration performance rights with 33% vesting 17/6/19; 33% vesting on 17/6/20 and 34% vesting on 17/6/21																	
	Convertible note (maximum of 13,382,452 Shares can be issued)																	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable																

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable

13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	Not applicable

Part 3 - Quotation of securities

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

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

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

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
-
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

+ See chapter 19 for defined terms.

41 Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	Not applicable
---	-----------------------

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%;"> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">+Class</th> </tr> <tr> <td style="padding: 5px;">Not applicable</td> <td style="padding: 5px;"></td> </tr> </table>	Number	+Class	Not applicable	
Number	+Class				
Not applicable					

Quotation agreement

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

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

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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

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

Sign here:


.....
Company Secretary

Date: 30 April 2019

Print name: JM Madden

Appendix 3B – Annexure 1

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

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

Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated		
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	975,364,479	
Add the following: - Number of fully paid +ordinary securities issued in that 12-month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12-month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	1,794,737	Advisors
	1,441,425	Employees
	12,000,000	Exercise of options over ordinary shares with a maturity on 9 May 2018
	2,000,000	exercise of options over ordinary shares with a maturity on 15 November 2018
	17,500,000	Issue of shares on achievement of performance shares milestone
	15,000,000	Award of performance shares subject to achievement of milestones
	80,631,579	Shares issued pursuant to Tranche 2 of the Private Placement 12 June 2018
Subtract the number of fully paid +ordinary securities cancelled during that 12-month period	Nil	
“A”	1,105,732,220	

Step 2: Calculate 15% of "A"											
"B"	0.15 <i>[Note: this value cannot be changed]</i>										
Multiply "A" by 0.15	165,859,833										
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used											
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items	<table border="0"> <tr> <td>852,381</td> <td>Employees</td> </tr> <tr> <td>25,437,500</td> <td>Placement shares</td> </tr> <tr> <td>13,687,500</td> <td>SPP</td> </tr> <tr> <td>50,000,000</td> <td>Collateral Shares 29 April 2019</td> </tr> <tr> <td>62,500,000</td> <td>Options over ordinary shares 29 April 2019</td> </tr> </table>	852,381	Employees	25,437,500	Placement shares	13,687,500	SPP	50,000,000	Collateral Shares 29 April 2019	62,500,000	Options over ordinary shares 29 April 2019
852,381	Employees										
25,437,500	Placement shares										
13,687,500	SPP										
50,000,000	Collateral Shares 29 April 2019										
62,500,000	Options over ordinary shares 29 April 2019										
"C"	152,477,381										
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1											
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	165,859,833										
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	152,477,381										
Total ["A" x 0.15] – "C"	13,382,452 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>										

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,105,732,220
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	110,573,322
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of *equity securities issued or agreed to be issued in that 12-month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	26,890,922 fully paid ordinary shares pursuant to a Settlement Agreement dated 14 February 2019
“E”	26,890,922

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	110,573,322
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	26,890,922
Total ["A" x 0.10] – "E"	83,682,400 <i>Note: this is the remaining placement capacity under rule 7.1A</i>