



25 July 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 Replacement Convertible Note (defined below) 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

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 advanced the principal amount of \$2,000,000 to the Company, subject to certain conditions precedent being satisfied (as set out in paragraph 5 below). Under the Agreement, the Investor could not convert more than 13,382,452 Shares in aggregate before the Company issued it with the Replacement Convertible Note (as defined below), the subject of this Cleansing Notice.

In accordance with the Agreement, the Company was obligated to complete the following within 90 days:

- seek shareholder approval at a general meeting to issue the Investor with a replacement convertible security note (**Replacement Convertible Note**) on the same terms as the Agreement (save that the aggregate conversion limit of 13,382,452 Shares would not apply);
- issue the Replacement Convertible Note to the Investor; and
- give the Cleansing Notice to ASX in respect of the Replacement Convertible Note.

On 19 June 2019, the Company held a general meeting to seek approval for, amongst other resolutions, the issuance of the Replacement Convertible Note to the Investor. All resolutions were passed at the general meeting (the results were announced on 20 June 2019).

The Replacement Convertible Note the subject of this Cleansing Notice will replace the Convertible Note in its entirety.

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#### 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



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

The Company gives notice that:

- the Company issued the Replacement Convertible Note without disclosure to investors under Part 6D.2 of the Corporations Act; and
- 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 Replacement Convertible Note on the Company and summarises the rights and liabilities attaching to the Replacement Convertible Note and the Shares that will be issued on conversion of the Replacement Convertible Note.

## 3. Effect of issue of Replacement Convertible Note on the Company

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

The issue of the Replacement 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 Replacement Convertible Note or by cash at the maturity date; and
- 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 Convertible Note the subject of the cleansing notice that was lodged with ASX on 30 April 2019 (**Previous Cleansing Notice**).

For the avoidance of doubt, the Investor is not obligated to convert any amounts under the Replacement Convertible Note. As at the date of this Cleansing Notice, the Investor has converted 11,111,111 Shares pursuant to the Convertible Note the subject of the Previous Cleansing Notice.

### 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	1,245,147,460	184,667,063	27,500,000
<b>Total<sup>1</sup></b>	<b>1,245,147,460</b>	<b>184,667,063</b>	<b>27,500,000</b>

Notes:

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1. The Company also has 6,578,699 warrants on issue exercisable at 2 cents via the AIM market.

The Replacement 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 volume weighted average price (**VWAP**) for Shares as at the conversion date.

The tables below demonstrate the potential effect of the conversion of the Replacement 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.

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

This table demonstrates the maximum dilution effect of the issue of the Replacement Convertible Note on the Company as at the date of this Cleansing Notice. The Investor has discretion to convert any amount under the Replacement Convertible Note at either the fixed conversion price or Monthly Conversion Price (as set out in paragraph 5).

Shareholder	Number of Shares	Percentage (%)
Existing Shareholders	1,187,244,575	95.35
Investor – current shareholding	57,902,885 <sup>1</sup>	4.65
<b>TOTAL</b>	<b>1,245,147,460<sup>2</sup></b>	<b>100%</b>

#### **Notes:**

1. This amount includes the 50,000,000 Collateral Shares that were issued to the Investor on or about 30 April 2019 and includes the aggregate interest of Lind Partners LLC and the Australian Special Opportunity Fund which are associated entities of the Investor. As at the date of this Cleansing Notice, the Investor (and its associated entities) holds 36,837,417 Shares however this disposal does not affect the number of the Collateral Shares to be dealt with in accordance with the terms of the Agreement (refer to paragraph 5 for further information on the Collateral Shares).
2. Assumes that no additional Shares are issued prior to conversion of the Replacement 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, and conversion of, the Replacement Convertible Note.

As at the date of this Cleansing Notice, the Investor has converted \$100,000 of the First Convertible Note at the Monthly Conversion Price of \$0.009 per Share. The amount outstanding under the Replacement Convertible Note is \$2,300,000 (**Outstanding Amount**).

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The Company has prepared both Tables 1 and 2 on the assumptions set out below unless otherwise specified:

- the Investor converts the full Outstanding Amount under the Replacement Convertible Note at the fixed price of \$0.016 (refer to Table 1); or
- the Investor converts the full Outstanding Amount under the Replacement Convertible Note at the variable conversion price of 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**) (refer to Table 2).
- 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
- prior to the conversion of the Replacement Convertible Note, the Company does not issue any additional Shares to investors and no other equity securities are issued, converted or exercised.

Table 1

Shareholder	Number of Shares issued at fixed conversion price of \$0.016 <sup>1</sup>	Percentage (%)
Existing Shareholders	1,187,244,575	85.48
Investor shareholding post conversion of the Outstanding Amount under the Replacement Convertible Note	201,652,885 <sup>2</sup>	14.52
<b>TOTAL</b>	<b>1,388,897,460<sup>3</sup></b>	<b>100</b>

Notes:

1. Assumes Convertible Note is converted at fixed price of \$0.016 per Share.
2. 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 5.
3. Assumes no other equity securities are issued, converted or exercised.

Table 2 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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Table 2

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	1,187,244,575	80.48	1,187,244,575	83.49
Investor shareholding post conversion of Replacement Convertible Note	287,902,885 <sup>1</sup>	19.52	234,825,962 <sup>1</sup>	16.51 <sup>2</sup>
<b>TOTAL<sup>2</sup></b>	1,475,147,460	100	1,422,070,537	100

Notes:

1. This figure assumes that the Investor does not acquire or dispose of any of its shareholding as at the date of this Cleansing Notice.
2. 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 5.
3. Assumes that no additional Shares are issued to investors prior to conversion of the Convertible Note and no other equity securities are issued, converted or exercised.

As at the date of this Cleansing Notice, the Company has four substantial shareholders (as set out in the Table 3 below). The table demonstrates the effect on the substantial shareholders' relevant interest on the following bases:

- the Investor converted the full Outstanding Amount under the Replacement Convertible Note;
- the Investor does not acquire or dispose of any of its Shares as at the date of this Cleansing Notice and
- no additional Shares are issued to investors prior to the conversion of the Replacement Convertible Note and no other equity securities are issued, converted or exercised.

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Table 3

Substantial Holder	Current Shareholding	Current relevant interest (%)	Relevant interest with conversion price of \$0.001 (%)	Relevant interest with conversion price of \$0.013 (%)
Asean Deep Value Fund	170,255,456	13.67	11.54	11.97
Computershare Clearing Pty Ltd <sup>1</sup>	127,860,515	10.27	8.67	8.99
Pre-emptive Trading Pty Ltd	75,000,000	6.02	5.08	5.27
BNP Paribas Nominees Pty Ltd	62,279,350	5.00	4.22	4.38

Notes

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

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#### 4. Statement of financial position

**AURA ENERGY LIMITED**  
Consolidation Statement of Financial Position

	30-Jun-18 Audited	31-Dec-18 Reviewed	30-Jun-19 Unaudited
<b>Assets</b>			
<b>Current assets</b>			
Cash	2,844,169	680,729	804,746
Receivables	23,881	78,015	37,068
Other current assets	60,926	93,427	57,710
	<u>2,928,976</u>	<u>852,171</u>	<u>899,524</u>
<b>Non-current assets</b>			
PP&E	8,124	6,000	4,064
E&E	17,687,868	19,280,087	20,782,357
	<u>17,695,992</u>	<u>19,286,087</u>	<u>20,786,421</u>
<b>Total assets</b>	<u>20,624,968</u>	<u>20,138,258</u>	<u>21,685,945</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	303,133	504,774	196,178
Provisions	28,405	53,766	63,499
	<u>331,538</u>	<u>558,540</u>	<u>259,677</u>
<b>Non-current liabilities</b>			
Convertible notes			1,388,431
Provisions			15,341
	<u>0</u>	<u>0</u>	<u>1,403,772</u>
<b>Total liabilities</b>	<u>331,538</u>	<u>558,540</u>	<u>1,663,449</u>
<b>Net assets</b>	<u>20,293,430</u>	<u>19,579,718</u>	<u>20,022,496</u>
<b>Equity</b>			
Paid-up capital	44,698,295	45,173,083	46,315,108
Reserves	638,387	848,931	1,273,908
Accumulated losses	-25,043,252	-26,442,296	-27,566,520
	<u>20,293,430</u>	<u>19,579,718</u>	<u>20,022,496</u>

#### Notes

The Company notes that the issue of the Replacement Convertible Note replacing the first Convertible Note and, as a result, does not have any effect on the financial position of the Company.

On 12 July 2019, the Company issued 21,256,117 Shares to the following parties:

- 11,111,111 Shares were issued pursuant to the Convertible Security Financing Agreement between the Company Lind Global Macro Fund LP on the conversion of A\$100,000 of convertible notes into fully paid ordinary shares at 0.9 cents per Share;
- 5,000,000 Shares were issued to Management on the conversion of performance shares into fully paid ordinary shares at 2.1 cents per Share;
- 3,251,773 Shares were issued pursuant to the execution by the Company and shareholders of Nomads Mining Company sarl of the Nderk Farm-in and Joint Venture Agreement at a share price of 1.111 cents per Share; and
- 1,893,233 Shares were issued pursuant to an Engagement Letter between the Company and SD Capital Advisory Limited and GKB Ventures Limited at an overall average VWAP for the period April to May 2019 price of 1.139 cents per Share.

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Shares issues (i), (iii) and (iv) resulted in a reduction in liabilities and an increase in paid-up capital. Share issue (ii) represented a movement between paid-up capital and reserves.

**5. Rights and liabilities attaching to the Replacement Convertible Note**

<b>Term</b>	26 months from completion of the Agreement
<b>Face Value</b>	\$2,300,000 (being the Outstanding Amount)
<b>Funded amount</b>	\$2,000,000 was advanced under the Convertible Note of which \$100,000 has been converted.
<b>Conditions precedent</b>	The Investor will obtain shareholder approval for the Replacement Convertible Note (approval was obtained at the general meeting held 19 June 2019)
<b>Interest</b>	Nil
<b>Issue Date</b>	25 July 2019
<b>Security</b>	Yes
<b>Conversion</b>	The Investor may convert, at any time and on more than one occasion at the Fixed Price (as defined below).  In any calendar month the Investor may convert up to \$100,000 worth of Shares at the Monthly Conversion Price (as defined below).
<b>Conversion Price</b>	\$0.016 ( <b>Fixed Price</b> ) 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 ( <b>Monthly Conversion Price</b> ).
<b>Cash substitution formula</b>	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: <ul style="list-style-type: none"> <li>• 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: <ul style="list-style-type: none"> <li>○ 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</li> <li>○ \$C = the VWAP per Share on the date the Investor's Shares were to be issued.</li> </ul> </li> </ul>

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<b>Repayment upon maturity</b>	The amount outstanding in cash (being the face value less the value of the amount of Shares issued on conversion)
<b>Buy-back rights</b>	The Company is permitted, in its sole discretion, to buy-back the outstanding balance of the Convertible Note, subject to the Investor having the option to convert 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.
<b>Issue of additional securities</b>	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 the Previous Cleansing Notice.
<b>Transferability</b>	The Convertible Note is assignable.
<b>Events of Default</b>	<p>Any of the following will constitute an event of default:</p> <ul style="list-style-type: none"> <li>• 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 by an express reference to the representation or the warranty being given on a particular other date or dates, on that date or dates);</li> <li>• the Company or any subsidiary of the Company suffers or incurs an insolvency event;</li> <li>• 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;</li> <li>• 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;</li> <li>• the Company does not comply with its obligation to lodge cleansing statements at the time Shares are issued on conversion of the Convertible Note;</li> <li>• any Investor's Shares are not quoted or not able to be freely traded on ASX (as appropriate) within three (3) Business</li> </ul>

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	<p>Days following the date of their issue;</p> <ul style="list-style-type: none"> <li>• 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; <ul style="list-style-type: none"> <li>○ not exceeding five (5) Trading Days in a rolling twelve month period, where such period commences from the Execution Date; or</li> <li>○ as agreed to by the Investor;</li> </ul> </li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• any person has commenced any action, claim, proceeding, suit, investigation, or action against any other person or 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);</li> <li>• 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;</li> <li>• 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;</li> <li>• the transactions to be undertaken at closing of the Agreement</li> </ul>
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	<p>would result in the Company breaching Listing Rule 7.1;</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• the Company fails to perform, comply with, or observe, any other term, covenant, undertaking, obligation or agreement under any transaction document;</li> <li>• 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;</li> <li>• a default judgment of an amount of AU\$100,000 or greater is entered against the Company or any of its subsidiaries;</li> <li>• 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);</li> <li>• 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 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);</li> <li>• 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</li> <li>• any event of default (however described) occurs under the security documents;</li> <li>• if any of the funded amount is used for an illegal or improper purpose or to finance an illegal improper or terrorism activity; or</li> <li>• if any of the property the subject of the Security is taken out of the effective management and control of the Company (except upon a permitted dealing with that property).</li> </ul>
<p><b>Interest payable on Event of Default</b></p>	<p>Upon an Event of Default occurring, interest payable on the Convertible Note will be at a rate per annum which is 6% more than the "Cash Rate Target" last published by the Reserve Bank of</p>

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	<p>Australia at the time of the Event of Default.</p> <p>Interest will accrue from the earliest date of the Event of Default on the amount outstanding and will compound monthly for as long as the Event of Default is not remedied and such interest will be payable on a monthly basis in arrears.</p>
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Under the Agreement, the Company also issued to the Investor:

- 50,000,000 Shares (**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 and otherwise on the terms stated in the Previous Cleansing Notice.

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 Replacement Convertible Note will be issued as a fully paid ordinary share and will rank equally with existing Shares in all respects.

## 7. **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.

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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.

**8. 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 Replacement Convertible Note and resulting Shares to be issued on conversion of the Replacement Convertible Note.

Yours faithfully

A handwritten signature in blue ink, appearing to read "JM Madden".

JM Madden  
Company Secretary

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# 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  | Convertible Note  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Convertible Note  |
| 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) | The Convertible Note has a face value of \$2,300,000 and is on the terms set out in the cleansing notice for the convertible note announced on 25 July 2019 |

+ See chapter 19 for defined terms.



4	<p>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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The Convertible Notes 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; however, will rank equally with existing shares).</p>
5	Issue price or consideration	The issue price is A\$2,000,000
6	<p>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 the Convertible Note is to replace the first convertible note pursuant to the terms of the convertible note agreement set out in the cleansing notice announced on 25 July 2019</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	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	852,381 fully paid ordinary shares
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>26,890,922 fully paid ordinary shares 23/4/19  4,600,229 fully paid ordinary shares 22/5/19  2,261,872 fully paid ordinary shares on 29/5/2019  9,828,718 fully paid ordinary shares on 29/5/19  3,251,773 fully paid ordinary shares on 12/7/19  1,893,233 fully paid ordinary shares on 10/7/19</p>

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>13,041,670 listed options over ordinary shares with an expiry 20/6/21 at an exercise price of 2.2 cents</p> <p>7,825,000 unlisted options over ordinary shares with an expiry 20/6/20 at an exercise price of 2.2 cents</p> <p>15,430,919 unlisted options over ordinary shares with an expiry 31/7/20 at an exercise price of 2.2 cents</p> <p>The issue of the above options over ordinary shares was approved by shareholders on 19 June 2019</p>
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	<p>Listing rule 7.1 218,458.372</p> <p>Listing rule 7.1A 124,371.344</p>
7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	

+ See chapter 19 for defined terms.



	Number	+Class	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	1,245,147,460	Fully paid ordinary shares (ASX Code: AEE)
		13,041,670	2.2c options 31/7/21 (to be issued on 31 July 2019) (ASX Code AEEOB)

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<u>Unlisted</u>	
		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
		7,825,000	2.2c options 31/7/20 (to be issued on 31 July 2019)
		15,430,919	2.2c options 18/7/20
		6,578,699	1.14 pence (2 cents) warrants 11/9/19
		17,500,000	Zero consideration performance rights vesting 30/11/19
		10,000,000	Zero consideration performance rights with 33% vesting on 17/6/20 and 34% vesting on 17/6/21
			A\$2,300,000 Convertible Note

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
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## Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
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12	Is the issue renounceable or non-renounceable?	Not applicable
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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
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable

+ See chapter 19 for defined terms.

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

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+ See chapter 19 for defined terms.

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>Not applicable</p>
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<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	Number	+Class
	<p>Not applicable</p>	

**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:



Date: 25 July 2019

Company Secretary

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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>																																					
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>																																					
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,230,910,901																																				
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12-month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12-month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">1,794,737</td> <td style="width: 70%;">Advisor payments</td> </tr> <tr> <td></td> <td style="text-align: right;">1,441,425</td> <td>Employee payments</td> </tr> <tr> <td></td> <td style="text-align: right;">2,000,001</td> <td>Exercise of options</td> </tr> <tr> <td></td> <td style="text-align: right;">26,890,922</td> <td>Issue of shares to drilling contractor for services</td> </tr> <tr> <td></td> <td style="text-align: right;">50,000,000</td> <td>Issue of collateral shares pursuant to convertible note facility</td> </tr> <tr> <td></td> <td style="text-align: right;">62,500,000</td> <td>Issue of options over ordinary shares pursuant to convertible note facility</td> </tr> <tr> <td></td> <td style="text-align: right;">11,111,111</td> <td>Conversion of convertible notes pursuant to Lind Convertible Facility</td> </tr> <tr> <td></td> <td style="text-align: right;">25,437,500</td> <td>Share placement shares</td> </tr> <tr> <td></td> <td style="text-align: right;">13,687,500</td> <td>Share purchase plan shares</td> </tr> <tr> <td></td> <td style="text-align: right;">13,041,670</td> <td>Shares to be issued upon the exercise of listed options issued pursuant to Share placement/Share purchase plan</td> </tr> <tr> <td></td> <td style="text-align: right;">7,825,000</td> <td>Shares to be issued upon the exercise of loyalty options issued pursuant to Share placement/Share purchase plan</td> </tr> <tr> <td></td> <td style="text-align: right;">15,430,919</td> <td>Shares to be issued upon the exercise of loyalty options pursuant to the Entitlement Offer to shareholders</td> </tr> </table>		1,794,737	Advisor payments		1,441,425	Employee payments		2,000,001	Exercise of options		26,890,922	Issue of shares to drilling contractor for services		50,000,000	Issue of collateral shares pursuant to convertible note facility		62,500,000	Issue of options over ordinary shares pursuant to convertible note facility		11,111,111	Conversion of convertible notes pursuant to Lind Convertible Facility		25,437,500	Share placement shares		13,687,500	Share purchase plan shares		13,041,670	Shares to be issued upon the exercise of listed options issued pursuant to Share placement/Share purchase plan		7,825,000	Shares to be issued upon the exercise of loyalty options issued pursuant to Share placement/Share purchase plan		15,430,919	Shares to be issued upon the exercise of loyalty options pursuant to the Entitlement Offer to shareholders
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<b>Note:</b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>																																					
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12-month period	Nil																																				
<b>“A”</b>	1,462,071,686																																				

<b>Step 2: Calculate 15% of "A"</b>	
<b>"B"</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply "A" by 0.15</b>	219,310,753
<b>Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	852,381 Employees
<b>"C"</b>	852,381
<b>Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1</b>	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	219,310,753
<p><b>Subtract "C"</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	852,381
<b>Total ["A" x 0.15] – "C"</b>	218,458,372 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,462,071,686
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	146,207,169
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12-month period under rule 7.1A</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>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</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>8,755,334 fully paid ordinary shares pursuant to a Letter of Engagement dated 25 January 2019</p> <p>9,828,718 fully paid ordinary shares pursuant to a 5-year Option Agreement to acquire a Mauritanian exploration permit on completion of an exploration programme</p> <p>3,251,773 fully paid ordinary shares pursuant to a Farm-in and Joint Venture agreement with shareholders of Nomads Mining Company sarl</p>
<b>“E”</b>	21,835,825



<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10  <i>Note: number must be same as shown in Step 2</i>	146,207,169
<b>Subtract "E"</b>  <i>Note: number must be same as shown in Step 3</i>	21,835,825
<b>Total</b> ["A" x 0.10] – "E"	124,371,344  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.