

21 February 2019

Dear Shareholder

Aura Energy Limited (Aura or Company) is continuing to push the development of its two projects, the Tiris Uranium Project in Mauritania and the Häggån Vanadium Project in Sweden. Aura believes cashflow from these high-quality projects is the best course for the creation of shareholder value.

With an improved uranium price over 2018, Aura continued to advance the Definitive Feasibility Study (DFS) for the Tiris Uranium Project with solid and meaningful progress. With the original Scoping Study showing the Tiris Uranium Project expected to have low cash costs, the uranium price demonstrates the competitiveness of the Tiris project.

Aura has continued to put in place the necessary building blocks to make production from Tiris a reality and to that end, recently concluded two important agreements:

- the Tiris Uranium Offtake Agreement; and
- appointment of SD Capital and GKB Ventures under a mandate to provide project finance for both the Tiris and Häggån Projects.

The offtake provides a strong degree of certainty for Aura and its financiers in the revenue streams from the project but importantly leave strong upside to a rising uranium price.

With the confidence from that production offtake and the financing steps that Aura has commenced, the company continues to target construction in 2019 and expects first production in 2020.

Aura's Häggån project is also progressing well with drilling underway to upgrade the Inferred Resource to Measured and Indicated Resources to allow publication of the Scoping Study under revised guidelines released by the Australian Securities & Investments Commission. The project's capital and operating estimates have been completed and have provided strong encouragement to progress the project.

Aura continues to raise in discussion with the Mauritanian Government the status of its gold and base metal tenement applications in Mauritania. Whilst the delays in these grants are frustrating, both tenements have very promising geological potential and the likelihood of discovery of a gold resource is high.

The Placement and Share Purchase Plan announced on the 5 February 2019 have been priced at an 11% discount to the share price immediately to the announcement. The offer of a free Attaching Option and a Loyalty Option in connection with the Placement and the SPP Offer are substantial and have potential to provide shareholders with excellent returns at the exercise price of 2.2 cents.

The Loyalty Entitlement Options to be issued pursuant to the Loyalty Entitlement Option Offer will vest on 31 July 2019 and seeks to encourage and provide stability for the Company's share price long-term to enable the advancement of the Tiris project and the Häggån project and lead to the re-ranking of the share price with investors.

I hope you will support this SPP and remain a shareholder of the Company as it continues to advance its projects. Please refer to the SPP Offer Booklet cover letter on the following page for further detail on the SPP Offer, Loyalty Option Offer and Loyalty Entitlement Option Offer.

A handwritten signature in black ink, appearing to read "Peter Reeve".

**Peter Reeve**  
Executive Chairman

For personal use only



## Aura Energy Limited Share Purchase Plan

21 February 2019

Dear Shareholder

### Aura Energy Limited Share Purchase Plan

Aura Energy Limited (ASX: AEE: AIM: AURA) (**Company**) is pleased to offer shareholders with registered addresses in Australia and New Zealand (**Eligible Shareholders**) the opportunity to subscribe for fully paid ordinary shares in the capital of the Company (**Shares**) under a Share Purchase Plan (**SPP** or **SPP Offer**).

On **Tuesday, 5 February 2019**, the Company announced that it would undertake a placement of 61,062,500 Shares (**Placement Shares**) to professional and/or sophisticated investors (**Placement Participants**) at A\$0.016 (1.6 cents) per Placement Share to raise a total of \$0.977 million (before costs) (**Placement**). As at the date of this SPP Offer Booklet, the Company has completed the first tranche of the Placement and has issued 20,750,000 Placement Shares to subscribers to raise approximately \$332,000 (before costs). The Company expects to complete the second tranche of the Placement on or about Friday, 1 March 2019 and will update the market accordingly.

Under the SPP Offer, Eligible Shareholders are invited to apply for up to a maximum of A\$15,000 of Shares at an issue price of A\$0.016 (1.6 cents) per Share (**SPP Shares**) (being the same issue price as the Placement Shares). The issue price represents an 11% discount to the volume weighted average price of the Shares quoted on the ASX during the five (5) trading days immediately prior to the date of the announcement of the SPP.

Eligible Shareholders and Placement Participants who subscribe for, and are issued, SPP Shares and/or Placement Shares respectively will also be eligible to receive:

1. one (1) free attaching quoted option (**Attaching Option**) for every three (3) Shares subscribed for and issued under the SPP and/or Placement (as applicable) with each Attaching Option exercisable at A\$0.022 (2.2 cents) and expiring two (2) years from the date of issue (**Attaching Option Offer**); and
2. one (1) free attaching option (**Loyalty Option**) for every five (5) Shares held as at the SPP Shares Issue Date and/or Placement Shares issue date with each Loyalty Option exercisable at A\$0.022 (2.2 cents) and expiring one (1) year from the date of issue (**Loyalty Options Offer**). The Loyalty Options are subject to the vesting condition referred to in Section 6 of the SPP Offer Booklet. The 'Vesting Date' is Wednesday, 31 July 2019 (**Vesting Date**). Any unvested Loyalty Options will lapse on the Vesting Date (for further details on the terms of the Loyalty Options, please refer to Section 6 below),

(together, **Options Offers**).

Following completion of the SPP Offer and Options Offers, the Company intends to offer Eligible Shareholders a non-renounceable entitlement of options on a 1:5 basis (**Loyalty Entitlement Options**) at an issue price of \$0.005 each (0.5 cents), exercisable at \$0.022 (2.2 cents) and otherwise on the terms outlined in Section 6 below (**Loyalty Options Entitlement Offer**). For more information on the proposed timing of the Loyalty Options Entitlement Offer, please refer to the 'Indicative Key Dates' in the SPP Offer Booklet.

The Options Offers are each conditional on the Company obtaining shareholder approval at its general meeting held on or about Monday, 6 May 2019 (**General Meeting**). It is important to note the SPP Shares will be issued regardless of whether shareholder approval is obtained for the Options Offers. Where shareholder approval is not obtained for the relevant Option Offer, SPP participants will not be issued any of those Options subscribed for, nor will they receive any compensation from the Company. Where the Loyalty Options issued pursuant to the Loyalty Options Entitlement Offer lapse or expire, Loyalty Option holders will not receive any compensation from the Company in relation to the payment of the Loyalty Option issue price (please refer to Section 6 below for further details).

The Options Offers will be made pursuant to a prospectus intended to be lodged with ASIC and ASX on or about **Wednesday, 27 March 2019 (Prospectus)** and despatched to Eligible Shareholders on **Thursday, 4 April 2019**. The Attaching Options, Loyalty Options and Loyalty Entitlement Options are not offered under the SPP.

It is intended that the SPP Shares will be quoted on the ASX prior to the opening of the Options Offers. The Company will also apply for the quotation of the Attaching Options on the ASX, subject to receiving shareholder approval at the General Meeting. The Company will not apply for quotation of the Loyalty Options and the Loyalty Entitlement Options on the ASX.

Eligible Shareholders are able to purchase up to a maximum of A\$15,000 of SPP Shares without incurring brokerage or transaction costs. Applications for SPP Shares can only be made to a value of **\$1,000, \$2,000, \$3,000, \$4,000, \$5,000, \$10,000 or \$15,000**.

The SPP is not underwritten. The Company intends to raise approximately \$700,000 (before costs). The Company reserves the right to accept over subscriptions for up to \$1.4 million in the event that applications are received in excess of \$700,000 and in compliance with the terms of the ASIC Class Order [CO 09/425] (**Class Order**). A scale-back policy will be applied if valid applications exceed \$10,000 (please refer to Section 10 below for further detail on the scale-back policy). The Company reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to accept additional funds or to scale-back applications. Should a scale-back happen, you may be allocated SPP Shares to a value which is less than the parcel of SPP Shares you applied for and the difference will be refunded to you as soon as practicable and without interest.

It is intended that the funds raised under the Placement and SPP will be used for the following purposes:

- to fund the definitive feasibility study in respect of the Company's Tiris Uranium Project;
- to fund the Häggån Vanadium Project Scoping Study; and
- for working capital purposes.

Participation in the SPP is entirely optional and open to Eligible Shareholders who were holders of Shares in the Company as at **Monday, 4 February 2019**.

The SPP will open on, and Eligible Shareholders will be despatched the SPP Offer Booklet by, **Thursday, 21 February 2019**. The SPP will remain open until **5:00pm (AEDT) on Friday, 15 March 2019**. Following the close of the SPP, the Company will make an ASX announcement confirming the completion of, and the number of SPP Shares to be issued under, the SPP Offer.

This document is important and should be read thoroughly in conjunction with the publicly available information relating to the Company. If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact the Company Secretary (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company.

Yours sincerely



**Peter Reeve**  
Executive Chairman

## SPP OFFER BOOKLET

### SPP OFFER AT A GLANCE - INDICATIVE KEY DATES

Capitalised terms in this SPP Offer Booklet that are not otherwise defined have the same meaning as those given in the letter to shareholders on page 1 of the SPP Offer Booklet.

| DATE                                     | EVENT   |
|--|---|
| 5:00pm (AEDT) on Monday, 4 February 2019 | <p><b>Record Date</b></p> <p>The date and time at which the Company determines who is eligible to participate in the SPP.</p>   |
| Tuesday, 5 February 2019                 | Announcement of SPP   |
| Thursday, 21 February 2019               | Opening Date for SPP  |
|  | Despatch of SPP Offer Booklet to Eligible Shareholders  |
| Friday, 15 March 2019                    | <p><b>Closing Date for SPP</b></p> <p>Application Forms together with payment by cheque or money order must be received by this time and date.</p> <p>Note: BPAY® payments must be received by 5:00pm (AEDT) on Friday, 15 March 2019, which is when the BPAY® system closes on the Closing Date.</p> |
| Friday, 22 March 2019                    | <p><b>SPP Shares Issue Date</b></p> <p>The date on which the SPP Shares are expected to be issued.</p>  |
| Monday, 25 March 2019                    | <p><b>SPP Shares Trading Date</b></p> <p>The date on which the SPP Shares are expected to begin trading.</p>  |
| Wednesday, 27 March 2019                 | <p><b>SPP Shares Despatch Date</b></p> <p>Transaction confirmations/holding statements will be sent to shareholders for SPP Shares on or about this date.</p>   |
|  | Lodgement of Prospectus with ASIC and ASX for the Options Offers and Loyalty Options Entitlement Offer  |
|  | Opening Date for Attaching Options Offer  |
|  | Opening Date for Loyalty Options Offer  |
| Thursday, 28 March 2019                  | Notice of Loyalty Options Entitlement Offer despatched to option holders  |
| Friday, 29 March 2019                    | <p><b>Ex Date for Loyalty Options Entitlement Offer</b></p> <p>The last date that options can be exercised prior to the record date for the Loyalty Options Entitlement Offer.</p>  |
| Monday, 1 April 2019                     | Record date for Loyalty Options Entitlement Offer   |
| Thursday, 4 April 2019                   | Loyalty Options Entitlement Offer and Acceptance Form and Prospectus to be despatched to Eligible Shareholders  |

For personal use only

| DATE                     | EVENT  |
|--------------------------|--|
| Monday, 15 April 2019    | Loyalty Options Entitlement Offer Closing Date<br>Attaching Options Offer Closing Date<br>Loyalty Options Offer Closing Date   |
| Wednesday, 24 April 2019 | Issue Date for Loyalty Options Entitlement Offer   |
| Friday, 26 April 2019    | <b>Loyalty Options Entitlement Despatch Date</b><br>Transaction confirmations/holding statements will be sent to shareholders on or about this date.   |
| Monday, 6 May 2019       | General meeting of shareholders  |
| Tuesday, 7 May 2019      | <b>Attaching Options and Loyalty Options Issue Date</b><br>The date on which the Attaching Options and Loyalty Options are expected to be issued, subject to shareholder approval.                       |
| Wednesday, 8 May 2019    | <b>Attaching Options and Loyalty Options Despatch Date</b><br>Transaction confirmations/holding statements will be sent to shareholders for Attaching Options and Loyalty Options on or about this date. |
| Friday 10 May 2019       | Anticipated date for commencement of Attaching Options trading on a normal settlement basis  |

\*The Company may change any of the Indicative Key Dates at its discretion (even if the offer has opened or applications have been received).

#### SPP OFFER DETAILS

|                                      |   |
|--------------------------------------|---|
| <b>Offer Price</b>                   | The offer price for each SPP Share is A\$0.016 (1.6 cents). The offer price for the SPP Shares represents approximately an 11% discount to the volume weighted average price of the Shares for the five (5) trading day period prior to the announcement of the SPP.  |
| <b>Options</b>                       | Attaching Options: One (1) free attaching quoted option for every three (3) SPP Shares subscribed for and issued with each Option exercisable at A\$0.022 (2.2 cents) and expiring two (2) years from the date of issue.<br>Loyalty Options: one (1) free attaching option for every five (5) Shares held at the SPP Shares Issue Date with each Option exercisable at A\$0.022 (2.2 cents) and expiring one (1) year from the date of issue. |
| <b>Minimum Application Amount</b>    | The minimum application amount is A\$1,000.   |
| <b>Maximum Application Amount</b>    | The maximum application amount is A\$15,000.  |
| <b>Permitted Application Amounts</b> | Each Eligible Shareholder is entitled to subscribe for a parcel of SPP Shares valued at any of <b>\$1,000, \$2,000, \$3,000, \$4,000, \$5,000, \$10,000, \$15,000.</b>  |

## INSTRUCTIONS

The SPP Offer opens on **Thursday, 21 February 2019**. Under the SPP Offer, Eligible Shareholders may apply for a parcel of SPP Shares in accordance with the table below. Eligible Shareholders and Placement Participants will also be entitled to participate in the Attaching Options Offer and Loyalty Options Offer pursuant to which they will receive:

- (a) Attaching Option: one (1) free attaching quoted option (**Attaching Option**) for every three (3) Shares subscribed for and issued under the SPP and/or Placement (as applicable) with each Attaching Option exercisable at A\$0.022 (2.2 cents) and expiring two (2) years from the date of issue; and
- (b) Loyalty Option: one (1) free attaching option for every five (5) Shares held at the SPP Shares Issue Date and/or Placement Shares issue date (i.e. the Eligible Shareholder's aggregate shareholding, inclusive of the issuance of SPP Shares/Placement Shares) with each Loyalty Option exercisable at A\$0.022 (2.2 cents) and expiring one (1) year from the date of issue. Please refer to Section 6 below for further detail on the terms of the Loyalty Options.

Eligible Shareholders will be required to complete the relevant Option Offers Application Form that accompanies the Prospectus unless the Prospectus states otherwise.

An example of the total number of Attaching Options and Loyalty Options that an Eligible Shareholder may receive under each parcel of SPP Shares (on a 1:3 and 1:5 basis respectively) is outlined in the table below.

| SPP Shares parcels | Value     | Attaching Options | Loyalty Options |
|--------------------|-----------|-------------------|-----------------|
| 62,500             | A\$1,000  | 20,834            | 12,500          |
| 125,000            | A\$2,000  | 41,667            | 25,000          |
| 187,500            | A\$3,000  | 62,500            | 37,500          |
| 250,000            | A\$4,000  | 83,334            | 50,000          |
| 312,500            | A\$5,000  | 104,167           | 62,500          |
| 625,000            | A\$10,000 | 208,334           | 125,000         |
| 937,500            | A\$15,000 | 312,500           | 187,500         |

\*The number of Loyalty Options stated above corresponds with the SPP Shares parcels and is not in relation to an Eligible Shareholder's aggregate entitlement under the Loyalty Options Offer and Loyalty Options Entitlement Offer. Please refer to the relevant Issue Dates for each offer set out in the 'Indicative Key Dates' table on page 3 of the SPP Offer Booklet.

Where an Eligible Shareholder's application for SPP Shares (and subsequent entitlement to Attaching Options and Loyalty Options) results in a fraction of an SPP Share, Attaching Option or Loyalty Option, such a fraction will be rounded up to the nearest whole number for each SPP Share, Attaching Option or Loyalty Option.

Eligible Shareholders may apply and pay for SPP Shares by following either Option 1 or Option 2 below.

**Option 1: BPAY®**

You can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must follow the instructions in the personalised Application Form and must use the customer reference number shown on the Application Form which is required to identify your holding. Please refer to the Application Form for the SPP Offer for further information.

**Option 2: Application Form and cheque, bank draft or money order**

You can complete the personalised Application Form and return it to Computershare Investor Services Pty Limited (**Share Registry**), GPO Box 505, Melbourne, Victoria 3001 Australia, together with a cheque, bank draft or money order, in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be made payable to “Aura Energy Limited”, crossed “Not Negotiable”, in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash.

**Timing**

Application Forms, together with all payments by cheque, bank draft and money orders, must be received before 5:00pm (AEDT) on Friday, 15 March 2019. You cannot withdraw or cancel your application or BPAY® payment once you have sent it in. BPAY® payments must be received by 5:00pm (AEDT) on Friday, 15 March 2019 (note that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment).

**NO OFFER OUTSIDE AUSTRALIA AND NEW ZEALAND**

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, in any country other than Australia and New Zealand.

**QUESTIONS**

If you have any questions, please contact the Company Secretary any time between 9.00am and 5:00pm (AEDT) Monday to Friday on +61 3 9516 6500.

## SPP OFFER TERMS AND CONDITIONS

**IMPORTANT NOTICE:** The market price of Shares may rise or fall from now to when the SPP Shares are issued under the SPP Offer or at the time the Attaching Options and/or Loyalty Options are exercised. Therefore, if Eligible Shareholders apply for and are allotted SPP Shares under the SPP Offer, the offer price for those SPP Shares may be more than, or less than, the market price of Shares that could be purchased at that time. Similarly, the exercise price for the Attaching Options and Loyalty Options may be more than, or less than, the market price of Shares that may be purchased at the time of exercise of those options. By completing and returning the Application Form together with payment, you acknowledge this risk. We encourage you to contact your professional adviser regarding whether to participate in the SPP Offer and how much to contribute.

---

### 1. Offer timetable

- (a) The offer timetable is set out in the Indicative Key Dates above and is included in these Terms and Conditions.
- (b) Payment by BPAY®, Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.
- (c) The Company expects to send transaction confirmations or holding statements to you on or around the relevant Despatch Date.
- (d) The Company expects that the SPP Shares will be issued on the relevant Issue Date set out in the timetable and will commence trading on ASX on the relevant Trading Date set out in the timetable. You must confirm your holding before trading in any SPP Shares you believe have been issued to you under the SPP.
- (e) The Company expects the Attaching Options and Loyalty Options will be issued on the relevant Issue Date set out in the timetable, subject to shareholder approval at the General Meeting, pursuant to the Options Offers under the Prospectus.
- (f) At any time, the Company reserves the right to change the Closing Date, the Issue Dates, the Trading Dates and the Despatch Dates (even if the offer has opened, or BPAY® payments and Application Forms have been received) by lodging a revised timetable with ASX.

---

### 2. Eligible Shareholders

You may participate in the SPP Offer if you were a registered holder of Shares with a registered address in Australia or New Zealand as at 5:00pm (AEDT) on **Monday, 4 February 2019 (Eligible Shareholder)**. Shareholders that hold Shares on behalf of another person who resides outside of Australia or New Zealand will not be eligible to participate in the SPP Offer in respect of the SPP Shares held on behalf of that person.

For New Zealand shareholders, you must still be a shareholder as at the date of the SPP Offer, being Thursday, 21 February 2019.

The Company has determined that it is not practical for holders of Shares with registered addresses in other countries to participate.



- For personal use only
- (a) **Holders receiving more than one offer:** If you are the only registered holder of Shares, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of A\$15,000 in applying for SPP Shares.
  - (b) **Joint Holders:** If two or more persons are recorded in the register of members of the Company as jointly holding Shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of A\$15,000 in applying for SPP Shares.
  - (c) **Custodians, trustees and nominees:** If you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Class Order [CO 09/425] (**Class Order (Custodian)**), and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), or on behalf of a “downstream custodian” within the definition of the Class Order who holds the beneficial interest in Shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of A\$15,000 worth of SPP Shares for each Participating Beneficiary, subject to providing the Company with a Custodian Certificate in accordance with Section 15(d) below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of A\$15,000 in applying for SPP Shares. You are not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

---

### 3. Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

---

### 4. How much can you invest?

- (a) If you are an Eligible Shareholder, you may apply to buy a parcel of SPP Shares by contributing a set amount of approximately \$1,000, \$2,000, \$3,000, \$4,000, \$5,000, \$10,000 or \$15,000. There is no additional cost to acquire the Attaching Options and Loyalty Options.
- (b) Under the ASX Listing Rules, the maximum number of Shares that can be issued under the SPP is 333,392,881 Shares, being 30% of the 1,111,309,602 Shares currently on issue. The maximum amount of funds that can be raised under the SPP at \$0.016 per SPP Share is approximately \$5.33 million (before costs). The Company reserves absolute discretion regarding the amount raised under the SPP and to scaleback applications subject to the ASX Listing Rules. If valid applications are received for a number of Shares which exceed this amount, the Company shall, in its absolute discretion, scale-back applications. If the Company rejects or scales-back an application, the Company will promptly return to the shareholder the relevant application monies without interest as soon as practicable.
- (c) Unless you are applying as a Custodian, the maximum amount of A\$15,000 applies even if you receive more than one Application Form or if you hold Shares in more than one capacity (for example, if you are both a sole and joint holder of Shares in the Company - see Section 2 above) and irrespective of the number of Shares you hold on the Record Date. The Company reserves the right to reject any application for SPP Shares if it believes you have not complied with this condition.

---

## 5. How to apply for SPP Shares

Eligible Shareholders may participate in the SPP Offer as follows:

### Option 1: BPAY®

You can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. If you are a Custodian (as defined in Section 2(c) above) you may use BPAY® provided the application for SPP Shares is made in accordance with Section 15(d) and a Custodian Certificate is provided to the Company. BPAY® customers must use the customer reference number shown on the Application Form which is required to identify your holding. If you make your payment with BPAY® you do not need to return your personalised Application Form.

**IMPORTANT NOTE:** By using this BPAY® facility to apply for SPP Shares, you represent that the total of the application price for the following does not exceed A\$15,000:

- (a) the SPP Shares the subject of this application;
- (b) any other SPP Shares applied for under this SPP Offer, or Shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- (c) any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this SPP; and
- (d) any other Shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the twelve (12) months before this application as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares or interests.

Payment by BPAY® may not be processed and may not be valid if it has not been received by the Company by the time and date specified for the Closing Date. You should be aware that the BPAY® system closes at 5:00pm (AEDT) and your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

### Option 2: Application Form and cheque, bank draft or money order

You must complete an Application Form and return it with a cheque, bank draft or money order in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be payable to "Aura Energy Limited" and crossed "Not Negotiable" in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash.

The completed Application Form together with the payment in cheque, bank draft or money order should be returned using the envelope enclosed, or to:

**Computershare Investor Services Pty Limited**  
**GPO Box 505**  
**Melbourne, Victoria 3001**

Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry.

---

## 6. Options

Successful applicants for SPP Shares under the SPP, and Placement Participants, will also be entitled to receive:

- (a) Attaching Option: one (1) free attaching quoted option for every three (3) Shares subscribed for and issued under the SPP and/or Placement (as applicable) with each Attaching Option exercisable at A\$0.022 (2.2 cents) and expiring two (2) years from the date of issue; and
- (b) Loyalty Option: one (1) free attaching option (**Loyalty Option**) for every five (5) Shares held as at the SPP Shares Issue Date and/or Placement Shares issue date with each Loyalty Option exercisable at A\$0.022 (2.2 cents) and expiring one (1) year from the date of issue (**Loyalty Options Offer**). The Loyalty Options are subject to the vesting condition referred to below. Any unvested Loyalty Options will lapse on the Vesting Date.

The Loyalty Options and Entitlement Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the Vesting Date with the number of Loyalty Options vesting equal to the lesser of:

- (a) the number of Loyalty Options held on the Vesting Date; and
- (b) the aggregate number of Shares (i.e. the total number of Shares held in the Loyalty Option holder's share-trading account following):
  - (i) the issue date of the SPP Shares in relation to the Loyalty Options Offer; and
  - (ii) the record date of the Loyalty Options Entitlement Offer in relation to the Loyalty Options Entitlement Offer,

held on the Vesting Date divided by 5.

For the avoidance of doubt, if an SPP participant also participates in the Loyalty Options Entitlement Offer, the SPP participant's Entitlement Loyalty Options will vest independently from their Loyalty Options received under the Loyalty Options Offer (i.e. the Loyalty Options and Entitlement Loyalty Options will not be aggregated for the purposes of determining vesting at the Vesting Date).

Please refer to the table on the next page for an illustration of how the Vesting Condition operates with various transaction scenarios undertaken by Loyalty Option holders prior the Vesting Date.

For personal use only

| Loyalty Option Scenarios                    |  |  |  |  |  |
|---|--|--|--|--|--|
| No. Shares held on Issue Date               | 90,000   | 90,000   | 90,000   | 90,000   | 90,000   |
| No. Loyalty Options Issued                  | 18,000   | 18,000   | 18,000   | 18,000   | 18,000   |
| Transactions completing before Vesting Date | No transactions  | Shareholder purchases 10,000 Shares before Vesting Date  | Shareholder sells 30,000 Shares before the Vesting Date  | Shareholder sells 45,000 Shares then purchases 45,000 Shares before Vesting Date | Shareholder sells 40,000 Shares then purchases 10,000 Shares before Vesting Date               |
| No. Shares held on Vesting Date             | 90,000   | 100,000  | 60,000   | 90,000   | 60,000   |
| No. of Loyalty Options that vest            | 18,000   | 18,000   | 12,000   | 18,000   | 12,000   |
| No. Loyalty Options that lapse              | Nil  | Nil  | 6,000  | Nil  | 6,000  |
| Reason                                      | Same number of Shares held therefore all Loyalty Options vest. | Shareholders who purchase additional Shares such that their shareholding at the Vesting Date is greater than their holding at the Issue Date are not entitled to additional Loyalty Options. | Number of Shares held divided by 5 is now less than number of Loyalty Options on Vesting Date. | Same number of Shares held therefore all Loyalty Options vest.                   | Number of Shares held divided by 5 is now less than number of Loyalty Options on Vesting Date. |

The Loyalty Options and Entitlement Loyalty Options will be unlisted options. The Company will apply for quotation on the ASX for the Shares allotted as a result of the exercise of the Loyalty Options and Entitlement Loyalty Options. The Company will seek quotation on the ASX for the Attaching Options, subject to receiving shareholder approval at the General Meeting.

The Options Offers (being the Attaching Options Offer and the Loyalty Options Offer) and the Entitlement Loyalty Option Offer will be made pursuant to a Prospectus which will be sent to Eligible Shareholders on or about **Thursday, 4 April 2019**. Eligible Shareholders will be required to complete the relevant Option Offers Application Form that accompanies the Prospectus unless the Prospectus states otherwise. For the avoidance of doubt, only the SPP Shares are offered under the SPP.

The Options Offers are conditional on the Company obtaining shareholder approval at the General Meeting. It is important to note the SPP Shares will be issued regardless of whether shareholder approval is obtained for the Options Offers. If shareholder approval is not obtained, SPP participants will not be issued the Attaching Options or Loyalty Options nor will they be entitled to be paid any compensation by the Company.

The Attaching Options Offer and Loyalty Options Offer are not conditional on shareholder approval being obtained for the other as they are not mutually exclusive. For the avoidance of doubt, where shareholder approval is not received for either the Attaching Options Offer or Loyalty Options Offer, applicants will not be issued the Attaching Options or the Loyalty Options (as the case may be), nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

---

## 7. Company's discretion regarding applications

The Company reserves the right to accept or reject applications for SPP Shares under the SPP, including if:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;
- (b) the applicant is a Custodian and the Company is not satisfied with the applicant's certification for any reason;
- (c) a cheque is dishonoured or has not been completed correctly;
- (d) the correct amount corresponding to your application is not provided with the Application Form or BPAY®;
- (e) a BPAY® payment is not received or is incomplete or invalid;
- (f) unless you are applying as a Custodian, an applicant appears to be contributing more than A\$15,000 under the SPP;
- (g) an application is received after the time and date specified as the Closing Date. The Company has a discretion whether or not to accept late BPAY® payments, Application Forms and cheques, bank draft or money orders; or
- (h) the Company believes you are not an Eligible Shareholder,

in which case the Company must reject applications in accordance with the Class Order.

The Company reserves the right to not allot applicants any SPP Shares and will return all application monies as soon as practicable and without interest.

---

## 8. Offer price

The offer price for each SPP Share is A\$0.016 (1.6 cents). The offer price for the SPP Shares represents approximately an 11% discount to the volume weighted average price of Shares for the five (5) trading day period prior to the announcement of the SPP.

---

## 9. Condition

The issue of the SPP Shares under the SPP Offer, and the Attaching Options and Loyalty Options pursuant to the Options Offers under the Prospectus, is subject to the Company being able to comply with the ASX Listing Rules and obtain waivers (if required). The Options Offers are both subject to shareholder approval at the General Meeting of the Company.

The Attaching Options Offer and Loyalty Options Offer are not conditional on shareholder approval being obtained for the other as they are not mutually exclusive. For the avoidance of doubt, where shareholder approval is not received for the option issuances under either the Attaching Options Offer or the Loyalty Options Offer, Applicants will not be issued the Attaching Options or the Loyalty Options (as the case may be), nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

---

## 10. Applications may be scaled back

- (a) The Directors reserve the right, in their absolute discretion, to determine the amount the Company raises through the SPP, including the right to scale back applications (**Scaleback**). At this stage the Company intends to raise a total amount of \$700,000 (before costs) under the SPP, though the Company reserves the right to impose a cap on the maximum amount that can be raised at its discretion by way of announcement to the ASX. The Company also reserves the right to accept over-subscriptions for up to \$1.4 million in the event that applications are received in excess of \$700,000 and in compliance with the terms of the Class Order.
- (b) If a Scaleback produces a fractional number when applied to an applicant's parcel, the number of SPP Shares and any Attaching Options and Loyalty Options subscribed for and issued will be rounded up.
- (c) The Company will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the SPP Shares issued to you.

---

## 11. No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire SPP Shares under the SPP or the Attaching Options and Loyalty Options pursuant to the Options Offers under the Prospectus.

---

## 12. No interest

No interest will be paid on any application money returned to you.

---

## 13. You cannot transfer your rights under this SPP

Your rights under the SPP Offer and Options Offers are personal to you and are non-renounceable. This means you cannot transfer your right to purchase SPP Shares under this SPP or the right to receive Attaching Options and Loyalty Options under the Prospectus to anyone else.

---

## 14. Equal ranking

SPP Shares issued under the SPP will, at the time of issue, rank equally with existing fully paid ordinary shares in the Company quoted on the ASX, with the same voting rights, dividend rights and other entitlements.

---

## 15. Significance of applying for SPP Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your application or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the total of the application price for the following does not exceed A\$15,000:
  - (i) the SPP Shares the subject of this application;
  - (ii) any other Shares applied for under this SPP, or Shares or interests in the class issued under a similar arrangement in the twelve (12) months before this application;
  - (iii) any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this SPP; and
  - (iv) any other Shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the twelve (12) months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the Shares or interests;
- (d) if you are a Custodian and are applying for SPP Shares with a total application price exceeding A\$15,000, subject to you providing a notice in writing to the Company certifying the matters required by Condition 9 of the Class Order (Custodian Certificate). Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;
- (e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you agree to be bound by the Constitution of the Company;
- (g) you authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if the Company elects to do so;
- (h) you agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (i) you agree that your application is only effective when received by, or on behalf of, the Company and not when posted;

- (j) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on the Company's register;
- (k) you agree that you are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;
- (l) you agree that the Company and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy SPP Shares or to receive Attaching Options and Loyalty Options; and
- (m) you agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

---

## 16. Notice to shareholders in New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

---

## 17. Withdrawal, waiver, suspension and termination

The Company reserves the right to withdraw the SPP Offer at any time up to the Issue Date. The Company reserves the right at any time to:

- (a) waive compliance with any provision of these Terms and Conditions;
- (b) amend or vary these Terms and Conditions; and
- (c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if the Company does not notify you of the event.

---

## 18. Use of funds

The funds raised under the SPP and Placement are intended to be used:

- (a) to fund the definitive feasibility study in respect of the Company's Tiris Uranium Project;
- (b) to fund the Häggån Vanadium Project Scoping Study; and
- (c) for working capital purposes.



---

## **19. General**

### **19.1 Governing Law**

These Terms and Conditions are governed by the laws in force in Victoria. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts in Victoria.

### **19.2 Interpretation**

The term “these Terms and Conditions” includes terms and conditions in the Application Form and the “SPP Offer at a Glance”. The Application Form forms part of this offer document.

### **19.3 Disputes**

The Company may settle, in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares. The Company’s decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by the Company’s Board or any delegate of the Board.

### **19.4 Privacy**

By receiving completed Application Forms, the Company collects personal information about shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company’s Privacy policy, please contact us.

### **19.5 No underwriting**

The SPP is not underwritten.

---

## **20. Risks**

There are risks associated with an investment in SPP Shares, Attaching Options and Loyalty Options. A non-exhaustive list of some of the key risks is set out below.

### **20.1 Speculative nature of investment**

Prospective applicants should be aware that there are risks associated with investments in shares listed on a stock exchange. The value of shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investors’ perceptions, movements in interest rates and stock markets, variations in the operating costs and any future capital raising costs. Accordingly, the SPP Shares may trade on ASX at a different price than the SPP issue price.

The SPP Shares carry no guarantee with respect to the payment of dividends, returns of capital or their market value. An investment in the Company is speculative. Prospective applicants should carefully consider whether the SPP Shares are a suitable investment for them before deciding to apply. The Company encourages any prospective applicant that is in doubt of whether to participate in the SPP Offer to consult their professional advisers before deciding whether to invest.

The Attaching Options and Loyalty Options are currently out of the money and may remain so until they expire.

The interests of prospective applicants that take up SPP Shares may be subsequently diluted by capital raisings which are not on a pro-rata basis.

The issue of the Attaching Options and Loyalty Options is subject to shareholder approval of the Options Offers at the General Meeting of the Company. The SPP Shares will be issued regardless of whether shareholder approval is obtained for the Options Offers. The Attaching Options Offer and Loyalty Options Offer are not conditional on shareholder approval being obtained for the other as they are not mutually exclusive. For the avoidance of doubt, where shareholder approval is not received for either the Attaching Options Offer or Loyalty Options Offer, Applicants will not be issued the Attaching Options or the Loyalty Options (as the case may be), nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

## **20.2 Disclosure risk**

The SPP Offer Booklet has been prepared by the Company, and is not a prospectus or disclosure document for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC.

The Company is offering the securities under this SPP Offer Booklet without disclosure to investors under Chapter 6D of the Corporations Act, pursuant to the Class Order, which allows the Company to offer the SPP Shares to Eligible Shareholders subject to compliance with the conditions set out in the Class Order.

The SPP Offer Booklet does not contain all the information that prospective applicants may require to make an informed decision as to whether or not to apply for SPP Shares. Prospective applicants should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to ASX, before deciding whether to apply for SPP Shares.

It is important that you read and understand the information regarding the Company which is publicly available prior to accepting the offer under the SPP.

Publicly available information includes:

- (a) the Annual Report of the Company for the year ended 30 June 2018 released to the ASX on 28 September 2018;
- (b) other announcements released to ASX; and
- (c) the Cleansing Notice that the Company lodged with ASX pursuant to the Class Order.

The above information is available via the ASX website at <http://www.asx.com.au/> under the ASX ticker code 'AEE'.

Neither ASIC nor ASX has any responsibility for the content of this SPP Offer Booklet.

## **20.3 Capital, funding and going concern risks**

The Company is engaged in mineral exploration and does not have a continuing source of revenue or operating cash flow. Accordingly, the Company can only continue as a going concern if it is able to raise equity or debt capital in the future to fund its operations. Whilst the Company has a track record of raising substantial capital over an extended period of time, there can be no guarantee that the Company will be able to raise additional equity or debt capital and, if the Company is unable to do so, the financial and operating position of the Company may be adversely affected. In that case the value of an investment in the Company may be adversely affected, or at worst, become valueless.

#### **20.4 Tenement risks and Native Title**

The Company has interests in tenements in Mauritania and Sweden. Interests in tenements are governed by the respective legislation in which the Company's tenements are located, and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Furthermore, at the end of the specific term of a licence, whilst it is possible to apply to renew or extend a licence, there can be no guarantee that a renewal or extension of the license will be obtained. If a licence is not renewed or extended then no further exploration can be undertaken and any expenditure that has been capitalised in the accounts of the Company will have to be written-off thereby negatively impacting the financial performance and position of the Company. Recoverability of the carrying amount of exploration assets is dependent on the successful exploration, recovery and sale of base and precious metals.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights exists. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be affected.

#### **20.5 Profit and dividend risk**

The Company is not presently profitable and may never be so. The Company has never paid a dividend and may never do so.

#### **20.6 Mining risk**

The nature of mineral exploration, mining and mineral processing involves hazards and unexpected events which could result in the Company incurring uninsured losses and/or liabilities to third parties. These could include rock falls, flooding, inclement weather, war or terrorist activity, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected. Resources activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses. There is a risk that the results of exploration and the estimates of resources, which are published from time to time, may be incorrect. Any discovery may not be commercially viable or recoverable. Furthermore, it may not be possible to establish a resource within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (JORC Code) and consequently no reserves can be established.

#### **20.7 Economic risk**

Factors, such as, but not limited to, political movements, stock market trends, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Company's operating costs, profit margins and Share price. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact the Company.

#### **20.8 Regulatory risk**

Operations may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on acceptable terms. There can be no guarantee that any requisite approvals will be obtained and a failure to obtain any such approval would mean that the ability of the Company to develop or operate any project, or potentially acquire any project, may be limited or restricted either in part or absolutely. The regulatory environment for the Company's operations could change in ways that could substantially increase liabilities, tax or costs of compliance thereby materially and adversely affecting the Company's financial position.

## 20.9 Sovereign risk

Exploration activities are carried out in Mauritania and Sweden. Potential risks include changes to the political, legal and fiscal systems which might affect the ownership and operation of the interests in Mauritania and/or Sweden. This may include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

---

## 21. Directory

### Registered Office

Aura Energy Limited  
Level 1, 34-36 Punt Road  
Windsor, Victoria 3181  
Telephone: +61 3 9516 6500  
Facsimile: +61 3 9516 6565

### Legal Advisers

Dentons Australia  
Level 18, 567 Collins Street  
Melbourne, Victoria 3000

### Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000  
Telephone: 1300 850 505 (within Australia)  
or +61 3 9415 4000 (outside Australia)