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energy

**AURA ENERGY LIMITED**

(ASX:AEE, AIM:AURA)

**Interim Financial Report  
for the half-year ended  
31 December 2021**

**ABN 62 115 927 681**

# **Aura Energy Limited**

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## **Interim financial report for the half-year ended 31 December 2021**

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ABN 62 115 927 681

## **Interim financial report - 31 December 2021**

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**Aura Energy Limited**  
**Corporate directory**

|   |  |
|---|--|
| <b>Directors</b>                                | Mr Philip Mitchell (appointed 21 December 2021)<br><i>Non-Executive Chairman</i><br><br>Mr Warren Mundine (appointed 21 December 2021)<br><i>Non-Executive Director</i><br><br>Mr Bryan Dixon (appointed 21 December 2021)<br><i>Non-Executive Director</i><br><br>Mr Peter Reeve (resigned 21 December 2021)<br><i>Managing Director and CEO</i><br><br>Mr Peter Ward (resigned 21 December 2021)<br><i>Non-Executive Director</i><br><br>Mr Martin Rogers (resigned 21 December 2021)<br><i>Non-Executive Chairman</i> |
| <b>Secretary</b>                                | Mr Phillip Hains   |
| <b>Principal registered office in Australia</b> | Suite 1, Level 3<br>62 Lygon Street<br>Carlton Victoria 3053<br>Australia<br>+61 3 9824 5254   |
| <b>Share and debenture register</b>             | Computershare Investor Services Pty Ltd<br>Level 2, Reserve Bank Building<br>45 St Georges Terrace<br>Perth WA   |
| <b>Auditor</b>                                  | Hall Chadwick WA Audit Pty Ltd<br>283 Rokeby Road<br>Subiaco WA 6008   |
| <b>Solicitors</b>                               | Palisade Corporate<br>Level 24, St Martins Tower<br>44 St Georges Terrace<br>Perth WA 6000   |
| <b>Bankers</b>                                  | National Australia Bank<br>330 Collins Street<br>Melbourne VIC 3000  |
| <b>Nominated advisor</b>                        | SP Angel Corporate Finance LLP<br>35 Maddox Street<br>Mayfair London United Kingdom  |
| <b>Joint brokers</b>                            | SP Angel Corporate Finance LLP<br>WH Ireland Limited   |
| <b>Stock exchange listings</b>                  | Australian Securities Exchange (ASX) and<br>Alternative Investment Market (AIM)  |
| <b>Website</b>                                  | <a href="http://www.auraenergy.com.au">www.auraenergy.com.au</a>   |

## **Review of operations and activities**

### **Financial review**

Aura Energy Limited has reported a loss for the half-year ended 31 December 2021 of A\$624,048 (31 December 2020: A\$1,699,461). The Group's net assets increased to A\$24,785,108 compared with A\$22,000,914 at 30 June 2021, including cash reserves of A\$3,262,869 (30 June 2021: A\$3,206,855).

### **Review of operations**

During the half-year ended 31 December 2021, business activities were focused on recapitalisation of the Group and restructure of the board of directors and management to support the development phase for the Tiris Uranium Project.

#### **Tiris Project, Mauritania (85% owned)**

Work in preparation for a move into the development phase for the Tiris uranium project was initiated during the half-year.

- Water drilling within 30km of the Tiris uranium project was completed. 7 drill holes were successful in locating water, defining a basin estimated to contain adequate water to support the 1.25Mtpa processing plant.
- Re-analysis of the Tiris drilling database allowed reclassification of some areas to inferred resource category, resulting in an increase in the global uranium resource at cut off grade of 100ppm  $U_3O_8$  to a total resource of 56Mlb  $U_3O_8$ .
- Re-pricing of Tiris DFS Capital Estimate to reflect inflation and supply chain pressure introduced by the COVID-19 pandemic was undertaken by MinCore Engineers. Resulted in an estimated 10% increase in CAPEX from US\$67.8m to US\$74.8m. The inflation was predominantly caused by increase in steel and equipment pricing.
- The Tiris uranium project opportunity review was undertaken by METS Engineering. The review identified several areas to target potential operating cost reductions for the Tiris processing circuit. Additional projects will be undertaken to examine the opportunities through the year ended 30 June 2022.
- The Net Zero Emission baseline study with Wood Group was initiated.

#### **Häggån Battery Metals Project, Sweden (100% owned)**

Activities at the Häggån Battery Metals project remained on care-and-maintenance.

#### **Tasiast South Gold Project, Mauritania (100% owned)**

- Detailed gravity surveying was conducted over all tenements to define better geology and possible mineralising structures. Determinations were taken at 6,643 stations by South African gravity specialist GeoFocus. The program was overseen by Perth based geophysicists NewExco.
- Trial Induced Polarisation testwork was carried out at 6 sites to test the effectiveness of the technique in detecting sulphides in this desert environment. Results were mixed with saline ground water being a potential problem in some but not all areas.
- Auger drilling to test bedrock was carried out on the Nomads Joint Venture area, to provide the first subsurface testing in the large area of greenstones 35km along strike from the giant Tasiast goldmine. 464 holes were drilled 100m apart on lines generally 800m apart. Assay results are awaited.
- Auger drilling was conducted also on nickel/cobalt targets within komatiitic rocks in the Bella and Taet tenements. Assays are awaited.
- PGN Geoscience were engaged to conduct a re-interpretation of all existing data on Aura's Tasiast South tenements in the light of the gravity survey results and have generated a number of targets for gold and battery metals.

## **Review of operations and activities**

### **Review of operations (continued)**

#### **Corporate**

Through the half-year ended 31 December 2021, Aura focused on recapitalising the company and re-commencing trading of ordinary shares on the Australian Securities Exchange (ASX).

- The ordinary shares of Aura re-commenced trading on the ASX on 23 September 2021.
- The Group raised \$3,483,342 through the loyalty options rights issue concluded on 15 November 2021 and the exercise of options throughout the half-year.
- At the AGM held on 21 December 2021, Aura appointed 3 new directors., The new Directors bring a greater focus on project development and will position Aura for the transition from uranium explorer to producer.
- Mr Peter Reeve resigned as managing director and CEO of Aura on 21 December 2021 and took up the role of managing director and CEO of the gold focused subsidiary Archaean Greenstone Gold Pty Ltd.

Covid-19 continues to restrict access to our projects (both the Australian government and to a lesser extent, the Mauritanian government travel bans).

Aura lists its assets as:

- The construction-ready Tiris Uranium Project
- Excellent gold assets
- Häggån Vanadium Project

The directors present their report on the consolidated entity consisting of Aura Energy Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2021. Financial comparisons used in this report are of results for the half-year ended 31 December 2020 (the prior corresponding period) for statement of profit and loss and cash flow analysis, and 30 June 2021 for statement of financial position analysis.

### **Directors and company secretary**

The following persons held office as directors of Aura Energy Limited during the financial period:

Mr Philip Mitchell (appointed 21 December 2021)  
Mr Warren Mundine (appointed 21 December 2021)  
Mr Bryan Dixon (appointed 21 December 2021)  
Mr Peter Reeve (resigned 21 December 2021)  
Mr Peter Ward (resigned 21 December 2021)  
Mr Martin Rogers (resigned 21 December 2021)

### **Principal activities**

The principal activities of the Group during the financial period were exploration and evaluation of uranium, vanadium and gold and base metals in Mauritania and Sweden. There was no significant change in the nature of these activities during the period.

### **Dividends**

No dividends have been paid or declared by the company for the current financial period. No dividends were paid for the previous financial period.

### **Australian Securities Exchange ("ASX") trading**

On 23 September 2021, the ordinary shares of the Group (ASX: AEE) were reinstated onto the ASX for public trading.

### **Events since the end of the financial year**

#### *Exercise of options*

Between year end and the date of this report, shareholders have exercised 3,714,544 options at an exercise price of \$0.052, raising \$193,156 in funds.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### **Proceedings on behalf of the Group**

The company has lodged with the Kingdom of Sweden a claim for compensation for the alleged expropriation of its rights to mine and produce uranium concentrate from the tenements held by Vanadis Battery Metals AB, a controlled entity of the company.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Mr Philip Mitchell  
Non-Executive Chairman

Melbourne  
7 March 2022



To the Board of Directors,

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Aura Energy Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

  
HALL CHADWICK WA AUDIT PTY LTD

  
DOUG BELL CA  
Director

Dated this 7<sup>th</sup> day of March 2022  
Perth, Western Australia

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**Aura Energy Limited**  
**Condensed consolidated statement of comprehensive income**  
**For the half-year 31 December 2021**

|  |       | <b>Consolidated entity</b> |                    |
|--|-------|----------------------------|--------------------|
|  |       | <b>31 December</b>         | 31 December        |
|  |       | <b>2021</b>                | 2020               |
|  | Notes | \$                         | \$                 |
| Other income   | 3     | 92,496                     | 30,452             |
| Other gains/(losses) – net   | 3     | 52,119                     | (10,923)           |
| Employee benefits  |       | (233,273)                  | (338,548)          |
| General and administration expenses  | 3     | (473,259)                  | (1,157,645)        |
| Share-based payments   | 6(c)  | (62,160)                   | (10,500)           |
| <b>Operating loss</b>  |       | <b>(624,077)</b>           | <b>(1,487,164)</b> |
| Finance income   |       | 29                         | -                  |
| Finance expenses   |       | -                          | (212,297)          |
| <b>Finance costs - net</b>   |       | <b>29</b>                  | <b>(212,297)</b>   |
| <b>Loss before income tax</b>  |       | <b>(624,048)</b>           | <b>(1,699,461)</b> |
| Income tax expense   |       | -                          | -                  |
| <b>Loss for the period</b>   |       | <b>(624,048)</b>           | <b>(1,699,461)</b> |
| <b>Other comprehensive income</b>  |       |                            |                    |
| <i>Items that may be reclassified to profit or loss:</i>                                     |       |                            |                    |
| Exchange differences on translation of foreign operations                                    | 6(b)  | 66,676                     | 114,498            |
| <b>Total comprehensive loss for the period</b>   |       | <b>(557,372)</b>           | <b>(1,584,963)</b> |
|  |       | <b>Cents</b>               | <b>Cents</b>       |
| <b>Loss per share for profit attributable to the ordinary equity holders of the company:</b> |       |                            |                    |
| Basic/diluted loss per share*  |       | <b>(0.16)</b>              | <b>(0.86)</b>      |

\*The 31 December 2020 loss per share has been restated to reflect the consolidation of shares that occurred during the year ended 30 June 2021.

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Aura Energy Limited**  
**Condensed consolidated balance sheet**  
**As at 31 December 2021**

|                                      |       | <b>Consolidated entity</b> |                   |
|--------------------------------------|-------|----------------------------|-------------------|
|                                      |       | <b>31 December</b>         | <b>30 June</b>    |
|                                      |       | <b>2021</b>                | <b>2021</b>       |
|                                      | Notes | \$                         | \$                |
| <b>ASSETS</b>                        |       |                            |                   |
| <b>Current assets</b>                |       |                            |                   |
| Cash and cash equivalents            |       | 3,262,869                  | 3,206,855         |
| Other current assets                 |       | 122,679                    | 104,149           |
| Other receivables                    |       | 14,681                     | 798               |
| <b>Total current assets</b>          |       | <b>3,400,229</b>           | <b>3,311,802</b>  |
| <b>Non-current assets</b>            |       |                            |                   |
| Exploration and evaluation           | 4     | 22,058,450                 | 20,396,634        |
| Plant and equipment                  |       | 2,504                      | -                 |
| <b>Total non-current assets</b>      |       | <b>22,060,954</b>          | <b>20,396,634</b> |
| <b>Total assets</b>                  |       | <b>25,461,183</b>          | <b>23,708,436</b> |
| <b>LIABILITIES</b>                   |       |                            |                   |
| <b>Current liabilities</b>           |       |                            |                   |
| Trade and other payables             | 5(a)  | 673,583                    | 1,171,601         |
| Borrowings                           | 5(b)  | -                          | 312,500           |
| Employee benefit obligations         |       | 626                        | 198,421           |
| Other current liabilities            |       | 1,856                      | 25,000            |
| <b>Total current liabilities</b>     |       | <b>676,065</b>             | <b>1,707,522</b>  |
| <b>Non-current liabilities</b>       |       |                            |                   |
| Employee benefit obligations         |       | 10                         | -                 |
| <b>Total non-current liabilities</b> |       | <b>10</b>                  | <b>-</b>          |
| <b>Total liabilities</b>             |       | <b>676,075</b>             | <b>1,707,522</b>  |
| <b>Net assets</b>                    |       | <b>24,785,108</b>          | <b>22,000,914</b> |
| <b>EQUITY</b>                        |       |                            |                   |
| Share capital                        | 6(a)  | 58,105,793                 | 56,227,736        |
| Other equity                         |       | 314,346                    | 314,346           |
| Other reserves                       | 6(b)  | 3,596,028                  | 2,065,843         |
| Accumulated losses                   |       | (37,231,059)               | (36,607,011)      |
| <b>Total equity</b>                  |       | <b>24,785,108</b>          | <b>22,000,914</b> |

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

**Aura Energy Limited**  
**Condensed consolidated statement of changes in equity**  
**For the half-year 31 December 2021**

| Consolidated entity  | Notes | Attributable to owners of<br>Aura Energy Limited |                    |                         |                             | Total<br>equity<br>\$ |
|--|-------|--|--------------------|-------------------------|-----------------------------|-----------------------|
|  |       | Share capital<br>\$                              | Other equity<br>\$ | Other<br>reserves<br>\$ | Accumulated<br>losses<br>\$ |                       |
| <b>Balance at 1 July 2020</b>                                |       | 50,967,094                                       | 357,056            | 1,147,314               | (33,717,722)                | 18,753,742            |
| Loss for the period  |       | -  | -                  | -                       | (1,699,461)                 | (1,699,461)           |
| Other comprehensive income                                   |       | -  | -                  | 114,498                 | -                           | 114,498               |
| <b>Total comprehensive income for the half-year</b>          |       | -  | -                  | <b>114,498</b>          | <b>(1,699,461)</b>          | <b>(1,584,963)</b>    |
| <b>Transactions with owners in their capacity as owners:</b> |       |  |                    |                         |                             |                       |
| Contributions of equity, net of transaction costs and tax    |       | 8,703  | -                  | -                       | -                           | 8,703                 |
| Options issued   |       | -  | -                  | 122,797                 | -                           | 122,797               |
| Performance shares issued                                    |       | -  | -                  | 10,500                  | -                           | 10,500                |
|  |       | 8,703  | -                  | 133,297                 | -                           | 142,000               |
| <b>Balance at 31 December 2020</b>                           |       | <b>50,975,797</b>                                | <b>357,056</b>     | <b>1,395,109</b>        | <b>(35,417,183)</b>         | <b>17,310,779</b>     |
| <b>Balance at 1 July 2021</b>                                |       | <b>56,227,736</b>                                | <b>314,346</b>     | <b>2,065,843</b>        | <b>(36,607,011)</b>         | <b>22,000,914</b>     |
| Loss for the period  |       | -  | -                  | -                       | (624,048)                   | (624,048)             |
| Other comprehensive income                                   |       | -  | -                  | 66,676                  | -                           | 66,676                |
| <b>Total comprehensive income for the half-year</b>          |       | -  | -                  | <b>66,676</b>           | <b>(624,048)</b>            | <b>(557,372)</b>      |
| <b>Transactions with owners in their capacity as owners:</b> |       |  |                    |                         |                             |                       |
| Contributions of equity, net of transaction costs and tax    | 6     | (228,936)  | -                  | -                       | -                           | (228,936)             |
| Options issued   | 6     | -  | -                  | 2,030,390               | -                           | 2,030,390             |
| Options exercised  | 6     | 1,931,993  | -                  | (454,041)               | -                           | 1,477,952             |
| Performance shares converted                                 | 6     | 175,000  | -                  | (175,000)               | -                           | -                     |
| Loan funded securities                                       | 6(c)  | -  | -                  | 62,160                  | -                           | 62,160                |
|  |       | 1,878,057  | -                  | 1,463,509               | -                           | 3,341,566             |
| <b>Balance at 31 December 2021</b>                           |       | <b>58,105,793</b>                                | <b>314,346</b>     | <b>3,596,028</b>        | <b>(37,231,059)</b>         | <b>24,785,108</b>     |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Aura Energy Limited**  
**Condensed consolidated statement of cash flows**  
**For the half-year 31 December 2021**

|  | <b>Consolidated entity</b> |                         |
|--|----------------------------|-------------------------|
|  | <b>31 December 2021</b>    | <b>31 December 2020</b> |
|  | <b>\$</b>                  | <b>\$</b>               |
| <b>Cash flows from operating activities</b>                        |                            |                         |
| Payments to suppliers and employees (inclusive of GST)             | (1,200,788)                | (335,413)               |
| Other income   | -                          | 30,450                  |
| Interest received  | 29                         | 2                       |
| <b>Net cash outflow from operating activities</b>                  | <b>(1,200,759)</b>         | <b>(304,961)</b>        |
| <b>Cash flows from investing activities</b>                        |                            |                         |
| Payments for property, plant and equipment                         | (3,010)                    | -                       |
| Payments for exploration and evaluation                            | (1,461,292)                | (207,845)               |
| <b>Net cash outflow from investing activities</b>                  | <b>(1,464,302)</b>         | <b>(207,845)</b>        |
| <b>Cash flows from financing activities</b>                        |                            |                         |
| Proceeds from issues of shares and other equity securities         | 2,005,390                  | -                       |
| Share issue transaction costs                                      | (453,226)                  | -                       |
| Repayment of borrowings  | (312,500)                  | -                       |
| Exercise of options  | 1,477,952                  | -                       |
| Proceeds from convertible notes                                    | -                          | 341,000                 |
| <b>Net cash inflow from financing activities</b>                   | <b>2,717,616</b>           | <b>341,000</b>          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>        | <b>52,555</b>              | <b>(171,806)</b>        |
| Cash and cash equivalents at the beginning of the financial period | 3,206,855                  | 234,689                 |
| Effects of exchange rate changes on cash and cash equivalents      | 3,459                      | (10,923)                |
| <b>Cash and cash equivalents at end of the period</b>              | <b>3,262,869</b>           | <b>51,960</b>           |

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated financial statements of the Aura Energy Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Aura Energy Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The Interim Financial Statements have been approved and authorised for issue by the board on 7 March 2022.

### (a) New and amended standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Financial Reporting Standards (IFRS) and the International Accounting Standards Board (IASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (b) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$624,048 (31 December 2020: \$1,699,461) and a net cash outflow from operating activities of \$1,200,759 (31 December 2020: \$304,961).

As at 31 December 2021, the Group had surplus working capital of \$2,724,164 (30 June 2021: \$1,604,280).

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flow to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

## 2 Segment information

### (a) Description of segments and principal activities

The Group operates predominately in the mining industry. This comprises exploration and evaluation of various projects. Inter-segment transactions are priced at cost to the consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the board of directors on a monthly basis. Management has identified the operating segments based on the three principal project - uranium, vanadium and gold and base metals. The Group also maintains a corporate function primarily responsible for overall management of the operating segments, raising capital and distributing funds to operating segments.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Corporate segment.

## 2 Segment information (continued)

### (b) Financial breakdown

| Consolidated entity<br>31 December 2021 | Uranium<br>\$  | Vanadium<br>\$   | Gold and base<br>metals<br>\$ | Corporate<br>\$  | Total<br>\$      |
|---|----------------|------------------|-------------------------------|------------------|------------------|
| Segment income                          | -              | -                | -                             | 92,496           | 92,496           |
| Realised & unrealised gains/(losses)    | 289,376        | (230,428)        | 7,297                         | (14,126)         | 52,119           |
| <b>Total income</b>                     | <b>289,376</b> | <b>(230,428)</b> | <b>7,297</b>                  | <b>78,370</b>    | <b>144,615</b>   |
| Employee benefits                       | -              | -                | -                             | (233,273)        | (233,273)        |
| General & administration expenses       | (69)           | (11,855)         | (131)                         | (461,175)        | (473,230)        |
| Share-based payments                    | -              | -                | -                             | (62,160)         | (62,160)         |
| <b>Profit/(loss) for the period</b>     | <b>289,307</b> | <b>(242,283)</b> | <b>7,166</b>                  | <b>(678,238)</b> | <b>(624,048)</b> |

#### As at 31 December 2021

|                          |                   |                  |                  |                  |                   |
|--------------------------|-------------------|------------------|------------------|------------------|-------------------|
| <b>Assets</b>            |                   |                  |                  |                  |                   |
| Segment assets           | 13,619,448        | 1,377,668        | 7,061,334        | 3,402,733        | 25,461,183        |
| <b>Total assets</b>      | <b>13,619,448</b> | <b>1,377,668</b> | <b>7,061,334</b> | <b>3,402,733</b> | <b>25,461,183</b> |
| <b>Liabilities</b>       |                   |                  |                  |                  |                   |
| Segment liabilities      | -                 | -                | -                | 676,075          | 676,075           |
| <b>Total liabilities</b> | <b>-</b>          | <b>-</b>         | <b>-</b>         | <b>676,075</b>   | <b>676,075</b>    |

| Consolidated entity<br>31 December 2020 | Uranium<br>\$ | Vanadium<br>\$ | Gold and base<br>metals<br>\$ | Corporate<br>\$    | Total<br>\$        |
|---|---------------|----------------|-------------------------------|--------------------|--------------------|
| Covid 19 Relief                         | -             | -              | -                             | 30,452             | 30,452             |
| Realised & unrealised gains/(losses)    | -             | -              | -                             | (10,923)           | (10,923)           |
| <b>Total income</b>                     | <b>-</b>      | <b>-</b>       | <b>-</b>                      | <b>19,529</b>      | <b>19,529</b>      |
| Employee benefits                       | -             | -              | -                             | (338,548)          | (338,548)          |
| Share-based payments                    | -             | -              | -                             | (10,500)           | (10,500)           |
| General & administration expenses       | (50)          | (5)            | (27)                          | (1,369,860)        | (1,369,942)        |
| <b>Profit/(loss) for the period</b>     | <b>(50)</b>   | <b>(5)</b>     | <b>(27)</b>                   | <b>(1,699,379)</b> | <b>(1,699,461)</b> |

#### As at 30 June 2021

|                          |                   |                  |                |                  |                   |
|--------------------------|-------------------|------------------|----------------|------------------|-------------------|
| <b>Assets</b>            |                   |                  |                |                  |                   |
| Segment assets           | 12,413,115        | 7,222,843        | 805,234        | 3,267,244        | 23,708,436        |
| <b>Total assets</b>      | <b>12,413,115</b> | <b>7,222,843</b> | <b>805,234</b> | <b>3,267,244</b> | <b>23,708,436</b> |
| <b>Liabilities</b>       |                   |                  |                |                  |                   |
| Segment liabilities      | -                 | 3,395            | -              | 1,704,127        | 1,707,522         |
| <b>Total liabilities</b> | <b>-</b>          | <b>3,395</b>     | <b>-</b>       | <b>1,704,127</b> | <b>1,707,522</b>  |

### 3 Other income and expense items

#### (a) Other income

|                   | <b>Consolidated entity</b> |                         |
|-------------------|----------------------------|-------------------------|
|                   | <b>31 December 2021</b>    | <b>31 December 2020</b> |
|                   | \$                         | \$                      |
| Other income      | 92,496                     | -                       |
| Government grants | -                          | 30,452                  |
|                   | <u>92,496</u>              | <u>30,452</u>           |

#### (b) Other gains/(losses)

|                                     | <b>Consolidated entity</b> |                         |
|-------------------------------------|----------------------------|-------------------------|
|                                     | <b>31 December 2021</b>    | <b>31 December 2020</b> |
|                                     | \$                         | \$                      |
| Net gain/(loss) on foreign currency | 52,119                     | (10,923)                |
|                                     | <u>52,119</u>              | <u>(10,923)</u>         |

#### (c) Breakdown of expenses by nature

|  | <b>Consolidated entity</b> |                         |
|--|----------------------------|-------------------------|
|  | <b>31 December 2021</b>    | <b>31 December 2020</b> |
|  | \$                         | \$                      |
| <b>General and administration expenses</b> |                            |                         |
| Accounting and audit                       | (111,207)                  | (18,048)                |
| Computers and communication                | (13,904)                   | (14,029)                |
| Consulting                                 | (58,687)                   | (546,062)               |
| Depreciation                               | (506)                      | (499)                   |
| Insurance                                  | 6,313                      | (4,688)                 |
| Investor relations                         | (56,535)                   | (1,791)                 |
| Legal                                      | (85,673)                   | (465,640)               |
| Listing and share registry                 | (131,488)                  | (54,014)                |
| Occupancy                                  | (10,393)                   | (35,542)                |
| Travel and entertainment                   | (8,670)                    | -                       |
| Other                                      | (2,509)                    | (17,332)                |
|  | <u>(473,259)</u>           | <u>(1,157,645)</u>      |



#### 4 Exploration and evaluation

| Consolidated entity                                 | Tiris uranium<br>\$ | Haggan vanadium<br>\$ | Tasiast South<br>gold<br>\$ | Total<br>\$       |
|---|---------------------|-----------------------|-----------------------------|-------------------|
| <b>Half-year ended 31 December 2021</b>             |                     |                       |                             |                   |
| Opening net book amount                             | 12,368,557          | 7,222,843             | 805,234                     | 20,396,634        |
| Expenditure capitalised during the financial period | 952,614             | 6,320                 | 561,464                     | 1,520,398         |
| Exchange differences                                | 298,277             | (167,829)             | 10,970                      | 141,418           |
| <b>Closing net book value</b>                       | <b>13,619,448</b>   | <b>7,061,334</b>      | <b>1,377,668</b>            | <b>22,058,450</b> |

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

On 22 May 2018, the Group lodged exploitation applications for Ain Sder, Oued El Foule and Oum Ferkik.

The Islamic Republic of Mauritania granted exploitation licenses for the Ain Sder and Oued El Foule on 9 February 2019. The Group is in discussions with the government to secure an exclusivity over the Oum Ferkik tenement.

The pandemic has prevented the Group from continuing negotiations of an exclusivity over the Oum Ferkik tenement and as a consequence the board of directors decided to recognise an impairment of the carrying value of the Oum Ferkik tenement of \$2.508 million in the prior year. The board of directors believes its relationship with the government will result in it eventually securing an exclusivity and notes that the government has not revoked the Oum Ferkik tenement due to the representations made by the Group to secure the exclusivity.

#### 5 Financial liabilities

##### (a) Trade and other payables

|   | <b>Consolidated entity</b><br><b>31 December</b><br><b>2021</b><br><b>\$</b> | <b>30 June</b><br><b>2021</b><br><b>\$</b> |
|---|--|--|
| Trade payables                              | 205,245  | 408,156                                    |
| Accrued expenses                            | 319,577  | 410,979                                    |
| Payroll tax and other statutory liabilities | 139,156  | 16,067                                     |
| Other payables                              | 9,605  | 336,399                                    |
|   | <b>673,583</b>   | <b>1,171,601</b>                           |

## 5 Financial liabilities (continued)

### (b) Borrowings

| Consolidated entity                     | Total<br>\$ |
|---|-------------|
| <b>Half-year ended 31 December 2021</b> |             |
| Opening balance                         | 312,500     |
| Settlement                              | (312,500)   |
| Closing amount                          | -           |

#### *L1 Capital Global Opportunities Master Fund Convertible note*

On 19 August 2020, the Group entered into a Convertible Securities Agreement with L1 Capital Global Opportunities Master Fund. The Group issued 250,000 convertible securities for a consideration of \$250,000. A facility fee of \$9,000 was payable by the Group on inception of the agreement. L1 Capital advanced the Group the net amount on inception of the agreement. The securities have a face value of \$312,500 and \$62,500 finance costs have been recognised accordingly.

Under the Convertible Securities Agreement, L1 Capital was entitled to 50,000,000 options (pre consolidation) over 2 series.

Series A: 25,000,000 options with an exercise price of 0.4 pence, converted into AUD using the Exchange Rate on the day immediately prior to the Execution Date and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

Series B: 25,000,000 Options with an exercise price equal to the closing VWAP on the London Stock Exchange on the Actual Trading Day immediately prior to the date Shareholder Approval is obtained converted into AUD using the Exchange Rate on the same day and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

On 21 December 2020, the options component of the agreement was amended. On 9 April 2021, L1 Capital was issued 3,846,153 options (post consolidation) with an exercise price of \$0.052 and expiring on 30 June 2024.

On 13 September 2021, the Group repaid L1 Capital the face value of the borrowings \$312,500.

## 6 Equity

|                            | 31 December<br>2021<br>Shares | 30 June<br>2021<br>Shares | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
|----------------------------|-------------------------------|---------------------------|---------------------------|-----------------------|
| Ordinary shares            |                               |                           |                           |                       |
| Fully paid                 | 420,726,385                   | 395,962,187               | 58,105,793                | 56,227,736            |
| <b>Total share capital</b> | <b>420,726,385</b>            | <b>395,962,187</b>        | <b>58,105,793</b>         | <b>56,227,736</b>     |

## 6 Equity (continued)

### (i) Movements in ordinary shares:

|  | Number of<br>shares | Total<br>\$       |
|--|---------------------|-------------------|
| <b>Balance at 1 July 2021</b>  | <b>395,962,187</b>  | <b>56,227,736</b> |
| Shares issued on conversion of performance rights, valued at \$0.273 (3 August 2021) | 641,025             | 175,000           |
| Shares issued at \$0.104 on exercise of options (23 September 2021)                  | 2,553,420           | 265,556           |
| Shares issued at \$0.052 on exercise of options (15 October 2021)                    | 5,384,614           | 280,000           |
| Shares issued at \$0.098 on exercise of options (18 October 2021)                    | 1,538,461           | 150,769           |
| Shares issued at \$0.104 on exercise of options (19 November 2021)                   | 384,615             | 40,000            |
| Shares issued at \$0.052 on exercise of options (7 December 2021)                    | 10,083,251          | 524,329           |
| Shares issued at \$0.052 on exercise of options (21 December 2021)                   | 4,178,812           | 217,298           |
| Transfer from reserves on exercise of options during the period                      | -                   | 454,041           |
| Less: Transaction costs arising on share issues                                      | -                   | (228,936)         |
| <b>Balance at 31 December 2021</b>   | <b>420,726,385</b>  | <b>58,105,793</b> |

### (b) Other reserves

The following table shows a breakdown of the condensed consolidated balance sheet line item 'other reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

|  | Share-based<br>payments<br>\$ | Foreign<br>currency<br>translation<br>\$ | Total other<br>reserves<br>\$ |
|--|-------------------------------|--|-------------------------------|
| <b>At 1 July 2021</b>                                | <b>1,593,238</b>              | <b>472,605</b>                           | <b>2,065,843</b>              |
| Currency translation differences                     | -                             | 66,676                                   | 66,676                        |
| <b>Other comprehensive income</b>                    | -                             | 66,676                                   | 66,676                        |
| Transactions with owners in their capacity as owners |                               |  |                               |
| Issue of options                                     | 2,030,390                     | -  | 2,030,390                     |
| Options exercised                                    | (454,041)                     | -  | (454,041)                     |
| Conversion of performance shares                     | (175,000)                     | -  | (175,000)                     |
| Loan funded securities                               | 62,160                        | -  | 62,160                        |
| <b>At 31 December 2021</b>                           | <b>3,056,747</b>              | <b>539,281</b>                           | <b>3,596,028</b>              |

### (i) Nature and purpose of other reserves

#### Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and loan funded shares issued to key management personnel, other employees and eligible contractors.

#### Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 6 Equity (continued)

### (c) Share based payments

The shareholders authorised the issue of loan funded shares to directors, executives and senior consultants at the AGM on 21 December 2021. The loan funded shares have the following vesting conditions:

- Tranches 1, 2 and 3:
  - Continuous employment/engagement with the Group; and
- Tranche 1:
  - when the daily volume weighted average price ("VWAP") of the Group's Shares meets the share price performance hurdle of \$0.50 on 10 days on any 20 sequential trading days; and
  - eligible to vest 12 months after grant date;
- Tranche 2:
  - when the daily VWAP of the Group's shares meets the share price performance hurdle of \$0.75 on 10 days on any 20 sequential trading days; and
  - eligible to vest 24 months after grant date;
- Tranche 3:
  - when the daily VWAP of the Group's shares meets the share price performance hurdle of \$1.00 on 10 days on any 20 sequential trading days; and
  - eligible to vest 36 months after grant date.

The loan funded shares granted have been valued using a Monte Carlo Simulation, taking into account the terms and conditions upon which the loan funded shares were granted. The valuation of loan funded shares for Key Management Personnel and consultants is summarised as follows:

| <b>Key Management Personnel</b> | <b>Tranche 1</b> | <b>Tranche 2</b> | <b>Tranche 3</b> |
|---------------------------------|------------------|------------------|------------------|
| Share price hurdle              | \$0.50           | \$0.75           | \$1.00           |
| Share price at grant date       | \$0.245          | \$0.245          | \$0.245          |
| Grant date                      | 21 December 2021 | 21 December 2021 | 21 December 2021 |
| Expected volatility             | 145.6%           | 145.6%           | 145.6%           |
| Expiry date                     | 21 December 2026 | 21 December 2026 | 21 December 2026 |
| Expected dividends              | -                | -                | -                |
| Risk Free interest rate         | 1.35%            | 1.35%            | 1.35%            |
| Value per loan share            | \$0.2313         | \$0.2273         | \$0.1987         |
| Number of loan shares           | 2,400,000        | 3,600,000        | 6,000,000        |

| <b>Consultants</b>        | <b>Tranche 1</b> | <b>Tranche 2</b> | <b>Tranche 3</b> |
|---------------------------|------------------|------------------|------------------|
| Share price hurdle        | \$0.50           | \$0.75           | \$1.00           |
| Share price at grant date | \$0.245          | \$0.245          | \$0.245          |
| Grant date                | 21 December 2021 | 21 December 2021 | 21 December 2021 |
| Expected volatility       | 145.6%           | 145.6%           | 145.6%           |
| Expiry date               | 21 December 2026 | 21 December 2026 | 21 December 2026 |
| Expected dividends        | -                | -                | -                |
| Risk Free interest rate   | 1.35%            | 1.35%            | 1.35%            |
| Value per loan share      | \$0.2313         | \$0.2273         | \$0.1987         |
| Number of loan shares     | 1,600,000        | 2,400,000        | 4,000,000        |

As at 31 December 2021, \$62,160 has been recognised as a share-based payment expense.

## 7 Interests in other entities

### (a) Subsidiaries

The Group's subsidiaries at 31 December 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity                          | Place of business/<br>country of<br>incorporation | Ownership interest held<br>by the Group |                      |
|---|---|---|----------------------|
|   |   | 31 December<br>2021<br>%                | 30 June<br>2021<br>% |
| Vanadis Battery Metals AB               | Sweden  | 100                                     | 100                  |
| Aura Energy Mauritania Pty Ltd          | Australia   | 100                                     | 100                  |
| Tiris Ressources SA                     | Mauritania  | 85                                      | 85                   |
| Tiris International Mining Company sarl | Mauritania  | 100                                     | 100                  |
| Archaean Greenstone Gold Pty Ltd        | Australia   | 100                                     | -                    |

## 8 Events occurring after the reporting period

### *Exercise of options*

Between year end and the date of this report, shareholders have exercised 3,714,544 options at an exercise price of \$0.052, raising \$193,156 in funds.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that Aura Energy Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr Philip Mitchell  
Non-Executive Chairman

Melbourne  
7 March 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AURA ENERGY LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aura Energy Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
**HALL CHADWICK WA AUDIT PTY LTD**

  
**DOUG BELL CA**  
**Director**

Dated this 7<sup>th</sup> day of March 2022  
Perth, Western Australia

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