
AURA ENERGY LIMITED

ACN 115 927 681

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: 10 July 2009

PLACE: Barringtons House
Level 1
283 Rokeby Road
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9228 0711.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	8
Proxy Form	ENCLOSED

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Aura Energy Limited to which this Notice of Meeting relates will be held at 10:00am (WST) on 10 July 2009 at:

Barringtons House, Level 1, 283 Rokeby Road, Subiaco, WA, 6008

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Aura Energy Limited, Unit 6, 34 York Street, North Perth, Western Australia; or
- (b) by facsimile to the Company on facsimile number (08) 9228 0704,

so that it is received not later than 10:00am (WST) on 8 July 2009.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Aura Energy Limited will be held at 10:00am (WST) on 10 July 2009 at Barringtons House, Level 1, 283 Rokeby Road, Subiaco, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 8 July 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ALLOTMENT AND ISSUE OF 10,000,000 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 10,000,000 Shares at an issue price of \$0.10 per Share, on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Under Listing Rule 7.1, the Company may issue up to 15% of its ordinary share capital in any 12 month rolling period without shareholder approval. By obtaining the prior approval of Shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR SHARE ISSUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 7,106,434 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on the Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 9 JUNE 2009

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'J. Stephenson', with a stylized flourish at the end.

**AURA ENERGY LIMITED
JAY STEPHENSON
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Barringtons House, Level 1, 283 Rokeby Road, Subiaco, Western Australia at 10:00am (WST) on 10 July 2009.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. BACKGROUND

Placement

On 5 June 2009, the Company announced that it had entered into subscription agreements to, subject to Shareholder approval, place 10,000,000 Shares (**Placement Shares**) at an issue price of \$0.10 each to raise \$1,000,000 (**Subscription Agreements**).

The purpose of Resolution 1 is to obtain Shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes.

Share Purchase Plan Shortfall

On 19 May 2009, the Company announced that it had closed its Share Purchase Plan and that it intended to place 7,106,434 Shares which were shortfall under the Share Purchase Plan (**Shortfall Shares**). As announced on 29 May 2009, the Company completed the issue of the Shortfall Shares at \$0.10 to raise \$710,643.

The purpose of Resolution 2 is to ratify the placement of the Shortfall Shares for the purpose of ASX Listing Rule 7.4 and all other purposes.

2. RESOLUTION 1 – ALLOTMENT AND ISSUE OF 10,000,000 PLACEMENT SHARES

2.1 ASX LISTING RULE 7.1

As detailed in Section 1, Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 10,000,000 Shares in accordance with the terms of the Subscription Agreements.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting.

The Company is seeking Shareholder approval under Listing Rule 7.1 for the proposed offer of up to 10,000,000 Placement Shares pursuant to the terms of the Subscription Agreements, to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- the maximum number of securities to be issued is 10,000,000 Shares;
- the Placement Shares will be issued at a price of \$0.10 per Share;
- the Placement Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- the Shares will rank equally with the Company's current issued Shares and the Company will seek quotation of the Shares on ASX;
- it is intended that allotment of the Placement Shares will occur on one date;
- the Placement Shares will be allotted and issued to clients of Shaw Stockbroking Limited and to sophisticated investors as determined by the Board and these persons will not be related parties of the Company; and
- the Company intends to use the funds raised from the issue of the Placement Shares for the development of its projects and for general working capital.

The Directors recommend that Shareholders vote in favour of Resolution 1

3. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHORTFALL SHARES

3.1 ASX LISTING RULE 7.4

As detailed in Section 1, Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the previous issue of 7,106,434 Shares to sophisticated investors.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue of the Shortfall Shares:

- the total number of securities allotted was 7,106,434 Shares;
- the Shortfall Shares were issued at a price of \$0.10 per Share;
- the Shortfall Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally with the Company's current issued Shares;
- the Shortfall Shares were allotted and issued to clients of Shaw Stockbroking Limited and to sophisticated investors and these persons were not related parties of the Company; and

- the funds raised from the issue of the Shortfall Shares were used for the development of the Company's projects and for working capital.

The Directors recommend that Shareholders vote in favour of Resolution 2.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Days means any day other than a Saturday, Sunday or public holiday in the State of Western Australia.

Company means Aura Energy Limited (ACN 115 927 681).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Purchase Plan means the Company's share purchase plan announced on 2 April 2009 pursuant to which Shareholders were entitled to apply for up to \$5,000 worth of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
AURA ENERGY LIMITED
ACN 115 927 681**

GENERAL MEETING

I/We

of

being a member of Aura Energy Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10:00am (WST), on 10 July 2009 at Barringtons House, Level 1, 283 Rokeby Road, Subiaco, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 and 2** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 and 2 and that votes cast by the Chair of the General Meeting for Resolutions 1 and 2 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 and 2.

OR

Voting on Business of the General Meeting

Resolution 1 – Allotment and Issue of 10,000,000 Placement Shares
Resolution 2 – Ratification of Issue of Shortfall Shares

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

AURA ENERGY LIMITED
ACN 115 927 681

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) by post to Aura Energy Limited, Unit 6, 34 York Street, North Perth, Western Australia; or
 - (b) by facsimile to the Company on facsimile number (08) 9228 0704,

so that it is received not later than 10:00am (WST) on 8 July 2009.

Proxy forms received later than this time will be invalid.