

8 April 2014

NOTICE OF GENERAL MEETING

Aura Energy advises that it will hold a general meeting of shareholders on 8 May 2014 to consider and if thought fit, pass the resolutions set out in the attached Notice of Meeting that is being mailed to shareholders.

The resolutions include approval for the issue of fully paid, ordinary shares to directors in lieu of the payment of salary and fees (Fee Shares). The terms, conditions and amounts concerned are in the Notice of Meeting.

The ASX has issued a waiver from Listing Rule 10.13.5 for the Notice of Meeting not to include an issue price in respect of issue of the Fee Shares, subject to certain conditions, being:

- the Notice of Meeting states that the number of Fee Shares to be issued will be calculated by dividing the amount of salary or fees forgone in a particular month by the monthly volume weighted average trading price of Shares on the ASX for that month;
- the terms of the waiver being released to the market no later than the time the Notice of Meeting is released to the market; and
- the Company's Annual Report for any period in which Fee Shares are issued discloses the number of Fee Shares issued to each director (or their nominees) and the percentage of the Company's issued capital represented by those Fee Shares.

For further information contact:

Stan Zillwood

Company Secretary, +61 (0)3 9890 1744

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Headquartered in Melbourne and listed on the ASX, Aura Energy (AEE) is an explorer and developer of uranium assets. The company has advanced uranium projects with large resources that are close to the surface in both Europe and Africa and also has a resource in Australia. Aura holds a total of 860 million pounds (389,000 tonnes) uranium in inferred resources. Its two main projects include: the Häggån Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by completing feasibility studies on these two projects.

AURA ENERGY LIMITED

ACN 115 927 681

NOTICE OF GENERAL MEETING

TIME: 11:00 AEST

DATE: 8 May 2014

PLACE: Suite 3, Level 1, 19-23 Prospect Street, Box Hill, Victoria

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 +61 3 9890 1744.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 AEST on 8 May 2014 at:

Suite 3, Level 1, 19-23 Prospect Street, Box Hill, Victoria

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEST) on 6 May 2014.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTE

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of the Convertible Note (and the issue of 5,813,953 Shares on conversion of the Convertible Note) to The Australian Special Opportunity Fund, LP (Lind) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by The Australian Special Opportunity Fund, LP 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 ISSUES OF SHARES AND OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 5,146,378 Shares to HSBC Custody Nominees (Australia) Limited (HSBC), a nominee of Lind; and

(b) 2,600,000 Options to Lind,

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of \$75,000 worth of Shares to HSBC, a nominee of Lind, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by HSBC Custody Nominees (Australia) Limited 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.

4. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to \$450,000 worth of Shares to Lind (or its nominee, HSBC) on the terms and conditions set out in the Explanatory Statement."

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 might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, 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.

5. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF SHARES - PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 70,000,000 Shares at an issue price of not less than 80% of the average market price for the Shares on the ASX over the last 5 trading days on which sales in the Shares were recorded before the date of the proposed issue and otherwise on the terms and conditions set out in the Explanatory Statement."

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 might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, 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.

6. RESOLUTION 6 - ISSUE OF SHARES TO RELATED PARTY – DR ROBERT BEESON

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$19,500 worth of Shares to Dr Robert Beeson (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Dr Robert Beeson (and his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 - ISSUE OF SHARES TO RELATED PARTY – MR PETER REEVE

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$31,150 worth of Shares to Mr Peter Reeve (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Reeve (and his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 - ISSUE OF SHARES TO RELATED PARTY – MR JULIAN PERKINS

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$22,950 worth of Shares to Mr Julian Perkins (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Julian Perkins (and his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 - ISSUE OF SHARES TO RELATED PARTY – MR BRETT FRASER

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

"That, for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to \$17,450 worth of Shares to Mr Brett Fraser (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Brett Fraser (and his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 4 April 2014

By order of the Board

Stan Zillwood
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND

As announced on 3 March 2014, the Company entered into a share purchase and convertible security agreement (**Agreement**) on 28 February 2014 with The Australian Special Opportunity Fund, LP, a fund managed by Lind Partners LLC (together **Lind**) which provides for up to AU\$3.8 million in financing over 2 years by way of monthly subscriptions for Shares.

In accordance with the Agreement, on 6 March 2014 the Company issued the following securities without prior Shareholder approval under its ASX Listing Rule 7.1 15% placement capacity:

- (a) to Lind, a convertible note with a face value of AU\$250,000 (**Convertible Note**) to Lind;
- (b) to HSBC Custody Nominees (Australia) Limited (**HSBC**), a nominee of Lind, a total of 5,146,378 Shares comprising:
 - (i) 2,200,000 Shares as collateral for the Convertible Note (**Collateral Shares**); and
 - (ii) 2,946,378 Shares to satisfy a commencement fee of AU\$125,000 in relation to the Agreement (**Commencement Fee Shares**); and
- (c) to Lind, 2,600,000 Options exercisable at 4.8 cents each within 3 years of the date of issue (**Options**) as part consideration for execution of the Agreement.

On 6 March 2014 Lind advanced \$75,000 to the Company for the first monthly subscription of Shares under the Agreement. The Company will issue \$75,000 worth of Shares to Lind (or its nominee, HSBC) on or about 3 April 2014 in accordance with the Agreement.

The Company intends to complete further monthly issues of Shares to Lind in accordance with the Agreement.

2. RESOLUTION 1 – RATIFICATION OF ISSUE OF CONVERTIBLE NOTE

2.1 General

Resolution 1 seeks Shareholder ratification under ASX Listing Rule 7.4 for the issue of the Convertible Note and the issue of 5,813,953 Shares on conversion of the Convertible Note (the **Ratification**).

The key terms of the Convertible Note include:

- (a) the face value of the Convertible Note is \$250,000;
- (b) the Convertible Note has a term of 2 years to 6 March 2016 (**Term**);
- (c) the Convertible Note does not bear interest, is unsecured and will not be quoted;
- (d) the Convertible Note is convertible into Shares after the 90 day period that follows the date of the Agreement (**Lock-up Period**) at the election of Lind, and

must be fully converted at the end of the Term to the extent not already converted or redeemed;

- (e) the conversion price per Share is equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date of a conversion notice (**Conversion Price**); and
- (f) the conversion of the Convertible Note is not subject to Shareholder approval unless this would breach the ASX Listing Rules. As such, when the Convertible Note was issued:
 - (i) as announced by the Company in its Appendix 3B, based on a Conversion Price equal to the current market price of Shares on 6 March 2014 of 4.3 cents per Share, the Convertible Note could be converted into up to 5,813,953 Shares; and
 - (ii) the Company's 15% placement capacity was deemed to be reduced by 5,813,953 Shares as a result of the issue of the Convertible Note.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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 the issue of the Convertible Note (and the reduction of 5,813,953 Shares in the Company's placement capacity) the Company's 15% placement capacity under ASX Listing Rule 7.1, to the extent it was reduced as a result of the issue of the Convertible Note, will be re-instated.

2.2 Technical information required by ASX Listing Rule 7.4

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) the Company has issued Lind with one Convertible Note with a face value of \$250,000;
- (b) the Convertible Note will be converted into Shares based on the Conversion Price;
- (c) the material terms of the Convertible Note are set out in clause 2.1 of this Notice;
- (d) the Shares issued on conversion of the Convertible Note will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. Based on a Conversion Price of 4.3 cents, being the market price of Shares on 5 March 2014, the day before the Convertible Note was issued, the Convertible Note is convertible into a maximum of 5,813,953 Shares;
- (e) the Convertible Note was issued to The Australian Special Opportunity Fund, LP, which is not a related party of the Company; and

- (f) the funds raised from the issue of the Convertible Note is to be used towards conducting a scoping study for the Company's Reguibat project and for general working capital purposes.

3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUES OF SHARES AND OPTIONS

3.1 General

As detailed in Section 1 above, on 6 March 2014 the Company issued:

- (a) HSBC a total of 5,146,378 Shares comprising:
- (i) 2,200,000 Collateral Shares; and
 - (ii) 2,946,378 Commencement Fee Shares; and
- (b) Lind with 2,600,000 Options.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the above Shares and Options (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 2.1 above.

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.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) the following Shares and Options were issued:
- (i) 2,200,000 Shares as Collateral Shares;
 - (ii) 2,946,378 Shares as Commencement Fee Shares; and
 - (iii) 2,600,000 Options;
- (b) the 2,200,000 Collateral Shares were issued for nil cash consideration as they were issued as collateral for the Convertible Note pursuant to the Agreement;
- (c) the 2,946,378 Commencement Fee Shares were issued for nil cash consideration as they were issued in satisfaction of a non-refundable commencement fee in the amount of AU\$125,000 pursuant to the Agreement;
- (d) the 2,600,000 Options were issued for nil cash consideration as they were issued as part of the fee structure pursuant to the Agreement;
- (e) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options were issued on the terms and conditions set out in Schedule 1;
- (g) the Shares were issued to HSBC Custody Nominees (Australia) Limited (**HSBC**), a nominee of Lind, which is not a related party of the Company. The Options were issued to The Australian Special Opportunity Fund, LP, which is not a related party of the Company; and

- (h) no funds were raised from this issue as the Shares and Options were issued as set out above pursuant to the Agreement.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 General

As detailed in Section 1 above, on 6 March 2014 Lind advanced \$75,000 to the Company for the first monthly subscription of Shares under the Agreement.

The Company will issue \$75,000 worth of Shares to Lind (or its nominee, HSBC) on or about 3 April 2014, before the date of this Notice.

The issue price of the Shares will equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued (**Issue Price**).

As such, the actual number of Shares that will be issued is not currently known. Once issued, the Company will announce how many Shares it has issued in accordance with the ASX Listing Rules.

Set out below is a worked example of the number of Shares that may be issued based on Issue Prices of \$0.02, \$0.03 and \$0.04 (assuming no further Shares are issued or Options exercised).

Assumed Issue Price	Maximum number of Shares	Current Shares on issue ¹	Expanded Number of Shares	Dilution effect on existing Shareholders
\$0.02	3,750,000	188,431,969	192,181,969	1.95%
\$0.03	2,500,000	188,431,969	190,931,969	1.31%
\$0.04	1,875,000	188,431,969	190,306,969	0.99%

Note:

1. Does not include the Shares to be issued under Resolution 5 and assumes that no other Shares are issued.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to be issued on or about 3 April 2014 (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 2.1 above.

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.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the Issue Price, equals \$75,000. The Company will announce the number of Shares issued in accordance with the ASX Listing Rules before the Meeting;

- (b) the issue price will be equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued and will be announced on 3 April 2014 following the issue, but prior to the Meeting;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued to The Australian Special Opportunity Fund, LP (or its nominee, HSBC), neither of which are related parties of the Company; and
- (e) the funds raised from the issue will be used towards conducting a scoping study for Reguibat and for general working capital purposes.

5. RESOLUTION 4 – APPROVAL FOR THE ISSUE OF SHARES

5.1 General

Resolution 4 seeks Shareholder approval for the issue of up to \$450,000 worth of Shares to Lind (or its nominee, HSBC) under monthly subscriptions under the Agreement (excluding the issue under Resolution 3).

Under the Agreement, the Company must nominate monthly subscription amounts for Lind to subscribe, being between \$75,000 and \$150,000 per month.

The Company must, 28 days after receipt of a monthly subscription from Lind, issue Lind or its nominee Shares at an issue price equal to 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued (**Issue Price**).

Set out below is a worked example of the number of Shares that may be issued if the Company nominates monthly subscriptions totalling \$450,000, based on an assumed Issue Price of \$0.02, \$0.03 and \$0.04 per Share.

Assumed Issue Price	Maximum number of Shares	Current Shares on issue ¹	Expanded Number of Shares	Dilution effect on existing Shareholders
\$0.02	22,500,000	188,431,969	210,931,969	10.67%
\$0.03	15,000,000	188,431,969	203,431,969	7.37%
\$0.04	11,250,000	188,431,969	199,681,969	5.63%

Note:

1. Does not include the Shares to be issued under Resolutions 3 and 5 and assumes that no other Shares are issued.

The Company intends to seek further Shareholder approval at a later date to the extent it requires such approval to issue more than \$450,000 worth of Shares to Lind or its nominee, HSBC in accordance with the Agreement.

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

The effect of Resolution 4 will be to allow the Company to issue up to \$450,000 worth of Shares under monthly subscriptions under the Agreement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$450,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively in tranches of up to \$150,000 in accordance with the Agreement;
- (c) the issue price will be 90% of the average of three (3) consecutive daily VWAPs per Share as selected by Lind in its sole discretion during the twenty (20) consecutive trading days immediately prior to the date the Shares are issued;
- (d) the Shares will be issued to The Australian Special Opportunity Fund, LP (or its nominee, HSBC) neither of whom are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from this issue will be used towards conducting a scoping study for Reguibat and for general working capital purposes.

6. RESOLUTION 5 – APPROVAL OF THE ISSUE OF SHARES - PLACEMENT

6.1 General

Resolution 5 seeks Shareholder approval for the proposed issue of up to 70,000,000 Shares by way of a placement (**Placement**).

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

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares which may be issued is 70,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Shares will be issued to sophisticated and professional investors who are not related parties of the Company;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement as follows:

Description	Current Year
Minimum exploration and evaluation commitments on current interests	15%
Programmed additional exploration and evaluation expenditure on current interests ¹	55%
Evaluation of new projects and interests	5%
Administration	10%
Working Capital ¹	15%
Total	100%

Note 1: Any funds not expended on the evaluation of new projects and interests will be included in the Company's working capital budget.

7. RESOLUTIONS 6 TO 9 – ISSUE OF SHARES TO RELATED PARTIES

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue directors Dr Robert Beeson, Mr Peter Reeve, Mr Julian Perkins and Mr Brett Fraser (or their nominees) (the **Related Parties**) with Shares in lieu of salary and director fees (**Related Party Shares**) as follows:

- (a) Dr Robert Beeson (or his nominee) is to be issued Shares in satisfaction of up to 25% of his salary for the period 1 December 2013 to 31 May 2014;
- (b) Mr Peter Reeve (or his nominee) is to be issued Shares in satisfaction of up to 40% of his director fees for the period 1 December 2013 to 31 January 2014, and up to 100% of his director fees for the period 1 February 2014 to 31 May 2014; and
- (c) Mr Julian Perkins and Mr Brett Fraser (or their nominees) are to be issued Shares in satisfaction of up to 100% of their respective director fees for the period 1 February 2014 to 31 May 2014.

The issue price for the Related Party Shares will be, with respect to Related Party Shares issued in lieu of salary or Director fees accrued in a particular month, equal to the monthly VWAP for Shares for that month.

Set out below are worked examples of the number of Related Party Shares that may be issued to the Related Parties based on issue prices of \$0.02, \$0.03 and \$0.04 (assuming no further Shares are issued or Options exercised).

Director	Assumed Issue Price	Maximum % of salary	Maximum Number of Shares ¹	Dilution effect on existing Shareholders ¹
Dr Beeson	\$0.02	\$19,500	975,000	0.51%
	\$0.03	\$19,500	650,000	0.34%
	\$0.04	\$19,500	487,500	0.26%
P Reeve	\$0.02	\$31,150	1,557,500	0.82%
	\$0.03	\$31,150	1,038,333	0.55%

Director	Assumed Issue Price	Maximum % of salary	Maximum Number of Shares ¹	Dilution effect on existing Shareholders ¹
	\$0.04	\$31,150	778,750	0.41%
J Perkins	\$0.02	\$22,950	1,147,500	0.61%
	\$0.03	\$22,950	765,000	0.40%
	\$0.04	\$22,950	573,750	0.30%
B Fraser	\$0.02	\$17,450	872,500	0.46%
	\$0.03	\$17,450	581,666	0.31%
	\$0.04	\$17,450	436,250	0.23%

Note:

1. Assumes that no other Shares are issued under Resolutions 6 to 9.

The Company has obtained a waiver of ASX Listing Rule 10.13.5 to enable the Related Party Shares to have an issue price based on the above formula rather than stating an exact issue price in the Notice.

Resolutions 6 to 9 seeks Shareholder approval for the grant of the Related Party Shares to the Related Parties (or their nominees). To the extent Shareholders do not approve the issue of the Related Party Shares, the Related Parties will be entitled to be paid their respective salary and director fees in cash for the relevant periods.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Shares constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Directors who are consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares because the agreement to grant Related Party Shares in satisfaction of Director fees is considered reasonable remuneration in the circumstances and was negotiated on an arm' length basis.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 9:

- (a) the Related Party Shares will be granted to Dr Robert Beeson, Mr Peter Reeve, Mr Julian Perkins and Mr Brett Fraser (or their nominees);
- (b) the maximum number of Related Party Shares to be issued is:
 - (i) up to \$19,500 worth of Shares in the case of Dr Robert Beeson (being 25% of the unpaid salary owed to Dr Beeson between 1 December 2013 and 31 May 2014);
 - (ii) up to a total of \$31,150 worth of Shares in the case of Mr Peter Reeve, comprising consisting up to \$4,450 worth of Shares in lieu of up to 40% of the unpaid Director fees owed to Mr Reeve between 1 December 2013 and 31 January 2014 and up to \$26,700 worth of Shares in lieu of up to 100% of the unpaid Director fees owed to Mr Reeve between 1 February 2014 and 31 May 2014);
 - (iii) up to \$22,950 worth of Shares in the case of Mr Julian Perkins (being 100% of the unpaid Director fees owed to Mr Perkins between 1 February 2014 and 31 May 2014); and
 - (iv) up to \$17,450 worth of Shares in the case of Mr Brett Fraser (being 100% of the unpaid Director fees owed to Mr Perkins between 1 February 2014 and 31 May 2014);
- (c) the issue price of the Related Party Shares will be, in respect of Shares issued in lieu of salary or Director fees accrued in a particular month, equal to the monthly VWAP for Shares for that month;
- (d) the Related Party Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Related Party Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Shares to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Victoria.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Collateral Shares means the 2,200,000 Shares, issued to HSBC in accordance with the Agreement.

Commencement Fee Shares means 2,946,378 Shares to be issued to HSBC in satisfaction of a non-refundable commencement fee in the amount of AU\$125,000 pursuant to the Agreement.

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.

General Meeting or **Meeting** means the meeting convened by the Notice.

Lind means The Australian Special Opportunity Fund, LP or Lind Partners, LLC, as the context requires.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Agreement means the Share Purchase and Convertible Agreement entered into between the Company and The Australian Special Opportunity Fund, LP dated 28 February 2014.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS OF OPTIONS

1.1 Nature of Options

- (a) Each Option shall grant the holder of that Option the right to be issued one Share at an exercise price of \$0.0482 per Option (**Option Exercise Price**).
- (b) Each Option shall be exercisable at any time after the time of its grant and prior to 6 March 2017, after which time it will lapse.

1.2 Exercise of Options

- (a) Without limiting the generality of, and subject to, the other provisions of the Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to the Agreement as Annexure A (the **Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time (the **Exercise Price**), by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than one (1) Business Day after receipt of a duly completed Exercise Form and the payment referred to in clause 1.2(a)(ii), the Company shall cause its securities registrar to:
 - (i) issue and electronically deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded on the Share register.

1.3 Bonus Issues

If, prior to an exercise of an Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

1.4 Rights Issues

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

1.5 Reconstruction of Capital

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

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

1.6 Cumulative Adjustments

Full effect shall be given to the provisions of clauses 1.3 to 1.5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

1.7 Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to this Agreement, the Company shall give notice of the adjustment to all the Option holders, within one (1) Business Day.

1.8 Rights Prior to Exercise

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

1.9 Redemption

The Options shall not be redeemable by the Company.

1.10 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law. The Company will not apply for quotation of the Options on ASX.