

30 APRIL 2019

AURA COMPLETES A\$2.0 MILLION FINANCING

FUNDING WILL TAKE AURA TO 'DECISION TO DEVELOP' TIRIS

**HÄGGÅN DRILLING, RESOURCE UPGRADE AND SCOPING STUDY
ON TARGET FOR MID YEAR COMPLETION**

**EXPORT CREDIT AGENCY PROJECT DEVELOPMENT
FINANCE PROCESS UNDERWAY**

- **Aura secures A\$2m finance from Lind Global Macro Fund LP**
- **Completion of Tiris DFS remains Aura's key focus**
- **Häggån Resource upgrade drilling complete**
- **Häggån Resource upgrade and Scoping Study by mid-year**

Aura Energy Limited (ASX:AEI, AIM:AURA) is pleased to announce that it has secured a A\$2 million financing from Lind Partners LLC, based in New York.

The funding, in the form of a convertible note, will provide funding for the completion of the final elements of the Tiris Definitive Feasibility Study (DFS), the completion of the Häggån Scoping Study and for general corporate purposes.

Peter Reeve, Aura Energy's Executive Chairman said "Aura's business is currently in its strongest position since inception, with our three distinct business areas of uranium, vanadium and gold, base and battery metals exploration each in an excellent position. Aura will continue to methodically progress its projects to a high technical standard and will not be distracted from this course."

"There are very few companies that can claim to have a fully permitted mining project as Aura has with Tiris Uranium Project. This aspect combined with the strong status of the Häggån Vanadium Project and the newly granted gold, base and battery metal exploration tenements will ensure Aura's fundamental strength for years to come. It is a position Aura has worked hard to achieve and this funding progresses that position further", he said.

Previous Placement

Aura previously conducted a placement in early February 2019 and included a Share Purchase Plan (SPP) as part of the raising. The proceeds of both the placement and SPP were lower than expected (as further disclosed in the cleansing statement released 30th April 2019) and ultimately some subscriptions were not honoured. This reduced the funds available for the company's work programs which were slowed, particularly elements of the Tiris DFS completion.

It is anticipated this finance will allow remaining work on the Tiris DFS to be completed in a timely manner and allow Aura to plan clearly for the next phase of Tiris' development.

Tiris DFS Update

The Tiris DFS continues to progress to completion albeit at a slower pace than expected.

As reported previously, during the test work validation phase a materials handling issue was identified. This was diagnosed to be caused by clays and required analysis and review. Within a short period of time, Aura's Principal Metallurgist, Dr Will Goodall, had completed a first principles study of the issue and was able to understand the detailed clay mineralogy involved, the root cause, and a solution to prevent its occurrence during operation.

Whilst this caused a delay in the DFS, Aura is pleased the technical team discovered and resolved this issue within the study phase. This has allowed accommodation of the issue in the design of the relevant parts of the process plant and the adjustment of costs to be incorporated into the final DFS estimate. This optimisation process is ongoing.

The water sourcing program was also delayed due to the lower proceeds from the initial placement. This funding allows this priority program to be completed. Substantial evaluation for water in the surrounding area close to the Tiris plant site has been recently completed. This has included a recent successful geophysical program which aimed to delineate the relevant structures and drill targets for the water sourcing program.

As previously advised, the abundant water at the Taoudeni Basin, the site of Aura's initial water search, remains the back-up for water sourcing for Tiris. The drilling planned closer to site is aimed at lowering the capital and operating costs and will continue beyond the completion of the DFS into the construction phase. For long term project expansion studies, this valuable work already completed on the Taoudeni Basin water may be revisited.

Overall the results of the Tiris DFS at this stage are very encouraging relative to the outcomes demonstrated in the 2014 Scoping Study (see ASX announcement, dated 16 July 2014) and Aura will not compromise quality to rush completion of the study. With this funding in place Aura can now press ahead with the completion of the study which is now expected around July 2019.

Häggån Vanadium Project (Vanadis Battery Metals)

The strategy for the Häggån project remains as previously announced, with Aura maintaining an IPO or corporate transaction will lead to stronger, more consistent project development activity and autonomous funding for the project. This will provide the best outcome for shareholders in the long term.

Aura continues to field significant corporate interest for the project from both the steel and battery sectors given the broad interest in the vanadium commodity. This is a testament to the quality of the Häggån project.

Drilling on the High-Grade Zone of Häggån Vanadium was completed in the second week of April 2019 and when assays are returned, resource estimation can be commenced for the potential upgrade to the Measured and Indicated Resource category.

Aura will then be in a position to release the Häggån Vanadium Scoping Study which will incorporate the capital and operating estimates, completed by an independent engineering group last year.

Gold, Base and Battery Metal Exploration Tenements

Aura has been buoyed by the recent grant of the long-delayed exploration tenements in Mauritania which are highly prospective for gold, base and battery metals.

Aura maintains this asset, which has already delivered exceptional results in gold, base and battery metals is strongly underrated with excellent prospectivity on an already proven greenstone belt with the 20 million-ounce Tasiast Gold project operated by Kinross Gold Corporation.

Aura will initially pursue low cost exploration methods on these tenements and will continue to maintain focus on the completion of the Tiris DFS and that project's move to production.

Uranium Price

The uranium price performed very well in 2018 however fell strongly at the end of March 2019 to around \$25.80/lb U₃O₈. Aura will continue to monitor the price as it moves to a decision to proceed to development.

Aura has significant offtake contracts in place for the Tiris Project (as announced on ASX 29 January 2019) and however it will be important to launch the Tiris Project in a positive uranium price environment.

For further information please contact:

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Convertible Security Funding Agreement Principal Terms and Conditions	
Term	26 months
Face Value	\$2,400,000
Funded amount	\$2,000,000
Interest	Nil
Issue Date	29 April 2019
Security	Yes
Conversion	<p>Within 60 days of completion of the Agreement (Initial Period), the Investor may convert, at any time and on more than one occasion, a maximum aggregate of [13,322,452] Shares at \$0.016.</p> <p>Alternatively, the Investor may convert the maximum aggregate of [13,322,452] Shares at the Monthly Conversion Price (as defined below) after the Initial Period and prior to the Company issuing the Replacement Convertible Note.</p>
Conversion Price	\$0.016 or 90% of the average 5 daily VWAPs chosen by the Investor from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date (Monthly Conversion Price).
Repayment upon maturity	The amount outstanding in cash (being the face value less the amount of Shares issued on conversion).
Issue of additional securities	The Company must issue 50,000,000 Shares and 62,500,000 Options to the Investor at the time of closing the Agreement. The Options are each exercisable at \$0.016 and expire 3 years from the date of issue and otherwise on the terms set out in paragraph.
Transferability	The Convertible Note is assignable.