

30 September 2019

Dear Shareholder

As you may recall, the Company conducted both a Share Placement and Share Purchase Plan earlier this year. One of the terms and conditions of these equity raising initiatives was to provide shareholders with a listed option, the terms of which were disclosed in the Company's prospectus dated 20 June 2019 (**Original Prospectus**). .

Unfortunately, the number of subscribers to the Share Placement and Share Purchase Plan was not sufficient to have the options over ordinary shares listed on the Australian Securities Exchange. Accordingly, the Company can only provide subscribers with an unlisted option over ordinary shares at this time.

The purpose of this supplementary prospectus is to inform shareholders of the amendment to the terms and conditions of the options (the only variation to the option terms is that they will now not be quoted on the ASX) (**Revised Terms**).

Subscribers to the Share Placement and the Share Purchase Plan should note that, pursuant to the Revised Terms, they will receive the following securities on 1 November 2019:

- a "free" unlisted option at 2.2 cents per option with an expiry date of 1 November 2021; and
- "free" loyalty options at 2.2 cents per option over their entire shareholding in the Company with an expiry date of 1 November 2020.

Subscribers will receive the loyalty options based on their shareholding on 31 July 2019, the vesting date as set out in the Original Prospectus.

At this time, I would like to point out to you the achievements of the Company so far this year:

- the Company has completed its feasibility study on the Tiris uranium project which clearly indicates that this project is both a low capital and low operating cost development opportunity which is fully permitted (see ASX Announcement, dated 29 July 2019);
- the Company has completed a 2,900-metre drilling programme at its Haggan vanadium project (see ASX Announcement, dated 23 May 2019) and is in the process of finalising a scoping study in accordance with ASIC guidelines; and

Aura Energy Limited

ACN 115 927 681

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- the Company has been granted its long awaited gold tenements in Mauritania (see ASX Announcement, dated 3 April 2019) and has consolidated its holding through a Farm-in and Joint Venture Agreement with Nomads Mining Company sarl and an Option Agreement with Servico sarl on a highly prospective greenstone belt (see ASX Announcement, dated 11 June 2019).

On behalf of my fellow directors, I wish to thank all those who subscribed to the Share Placement and Share Purchase Plan and believe the company is now in a strong to advance its projects and move from explorer to developer in the near future.

Yours sincerely

A handwritten signature in black ink, appearing to read "PD Reeve", written in a cursive style.

PD Reeve
Executive Chairman

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AURA ENERGY LIMITED

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SUPPLEMENTARY PROSPECTUS

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IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 20 June 2019 (**Prospectus**) issued by Aura Energy Limited (ACN 115 927 681) (**Company**).

This Supplementary Prospectus is dated 30 September 2019 and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. Neither ASIC nor the Australian Securities Exchange (**ASX**) takes responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.auraenergy.com.au and the Company will send a copy of this Supplementary Prospectus to all Eligible Shareholders who subscribed for the Secondary Offers, by way of completing an Application Form, to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. The Company wishes to remind Shareholders that the New Options were offered in connection with the SPP and Placement for nil consideration. The Company's Share trading price as at the date of this document is \$0.008 and the New Options are currently 'out of the money'.

1. PURPOSE OF SUPPLEMENTARY PROSPECTUS

1.1 Purpose of Supplementary Prospectus

This Supplementary Prospectus has been prepared to amend certain information in the Prospectus as the Company was unfortunately not able to satisfy the quotation requirements of Listing Rule 2.5 Condition 6 in respect of the Listed Options. Listing Rule 2.5 Condition 6 requires there to be at least 100,000 securities and 50 holders with a marketable parcel in the proposed class of securities to be quoted. In summary, the changes to the Prospectus are as follows:

- (a) the terms of the Listed Options under the Listed Option Offer have been varied so that the Options will be unlisted rather than listed (the terms are otherwise the same as those disclosed at Section 5.1);
- (b) the Closing Date of the Listed Option Offer has been extended; and
- (c) SPP and Placement Participants are not required to complete an Application Form as they have already submitted an Application Form in respect of the Secondary Offers under the Prospectus.

The Company confirms that the Entitlement Offer closed on 18 July 2019 and a total of 15,430,919 Loyalty Entitlement Options were issued to Eligible Shareholders on the terms set out in the Prospectus.

The Company received Applications pursuant to the Secondary Offers under the Prospectus. The Company has not received any Application Monies as the New Option issuances were for nil consideration. As at the date of this Supplementary Prospectus no New Options have been issued pursuant to the Secondary Offers.

1.2 No investor action required

The Company does not consider the content of this Supplementary Prospectus to be materially adverse to investors who participated in the Listed Option Offer for the following reasons:

- (a) no consideration was payable for the Listed Options;
- (b) the Listed Options are currently well 'out of the money' as they have a strike price of \$0.022 and the Company's Share trading price is currently \$0.008 as at the date of this document; and
- (c) the only variation to the terms of the Listed Options is that they will not be quoted on the ASX (and therefore not tradeable) due to the Company not being able to meet a quotation requirement of the Listing Rules,

as such, no action needs to be taken by investors who have already subscribed for the New Options under the Secondary Offers.

1.3 Withdrawal rights

If you have applied under the Prospectus to be issued Listed Options, and want to exercise your right to withdraw your application, you must provide the Company with written notice via email to info@auraenergy.com.au of your wish to do so no later than **5:00pm (AEST) on 31 October 2019**. As there was no consideration payable for the Listed Options, no Application Monies will be refunded.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Specific updates to references in the Prospectus

As a result of the changes mentioned in section 1.1 above, all references to:

- (a) Listed Options are to be deleted and replaced with 'Unlisted Options';
- (b) the Listed Option Offer in the Prospectus are to be deleted and replaced with 'Unlisted Option Offer';
- (c) AEEOB are to be deleted; and
- (d) the Options expiring on or before 20 May 2021 are to be deleted and replaced with 'expiring on or before the date that is two years from the date of issue'.

2.2 Indicative Timetable

On page viii of the Prospectus, the 'Indicative Timetable' is to be replaced with the following:

Event	Date
Lodgement of Supplementary Prospectus with ASIC and ASX	30 September 2019

Opening date of Secondary Offers	30 September 2019
Secondary Offers Closing Date	31 October 2019
Anticipated date for issue of the New Options under the Loyalty Option Offer and Unlisted Option Offer	1 November 2019

Notes:

1. The timetable is indicative only and subject to change.
2. The Directors reserve the right to extend the Secondary Offers Closing Date by giving at least 3 Business Days' notice to ASX prior to the Secondary Offers Closing Date. As such, the anticipated issue date may vary.

2.3 Listed Option Offer

At Section 1.2(b)(i), delete the paragraph below in its entirety.

"The Listed Options are intended to be quoted on ASX and will each be exercisable at \$0.022 on or before 20 May 2021."

2.4 Opening and closing dates for Offers

At Section 1.9, the table is deleted and replaced with the following:

Offer	Opening Date	Closing Date
Unlisted Option Offer	30 September 2019	31 October 2019
Loyalty Option Offer	30 September 2019	31 October 2019

2.5 ASX quotation

At Section 1.14, delete all of the paragraphs below the heading 'ASX quotation' and insert a new paragraph as follows:

'The Company will not seek Official Quotation of the New Options. Upon exercise of the New Options and the issue of the resulting Shares, the Company will seek quotation of the new Shares'.

2.6 Participating in the Secondary Offers

At Section 2.3, delete all of the paragraphs and insert the following:

'Only SPP and Placement Participants that have subscribed for New Options under, and completed an Application Form pursuant to, the Secondary Offers will be issued the New Options. No further action is required from those SPP and Placement Participants.'

2.7 Risks Relating to Listed Options and Shares

In the key risk table on page (iv) of the Prospectus, Sections 2.4 and 4.2(e), delete the paragraph in its entirety and replace it with the following:

'The Company is listed on the ASX and AIM. Consequently, share market conditions may affect the price of the Company's securities regardless of its operating performance. Many factors will affect the trading price of the Shares issued upon exercise of the New Options,

including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally. In particular, you should be aware that mineral exploration by its nature is a high risk endeavour and accordingly, there is a significant risk that the Company's proposed exploration programs will not succeed'.

2.8 Effect on capital structure

At Section 3.2(b), delete the table and replace it with the following:

	Number of Shares	Number of Options on issue	Performance Rights
Balance at the date of this Supplementary Prospectus	1,300,904,841	169,236,144 ¹	27,500,000 ²
Loyalty Options to be issued pursuant to the Loyalty Options Offer	Nil	19,544,508	Nil
Options to be issued pursuant to the Unlisted Option Offer	Nil	11,604,181	Nil
Number of Loyalty Entitlement Options issued under the Entitlement Offer	Nil	15,430,919 ³	Nil
Total	1,300,904,841	215,815,752	

Notes:

- Comprising the following:
 - 106,736,144 Options exercisable at \$0.033 on or before 30 September 2019.
 - 62,500,000 Options exercisable at \$0.016 on or before 29 April 2022.
- Comprising 17,500,000 Performance Rights vesting on 30 November 2019 and 10,000,000 Performance Rights vesting in two tranches:
 - 5,000,000 Performance Rights on 17 June 2020; and
 - 5,000,000 Performance Rights on 17 June 2021.
- Exercisable at \$0.022 on or before 18 July 2020.

2.9 Market price of Shares

At Section 3.4, insert the following after the table as follows:

The highest and lowest recorded closing market sales prices of the Shares quoted on the ASX during the three month period immediately prior to the lodgement of this Supplementary Prospectus with ASIC is set out below:

Lowest	0.007
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Highest	0.012
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2.10 Terms attaching to the Unlisted Options

At Section 5.1:

- (a) delete Section 5.1(g) and insert the following:

"All Shares issued upon exercise of the Unlisted Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of the Unlisted Options".

- (b) Delete Section 5.1(l) and insert the following:

(Transferable) The Unlisted Options are not quoted and are not transferable.

2.11 Glossary of Terms

The glossary in the Prospectus will be amended so that 'Secondary Offers Closing Date' is added and 'Secondary Offer' will be amended as follows:

Secondary Offers means the Loyalty Options Offer and the Unlisted Options Offer.

Secondary Offers Closing Date means 31 October 2019.

3. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

4. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC and has not withdrawn that consent prior to lodgement.



Dated: 30 September 2019

Peter Reeve
Executive Chairman and CEO
Aura Energy Limited