



31 December 2019

The Manager  
Company Announcements Office  
ASX Limited  
Level 4  
Exchange Centre  
20 Bridges Street  
Sydney NSW 2000

Dear Sir

**Notice of Meeting  
31 January 2020**

Pursuant to the requirements of Listing Rules, please find attached an announcement for immediate release to the market. The announcement relates to a general meeting of shareholders for consideration and approval of the Follow-on Convertible Note and ratification of prior issues of shares and options over ordinary shares. The meeting will take place at the registered office of the Company at 11 am on 31 January 2020.

The announcement has been authorised by the Aura board of directors.

Yours faithfully

A handwritten signature in black ink, appearing to read "JM Madden".

JM Madden  
Company Secretary

*2019-Dec-31-AEE-JMM-Letters-ASX*

**For further information please contact:**

JM Madden  
Company Secretary  
Phone 0400 887 001  
[info@auraenergy.com.au](mailto:info@auraenergy.com.au)

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**Aura Energy Limited**

ACN 115 927 681

Level 1, 34-36 Punt Road, Windsor, Victoria, Australia, 3181  
Phone: +61 (0)3 9516 5600/Facsimile: +61 (0)3 9516 6565



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# **AURA ENERGY LIMITED**

## **ACN 115 927 681**

### **NOTICE OF GENERAL MEETING**

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**Time:** 11:00 AM (AEDT)

**Date:** 31 January 2020

**Place:** Level 1, 34-36 Punt Road, Windsor, Victoria

**This is an important document that requires your immediate attention.**

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the General Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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 as Shareholders at 7:00 pm (AEDT) on 30 January 2020.

If you have questions about the General Meeting or the resolutions to be voted on, please call the Company Secretary on +61 3 9516 6500.

***If you are unable to attend the Meeting, you are encouraged to complete and submit the proxy form attached to this Notice as your vote is important.***

**Shareholders should be aware that if they do not vote in favour of Resolution 1 then the proposed issuance of the replacement convertible security will not occur and may constitute an event of default under the Company's convertible note funding arrangement. Please carefully read Section 2.1**

# NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Aura Energy Limited (**Company**) will be held at Level 1, 34-36 Punt Road, Windsor, Victoria commencing at 11:00 am (AEDT) (**Meeting**).

The Explanatory Memorandum that accompanies and forms part of this Notice of General Meeting (together, **Notice**) provides additional information on matters to be considered at the Meeting. The Proxy Form also forms part of this Notice of General Meeting.

Shareholders are urged to vote by attending the Meeting in person, or by returning a completed Proxy Form. Instructions on how to complete the Proxy Form are set out in the Explanatory Memorandum. Proxy Forms must be received by no later than 11:00 am (AEDT) on 29 January 2020.

Terms and abbreviations used in this Notice are defined in the Glossary at Section 5 of the Explanatory Memorandum.

Shareholders are encouraged to read the Explanatory Memorandum carefully before deciding how to vote.

## AGENDA

<p><b>Resolution 1: Approval to issue Replacement Follow-on Convertible Note</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the Replacement Follow-on Convertible Note to Lind Global Macro Fund LP on the terms and conditions in the Explanatory Memorandum”.</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity; or</li> <li>(b) an associate of that person or those persons.</li> </ul> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> <li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</li> </ul>
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	<ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul>
<p><b>Resolution 2: Ratification of Original Follow-on Convertible Note</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the Original Follow-on Convertible Note on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting Exclusion</u></p> <p>The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</li> <li>(b) an associate of that person or those persons.</li> </ul> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> <li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul> </li> </ul>
<p><b>Resolution 3:Ratification of prior issue of shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p>

	<p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,811,250 Shares to Met Forages sarl under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</li> <li>(b) an associate of that person or those persons.</li> </ul> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> <li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul> </li> </ul>
<p><b>Resolution 4:Ratification of prior issue of shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,986,250 Shares to SD Capital Advisory Limited under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</li> <li>(b) an associate of that person or those persons.</li> </ul>

	<p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> <li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul> </li> </ul>
<p><b>Resolution 5:Ratification of prior issue of shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,021,250 Shares to WH Ireland Limited under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</li> <li>(b) an associate of that person or those persons.</li> </ul> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> </ul>

	<p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul>
<p><b>Resolution 6:Ratification of Collateral Shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,750,000 Collateral Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <ul style="list-style-type: none"> <li>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</li> <li>(b) an associate of that person or those persons.</li> </ul> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</li> <li>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</li> <li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> <li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</li> <li>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul> </li> </ul>



<p><b>Resolution 7:Ratification of Noteholder Options</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Noteholder Options under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <p>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</p> <p>(b) an associate of that person or those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <p>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</p> <p>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</p> <p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <p>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</p> <p>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p>
<p><b>Resolution 8: Ratification of prior issue of Shares</b></p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,986,250 Shares to GKB Ventures Limited under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum.”</i></p> <p><u>Voting exclusion</u> The Company will disregard any votes cast in favour of the resolution by or on behalf of:</p> <p>(a) a person who participated in the issue or is a counterparty to the agreement being approved; or</p>

	<p>(b) an associate of that person or those persons.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <p>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</p> <p>(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or</p> <p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <p style="padding-left: 40px;">(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</p> <p style="padding-left: 40px;">(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p>
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## VOTING

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

- (a) Voting in person  
To vote in person, attend the Meeting at the time, date and place set out above.
- (b) Voting by an appointed representative ('proxy')

A Shareholder of the Company who is entitled to attend and vote at the Meeting has a right to appoint a person as their proxy to attend and vote for the Shareholder at the Meeting.

A proxy need not be a Shareholder of the Company. A proxy can either be an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- (i) appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act; and
- (ii) provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting.

If satisfactory evidence of the appointment as corporate representative is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the specified time and in accordance with the instructions set out on the enclosed Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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

- (i) each Shareholder has a right to appoint a proxy;
- (ii) the proxy need not be a Shareholder of the Company; and
- (iii) 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.

Proxy forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged directly by the member making the appointment at least 48 hours before the appointed time of the meeting.

(c) Proxy vote if appointment specifies way to vote

In accordance with section 250BB of the Corporations Act, Shareholders are advised that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution. If it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as instructed); and
- (ii) 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;
- (iii) if the proxy is the Chairperson of meeting at which the resolution is voted on- the proxy must vote on a poll, and must vote that way (i.e. as instructed); and
- (iv) if the proxy is not the Chairperson of the meeting at which the resolution is voted on – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as instructed).

If the proxy is a member, this subsection does not affect the way that person can cast votes in their individual capacity as a member of the Company.

(d) Transfer of non-chair proxy to chair in certain circumstances

Under section 250BC of the Corporations Act, the Chairperson is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on that resolution at that meeting if:

- (i) 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

- (ii) the appointed proxy is not the chair of the meeting; and
- (iii) at the meeting, a poll is duly demanded on the question that the resolution be passed; and
- (iv) either of the following apply:
  - (A) if a record of attendance is made for the meeting – the proxy is not recorded as attending;
  - (B) the proxy does not vote on the resolution.
- (e) Lodgement of Proxy Form

If voting by proxy, please complete and sign the enclosed Proxy Form and return it by one of the methods set out below so that it is received no less than 48 hours before the Meeting. Proxy Forms that do not meet this deadline will be invalid.

Post	Aura Energy Limited Level 1, 34-36 Punt Road Windsor, Victoria 3181
Fax	+61 (3) 9516 6565
Email	info@auraenergy.com.au

**PLEASE NOTE THAT THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS THE SUBJECT OF THIS NOTICE.**

**THE COMPANY ALSO WISHES TO INFORM SHAREHOLDERS THAT THE CHAIRPERSON INTENDS TO EXERCISE ALL AVAILABLE PROXIES IN FAVOUR OF THE RESOLUTIONS.**

**A POLL WILL BE TAKEN IN RESPECT OF ALL RESOLUTIONS.**

Dated: 31 December 2019

By order of the Board



JM Madden  
Company Secretary

## **EXPLANATORY MEMORANDUM**

The Explanatory Statement has been prepared for the purposes of the Corporations Act and the Listing Rules. The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company that is material to Shareholders in deciding whether or not to approve the Resolutions as set out in the Notice at the Meeting to be held at level 1, 34-36 Punt Road, Windsor, Victoria on 31 January 2020 commencing at 11:00 am (AEDT).

The Company recommends that Shareholders read this Explanatory Memorandum in full and in conjunction with the Notice before making any decisions in relation to the proposed Resolutions. Please contact the Company Secretary on +61 3 9516 6500 between 9:00am and 5:00pm (AEDT) if you have any questions about the Meeting or the Resolutions the subject of this Notice.

## 1. Background to Resolutions 1 and 2

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### 1.1 Agreement

The Company entered into a convertible note agreement dated 30 April 2019 (**Agreement**) with Lind Global Macro Fund LP (**Noteholder**) (an unrelated third party and existing shareholder) pursuant to which the Company issued a convertible note with a face value of \$2,400,000 to the Noteholder (**Original Convertible Note**). Under the Original Convertible Note, the Noteholder advanced the principal amount of \$2,000,000 to the Company, subject to certain conditions precedent being satisfied (as set out in Schedule 2).

On 19 June 2019, the Company secured shareholder approval for the issue to the Noteholder of a replacement convertible security note (**Replacement Convertible Note**) on the same terms as those set out in the Original Convertible Note issued on 30 April 2019 (**June Meeting**).

As at the date of this Notice of Meeting, the Noteholder has been issued 89,682,542 Shares under the Replacement Convertible Note since the June Meeting with the Noteholder converting A\$500,000 into Shares.

On 18 November 2019 (**Variation Date**), the Company entered into a deed of variation with the Noteholder to modify the Agreement to permit the Noteholder to lend a second advance of \$350,000 in consideration for the issuance of a convertible security with a face value of \$420,000 (**Original Follow-On Convertible Note**). Other than the terms of the Follow-On Convertible Note outlined below, the terms of the Agreement remain the same.

Pursuant to the Follow-On Convertible Note, the Company issued the Noteholder with the following securities in part consideration for the advance of \$350,000:

- 20,000,000 Options exercisable at 130% of the average of the 20 daily VWAPs over the 20 trading days immediately prior to the Variation Date, expiring 36 months after the follow on closing; and
- 8,750,000 Shares as collateral shares on the same terms as under the Agreement (refer to Schedule 2 for further detail).

In accordance with the Agreement, the Company is obligated to complete the following within 90 days:

- seek shareholder approval at a general meeting to issue the Noteholder with a replacement follow-on convertible security note on the same terms as the Agreement (**Replacement Follow-on Convertible Note**);
- issue the Replacement Follow-On Convertible Note to the Noteholder; and
- give the Cleansing Notice to ASX in respect of the Replacement Follow-On Convertible Note.

The Company and each of its wholly owned subsidiaries have secured the Company's obligations under the Agreement. This means that if the Company is unable to repay its payment obligations, the Noteholder may seek to enforce its security over the Company and its assets, and there may be a risk of the Company entering into administration.

As at the date of this Notice, the Noteholder has advanced the Company the full draw down amount of \$2,350,000 under the Agreement. The Noteholder may convert up to a maximum aggregate of 55,702,918 Shares (**Conversion Cap**) at the conversion price under the Follow-On Convertible Note. Under the terms of the Agreement, the Company may elect, at its discretion, to buy back the outstanding balance of the Replacement Convertible Note and the Follow-On Convertible Note, subject to the Noteholder having the option to convert, at its discretion, up to 33% of the face value of the Replacement Convertible Note and the Follow-On Convertible Note on issue at the lesser of the relevant fixed price or the monthly conversion price. In any calendar month the Noteholder may convert up to \$100,000 worth of Shares under the Replacement Convertible Note, and \$125,000 worth of Shares under the Follow-On Convertible Note, at the Monthly Conversion Price.

Under the terms of the Agreement, the Company is required to seek Shareholder approval to issue another convertible note to the Noteholder (**Replacement Follow-On Convertible Note**) (the subject of Resolution 1) that is not subject to the Conversion Cap and is otherwise on the same terms as the Follow-On Convertible Note. Please refer to Section 2 for further detail on the Follow-On Replacement Convertible Note.

For a summary of the material terms of the Follow-On Convertible Note (and Follow-On Replacement Convertible Note) please refer to Schedule 2.

The terms of the Replacement Convertible Note were disclosed in the notice of meeting dated 21 May 2019. For the avoidance of doubt, the following paragraphs in this Section refer only to the terms of the Replacement Follow-On Convertible Note and the Follow-On Convertible Note the subject of Resolutions 1 and 2 respectively.

## 1.2 Conversion

Under the Replacement Convertible Note and the Replacement Follow-on Convertible Note, the Noteholder may, at any time, convert an amount of the security into Shares at:

- (a) \$0.00754 for the Replacement Follow-on Convertible Note; or
- (b) the Noteholder converts the full outstanding amount under the Replacement Convertible Note (or the Replacement Follow-On Convertible Note subject to Shareholders approving Resolution 1) at the variable conversion price of 90% of the average 5 daily VWAPs chosen by the Noteholder from the daily VWAPs for the 20 Trading Days immediately prior to the conversion notice date (**Monthly Conversion Price**).

Subject to Shareholder approval being obtained for Resolution 1, the Company will issue the Replacement Follow-on Convertible Note to the Noteholder and, upon such issue, the outstanding Follow-on Convertible Note will be redeemed and the Replacement Follow-on Convertible Note will be outstanding. For the avoidance of doubt, the face value of the Follow-on Convertible Note will be \$420,000.

## 1.3 Issue or repayment of additional securities under the Agreement

Pursuant to, and in accordance with, the Agreement, the Company issued 8,750,000 Shares (**Collateral Shares**), comprising the collateral shareholding (**Collateral Shareholding**), and 20,000,000 Options (**Noteholder Options**) pursuant to the Follow-on Convertible Note to the Noteholder on 18 November 2019.

- (a) Collateral Shareholding

During the term of the Agreement, the Noteholder:

- (i) may sell, assign, mortgage or otherwise deal with the Collateral Shareholding at its discretion (for the avoidance of doubt, this will have no effect on the Collateral Shareholding amount unless they are collateralised in accordance with Section 1.3(a)(ii)); and
- (ii) may elect to reduce, in whole or in part, the Collateral Shareholding, at any time, by paying the consideration (**Collateralisation Price**) for the nominated amount to be collateralised. The Collateralisation Price is determined by the following formula:

C = A x B where:

A = the portion of the Collateral Shareholding the Noteholder seeks to reduce; and

B = the price per Share equal to 90% of the average of 5 VWAPs per Share in the 20 consecutive trading days immediately prior to the date of collateralisation, as selected at the Noteholder's discretion.

As at the Maturity Date, notwithstanding the manner in which the Noteholder deals with the Collateral Shareholding, the Noteholder will be deemed to hold the Collateral Shareholding amount of the Collateral Shares less any amount that has been collateralised in accordance with the process set out in Section 1.3.

For example, if the Noteholder elects to reduce its Collateral Shareholding by 5,000,000 Shares and on the basis that the Noteholder does not elect to carry out additional collateralisations during the term, the Noteholder's Collateral Shareholding will be 3,750,000 Shares at the Maturity Date. The 3,750,000 Shares shall be dealt with in accordance with the process set out in the next paragraph.

If the Noteholder has not collateralised all of the Collateral Shareholding by the Maturity Date and the Company has satisfied its repayment obligations, the Noteholder must:

- (i) transfer that number of Shares comprising the Collateral Shareholding to the Company for no consideration to or at the direction of the Company; or
- (ii) subject to the Shares trading on ASX on the relevant day and trading for at least 5 trading days prior to payment, pay the Company in immediately available funds an amount equal to the outstanding Collateral Shareholding number multiplied by the Collateralisation Price.

(b) Options

The Company issued the Noteholder Options to the Noteholder with each option exercisable at \$0.00754 on or before 18 November 2022 and otherwise on the terms set out in Schedule 1.

#### 1.4 Event of default

The events of default (**Events of Default**) under the Agreement are summarised in the terms set out in Schedule 2. If an Event of Default occurs, and the Event of Default is not remedied or waived by the relevant party, the Noteholder may:

- (a) give notice to the Company to satisfy all of its outstanding obligations under the Agreement, effective immediately; and/or
- (b) terminate the Agreement, effective as at the date of the Noteholder's notice given under Section 1.4(b).

Upon an Event of Default occurring, interest payable on the Follow-On Convertible Note (or the Replacement Convertible Note subject to Shareholders approving Resolution 1) will be at a rate per annum which is 6% more than the "Cash Rate Target" last published by the Reserve Bank of Australia at the time of the Event of Default.

Interest will accrue from the earliest date of the Event of Default on the amount outstanding and will compound monthly for as long as the Event of Default is not remedied and such interest will be payable on a monthly basis in arrears.

## 2. Resolution 1 – Approval to issue Replacement Follow-on Convertible Note

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### 2.1 General

As summarised in Section 1 and as set out in the cleansing statement announced on 18 November 2019, the Company issued the Original Follow-on Convertible Note to the Noteholder pursuant to the Agreement. The Noteholder is not a related party of the Company and, as at the date of this Notice, holds a shareholding of 2.96% in the Company. For completeness, on 8 May 2019 and in accordance with section 671B of the Corporations Act, the Noteholder released a substantial shareholder notice to the market disclosing that it, together with its associates, holds an aggregate voting power in the Company of 2.96%.

Under the Agreement, the Company is obligated to seek Shareholder approval to issue a replacement follow-on convertible note (**Replacement Follow-on Convertible Note**). The Replacement Follow-on Convertible Note is to be issued on the same terms as the Original Follow-on Convertible Note except the security will not be subject to the Conversion Cap. The face value of the Follow-On Replacement Convertible Note will be the outstanding face value of the Original Follow-on Convertible Note as at the date of issue of the Replacement Follow-On Convertible Note.

For example, if the Noteholder converts 5,570,292 Shares at the Fixed Price (comprising \$42,000 worth of Shares) under the Original Follow-On Convertible Note, the outstanding face value under the Replacement Follow-On Convertible Note will be \$378,000.

Please refer to the summary of material terms of the Replacement Follow-on Convertible Note set out in Schedule 2.

If Resolution 1 is approved by Shareholders, the Company will withdraw Resolution 2.

If Shareholder approval is not obtained for Resolution 1, the Company will not be able to meet its obligation under the Agreement to issue the Noteholder the Replacement Follow-On Convertible Note which **may constitute an Event of Default under the Agreement**. If an Event of Default occurs and is not remedied, the Noteholder may elect to redeem the outstanding amount under the Replacement Convertible Note and the Follow-On Convertible Note (or the Replacement Follow-on Convertible Note subject to Shareholders approving Resolution 1) from the Company immediately. If the Company is unable to satisfy its repayment obligations as and when requested, the Noteholder may seek to enforce its security over the Company and its assets **and the Company may become an externally administered body corporate**.



For the avoidance of doubt, if Shareholder approval is not obtained for Resolution 1 to issue the Replacement Follow-on Convertible Note, the Company will continue to seek Shareholder approval to ratify the issue of the Original Follow-on Convertible Note under Resolution 2.

## 2.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue, or agree to issue, securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval.

Shareholder approval is sought pursuant to Resolution 1 so that the Replacement Follow-On Convertible Note can be issued as an equity instrument. The effect of Resolution 1 will be to allow the Replacement Follow-On Convertible Note to be issued as an Equity Security without using the Company's placement capacity under Listing Rule 7.1.

If Resolution 1 is approved by Shareholders, the Company will withdraw Resolution 2. Shareholders should be aware that if Shareholder approval is not obtained for Resolution 1, an Event of Default will occur as the Company will not be able to meet its obligation to issue the Replacement Follow-On Convertible Note to the Noteholder under the Agreement.

## 2.3 Examples of conversion of the Replacement Follow-On Convertible Note

The conversion of the Replacement Follow-On Convertible Note will be the lower of:

- (a) the Fixed Conversion Price; or
- (b) the Monthly Conversion Price.

The Company has prepared the following examples in the table below to demonstrate the potential dilution effect of the conversion of the Replacement Follow-On Convertible Note into Shares at the conversion prices of \$0.00754 (being the Fixed Price) and the Monthly Conversion Prices of \$0.010 and \$0.005.

The following assumptions apply to the table:

- (c) the Noteholder does not convert any amount under the Original Follow-On Convertible Note (this means the Replacement Follow-On Convertible Note will have the same face value of \$420,000);
- (d) the Noteholder converts the total face value under the Replacement Follow-On Convertible Note; and
- (e) prior to the conversion of the Replacement Follow-on Convertible Note, the Company does not issue any additional Shares to Noteholders and no other Equity Securities are issued, converted or exercised.

For completeness, the Noteholder may only convert up to an aggregate of \$125,000 at the Monthly Conversion Price for the Replacement Follow-on Convertible Note.

Conversion Price	Shares on issue as at date of Notice	Shares issued on conversion	Dilution to Shareholders (%)
\$0.0050	1,348,523,890	464,000,000	25.6%

Conversion Price	Shares on issue as at date of Notice	Shares issued on conversion	Dilution to Shareholders (%)
\$0.0075	1,348,523,890	309,333,333	18.7%
\$0.0100	1,348,523,890	150,000,000	14.7%

## 2.4 Effect of issue of Replacement Follow-On Convertible Note on substantial Shareholders

The table below demonstrates the maximum dilution effect that the issue of the Replacement Follow-On Convertible Note will have on the Company's substantial shareholders' relevant interest on the following bases:

- the Noteholder does not convert any amount under the Original Follow-On Convertible Note prior to the issue of the Replacement Follow-On Convertible Note; and
- no additional Shares are issued to Shareholders prior to the conversion of the Replacement Follow-On Convertible Note and no other Equity Securities are issued, converted or exercised.

Substantial Holder	Current Shareholding at date of Notice	Current relevant interest (%)	Relevant interest with conversion price of \$0.0050 (%)	Relevant interest with conversion price of \$0.0075 (%)	Relevant interest with conversion price of \$0.0100 (%)
Asean Deep Value Fund	227,712,131	16.9	12.6	13.7	14.4
Computershare Clearing Pty Ltd <sup>1</sup>	151,978,188	11.3	8.4	9.2	9.6
Pre-emptive Trading Pty Ltd	76,600,000	5.7	4.2	4.6	4.8
The Lind Partners LLC <sup>2</sup>	39,858,848	2.7	27.8	21.1	17.2

### Notes:

- Computershare Clearing Pty Ltd holds the Chess Depository Interests on behalf of the Company's UK investors.
- The Lind Partners LLC holds its interest through Lind Global Macro Fund LP.

## 2.5 Specific Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Replacement Follow-On Convertible Note:

- the maximum number of securities to be issued is one convertible security, being the Replacement Follow-On Convertible Note are 55,702,918 Shares;
- if Resolution 1 is approved, the Replacement Follow-On Convertible Note will be issued at the time approval is obtained (i.e. the date of this Meeting);
- the issue price of the Replacement Follow-On Convertible Note is \$420,000. Subject to obtaining Shareholder approval for Resolution 1, the Noteholder may elect to convert, in whole or in part, the Replacement Follow-On Convertible Note into Shares at the conversion price equal to the lower of:

- (i) the Fixed Price; or
- (ii) after the date which is 60 days after completion of the Agreement, in any calendar month, up to \$125,000 worth of Shares at the Monthly Conversion Price ;
- (d) the Replacement Follow-on Convertible Note will be issued to Lind Global Macro Fund, LP;
- (e) the material terms of the Replacement Follow-On Convertible Note are summarised in Schedule 2. Shares issued on conversion of the Replacement Follow-On Convertible Note will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue;
- (f) funds raised from the issue of the Replacement Follow-On Convertible Note will be used to finance the remaining work on the Company's definitive feasibility study for the Tiris Project and for general working capital purposes.
- (g) the issue date of the Replacement Follow-On Convertible Note will be the date of the Meeting;
- (h) a voting exclusion statement is included in this Notice.

### **3. Resolution 2 – Ratification of issue of Original Follow-on Convertible Note**

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#### **3.1 General**

As summarised in Section 1 and as set out in the Company's cleansing statement announced on 18 November 2019, the Company issued the Original Follow-on Convertible Note to the Noteholder in accordance with the Agreement.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Original Follow-on Convertible Note which the Company issued within the last 12 months without obtaining prior Shareholder approval.

In accordance with the terms of the Original Note, the Noteholder may convert, at its discretion, in whole or in part, up to a maximum aggregate of 55,702,918 Shares, at the Fixed Price or Monthly Conversion Price.

Under the Agreement, the Company is obligated to seek Shareholder approval for the issue of the Replacement Follow-On Convertible Note the subject of Resolution 1.

If Shareholders approve Resolution 1:

- (a) the Original Follow-On Convertible Note will be redeemed in full and the Replacement Follow-On Convertible Note will be outstanding; and
- (b) the Company will withdraw this Resolution 2.

If Shareholders do not approve Resolution 1, the Company will continue to seek Shareholder approval for this Resolution 2 for the purposes of refreshing its placement capacity under Listing Rule 7.1.

#### **3.2 Listing Rule 7.1**

Listing Rule 7.1 is summarised in Section 2.2 above.

### **3.3 Listing Rule 7.4**

In accordance with Listing Rule 7.1, the Company must not, subject to specific 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.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and in accordance with Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1

The Original Follow-On Convertible Note was issued within the Company's 15% annual limit permitted under Listing Rule 7.1 and did not require obtaining Shareholder approval.

The effect of Shareholders passing this Resolution 2 will be to allow the Company to issue securities in the future up its 15% placement capacity under Listing Rule 7.1 without obtaining Shareholder approval.

### **3.4 Technical information required by Listing Rule 7.5**

Pursuant to and accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2.

- (a) one convertible security, being the Original Follow-On Convertible Note, was issued as a debt instrument on 18 November 2019 (the maximum amount of Shares to be issued on conversion of the Original Follow-On Convertible Note is 55,702,918 Shares);
- (b) the Original Follow-On Convertible Note was issued at \$420,000;
- (c) the material terms of the Original Follow-on Convertible Note are summarised in Schedule 2. The Shares issued on conversion of the Original Follow-On Convertible Note (if any) will be fully paid ordinary shares and will rank equally in all respects with existing Shares on issue;
- (d) the Original Follow-on Convertible Note was issued to Lind Global Macro Fund, LP;
- (e) funds raised from the issue of the Original Follow-On Convertible Note will be used to finance general working capital purposes; and
- (f) a voting exclusion statement is included in this Notice.

## **4. Resolutions 3-8 (inclusive) - Ratification of prior issues of securities**

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### **4.1 General**

Resolutions 3-8 (inclusive) seek Shareholder approval ratification pursuant to Listing Rule 7.4 for the issue of a total of 33,554,999 Shares and 20,000,000 Noteholder Options which the Company issued within the last 12 months without obtaining prior Shareholder approval (**Placement Securities**).

### **4.2 Listing Rules 7.1 and 7.1A**

Listing Rule 7.1 is summarised in Section 2.2 above.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company sought approval at its annual general meeting held 18 November 2019; however, the resolution was voted down by shareholders.

#### 4.3 Listing Rule 7.4

Listing Rule 7.4 is summarised in Section 3.3.

The Placement Securities were issued within the Company's 15% capacity as permitted under Listing Rules 7.1.

The effect of Shareholders passing each of Resolutions 4-7 (inclusive) will be to allow the Company to issue securities in the future up to its 15% annual placement capacity (as set out in Listing Rule 7.1) without obtaining prior Shareholder approval.

#### 4.4 Technical information required by Listing Rule 7.5

Pursuant to and accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3-7 (inclusive).

##### (a) **Met Forages sarl (Resolution 3)**

- (i) 18,811,250 Shares were issued on 24 September 2019 (**Met Forages Shares**);
- (ii) the Met Forages Shares were issued at \$0.008 per Share;
- (iii) the Met Forages Shares were issued pursuant to a drilling Settlement Contract for water drilling in Mauritania;
- (iv) the Met Forages Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;
- (v) no funds will be raised from the issue of the Met Forage Shares as they were issued in consideration for services provided to the Company;
- (vi) the contractual arrangements between the parties are such that where there is a difference between the value of the invoice submitted and the proceeds received by Met Forages on selling the shares and this difference results in Met Forages receiving less than the value of the invoice the Company must pay the difference (see ASX Announcement dated 30 September 2019 as the 2019 Annual Report sets out the above obligation as a contingent liability) and
- (vii) a voting exclusion statement is included in this Notice.

##### (b) **SD Capital Advisory Limited (Resolution 4)**

- (i) 1,986,250 Shares were issued in two tranches with 965,609 Shares issued on 12 August 2019 and 1,020,641 Shares issued 6 September 2019 were issued (**SD Capital Shares**);
- (ii) the SD Capital Shares issued on 12 August 2019 were issued at \$0.01112 per Share and the SD Capital Shares issued on 6 September 2019 were issued at \$0.0963 per Share;
- (iii) the SC Capital Shares were issued to SD Capital Advisory Limited for financial advisory services in relation to export credit finance being sought for both the Tiris project and the Haggan project;
- (iv) the SD Capital Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;

- (v) no funds will be raised from the issue of the SD Capital Shares as they were issue for nil consideration in consideration for services provided to the Company;
  - (vi) the GKB Venture Shares were issued pursuant to an agreement, the summary terms which are summarised at Section 4.5; and
  - (vii) a voting exclusion statement is included in this Notice.
- (c) **WH Ireland Limited (Resolution 5)**
- (i) 2,021,250 shares issued on 24 September 2019 (**Broker Services Shares**);
  - (ii) the Broker Services Shares were issued at \$0.08 per Share;
  - (iii) the Broker Services Shares were issued to WH Ireland as part of completion of its role as Nominated Advisor and Broker to the Company;
  - (iv) the Broker Services Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;
  - (v) no funds will be raised from the issue of the Broker Services Shares as they were issue for nil consideration in consideration for services provided to the Company;
  - (vi) the Broker Services Shares were issued pursuant to an agreement, the material terms which are summarised at Section 4.5; and
  - (vii) a voting exclusion statement is included in this Notice.
- (d) **Noteholder Securities (Resolutions 6 and 7)**
- (i) 8,750,000 Collateral Shares and 20,000,000 Noteholder Options were issued (**Noteholder Securities**) on 18 November 2019;
  - (ii) the Noteholder Securities were issued for nil consideration;
  - (iii) the Noteholder Securities were issued to the Noteholder who is not a related party of the Company;
  - (iv) the Collateral Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue and the Noteholder Options are each exercisable at \$0.00754 each on or before 18 November 2022 and otherwise on the terms set out in Schedule 1;
  - (v) the Noteholder Securities did not raise any funds as they were issued in part consideration for the Noteholder entering into the Agreement; and
  - (vi) a voting exclusion statement is included in this Notice.
- (e) **GKB Ventures Limited (Resolution 8)**
- (i) 1,986,250 Shares were issued in two tranches with 965,609 Shares issued on 12 August 2019 and 1,020,641 Shares issued 6 September 2019 were issued (**GKB Venture Shares**);
  - (ii) the GKB Venture Shares issued on 12 August 2019 were issued at \$0.01112 per Share and the GKB Venture Shares issued on 6 September 2019 were issued at \$0.0963 per Share;

- (iii) the GKB Venture Shares were issued to GKB Venture Limited for financial advisory services in relation to export credit finance being sought for both the Tiris project and the Haggan project;
- (iv) the GKB Venture Shares are fully paid ordinary shares and rank equally in all respects with the existing Shares on issue;
- (v) no funds will be raised from the issue of the GKB Venture Shares as they were issued for nil consideration in consideration for services provided to the Company;
- (vi) the GKB Venture Shares were issued pursuant to an agreement, the summary terms of which are summarised at Section 4.6; and
- (vii) a voting exclusion statement is included in this Notice.

#### **4.5 Summary of material terms of agreement pursuant to which the Collateral Shares and the Noteholder Options were issued**

The material terms for the Follow-on Convertible Note Collateral Shares are set out in Section 1.3 and the material terms for the Noteholder Options are set out in Schedule 1. Schedule 2 sets out the material terms and conditions of the Convertible Security Facility Agreement.

#### **4.6 Summary of material terms of agreement pursuant to which Broker Services Shares were issued**

The Company and WH Ireland executed on 5 September 2019 a Joint Broker Agreement where the Company agreed to pay WHI STG 16,000, comprising 50% in cash settlement and 50% in share-based payment settlements and WH Ireland agreed to act as Joint Broker for any equity raising undertaken on the AIM.

The services to be provided by WH Ireland and obligations of the Company in the above-mentioned agreement commenced after the Company extinguished its outstanding obligations with the issue of shares outlined in section 4.4(c).

#### **4.7 Summary of material terms of agreement pursuant to which the SD Capital Shares and GKB Ventures Shares were issued**

On 30 January 2019, the company executed a Letter of Engagement with SD Capital Advisory and GKB Ventures Limited for the both these entities to provide financial advisory services to enable the Company to evaluate and secure export credit finance for the development of its Tiris project and Haggan project.

Under the terms and conditions of the Engagement, the SD Capital and GKB Ventures required to submit a report to the Company on the interest of ECA agencies, conduct for and on behalf of the Company the due diligence process for ECA agencies to participate in funding and take on the role of ECA Advisor for any Debt Transaction.

The Company has agreed to pay SD Capital and GKB Ventures a retainer of US\$15,000 per month for a minimum of 6 months until the later of the completion of the equity raisings or the drawdown of any debt facility.

Once the Tiris project funding is completed the parties will review the requirements of the Haggan project and agree a retainer.

On completion of the Tiris project ECA appetite report, the Company will issue SD Capital Advisory and GKB Ventures Initiation Warrants and on completion of the ECA funding Success Warrants based on formulae set out in the Engagement.

The issue of Initiation Warrants and Success Warrants structure is replicated for the Haggan project.



## 5. GLOSSARY

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In this Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian Dollars.
<b>AEDT</b>	means Australian Eastern Daylight Time.
<b>Agreement</b>	means the convertible note funding agreement dated 30 April 2019 between the Company and the Noteholder.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Broker Services Shares</b>	means the 2,021,250 Shares issued to WH Ireland Limited the subject of Resolution 5.
<b>Chairperson</b>	means the person appointed to chair the Meeting convened by this Notice.
<b>Collateralisation Price</b>	has the meaning ascribed in Section 1.3(a)(ii).
<b>Collateral Shareholding</b>	8,750,000 Shares issued to the Noteholder less any amount of Shares that are collateralised by way of the collateralisation procedure set out in Section 1.3.
<b>Collateral Shares</b>	means 8,750,000 Shares issued to the Noteholder pursuant to the Agreement as set out in Section 4.4(b)(i).
<b>Company</b>	means Aura Energy Limited ACN 115 927 681.
<b>Constitution</b>	means the constitution of the Company as at the date of this Meeting.
<b>Conversion Cap</b>	means 55,702,918 Shares that may be converted under the Follow-On Convertible Note without shareholder approval.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Equity Security</b>	has the same meaning as the Listing Rules.
<b>Explanatory Memorandum</b>	means this explanatory memorandum which forms part of the Notice.
<b>Fixed Price</b>	means \$0.00754 per Share.
<b>GKB Venture Shares</b>	means the 1,986,250 Shares issued to GKB Ventures Limited the subject of Resolution 8.
<b>Haggan project</b>	means the Haggan vanadium project in Sweden.

<b>June Meeting</b>	means the general meeting of shareholders held on 19 June 2019.
<b>Listing Rules</b>	means the official listing rules of the ASX.
<b>Maturity Date</b>	means the date that the funded amount under the Original Note becomes due and payable, being 30 June 2021.
<b>Meeting</b>	means the general meeting of Shareholders to be held on 31 January 2020.
<b>Met Forages Shares</b>	means 18,811,250 Shares that were issued to Met Sarl the subject of Resolution 3.
<b>Monthly Conversion Price</b>	has the meaning ascribed in Section 2.3(b).
<b>Noteholder</b>	means Lind Global Macro Fund LP.
<b>Noteholder Options</b>	means 20,000,000 Options exercisable at \$0.00754 each on or before 18 November 2022 and otherwise on the terms set out in Schedule 1.
<b>Noteholder Securities</b>	means the Collateral Shares and the Noteholder Options as set out in Section 4.4(d).
<b>Notice</b>	means this notice of meeting.
<b>Option</b>	means an option which entitles the holder to subscribe for one Share.
<b>Ordinary Resolution</b>	means a resolution requiring to be passed by a majority of such shareholders, as being entitled to do so, vote in person or by proxy on such resolution.
<b>Original Convertible Note</b>	means the convertible security that was issued to the Noteholder with a face value of \$2,400,000 as announced on 30 April 2019.
<b>Original Follow-on Convertible Note</b>	means the Follow-on Convertible Note security issued on 18 November 2019 in accordance with the Convertible Security Financing Agreement, dated 30 April 2019, and on the terms set out in Schedule 2.
<b>Placement Securities</b>	has the meaning ascribed in Section 4.1.
<b>Relevant Interest</b>	has the meaning given in section 608 of the Corporations Act.
<b>Replacement Convertible Note</b>	means the convertible note that was issued to the Noteholder on the terms set out in the Company's notice of meeting announced on 21 May 2019.
<b>Replacement Follow-on Convertible Note</b>	means the Follow-on Convertible Note security to be issued to the Noteholder on substantively the same terms as the Original Follow Convertible Note as set out in Schedule 2.

<b>Resolution</b>	means a resolution set out in the Notice.
<b>Schedule</b>	means a schedule of this Notice.
<b>SD Capital Shares</b>	means the 1,986,250 Shares issued to SD Capital Advisory Limited the subject of Resolution 4.
<b>Section</b>	means a section of this Explanatory Memorandum.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>Tiris Project</b>	means the Company's Tiris Uranium Project in Mauritania.
<b>Trading Day</b>	has the meaning given to that term in the Listing Rules.
<b>Variation Date</b>	means 18 November 2019.
<b>VWAP</b>	means the volume weighted average price.

## Schedule 1 – Terms of Noteholder Options

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For the purposes of this Schedule 1, an 'Option' means a Noteholder Option.

- (a) **(Nature of Options)** Each Option will grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the Options Exercise Price (subject to any adjustment under this Agreement). Each Option will be exercisable by the Option holder complying with its obligations under this clause at any time after the time of the grant of the Option and prior to the Options Expiration Date, after which time it will lapse.
- (b) **(Exercise of Options)** 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 this 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);
  - (ii) a copy, whether facsimile or otherwise, of any exercise form required by the share registrar; and
  - (iii) payment of an amount equal to the Options Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time 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).
- As soon as reasonably practicable, but in any event no later than two (2) Business Days after receipt of a duly completed Exercise Form and the payment referred to in clause b(ii), the Company must 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.
- (c) **(Bonus Issues)** If prior to an exercise of an Option, but after the issue of the 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 will 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.
- (d) **(Rights Issues)** If prior to an exercise of an Option, but after the issue of the 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' Shareholding at the time of the offer, the Options Exercise Price will be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

- (e) **(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:
- (i) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options will be reduced or increased in the same proportion as, and the nature of the Shares will 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
  - (ii) an appropriate adjustment will be made to the Options Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options will not alter.
- (f) **(Cumulative Adjustments)** Full effect will be given to the provisions of clauses (c) and (e), 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.
- (g) **(Notice of Adjustments)** Whenever the number of Shares over which an Option is exercisable, or the Options Exercise Price, is adjusted pursuant to this Agreement, the Company must give notice of the adjustment to all the Option holders as soon as reasonably practicable and in any event, within three (3) Business Days.
- (h) **(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.
- (i) **(Redemption)** The Options will not be redeemable by the Company.
- (j) **(Assignability and transferability)** The Options will be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law.

## Schedule 2 – Material terms of Follow-On Convertible Note and Replacement Follow-On Convertible Note

The table below sets out a summary of the material terms of the Follow-On Convertible Note. Unless otherwise specified in the notes accompanying the table, the same terms apply to the Replacement Follow-On Convertible Note.

<b>Term</b>	26 months commencing from 30 April 2019 and expiring 30 June 2021.
<b>Face Value</b>	\$420,000 as at the date of this Cleansing Notice.
<b>Funded amount</b>	\$350,000 will be advanced under the Follow-on Convertible Note.
<b>Conditions precedent</b>	Lind Global Macro Fund LP ( <b>Investor</b> ) will obtain shareholder approval for the Follow-on Convertible Note
<b>Interest</b>	Nil
<b>Issue Date</b>	18 November 2019
<b>Security</b>	Yes
<b>Conversion</b>	The Investor may convert, at any time and on more than one occasion, a maximum aggregate of 55,702,918 Shares at the Fixed Price or the Monthly Conversion Price (as those terms are defined below). In any calendar month the Investor may convert up to \$125,000 worth of Shares at the Monthly Conversion Price (as defined below).
<b>Conversion Price</b>	130% of the average of the 20 daily VWAPs over the 20 trading days immediately prior to the Variation Date ( <b>Fixed Price</b> ) 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 ( <b>Monthly Conversion Price</b> )
<b>Cash substitution formula</b>	If an issue of Shares to the Investor in accordance with the terms of the Agreement would result in the Investor acquiring a relevant interest in the Shares which would cause the Investor's (and its associates') voting power in the Company (and its associates) to exceed 19.99%, then without limiting any of the Investor's other rights under the Agreement: <ul style="list-style-type: none"> <li>• the Investor may by written notice to the Company require the Company to pay a cash amount to the Investor, within 5 business days, equal to Z multiplied by \$C, where: <ul style="list-style-type: none"> <li>○ Z = the number of new Shares which, if issued to the Investor, would cause the Investor's relevant interest in the Company to exceed 19.99%; and</li> <li>○ \$C = the VWAP per Share on the date the Investor's Shares were to be issued.</li> </ul> </li> </ul>
<b>Repayment upon maturity</b>	The amount outstanding in cash (being the face value less the value of the amount of Shares issued on conversion)
<b>Buy-back rights</b>	The Company is permitted, in its sole discretion, to buy-back the outstanding balance of the Follow-On Convertible Note, subject to the Investor having the option to convert up to 33% of the face value of the Follow-On Convertible Note on issue (as determined

	by the Investor) at the lesser of Fixed Price or the Monthly Conversion Price.
<b>Issue of additional securities</b>	The Company issued 8,750,000 Shares and 20,000,000 Options to the Investor at the time of closing for the Follow-On Convertible Note. The Options issued under the Follow-On Convertible Note are each exercisable at \$0.00754 and expire 3 years from the date of issue.
<b>Transferability</b>	The Follow-On Convertible Note is assignable.
<b>Events of Default</b>	<p>Any of the following will constitute an event of default under the Agreement, which, if it occurred, would entitle the Investor to terminate the Agreement and demand payment of all outstanding amounts:</p> <ul style="list-style-type: none"> <li>• any of the representations, warranties, or covenants made by the Company or any of its agents, officers, directors, employees or representatives in any transaction document, materials or public filing are inaccurate, false or misleading in any material respect, as of the date as of which it is made or deemed to be made, or any certificate or financial or other written statements furnished by or on behalf of the Company to the Investor, any of its representatives, or the Company's shareholders, is inaccurate, false or misleading, in any material respect, as of the date as of which it is made or deemed to be made or repeated (in each case where qualified by an express reference to the representation or the warranty being given on a particular other date or dates, on that date or dates);</li> <li>• the Company or any subsidiary of the Company suffers or incurs an insolvency event;</li> <li>• the Company or any of its subsidiaries ceases, suspends, or threatens to cease or suspend, the conduct of all or a substantial part of its business, or disposes of, or threatens to dispose of, a substantial part of its assets;</li> <li>• the Company or any of its subsidiaries takes action to reduce its capital or pass a resolution referred to in section 254N(1) of the Corporations Act;</li> <li>• the Company does not comply with its obligation to lodge cleansing statements at the time Shares are issued on conversion of the Convertible Note;</li> <li>• any Investor's Shares are not quoted or not able to be freely traded on ASX (as appropriate) within three (3) Business Days following the date of their issue;</li> <li>• there is a stop order, suspension of trading, cessation of quotation, or removal of the Company or the Shares from the ASX Official List (or a fact or circumstance which may cause such an event), except for a suspension of trading;</li> </ul>

	<ul style="list-style-type: none"> <li>○ not exceeding five (5) Trading Days in a rolling twelve-month period, where such period commences from the Execution Date; or</li> <li>○ as agreed to by the Investor;</li> <li>• any of the conditions precedent to closing the Agreement or for the issuance of Shares on conversion of the Convertible Note have not been fulfilled in a timely manner or the time prescribed;</li> <li>• the Company challenges, disputes or denies the right of the Investor to receive any Investor's Shares or Options, or otherwise dishonours or rejects any action taken, or document delivered, in furtherance of the Investor's rights to receive any Investor's Shares or Options;</li> <li>• a transaction document or a contemplated transaction has become, or is claimed (other than in a vexatious or frivolous proceeding) by any person that is not the Investor or its Affiliate to be, wholly or partly void, voidable or unenforceable;</li> <li>• any person has commenced any action, claim, proceeding, suit, investigation, or action against any other person or otherwise asserted any claim before any Governmental Authority, which seeks to restrain, challenge, deny, enjoin, limit, modify, delay, or dispute, the right of the Investor or the Company to enter into any transaction documents or undertake any of the contemplated transactions (other than a vexatious or frivolous proceeding or claim);</li> <li>• any event, condition or development occurs or arises which in the opinion of the Investor (acting reasonably) has or would be likely to have a material adverse effect on the assets, liabilities, results of operations, condition (financial or otherwise), business or prospects of the Company and its subsidiaries taken as a whole or the ability of the Company to perform its obligations;</li> <li>• any consent, permit, approval, registration or waiver necessary for the consummation of those contemplated transactions that remain to be consummated at the applicable time, has not been issued or received, or does not remain in full force and effect;</li> <li>• the transactions to be undertaken at closing of the Agreement would result in the Company breaching Listing Rule 7.1</li> <li>• the Investor has not received all those items required to be delivered to it in connection with the closing of the Agreement or upon the exercise of Options in accordance with the Agreement;</li> </ul>
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	<ul style="list-style-type: none"> <li>• the Company fails to perform, comply with, or observe, any other term, covenant, undertaking, obligation or agreement under any transaction document;</li> <li>• the Company fails to comply with the conditions precedent to issuing the Shares on conversion of the Convertible Note or maintain sufficient placement capacity and/or obtain the required shareholders' approvals to maintain the placement capacity;</li> <li>• a default judgment of an amount of AU\$100,000 or greater is entered against the Company or any of its subsidiaries;</li> <li>• the Company and/or any of its subsidiaries defaults in relation to any payment obligation under any financial accommodation, including any loan, advance, debenture or other form of financing entered into with a third party (taking into account any applicable grace period agreed by the relevant third party);</li> <li>• any present or future liabilities, including contingent liabilities, of the Company or any of its subsidiaries for an amount or amounts totalling more than AU\$100,000 have not been satisfied on time (taking into account any applicable grace period agreed by the relevant third party to whom such liabilities are owed), or have become prematurely payable as a result of its default or breach (howsoever described);</li> <li>• the Company does not, within 90 days of closing of the Agreement, obtain shareholder approval to the issue of the Replacement Follow-On Convertible Note to the Investor and issue the Replacement Follow-On Convertible Note to the Investor;</li> <li>• any event of default (however described) occurs under the security documents;</li> <li>• if any of the funded amount is used for an illegal or improper purpose or to finance an illegal improper or terrorism activity; or</li> <li>• if any of the property the subject of the Security is taken out of the effective management and control of the Company (except upon a permitted dealing with that property).</li> </ul>
<b>Interest payable on Event of Default</b>	<p>Upon an Event of Default occurring, interest payable on the Convertible Note will be at a rate per annum which is 6% more than the "Cash Rate Target" last published by the Reserve Bank of Australia at the time of the Event of Default.</p> <p>Interest will accrue from the earliest date of the Event of Default on the amount outstanding and will compound monthly for as long as the Event of Default is not remedied and such interest will be payable on a monthly basis in arrears.</p>
<b>Termination Event</b>	<p>In addition to the events described above, there are a number of further termination events under the Agreement, including if a</p>

	<p>change of control in relation to the Company occurs where the Investor has not provided its prior written consent.</p> <p>A change of control in this context means, in respect of the Company, a change, from the position applying on the date of execution of the Agreement, in:</p> <ul style="list-style-type: none"><li>(a) control, directly or indirectly, of the appointment of directors of the Company having 50% or more of the votes at board meetings;</li><li>(b) more than 50% of the Company's directors;</li><li>(c) control, directly or indirectly, of more than 50% of the Voting Power in the Company; or</li><li>(d) control, directly or indirectly, of the determination of the conduct of the Company's business affairs or decisions regarding its Shares.</li></ul> <p>Upon termination, the Investor can require all outstanding amounts under the Agreement to be paid.</p>
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