

17 December 2020

ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
Attention: Company Announcements

AURORA ABSOLUTE RETURN FUND (ABW, FUND)

As at 16 December 2020, the estimated Net Asset Value (NAV) per Unit of the Fund, including franking credits, was \$0.1425.

Legal Provision

On 30 May 2019, the Supreme Court of New South Wales declared that the purported meeting held by Primary Securities Limited ("Primary") on 15 January 2019, and all the resolutions purportedly passed at that meeting, was invalid and of no effect. Primary was also ordered to pay Aurora's costs, however the amount of costs to be reimbursed by Primary to Aurora was not determined. Primary later appealed the decision.

On 13 and 14 February 2020, the appeal by Primary was heard in the Court of Appeal Supreme Court NSW. On 23 September 2020, the Court of Appeal handed down its decision, being:

1. Refuse the appellant (being Primary) leave to file a further amended notice of appeal.
2. Order that the appeal be dismissed with costs.

Legal costs totalling \$517,856 (excluding GST) have been incurred to date – with \$336,651 (excluding GST) relating to the original Court Case and a further \$181,205 (excluding GST) relating to the Appeal – with \$112,350.26 (excluding GST) having been expensed as part of the year end audit procedures, being the main reason for the 9.61% decrease in ABW's NTA. Aurora will vigorously pursue the recovery of these legal fees from Primary, with the recoveries being booked to revenue as and when received.

As previously announced on 9 December 2019, the confusion created by the actions of Primary, acting in accordance with instructions received from Mr Tim Sandeman Staermose and Wonfair Investments Pty Ltd to call the purported 15 January 2019 meeting, the securities of ABW were suspended from quotation on the ASX on 21 January 2019 under Listing Rule 17.3, "*pending clarification of the validity or otherwise of the appointment of a new responsible entity of ABW*". Since this time, Aurora has been working with the ASX to have the ASX suspension lifted. Now that Her Honour Justice Rees has determined that Primary is not and never has been the responsible entity of ABW and Primary's Appeal has been dismissed, Aurora will continue to press for the ASX suspension to be lifted.

Molopo Energy Limited

The Fund also has an indirect exposure to Molopo Energy Limited (**Molopo**) through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). Molopo was suspended from trading on the Australian Stock Exchange (ASX) on 27 July 2017 and remains suspended as at the date of this update.

On 31 August 2020, Aurora made an ASX Announcement advising that it had reassessed the carrying value of its investment in Molopo and had decided to write it down from 0.5 cents per share to 0.4 cents per share. This was based on the cash flow information released by Molopo for the quarter ended 30 June 2020.

The fair value of the Molopo Investment is based on significant estimates and judgements adopted by the Board of Aurora based on all available information about Molopo as at the current date.

As more information is released by Molopo on its Drawbridge shareholding as well as its Canadian litigation, it may be appropriate for Aurora to revisit the carrying value of its Molopo investment.

The valuation of Molopo represents approximately 3% of the value of the assets of the Trust.

On 14 July 2020, Aurora made an application to the Takeovers Panel seeking a variation of the original July 2017 orders to stay the sale of Aurora's Molopo shares vested in ASIC until the Victorian Court proceedings against Former Molopo Directors are resolved and any appeal rights have lapsed. Full details of the variation orders are contained in the Media Release of the Takeovers Panel No: TP20/56 announced to ASX on 18 September 2020.

Aurora Property Buy-Write Fund (AUP) holding

The Fund has an indirect exposure to AUP through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). AFARF has a significant holding in AUP. This investment has been valued by the AFARF at AUP's most recent closing ASX traded price (\$2.99), which represents a discount to AUP's Net Tangible Asset (NTA) position. Aurora is of the view that AUP's underlying value is its NTA (\$3.27).

Aurora Global Income Trust (AIB) holding

The Fund also has an indirect exposure to AIB through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). AFARF has a holding in AIB. This investment has been valued by the AFARF at AIB's most recent closing ASX traded price (\$0.052), which represents a discount to AIB's Net Tangible Asset (NTA) position. Aurora is of the view that AIB's underlying value is its NTA (\$0.1075).

Yours faithfully

Aurora Funds Management Limited

as responsible entity for Aurora Absolute Return Fund

John Patton

Company Secretary