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DECEMBER QUARTERLY REPORT 29TH January 2021

QUARTER SUMMARY

During the December quarter business activities were largely on hold pending discussions to settle the ongoing legal disputes and a recapitalisation plan for the company.

With the assistance of a major shareholder, Aura Energy commenced settlement negotiations on the outstanding legal disputes with the shareholder activists and this has been largely successful.

The final step in this process is the approval, by the ASX, of the Notice of Meeting for the Annual General Meeting (currently delayed) which is currently under review by them. The AGM will 30 days after the Notice of Meeting is lodged.

Covid-19 continues to restrict access to our projects (both the Australian government and to a lesser extent Mauritanian government travel bans).

Aura lists its assets as:

- The construction-ready Tiris Uranium Project
- Excellent gold assets
- Häggån Vanadium Project
- Swedish compensation claim

A corporate transaction for the gold assets continues, albeit at a slower pace.

The Swedish compensation claim is ongoing and focussed on funding arrangements for this litigation.

TIRIS PROJECT, MAURITANIA (AURA 85%)

No activity took place on the Tiris Project.

HÄGGÅN BATTERY METALS PROJECT, SWEDEN (AURA 100%)

Activities at the Häggån Battery Metals project remained on care-and-maintenance.

The Swedish compensation claim remains ongoing and Aura continues to be steadfast in action to recover the value of the confiscated asset.

TASIAST SOUTH GOLD PROJECT, MAURITANIA (AURA 100%)

A corporate transaction for the gold assets continues, albeit at a slower pace.

CORPORATE

Mr Phillip Hains was been appointed Company Secretary of the Company and will be the nominated person under Listing Rule 12.6 for communications with the Australian Securities Exchange.

Mr Hains replaces John Madden who had advised the Company on 14 August 2020 of his decision to step down as Company Secretary as soon as practicable.

FINANCIAL OPERATIONS

Closing cash at the end of the quarter was \$52k, compared to \$121k at the end of the previous quarter and compared to \$235k at the end of previous financial year.

The Company did not pay any amounts during the quarter to any of its related parties as the financial resources were limited (as shown in section 6 of the Appendix 5B).

The Company is in the process of obtaining regulatory approval for the Notice of Meeting to obtain shareholder approval to raise additional capital to fund ongoing projects and working capital.

Aura Energy Directory

ASX Code: AEE
AIM Code: AURA
Shares on issue: 2,557,535,966
Unlisted Options on issue: 94,104,161
Performance Rights on issue: 10,0000,000

Board of Directors:

| | |
|------------|----------------------------|
| PD Reeve | Executive Chairman |
| R Beeson | Non-Executive Board Member |
| JL Bennett | Non-Executive Board Member |
| RC Craigie | Non-Executive Board Member |
| PD Heber | Non-Executive Board Member |
| JC Perkins | Non-Executive Board Member |

Website: www.auraenergy.com.au

For further information contact:

Mr Peter Reeve
Executive Chairman and CEO
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Top twenty shareholders (at 28 October 2020) NO CHANGE FROM PREVIOUS

| Rank | Name | Shares | % |
|----------------------------------|---|----------------------|----------------|
| 1 | LIND GLOBAL MACRO FUND LP | 462,200,183 | 18.07% |
| 2 | COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> | 217,754,037 | 7.73% |
| 3 | ASEAN DEEP VALUE FUND | 200,000,000 | 7.82% |
| 4 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 188,289,764 | 7.36% |
| 5 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 125,099,242 | 4.89% |
| 6 | CITICORP NOMINEES PTY LIMITED | 109,738,672 | 4.29% |
| 7 | ASEAN DEEP VALUE FUND | 100,000,000 | 3.91% |
| 8 | PRE-EMPTIVE TRADING PTY LTD | 76,600,000 | 3.00% |
| 9 | MR PETER DESMOND REEVE | 44,718,304 | 1.75% |
| 10 | ROTHERWOOD ENTERPRISES PTY LTD | 43,500,000 | 1.70% |
| 11 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 41,201,378 | 1.61% |
| 12 | WONFAIR INVESTMENTS PTY LTD | 39,600,000 | 1.55% |
| 13 | GEOGRUPPEN I GOTEBOG AB | 26,890,922 | 1.05% |
| 14 | MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT> | 25,292,000 | 0.99% |
| 15 | MS JUSTINE WOODFORD | 25,131,579 | 0.98% |
| 16 | BEIRNE TRADING PTY LTD | 24,731,665 | 0.97% |
| 17 | MR LUKE PETER DALE + MRS MARIEANNE ERIKA DALE | 23,152,568 | 0.91% |
| 18 | MR SEBASTIAN MADEJA + MRS SYLVIA MADEJA | 20,000,000 | 0.78% |
| 19 | KAJUN DESIGNS PTY LTD | 17,500,000 | 0.68% |
| 20 | SAMBOLD PTY LTD <SUNSHINE SUPER FUND> | 15,364,895 | 6.00% |
| Total Top 20 shareholders | | 1,826,765,209 | 71.43% |
| Total Remaining Holders | | 730,770,757 | 28.57% |
| Total | | 2,557,535,966 | 100.00% |

Tenement report

| Country | Tenement Number | Name | Grant/ Application date | Expiry date | kms/sq | Holder | Equity |
|------------|-----------------|-------------------|----------------------------|------------------------|--------|----------------------------|--------|
| Mauritania | 2491C4 | Ain Sder | 8/02/2019 | Exploitation Licence | 190 | Tiris Ressources SA | 85% |
| | 2492C4 | Oued El Foule Est | 8/02/2019 | Exploitation Licence | 207 | Tiris Ressources SA | 85% |
| | | | | Subject to exclusivity | | | |
| | 561 | Oum Ferkik | 16/04/2008 | negotiation | 60 | Aura Energy Limited | 100% |
| | 2457 | Hadeibet Bellaa | 2/04/2019 | 2/04/2022 | 41 | Tiris International Mining | 100% |
| | 2458 | Touerig Taet | 2/04/2019 | 2/04/2022 | 134 | Tiris International Mining | 100% |
| Sweden | 2007-243 | Haggan nr 1 | 28/08/2007 | 28/08/2022 | 18.3 | Vanadis Battery Metals AB | 100% |
| | 2018-9 | Mockelasen nr 1 | 21/01/2019 | 21/01/2022 | 17.6 | Vanadis Battery Metals AB | 100% |
| | 2018-7 | Skallbole nr 1 | 20/01/2019 | 20/01/2022 | 7.8 | Vanadis Battery Metals AB | 100% |

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Aura Energy Limited

ABN

90 115 927 681

Quarter ended ("current quarter")

31 December 2020

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (six months) \$A'000 |
|--------------------------------------|---|----------------------------|---|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (52) | (87) |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | - | (3) |
| | (e) administration and corporate costs | (34) | (359) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | | |
| 1.5 | Interest and other costs of finance paid | | |
| 1.6 | Income taxes paid | | |
| 1.7 | Government grants and tax incentives | | |
| 1.8 | Other | | |
| | (Cash Boost from Commonwealth Government) | 34 | 74 |
| 1.9 | Net cash from / (used in) operating activities | (52) | (375) |

| | | | |
|-----------|---|-----|-------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) exploration & evaluation | | |
| | (e) investments | (6) | (147) |
| | (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (six months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other | | |
| 2.6 | Net cash from / (used in) investing activities | (6) | (147) |

| | | | |
|-------------|---|----------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | | |
| 3.5 | Proceeds from borrowings | - | 350 |
| 3.6 | Repayment of borrowings | | |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | - | 350 |

| | | | |
|-----------|--|-------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | (58) | (172) |
| 4.1 | Cash and cash equivalents at beginning of period | 121 | 235 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (52) | (375) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (6) | (147) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 350 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (six months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (11) | (11) |
| 4.6 | Cash and cash equivalents at end of period | 52 | 52 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 52 | 121 |
| 5.2 Call deposits | | |
| 5.3 Bank overdrafts | | |
| 5.4 Other (provide details) | | |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 52 | 121 |

| 6. Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | - |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | |

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 | Loan facilities | 350 | 350 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (Convertible Notes) | 310 | 310 |
| 7.4 | Total financing facilities | 660 | 660 |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | N/A | | |

| | | |
|-----------|---|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (52) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (6) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (58) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 52 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | (6) |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | Neg |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: Yes | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: The Company will seek shareholder approval to raise additional capital to continue its funding. The Notice of Meeting of Annual General meeting is currently undergoing regulatory review. | |

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.