

19 October 2021

Dear Shareholder,

Non-Renounceable Entitlement Offer of Options to Raise Up To \$2,030,399

The Board of Aura Energy Limited (ACN 141 647 529) ("**AEE**" or "**Company**") is pleased to invite you to participate in the non-renounceable pro-rata offer of one (1) Listed Option (exercisable at \$0.052 each and an expiry of 30 June 2024) ("**Listed Option**") for every three (3) Shares held on the Record Date at an issue price of \$0.015 to raise up to \$2,030,399 before costs ("**Entitlement Offer**").

The Entitlement Offer is fully underwritten by KTM Capital Pty Ltd.

Based on the current capital structure of the Company as at the date of this letter, a maximum of approximately 135,359,902 Listed Options will be issued pursuant to this Entitlement Offer to raise up to approximately \$2,030,399.

The Entitlement Offer will raise up to \$2,030,399 (before costs) if all shareholders subscribed for their entire entitlement to Listed Options.

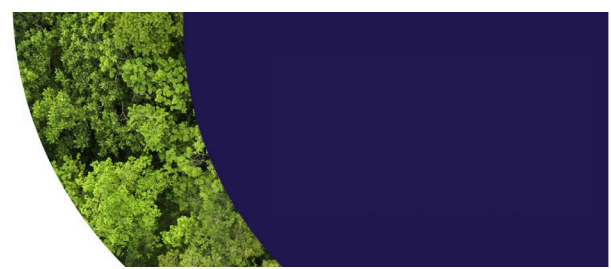
The Company intends to apply the funds raised from the Entitlement Offer primarily towards the ongoing exploration programs at the Company's projects, in particular:

- fund the Tiris Project
- corporate costs (including capital raising costs); and
- provide the Company with additional working capital.

The Record Date for entitlements under the Entitlement Offer 5.00 pm (AEDT) on 22 October 2021 and the final date for receipt of applications for Listed Options pursuant to the Entitlement Offer is 5:00 pm (AEDT) 8 November 2021 (subject to variation).

Further details of the terms and conditions of the Entitlement Offer are set out below.

Phillip Hains
Company Secretary



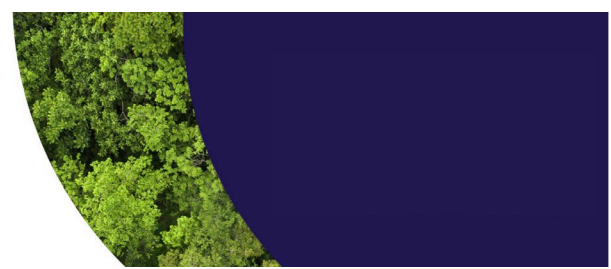
KEY DATES FOR THE ENTITLEMENT OFFER

The timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Offer, Lodgement of Prospectus with ASIC and ASX, Appendix 3B with ASX	19 October 2021
Ex-date for the Offer	21 October 2021
Record Date (date for determining Eligible Shareholders to participate in the Offer)	22 October 2021
Offer Opening Date – Prospectus and personalised Entitlement and Acceptance Forms sent to Shareholders	27 October 2021
Last day to extend the Offer Closing Date	3 November 2021
Closing Date for the Offer (closes at 5:00 pm Melbourne time)	8 November 2021
Options quoted on a deferred settlement basis	9 November 2021
Announcement of results of Offer	11 November 2021
Issue date for Option and lodgement of Appendix 2A with ASX applying for quotation of the securities	15 November 2021
Quotation of Option under the Offer	16 November 2021

Notes:

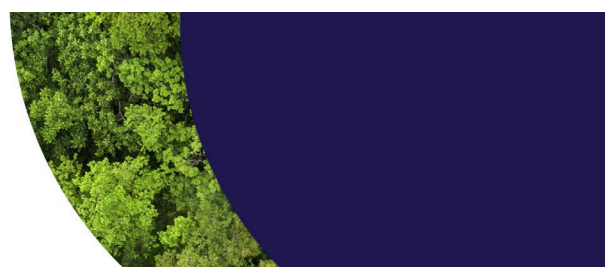
1. Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new Options.
2. These dates are indicative only and are subject to change.



DETAILS OF THE ENTITLEMENT OFFER

The key information in connection with the Entitlement Offer is set out below for your reference, and as required by the ASX Listing Rules:

- the Entitlement Offer is non-renounceable and is being undertaken on the basis of one (1) Listed Option for every three (3) ordinary shares held by eligible shareholders;
- the Listed Options will be issued at \$0.015 each and are exercisable at \$0.052 each and an expiry date of 30 July 2024;
- the record date to determine entitlements for eligible shareholders is 5.00 pm AEST on 22 October 2021 (“**Record Date**”). Only registered shareholders with a registered address in Australia and New Zealand as at the Record Date are eligible to participate in the Entitlement Offer (“**Eligible Shareholders**”). Notwithstanding the above, the Company may (in its absolute discretion) extend the Entitlement to certain shareholders who have registered addresses outside the eligible countries in accordance with applicable law. The ‘Ex’ Date for the Entitlement Offer, being one (1) business day prior to the Record Date, is 21 October 2021;
- there will not be the ability for Eligible Shareholders to subscribe for any Shortfall Listed Options, as these will be taken up by the Underwriter, KTM Capital;
- each Listed Option will rank equally with and be issued on the same terms as those quoted Options already issued by the Company. Application for quotation of the Listed Options offered under the Entitlement Offer will be made by the Company on 15 November 2021;
- for the purposes of calculating your entitlement, fractional entitlements to Listed Options will be rounded down to the nearest whole number of shares;
- the Entitlement Offer is fully underwritten by KTM Capital Pty Ltd;
- the Entitlement Offer is being made by way of the Company’s prospectus dated 19 October 2021;
- the Entitlement Offer is non-renounceable, accordingly rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their entitlements in full will not receive any value in respect of that part of their entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of entitlements they would have received had they been eligible;
- a maximum of approximately 135,359,902 Listed Options (based on the undiluted share capital of the Company as at 19 October 2021) will be issued under the Entitlement Offer. This number is subject to reconciliation of entitlements and rounding. Based on that number, the maximum number of Options on issue following the Entitlement Offer will be 165,130,198;
- no shareholder approval will be required for the Entitlement Offer;
- the Company does not have a dividend policy and does not intend to declare a dividend in the near future; and
- the Company intends to apply the funds raised from the Entitlement Offer primarily towards the ongoing exploration programs at the Company’s projects, as described above.



ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS

Pursuant to the Entitlement Offer, there are a number of actions Eligible Shareholders may pursue and these include:

- taking up all or some of your entitlements; or
- not participating in the Entitlement Offer (if so, you do not need to take any action).

If you are eligible and wish to participate in the Entitlement Offer, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form that will accompany the Offer Document expected to be sent to Eligible Shareholders on or about 19 October 2021 in accordance with the instructions on that Form. You will need to ensure your application money for the entitlements you wish to take up is received by the Company by no later than 5:00 pm (AEDT) on 8 November 2021.

If you have any queries about the Entitlement Offer, please contact the Company on +61 3 9824 5254. Questions relating to the Entitlement and Acceptance Form can be directed to the Share Registry, Computershare, on 1300 557 010.

Phillip Hains
Company Secretary