

ASX RELEASE

25 January 2024

## Option funding agreements secure A\$4.3m for the Tiris Uranium Project

### KEY POINTS:

- Proceeds from the exercise of approximately 82.5 million listed options expiring 30 June 2024 have been secured through option funding agreements and an option exercise underwriting agreement to raise A\$4.3m.
- The additional funds will be allocated towards the Tiris East extensional drilling programme aiming to define additional uranium resources:
  - Tiris Resource currently stands at 113Mt at 236ppm U<sub>3</sub>O<sub>8</sub> containing 58.9 Mlbs U<sub>3</sub>O<sub>8</sub><sup>1</sup>
  - The Exploration Target at Tiris East is 30-60 Mt at 120-240 ppm U<sub>3</sub>O<sub>8</sub> for 8 - 32 Mlbs U<sub>3</sub>O<sub>8</sub><sup>2</sup>

Aura Energy Limited (ASX: AEE, AIM: AURA) (“Aura” or the “Company”) is pleased to announce that it has entered into Option Funding Agreements whereby certain investors (“Investors”) have agreed to prepay the Company approximately A\$4.3 million; equal to the exercise monies for all remaining options expiring 30 June 2024 (“Options”).

#### Aura Chairman, Philip Mitchell said,

*“The Options Funding and Underwriting Agreements provide valuable funding in support of our strategy to continue to grow the Tiris Uranium Project and was well supported by existing significant shareholders including Lind Partners.*

*“The current exploration program is targeting expansion of our mineral resource towards 100 Mlbs U<sub>3</sub>O<sub>8</sub>, a globally important threshold. Reaching this target will reconfirm Tiris’ potential as a near-term low-cost producer, as established by our March 2023 Enhanced Definitive Feasibility Study<sup>3</sup> - with the additional benefit of significantly increased scale. Due to the modular nature of the project, we see outstanding opportunities to grow the annual production capacity of the project in a capital-efficient way.”*

The Options are listed and have an expiry date of 30 June 2024 (“Option Expiry Date”) and an exercise price of \$0.052 each, and on issue convert into ordinary fully paid shares in the Company (“Shares”). As at the date of the agreements and this announcement, 82,537,305 Options remained unexercised.

The proceeds of the Option Funding Agreements are expected to be received by the Company within five business days from the date of signing the agreements and will be repaid to Investors upon receipt of Option exercise moneys as and when current Option holders exercise their options.

In addition, the Company has entered into an underwriting agreement (“Underwriting Agreement”) with PAC Partners Securities Pty Limited (“Underwriter”) for 20 million Options (“Underwritten Options”) whereby the Underwriter (or its nominees) will receive such number of Shares equal to the number of Shares to be issued on exercise of 100% of the Underwritten Options that are not exercised

<sup>1</sup> ASX Announcement “Major Resource Upgrade at Aura Energy’s Tiris Project” dated 14 Feb 2023.

<sup>2</sup> ASX Announcement “New Uranium Exploration Target Identified at Tiris Project” dated 17 Oct 2023.

<sup>3</sup> See announcement dated 29 March 2023 “Tiris Uranium Project Enhanced Definitive Feasibility Study”.

by the Option Holders by the Option Expiry Date (“**Shortfall Shares**”) in lieu of cash. The Shortfall Shares (if any) will be issued at the Option exercise price. Should the shortfall exceed the number of total Underwritten Options the Company will redeem the balance in cash or seek to renegotiate the Underwriting Agreement. The Underwriting Agreement contains indemnities and warranties usual for an agreement of this nature with the material terms and conditions set out in Schedule 1.

The proceeds of these funding agreements will be allocated to the Tiris East extensional drilling programme, which aims to define additional Resources from the Exploration Target of 30 – 60 Mt at 120 – 240 ppm U<sub>3</sub>O<sub>8</sub> for 8 – 32 Mlbs U<sub>3</sub>O<sub>8</sub> at Tiris East<sup>2</sup>.

Lind Partners being a substantial shareholder of the Company will provide \$2.2 million of funding, pursuant to the Option Funding Agreement, and will be paid a sub-underwriting commission of 3% on such amount and a Commitment Fee of 8% of such amount.

A summary of the Option Funding Agreements terms can be found in Schedule 2.

The Option Funding Agreement with Lind Partners (“**Lind**”) and Lind’s sub-underwriting, has been treated as a related party transaction in accordance with AIM Rule 13. The Directors of the Company, being Directors independent of the Option Funding Agreement and sub-underwriting by Lind, consider, having consulted with the Company’s Nominated Adviser, that the terms of Lind’s participation in the Option Funding Agreements and sub-underwriting to be fair and reasonable insofar as the Company’s shareholders are concerned.

In accordance with ASX Listing Rule 3.11.3, the Company advises that the Underwriter is not a related party of the Company and will be paid a fee of 6% (excluding GST) of the total upfront payment provided by investors under the Option Funding Agreements being \$4,291,940.

Any Shortfall Shares to be issued to the Underwriter (or its nominees) will be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought. The Underwriting Agreement is subject to the other following material terms:

1. the Underwriter may nominate sophisticated or professional investors to sub-underwrite the exercise of the Options; and
2. the events of default are set out in the Schedule 1 to this announcement.

**ENDS**

The Board of Aura Energy Ltd has approved this announcement.

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MAR”).

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**About Aura Energy (ASX: AEE, AIM: AURA)**

Aura Energy is an Australian-based minerals company with major uranium and battery metals projects with significant resources in Africa and Europe. The Company primarily focuses on uranium production from the Tiris Project, a significant greenfield uranium discovery in Mauritania.

A recent Enhanced Feasibility Study at Tiris has increased the project NPV significantly, reconfirming the project as one of the lowest capex, lowest operating cost uranium projects that remain undeveloped worldwide.

A Scoping Study into the Häggån Battery Metals Project in Sweden has outlined compelling economic value. Aura plans to follow up this study with further exploration to lift the Resource categorisation alongside close collaboration with the community surrounding the project to foster support to proceed.

In 2024, Aura will continue transitioning from a uranium explorer to a uranium producer to capitalise on the rapidly growing demand for nuclear power as the world shifts towards a decarbonised energy sector.

**Disclaimer Regarding Forward-Looking Statements**

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by various known and unknown risks, variables and factors which could cause actual values or results, performance, or achievements to differ materially from the expectations described in such forward-looking statements. The Company does not guarantee that the anticipated results, performance, or achievements expressed or implied in those forward-looking statements will be achieved.

**Competent Persons**

The Tiris Uranium Resource Estimate was reported in 2023 under the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Mineral Resource Estimate was detailed in ASX announcement: “Major Resource Upgrade at Aura Energy’s Tiris Project” dated 14th February 2023. Aura confirms that it is not aware of any new information or data that materially affects the information included in this announcement regarding the mineral resources and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Tiris Uranium Exploration Target Estimation was reported in 2023 under the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Mineral Exploration Target Estimate was detailed in ASX announcement: “New Uranium Exploration Target Identified at Tiris Project” dated 17 October 2023. Aura confirms that it is not aware of any new information or data that materially affects the information included in this announcement regarding the mineral resources and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## Schedule 1 – Underwriting Agreement Events of Default

The obligation of the Underwriter to underwrite the exercise of the Options is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if one or more of the following occurs and all of the Sub-Underwriters agree to Terminating the Underwriting Agreement:

1. **(suspension of banking services)** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
2. **(change of law)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a Government Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that a law or regulation will or may be introduced or policy adopted (as the case may be) which materially prohibits or regulates the Business Activity of the Issuer or the Issuer Group, the Issue, capital issues generally in Australia, or stock markets generally in Australia;
3. **(regulatory requirements)** the Issuer or an entity in the Issuer Group contravenes its constitution, the Corporations Act or any other applicable law or regulation, or the Listing Rules or the Market Rules, and the contravention, if remediable, is not promptly and completely remedied to the reasonable satisfaction of the Underwriter;
4. **(ASIC actions)** any of the following actions is taken:
  - a. (investigation) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Issue or ASIC commences or directs any investigation or hearing under Part 3 Division 1 of the ASIC Act in relation to the Issue; or
  - b. (examination) ASIC commences an examination of any person or requires any person to produce documents in connection with the Issue under sections 19 or 30, 31, 32A or 33 of the ASIC Act;
5. **(offence by director)** a director of the Issuer is charged with an indictable offence;
6. **(disqualification of director)** a director of the Issuer is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
7. **(breach of this agreement)** the Issuer fails to perform or observe any of its material obligations under this agreement and that failure is not remedied to the satisfaction of the Underwriter;
8. **(Issuer breach of warranty)** a representation or warranty made or given or deemed to have been made or given by the Issuer under this agreement proving to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of the Underwriter;
9. **(undisclosed Security Interest over Issuer's assets)** the Issuer or an entity in the Issuer Group grants a Security Interest in, or agrees to grant a Security Interest in, the whole or a substantial part, of its business or property;
10. **(Issuer insolvency)** an Insolvency Event occurs with respect to the Issuer or any entity in the Issuer Group;
11. **(Timetable not met)** any date in the Timetable is not met for more than ten (15) Business Days otherwise than as the direct result of actions taken by the Underwriter (unless those actions were requested by the Issuer) or the actions of the Issuer (where those actions were taken with the prior consent of the Underwriter);
12. **(forward looking statements)** any statement made by the Issuer prior to the Allotment Date which relates to future matters is or becomes, in the reasonable opinion of the Underwriter, incapable of being met;

13. **(legal proceedings)** material legal proceedings are commenced by a person other than the Underwriter against an entity in the Issuer Group or any director of the Issuer in their capacity as a director of the Issuer;
14. **(judgment and execution)** a judgment for more than \$800,000 is obtained against the Issuer or an entity in the Issuer Group, or any process, such as distress, attachment or execution, for an amount over \$800,000 is issued against, levied or enforced upon any assets of the Issuer or an entity in the Issuer Group and is not paid, set aside or satisfied within ten (10) Business Days;
15. **(regulatory action)** any Governmental Agency commences any public action against the Issuer or any of its directors or announces that it intends to take any such action;
16. **(Shortfall Notice and Compliance Certificate)** the Shortfall Notice or Compliance Certificate is not furnished by the Issuer or a statement in the Shortfall Notice or Compliance Certificate is untrue or incorrect in a material respect;
17. **(misleading statements generally)** any information supplied by or on behalf of the Issuer to the Underwriter in relation to the Issuer Group or the Issue is materially misleading or deceptive or there is a material omission from it;
18. **(corrective action)** corrective action is in the reasonable opinion of the Underwriter required to be taken under the Corporations Act, and the Issuer fails to take that action to the reasonable satisfaction of the Underwriter;
19. **(prescribed occurrence)** an event specified in subsection 652C(1) or subsection 652C(2) of the Corporations Act occurs, as if the references to “target” were references to the Issuer, other than as envisaged by this agreement;
20. **(finance default)** an event of default occurs in any banking accommodation or financing facility of the Issuer or an entity in the Issuer Group;
21. **(material adverse change)** there is a material adverse change in assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer or an entity in the Issuer Group (insofar as the position in relation to an entity in the Issuer Group affects the overall position of the Issuer), from those respectively disclosed to ASX, or a change in the nature of the business of the Issuer Group from that disclosed to ASX, including but not limited to:
  - a. **(prospects)** any change in the earnings, future prospects or forecasts of the Issuer or an entity in the Issuer Group;
  - b. **(nature of business)** any change in the nature of the business conducted by the Issuer or an entity in the Issuer Group;
  - c. **(asset disposal)** any disposal by the Issuer or agreement by the Issuer to dispose of the whole, or a substantial part, of its business or property;
  - d. **(insolvency)** the insolvency or voluntary winding up of the Issuer or an entity in the Issuer Group or the appointment of any receiver, receiver and manager, liquidator or other external administrator; and
  - e. **(financial position)** any significant change in the assets, liabilities, financial position or performance, profits and losses of the Issuer Group from those respectively disclosed in the Issuer’s most recently published financial or other information;
22. **(adverse publicity)** any material adverse or negative publicity or findings of any kind against either the Issuer or any of its directors or officers; or
23. **(hostilities)** the outbreak of hostilities not at present existing or a major escalation in existing hostilities (in any such case whether war has been declared or not) or the occurrence of political or civil unrest involving any of Australia, New Zealand, United Kingdom, Canada and United States of America or an act of terrorism is perpetrated on Australia, New Zealand, United Kingdom, Canada or the United States or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

## Schedule 2 – Options Funding Agreements Key Terms

<b>Subscription Amount</b>	<ul style="list-style-type: none"> <li>Subscription amount of A\$4,291,939.86 secured only by the exercise, if any, of Options (<b>'Subscription'</b>), to be received within 5 business days of agreements being signed.</li> </ul>
<b>Funders</b>	<ul style="list-style-type: none"> <li>Means the following investors: <ul style="list-style-type: none"> <li>Lind Partners; and</li> <li>a Melbourne based institutional investor.</li> </ul> </li> </ul>
<b>AEEO Options to Exercise</b>	<ul style="list-style-type: none"> <li>82,537,305 AEEO Options (Total Options) which have an exercise price of \$0.052 (<b>'Option Premium'</b>) and an expiry date 30 June 2024 (<b>'Expiry Date'</b>) to convert into fully paid ordinary shares (<b>'Shares'</b>) (together the <b>'Options'</b>).</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>20 million Options to be exercised (<b>'Underwritten Options'</b>) of the Total Options are underwritten by the Investors.</li> <li>If any of the Underwritten Options are not exercised (<b>'Unexercised Options'</b>) the Company will issue Investors, Shares in the Company, equivalent to the number of Unexercised Options, at the Option Premium, for the avoidance of doubt, this is an issue price of \$0.052 per Share (<b>'Underwriting'</b>).</li> </ul>
<b>Subscription Amount</b>	<ul style="list-style-type: none"> <li>Any funds provided by an Investor (<b>'Subscription Amount'</b>) shall contribute to the instrument.</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>Any Option Premium(s) received upon the exercise of Options are to be paid to the Investor(s), in proportion with each Investor's Subscription Amount, within 5 business days of the end of the month in which the Option Premium is received.</li> </ul>
<b>Commitment Fee</b>	<ul style="list-style-type: none"> <li>8% of the upfront amount provided by the Investor.</li> </ul>
<b>Maturity or Expiry Date</b>	<ul style="list-style-type: none"> <li>30 June 2024.</li> </ul>
<b>Option Shortfall Price</b>	<ul style="list-style-type: none"> <li>The Option shortfall price of \$0.052.</li> </ul>
<b>Option Conversion by Investor</b>	<ul style="list-style-type: none"> <li>An Investor who also holds Options shall be a deemed a preferential holder (<b>Preferential Holder</b>).</li> <li>A Preferential Holder electing to convert Options prior to 31 January 2024, may elect to offset Option Premium amounts due to the Company upon Option conversion, against amounts owed by the Company to the Preferential Holder pursuant to the Investor's Subscription Amount (<b>Offset</b>). The Offset will be made in preference to any obligation to make a repayment to other Investors.</li> </ul>
<b>Lead Manager</b>	<ul style="list-style-type: none"> <li>PAC Partners Securities Pty Ltd (<b>PAC Partners</b>).</li> </ul>