



Aurora Minerals Limited

ABN 46 106 304 787

Notice of General Meeting

TIME: 11.00 am
DATE: 17th September 2014
PLACE: Level 2, 20 Kings Park Road, West Perth, Western
Australia

This Notice of General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6143 1840

Notice of Meeting to Shareholders

A General Meeting of Shareholders in Aurora Minerals Limited (the **Company**) will be held at the Company's office at Level 2, 20 Kings Park Road, West Perth Western Australia on Wednesday 17th September 2014 at 11.00 am (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Please note terms contained in this Notice of Meeting have the same meaning as set out in Schedule 1 of the Explanatory Memorandum accompanying this Notice of Meeting.

1. Resolution 1 – Ratification of the Aurora Minerals Limited Share Placement made on 22 July 2014

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Limited and for all other purposes, Shareholders ratify the allotment and issue of a total of 14,975,036 fully paid ordinary shares in the capital of the Company which were issued on 22 July 2014 at an issue price of 5.9 cents each and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution 1 by any person who participated in the issue and any associates of such persons. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy forms to vote as the proxy decides.

2. Resolution 2 – Grant of Options to a related party- Mr Martin Pyle

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Company to grant 2,500,000 Options to Director Mr Martin Pyle, or his approved Nominee, to be granted on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Martin Pyle and his Nominee and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

3. Resolution 3 – Grant of Options to a related party- Mr Phillip Jackson

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the grant of 500,000 Options to Director Mr Phillip Jackson, or his approved Nominee, to be granted on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Phillip Jackson, his Nominee and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

4. Resolution 4 – Grant of Options to a related party- Mr Peter Cordin

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the grant of 500,000 Options to Director Mr Peter Cordin, or his approved Nominee, to be granted on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Peter Cordin, his Nominee and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

5. Resolution 5 – Grant of Options to a related party- Mr Tim Markwell

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the grant of 500,000 Options to Director Mr Tim Markwell or his approved Nominee, to be granted on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Tim Markwell, his Nominee, and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

6. Resolution 6- Grant of Options to Mr Eric Moore

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"For the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval is given for the grant of 750,000 Options to the Company Secretary of the Company, Mr Eric Moore, or his approved Nominee, to be granted on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Eric Moore, his Nominee and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel

BY ORDER OF THE BOARD



**E G MOORE
COMPANY SECRETARY**

DATED: 15th August 2014

Information for voting shareholders

Voting Entitlements

For the purpose of determining a person's entitlement to vote at the General Meeting, and in accordance with regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at **5.00 pm (WST) on Monday 15th September 2014**.

On a poll, Shareholders have one vote for every Share held.

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, by fax or as an email attachment.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by proxy

In accordance with section 249L of the Corporations Act, members (i.e. Shareholders) are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

Each proxy will have the right to vote on a poll and also to speak at the meeting.

The proxy can be either an individual or a body corporate.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with its constituent documents and the laws of that corporation's place of incorporation. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, or as an email attachment and by no later than 48 hours prior to the Meeting. If facsimile transmission or email together with an attachment is used, the power of attorney must be certified.

Directed Proxies

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- 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 directed); and
- 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; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- 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
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

A proxy form is attached to this Notice of Meeting.

Undirected Proxies

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit subject to any restrictions at law or under the Listing Rules.

Should any resolution, other than those specified in this Notice of Meeting, be proposed at the General Meeting, a proxy may vote on that resolution as they think fit subject to any restrictions at law or under the Listing Rules.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on a poll called in relation to a Resolution and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting prohibition or exclusion laws or rules which apply to some of the proposed Resolutions (if any). These laws and rules (if any) are explained in this Notice.

Please note that the proxy form provides a box for Shareholders to check if they wish to authorise the Chair to vote any undirected proxies in relation to any resolution connected directly or indirectly with the remuneration of a member of a Key Management Personnel for the Company. If you do not wish to so authorise the Chair and therefore do not check the box, your votes may not be cast.

Corporate Representatives

Any corporation which is a Shareholder may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair of the General Meeting) a natural person to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative must bring to the meeting evidence of his or her appointment, including any authority under which it is signed, in order to be able to vote on the Resolutions.

Explanatory Memorandum

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of Aurora Minerals Limited (**Aurora** or the **Company**) in relation to business to be conducted at the General Meeting to be held at the Company's office at Suite 2, Level 2, 20 Kings Park Road, West Perth, Western Australia at 11.00 am on 17th September 2014.

Purpose of Explanatory Memorandum

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions and Shareholders should seek their own financial or legal advice.

Notice to persons outside of Australia

This Explanatory Memorandum has been prepared in accordance with the Corporations Act and the ASX Listing Rules, disclosure requirements and Accounting Standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

Forward looking statements

Certain statements in this Explanatory Memorandum may relate to the future. These statements reflect views only as of the date of this Explanatory Memorandum. While Aurora believes that the expectations reflected in the forward looking statements are reasonable, neither Aurora nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

Disclaimer

No person is authorised to give any information or make any representation in connection with the proposed transactions which is not contained in this Explanatory Memorandum. Any information which is not contained in this Explanatory Memorandum may not be relied on as having been authorised by Aurora or the Board in connection with the proposed transactions.

Responsibility for information

The information contained in this Explanatory Memorandum has been prepared by Aurora and is the responsibility of Aurora.

ASX

A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASX pursuant to the ASX Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of the Notice and Explanatory Memorandum.

Definitions

Many capitalised terms used in this Explanatory Memorandum are defined in the Glossary in Schedule 1.

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Memorandum should be directed to the Company's Company Secretary, Mr Eric Moore (telephone: +61 8 6143 1840).

1. Resolution 1 – Ratification of the Aurora Minerals Limited Share Issue made on 22 July 2014

As announced to ASX on 22 July 2014, the Company issued 14,975,036 Shares to an unlisted public company, African Lion 3 Fund Limited.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

Shareholder approval was not required for the issue. However, shareholder ratification of the issue is sought pursuant to Listing Rule 7.4 so as to reinstate the ability of the Company to place up to 15% of the issued capital of the Company during the next twelve months without obtaining prior shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

All of the Directors recommend that Shareholders vote in favour of this Resolution as it allows the Company to retain the flexibility to take timely advantage of appropriate opportunities presented to the Company during the next 12 months, through the issue of further equity securities representing up to 15% of the Company's share capital, without the need to first seek prior shareholder approval.

In accordance with ASX Listing Rule 7.4 the following information is provided to Shareholders in respect of the Ratification:

- (a) 14,975,036 Shares were issued.
- (b) The shares were issued to African Lion 3 Limited, who is not a related party of the Company.
- (c) The issue price was 5.9 cents per Share.
- (d) The securities were ordinary fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) The funds raised from the issue were used to fund the Company's acquisition of 66,691,417 fully paid ordinary shares in the capital of Predictive Discovery Limited at a purchase price of \$0.01 per share with the remaining funds raised applied towards working capital purposes for the Company.

2. Resolutions 2 to 5: Grant of Options to Related Parties

2.1 Background

Shareholder approval is being sought in Resolutions 2 to 5 to grant Options to the Directors (or their Nominees) (**Related Parties**), as follows:

- (a) 2,500,000 Options to Mr Martin Pyle (or his Nominee);
- (b) 500,000 Options to Mr Phillip Jackson (or his Nominee);
- (c) 500,000 Options to Director Mr Peter Cordin (or his Nominee); and
- (d) 500,000 Options to Director Mr Tim Markwell (or his Nominee),

(Related Party Options).

The exercise price for the Related Party Options will be a 40% premium to the volume weighted average price of the Company's shares for the 5 trading days prior to the date of grant of the Options.

The grant of the Related Party Options to the Related Parties is designed to reward the commitment and performance of the Directors and better align their interests with shareholders. With the exercise price of the Related Party Options being a significant premium the Share price in the 5 trading days prior to the date of grant, it will thereby provide a material additional incentive for the ongoing involvement of the Directors to the growth of the Company without drawing on the Company's cash reserves.

2.2 Section 208 of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of each being a Director.

In relation to Resolution 2, the Directors, other than Mr Martin Pyle who has a material personal interest in Resolution 2, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required (by relying on the arm's length exception in section 210 of the Corporations Act) in respect of the proposed grant of Related Party Options to Mr Martin Pyle (or his Nominee) because the decision to grant Related Party Options to Mr Martin Pyle (or his Nominee) has been made on an arm's length basis (i.e. without involvement of Mr Martin Pyle and having due regard to current market practices of other ASX listed companies of a similar size and with similar activities to the Company).

In relation to Resolution 3, the Directors, other than Mr Phillip Jackson who has a material personal interest in Resolution 3, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required (by relying on the arm's length exception in section 210 of the Corporations Act) in respect of the proposed grant of Related Party Options to Mr Phillip Jackson (or his Nominee) because the decision to grant Related Party Options to Mr Phillip Jackson (or his Nominee) has been made on an arm's length basis (i.e. without involvement of Mr Phillip Jackson and having due regard to current market practices of other ASX listed companies of a similar size and with similar activities to the Company).

In relation to Resolution 4, the Directors, other than Mr Peter Cordin who has a material personal interest in Resolution 4, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required (by relying on the arm's length exception in section 210 of the Corporations Act) in respect of the proposed grant of Related Party Options to Mr Peter Cordin (or his Nominee) because the decision to grant Related Party Options to Mr Peter Cordin (or his Nominee) has been made on an arm's length basis (i.e. without involvement of Mr Peter Cordin and having due regard to current market practices of other ASX listed companies of a similar size and with similar activities to the Company).

In relation to Resolution 5, the Directors, other than Mr Tim Markwell who has a material personal interest in Resolution 5, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required (by relying on the arm's length exception in section 210 of the Corporations Act) in respect of the proposed grant of Related Party Options to Mr Tim Markwell (or his Nominee) because the decision to grant Related Party Options to Mr Tim Markwell (or his Nominee) has been made on an arm's length basis (i.e. without involvement of Mr Tim Markwell and having due regard to current market practices of other ASX listed companies of a similar size and with similar activities to the Company).

2.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 prohibits a listed company from issuing securities to a person who is a related party of the Company without the approval of Shareholders.

The following additional information is provided to Shareholders in accordance with ASX Listing Rule 10.13:

- (a) the Related Party Options will be granted to the Directors, Mr Martin Pyle, Mr Phillip Jackson, Mr Peter Cordin and Mr Tim Markwell or their Nominees;
- (b) the maximum number of Options to be granted is 4,000,000, being 2,500,000 to Mr Martin Pyle or his Nominee, 500,000 to Mr Phillip Jackson or his Nominee, 500,000 to Peter Cordin or his Nominee and 500,000 to Tim Markwell or his Nominee;
- (c) the Options will be issued and allotted as soon as practicable after the General Meeting and in any event on a date which no later than one month after the date of the Meeting;
- (d) the Related Party Options will be granted for nil consideration and accordingly no funds will be raised from the grant of the Related Party Options; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 2 appended to this Explanatory Memorandum.

As approval of Shareholders is being sought pursuant to ASX Listing Rule 10.11 under Resolutions 2, 3, 4 and 5 to the issue of up to 4,000,000 Options, under ASX Listing Rule 7.2 (Exception 14), Shareholder approval under ASX Listing 7.1 is not required for the issue of those Options.

3. Resolution 6- Grant of Options to Eric Moore

The Company proposes to offer, and if accepted, grant a total of 750,000 Options to Mr Eric Moore (or his approved Nominee), the Company Secretary for the Company (**Company Secretary**).

The exercise price for the Options will be a 40% premium to the volume weighted average price of the Company's shares for the five trading days prior to the date of grant of the Options.

The grant of the Options is designed to:

- i) encourage Mr Moore to have a greater involvement in the achievement of the Company's objectives by providing a material additional incentive for his ongoing commitment and dedication to the continued growth of the Company; and
- ii) do this in a way which does not deplete the Company's cash reserves.

ASX Listing Rule 7.1 provides that a company must not, subject to specified 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.

The effect of Resolution 6 will be to allow the Company to grant the Options to the Company Secretary or his Nominee during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Additional information

The following additional information is provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 6:

- (a) the maximum number of Options to be granted under Resolution 6 is 750,000 Options;
- (b) the Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that grant of the Options will occur on the same date;
- (c) the Options will be issued for nil consideration and accordingly no funds will be raised from the issue;
- (d) the Options will be granted to Mr Eric Moore or his Nominee, none of whom will be related parties of the Company; and
- (e) the terms and conditions of the Options are set out in the Schedule 2 to this Explanatory Memorandum.

Schedule 1- Glossary

In the Notice of Meeting and the Explanatory Memorandum, unless the context otherwise requires, the terms bolded below have the corresponding meanings adjacent to each relevant term:

\$	Australian dollars
ABN	Australian Business Number.
ACN	Australian Company Number.
ASIC	Australian Securities and Investments Commission.
Associate	The meaning given to that term in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	The official listing rules of ASX as amended from time to time.
Aurora	Aurora Minerals Limited (ABN 56 123 102 974)
Board Closely Related Party	The board of Directors. Of a member of the Key Management Personnel means: <ul style="list-style-type: none"> (a) A spouse or child of the member; (b) A child of the member's spouse; (c) A dependent of the member's spouse; (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) A company the member controls; or (f) A person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or Aurora	Aurora Minerals Limited (ABN 56 123 102 974).
Constitution	The Constitution of the Company
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of Aurora.
Equity Securities	The meaning given to that term in the ASX Listing Rules.
Explanatory Memorandum	Explanatory Memorandum accompanying the Notice of Meeting.
General Meeting Key Management Personnel	General Meeting of Shareholders to be held on 17 th September 2014. Has the same meaning as in the accounting standards issued by the Australian Accounting Standards board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company or if the Company is part of a consolidated entity, of any entity within the consolidated group.

Nominee	Means a nominee of the related party the subject of Resolutions 2 to 5 (as relevant) who is approved by the Directors.
Notice of Meeting	The notice convening the General Meeting, which accompanies this Explanatory Memorandum.
Options	Means an option to acquire a Share.
Proxy Form	Proxy Form attached to the Notice of Meeting.
Related party	Means a “related party” as defined in section 228 of the Corporations Act.
Relevant Interest	The meaning given to that term in section 608 of the Corporations Act.
Resolution	Resolution in the Notice of Meeting.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The registered holder of a Share.
VWAP	The volume weighted average price of Shares.

Schedule 2— Terms and Conditions of Options to be granted by Aurora Minerals Limited under Resolutions 2, 3, 4, 5 and 6

The Options will entitle the Option Holders to subscribe for Shares in the Company on the following terms:

(a) Issue price

Each Option is issued for nil consideration.

(b) Exercise price

Each Option shall entitle the Option Holder to acquire one fully paid ordinary share in the capital of the Company upon exercise and payment of the exercise price for the Options which will be the volume weighted average price of the Company's shares for the five trading days prior to the date of grant of the Options, plus 40% of that price ("Exercise Price").

(c) Expiry date

Options will expire on the Expiry Date for that class of Options. The Expiry Date is the date which is 36 months after the date of grant of the Options unless expiry occurs earlier under these terms and conditions.

(d) Certificate

A certificate will be issued for the Options and sent to the Option Holder together with the terms and conditions of the Options and a written notice that is to be completed when exercising Options.

(e) Options not listed

The Options will not be listed for official quotation on the ASX.

(f) Options not transferable

Subject to the Listing Rules of the ASX, the Options can be transferred to a Nominee of the Option Holders (as defined in Section (o) Interpretation), but otherwise are not transferable, without the prior written approval of the Directors.

(g) Exercise

Subject to m) to n) below, the Options may be exercised by notice in writing to the Company ("the Exercise Notice"), delivery of the Option certificates and payment of the Exercise Price to the Company at any time between the date of grant of such Options and the Expiry Date for the Options ("the Exercise Period"). The Options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 100,000 Options. Within 5 business days of receipt of the "Exercise Notice" and Option certificates and payment of the "Exercise Price", the Company will allot the corresponding number of fully paid ordinary shares to the Option Holder, procure the issue a statement of holding for the shares and apply for the shares to be listed on the ASX. The shares issued as a result of exercise of the Options shall rank equally in all respects with the other issued fully paid shares in the Company.

(h) New share issue

If the Options are exercised before, and the Holder is a shareholder on, the record date of a pro rata entitlement issue of securities to shareholders in the Company, the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option Holder of the proposed issue at least 9 business days before the record date. Option Holders do not have a right to participate in new share issues without exercising their Options in accordance with Listing Rule 6.19.

(i) Bonus Issue

If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to Shareholders for no consideration, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for calculating entitlements to the pro rata issue.

(j) Reorganisations

In the event of any reorganization of the issued capital of the Company, the Options will be reorganized by the Company in accordance with the Listing Rules (including without limitation by changing the number or exercise price for the Options in such manner as may be required by the Listing Rules.)

(k) Change of Option's exercise price or the number of underlying securities

- (i) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities in the Company into which one option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date;

S = the Subscription price for a security under the pro rata issue;

D = the Dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

- (ii) The number of shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of shares received by the Option Holder will include the number of bonus shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

(l) Dividends

The Options carry no entitlement to participate in dividends until shares are allotted pursuant to the exercise of the Options.

(m) Cessation of engagement or death of the Option Holder

- (i) In the event of the death of the Option Holder then all of the Options shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the Option Holder or a deceased Option Holder's legal personal representative.
- (ii) Subject to (i) above and (iii) below, in the event that the person to whom the Options were originally offered to ceases to provide services to the Company, then from the date of such cessation ("Cessation Date") one half of the Options in each tranche held by the current holder of the Options shall remain in full force and effect for the full term up until the Expiry Date and the other half of the Options may only be exercised by the current holder of the Options within 3 months of the Cessation Date, and immediately following the exercise of that period such Options shall forthwith lapse and have no further effect unless otherwise determined by the board of directors of the Company.
- (iii) In the event that that the person to whom the Options were originally offered to ceases to provide services to the Company following the takeover of the Company or following a Change in Control, all of the Options shall remain in full force and effect for the full term up until the Expiry Date.

(n) **Directorships**

For the avoidance of doubt it is recorded that the terms of the Options will not be affected in the event that in the future if an Option Holder who is a director of the Company ceases to be a director of the Company.

(o) **Interpretation**

In these terms and conditions the following terms will bear the following means unless the context otherwise requires:

“Options” means an option to acquire a Share granted on the terms and conditions set out in these terms and conditions.

“Change in Control” means a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of section 50AA of the Corporations Act gains such control over the Company.

“Expiry Date” means 36 months after the date of issue.

“Listing Rules” means the listing rules as amended from time to time of the ASX.

“Nominee” means:

- (a) a spouse or de facto spouse of the Option Holder;
- (b) a child, sibling or parent of the Option Holder
- (c) a family trust associated with the Option Holder;
- (d) a superannuation fund in which the Option Holder or any of the persons referred to above is a member; or
- (e) any other nominee approved by the Company.

“Option Holder” means the holder of an Option from time to time.

AURORA MINERALS LIMITED
ABN 56 123 102 974

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20 Kings Park Road
WEST PERTH WA 6005

Telephone: 61 (8) 6143 1840
Facsimile: 61 (8) 6162 9079
Email: contact@auroraminerals.com
Website: www.auroraminerals.com

Proxy Form

I/we.....(full name, block letters)

of.....
being a member of **Aurora Minerals Limited** hereby appoint

of.....
or, failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the company to be held at 11.00 am on 17th September 2014 and at any adjournment thereof.

CHAIR'S VOTING INTENTIONS AS PROXY HOLDER

The Chair of the meeting intends to vote undirected proxies FOR the resolutions to which they apply (assuming the Chair is entitled to vote the proxies – see the additional instructions below).

I/we direct my/our proxy how to vote in the following manner:

ORDINARY AND SPECIAL BUSINESS- VOTING INSTRUCTIONS

		For	Against	Abstain
Resolution 1	Ratify Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approve grant of Options to Mr Martin Pyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approve grant of Options to Mr Phillip Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve grant of Options to Peter Cordin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approve grant of Options to Tim Markwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve grant of Options to Eric Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Instructions:

- ☐ If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as you proxy in respect of a resolution, please mark this box. By marking the box, you acknowledge that Resolutions 2 to 5 relate to the remuneration of Key Management Personnel, that the Chairman of the Meeting may exercise your proxy even if they have a direct or indirect interest in the outcome of Resolutions 2 to 5 and that votes cast by the Chairman of the Meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolutions 2 to 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2 to 5.

***This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed
Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes
My total voting right is _____ shares***

If the shareholder(s) is an individual(s), every shareholder is to sign:

If the shareholder is a company, sign in accordance with Section 127(1) of Corporations Act or affix common seal (if required by Constitution).

Signed: _____

Director or Sole Director and Secretary

Signed: _____

Director/Secretary

Dated: 2014

Dated: 2014

This form is to be used in accordance with the directions overleaf.

Instructions for completing and lodging this Proxy Form

1. A shareholder who is entitled to attend and vote at a meeting is entitled to appoint a proxy (and a shareholder who is entitled to cast two or more votes may appoint not more than two proxies) to attend and vote at the meeting.
2. Where two proxies are appointed each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. Where two proxies for a shareholder are present at the meeting, neither proxy shall be entitled to vote on a show of hands, and on a poll the appointment shall be of no effect, unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, not exceeding 100% in aggregate.
3. A proxy need not himself be a shareholder of the Company.
4. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or in accordance with section 127 of the Corporations Act or by its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
5. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the company, must accompany the proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) 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; and
 - (c) if the proxy is Chairman, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

7. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must either be:
 - (a) deposited at the registered office of the Company, Suite 2, Level 2, 20 Kings Park Road, West Perth, WA 6005; or
 - (b) sent by post to Aurora Minerals Limited, PO Box 644, West Perth, WA 6872; or
 - (c) sent by facsimile to Aurora Minerals Limited at (08) 6162 9079; or
 - (d) sent by email to contact@auroraminerals.com

so as to be received not later than 48 hours before the time fixed for the holding of the meeting—that is, it is to be received by 11.00 am Western Standard Time on Monday 15th September 2014.

Change of Address

Should your address have changed please use this section to advise the Company and, if faxing your proxy form, please fax this side of the proxy form as well.

My new address is:

My email address is: _____

My phone number is: _____