SEPTEMBER QUARTERLY REPORT
31st OCTOBER 2020

KEY POINTS:

QUARTER SUMMARY

Aura Energy continues to progress its asset base where possible despite being constrained in activity due to the ongoing shareholder activism which is undermining equity raising to continue work programmes.

Covid-19 has also restricted 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

The main activity during the quarter revolved around a corporate transaction for the gold assets to list these assets in Toronto.

Aura continued discussions with US utilities for additional long-term uranium sale contracts to support the Export Credit Agency financing process; however, the weakening of the uranium price in the quarter has impacted discussions.

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

The Company held its third s.249D requisition for a shareholder's over a period of 8 months where various groups have attempted to install individuals based in Hong Kong, Indonesia and Panama; however in the latest meeting all were again defeated.

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TIRIS PROJECT, MAURITANIA (AURA 85%)

Other than additional uranium offtake discussions with US utilities 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%)

Aura completed a number of additional steps as it moves to finalise its C$4.5 million (A$4.8 million) gold funding transaction with Archean Gold.

As previously advised this deal, initially sponsored by TSX-listed Chilean Metals, is now being completed with the private vehicle Archean Gold Inc. which will undertake an Initial Public Offering (IPO) on the TSX.

The key items that have been completed are as follows:

- Aura Energy has recently completed the payment of its Entry Fee US$100,000 to Nomads Mining *Company* sarl to commence the farm-in process of expending US$1,000,000 to secure a 70% equity interest in the Nomads ground.
- Archean Gold has successfully completed due diligence, including a visit to the tenements held by the Company in Mauritania
- Terry Lynch, CEO of Chilean Metals, has confirmed to the Company that he will take on the Chairman of the new gold vehicle, Archean Gold Inc
- A 43-101 Technical report is being prepared and will be available before the listing.
- Mackie Research Capital Corporation has been appointed to lead the Archean Gold Inc IPO on the TSX
- An initial C$500,000 of seed investment has now been committed pre-IPO, with those investors agreeing to follow their investment into the IPO
- The Archean IPO is expected to occur in early Q1 2021.

The transaction envisages Aura progressively vending its Mauritanian gold and base metal tenements into Archean Gold for various staged payments. Archean Gold will receive payments totalling C$4.5 million before October 2021.

At the completion of the deal Aura will not have contributed any cash but will have almost A$5 million applied to its gold tenements which the company believe are very prospective. Any rise in the Archean share price will be reflected in Aura's share price.

At the completion of that payment schedule transaction, Aura Energy will own 50% of Archean Gold. This values the gold tenements at C$9 million or A$9.6 million.

The proposed transaction will require shareholder approval and the Company will advise shareholders when the meeting will take place.

CORPORATE

Shareholder Action

During the quarter, Aura secured shareholder support which defeated all the resolutions put to a s.249D general meeting of shareholders brought by ASEAN Deep Value Fund to remove directors and place its own nominees on the board of directors.

ASX Suspension

Aura has been suspended now for a number of months.

The ASX has now imposed a two-year placement holiday on the Company for the omission of a single definition in a 60-page convertible note agreement regarding excessive conversions if the market capitalisation of Aura fell below a certain level (see ASX Announcement dated 28 October 2020).

The Company disclosed the impact of the definition to the ASX through a cleansing statement on 13 March 2020.

The Company is working with the ASX for reinstatement of the Company on the ASX and is proposing to undertake a rights issue and a share purchase plan with the shortfall in the rights issue being placed.

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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 director
JL Bennett	Non-executive director
RC Craigie	Non-executive director
PD Heber	Non-executive director
JC Perkins	Non-executive director

Website: *www.auraenergy.com.au*

For further information contact:

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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 GOTEBORG 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%**

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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 Resources SA	85%
	561	Oum Ferkik	16/04/2008	Subject to exclusivity 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	Quarter ended ("current quarter")
90 115 927 681	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (three months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(35)	(35)
	(b) development		
	(c) production		
	(d) staff costs	(3)	(3)
	(e) administration and corporate costs	(325)	(325)
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)	40	40
1.9	**Net cash from / (used in) operating activities**	**(323)**	**(323**

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	(141)	(141)
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (three 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**	**(141)**	**(141)**

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	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**	**350**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**	(113)	(113)
4.1	Cash and cash equivalents at beginning of period	235	235
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(323)	(323)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(141)	(141)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	350	350

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (three months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**121**	**121**

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	121	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)**	**121**	**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	-

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.

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7.	**Financing facilities** *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.*	**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	-
7.4	**Total financing facilities**	660	350

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.

The Company drew down a short-term loan from Lind Global Macro Fund of $100,000 with the amount of $127,000 is repayable at 31 December 2020. The Company drew down a short-term loan from L1 Capital Global Opportunities Master Fund convertible on 6-months after the date of drawdown

The Company owes Lind Global Macro Fund $310,000 on the Replacement Convertible Security Facility Agreement and Replacement Follow-on Convertible Security Facility Agreement. Lind has converted $2,510,000 of these facility into fully paid ordinary shares

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(323)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(323)
8.4	Cash and cash equivalents at quarter end (item 4.6)	121
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	(202)
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	Neg

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.

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

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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 proposes to undertake a share purchase plan and a rights issue with the shortfall from the rights issue being placed with sophisticated investors, particularly in Europe,
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: 30 October 2020.

Authorised by: PD Reeve, Executive Chairman
(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.

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