

# **Aura Energy Limited**

ABN 62 115 927 681

## **Audited Financial Report for the year ended 30 June 2021**

# ***Aura Energy Limited***

ABN 62 115 927 681

## ***Audited Financial Report - 30 June 2021***

Corporate directory	2
Review of operations	3
Directors' report	4
Directors and company secretary	4
Principal activities	4
Dividends - Aura Energy Limited	4
Review of operations	4
Significant changes in the state of affairs	4
Events since the end of the financial year	4
Environmental regulation	5
Share consolidation	5
Information on directors	6
Company secretary	8
Shares, options and performance rights held by KMP	8
Meetings of directors	9
Remuneration report	10
Proceedings on behalf of the company	17
Non-audit services	17
Auditor's independence declaration	17
Shares under option	17
Financial statements	20
Independent auditor's report to the members	61
Shareholder information	67

<b>Directors</b>	<p>Mr Peter Reeve  <i>Managing Director and CEO</i></p> <p>Mr Peter Ward (appointed 17 March 2021)  <i>Non-Executive Director</i></p> <p>Mr Martin Rogers (appointed 17 March 2021)  <i>Non-Executive Chairman</i></p>
<b>Secretary</b>	Mr Phillip Hains
<b>Principal registered office in Australia Share and debenture register</b>	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA
<b>Auditor</b>	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road Subiaco WA
<b>Solicitors</b>	Price Sierakowski Level 24, St Martins Tower 44 St Georges Terrace Perth WA 6000
<b>Bankers</b>	National Australia Bank 330 Collins Street Melbourne VIC 3000
<b>Nominated advisor</b>	SP Angel Corporate Finance LLP 35 Maddox Street Mayfair London United Kingdom
<b>Joint brokers</b>	SP Angel Corporate Finance LLP WH Ireland Limited
<b>Stock exchange listings</b>	Australian Securities Exchange (ASX) and Alternative Investment Market (AIM)
<b>Website</b>	<a href="http://www.auraenergy.com.au">www.auraenergy.com.au</a>

## Review of operations

For the financial year ended 30 June 2021, Aura Energy Limited deferred most technical activities and focused on stabilisation of the Group following actions by a group of shareholders and completed a number of technical activities near the end of the year.

### Tiris Uranium Project, Mauritania

During the reporting period, the Group undertook the following exploration and development activities on the Tiris Uranium Project:

- Work undertaken to revise the uranium mineral resource via estimation and additional drilling at the Sadi prospect (this will be subject to an additional release with further details).
- Commenced a process to restate the capital costs for the zero emission Tiris Uranium Project 2019 Definitive Feasibility Study (ASX Release: Tiris Uranium Definitive Feasibility Study Complete, 29 July 2019).
- Assaying for vanadium content was undertaken to calculate a vanadium resource with the target of delivering a by-product credit for the Tiris cash cost, potentially lowering the overall operating costs.
- An Opportunity Review for Tiris commenced with several opportunities identified, that will further enhance the Tiris project with anticipated capital and operating cost reductions.
- Wood PLC engaged to complete a net emissions study in respect to the Tiris Uranium Project, with encouraging findings produced.
- The campaign to seek additional water for Tiris was mobilised and will seek initially to reconfirm the previous results from Water Drilling undertaken by the Group in 2019, and seek additional water sources.

Subsequent to year end, the Group announced the results of the Tiris Uranium resource upgrade, the restatement of the Tiris capital cost and the results of water drilling.

Details of these announcements can be found on the Group's website.

### Häggån Battery Metals Project, Sweden

Activities at the Häggån Battery Metals project remained on care-and-maintenance. The Swedish compensation claim remain ongoing and the Group continues to be steadfast in action to recover the value of the asset.

### Tasiast South Gold Project, Mauritania

During the reporting period, the Group continued to progress a corporate transaction for the Group's gold assets and activities were largely on care and maintenance.

## Corporate

The Group successfully completed a Rights Issue to eligible shareholders for 1 share for every 2 shares held post consolidation, at a price of \$0.026 per share, with 1,690 shareholders or 83% of the eligible registry participating, and all directors taking up their full entitlement.

As announced on 1 April 2021, the Group plans to offer 1 Loyalty Option Rights Issue for every 3 Shares held, with the Loyalty Options having an upfront payment of \$0.015 each, an exercise price of \$0.052, and expiry of 30 June 2024 (this offer will only be available to Australian and New Zealand registered shareholders).

The Group also successfully concluded a deed of agreement with the shareholders involved in the 2020 action.

Your directors present their report on the consolidated entity consisting of Aura Energy Limited and the entities it controlled at the end of, or during, the year ended 30 June 2021. Throughout the report, the consolidated entity is referred to as the Group.

### **Directors and company secretary**

The following persons held office as directors of Aura Energy Limited during the financial year:

Mr Peter Reeve  
Dr Robert Beeson (resigned 17 March 2021)  
Mr John Bennett (resigned 17 March 2021)  
Mr Robert Craigie (resigned 17 March 2021)  
Mr Paul Heber (resigned 17 March 2021)  
Mr Julian Perkins (resigned 17 March 2021)  
Mr Peter Ward (appointed 17 March 2021)  
Mr Martin Rogers (appointed 17 March 2021)

The following persons held office as company secretary of Aura Energy Limited during the financial year:

Mr Phillip Hains (appointed 22 December 2020)  
Mr John Madden (resigned 22 December 2020)

### **Principal activities**

The principal activities of the Group during the financial year were exploration and evaluation of uranium, vanadium and gold and base metals in Mauritania and Sweden. There was no significant change in the nature of these activities during the year.

### **Dividends - Aura Energy Limited**

No dividends were declared or paid to members for the year ended 30 June 2021. The directors do not recommend that a dividend be paid in respect of the financial year.

### **Review of operations**

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities on page 3 of this report.

### **Significant changes in the state of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the year.

### **Events since the end of the financial year**

The following circumstance has arisen since 30 June 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

#### *L1 Capital Global Opportunities Master Fund Convertible note*

On 13 September 2021, the Group repaid the L1 Capital Convertible note balance of \$312,500, extinguishing the Group's obligation on the agreement.

#### *Archaean Greenstone Gold Pty Ltd*

On 21 September 2021, the Group incorporated a new wholly owned subsidiary in Australia, Archaean Greenstone Gold Pty Ltd. At the date of this report, the subsidiary has not undertaken any activity.

## **Events since the end of the financial year (continued)**

### *Australian Securities Exchange ("ASX") trading*

On 23 September 2021, the ordinary shares of the Group (ASX: AEE) were reinstated onto the ASX for public trading.

### *Options*

On 31 August 2021, 1,003,206 options expired. The options had an exercise price of \$0.208.

In September 2021, shareholders exercised a total of 2,553,420 options in the Group. The options had an exercise price of \$0.104 and expiry date of 31 March 2023.

### *Performance rights*

On 3 August 2021, the Group converted 641,025 vested performance rights into 641,025 ordinary shares of the Group. The performance rights were granted to consultants and management on 17 June 2018. The converted performance rights vested on 17 June 2020 and 17 June 2021.

### *Litigation claim*

The Group has been made aware of a potential claim against it for approximately \$330,000. The Group maintains that the claim has been settled in full previously and will defend vigorously against the claim.

## **Environmental regulation**

The Group is commencing exploration and evaluation activities in Mauritania and Sweden. Both countries have environmental regulation for the conduct of exploration activities. The Company has complied with these environmental regulations in the conduct of all field activities.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises

## **Share consolidation**

At the AGM on 17 March 2021, the shareholders resolved to consolidate the securities (shares and options) of the Group at a rate of 13 to 1, with fractional entitlements rounded down to the nearest whole number. The consolidation was executed on 25 March 2021. The consolidation of securities had no impact on the Group's balance sheet or tax position.

## Information on directors

The following information is current as at the date of this report.

<b>Mr Peter Reeve</b> <i>Managing Director and CEO</i>	
Experience and expertise	Over 30 years of experience with positions with Rio Tinto, Billiton Australia and Newcrest Mining as well as experience as a Resource Fund Manager and Resources Corporate Finance Director at J B Were and Son.  More recently Peter was Chief Executive Officer of Ivanhoe Australia Ltd.
Date of appointment	13 July 2013
Other current public directorships	None
Former directorships in last 3 years	None

<b>Mr Martin Rogers</b> <i>Non-Executive Chairman</i>	
Experience and expertise	Mr Rogers has a depth of experience in corporate governance incubating companies and publicly listed organisations. Experience includes all aspects of financial, strategic and operational management.  Mr Rogers is also an experienced investment manager in the tech, science and lifesciences sectors with a Bachelor of Engineering (Chemical) and Science (Comp) from University of New South Wales. Also is a qualified RG 146 Managed Investments from Financial Educational Professionals.
Date of appointment	17 March 2021
Other current public directorships	None
Former directorships in last 3 years	None

<b>Mr Peter Ward</b> <i>Non-Executive Director</i>	
Experience and expertise	Corporate Finance professional with a Bachelors of Business (Business & Banking) from Monash University who has over 30 years of experience in advising emerging companies.
Date of appointment	17 March 2021
Other current public directorships	None
Former directorships in last 3 years	None

Information on directors (continued)

<b>Dr Robert Beeson</b> <i>Non-Executive Director</i>	
Experience and expertise	Geologist with over 35 years of global experience in uranium and other commodity management, exploration and development.
Date of appointment	31 March 2006 (resigned 17 March 2021)
Other current public directorships	None
Former directorships in last 3 years	None

<b>Mr John Bennett</b> <i>Non-Executive Director</i>	
Experience and expertise	Mr Bennett has over 30 years' experience in health care in South Australia.
Date of appointment	6 January 2020 (resigned 17 March 2021)
Other current public directorships	None
Former directorships in last 3 years	None

<b>Mr Robert Craigie</b> <i>Non-Executive Director</i>	
Experience and expertise	Mr Craigie worked for 16 years with the Shell Group and its metals business, Billiton, spanning senior technical, planning finance and strategy roles. After leaving the Shell Group, Mr Craigie worked as an equity analyst for more than 20 years with Baillieu Holst, FW Holst & Co and ANZ McCaughan and ANZ Securities. Mr Craigie has also been a part-time lecturer with the Securities Institute of Australia (now part of FINSIA) in Mining Investment Analysis, plus a SIA task force member developing the Advanced Mining Investment Analysis course.
Date of appointment	8 May 2020 (resigned 17 March 2021)
Other current public directorships	None
Former directorships in last 3 years	None



### Information on directors (continued)

<b>Mr Paul Heber</b> <i>Non-Executive Director</i>	
Experience and expertise	Mr Heber has more than 30 years of experience as an investment manager and stockbroker in global stock markets, following three years in the oil industry. Mr Heber has managed client funds at SG Hambro, National Westminster Bank, WI Carr and bespoke boutique, Savoy Investment Management PLC.
Date of appointment	8 May 2020 (resigned 17 March 2021)
Other current public directorships	None
Former directorships in last 3 years	None

<b>Mr Julian Perkins</b> <i>Non-Executive Director</i>	
Experience and expertise	Mr Perkins has over 50 years' experience in operations and management with major companies in the international minerals industry. He was Manager of Mining and Technology (Australia) for AngloGold Ashanti Ltd, until 2006. His career includes operating and management roles on the Zambian Copperbelt, leading the mineral processing at Shell Research in the Netherlands before returning to corporate management in Australia.
Date of appointment	7 June 2011 (resigned 17 March 2021)
Other current public directorships	None
Former directorships in last 3 years	None

### Company secretary

The company secretary is Mr Phillip Hains.

Mr Phillip Hains is a Chartered Accountant operating a specialist public practice, The CFO Solution. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 30 year experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

### Shares, options and performance rights held by directors

The number of shares, options and performance rights held by current KMP at the date of this report is the same as the number of shares, options and performance rights held at 30 June 2021 and disclosed in the remuneration report.

No options have been exercised by directors between 30 June 2021 and the date of this report.

## Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Mr Peter Reeve	6	6	2	2	1	1
Dr Robert Beeson	3	3	-	-	-	-
Mr John Bennett	-	3	1	1	-	-
Mr Robert Craigie	3	3	-	-	-	-
Mr Paul Heber	2	3	-	-	-	-
Mr Julian Perkins	3	3	1	1	-	-
Mr Martin Rogers	3	3	1	1	1	1
Mr Peter Ward	3	3	1	1	1	1

A= Number of meetings attended

B= Number of meetings held during the time the director held office or was a member of the Audit & Risk Committee during the year.

## Remuneration report

The directors present the Aura Energy Limited 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Remuneration expenses
- (d) Link between remuneration and performance
- (e) Share-based compensation
- (f) Other transactions with KMP

### *(a) Key management personnel covered in this report*

*Non-executive and executive directors (see pages 6 to 8 for details about each director)*

Mr Peter Reeve, Executive Chairman  
Dr Robert Beeson, Non-Executive Director (resigned 17 March 2021)  
Mr John Bennett, Non-Executive Director (resigned 17 March 2021)  
Mr Robert Craigie, Non-Executive Director (resigned 17 March 2021)  
Mr Paul Heber, Non-Executive Director (resigned 17 March 2021)  
Mr Julian Perkins, Non-Executive Director (resigned 17 March 2021)  
Mr Peter Ward, Non-Executive Director (appointed 17 March 2021)  
Mr Martin Rogers, Non-Executive Chairman (appointed 17 March 2021)

### *(b) Remuneration policy and link to performance*

Our remuneration committee is made up of independent non-executive directors. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent
- aligned to the company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

## Remuneration report (continued)

### (c) Remuneration expenses

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2021.

2021	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Annual leave	Super-annuation	Long service leave	Options	Shares	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>							
Mr Martin Rogers	75,000	-	7,125	-	535,096	-	617,221
Mr Peter Ward	40,000	-	3,800	-	200,661	-	244,461
Mr Robert Beeson	-	-	-	-	-	25,550	25,550
Mr John Bennett	-	-	-	-	-	25,550	25,550
Mr Robert Craigie	14,247	-	1,354	-	-	15,601	31,202
Mr Paul Heber	31,202	-	-	-	-	-	31,202
Mr Julian Perkins	14,247	-	1,354	-	-	15,601	31,202
<b>Executive directors</b>							
Mr Peter Reeve	156,989	-	23,347	26,798	-	100,000	307,134
<b>Other KMP</b>							
Mr John Madden	62,800	5,000	-	-	-	-	67,800
<b>Total KMP compensation</b>	<b>394,485</b>	<b>5,000</b>	<b>36,980</b>	<b>26,798</b>	<b>735,757</b>	<b>182,302</b>	<b>1,381,322</b>

## Remuneration report (continued)

### (c) Remuneration expenses (continued)

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2020.

2020	Short-term benefits		Post-employment benefits	Share-based payments	
	Cash salary and fees	Non-monetary benefits	Super-annuation	Options	Total
	\$	\$	\$	\$	\$
<b>Non-executive directors</b>					
Mr Robert Beeson	40,000	-	3,800	-	43,800
Mr John Bennett	19,180	-	1,820	-	21,000
Mr Robert Craigie	5,810	-	550	-	6,360
Mr Paul Heber	6,360	-	-	-	6,360
Mr Julian Perkins	40,000	-	3,800	-	43,800
Mr Brett Fraser	15,450	-	1,470	-	16,920
<b>Executive directors</b>					
Mr Peter Reeve	337,416	-	25,000	132,129	494,545
<b>Other KMP</b>					
Mr John Madden	51,900	95,500	-	33,054	180,454
<b>Total KMP compensation</b>	<b>516,116</b>	<b>95,500</b>	<b>36,440</b>	<b>165,183</b>	<b>813,239</b>

## Remuneration report (continued)

### (d) Link between remuneration and performance

#### (i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 11 above:

Name	Fixed remuneration		LTI	
	2021 %	2020 %	2021 %	2020 %
<b>Non-executive director</b>				
Mr Martin Rogers	100	-	-	-
Mr Peter Ward	100	-	-	-
Mr Robert Beeson	100	100	-	-
Mr John Bennett	100	100	-	-
Mr Robert Craigie	100	100	-	-
Mr Paul Heber	100	100	-	-
Mr Julian Perkins	100	100	-	-
Mr Brett Fraser	-	100	-	-
<b>Executive directors</b>				
Mr Peter Reeve	100	73	-	27
<b>Other KMP</b>				
Mr John Madden	100	82	-	18

### (e) Share-based compensation

#### (i) Terms and conditions of the share-based payment arrangements

##### Options

Aura Energy Limited operates an ownership-based scheme for directors and executives of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, directors and executives may be granted options to purchase parcels of ordinary shares at an exercise price as determined at the time options are granted.

Each option converts into one ordinary share of the Group on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is approved by shareholders at a previous annual general meeting. The scheme rewards directors and executives against the extent of the Group's and individual's achievement against criteria from the following measures:

- improvement in share price
- improvement in return to shareholders

# Remuneration report (continued)

(e) Share-based compensation (continued)

(i) Terms and conditions of the share-based payment arrangements (continued)

Holder	Grant date	Vesting and exercise date	Expiry date	Exercise price (\$)	Value per option at grant date (\$)	Number of options
Martin Rogers	17-03-2021	17-03-2021	30-06-2024	0.052	0.0348	15,384,615
Peter Ward	17-03-2021	17-03-2021	30-06-2024	0.052	0.0348	5,769,230

For detailed disclosures please refer to Note 14.

(ii) Reconciliation of options, performance rights and ordinary shares held by KMP

## Option holdings

2021	Balance at start of the year (pre consolidation) <sup>1</sup>	Granted as remuneration	Exercised	Other changes <sup>2</sup>	Balance at end of the year (post consolidation) <sup>3</sup>	Vested and exercisable
<b>Options</b>						
Mr Peter Reeve	-	-	-	-	-	-
Mr John Madden	594,371	-	-	(548,650)	45,721	45,721
Mr Martin Rogers	-	15,384,615	-	-	15,384,615	15,384,615
Mr Peter Ward	-	5,769,230	-	-	5,769,230	5,769,230
Mr Robert Beeson	172,667	-	-	(159,385)	13,282	13,282
Mr John Bennett	-	-	-	-	-	-
Mr Robert Beeson	-	-	-	-	-	-
Mr Paul Heber	-	-	-	-	-	-
Mr Julian Perkins	1,072,398	-	-	(989,906)	82,492	82,492
	<b>1,839,436</b>	<b>21,153,845</b>	<b>-</b>	<b>(1,697,941)</b>	<b>21,295,340</b>	<b>21,295,340</b>

## Notes

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the 13:1 share consolidation on 25 March 2021.

<sup>3</sup> For former KMP, the balance is as at the date they cease being KMP.

# Remuneration report (continued)

(e) *Share-based compensation (continued)*

(ii) *Reconciliation of options, performance rights and ordinary shares held by KMP (continued)*

## Share holdings

2021	Balance at the start of the year (pre consolidation) <sup>1</sup>	Granted as remuneration	Subscription to issue of shares	Other changes <sup>2</sup>	Balance at the end of the year (post consolidation) <sup>3</sup>
<b>Ordinary shares</b>					
Mr Peter Reeve	47,812,365	3,846,153	3,751,051	(44,134,492)	11,275,077
Mr Martin Rogers	-	-	5,769,229	-	5,769,229
Mr Peter Ward	3,000,000	-	2,999,999	(2,769,231)	3,230,768
Mr Robert Beeson	5,949,437	-	-	(5,491,788)	457,649
Mr John Bennet	76,600,000	-	-	(70,707,692)	5,892,308
Mr Robert Craigie	-	-	-	-	-
Mr Paul Heber	-	-	-	-	-
Mr Julian Perkins	3,799,490	-	-	(3,507,222)	292,268
Mr John Madden	29,932,884	-	-	(27,630,354)	2,302,530
	<b>167,094,176</b>	<b>3,846,153</b>	<b>12,520,279</b>	<b>(154,240,779)</b>	<b>29,219,829</b>

## Notes

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the 13:1 share consolidation on 25 March 2021.

<sup>3</sup> For former KMP, the balance is as at the date they cease being KMP.



**Remuneration report (continued)**

(e) *Share-based compensation (continued)*

(ii) *Reconciliation of options, performance rights and ordinary shares held by KMP (continued)*

*Performance rights*

2021	Balance at the start of the year (pre consolidation)	Other changes <sup>1</sup>	Lapsed	Balance at the end of the year (post consolidation) <sup>2</sup>
<b>Performance rights</b>				
Mr John Madden	3,333,333	(3,076,923)	(128,205)	128,205
	<b>3,333,333</b>	<b>(3,076,923)</b>	<b>(128,205)</b>	<b>128,205</b>

*Notes*

<sup>1</sup> Other changes incorporates changes resulting from the 13:1 share consolidation on 25 March 2021.

<sup>2</sup> For former KMP, the balance is as at the date they cease being KMP.

(f) *Other transactions with KMP*

On 10 February 2021, Peter Reeve loaned the Group \$38,000 which was repaid on 18 February 2021. There was no interest obligation on the loan.

At 30 June 2021, Mr Peter Reeve was owed \$235,006 (2020: \$86,550) in remuneration pursuant to agreed terms and conditions of a revised contract of employment with the base salary from 17 March 2021 being \$200,000 plus superannuation.

**[This concludes the remuneration report, which has been audited]**

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Non-audit services

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2021 \$	2020 \$
<b>Taxation services</b>		
Bentleys Tax firm:		
Taxation services	1,500	1,600
<b>Total remuneration for taxation services</b>	<u>1,500</u>	<u>1,600</u>

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

### Shares under option

#### (a) Unissued ordinary shares

Unissued ordinary shares of Aura Energy Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of Shares	Number under option
2019-04-30 (AEEAQ)	2022-04-30	\$0.2080	4,807,692
2019-04-30 (AEEAX)	2022-04-30	\$0.0980	1,538,462
2021-03-17 (AEEAAA)	2024-06-30	\$0.0520	21,153,845
2021-03-17 (AEEAAB)	2024-06-30	\$0.0520	5,769,230
2021-03-07 (AEEAAD)	2023-03-31	\$0.1040	3,424,143
			<u>36,693,372</u>

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

#### (b) Shares issued on the exercise of options

The following ordinary shares of Aura Energy Limited were issued during and after the year ended 30 June 2021 on the exercise of options. No amounts are unpaid on any of the shares.

**Shares under option (continued)**

*(b) Shares issued on the exercise of options (continued)*

Date options granted	Exercise date	Issue price of Shares	Number of shares issued
2021-03-17	2021-06-04	\$0.0520	3,846,153
2021-03-17	2021-09-23	\$0.1040	2,553,420
			<u>6,399,573</u>

This report is made in accordance with a resolution of directors.



Mr Peter Reeve  
 Managing Director and CEO

Melbourne  
 30 September 2021

To the Board of Directors

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit partner for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**DOUG BELL CA**  
**Partner**

Dated this 30<sup>th</sup> day of September 2021

# Aura Energy Limited

ABN 62 115 927 681

## ***Annual financial report - 30 June 2021***

Financial statements	
Consolidated statement of profit or loss and other comprehensive income	21
Consolidated statement of financial position	22
Consolidated statement of changes in equity	23
Consolidated statement of cash flows (direct method)	25
Notes to the financial statements	26
Directors' declaration	60

**Aura Energy Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Notes	2021 \$	2020 \$
Other income	2(a)	31,156	84,772
Other gains/(losses)	2(b)	169,562	(1,280)
Employee benefits		(678,221)	(699,069)
General and administration expenses	2(c)	(1,507,500)	(1,443,557)
Impairment of exploration and evaluation expenditure		-	(2,661,069)
Share-based payments		(767,645)	(231,292)
<b>Operating loss</b>		<b>(2,752,648)</b>	<b>(4,951,495)</b>
Finance income	2(d)	36	1,416
Finance expenses	2(d)	(232,887)	(1,211,086)
<b>Finance costs</b>		<b>(232,851)</b>	<b>(1,209,670)</b>
<b>Loss before income tax</b>		<b>(2,985,499)</b>	<b>(6,161,165)</b>
Income tax benefit	3	-	285,168
<b>Loss for the year</b>		<b>(2,985,499)</b>	<b>(5,875,997)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations	6(b)	(122,711)	177,157
<b>Other comprehensive income for the period</b>		<b>(122,711)</b>	<b>177,157</b>
<b>Total comprehensive loss for the year</b>		<b>(3,108,210)</b>	<b>(5,698,840)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss attributable to the ordinary equity holders of the company:</b>			
Basic and diluted loss per share	16	(1.34)	(4.80)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Aura Energy Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2021**

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4(a)	3,206,855	234,689
Trade receivables	4(b)	798	77,752
Other current assets		104,149	91,866
<b>Total current assets</b>		<b>3,311,802</b>	<b>404,307</b>
Plant and equipment	5(a)	-	499
Exploration and evaluation	5(b)	20,396,634	19,737,751
<b>Total non-current assets</b>		<b>20,396,634</b>	<b>19,738,250</b>
<b>Total assets</b>		<b>23,708,436</b>	<b>20,142,557</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4(c)	1,171,601	905,767
Borrowings	4(d)	312,500	310,000
Employee benefit obligations	5(c)	198,421	117,108
Other financial liabilities		-	34,445
Other current liabilities		25,000	-
		<b>1,707,522</b>	<b>1,367,320</b>
<b>Total current liabilities</b>		<b>1,707,522</b>	<b>1,367,320</b>
<b>Non-current liabilities</b>			
Employee benefit obligations	5(c)	-	21,495
<b>Total non-current liabilities</b>		<b>-</b>	<b>21,495</b>
<b>Total liabilities</b>		<b>1,707,522</b>	<b>1,388,815</b>
<b>Net assets</b>		<b>22,000,914</b>	<b>18,753,742</b>
<b>EQUITY</b>			
Share capital	6(a)	56,227,736	50,967,094
Other equity		314,346	357,056
Other reserves	6(b)	2,065,843	1,147,314
Accumulated losses		(36,607,011)	(33,717,722)
Capital and reserves attributable to owners of Aura Energy Limited		<b>22,000,914</b>	<b>18,753,742</b>
<b>Total equity</b>		<b>22,000,914</b>	<b>18,753,742</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Aura Energy Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

	Attributable to owners of Aura Energy Limited				Total equity \$
	Share capital \$	Other equity \$	Other reserves \$	Accumulated losses \$	
<b>Balance at 1 July 2019</b>	46,315,150	-	1,273,829	(27,939,514)	19,649,465
Loss for the year	-	-	-	(5,875,997)	(5,875,997)
Other comprehensive income	-	-	177,157	-	177,157
<b>Total comprehensive income/(loss) for the year</b>	-	-	<b>177,157</b>	<b>(5,875,997)</b>	<b>(5,698,840)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	995,672	-	-	-	995,672
Conversion of convertible notes	2,510,000	278,889	-	-	2,788,889
Share-based payments	656,272	-	-	-	656,272
Options issued	-	-	52,825	-	52,825
Options expired	-	-	(97,789)	97,789	-
Options exercised	-	78,167	-	-	78,167
Performance shares issued	-	-	231,292	-	231,292
Performance shares converted	490,000	-	(490,000)	-	-
	4,651,944	357,056	(303,672)	97,789	4,803,117
<b>Balance at 30 June 2020</b>	<b>50,967,094</b>	<b>357,056</b>	<b>1,147,314</b>	<b>(33,717,722)</b>	<b>18,753,742</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*



**Aura Energy Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**  
(continued)

	Attributable to owners of Aura Energy Limited			
	Share capital \$	Other equity \$	Other reserves \$	Accumulated losses \$
<b>Balance at 1 July 2020</b>	50,967,094	357,056	1,147,314	(33,717,722)
Loss for the year	-	-	-	(2,985,499)
Other comprehensive income	-	-	(122,711)	-
<b>Total comprehensive loss for the year</b>	-	-	<b>(122,711)</b>	<b>(2,985,499)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs and tax	4,621,385	-	-	-
Conversion of convertible notes	310,000	34,445	-	-
Options issued	-	-	1,065,470	-
Options expired	-	(77,155)	-	77,155
Options exercised	329,257	-	(37,063)	-
Performance rights forfeited	-	-	(19,055)	19,055
Performance rights vested	-	-	31,888	-
	5,260,642	(42,710)	1,041,240	96,210
<b>Balance at 30 June 2021</b>	<b>56,227,736</b>	<b>314,346</b>	<b>2,065,843</b>	<b>(36,607,011)</b>
				<b>22,000,914</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Aura Energy Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2021**

	2021	2020
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(996,205)	(1,345,871)
Other income	30,450	326,130
Interest received	36	1,416
Interest paid	(130)	(11,275)
Payments for exploration and evaluation	-	(961,815)
<b>Net cash (outflow) from operating activities</b>	7(a) <u>(965,849)</u>	<u>(1,991,415)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(608,306)	-
<b>Net cash (outflow) from investing activities</b>	<u>(608,306)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	4,113,644	1,004,374
Proceeds from borrowings	417,000	250,000
Share issue transaction costs	(103,413)	(8,703)
Repayment of borrowings	(76,000)	(250,000)
Exercise of options	200,000	78,167
Proceeds from convertible notes	-	350,000
Commitment fee paid	-	(8,750)
Proceeds from other current liabilities	25,000	-
<b>Net cash inflow from financing activities</b>	<u>4,576,231</u>	<u>1,415,088</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,002,076</b>	<b>(576,327)</b>
Cash and cash equivalents at the beginning of the financial year	234,689	812,296
Effects of exchange rate changes on cash and cash equivalents	(29,910)	(1,280)
Cash and cash equivalents at end of year	4(a) <u>3,206,855</u>	<u>234,689</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Segment information

### (a) Description of segments and principal activities

The Group operates predominately in the mining industry. This comprises exploration and evaluation of uranium projects. Inter-segment transactions are priced at cost to the consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the board of directors on a monthly basis. Management has identified the operating segments based on the three principal project - uranium, vanadium and gold and base metals. The Group also maintains a corporate function primarily responsible for overall management of the operating segments, raising capital and distributing funds to operating segments.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

### (b) Financial breakdown

The segment information for the reportable segments for the year ended 30 June 2021 is as follows:

2021	Uranium \$	Vanadium \$	Gold and base metals \$	Corporate \$	Total \$
Segment income	-	-	-	706	706
Covid 19 Relief	-	-	-	30,450	30,450
Realised & unrealised gains	181,976	(16,944)	10,472	(5,942)	169,562
<b>Total income</b>	<b>181,976</b>	<b>(16,944)</b>	<b>10,472</b>	<b>25,214</b>	<b>200,718</b>
Employee benefits	-	-	-	(678,221)	(678,221)
General & administration expenses	-	(37,166)	-	(1,470,334)	(1,507,500)
Finance costs	-	-	-	(232,851)	(232,851)
Share-based payments	-	-	-	(767,645)	(767,645)
<b>Profit/(loss) for the year</b>	<b>181,976</b>	<b>(54,110)</b>	<b>10,472</b>	<b>(3,123,837)</b>	<b>(2,985,499)</b>
<b>Assets</b>					
Segment assets	12,413,115	7,222,843	805,234	3,267,244	23,708,436
<b>Total assets</b>	<b>12,413,115</b>	<b>7,222,843</b>	<b>805,234</b>	<b>3,267,244</b>	<b>23,708,436</b>
<b>Liabilities</b>					
Trade and other payables	-	3,395	-	1,168,206	1,171,601
Provisions	-	-	-	198,421	198,421
Borrowings	-	-	-	312,500	312,500
Other current liabilities	-	-	-	25,000	25,000
<b>Total liabilities</b>	<b>-</b>	<b>3,395</b>	<b>-</b>	<b>1,704,127</b>	<b>1,707,522</b>

## 1 Segment information (continued)

### (b) Financial breakdown (continued)

The segment information for the reportable segments for the year ended 30 June 2020 is as follows:

2020	Uranium \$	Vanadium \$	Gold and base metals \$	Corporate \$	Total \$
Segment income	-	-	-	15,222	15,222
Covid 19 Relief	-	-	-	69,550	69,550
Realised & unrealised gains	-	-	-	(1,280)	(1,280)
<b>Total income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,492</b>	<b>83,492</b>
Employee benefits	-	-	-	(699,069)	(699,069)
General & administration expenses	-	(15,252)	-	(1,428,305)	(1,443,557)
Finance costs	-	-	-	(1,209,670)	(1,209,670)
Impairment of exploration	(2,616,725)	(44,344)	-	-	(2,661,069)
Share-based payments	-	-	-	(231,292)	(231,292)
R&D tax rebate	-	-	-	285,168	285,168
<b>Operating profit/(loss)</b>	<b>(2,616,725)</b>	<b>(59,596)</b>	<b>-</b>	<b>(3,199,676)</b>	<b>(5,875,997)</b>
<b>Assets</b>					
Segment assets	11,769,138	7,220,847	747,766	404,806	20,142,557
<b>Total assets</b>	<b>11,769,138</b>	<b>7,220,847</b>	<b>747,766</b>	<b>404,806</b>	<b>20,142,557</b>
<b>Unallocated liabilities</b>					
Trade and other payables	-	35,136	-	870,631	905,767
Provisions	-	-	-	138,603	138,603
Borrowings	-	-	-	310,000	310,000
Financial liabilities	-	-	-	34,445	34,445
<b>Total liabilities</b>	<b>-</b>	<b>35,136</b>	<b>-</b>	<b>1,353,679</b>	<b>1,388,815</b>

## 2 Other income and expense items

### (a) Other income

	2021 \$	2020 \$
Other income	706	15,222
Government grants	30,450	69,550
	<b>31,156</b>	<b>84,772</b>

## 2 Other income and expense items (continued)

### (b) Other gains/(losses)

	2021	2020
Notes	\$	\$
Net gain/(loss) on foreign currency	8(a) <b>169,562</b>	(1,280)
	<b>169,562</b>	<b>(1,280)</b>

### (c) Breakdown of expenses by nature

	2021	2020
	\$	\$
<b>General and administration expenses</b>		
Accounting and audit	(145,950)	(51,998)
Computers and communication	(29,238)	(26,298)
Consulting	(251,115)	(455,649)
Depreciation	(499)	(3,565)
Insurance	(18,161)	(61,234)
Investor relations	(22,291)	(15,910)
Legal	(826,652)	(358,431)
Listing and share registry	(123,822)	(282,741)
Occupancy	(61,824)	(77,099)
Travel and entertainment	(2,256)	(12,807)
Other	(25,692)	(97,825)
	<b>(1,507,500)</b>	<b>(1,443,557)</b>

### (d) Finance income and costs

	2021	2020
	\$	\$
<i>Finance income</i>		
Interest from financial assets not at fair value through profit or loss	36	1,416
<b>Finance income</b>	<b>36</b>	<b>1,416</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(232,887)	(1,211,086)
<b>Finance costs expensed</b>	<b>(232,887)</b>	<b>(1,211,086)</b>
<b>Net finance costs</b>	<b>(232,851)</b>	<b>(1,209,670)</b>

### 3 Income tax expense

#### (a) Income tax expense

	2021 \$	2020 \$
Current tax on loss for the year	-	(285,168)
Deferred tax on loss for the year	-	-
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>(285,168)</b>

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	2021 \$	2020 \$
Loss from continuing operations before income tax expense	<b>(2,985,499)</b>	(6,161,165)
Tax at the Australian tax rate of 26% (2020 - 27.5%)	<b>(776,230)</b>	(1,694,320)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Equity raising costs	-	(27,500)
Finance costs	-	330,299
Impairment of exploration expenditure previously capitalised	-	731,793
Share-based payments	<b>199,588</b>	63,605
Other	<b>1,477</b>	352
Unrealised currency (gains)/losses	<b>(41,086)</b>	-
Fines and penalties	<b>130,119</b>	-
Superannuation liability	<b>11,248</b>	-
Covid-19 relief	<b>(7,917)</b>	-
Employee leave obligations	<b>15,552</b>	-
Subtotal	<b>(467,249)</b>	(595,771)
Difference in overseas tax rates	<b>2,327</b>	-
Research and development tax credit	-	(285,168)
Tax losses and other timing differences for which no deferred tax asset is recognised	<b>464,922</b>	595,771
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>(285,168)</b>

#### (c) Tax losses

	2021 \$	2020 \$
Unused tax losses for which no deferred tax asset has been recognised	<b>20,360,090</b>	18,571,928
Potential tax benefit @ 26% (2020: 27.5%)	<b>5,293,623</b>	5,107,280

The unused tax losses were incurred by a dormant subsidiary that is not likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely.

#### 4 Financial assets and financial liabilities

##### (a) Cash and cash equivalents

	2021 \$	2020 \$
<b>Current assets</b>		
Cash at bank and in hand	<b>3,206,855</b>	234,689
	<b>3,206,855</b>	234,689

##### (i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See Note 18(f) for the Group's other accounting policies on cash and cash equivalents.

##### (b) Trade and other receivables

	2021 Current \$	2021 Non- current \$	2021 Total \$	2020 Current \$	2020 Non- current \$	2020 Total \$
Other receivables	798	-	798	77,752	-	77,752

##### (i) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

##### (c) Trade and other payables

	2021 Current \$	2021 Non- current \$	2021 Total \$	2020 Current \$	2020 Non- current \$	2020 Total \$
Trade payables	408,156	-	408,156	342,978	-	342,978
Accrued expenses	410,979	-	410,979	381,564	-	381,564
Payroll tax and other statutory liabilities	16,067	-	16,067	35,516	-	35,516
Other payables	336,399	-	336,399	145,709	-	145,709
	<b>1,171,601</b>	-	<b>1,171,601</b>	905,767	-	905,767

#### 4 Financial assets and financial liabilities (continued)

##### (d) Borrowings

	Total \$
<b>Year ended 30 June 2020</b>	
Opening balance	1,388,431
New borrowings	600,000
Conversion rights	(46,667)
Settlement	(2,812,825)
Finance charges	1,181,061
Closing amount	<u>310,000</u>
	<b>Total \$</b>
<b>Year ended 30 June 2021</b>	
Opening balance	310,000
New borrowings	432,000
Finance charges	88,500
Settlement	(518,000)
Closing amount	<u>312,500</u>

##### *Lind Global Macro Fund LP Convertible notes*

On 30 April 2019, the Group entered into the Convertible Security Facility Agreement with Lind Global Macro Fund LP and a Follow-on Convertible Security Facility Agreement on 18 November 2019. Pursuant to the terms and conditions the Group issued a convertible note with a face value of \$2,400,000 to Lind under the Convertible Security Facility Agreement and \$420,000 under the Follow-on Convertible Security Facility Agreement.

Prior to 30 June 2020, the Group issued Lind 62,500,000 options (pre consolidation) under the Convertible Security Facility Agreement and 20,000,000 options (pre consolidation) under the Follow-on Convertible Security Facility Agreement.

The options over ordinary shares under the Convertible Security Facility Agreement expire 3 years from the date of issue and have an exercise price of 1.6 cents per option (pre consolidation) and the options under the Follow-on Convertible Security Facility Agreement expire 3 years from the date of issue and an exercise price of 0.754 cents per option over ordinary share (pre consolidation).

During the year ended 30 June 2020, Lind had converted \$2,510,000 convertible notes. On 8 April 2021, Lind converted the final \$310,000 convertible notes.



## **4 Financial assets and financial liabilities (continued)**

### **(d) Borrowings (continued)**

#### *Lind Global Macro Fund LP Borrowings*

On 18 August 2020, the Group entered into a short-term Loan Agreement with Lind Global Macro Fund LP for \$106,000. A facility fee of \$6,000 was payable on inception of the agreement. Lind advanced the Group the net amount on inception of the loan. The loan had a face value of \$132,000 and \$26,000 finance costs were recognised in 2021.

The loan was wholly net off against the amount payable by Lind for the Rights Issue conducted by the Group in May 2021.

#### *L1 Capital Global Opportunities Master Fund Convertible note*

On 19 August 2020, the Group entered into a Convertible Securities Agreement with L1 Capital Global Opportunities Master Fund. The Group issued 250,000 convertible securities for a consideration of \$250,000. A facility fee of \$9,000 was payable by the Group on inception of the agreement. L1 Capital advanced the Group the net amount on inception of the agreement. The securities have a face value of \$312,500 and \$62,500 finance costs have been recognised accordingly.

Under the Convertible Securities Agreement, L1 Capital was entitled to 50,000,000 options (pre consolidation) over 2 series.

Series A: 25,000,000 options with an exercise price of 0.4 pence, converted into AUD using the Exchange Rate on the day immediately prior to the Execution Date and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

Series B: 25,000,000 Options with an exercise price equal to the closing VWAP on the London Stock Exchange on the Actual Trading Day immediately prior to the date Shareholder Approval is obtained converted into AUD using the Exchange Rate on the same day and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

On 21 December 2020, the options component of the agreement was amended. On 9 April 2021, L1 Capital was issued 3,846,153 options (post consolidation) with an exercise price of \$0.052 and expiring on 30 June 2024.

After the balance sheet date, on 13 September 2021, the Group repaid L1 Capital the face value of the borrowings \$312,500.

#### *Other loans*

On 10 February 2021, Peter Reeve (Executive Chairman) and Phillip Hains (Company Secretary) each advanced the Group \$38,000 on an arm's length transaction. Both advances were repaid on 18 February 2021.

## 5 Non-financial assets and liabilities

### (a) Plant and equipment

	<b>Total</b>
	<b>\$</b>
<b>At 1 July 2019</b>	
Cost	30,420
Accumulated depreciation	(26,356)
Net book value	<u>4,064</u>
<b>Year ended 30 June 2020</b>	
Opening net book value	4,064
Depreciation charge	(3,565)
Closing net book value	<u>499</u>
<b>At 30 June 2020</b>	
Cost	30,420
Accumulated depreciation	(29,921)
Net book value	<u>499</u>
<b>At 1 July 2020</b>	
Cost	30,420
Accumulated depreciation	(29,921)
Net book value	<u>499</u>
<b>Year ended 30 June 2021</b>	
Opening net book value	499
Disposals at cost	(30,420)
Accumulated depreciation of disposals	30,420
Depreciation charge	(499)
Closing net book value	<u>-</u>
<b>At 30 June 2021</b>	
Cost	-
Accumulated depreciation	-
Net book value	<u>-</u>

## 5 Non-financial assets and liabilities (continued)

### (b) Exploration and evaluation

	Total \$
<b>Year ended 30 June 2020</b>	
Opening net book value	21,008,293
Expenditure capitalised during the financial year	1,252,969
Exchange differences	137,558
Impairment loss	(2,661,069)
Closing net book value	<u>19,737,751</u>
<b>Year ended 30 June 2021</b>	
Opening net book value	19,737,751
Expenditure capitalised during the financial year	587,937
Exchange differences	70,946
Closing net book value	<u>20,396,634</u>

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

On 22 May 2018, the Group lodged exploitation applications for Ain Sder, Oued El Foule and Oum Ferkik.

The Islamic Republic of Mauritania granted exploitation licenses for the Ain Sder and Oued El Foule on 9 February 2019. The Group is in discussions with the government to secure an exclusivity over the Oum Ferkik tenement.

The pandemic has prevented the Group from continuing negotiations of an exclusivity over the Oum Ferkik tenement and as a consequence the board of directors decided to recognise an impairment of the carrying value of the Oum Ferkik tenement of \$2.508 million in the prior year. The board of directors believes its relationship with the government will result in it eventually securing an exclusivity and notes that the government has not revoked the Oum Ferkik tenement due to the representations made by the Group to secure the exclusivity.

The Group also impaired the carrying value of the Aguelet tenement in the prior year, as the Group relinquished this tenement.

## 5 Non-financial assets and liabilities (continued)

### (c) Employee benefit obligations

	Current \$	2021 Non- current \$	Total \$	Current \$	2020 Non- current \$	Total \$
Leave obligations (i)	198,421	-	198,421	117,108	21,495	138,603

#### (i) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in Note 18(i).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$198,421 (2020: \$117,108) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## 6 Equity

### (a) Share capital

	2021 Shares	2020 Shares	2021 \$	2020 \$
Ordinary shares Fully paid	395,962,187	2,557,535,966	56,227,736	50,967,094
	395,962,187	2,557,535,966	56,227,736	50,967,094
<b>Total share capital</b>	<b>395,962,187</b>	<b>2,557,535,966</b>	<b>56,227,736</b>	<b>50,967,094</b>

#### (i) Movements in ordinary shares:

Details	Notes	Number of shares	Total \$
<b>Balance at 1 July 2019</b>		<b>1,223,891,343</b>	<b>46,315,150</b>
Shares issued on conversion of convertible note, valued at \$0.009 (12 Jul 2019)		11,111,111	100,000
Shares issued on conversion of performance rights, valued at \$0.021 (12 Jul 2019)		5,000,000	105,000
Shares issued at \$0.0111 to Joint Venture Partner (12 Jul 2019)		3,251,773	36,127
Shares issued for services, valued at \$0.0114 (12 Jul 2019)		1,893,233	21,564
Shares issued for services, valued at \$0.0111 (12 Aug 2019)		1,931,218	21,475
Shares issued on conversion of convertible note, valued at \$0.007 (4 Sep 2019)		14,285,715	100,000
Shares issued for services, valued at \$0.0109 (4 Sep 2019)		2,041,281	22,209

## 6 Equity (continued)

### (a) Share capital (continued)

Details	Notes	Number of shares	Total \$
Shares issued on conversion of convertible note, valued at \$0.006 (24 Sep 2019)		16,666,667	100,000
Shares issued for services, valued at \$0.008 (24 Sep 2019)		18,811,250	150,490
Shares issued for services, valued at \$0.008 (24 Sep 2019)		2,021,250	16,170
Shares issued on conversion of convertible note, valued at \$0.007 (27 Oct 2019)		14,285,715	100,000
Shares issued on conversion of convertible note (18 Nov 2019)		8,750,000	-
Shares issued on conversion of convertible note, valued at \$0.003 (20 Dec 2019)		33,333,334	100,000
Shares issued on conversion of convertible note, valued at \$0.003 (23 Dec 2019)		66,666,668	200,000
Shares issued at \$0.0045 pursuant to share placement (14 Jan 2020)		105,416,664	474,375
Shares issued for services, valued at \$0.008 (10 Feb 2020)		11,164,037	89,312
Shares issued on conversion of convertible note, valued at \$0.004 (18 Feb 2020)		48,750,000	195,000
Shares issued for services, valued at \$0.008 (1 Mar 2020)		4,193,788	33,550
Shares issued on conversion of convertible note, valued at \$0.004 (9 Mar 2020)		50,000,000	200,000
Shares issued on conversion of convertible note, valued at \$0.004 (18 Mar 2020)		50,000,000	200,000
Shares issued at \$0.004 pursuant to share placement (18 Mar 2020)		50,000,000	200,000
Shares issued on conversion of convertible note, valued at \$0.002 (8 Apr 2020)		62,500,000	125,000
Shares issued for services, valued at \$0.0043 (20 Apr 2020)		5,807,178	24,973
Shares issued on conversion of convertible note, valued at \$0.002 (24 Apr 2020)		60,000,000	120,000
Shares issued on conversion of convertible note, valued at \$0.002 (26 Apr 2020)		115,000,000	230,000
Shares issued at \$0.0028 pursuant to share placement (8 May 2020)		120,000,000	330,000
Shares issued to contractors and consultants, valued at \$0.0038 (13 May 2020)		63,263,741	240,402
Shares issued on conversion of convertible note, valued at \$0.002 (15 May 2020)		280,000,000	560,000
Shares issued on conversion of convertible note, valued at \$0.002 (17 May 2020)		90,000,000	180,000
Shares issued on conversion of performance rights, valued at \$0.022 (18 May 2020)		17,500,000	385,000
Less: Transaction costs arising on share issues		-	(8,703)
<b>Balance at 30 June 2020</b>		<b>2,557,535,966</b>	<b>50,967,094</b>

## 6 Equity (continued)

### (a) Share capital (continued)

	Number of shares	Total \$
Share consolidation 13:1 (25 Mar 2021)	(2,360,803,231)	-
Shares issued pursuant to resolutions passed at AGM (9 Apr 2021)	64,422,301	1,814,980
Shares issued at \$0.026 pursuant to rights issue (28 May 2021)	130,576,382	3,395,015
Shares issued at \$0.052 on exercise of options (4 June 2021)	3,846,153	329,257
Shares issued pursuant to resolution passed at AGM (28 May 2021)	384,616	20,000
Less: Transaction costs arising on share issues	-	(298,610)
<b>Balance at 30 June 2021</b>	<b>395,962,187</b>	<b>56,227,736</b>

#### (ii) Share consolidation

At the AGM on 17 March 2021, the shareholders resolved to consolidate the issued shares and options on a 13:1 basis. The consolidation was effective of 25 March 2021. The consolidation of shares and options adjusted the capital structure in a manner that will align the Group's share structure with its peers on the ASX and the AIM. The consolidation should result in a share price level that is more attractive to a wider range of investors and particularly, for institutional investors and large sophisticated and professional investors.

#### (iii) Settlement of litigation

Included in shares issued at AGM are 5,769,230 shares issued to to ASEAN Deep Value Fund ("ASEAN") and Pre-Emptive Trading Pty Ltd ("PET") as settlement of litigation and associated fees.

On 12 August 2020, the Group applied to the Supreme Court of Victoria alleging that ASEAN, Axel Sartingen, PET and Florian Hoertlehner held a relevant interest in each other's shares totaling 24.05%.

The Group abandoned its legal action with the 3rd parties and negotiated settlement of costs.

Additionally, the Group issued ASEAN and PET 5,769,230 options in the Group. See Note 14(a).

## 6 Equity (continued)

### (b) Other reserves

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments \$	Foreign currency translation \$	Total other reserves \$
<b>At 1 July 2019</b>	<b>855,670</b>	<b>418,159</b>	<b>1,273,829</b>
Currency translation differences	-	177,157	177,157
<b>Other comprehensive income</b>	-	177,157	177,157
Transactions with owners in their capacity as owners			
Issue of options	52,825	-	52,825
Issue of performance shares	231,292	-	231,292
Expiry of warrants	(97,789)	-	(97,789)
Cancellation of performance shares	(490,000)	-	(490,000)
<b>At 30 June 2020</b>	<b>551,998</b>	<b>595,316</b>	<b>1,147,314</b>
<b>At 1 July 2020</b>	<b>551,998</b>	<b>595,316</b>	<b>1,147,314</b>
Currency translation differences	-	(122,711)	(122,711)
<b>Other comprehensive income</b>	-	(122,711)	(122,711)
Transactions with owners in their capacity as owners			
Issue of options	1,065,470	-	1,065,470
Options exercised	(37,063)	-	(37,063)
Performance rights forfeited	(19,055)	-	(19,055)
Performance rights vested	31,888	-	31,888
<b>At 30 June 2021</b>	<b>1,593,238</b>	<b>472,605</b>	<b>2,065,843</b>

#### (i) Nature and purpose of other reserves

##### Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and eligible contractors.

##### Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 18(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 7 Cash flow information

### (a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Notes	2021 \$	2020 \$
<b>Loss for the period</b>		<b>(2,985,499)</b>	<b>(5,875,997)</b>
Adjustments for			
Depreciation and amortisation	2(c)	499	3,565
Exchange fluctuation		(71,552)	1,280
Exploration and evaluation expenditure capitalised and included in operating cash flows		2,826	(961,815)
Finance costs		232,757	1,181,061
Impairment		-	2,661,069
Payments to employees and consultants by way of the issue of shares		772,759	359,752
Provisions		59,818	59,763
Share-based payments		767,645	231,292
Other		706	8,750
Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale of engineering division:			
(Increase) in trade receivables		92,369	(74,614)
Increase/(decrease) in trade creditors		161,823	414,479
<b>Net cash inflow (outflow) from operating activities</b>		<b>(965,849)</b>	<b>(1,991,415)</b>

### (b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- options issued for no cash consideration - Note 14; and
- settlement of borrowings - Note 4(d)

### (c) Changes in liabilities arising from financing activities

	Balance at start of the year \$	Cashflow \$	Other \$	Balance at end of the year \$
Current loans and borrowings	310,000	341,000	338,500	312,500
Other current liabilities	-	25,000	-	25,000
	<b>310,000</b>	<b>366,000</b>	<b>338,500</b>	<b>337,500</b>

For further information please refer to Note 4(d).



## 8 Financial risk management

### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

#### (i) Foreign exchange risk

The Group has exposure to foreign currency risk in relation to US dollars for assets the Group holds in Mauritania. The following table illustrates sensitivities to the Group's exposures to changes in the AUD/USD exchange rate. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

The table below sets out the financial impact of the strengthening or weakening of the Australian dollar against the US dollar on a profit after tax and equity basis as at the end of the financial year, with all other variables constant.

#### Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 June 2021				30 June 2020			
	USD	MRU	GBP	SEK	USD	MRU	GBP	SEK
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	12,142	18,406	7,361	7,836	12,749	8,049	16,220	10,592
Trade payables	89,539	-	109,190	3,402	91,867	-	90,801	-

#### Sensitivity

The Group has conducted a sensitivity analysis of its exposure to foreign currency risk. The Group is currently materially exposed to the United States dollar (USD) and the Pound Sterling (GBP). The sensitivity analysis is conducted on a currency-by-currency basis using the sensitivity analysis variable, which has been set as 10% change in the respective exchange rates for the year ended 30 June 2021, keeping all the other variables constant.

	Impact on post-tax profit		Impact on other components of equity	
	2021	2020	2021	2020
	\$	\$	\$	\$
USD/AUD exchange rate - increase 10%*	10,168	10,462	-	23,912
MRU/AUD exchange rate - increase 10%*	1,841	805	25,706	2,401
GBP/AUD exchange rate - increase 10%*	11,655	10,702	-	-
SEK/AUD exchange rate - increase 10%*	1,124	1,059	203,219	100,068

\* Holding all other variables constant

## 8 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents held, which expose the Group to cash flow interest rate risk. During 2021 and 2020, the Group's cash and cash equivalents at variable rates were denominated in Australian dollars.

The Group's exposure to interest rate risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2021 \$	2020 \$
<b>Financial instruments with cash flow risk</b>		
Cash and cash equivalents	<u>3,206,855</u>	<u>234,689</u>

### (b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

There has been an increase in the Group's exposure to credit risk in 2021 due to increased cash and cash equivalents. The Group's exposure to other classes of financial assets with credit risk is not material.

#### (i) Risk management

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### (ii) Impairment of financial assets

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

### (c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

## 8 Financial risk management (continued)

### (c) Liquidity risk (continued)

#### (i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$	\$	\$	\$	\$	\$
<b>At 30 June 2021</b>						
Trade and other payables	1,171,601	-	-	-	1,171,601	1,171,601
<b>Total</b>	<b>1,171,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,171,601</b>	<b>1,171,601</b>

#### At 30 June 2020

Trade and other payables	905,767	-	-	-	905,767	905,767
<b>Total</b>	<b>905,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>905,767</b>	<b>905,767</b>

## 9 Interests in other entities

### (a) Subsidiaries

The Group's subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2021 %	2020 %
Vanadis Battery Metals AB	Sweden	100	100
Aura Energy Mauritania Pty Ltd	Australia	100	100
Tiris Ressources SA	Mauritania	85	85
Tiris International Mining Company sarl	Mauritania	100	100

## 10 Contingencies

### (a) Contingent liabilities

#### (i) *Geogruppen | Goteburg AB*

The Group executed a Drilling Services Agreement with Geogruppen on 14 February 2019. Geogruppen agreed to have drilling invoices settled by the way of the issue of fully paid ordinary shares in the Group. The Group agreed to pay the face value of all Swedish Krona submitted by Geogruppen and therefore, any difference between the proceeds on sale of its shares and the face value of the invoices will be reimbursed by the Group.

At the date of this report, Geogruppen has not sold any shares issued to each party under their respective Drilling Settlement Agreements.

#### (ii) *Nomads Mining Company sarl*

On 11 June 2019, the Group executed a Binding Term Sheet (see ASX Announcement, dated 11 June 2019) with the shareholders of Nomads Mining Company sarl, an entity incorporated in Mauritania, to acquire 70% equity interest in Nomads Mining Company sarl and on 26 June 2019 the Group and the shareholders of Nomads Mining Company sarl executed a Farm-in and Joint Venture Agreement.

Under the terms and conditions of the above agreement, the Group agreed to pay the shareholders of Nomads an entry fee of US\$150,000. The first entry fee of US\$25,000 in cash and the Australian dollar equivalent of US\$25,000 in fully paid ordinary shares were paid on execution of the agreement. The second instalment of the Entry Fee (US\$50,000) and third instalment of the Entry Fee (US\$50,000) were paid in full in cash on 8 and 9 September 2020 respectively.

On completion of US\$1,000,000 exploration program (the Farm-in Commitment) on the tenement held by Nomads, the shareholders of Nomads will assign 70% of their uncertificated equity interest in Nomads to the Group. On the Group being assigned the uncertificated equity interest by the shareholders of Nomads, the Group and the existing shareholders of Nomads, will form a joint venture with the Group to be appointed manager.

The Group will provide the shareholders of Nomads with a free-carry through to development and a deferred carry following the decision to mine. The deferred carry is repayable with interest out of dividends declared by Nomads once in operations.

#### (iii) *Tiris International Mining Company sarl*

On 25 June 2016, the Group, Tiris International Mining Company sarl ("TIMCO") and Sid Ahmed Mohamed Lemine Sidi Reyoug executed the Tasiast South sale and purchase agreement. On 2 April 2019, TIMCO was granted tenements 2457 (Hadeibet Bellaa) and 2458 (Touerig Taet) by the Ministry of Petroleum, Energy and Mines.

Under the terms and conditions of the agreement, if the Group proves up an 'Indicated Resource' greater than one million ounces of gold will be required to pay Sid Ahmed Mohamed US\$250,000 and, on commencement of production, Aura is required to pay Sid Ahmed Mohamed US\$5/ounce of gold and a 0.4% net sales revenue royalty on other commodities with total royalty payments capped to a maximum of US\$5 million.

## 11 Commitments

As at 30 June 2021, the Group had commitments of \$206,545 (\$99,826 <1 year and \$106,719 1-5 years). These represent renewal of exploration licenses and committed exploration expenditure.

## 12 Events occurring after the reporting period

The following circumstance has arisen since 30 June 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### *L1 Capital Global Opportunities Master Fund Convertible note*

On 13 September 2021, the Group repaid the L1 Capital Convertible note balance of \$312,500, extinguishing the Group's obligation on the agreement.

### *Archaean Greenstone Gold Pty Ltd*

On 21 September 2021, the Group incorporated a new wholly owned subsidiary in Australia, Archaean Greenstone Gold Pty Ltd. At the date of this report, the subsidiary has not undertaken any activity.

### *Australian Securities Exchange ("ASX") trading*

On 23 September 2021, the ordinary shares of the Group (ASX: AEE) were reinstated onto the ASX for public trading.

### *Options*

On 31 August 2021, 1,003,206 options expired. The options had an exercise price of \$0.208.

In September 2021, shareholders exercised a total of 2,553,420 options in the Group. The options had an exercise price of \$0.104 and expiry date of 31 March 2023.

### *Performance rights*

On 3 August 2021, the Group converted 641,025 vested performance rights into 641,025 ordinary shares of the Group. The performance rights were granted to consultants and management on 17 June 2018. The converted performance rights vested on 17 June 2020 and 17 June 2021.

### *Litigation claim*

The Group has been made aware of a potential claim against it for approximately \$330,000. The Group maintains that the claim has been settled in full previously and will defend vigorously against the claim.

## 13 Related party transactions

### (a) Subsidiaries

Interests in subsidiaries are set out in Note 9(a).

### (b) Key management personnel compensation

	2021 \$	2020 \$
Short-term employee benefits	399,485	516,116
Post-employment benefits	36,980	36,440
Long-term benefits	26,798	-
Share-based payments	918,059	260,683
	<b>1,381,322</b>	<b>813,239</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 16.

## 14 Share-based payments

### (a) Unlisted options

Set out below are summaries of all unlisted options:

	2021		2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options (pre consolidation)
As at 1 July	<b>\$0.02</b>	<b>95,541,679</b>	\$0.02	91,040,732
Consolidation	-	<b>(88,192,319)</b>	-	-
Granted during the year	<b>\$0.06</b>	<b>36,746,791</b>	\$0.01	20,000,000
Expired during the year	-	-	\$0.03	(15,499,053)
Exercised during the year	<b>\$0.05</b>	<b>(3,846,153)</b>	-	-
As at 30 June	<b>\$0.08</b>	<b>40,249,998</b>	\$0.02	95,541,679

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant and vesting date	Expiry date	Exercise price	No. of Share options 30 June 2021	No. of Share options 30 June 2020
30 April 2019	30 April 2022	0.2080	<b>4,807,692</b>	4,807,692
30 April 2019	30 April 2022	0.0980	<b>1,538,462</b>	1,538,462
23 June 2019	31 August 2021	0.2860	<b>1,003,206</b>	1,003,206
17 March 2021	30 June 2024	0.0520	<b>26,538,459</b>	-
17 March 2021	31 March 2023	0.1040	<b>5,977,563</b>	-
17 March 2021	30 June 2024	0.0520	<b>384,616</b>	-
Total			<b>40,249,998</b>	7,349,360

Weighted average remaining contractual life of options outstanding at 30 June 2021

2.04

2.5

## 14 Share-based payments (continued)

### (a) Unlisted options (continued)

#### (i) Fair value of options granted

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted during the year ended 30 June 2021 included:

Grant date	Expiry date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)
17-03-2021 (AEEAAA)	2024-06-30	\$0.0520	21,153,845	\$0.0520	107.63%	0.00%	0.50%	\$0.0348
17-03-2021 (AEEAAB)	2024-06-30	\$0.0520	5,769,230	\$0.0520	107.63%	0.00%	0.50%	\$0.0347
17-03-2021 (AEEAAC)	2024-03-17	\$0.0520	3,846,153	\$0.0520	107.63%	0.00%	0.50%	\$0.0336
17-03-2021 (AEEAAD)	2023-03-31	\$0.1040	5,977,563	\$0.0520	107.63%	0.00%	0.50%	free attaching
			<u>36,746,791</u>					

### (b) Performance rights

On 17 June 2018, the Group approved the award of 15,000,000 performance rights (pre consolidation) to Messrs Neil Clifford, John Madden and Dr William Goodall with the board of directors ratifying the award on 4 September 2018. The performance rights were awarded under the Employee Share Plan.

The following tranches set out the vesting periods for the award of performance rights to the above-mentioned management of the Company. Each tranche consists of 5,000,000 (pre consolidation) or 384,615 (post consolidation), vested as follows:

- Tranche 1 on 17 June 2019
- Tranche 2 on 17 June 2020
- Tranche 3 on 17 June 2021

\$31,888 (2020: \$99,163) was the deemed cost of the performance rights for the financial year. The performance rights hold no voting or dividend rights and are not transferable.

John Madden resigned on 22 December 2020 and is not entitled to his share of Tranche 3 performance rights.

On 3 August 2021, the Group converted the remaining Tranche 2 and Tranche 3 performance right into 641,025 ordinary shares of the Group (post consolidation).

## 15 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

### (a) Hall Chadwick WA Audit Pty Ltd Australia

#### (i) Audit and other assurance services

	2021 \$	2020 \$
Audit and review of financial statements	47,048	41,192
Total remuneration of Hall Chadwick WA Audit Pty Ltd Australia	47,048	41,192

### (b) Bentleys Tax

#### (i) Taxation services

	2021 \$	2020 \$
Tax compliance services	1,500	1,600
Total remuneration of Bentleys Tax	1,500	1,600

## 16 Loss per share

### (a) Reconciliations of earnings used in calculating earnings per share

	2021 \$	2020 \$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share:		
From continuing operations	2,985,499	5,875,997

### (b) Weighted average number of shares used as the denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	223,319,972	122,424,792

The 30 June 2020 weighted average number was restated to reflect the consolidation of shares that occurred during the year ended 30 June 2021. Options on issue are anti-dilutive.



## 17 Parent entity financial information

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2021 \$	2020 \$
Assets and liabilities		
Current assets	3,245,168	363,288
Non-current assets	20,459,873	19,744,133
Total assets	23,705,041	20,107,421
Current liabilities	1,704,127	1,332,184
Non-current liabilities	-	21,495
Total liabilities	1,704,127	1,353,679
Net assets	22,000,914	18,753,742
<i>Shareholders' equity</i>		
Share capital	56,227,736	50,967,094
Other contributed equity	314,346	357,056
Reserves		
Share-based payments	1,593,238	690,030
Retained earnings	(36,134,406)	(33,260,438)
Total Equity	22,000,914	18,753,742
<b>Loss for the year</b>	<b>(2,873,968)</b>	<b>(5,216,052)</b>
<b>Total comprehensive loss</b>	<b>(2,873,968)</b>	<b>(5,216,052)</b>

### (b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2021 (2020: nil).

### (c) Contingent liabilities of the parent entity

The parent entity had contingent liabilities at 30 June 2021 identical to those of the Group, as outlined in Note 10.

### (d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2021 (2020: nil).

### (e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

## 17 Parent entity financial information (continued)

### (e) Determining the parent entity financial information (continued)

#### (i) *Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries are accounted for at cost in the financial statements of Aura Energy Limited.

## **Contents of the summary of significant accounting policies**

	Page
(a) Basis of preparation	51
(b) Principles of consolidation and equity accounting	53
(c) Segment reporting	53
(d) Foreign currency translation	53
(e) Income tax	53
(f) Cash and cash equivalents	54
(g) Plant and equipment	54
(h) Provisions	55
(i) Employee benefits	55
(j) Equity-settled compensation	55
(k) Revenue and other income	56
(l) Value-added taxes	56
(m) Earnings per share	56
(n) Impairment of non-financial assets	56
(o) Fair value of assets and liabilities	57
(p) Critical accounting estimates and judgements	59

## 18 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Aura Energy Limited and its subsidiaries.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Aura Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with IFRS

The consolidated financial statements of the Aura Energy Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

#### (iii) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$2,985,499 (2020: \$5,875,997) and a net cash outflow from operating activities of \$965,849 (2020: \$1,991,415).

As at 30 June 2021, the Group had surplus/(deficit) working capital of \$1,604,280 (2020: (\$963,013)).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of the Group's exploration assets. These conditions indicate a material uncertainty that may cast doubt about the ability of the Group to continue as a going concern.

The Group proposes to undertake a loyalty options rights issue in October 2021. This initiative is expected to raise \$2,000,000. The Group expects to raise an additional \$3,000,000 from the exercise of options.

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

## 18 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### (iv) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 18(p) Critical accounting estimates and judgements.

#### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### (v) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### (vi) New standards and interpretations

##### *Software-as-a-Service arrangements*

The IFRS Interpretations Committee (IFRIC) has issued two agenda decisions related to accounting for Software-as-a-Service (SaaS) arrangements:

- In March 2019, the IFRIC considered the accounting for SaaS arrangements (the first agenda decision) and concluded that for many such arrangements the substance is that the group has contracted to receive services rather than the acquisition (or lease) of software assets. This is because, in a cloud-based environment, the SaaS contract generally only gives the customer the right to receive access to the cloud provider's application software, rather than a license over the IP i.e. control over the software code itself.
- In April 2021, the IFRIC specifically considered how an entity should account for configuration and customisation costs incurred in implementing these (SaaS) service arrangements. The IFRIC concluded (the second agenda decision) that these costs should be expensed, unless the criteria for recognising a separate asset are met.

The group has historically expensed costs related to SaaS arrangements. The impact of this decision has not had a material impact on the group's financial statements.

#### (vii) New standards and interpretations not yet adopted

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 18 Summary of significant accounting policies (continued)

### (b) Principles of consolidation and equity accounting

#### (i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the chief executive officer.

### (d) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Aura Energy Limited's functional and presentation currency.

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

### (e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## **18 Summary of significant accounting policies (continued)**

### **(e) Income tax (continued)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

### **(f) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

### **(g) Plant and equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are as follows:

- Computer equipment - 3 years
- Other plant & equipment - 2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

## 18 Summary of significant accounting policies (continued)

### (h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (i) Employee benefits

For the year ending 30 June 2021 the Group has three types of employee benefits.

#### (i) *Defined contribution superannuation funds*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### (ii) *Short-term benefits*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

#### (iii) *Other long-term benefits*

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### (j) Equity-settled compensation

The Group operates an employee share ownership scheme. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.



## 18 Summary of significant accounting policies (continued)

### (k) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Management fees are recognised on portion of completion basis.

Gain on disposal of tenements, and revenue from equipment chargebacks, are recognised on receipt of compensation.

All revenue is stated net of the amount of value added taxes (see Note Value-added taxes).

### (l) Value-added taxes

Value-added taxes (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and in Mauritania (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the taxation authority.

### (m) Earnings per share

#### (i) Basic earnings per share

Basic earnings (or loss) per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings (or loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as share-based payments.

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

### (n) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (Note 3 Income tax) and exploration and evaluation assets (Note 5(b) Exploration and evaluation) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

## 18 Summary of significant accounting policies (continued)

### (n) Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

### (o) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

## 18 Summary of significant accounting policies (continued)

### (o) Fair value of assets and liabilities (continued)

#### (i) Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, the Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### (ii) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1  
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2  
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3  
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

## 18 Summary of significant accounting policies (continued)

### (o) Fair value of assets and liabilities (continued)

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

### (p) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

#### (i) Key Judgements – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in Note 5(b) Exploration and evaluation.

The carrying value of capitalised expenditure at reporting date is \$20,396,634 (2020: \$19,737,751).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided not to impair any of its exploration assets.

#### (ii) Key Judgements – Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

#### (iii) Key Judgements – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof.

No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer to Note 3 Income tax.

#### (iv) Key Judgements – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

#### (v) Key Judgements – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 14 Share-based payments.

**In the directors' opinion:**

- (a) the financial statements and notes set out on pages 20 to 59 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr Peter Reeve  
Managing Director and CEO

Melbourne  
30 September 2021

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURA ENERGY LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Aura Energy Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 18(a)(i).

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 18(a)(iii) in the financial report, which indicates that the Group incurred a net loss of \$2,985,499 during the year ended 30 June 2021. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 18(a)(iii), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Exploration and Evaluation Asset</b> (Refer to Note 5(b))	
<p>The Group has exploration and evaluation assets of \$20,396,634 as at 30 June 2021.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The significance of the balance to the Group's consolidated financial position.</li> <li>The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 ('AASB 6') is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest and the exploration programs planned for those tenements.</li> <li>For each area of interest, we assessed the Group's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable.</li> <li>We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.</li> <li>Substantiated a sample of expenditure by agreeing to supporting documentation.</li> <li>We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:               <ul style="list-style-type: none"> <li>the licenses for the right to explore</li> </ul> </li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matter
<ul style="list-style-type: none"> <li>The assessment of impairment of exploration and evaluation expenditure requiring significant judgement.</li> </ul>	<p>expiring in the near future or are not expected to be renewed;</p> <ul style="list-style-type: none"> <li>substantive expenditure for further exploration in the specific area is neither budgeted or planned;</li> <li>decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> <li>data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.</li> </ul> <ul style="list-style-type: none"> <li>Examination of the disclosures made in the financial report.</li> </ul>
<p><b>Share-Based Payments</b></p> <p>(Refer to Note 14)</p> <p>During the year the Group issued options to Directors, financiers and legal advisors.</p> <p>Share-based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The significance of the transactions to the Group's financial position and performance; and</li> <li>The level of judgement required in evaluating management's application of the requirements of AASB 2 <i>Share-based Payment</i> ("AASB 2").</li> </ul>	
<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>Analysed contractual arrangements to identify key terms and conditions of the share-based payments and relevant vesting conditions in accordance with AASB 2;</li> <li>Evaluated management's valuation methods and assessed the assumptions and inputs used;</li> <li>Assessed the amount recognised during the period against relevant vesting conditions; and</li> <li>Examination of the disclosures made in the financial report.</li> </ul>	

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 18(a)(i), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### Auditor's Opinion

In our opinion, the Remuneration Report of Aura Energy Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.



**HALL CHADWICK WA AUDIT PTY LTD**



**DOUG BELL CA**  
Partner

Dated this 30<sup>th</sup> day of September 2021

The shareholder information set out below was applicable as at 24 September 2021.

#### **A. Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

Holding	No. of holders (shares)	Shares	Redeemable	
			No. of holders (options)	Options
1 - 1000	94	34,497	-	-
1,001 - 5,000	525	1,354,748	-	-
5,001 - 10,000	246	1,825,445	-	-
10,001 - 100,000	594	18,888,249	-	-
100,001 and over	174	377,053,693	11	36,693,371
	1,633	399,156,632	11	36,693,371

There were 308 holders of less than a marketable parcel of ordinary shares.

#### **B. Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
LIND GLOBAL MACRO FUND LP	71,215,404	17.84
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	39,787,446	9.97
ASEAN DEEP VALUE FUND	23,076,922	5.78
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	21,087,505	5.28
MR PETER ANDREW PROKSA	19,270,549	4.83
ASEAN DEEP VALUE FUND	15,576,921	3.90
CITICORP NOMINEES PTY LIMITED	13,199,198	3.31
MR JOHN LANGLEY HANCOCK	11,538,462	2.89
PRE-EMPTIVE TRADING PTY LTD	11,095,574	2.78
MR PETER DESMOND REEVE	10,929,033	2.74
MR MENA HABIB	8,674,962	2.17
THE CFO SOLUTION TEAM PTY LTD	8,113,267	2.03
COMSEC NOMINEES PTY LIMITED	6,817,990	1.71
ASEAN GROUP INVESTMENTS LTD	5,769,230	1.45
STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	5,769,229	1.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,320,786	1.33
WONFAIR INVESTMENTS PTY LTD	4,569,229	1.14
PRE-EMPTIVE TRADING PTY LTD	4,517,307	1.13
BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	3,604,397	0.90
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,459,356	0.87
	293,392,767	73.50

**C. Substantial holders**

**D. Voting rights**

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options: No voting rights.

**E. Securities subject to voluntary escrow**

The securities subject to voluntary escrow are set out below:

	<b>Expiry date</b>	<b>Number of shares</b>
Ordinary shares	17-Mar-2023	22,114,611

Tenement report

Country	Tenement number	Name	Grant/ application date	Expiry date	Kms/sq	Holder	Equity
Mauritania	2491C4	Ain Sder	1/28/2019	1/28/2049	207	Tiris Resources SA	85%
	2492C4	Oued El Foule	1/28/2019	1/28/2049	190	Tiris Resources SA	85%
	2457B2	Hadeibet Belaa	6/20/2019	6/20/2022	41	Tiris International Mining Company	100%
	2458B2	Touerig Taet	6/20/2019	6/20/2022	134	Tiris International Mining Company	100%
Sweden	2007-243	Haggan nr 1	8/28/2007	8/28/2022	18.3	Vanadis Battery Metals AB	100%
	2018-9	Mockelasen nr 1	1/21/2019	1/21/2022	17.6	Vanadis Battery Metals AB	100%
	2018-7	Skallbole nr 1	1/20/2019	1/20/2022	7.8	Vanadis Battery Metals AB	100%
Joint Venture	2688B2	Nderik	7/9/2019	11/13/2021	260	Nomads Mining Co	70%