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5 OCTOBER 2020

## C\$4.5 MILLION GOLD FUNDING TRANSACTION UPDATE

**Aura Energy Limited (AEE:ASX, AURA: AIM)** is pleased to advise that a number of additional steps have now been completed as it moves to finalise its C\$4.5 million (A\$4.8 million) gold funding deal with Archean Gold.

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

The key items that have been completed are as follows:

- Aura Energy has recently completed its final US\$100,000 payment to Nomads Mining Company sarl for its additional Joint Venture property
- Archean Gold has successfully completed due diligence on Aura's Tasiast South Gold Project
- Terry Lynch, CEO of Chilean Metals, has confirmed his role as Chairman of the new gold vehicle, Archean Gold
- A 43-101 Technical report has commenced and a Qualified Person engaged with a site visit to Mauritania to be undertaken shortly. The report will be ready prior to IPO.
- Mackie Research Capital Corporation has been appointed to conduct the Archean Gold IPO on the TSX
- An initial C\$500,000 of seed investment has now been committed pre IPO, with those investors agreeing to follow their investment into the IPO
- The Archean IPO is expected to occur in early Q1 2021.

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

At the completion of that payment schedule transaction, Aura Energy will own 50% of Archean Gold.

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## About Aura's Tasiast South Project

The following information is extracted from Aura ASX release: Gold Base and Battery Metal Update, dated 17 October 2019. Further details are provided in that release.

The Aura's Tasiast South tenements over 435 km<sup>2</sup> are in a highly prospective area lying on two lightly explored mineralised greenstone belts in Mauritania (See Fig 3). The areas lie along strike from Kinross' giant +20 Moz<sup>1</sup> Tasiast Gold Mine, where Franco Nevada own a royalty, and from Algold's Tijirit gold deposits. Importantly Kinross has also recently announced that it will expand gold production at Tasiast to 530,000 ounces per year.

Aura maintains that these tenements, with the single large Tasiast gold mine along strike, and strong base and battery metal results from limited previous exploration, represent some of the best under-explored greenstone belt targets in the world.

The project is located 200 km from Aura's Nouakchott office, 60 km from the coast.

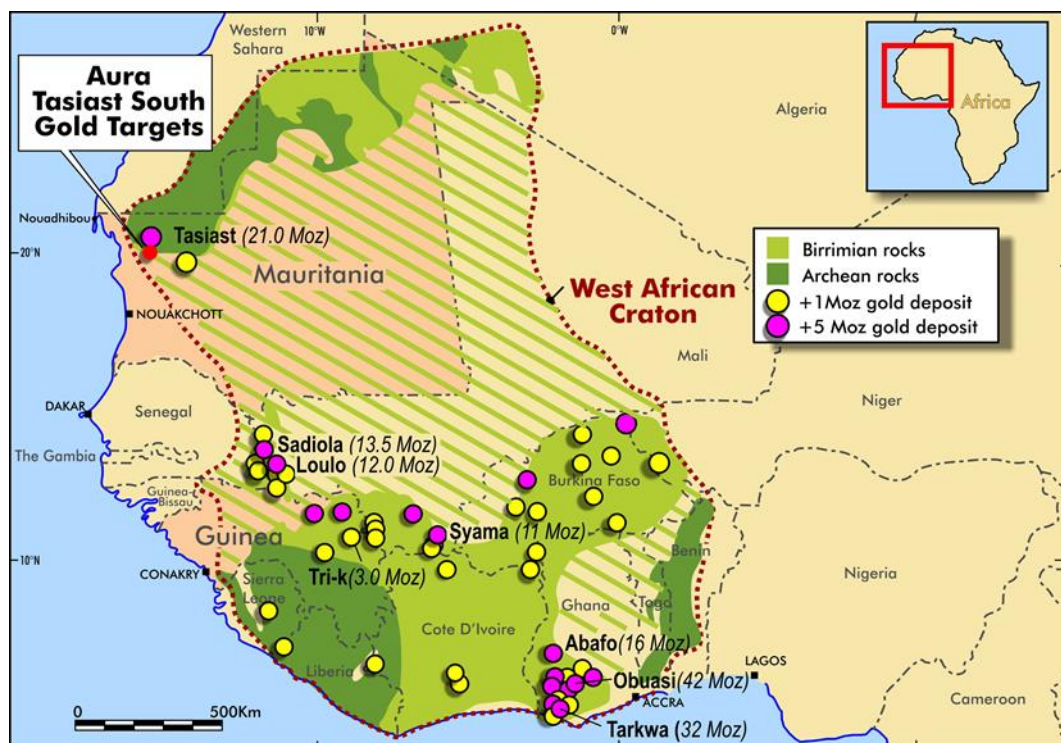
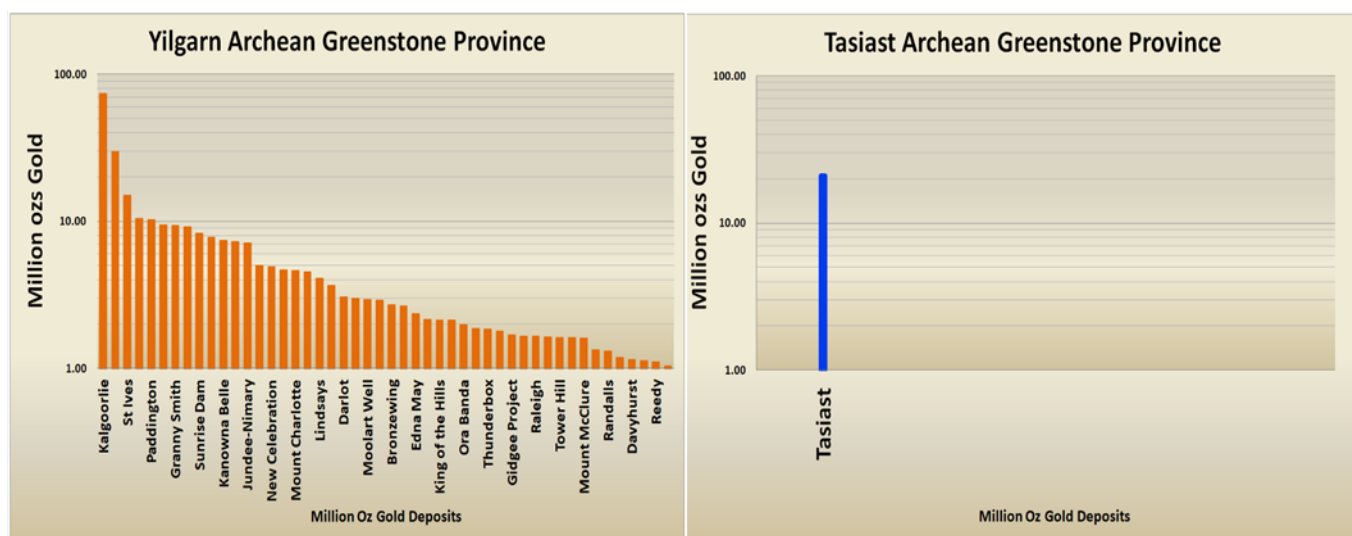


Figure 1: Location of the Tasiast South project

<sup>1</sup> +20 M.ozs refers Tasiast's gold "endowment", i.e. current reserves + resources (9.8 M.Oz – refer Kinross 2019 Annual Report) plus gold previously mined. In confirmation Kinross's published Tasiast resource at December 2011 was 20.5 million ounces at 1.2 g/t gold based on cut-off grades of 0.6 g/t gold for CIL ore, 0.25 g/t Au for heap leach ore and 0.1 g/t Au for dump leach ore.

The prospects cover portions of the Tasiast and Tijirit Greenstone Belts and have been explored previously by only one other company which suspended activities in the mineral industry downturn in 2012, despite having located zones of significant gold mineralisation. Members of Aura's current technical team were involved in this previous work and are well acquainted with the area.

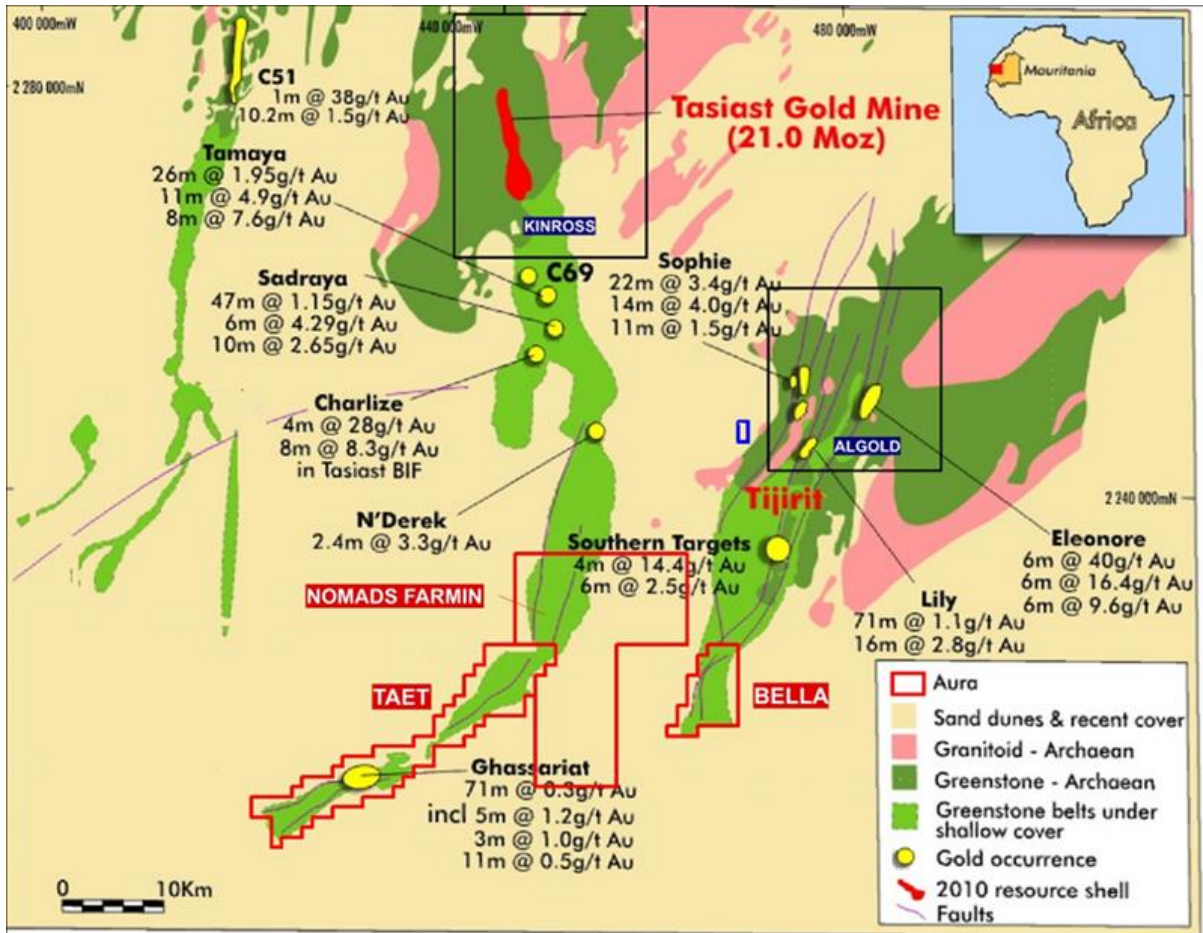


**Figure 2: Comparison highlighting the lack of major gold deposits discovered in the lightly explored Tasiast Province versus the well explored Yilgarn Province of Western Australia – both Archean Greenstone provinces of similar geology and age.**

Aura's Tasiast South project area has the following attributes:

- Tenements covering 435 km<sup>2</sup> of Archean greenstone within two lightly explored Archean greenstone belts
- The +20 Moz Tasiast gold deposit is nearby along strike on one of the greenstone belts, highlighting the gold bearing character and potential for major deposits in these belts
- A sole previous explorer carried out a good quality program of airborne geophysics, reverse circulation and air-core drilling, and sampling
- Broad zones of gold mineralisation have been identified with strong similarities to the Tasiast Gold Mine mineralisation and alteration
- No testing deeper than 150m with most previous holes less than 100m and minimal drilling across the properties

High grade drill intersections have been reported by others in the district, notably by Algold Resources (TSX) on its Tijirit project, which adjoins to the north Aura's Bella permit.



**Figure 3: Location of Aura tenements in relation to known mineralisation**  
 (data sourced from public announcements by Kinross Gold Corp, Algold Resources Ltd and Drake Resources Limited.)