7 JULY 2020

AURA SIGNS C$4.5 MILLION GOLD FUNDING DEAL TERM SHEET

WORK ON TASIAST SOUTH EXPECTED TO COMMENCE WITHIN 3 MONTHS

Aura Energy Limited (AEE) is pleased to advise that it has signed a C$4.5 million (A$4.8 million) funding term sheet for the creation of a joint venture vehicle with TSX-listed Chilean Metals Inc ("Chilean Metals or Chilean") for Aura's gold, base and battery metal tenements in Mauritania. The deal is subject to due diligence and as such is non-binding.

Aura's Tasiast South tenements over 435 km^2 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[1] Tasiast Gold Mine, where Kinross has recently announced that it will expand gold production to 530,000 ounces per year.

Aura maintains that these tenements, also with strong base and battery metal results, represent some of the best under-explored greenstone belt targets in the world.

The transaction, which remains subject to due diligence, will see Aura progressively vend its Mauritanian gold and base metal licences into a joint venture vehicle (PubCo) with Chilean contributing four scheduled cash payments totalling C$4.5 million before October 2021. The third and fourth Chilean payments will be at their election.

Assuming Chilean invests C$4.5 million in cash into PubCo, Aura will own 50% of PubCo and Chilean will own 50%. Aura will also receive 1,000,000 shares in Chilean Metals as part of the transaction. Chilean may source the required funding from its own corporate sources or individual investors with the payment schedule by Chilean into the new vehicle as follows:

- C$1.5 million – On or before 31st August 2020 (on execution of binding documentation)
- C$1.0 million - 30 January 2021 (or sooner)
- C$1.0 million - 1 June 2021 (at Chilean's election)
- C$1.0 million - 1 October 2021 (at Chilean's election)

Given the non-binding nature of this agreement, there can be no assurance at this stage that the transaction will proceed.

[1] +20 M.ozs refers Tasiast's gold "endowment", i.e. current reserves + resources (9.8 M.0z – 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.

Aura Energy Executive Chairman Mr Peter Reeve said “Aura has maintained an exceptionally strong belief in these extremely under-explored greenstone belts given the high-quality preliminary gold and base metal exploration results achieved. This substantial funding package from a group of seasoned resource investors/developers will help reveal their true potential. With the Tasiast Gold Mine (+400,000 ozs pa) on the same belt just north of our project, the potential for multi-million-ounce discoveries is, in the eyes of our technical people, very conceivable".

"The excellent base metal indications also revealed on these properties, particularly nickel and high-grade cobalt, also highlights the broader potential of these properties on a similar basis as the Kalgoorlie region in Western Australia where significant gold and base metal discoveries have been made in similar Archean Greenstone settings.

“Aura is very pleased that Chilean Metals has recognised the attributes of this geological belt and welcomes Chilean into this project. Chilean’s understanding of what it takes to enable mineral discovery and their connection to important gold investment sources will be important ingredients in this transaction. The current global economic environment is driving the gold price and provides the perfect environment for a separate vehicle to hold these strongly undervalued assets”.

The key terms of the deal are as follows:

- Chilean invests C$4.5 million before October 2021 into PubCo
- Aura contribute 100% of its gold and base metal tenements
- Aura receive 1,000,000 shares in Chilean Metals
- Aura and Chilean will eventually hold 50% each in the JV vehicle
- Aura will hold 3 board seats in PubCo and Chilean 2 board seats
- It is intended that PubCo will be listed on the TSX-V exchange
- Aura will provide the management and technical team for the vehicle
- Aura will receive a mutually agreed management fee for operating the vehicle
- The deal remains subject to due diligence and will remain non-binding until the definitive agreement is executed.

Aura and Chilean will seek to finalise a definitive agreement for the transaction no later than 31St August 2020.

Schedule of TIMCO/JV Transfer and Cash Contributions

Date	Aura Contributes	Aura Effective Equity TIMCO/JV	PubCo Equity in TIMCO/JV	Aura Equity in PubCo	Chilean Contributes	Chilean Equity in PubCo
Definitive Agreement close	34% Gold & JV Tenements	87%	**34%**	PubCo 50% 1.7m PubCo shares Plus 1.0m Chilean Shares	C$1.5 million	PubCo 50% 1.7m PubCo shares
30 Jan 2021	66% TIMCO/JV	64.1%	**100%**	PubCo 64.11% 5.0m PubCo shares	C$1.0 million	PubCo 35.89% 2.8m PubCo shares
1 Jun 2021	n/a	56.2%	**100%**	PubCo 56.18% 5.0m PubCo shares	C$1.0 million	PubCo 43.82% 3.9m PubCo shares
1 Oct 2021	n/a	50%	100%	PubCo 50% 5.0m PubCo shares	C$1.0 million	PubCo 50% 5.0m PubCo shares

** Gold and JV Tenements refer to Tiris International Mining Company sarl ("TIMCO"), Aura's Mauritanian controlled entity which holds the Tasiast South tenements, and the rights and obligations of Aura in the farm-in and joint venture agreement with Nomads Mining Company sarl dated 26 June 2019*

Aura's Principal Geologist, Neil Clifford, who conceived the project initially, has been involved in exploration on Archean Greenstone belts for a significant part of his career and has led teams that resulted in over 25 million ounces of gold discovery on such belts. The discoveries include Sunrise Dam, Mt Todd, Union Reefs, Tanami and Coyote.

Neil commented, "prior exploration here has been limited to a first pass program directly along strike from the giant Tasiast gold deposit aimed at locating similar major deposits. This identified a number of mineralised zones, most notably the Ghassariat Zone, where thick intersections of gold mineralisation in sulphidic mafics located in reconnaissance RC drilling on sections kilometres apart, could in fact be part of a Tasiast style mineralised system.

"Interestingly the Tasiast gold deposits are in late Archean greenstones with strong similarities in terms of rock types, structure and mineralisation style with the great gold provinces in the Archean greenstone belts of Australia and Canada in which there have been many hundreds of gold mines developed. In the Tasiast district there is currently only one discovery, reflecting how little explored this belt is (See Fig 2). Clearly the potential for additional and substantial discoveries in the Tasiast district is very high", Mr Clifford said.

"The Archean greenstone belts in Western Australia and Canada also contain many nickel deposits, and the early indications of this style of mineralisation on Aura's Tasiast properties are very promising", he continued.

Future Work Program

Next technical steps envisaged at Tasiast South are:

- Ground electrical geophysics to locate the strongest zones of disseminated sulphide development to assist drill targeting for both gold and nickel targets
- Systematic drill testing (RC and DD) of targets already defined
- Airborne magnetic surveying of the Nomads Mining Company sarl JV area to better define geology and favourable structural zones.
- Additional bedrock sampling by air-core or auger-drilling to better define the high nickel ultramafic rocks and zones of copper/nickel for follow up drilling

The Company will make a further announcement regarding the proposals set out above, as soon as formal due diligence is completed, and a binding agreement is entered into with Chilean Metals.

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014

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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^2 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[2] 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 favourably located 200 km from Aura's Nouakchott office, 60 km from the coast.

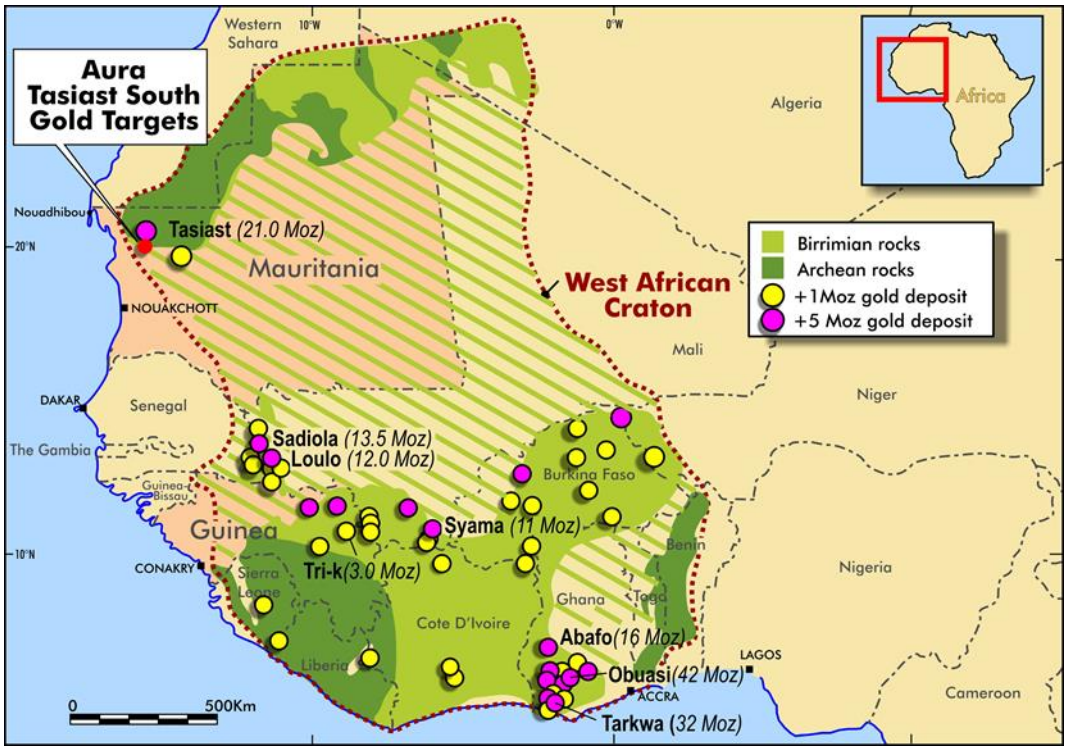

Figure 1: Location of the Tasiast South project

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

[2] +20 M.ozs refers Tasiast's gold "endowment", i.e. current reserves + resources (9.8 M.0z – 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.

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.

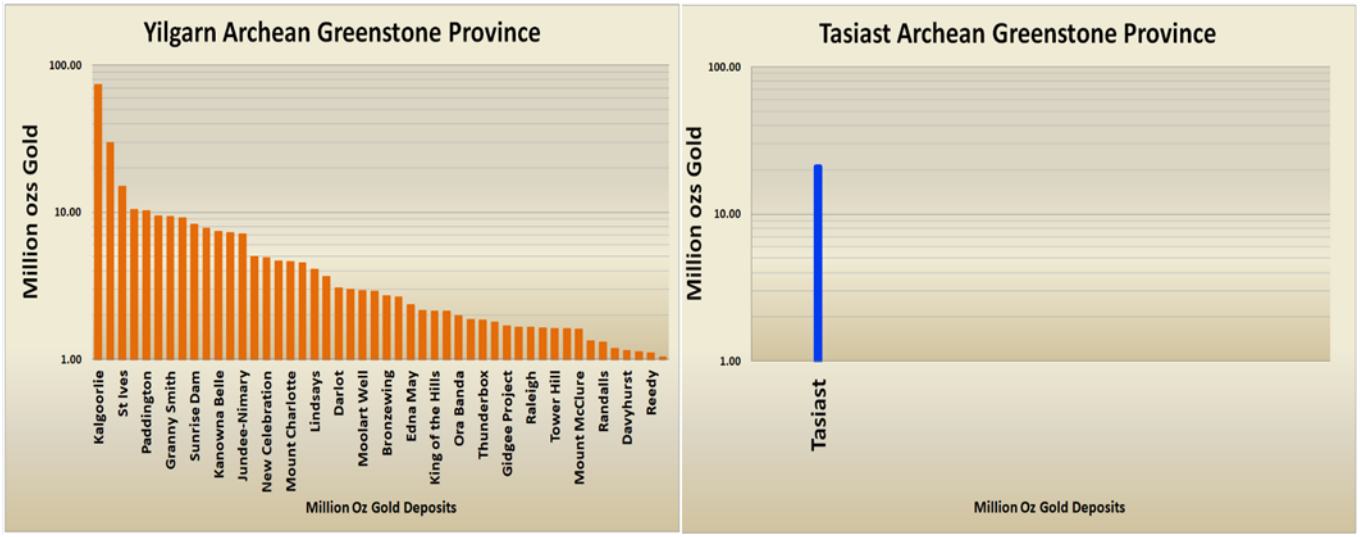

Figure 2: Comparison highlighting the lack of major gold deposits discovered in the lightly explored Tasiast Province versus the well explored Yilgarn Province of Western Australia – both Archean Greenstone provinces of similar geology and age.

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

- Tenements covering 125 km^2 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

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.

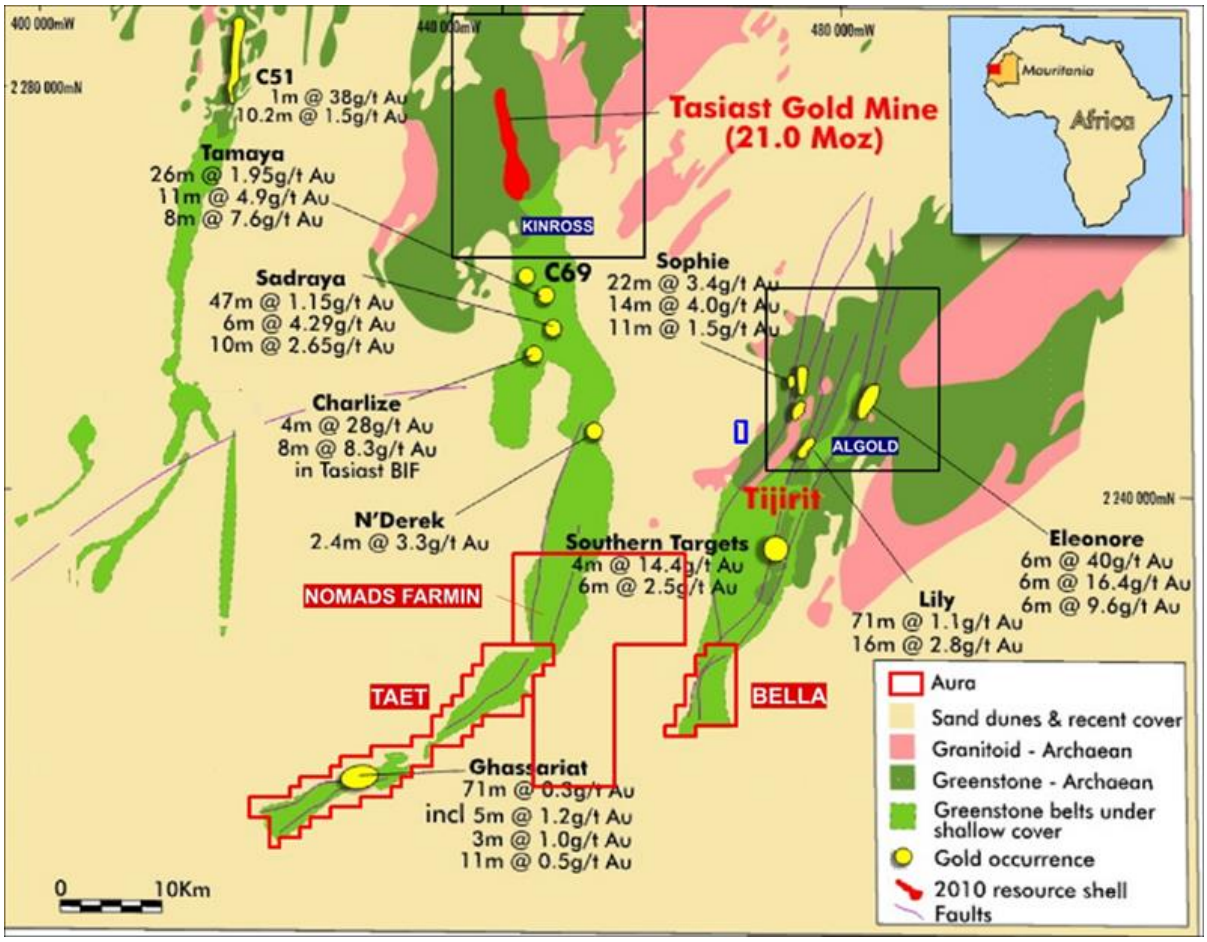

Figure 3: Location of Aura tenements in relation to known mineralisation
(data sourced from public announcements by Kinross Gold Corp, Algold Resources Ltd and Drake Resources Limited.)

Air-core drilling to bedrock by the previous explorer located several anomalous gold zones, up to eight kilometres in length (See Fig 4). Of particular interest is the Ghassariat Zone, which returned 1 to 3 g/t gold values on three of the four air-core traverses drilled. This extensive mineralised zone parallel to the strike of the greenstone belt is situated within a regional flexure in the greenstone belt, a structurally favourable location for gold mineralisation.

The Ghassariat Prospect intersections occur in strongly sulphidic and quartz-veined mafic rocks and have marked similarities with some of the ore zones and near-ore alteration zones at the neighbouring Kinross Tasiast Mine (See Fig 6).

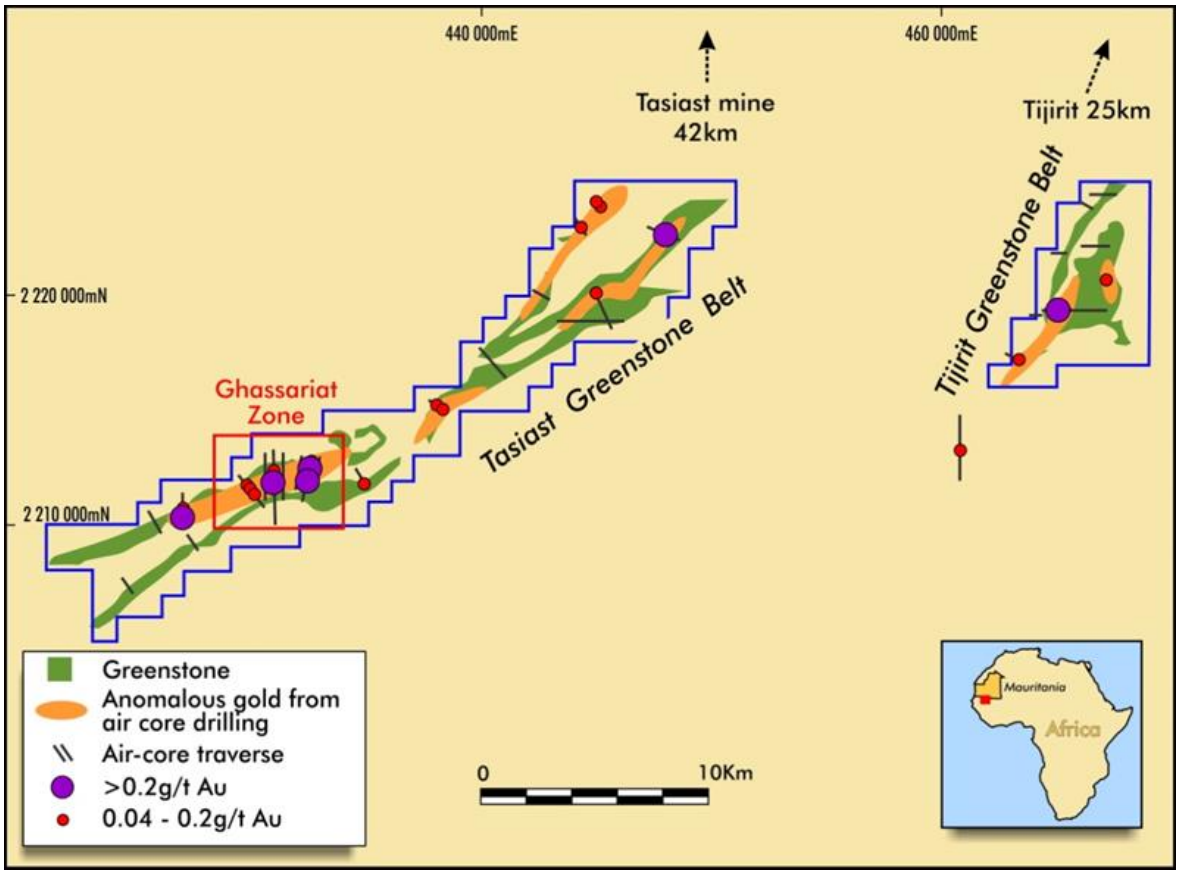

Figure 4: Ghassariat Zone location and gold anomalous zones defined by air core drilling (see ASX Announcement Drake Resources Ltd 7 May 2012)

Drilling to date has been principally shallow vertical air-core to sample the bedrock beneath shallow cover, with limited deeper RC testing below the air core drilling. A small number of RC holes have provided good results however the density of drilling is very low.

Intersections in the Ghassariat Zone, confirmed by Aura's review of the drilling and assay data, include (refer Figures 5):

TGRC 022: 71m @ 0.3 g/t Au including:

- **5m @ 1.2 g/t Au,**
- **3m @ 1.0 g/t Au**
- **11m @ 0.5 g/t Au**

TGRC 007: 38m @ 0.4 g/t Au including:

- **1m @ 6.1 g/t Au**
- **10m @ 0.5 g/t Au**
- **3m @ 0.9 g/t Au**

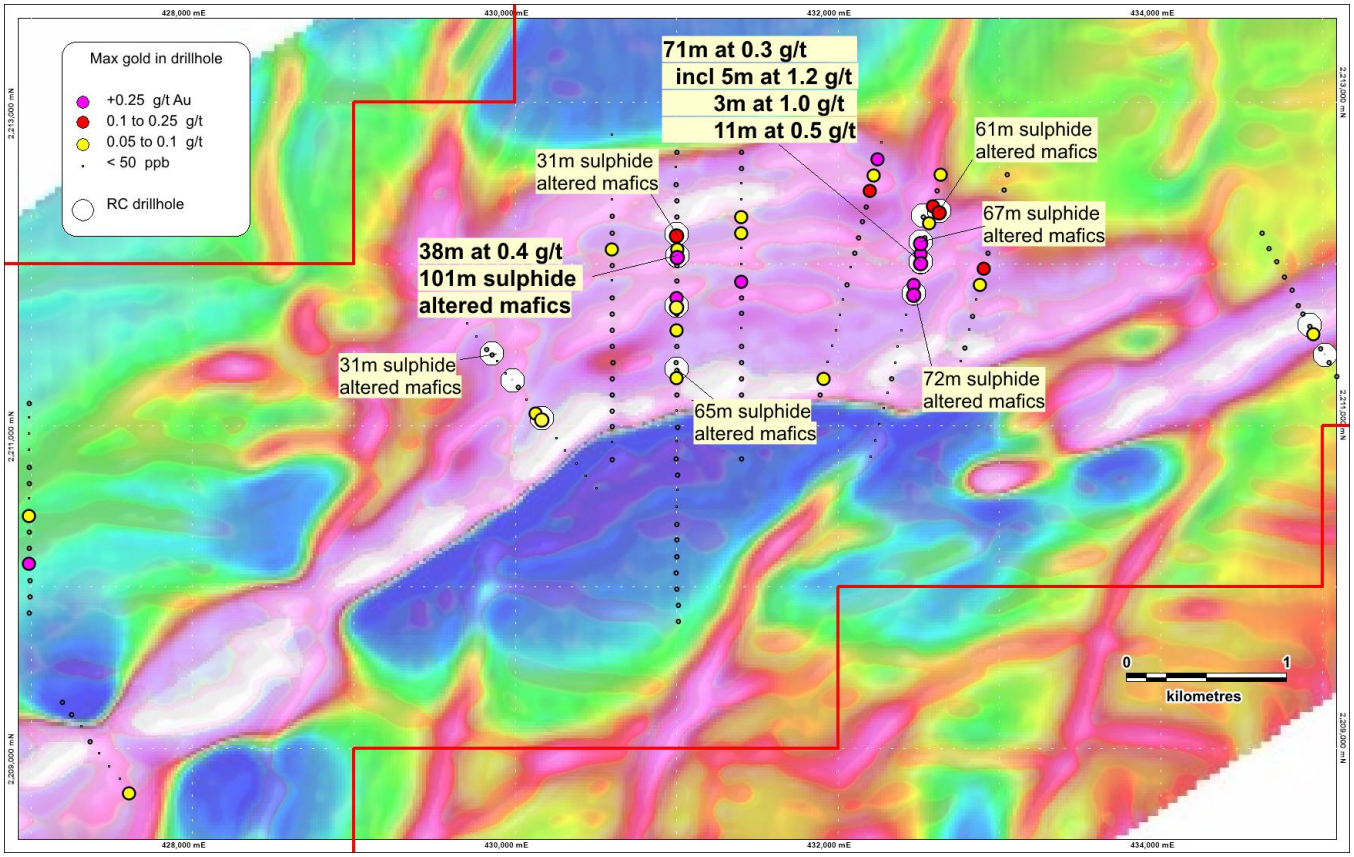

Figure 5: Ghassariat Zone – summary of RC & aircore drilling. Background image is air-magnetics (TMI RTP)

Aura is encouraged by the fact that these intersections occur within thick mineralised intervals, indicating a substantial mineralised system, as opposed to narrow quartz veins. It should be noted that the RC drill intersections are +1.5km apart.

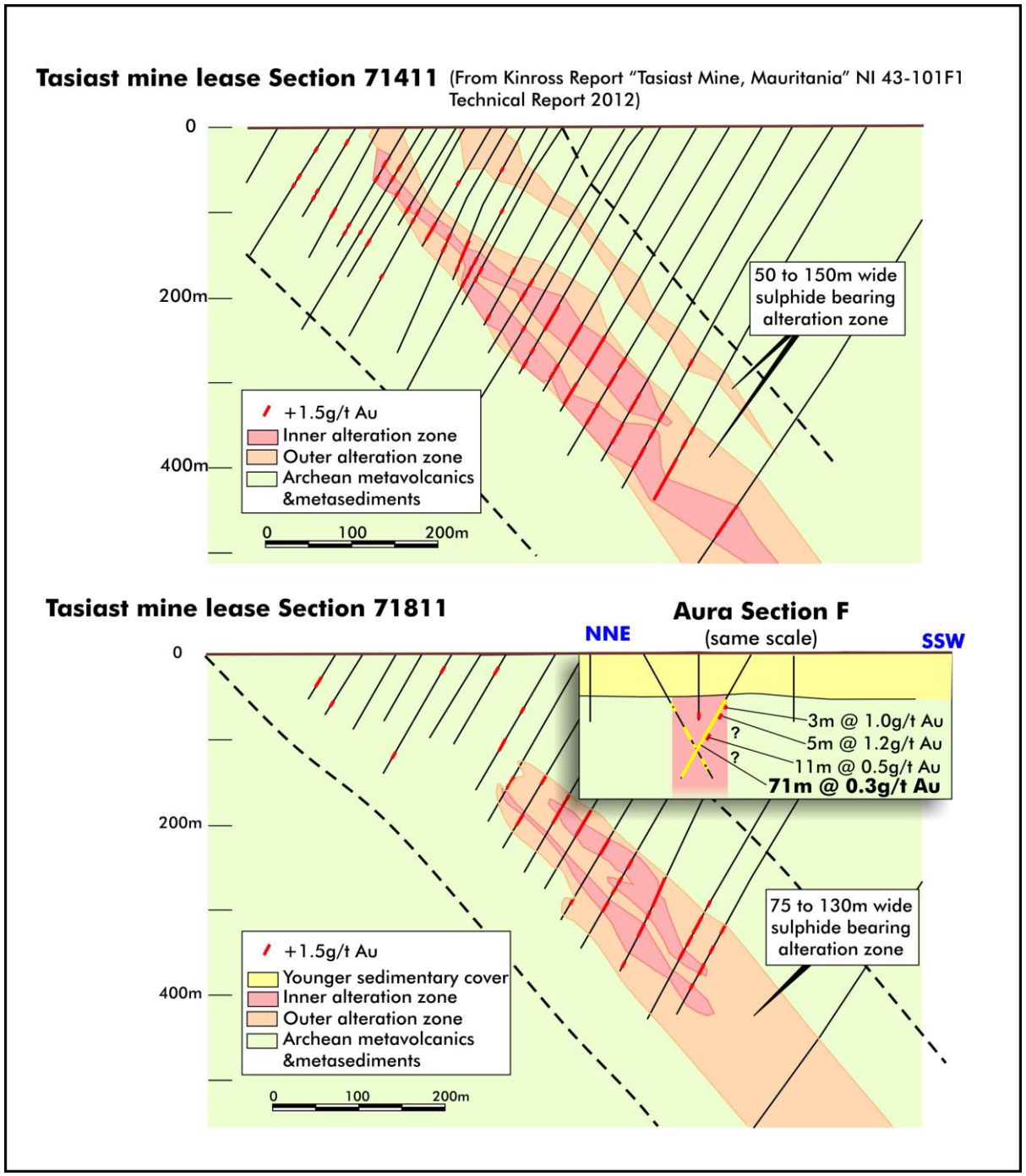

Figure 6: Sections (all at same scale) comparing Aura's Ghassariat Prospect's broad zones of sulphidic & gold alteration to the Tasiast gold mines alteration & mineralised shells (See ASX Announcement Drake Resources Ltd 28 August 2012)

Nickel / Cobalt Targets.

Drill sampling by the previous explorer, which was focussed exclusively on gold mineralisation, located several areas with strongly elevated nickel / cobalt values. Refer Figure 7.

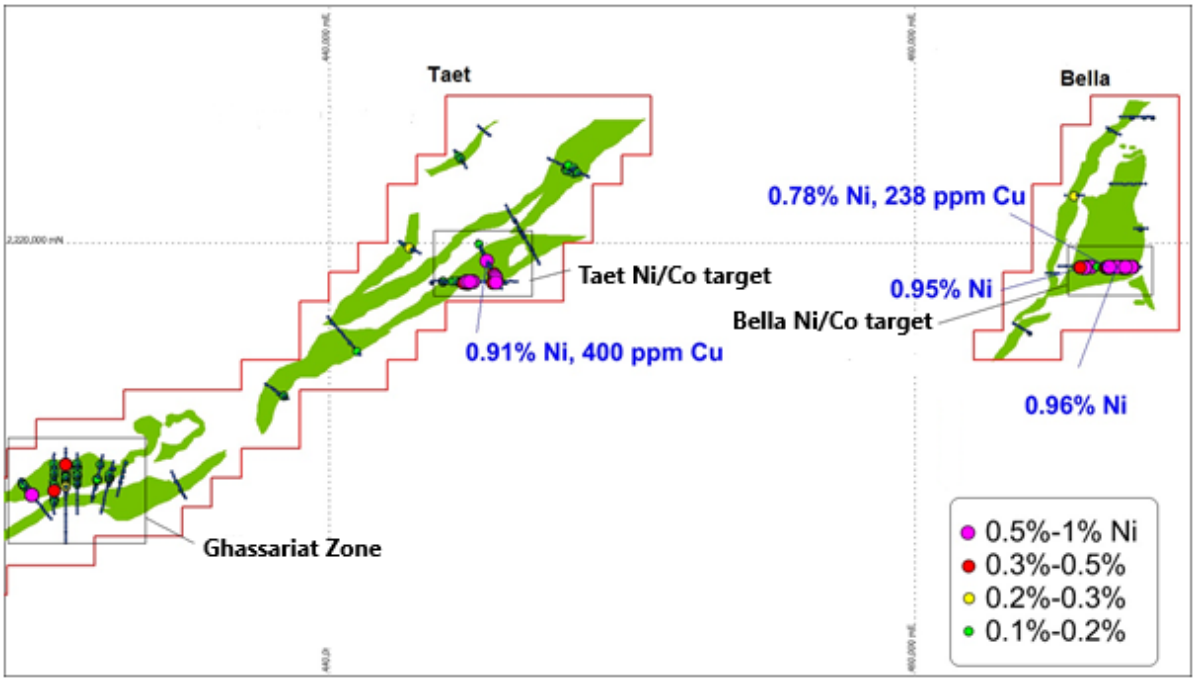

Figure 7: Nickel/cobalt targets located in reconnaissance bedrock sampling by air-core drilling

Existence of a large ultramafic body with strong nickel/cobalt values on the Bella prospect

The Bella permit contains a major magnetic anomaly interpreted to reflect a large ultramafic complex. This has been tested by a single line of shallow vertical aircore drilling, with holes spaced 100m apart, aimed at sampling bedrock. Very strong nickel values were encountered over the entire 1.6 km drill line with every hole that went deep enough intersecting nickel values between 0.5% and 1.0% nickel. (refer Figure 8).

It is notable that apart from this single line of sampling near its southern margin, this complex is untested. The previous explorer had proposed additional lines of bedrock drilling, blue lines in Figure 8, across magnetic highs which have not yet been executed.

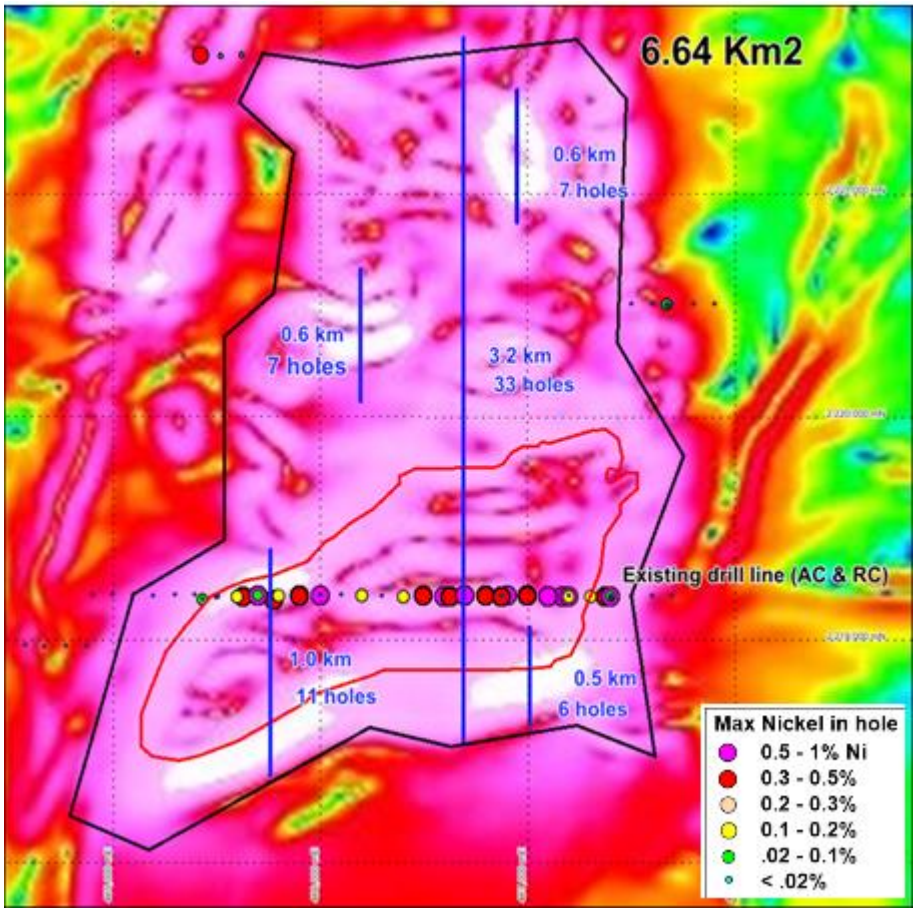

Figure *8:* **Bella Prospect showing the location of the single drill line within a major untested magnetic anomaly interpreted to reflect an unusually large ultramafic complex. Background image is airborne magnetics (TMI-RTP-horizontal gradient).**

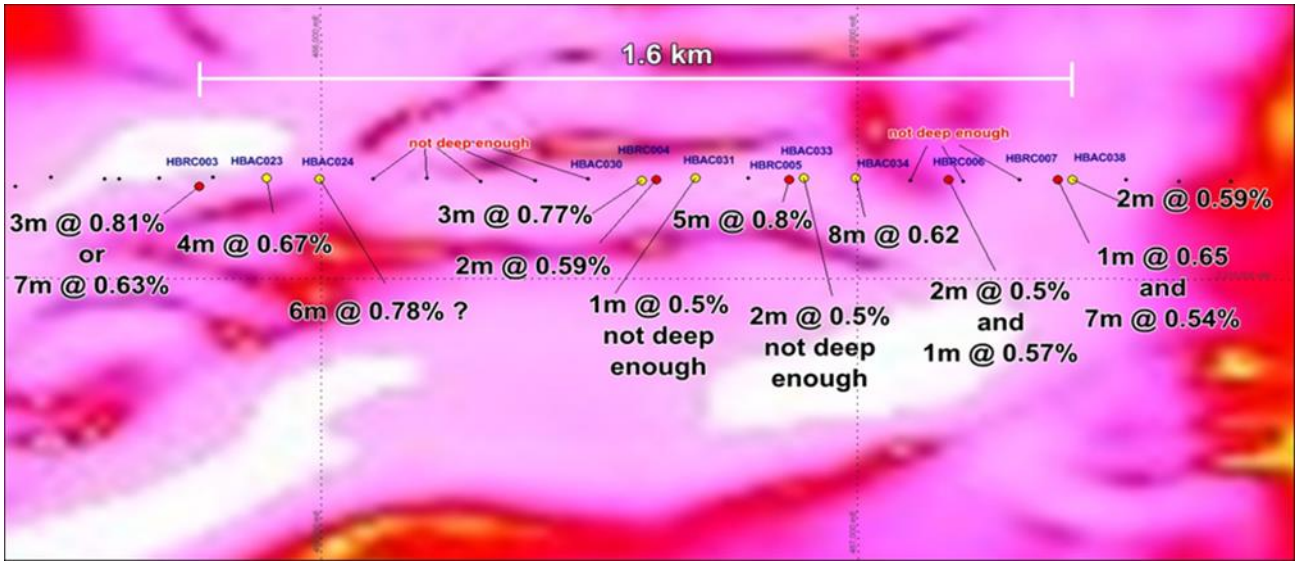

Figure 9: Nickel intersections at Bella. Red dots: RC holes, yellow dots: vertical AC. All RC holes returned intersections of + 0.5% Ni. Background image is airborne magnetics (TMI-RTP-horizontal gradient). Note strongest magnetics (white zones) not tested).

Strong nickel/cobalt/copper values on the Taet permit

On the Taet permit in the Tasiast Greenstone Belt, 2 reconnaissance lines of bedrock drilling for gold located strongly anomalous nickel values associated in places with strong cobalt and anomalous copper (See Figure 10). These occur within a complex of ultramafic rocks, interpreted to be komatiites (ultramafic lavas).

Many major nickel (+cobalt, copper) sulphide orebodies in better explored Archean greenstone belts occur in this type of rock (e.g. Kambalda in Western Australia). Of interest on the Taet targets is the existence of anomalous copper in some of the aircore drillholes as elsewhere this is indicative of the presence of nickel/copper sulphides.

The previous drilling has tested only a small portion of this ultramafic complex and there has been no follow-up on the high Ni, Co values located. Additionally, the 100m drill spacing to date is very broad for the detection of nickel sulphide zones which can be narrow.

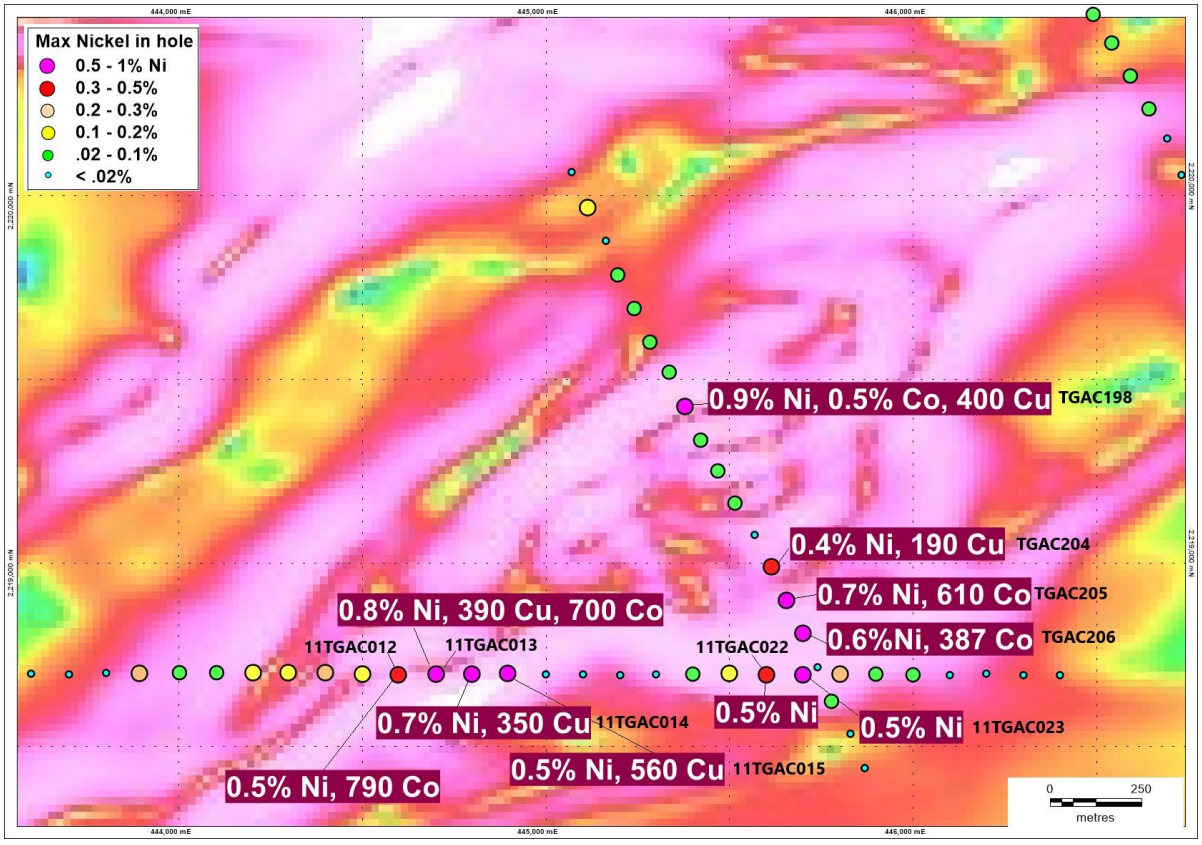

Figure 10: Nickel-copper anomalies in shallow vertical drilling on Taet permit. Background image is 1st vertical derivative airborne magnetics. The pink to white zones within which the strongest nickel values lie reflect high magnetic intensity indicative of ultramafic rock.

High grade cobalt drill intersections were obtained on both the 1.6 km long drill line at Bella and on the Taet permits. Although sampling by the previous explorer for cobalt was sporadic with only approximately 1 in 10 samples assayed, 14 samples exceeded 0.1% Co, 6 samples > 0.25% Co and 3 samples > 0.5% Co.

Prospect Name	Hole ID	Easting	Northing	Depth From	Depth To	Interval	Co_%	Ni_ppm	Cu_ppm
BELLA	11HBAC031	466697	2219203	7	8	1	**0.581**	5300	488
TAET	12TGAC198	445378	2219429	24	28	4	**0.484**	9140	400
BELLA	11HBAC030	466598	2219199	16	17	1	**0.445**	4190	259
BELLA	11HBAC030	466598	2219199	17	18	1	**0.357**	3840	259
BELLA	11HBAC033	466900	2219203	9	10	1	**0.273**	3010	247
BELLA	11HBAC033	466900	2219203	10	11	1	**0.26**	5250	270
TAET	11TGAC013	444700	2218702	34	35	1	**0.218**	5650	354
BELLA	11HBAC031	466697	2219203	6	7	1	**0.15**	3090	276
BELLA	12HBRC007	467373	2219200	22	23	1	**0.149**	6530	114
BELLA	11HBAC030	466598	2219199	18	19	1	**0.142**	7770	238
BELLA	12HBAC073	463432	2217212	4	8	4	**0.128**	15	28
TAET	11TGAC033	431000	2212800	52	53	1	**0.111**	38	120
TAET	11TGAC053	430997	2210803	53	54	1	**0.103**	11	31
BELLA	11HBAC033	466900	2219203	11	12	1	**0.102**	5110	208

Table 1: High grade cobalt drill intersections were obtained on both the 1.6 km long drill line at Bella and on the Taet permits. Although sampling by the previous explorer for cobalt was sporadic with only approximately 1 in 10 samples assayed, 14 samples exceeded 0.1% Co, 6 samples > 0.25% Co and 3 samples > 0.5% Co. (*Refer Aura ASX release: Gold Base and Battery Metal Update, dated 17 October 2019 for further details)*

Typical Tasiast South landscape. Note the ease of access and minimal requirement for drill-site preparation.

Competent Person

The information in the report to which this statement is attached that relates to exploration results is based on information compiled by Mr Neil Clifford. Mr Clifford has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activities referred to herein to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Clifford is an independent consultant to Aura Energy and also supervised the exploration programs performed by the previous explorer referred to herein. Mr Clifford is a Member of the Australasian Institute of Mining and

Metallurgy (AusIMM). Mr Clifford consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.
