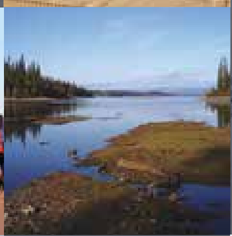
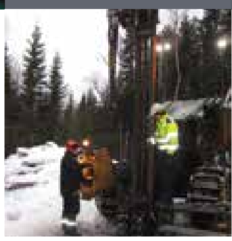
ANNUAL REPORT 2017

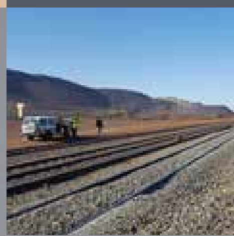




aura energy

ACN: 115 927 681

CORPORATE DIRECTORY



DIRECTORS

Peter Reeve - Executive Chairman
Bob Beeson - Non-Executive Director
Brett Fraser - Non-Executive Director
Julian Perkins - Non-Executive Director

COMPANY SECRETARY

John Madden

REGISTERED OFFICE

Aura Energy
Level 1, 34-36 Punt Road
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Facsimile: +61 3 9516 6565
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SHARE REGISTRY

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Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000
Telephone: 1300 557 010
Facsimile: 08 9323 2033
Email:
web.queries@computershare.com.au

NOMINATED ADVISOR AND AIM BROKER

WH Ireland Limited
24 Martin Lane
London, England

AUDITOR

Bentleys London House
Level 3, 216 St Georges Tce
Perth, WA 6000

SOLICITORS

Steinepreis Paganin
Level 4, The Read Building
16 Milligan Street
Perth, WA 6000

CONTENT

ABOUT US

Aura Energy is developing an African uranium mine, 'green' metals in a European polymetallic, and exploring for gold and base metals in Africa

Aura Energy Limited is an exploration and development and company building a portfolio of high quality projects towards cashflow. Aura is focussed on developing the Tiris Uranium Project in Mauritania and is also broadening its business to include gold, base metals and the growing area of 'green' metals.

Nuclear power remains key to providing clean energy as the population swells along with the demand for non-polluting energy sources. Aura can play an important role in supply to the nuclear industry and also to other emerging energy sector needs.

Aura's broadened mineral portfolio provides a balanced strategy and opportunity to create cashflow from different commodities.

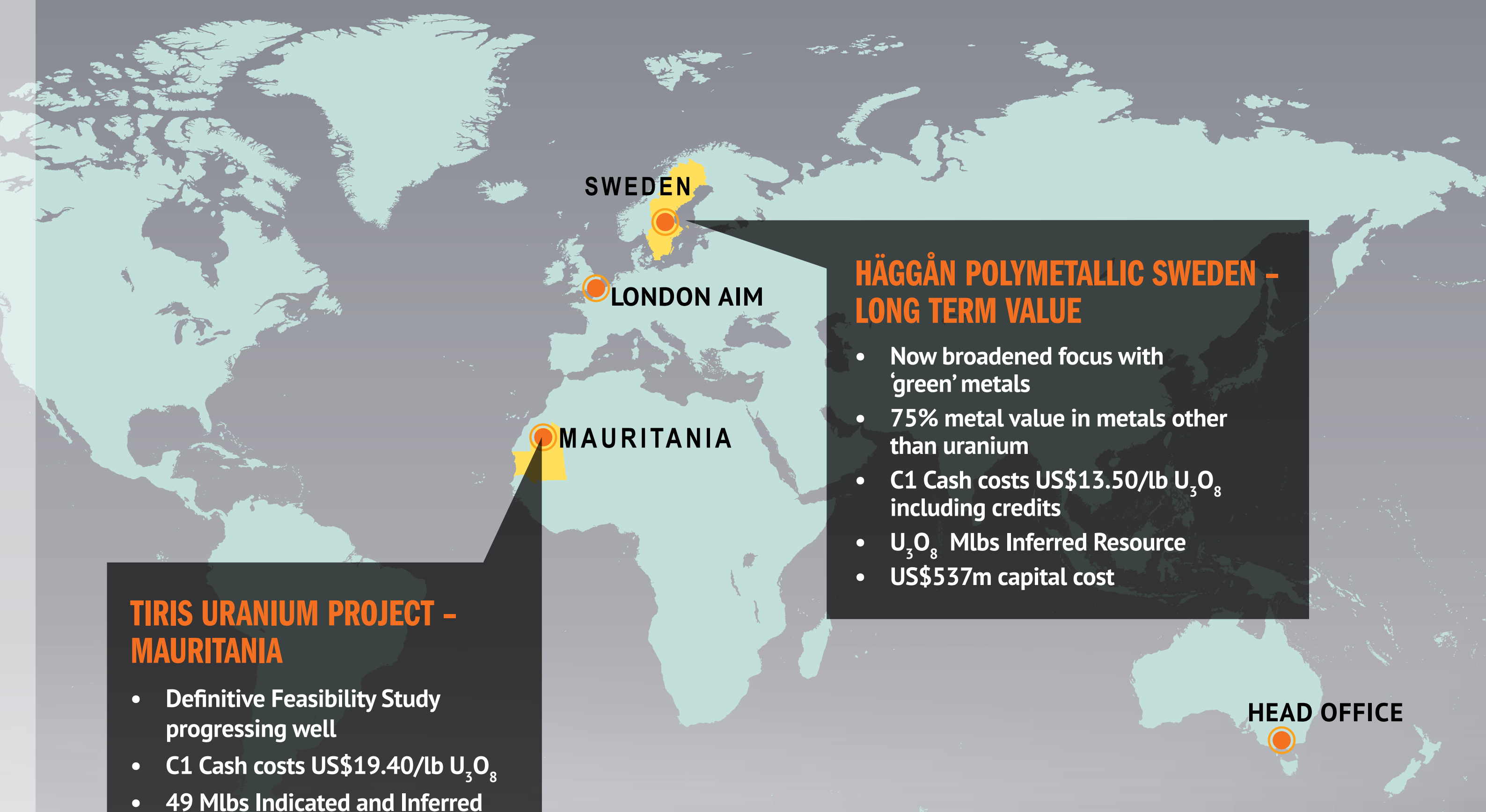
Aura focussed its effort in 2017 to progress the Tiris Uranium Project Definitive Feasibility Study (DFS) and continue the push to get its projects into production quickly and with minimal dilution.

The challenging uranium environment continued and Aura redoubled its efforts to remain competitive in all market conditions by lowering its Tiris operating cost to US$19.40/lb U_3O_8.

Aura continues to prudently progress its projects to a commercial basis whilst reviewing options to expand the business. Gold, base and 'green' metals is a new area Aura laid a foundation for during 2017 and expects the coming year to provide interest and hopefully success in the pursuit for additional projects.

OUR PROJECTS

Development projects in Mauritania And Sweden



HÄGGÅN POLYMETALLIC SWEDEN – LONG TERM VALUE

- Now broadened focus with 'green' metals
- 75% metal value in metals other than uranium
- C1 Cash costs US$13.50/lb U_3O_8 including credits
- U_3O_8 Mlbs Inferred Resource
- US$537m capital cost

TIRIS URANIUM PROJECT – MAURITANIA

- Definitive Feasibility Study progressing well
- C1 Cash costs US$19.40/lb U_3O_8
- 49 Mlbs Indicated and Inferred Resource
- US$45m capital cost

HIGHLIGHTS IN 2016/17

Aura aggressively pursued its Tiris Definitive Feasibility Study in 2017 moving the company closer to production status. Aura broadened its mineral portfolio to include gold and base metal exploration on excellent tenements where previous successful work has not been followed up.

REDUCED TIRIS CASH TO
US$19.40lb

TIRIS MINING
LEASE APPLICATION
SUBMITTED

BROADENED STRATEGY:
GOLD AND BASED METALS
TENEMENTS

HÄGGÅN
GREEN BATTERY METALS
DEFINED

ACTIVITY OVERVIEW

MAURITANIA

- Tiris project Feasibility Study progressed well
- Commenced resource and water drilling and expanded the engineering effort
- Submitted the Tiris Mining Lease Application
- Broadened the strategy with gold and base metal tenements

SWEDEN

- Häggån polymetallic attributes defined
- Conducted drilling on Haggan and Marby
- Planning for community engagement program

CHAIRMAN'S LETTER

Aura Energy Limited is developing two projects, the Tiris Uranium Project and the Häggån Polymetallic Project which collectively contain significant mineral resources and a broad suit of metals. Aura believes shareholders are best served pursuing production and cashflow.

Aura Energy Limited is developing two projects, the Tiris Uranium Project and the Häggån Polymetallic Project which collectively contain significant mineral resources across a broad suit of metals. Aura maintains a belief that shareholders are best served by pursuing production and cashflow.

Following the successful listing on the London AIM market last year Aura focussed its efforts to advance all its projects towards commercial outcomes and broaden its strategy into other metals.

As such during 2017 Aura continued detailed efforts to advance the Definitive Feasibility Study (DFS) for the Tiris Uranium Project in Mauritania and progressed its work on the broader engagement issues for Häggån continued.

On the Tiris Project, Aura maintained excellent momentum on the project studies and during the year employed in-house engineering expertise to advance details for the project. This was successful and resulted in the Mining Lease application for Tiris being submitted on target and by year end significant elements of the project were under active costing and estimation.

In the field Aura conducted a range of activities on resource evaluation, metallurgical test work and water searching. Aura also installed a weather station in the Sahara Desert which provided essential data for project design, and health and safety matters for the development of the project.

Subsequent to year end Aura made a critical metallurgical breakthrough on reagent consumption which resulted in the reduction of Tiris cash cost from US\$30/lb U_3O_8 to US\$19.40/lb U_3O_8.

This step has ensured Tiris' viability in the current market, despite the abnormally low spot price, and positions Tiris as one of the most compelling uranium development projects in the world.

Häggån emerged during the year as holding additional promise to supply the market with the so-called 'green' metals. This re-evaluation was prompted by the rise in the prices of a range of the battery component metals. Many of these metals will be taken into solution using the current leach process and as such marginal capital is required for their recovery.

Aura also progressed the search for a key representative to assist in the Community Engagement Program for the Häggån project.

The uranium price remained subdued during 2017 despite a few pockets of interest and excitement. Aura however, shares the belief of a strong uranium price recovery when contracts between uranium producers and power utilities roll off between now and 2020.

The weak sentiment in the uranium market highlighted the need to be involved in other mineral ventures and with that position Aura pressed forward with its gold and base metal strategy. This strategy, based on tenements in Mauritania, is very promising given the positive assessment of their geological potential. Located on very prospective Archean greenstone belts the ground has been only sporadically and poorly explored.

Given the success on other greenstone belts, such as Kalgoorlie, the potential for discovery and success is high. Unfortunately, the process for tenement granting was slower than anticipated and at year end fieldwork had not yet commenced. This is expected to commence shortly.

Algold Resources continued its run of success on adjacent gold tenements and this provides encouragement to Aura that its position in the field has much upside.

The junior sector remains a tough arena constantly providing challenges however Aura continues to strive for projects which can be commercial as these are the projects that receive active support of shareholders.

Aura has a range of these projects and is developing more with its diversification efforts.

I would like to thank shareholders, again for their ongoing support as we move Aura towards production.

I would also like to thank our staff and board for their efforts in our achievements during the year.

Peter Reeve

Executive Chairman

Dated this Friday 29 September 2016

OPERATION'S REVIEW

2017 was extremely productive for Aura following a very successful London AIM listing……. with renewed effort into….. achieving low cost production at Tiris, success in the gold and base metals and creating long-term value progressing the Häggån Polymetallic Project.

2017 was extremely productive for Aura following a very successful London AIM listing and financing early in the year.

This funding allowed renewed effort into a range of activities with the key area of pursuing production at the Tiris Uranium Project.

To summarise Aura's activities, they centred around the following three principal areas;

- Progressing the Tiris Definitive Feasibility Study (DFS)
- Establishing a strong presence in gold and base metals
- Re-energising the Häggån Polymetallic Project

These activities were in line with Aura's clear and simple strategy of achieving low cost production at Tiris, supporting that development with success in the gold and base metals program, and creating large long-term value by incrementally progressing the Häggån Polymetallic Project.

By the end of the year excellent progress had been made with the Tiris Project and the early engineering phase, the gold tenement grant was frustratingly slower than expected and Häggån emerged as a project that could play a part in the emerging battery renaissance with its so-called 'green' metals.

The uranium market recovery continues to take longer than market commentators have expected and whilst this does not shake our long-term belief in uranium it has both driven, and justified, Aura's decision to diversify into other metals.

TIRIS PROJECT – 100% MAURITANIA

The Tiris Uranium Project envisages an operation with an average life of mine production rate of approximately 800,000 pounds U_3O_8 over 15 years. Internal expansion case studies suggest there is potential for Aura to produce 3 million pounds U_3O_8 per annum. This was detailed in the 2014 scoping study.

The key project attributes are;

- **Shallow mining of less than 5m**
- **Ore beneficiation increases feed grade by up to 500%**
- **Recovery 94%**

This results in a project with a small footprint and a very manageable development costs;

- Capital cost - US$45m
- Operating cost - US$19.40/lb U_3O_8

Aura used 2017 to progress the Tiris DFS with key areas of activity as follows;

- Mining Lease Application
- Resource Definition work
- Water geophysics and drilling
- Metallurgical progress on test work, simulation and flowsheet development
- Early stage engineering
- Completion of an Environment and Social Impact Assessment (ESIA)
- Community consultation process

The key advances in 2017 on the Tiris Study were the Mining Lease Application being submitted on schedule, completion of the Environmental and Social Impact Assessment, better understanding of the Tiris mineralisation, and optimisation of reagent consumption in the process plant reducing estimated costs by 35% from the scoping study.

Aura has targeted completion for the Tiris DFS by end 2017 however with logistical delays on drilling and optimisation of those drilling programs this completion date is now likely to be mid-2018.

GEOLOGY PROGRAM

RESOURCE VALIDATION ACTIVITIES

Ultra-detailed Ground Radiometrics

A program of ultra-detailed ground radiometric surveying was carried out over all Tiris uranium resource zones as well as priority exploration targets such as Hippolyte South which have yet to be drill tested. The surveys were conducted on lines spaced 20 metres. The flat and vegetation free nature of the terrain permits rapid and accurate ground surveying.

The survey proved very effective in precisely outlining mineralised zones, in defining higher grade and lower grade zones, and locating geological structures with which the mineralisation is associated. It also demonstrated the potential value of detailed radiometric surveying in grade control ahead of mining.

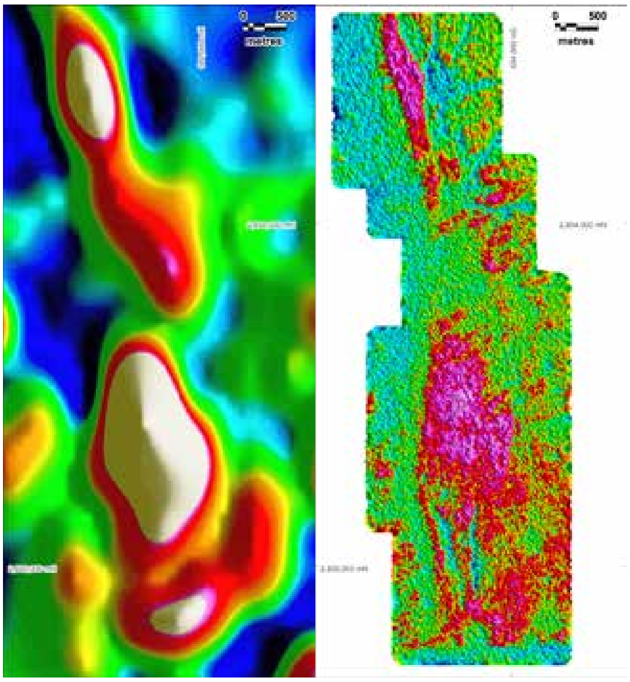


Figure 1: Hippolyte South Prospect. LH image is uranium channel airborne radiometrics. RH image is ultra-detailed ground radiometrics over same area.

OPERATION'S REVIEW

Down-hole gamma logging

While Aura has utilised downhole gamma logging in early drilling at Tiris to validate the drilling technique, the resource work to date has been based on chemical analysis of drill samples as that is a more direct way of estimating uranium grade and avoids some potential uncertainties associated with downhole gamma logging which estimates grade indirectly by recording radiation levels. However, gamma logging is lower cost and records depth with +/- 20 cm accuracy compared with 50 cm accuracy associated with drill sampling and assaying. To test the effectiveness of gamma logging at Tiris 63 holes that had been drilled and cased in 2015 were gamma logged. Results of this work were positive and Aura is now proceeding to use down gamma logging for its resource upgrade work which requires extensive drilling.

RESOURCE UPGRADE PROGRAMS

A program to increase the proportion of Measured and Indicated Resources commenced in May 2017 and was in progress at the end of the reporting year.

The program involves an extensive drilling program on a 50m x 50m pattern with each hole being gamma logged with cm accuracy. A proportion of the holes have been drilled by large diameter triple tube diamond drilling and the core chemically assayed in order to validate the downhole gamma logging and to obtain density data throughout the zones drilled. Further validation will be obtained from a program of trenching soon to commence.

Validation diamond drilling at Hippolyte.

WATER SEARCH PROGRAM

A groundwater search field program was initiated in late 2016. This followed on from desk studies by Golder Associates assessing ground water supply potential in northern Mauritania. The program to date has comprised:

- analysis of geological and geophysical data to define structures and formations with potential to host significant water
- A program of ground geophysics over 22 targets identified to test for water. All but 3 of the targets are located in Taoudeni Basin sediments to the south of Aura's Tiris resources. The Taoudeni Basin is a source of water elsewhere in the region.
- Selection of 12 targets for drill testing. This work is currently ongoing.

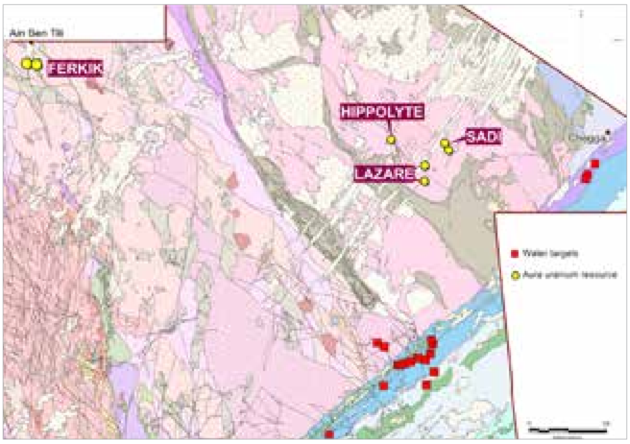


Figure 2: Ground water targets.

MINING TENEMENT APPLICATION

Applications were lodged in May 2017 with the Ministry of Mines for 3 Mining Permits covering all of Aura's currently defined resources. The applications cover an area of 433 km^2. The applications are currently under review by relevant government authorities and a response is expected within 6 months of lodgement.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

As part of the requirements for grant of mining permits a comprehensive Environmental and Social Impact Assessment study was completed and submitted. Key conclusions of the assessment were:

- Tiris Project will result in substantial benefits at national and regional level
- Project is located in uninhabited hyper-arid area of Sahara Desert
- Project will "provide a net socio-economic benefit to Mauritania and regional communities of the Tiris Zemmour Wilaya without compromising environmental and social values"

Following the submission of the ESIA a series of community consultation meetings were held at settlements in the region.

A weather station was installed on site allowing continuous monitoring of weather conditions remotely.

Aura weather station. Hippolyte Zone 1 in the middle distance.

LITHIUM AND SODA-ASH SEARCH PROGRAM

The extensive salt lakes in Mauritania, known locally as sabkhas, are a potential source for sodium carbonate or soda ash which is a reagent required for the leaching of uranium from Tiris ore. This environment is also a potential source of other valuable substances, notably lithium.

A program to sample sabkhas in the region commenced in a modest way due to other project commitments, and will continue over the next 12 months.

TIRIS METALLURGY AND PROCESS DEVELOPMENT

The development of an efficient and robust process flowsheet for the Tiris Uranium Project continued through FY 1617.

The process has been based on the natural characteristics of the Tiris ore to allow upgrade of uranium concentration through a simple scrubbing and screening process. This results in rejection of most of material as barren waste, providing a higher uranium grade and reduced total mass presented to the leaching circuit. Because of this the leaching circuit size can be significantly reduced, providing savings in capital and operating costs.

The focus of process development was to update scoping study flow sheet and establish a comprehensive program for confirmation of design criteria in Feasibility study. This will provide Aura with the basis for detailed confirmation of the process flow sheet parameters across a range of scenarios to allow for ore variability in the Tiris Resource.

A key focus was to refine the process model to allow for optimisation of reagent and water usage. The model used for definition of process parameters in the Tiris Scoping Study was based on conservative assumptions that did not include allowance for optimisation of reagent or water usage.

Aura has further developed this model to generate a steady state simulation of the process, including scenario analysis for the optimum configuration of recycle streams. The updated model has been developed for the base case assumptions used in the Tiris Scoping Study. Through this optimisation a reduction in soda ash reagent requirement of 35% was made, along with significant reductions in the overall size of the leaching circuit and process water make-up requirements.

Importantly this soda ash usage reduction lowered the operating cost of Tiris project to US$19.40 /lb U3O8 which is among the lowest operating costs in the world.

To develop a robust process flow sheet it is important to fully understand the ore variability in the resource. Aura has developed a comprehensive plan to populate a geometallurgical model for the Tiris Resource. This geometallurgical model will include addition of important process parameters, such as uranium upgrade factor, mineralogy, leach behaviour and dewaterability to the mine plan.

Aura has purchased equipment to undertake the required test work at a facility in Nouakchott, Mauritania and sample collection is currently underway as part of the resource definition drilling program. The geometallurgical model will be used to define process behaviour domains to be used in the upcoming Feasibility Study test work program. In addition, geometallurgical domains will be used in scenario simulation analysis to define the robustness of the process flow sheet configuration and identify opportunities for optimisation.

A detailed feasibility study test work program has been defined for completion on multiple Domains defined from the geometallurgical model. This program will utilise bulk samples from primary geometallurgical domains representative of the first 5 years of mine production. The focus will be to confirm design criteria for process units in the Tiris flow sheet. The Feasibility Study test work program is scheduled for completion in Q2 2018.

Development of the Tiris uranium process over the coming year will focus on confirmation of process design criteria and assessing process scenarios. This will provide detailed inputs for engineering design and reduce technical risk associated with resource ore variability.

TIRIS DFS AND ENGINEERING PROGRESS

During 2017 considerable progress was made towards permitting of the Tiris Project and building the engineering framework for the project.

In the first instance all work was completed to allow the submission of the Tiris Mining Lease Application by the deadline of May 20th. This was achieved and the Mauritanian Government is now assessing the application.

Engineering work commenced in earnest on the Tiris Uranium project in June, 2017, and has concentrated on setting up the following key documentation;

- The General Design criteria, setting out plant capacities, design life, availability, site conditions, etc, as the main project guidelines.
- Process Block Flow diagrams, illustrating the process equipment required,
- The Procurement and Site Contracts package list, specifying how equipment and site contracts shall be supplied in a series of packages,
- The Equipment list, listing all known equipment and the kw rating of the motors,

Following resolution on these documents, Aura has been progressively obtaining from the equipment suppliers:-

- formal budget pricing,
- delivery periods,
- layout drawings,
- motor kw,

The budget pricing being obtained will allow updating of the Feasibility Study cost estimate to current costs.

Aura engaged a Melbourne based engineering consultant in August to prepare 3D models of the dumping, stockpile, crushing and screening areas of the plant, and to commence plant layout drawings.

Aura has also been seeking;

- Budget estimates of engineering hours and costs for the detailed engineering phase,
- transport logistics advice and costings from the SNIM Railway Management, and Mauritanian transport companies.

HÄGGÅN POLYMETALLIC PROJECT – 100%, SWEDEN

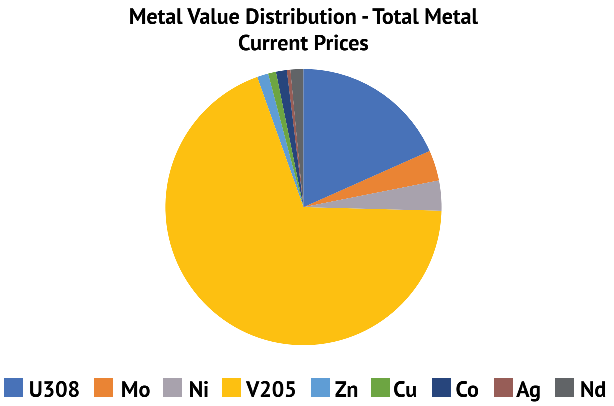
The Häggån Polymetallic Project contains and array of metal elements in significant quantities and is one of the world's largest undeveloped mineral deposits in Western Europe.

With the rise of the so called 'battery metals' the Häggån project is being redefined as a potential source of vanadium, neodymium, cobalt, molybdenum, zinc, copper, nickel and uranium the project has an exciting future. See chart below.

The project whilst important for battery metals remains an important source of uranium for Europe and potentially Sweden, which is 50% nuclear dependent for electricity, and therefore with potential to provide energy self-sufficiency for many decades.

Aura believes that whilst the Häggån project is a large and relatively expensive project undertaking it is also an extremely valuable project which, in due course, will be a profitable long-life mine in one of the most stable countries in the world.

During 2017 Aura continued to drill into Häggån to expand its knowledge of the mineralisation and continues to progress planning for a programme of community engagement on the project including presentations on both the regional benefits of the project and the operating aspects of the project.



TASIAST SOUTH GOLD PROSPECT

During 2017 Aura secured the rights to acquire 175 km^2 of prospective gold tenements covering three under-explored mineralised greenstone belts in Mauritania. The areas lie along strike from Kinross' giant 21 Moz Tasiast gold mine and also from Algold's Tijirit gold project. The areas are currently held under exploration permit applications and whilst the leases were expected to be granted quickly at year end the grants were still outstanding.

These highly prospective gold areas cover lightly explored Archean greenstone belts and favourably located 200 km from Nouakchott, 60 km from the coast, and can be managed efficiently within the company's existing management resources without distraction from Aura's core uranium focus.

Previous exploration for gold on these permit areas also located strongly anomalous nickel values in several areas, associated with ultramafic rocks. In parts of the tenements high nickel values are associated with anomalous copper highlighting potential for nickel-copper sulphide mineralisation, as occurs in the greenstone belts of Australia and Canada. At this stage there has been no follow-up work carried out on these nickel targets.

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

- Tenements over two lightly explored greenstone belts covering 175 km^2
- The 20 Moz Tasiast gold mine is nearby on the same greenstone belt and highlights the potential for major deposits in the region
- $3 million has been expended by the previous explorer on 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 from both past and current programme, including one programmes in progress with Algold Resources (a TSX-listed entity), which highlight the current interest and potential in these poorly tested belts

Next steps following grant of the tenements at the Tasiast South project are:

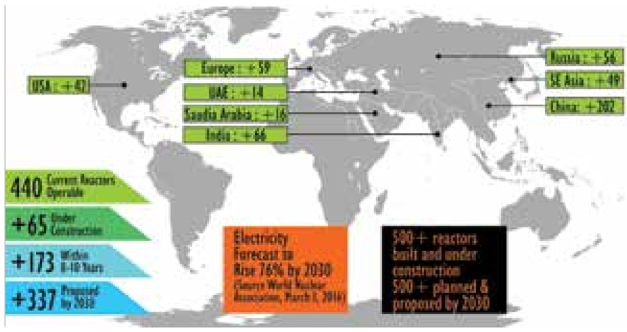
- Ground electrical geophysics to locate the strongest zones of disseminated sulphide development for drill targeting
- Additional bedrock sampling by air-core or auger-drilling to better define the high nickel ultramafics and zones of copper/nickel for follow up drilling
- Deep drill testing of targets defined

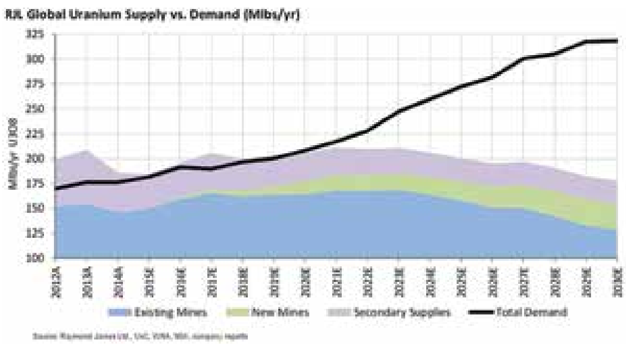
URANIUM MARKET

The uranium market remained subdued during 2017 however Aura remains confident of price recovery in a 2-3-year timeframe based on supply demand fundamentals and the expiry of long term supply contract during that period.

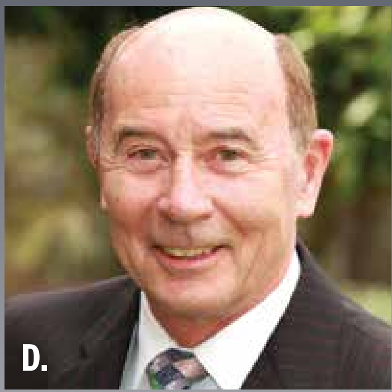
The World Nuclear Association has stated that China presently has 30 nuclear reactors in operation and another 24 under construction. By 2020-21 China will generate 58 GWe from nuclear power and 150 GWe by 2030. The Chinese nuclear power development programme is not dependent on Chinese economic growth as the development programme is a focused government commitment to meet massive base load energy demand and to do so in an environmentally acceptable manner with reduction in air pollution being the public policy priority. This development agreement with CEEC/GPEC place Aura in the group of companies that can take advantage of this growth.

As the chart below confirms the requirement for new uranium supply is significant over the coming years.





DIRECTORS' REPORT



Your Directors present their report together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2017.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

A. PETER REEVE

Executive Chairman and Managing Director

Peter Reeve has been involved in the Australian resources industry for approximately 25 years and, as a professional metallurgist, has held

positions with Rio Tinto, Shell-Billiton, Newcrest Mining and Normet Consulting. For seven years Peter worked at JB Were as a Resource Specialist Fund Manager and a Resource Corporate Finance Director. He has been a management consultant in South Africa and was involved in an African iron ore start-up.

Peter was Managing Director and Chief Executive Officer of Ivanhoe Australia, which he co-founded with Robert Friedland, and was a Director of both EXCO Resources and Emmerson Resources.

Peter's specialisation is the development of company strategy and the commercialisation of projects, and alignment with the global investment community and international resource corporations.

B. DR. BOB BEESON

Non-Executive Director

Dr. Bob Beeson is a professional geologist with over 35 years' experience in mineral exploration and development. He has held senior management positions with Billiton Australia, Acacia Resources, North Limited and New Hampton Goldfields and has extensive experience in leading and managing teams in many regions of the world. He was Managing Director of Aura Energy Ltd since its listing in 2006 and in 2015 vacated the position and is now Non-Executive Director.

Prior to establishing Aura, Dr Beeson gained extensive uranium experience in Australia, South Africa and the Middle East.

C. BRETT FRASER

Non-Executive Director

Mr Fraser is a qualified accountant with more than 29 years' experience in the mining, finance and securities industry Mr Fraser is an experienced company executive having served as a director and been involved in governance, negotiation, finance, development, forensic accounting and operation for a number of private and ASX listed companies. As the founder or officer of businesses in mining, securities trading, the beverage industry, media, leisure health and corporate finance Mr Fraser has extensive knowledge and skills in company operations. Mr Fraser is the Non-Executive Chairman of Blina Minerals, former Chairman of Doray Minerals Ltd and the Securities Institute Education, WA chapter, and also a former director of Gage Roads Brewing Co and Brainytoys Limited. Mr Fraser holds a Bachelor of Business degree, is a Fellow of Certified Practising Accountants, is a Fellow of the Financial Services Institute of Australasia and has completed post graduate studies in finance and marketing.

D. JULIAN PERKINS

Non-Executive Director

Mr Julian Perkins has over 40 years' experience in the global minerals industry. He has held senior technical management positions in Australia for AngloGold Ashanti Ltd, Acacia Resources Ltd, Shell Australia, and prior to that for Billiton International Metals (part of the Shell Group) in the Netherlands. He has degrees in mining and metallurgical engineering, with operational experience in underground mining in South Africa and the metallurgical operations at Nchanga on the Zambian Copperbelt. He is a Graduate of the Australian Institute of Company Directors.

Mr Perkins has extensive experience in research and development. He was head of the mineral processing department at the Arnhem metals research centre of Shell Research in the Netherlands for three years. In Australia he was Chairman of the Board of Parker Centre Ltd, which managed the A J Parker Cooperative Research Centre (CRC) for Hydrometallurgy from 2006 to 2012, having been a director prior to that. He has also been a director on the boards of the Cooperative Research Centre for Mining and the Australian Centre for Mining Environmental Research. He designed and managed the early metallurgical testwork and flowsheet design for both of Aura's projects. He has been a non-executive director of Aura Energy Limited since 2011.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

E. JOHN MADDEN

Company Secretary

John started his career with Rio Tinto Limited (formerly CRA Limited) and held a number of positions in accounting, planning, business analysis and taxation as well as the acquisitions group. Between 1996 and 2000, John was the Manager- Finance for Rio Tinto at the Grasberg copper-gold project in West Papua. On leaving Rio Tinto in 2000, John worked in Papua New Guinea for three years on the Hidden Valley/Wafi gold projects feasibility studies and for five years on the Tampakan copper-gold project in the Philippines where he was the General Manager- Commercial and Company Secretary for Indophil Resources NL.

John has provided strategic and commercial advice as well as specialist financial modelling services to OK Tedi Mining Limited, Intrepid Mines Limited, the Australian Iron Ore Joint Venture and Mesa Minerals Limited from 2008 to 2011.

John has extensive commercial and legal experience in Francophone Africa as he co-founded Indian Pacific Resources Limited, a Madagascar-based iron ore explorer and served as an executive officer from 2011 to 2015.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the exploration and evaluation of its projects in Mauritania and Sweden.

CORPORATE GOVERNANCE STATEMENT

Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website at: www.auraenergy.com.au/governance.html

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the financial year ended 30 June 2017.

REVIEW OF OPERATIONS

OPERATION REVIEW

A detailed review of the Group's exploration activities is set out in the section entitled Operations Review on page 6 in this annual report.

OPERATING RESULTS

The consolidated loss for the year amounted to $3,690,599 (2016: $1,625,775). The increase in the consolidated loss is largely attributable to the recognition of impairment to the fair value of exploration projects in Mauritania and Sweden (see Note 11 Exploration and evaluation assets) as well as once-off costs associated with the listing of the Group on the Alternative Investment Market in London.

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. Details of the Groups assessment in this regard can be found in Note 1. Statement of significant accounting policies-Going concern. The auditor's report contains an emphasis on matter in this regard.

FINANCIAL POSITION

The net assets of the Group have increased by $3,056,407 from 30 June 2016 to $16,897,113 at 30 June 2017.

As at 30 June 2017, the Group's cash and cash equivalent increased from 30 June 2016 by $2,335,202 (including foreign exchange movements) to $2,652,960. The Group had a working capital surplus of $2,026,388 (2016: $297,004 working capital deficit).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

Since balance date, the Company has informed the market that it has made a critical metallurgical breakthrough which has resulted in the reduction of Tiris project cash costs from US$30 / lb U_3O_8 to US$19.40 / lb U_3O_8.

LIKELY DEVELOPMENTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

INFORMATION ON DIRECTORS

Peter Reeve	Executive Chairman and Managing Director
Qualifications	Bachelor of Applied Sciences.
Experience	Board member since 13 July 2013 with over 30 years' experience 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.
Interest in shares and options	12,812,365 ordinary shares in Aura Energy Limited and 35,000,000 options.
Directorships held in other listed entities in last 3 years	Nil
Dr Robert Beeson	Director (Non-executive)
Qualifications	Bachelor of Science with Honours; PhD; Member of the Australian Institute of Geoscientists
Experience	Board member since 31 March 2006. Geologist with over 35 years of global experience in uranium and other commodity management, exploration and development.
Interest in shares and options	3,129,071 ordinary shares in Aura Energy Limited held directly and 2,472,501 ordinary shares held indirectly; and 10 million options over ordinary shares at 10 cents per option and 20 million options over ordinary shares at 15 cents per option.
Directorships held in other listed entities in last 3 years	Managing Director of Drake Resources Limited from November 2004 until 31 January 2015. Non-executive director or Drake Resources Limited until 1 February 2015. No other directorships in the past three years.
Brett Fraser	Director (Non-executive)
Qualifications	Fellow of Certified Practicing Accountants; Fellow of the Financial Services Institute of Australasia; Grad Dip Finance, Securities Institute of Australia; Bachelor of Business (Accounting); International Marketing Institute - AGSM Sydney.
Experience	Board member since 24 August 2005.
Interest in shares and options	3,957,600 ordinary shares in Aura Energy Limited.
Directorships held in other listed entities in last 3 years	Non-executive director and Chairman of Blina Diamonds NL since September 2008 and non-executive director and Chairman of Drake Resources Limited until 10 March 2017. No other directorships in the past three years.
Julian Perkins	Director (Non-executive)
Qualifications	Master of Science (Imperial College of Science and Technology) 1972; Associate of the Camborne School of Metalliferous Mining (Honours) 1967; Fellow of the Australasian Institute of Mining and Metallurgy; Graduate of the Australian Institute of Company Directors.
Experience	Board member since 7 June 2011. Mr. Perkins has over 40 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. He was Chairman of Parker Centre Ltd for Hydrometallurgy from 2006 to 2012 and previously a director of the CRC Mining and the Australian Centre for Mining Environmental Research.
Interest in shares and options	2,861,990 ordinary shares in Aura Energy Limited.
Directorships held in other listed entities in last 3 years	No other directorships held in other listed entities.

MEETINGS OF DIRECTORS

During the financial year the board of directors held seven meetings (including committees of directors) with the remainder of meetings conducted by way of written resolution. Attendances by each director during the year were as follows:

			COMMITTEE MEETINGS			
	DIRECTORS' MEETINGS		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
PD Reeve	4	4	-	-	-	-
Dr R Beeson	4	4	1	1	2	2
BF Fraser	4	4	1	1	2	2
JC Perkins	4	4	1	1	2	2

NON-AUDIT SERVICES

During the year ended 30 June 2017, AIM listing and taxation consulting services were provided to the Company by a party related to the auditors, Bentleys. These services amounted to $10,550 (2016: $22,085). Details of remuneration paid to the auditor can be found within the financial statements at Note 4 Auditor's remuneration.

The directors are satisfied that the provision of non-audit services during the year by Bentleys (or by another person or firm on Bentley's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the directors.
- The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was $19,360 (2016: $9,092).
- No indemnity has been paid to auditors of the Group.

ENVIRONMENTAL REGULATIONS

The Company 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.

OPTIONS

At the date of this report, the unissued ordinary shares of Aura Energy Limited under option (listed and unlisted) are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER UNDER OPTION
12 November 2014	12 November 2018	$0.070	12,500,000
10 June 2015	9 June 2018	$0.100	8,750,000
10 June 2015	9 February 2019	$0.100	6,250,000
10 June 2015	9 February 2019	$0.150	2,500,000
10 June 2015	9 February 2020	$0.150	8,750,000
10 June 2015	9 February 2021	$0.150	8,750,000
23 December 2015	23 December 2017	$0.025	8,163,265
5 February 2016	5 February 2018	$0.025	10,897,960
12 September 2016	11 September 2019	$0.02	6,578,699
9 May 2016	9 May 2018	$0.025	16,413,265
			89,553,189

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found in the annual report.

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The remuneration policy of the Group has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of directors believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group,
as well as create goal congruence between directors, executives and shareholders.

The policy of the board of directors for determining the nature and amount of remuneration for board members and senior executives of the Group is described in the following paragraphs.

The remuneration policy of the Group sets the terms and conditions for executive directors and other senior executives. Due to the rapidly changing circumstances of the Group in recent years, the policy is reviewed annually by the board of directors with the purpose of maintaining alignment of the board and management with the Group's strategic objectives. Management is also entitled to participate in employee share and option arrangements. All executives receive a base salary which takes into account such factors as length of service and experience, superannuation and share based incentive such as options. The board of directors review executive packages annually by reference to the performance of the Group, individual executives and relevant comparable remuneration data from similar listed companies and appropriate industry sectors. Independent expert advice is sought as required.

The total amount of non-executive directors' remuneration is proposed by the board of directors from time to time at the Annual General Meeting and is subject to formal approval by shareholders. Within this limit, the board of directors presently remunerates non-executive directors at around the average of those obtained from relevant comparable data from similar listed companies and appropriate industry sectors. A measure of longer-term incentive is provided by the allocation of options to non-executive directors. The board of directors determines remuneration to individual non-executive directors, working within the limit set by shareholders, and taking into account any special duties or accountability. Payments to non-executive directors are not linked to Company performance but in order to align their interest with those of shareholders, non-executive directors are encouraged to hold shares in Aura Energy Limited.

Executives and non-executive directors have received a superannuation guarantee contribution as required by law, which increased to 9.5% on 1 July 2014, but do not receive any other retirement benefits.

All remuneration paid to non-executive directors and executives is valued at the cost to the Company and is expensed. Options over ordinary shares granted to directors and employees are valued using the Black-Scholes methodology. Details of directors' and executives' interests in options as at 30 June 2017 are provided in the Remuneration Report of the financial statements.

The Chairman became Executive Chairman and Managing Director of the Company with effect on 1 January 2015 and accordingly, is a fulltime employee. The Executive Chairman and Managing Director has agreed to settle 20% of his salary by way of fully paid ordinary shares in the Company.

Under clause 13.8 of the Constitution of the Company the total aggregate amount fixed sum per annum to be paid to non-executive directors is $200,000. The Company proposes to put to shareholders a resolution to raise this total aggregate fixed sum to $400,000. This is the first time the total aggregate fixed term will have been raised since incorporation.

At the annual general meeting on 30 November 2016, 59.6% of votes cast for the adoption of the remuneration report voted in favour of the resolution. The number of votes cast in favour of the resolution totalled 3,961,865.

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2017

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group:

2017										
GROUP KEY MANAGEMENT PERSONNEL	SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		TOTAL	COMPEN-SATION CONSISTING OF OPTIONS
	SALARY, FEES AND LEAVE	PROFIT SHARE AND BONUSES	NON-MONETARY	OTHER	SUPER-ANNUATION	OTHER	EQUITY	OPTIONS		
	$	$	$	$	$	$	$	$	$	%
PD Reeve(1)	324,562	-	-	-	25,438	-	100,000	69,552	519,552	13.4%
Dr R Beeson	40,000	-	-	-	3,800	-	-	-	43,800	-
BF Fraser	40,000	-	-	-	3,800	-	-	-	43,800	-
JC Perkins	40,000	-	-	-	3,800	-	-	-	43,800	-
JM Madden(2)	-	-	-	120,417	-	-	-	-	120,417	-
	444,562	-	-	120,417	36,838	-	100,000	69,552	771,369	13.4%

(1) Mr PD Reeve was issued 1,921,295 fully paid ordinary shares (net of tax) in the Company pursuant to his contract of employment.

(2) Mr JM Madden is retained as a contractor and his appointment to the position is subject to a month-by- month arrangement until such time as the Company secures long-term finance to advance its projects.

2016										
GROUP KEY MANAGEMENT PERSONNEL	SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		TOTAL	COMPEN-SATION CONSISTING OF OPTIONS
	SALARY, FEES AND LEAVE	PROFIT SHARE AND BONUSES	NON-MONETARY	OTHER	SUPER-ANNUATION	OTHER	EQUITY	OPTIONS		
	$	$	$	$	$	$	$	$	$	%
PD Reeve(1)	321,400	-	-	-	28,600	-	100,000	158,645	608,645	26.1%
Dr R Beeson	40,000	-	-	-	3,800	-	-	-	43,800	-
BF Fraser	43,800	-	-	-	-	-	-	-	43,800	-
JC Perkins	40,000	-	-	-	3,800	-	-	-	43,800	-
SF Zillwood(2)	-	-	-	53,299	-	-	-	-	53,299	-
JM Madden(3)	-	-	-	39,149	-	-	-	-	39,149	-
	445,200	-	-	92,448	36,200	-	100,000	158,645	832,493	19.1%

(1) Mr Reeve was issued 3,725,500 fully paid ordinary shares (net of tax) in the Company pursuant to his contract of employment.

(2) Mr SF Zillwood is employed by Foster Resources Pty Ltd, a company controlled by Mr SF Zillwood, which provided company secretarial and accounting services to the Company for the period 1 July 2015 to 31 March 2016 pursuant to a consultancy contract, dated 30 December 2013.

(3) Mr JM Madden was appointed company secretary and chief financial officer on 31 March 2016 following the decision by Mr SF Zillwood to retire and accordingly, terminate his contractual relationship with the Company. Mr Madden is retained as a contractor and his appointment to the position is subject to a month-by- month arrangement until such time as the Company secures long-term finance to advance its projects.

SERVICE AGREEMENTS

The Executive Chairman and Managing Director, Peter Reeve, is employed under a contract of employment, effective 1 January 2015.

The employment deed stipulates a four weeks' resignation period. The Company may terminate the employment contract without cause by providing four weeks' written notice, or making payment in lieu of notice based on the individual's annual salary component.

If employment is terminated other than for serious misconduct, and the employee is not then otherwise in default of this contract and his employment, the Managing Director will, in connection with his retirement from the office, receive in addition to the required four weeks' notice period, three months' salary. An additional benefit may be paid in the amount of one month for every year of service. This is subject to the provisions of the Corporations Act 2001 (Cth), which may require shareholder approval.

SHARE-BASED COMPENSATION

a. Incentive Option Scheme

Options are granted under the Aura Energy Limited Incentive Option Scheme. All staff who have been continuously employed by the Company for a period of at least one year are eligible to participate in the plan. Options are granted under the plan for no consideration.

b. Director and Key Management Personnel Options

On 9 June 2015, the Company granted the Executive Chairman and Managing Director the following options over ordinary shares:

- 8,750,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 June 2018.
- 6,250,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 February 2019.
- 2,500,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2019.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2020.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2021.

As at the date of this report, all options over ordinary shares previously granted to non-executive directors have expired.

c. **Share-based Payments**

The terms and conditions relating to options granted as remuneration during the year to directors and key management personnel are as follows:

2017									
GROUP KEY MANAGEMENT PERSON	GRANT DATE	GRANT VALUE $ (NOTE 1)	REASON FOR GRANT	VESTING DATE	PERCENTAGE VESTED DURING YEAR %	PERCENTAGE FORFEITED DURING YEAR %	PERCENTAGE REMAINING AS UNVESTED %	EXPIRY DATE	RANGE OF POSSIBLE VALUES RELATING TO FUTURE PAYMENTS
PD Reeve	10 Jun 2015	66,436	Note 1	9 Jun 2016	100	-	-	9 Jun 2018	-
	10 Jun 2015	57,884	Note 1	9 Feb 2016	100	-	-	9 Feb 2019	-
	10 Jun 2015	19,445	Note 1	9 Feb 2016	100	-	-	9 Feb 2019	-
	10 Jun 2015	87,364	Note 1	9 Feb 2017	100	-	-	9 Feb 2020	-
	10 Jun 2015	103,555	Note 1	9 Feb 2018	-	-	100	9 Feb 2021	-

Note 1. The options have been granted to the Executive Chairman and Managing Director as part of his remuneration and for future performance. The vesting conditions of the options are as follows:

- Tranche 1: vest at immediately, exercisable at 10 cents, expire 9 June 2018.
- Tranche 2: vest at 8 months from issue, exercisable at 10 cents, expire 9 February 2019.
- Tranche 3 vest at 8 months from issue, exercisable at 15 cents, expire 9 February 2019.
- Tranche 4: vest at 20 months from issue, exercisable at 15 cents, expire 9 February 2020.
- Tranche 5 vest at 32 months from issue, exercisable at 15 cents, expire 9 February 2021.

Details of all Share-Based Payments in existence during the year can be found at Note 19 Share-Based Payments.

2016									
GROUP KEY MANAGEMENT PERSON	GRANT DATE	GRANT VALUE $ (NOTE 1)	REASON FOR GRANT	VESTING DATE	PERCENTAGE VESTED DURING YEAR %	PERCENTAGE FORFEITED DURING YEAR %	PERCENTAGE REMAINING AS UNVESTED %	EXPIRY DATE	RANGE OF POSSIBLE VALUES RELATING TO FUTURE PAYMENTS
PD Reeve	10 Jun 2015	66,436	Note 1	9 Jun 2016	100	-	-	9 Jun 2018	-
	10 Jun 2015	57,884	Note 1	9 Feb 2016	100	-	-	9 Feb 2019	-
	10 Jun 2015	19,445	Note 1	9 Feb 2016	100	-	-	9 Feb 2019	-
	10 Jun 2015	87,364	Note 1	9 Feb 2017	-	-	100	9 Feb 2020	-
	10 Jun 2015	103,555	Note 1	9 Feb 2018	-	-	100	9 Feb 2021	-

Note 1. The options have been granted to the Executive Chairman and Managing Director as part of his remuneration and for future performance. The vesting conditions of the options are as follows:

- Tranche 1: vest at immediately, exercisable at 10 cents, expire 9 June 2018.
- Tranche 2: vest at 8 months from issue, exercisable at 10 cents, expire 9 February 2019.
- Tranche 3 vest at 8 months from issue, exercisable at 15 cents, expire 9 February 2019.
- Tranche 4: vest at 20 months from issue, exercisable at 15 cents, expire 9 February 2020.
- Tranche 5 vest at 32 months from issue, exercisable at 15 cents, expire 9 February 2021.

Details of all Share-Based Payments in existence during the year can be found at Note 19 Share-Based Payments.

d. Description of Options Issued as Remuneration

Details of the options over ordinary shares granted as remuneration to those KMP listed in the previous tables are as follows:

GRANT DATE	ISSUER	ENTITLEMENT ON EXERCISE	DATES EXERCISABLE	EXERCISE PRICE $	VALUE PER OPTION AT GRANT DATE $	AMOUNT PAID/ PAYABLE BY RECIPIENT $
			From vesting date to			-
10 Jun 2015			9 Jun 2018 (expiry)	0.10	0.0076	-
10 Jun 2015			9 Feb 2019 (expiry)	0.10	0.0093	-
10 Jun 2015	Aura Energy Ltd	1:1 ordinary shares	9 Feb 2019 (expiry)	0.15	0.0078	-
10 Jun 2015			9 Feb 2020 (expiry)	0.15	0.0100	-
10 Jun 2015			9 Feb 2021 (expiry)	0.15	0.0118	-

Options over ordinary shares values at grant date were determined using the Black-Scholes method.

Details relating to service and performance criteria required for the vesting of options over ordinary shares have been provided in the within the financial statements at Note 19. Share-based payments.

KEY MANAGEMENT PERSONNEL (KMP) EQUITY HOLDINGS

a. Fully paid ordinary shares of Aura Energy Limited held by each KMP

2017					
GROUP KEY MANAGEMENT PERSON	BALANCE AT START OF YEAR NO.	RECEIVED DURING THE YEAR AS COMPENSATION NO.	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS NO.	OTHER CHANGES DURING THE YEAR(1) NO.	BALANCE AT END OF YEAR NO.
PD Reeve(1)	9,718,304	1,921,295	-	-	11,639,599
RF Beeson	5,636,937	-	-	-	5,636,937
BF Fraser	3,957,600	-	-	-	3,957,600
JC Perkins	2,861,990	-	-	-	2,861,990
JM Madden	-	-	-	-	-
	22,174,831	1,921,295	-	-	24,096,126

(1) Mr PD Reeve was issued 1,926,295 fully paid ordinary shares pursuant to his contract of employment with the Company.

2016					
GROUP KEY MANAGEMENT PERSON	BALANCE AT START OF YEAR NO.	RECEIVED DURING THE YEAR AS COMPENSATION NO.	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS NO.	OTHER CHANGES DURING THE YEAR(1) NO.	BALANCE AT END OF YEAR NO.
PD Reeve(1)(2)	5,442,804	3,725,500	-	550,000	9,718,304
Dr R Beeson	5,636,937	-	-	-	5,636,937
BF Fraser	3,957,600	-	-	-	3,957,600
JC Perkins	2,861,990	-	-	-	2,861,990
JM Madden	-	-	-	-	-
SF Zillwood	-	-	-	-	-
	17,899,331	3,725,500	-	550,000	22,174,831

(1) Mr PD Reeve was issued 3,725,500 fully paid ordinary shares pursuant to his contract of employment with the Company.

(2) Mr PD Reeve purchased 550,000 fully paid ordinary shares in the Company on the market.

b. Options of Aura Energy Limited held by each KMP

2017						
GROUP KEY MANAGEMENT PERSON	BALANCE AT START OF YEAR NO.	GRANTED AS REMUNERATION DURING THE YEAR NO.	EXERCISED DURING THE YEAR NO.	OTHER CHANGES DURING THE YEAR NO.	BALANCE AT END OF YEAR NO.	VESTED AND EXERCISABLE NO.
PD Reeve[(1)]	37,000,000	-	-	(2,000,000)	35,000,000	26,250,000
Dr R Beeson[(2)]	2,125,000	-	-	(2,125,000)	-	-
BF Fraser[(3)]	625,000	-	-	(625,000)	-	-
JC Perkins[(4)]	1,250,000	-	-	(1,250,000)	-	-
JM Madden	-	-	-	-	-	-
	41,000,000	-	-	(6,000,000)	35,000,000	26,250,000

(1) 2,000,000 options over ordinary shares granted to Mr PD Reeve at 15 cents per option expired on 13 July 2016.

(2) 2,125,000 options over ordinary shares granted to Dr R Beeson at 15 cents per option expired on 13 July 2016

(3) 625,000 options over ordinary shares granted to Mr BF Fraser at 15 cents per option expired on 13 July 2016

(4) 1,250,000 options over ordinary shares granted to Mr JC Perkins at 15 cents per option expired on 13 July 2016

2016						
GROUP KEY MANAGEMENT PERSON	BALANCE AT START OF YEAR NO.	GRANTED AS REMUNERATION DURING THE YEAR NO.	EXERCISED DURING THE YEAR NO.	OTHER CHANGES DURING THE YEAR NO.	BALANCE AT END OF YEAR NO.	VESTED AND EXERCISABLE NO.
PD Reeve[(1)]	39,333,104	-	-	(2,333,104)	37,000,000	19,500,000
Dr R Beeson[(2)]	2,295,205	-	-	(170,205)	2,125,000	2,125,000
BF Fraser[(3)]	901,000	-	-	(276,000)	625,000	625,000
JC Perkins[(4)]	1,392,595	-	-	(142,595)	1,250,000	1,250,000
SF Zillwood	-	-	-	-	-	-
JM Madden	-	-	-	-	-	-
	43,921,904	-	-	(2,921,904)	41,000,000	23,500,000

(1) 2,250,000 options over ordinary shares granted to Mr PD Reeve at 15 cents per option expired on 13 January 2016 and 83,104 options over ordinary shares issued pursuant to the non-renounceable rights issue on 5 September 2014 expired on 1 September 2015

(2) 170,205 options over ordinary shares issued pursuant to the non-renounceable rights issue on 5 September 2014 expired on 1 September 2015

(3) 276,000 options over ordinary shares issued pursuant to the non-renounceable rights issue on 5 September 2014 expired on 1 September 2015

(4) 142,595 options over ordinary shares issued pursuant to the non-renounceable rights issue on 5 September 2014 expired on 1 September 2015

LOANS TO KEY MANAGEMENT PERSONNEL

There are no loans made to directors of Aura Energy as at 30 June 2017 (2016: nil).

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

	2017 $	2016 $
Amounts owing to KMP		
Payable for unpaid fees		
PD Reeve	50,000	-
Dr R Beeson	-	40,150
BF Fraser	3,166	40,150
JC Perkins	-	40,150
JM Madden	8,000	18,840

There have been no other transactions involving equity instruments other than those described in this Annual Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001 (Cth).

Peter Reeve

Executive Chairman and Managing Director

Dated this Friday 29 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
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216 St Georges Terrace
Perth WA 6000

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Cloisters Square WA 6850

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F +61 8 9226 4300

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2017, 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

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 29th day of September 2017

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $
Continuing operations			
Revenue	2	4,905	4,907
		4,905	4,907
Accounting and audit fees	4	(161,277)	(149,416)
Computers and communications		(35,034)	(44,193)
Depreciation	10	(6,319)	(1,602)
Employee benefits		(736,614)	(711,929)
Exchange fluctuation		(173,997)	-
Finance Costs		-	(8,171)
Impairment of exploration expenditure previously capitalised	11	(1,397,602)	-
Insurance		(32,981)	(51,378)
Consulting fees and corporate advisory		(31,238)	(223,149)
Public relations		(100,650)	(22,472)
Rent and utilities		(66,178)	(39,847)
Share-based payments	19	(69,552)	(158,645)
Share registry and listing fees		(119,455)	(79,385)
Travel and accommodation		(70,290)	(49,273)
Write-off of exploration assets		-	(51,461)
AIM listing costs		(640,963)	(165,840)
Other expenses		(53,354)	(22,529)
Loss before income tax	3	(3,690,599)	(1,774,383)
Income tax benefit	5	-	148,608
Loss from continuing operations		(3,690,599)	(1,625,775)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement for controlled entity no longer consolidated		(45,374)	-
Foreign currency movement		(149,701)	31,563
Other comprehensive income for the year, net of tax		(195,075)	31,563
Total comprehensive income attributable to members of the parent entity		(3,885,674)	(1,594,212)

		¢	¢
Earnings per share:			
Basic loss per share (cents per share)	6	(0.53)	(0.41)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	NOTE	2017 $	2016 $
Current assets			
Cash and cash equivalents	7	2,652,960	317,758
Trade and other receivables	8	62,854	57,708
Financial assets	9	53,930	43,625
Total current assets		2,769,744	419,091
Non-current assets			
Plant and equipment	10	18,905	-
Exploration and evaluation assets	11	14,851,820	14,137,710
Total non-current assets		14,870,725	14,137,710
Total assets		17,640,469	14,556,801
Current liabilities			
Trade and other payables	12	576,605	550,844
Short-term provisions	13	118,948	165,251
Financial liabilities	14	47,803	-
Total current liabilities		743,356	716,095
Total liabilities		743,356	716,095
Net assets		16,897,113	13,840,706
Equity			
Issued capital	15	39,558,943	32,784,203
Reserves	16	841,671	1,029,542
Accumulated losses		(23,503,501)	(19,973,039)
Total Equity		16,897,113	13,840,706

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	ISSUED CAPITAL $	ACCUMULATED LOSSES $	OPTIONS RESERVE $	FOREIGN EXCHANGE TRANSLATION RESERVE $	TOTAL $
Balance at 1 July 2015	31,311,988	(18,451,415)	398,924	502,328	13,761,825
Loss for the year attributable owners of the parent	-	(1,625,775)	-	-	(1,625,775)
Other comprehensive income for the year attributable owners of the parent	-	-	-	31,563	31,563
Total comprehensive income for the year attributable owners of the parent	-	(1,625,775)	-	31,563	(1,594,212)
Transaction with owners, directly in equity					
Shares issued during the year	1,579,816	-	-	-	1,579,816
Transaction costs	(107,601)	-	-	-	(107,601)
Options expired during the year	-	104,151	(104,151)	-	-
Options exercised during the year	-	-	-	-	-
Options issued during the year	-	-	200,878	-	200,878
Balance at 30 June 2016	32,784,203	(19,973,039)	495,651	533,891	13,840,706
Balance at 1 July 2016	32,784,203	(19,973,039)	495,651	533,891	13,840,706
Loss for the year attributable owners of the parent	-	(3,690,599)	-	-	(3,690,599)
Other comprehensive income for the year attributable owners of the parent	-	(45,374)	-	(149,701)	(195,075)
Total comprehensive income for the year attributable owners of the parent	-	(3,735,973)	-	(149,701)	(3,885,674)
Transaction with owners, directly in equity					
Shares issued during the year	7,113,657	-	-	-	7,113,657
Transaction costs	(338,917)	-	-	-	(338,917)
Options expired during the year	-	205,511	(205,511)	-	-
Options exercised during the year	-	-	-	-	-
Options issued during the year		-	167,341	-	167,341
Balance at 30 June 2017	39,558,943	(23,503,501)	457,481	384,190	16,897,113

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		-	-
Interest received		4,905	4,907
Payments to suppliers and employees		(1,499,979)	(892,505)
Payments for exploration expenditure		(2,087,976)	(1,190,561)
Payments for listing on AIM		(669,931)	-
Rebate received for Research and Development		-	148,608
Net cash used in operating activities	18a	(4,252,981)	(1,929,551)
Cash flows from investing activities			
Purchase of plant and equipment		(25,224)	-
Net cash used in investing activities		(25,224)	-
Cash flows from financing activities			
Proceeds from issue of shares		6,945,778	1,365,639
Capital raising costs		(158,374)	(59,324)
Net cash provided by financing activities		6,787,404	1,306,315
Net increase/(decrease) in cash held		2,509,199	(623,236)
Cash at 1 July		317,758	943,011
Change in foreign currency held		(173,997)	(2,017)
Cash at 30 June	7	2,652,960	317,758

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Aura Energy Limited and controlled entities ("Consolidated Group" or "Group"). Aura Energy Limited is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of the parent entity, Aura Energy Limited, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

a. Basis of preparation

i. Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including

Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable

information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 29 September 2017 by the directors of the Company.

ii. Financial position

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 $3,690,599 (2016: $1,625,775 and a net cash out-flow from operating activities of $4,252,981 (2016: $1,929,551)

As at 30 June 2017, the Group had working capital surplus of $2,026,388 (2016: $297,004 working capital deficit).

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.

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.

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 1r Critical accounting estimates and judgments.

v. Comparative figures

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

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

b. Principles of consolidation

A controlled entity is any entity over which Aura Energy Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. A list of controlled entities is contained in Note 17 Controlled entities in the financial statements.

All inter-group balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Business combinations

Business combinations occur when an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquire and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c. Exploration and development expenditure

i. Recognition and measurement

Exploration, evaluation, and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

ii. Subsequent measurement

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

iii. Site restoration and rehabilitation

Costs of site restoration will be provided over the life of the project, when such costs are incurred or the Group becomes liable pursuant to a development agreement with government agencies. In the exploration and evaluation phase, all drill holes are collared and any site disturbance is restored with the costs incorporated in the costs of exploration and evaluation. Site restoration costs will include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives the Australian Government's Research and Development Tax Incentive, The Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 5 Income tax.

e. Plant and equipment

i. Recognition and measurement

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see Note 1m Impairment of non- financial assets and Note 1c Exploration and development expenditure).

ii. Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	20.00%
Computers	33.00%
Motor Vehicles	25.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

f. Employee benefits

For the period ending 30 June 2017 the Company has three employees.

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 Company 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 Company 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.

g. 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.

h. 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 1i Value-added taxes).

i. 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 Mauritanian (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.

j. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

k. Financial instruments

i. Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and subsequent measurement

(1) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

(2) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) Trade and other receivables

Trade and other receivables are stated at amortised cost. Receivables are usually settled within 30 to 90 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

(4) Trade and other payables

Trade payables and other payable are recognised when the Group becomes obligated to make future payments resulting from the purchase of goods and services which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

(5) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(6) Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

ix. Financial income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

l. 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.

m. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets (Note 1d Income tax) and exploration and evaluation assets (Note 1c Exploration and development expenditure) 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.

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.

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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.

n. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

o. Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.

Income and expenses are translated at average exchange rates for the period.

Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

p. Fair value estimation

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Information about the assumptions made in determining fair values of assets and liabilities is disclosed in the notes specific to that asset or liability.

q. 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).

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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.

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:

(1) Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

(2) Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

(3) 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:

(1) 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.

(2) 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.

(3) 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.

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.

r. 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.

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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 1c Exploration and development expenditure.

The carrying value of capitalised expenditure at reporting date is $14,851,820 (2016: $14,137,710).

During the financial year, the Group undertook assessment of its tenement assets, as a result of this assessment, the Group decided to impair some of its exploration assets. Refer to Note 11 Exploration and evaluation 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 Company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

iii. Key Estimate – 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 Company 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 5 Income tax.

iv. Key Estimate — 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 Estimate – 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 19 Share-based payments.

s. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. The nature and the effect of these changes are discussed below. Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed financial statements of the Group. The nature and the impact of each new amendment is described below:

i. AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. The adoption of these amendments had no material impact on the financial position or performance of the Group.

i. AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group in the Group's annual financial statements ending 31 December 2017.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTE 2. REVENUE AND OTHER INCOME

	2017 $	2016 $
Revenue		
Interest received from financial institutions	4,905	4.907
Total Revenue	4,905	4,907

NOTE 3. LOSS BEFORE INCOME TAX

	2017 $	2016 $
The following significant expense items are relevant in explaining the financial performance:		
Superannuation expense	36,838	36,200

NOTE 4. AUDITOR'S REMUNERATION

	2017 $	2016 $
Remuneration of the auditor of the Group for:		
Auditing or reviewing the financial reports	40,860	37,000
Taxation services provided by a related practice of the auditor	1,550	2,085
Other services	9,000	20,000
	51,410	59,085

NOTE 5. INCOME TAX

	NOTES	2017 $	2016 $
Income tax expense/(benefit)			
Current tax		-	-
Deferred tax		-	-
Tax rebate for research and development		-	(148,608)
		-	(148,608)
Deferred income tax expense included in income tax expense comprises:			
Increase/(decrease) in deferred tax assets	5a	-	-
(Increase)/decrease in deferred tax liabilities	5b	-	-
		-	-
Reconciliation of income tax expense to prima facie tax payable			
The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating loss at 30% (2016: 30%)		(1,107,180)	(487,733)
Add/(less)			
Tax effect of:			
Capital-raising costs deductible		140,608	(24,749)
Impairment of exploration expenditure previously capitalised		419,281	-
Share-based payments		20,556	47,594
Write-off of exploration assets		-	15,438
Other		(52,199)	2,451
Deferred tax asset not brought to account		578,925	446,999
Income tax expense/(benefit) attributable to operating loss		-	-
Less rebates:			
Tax rebate for research and development		-	(148,608)
Income tax expense/(benefit)		-	(148,608)
		%	%
The applicable weighted average effective tax rates attributable to operating profit are as follows		Nil	Nil
		$	$
Balance of franking account at year end		Nil	Nil

NOTE 5. INCOME TAX (CONT)

	NOTE	2017 $	2016 $
Deferred tax assets			
Tax losses		4,174,499	3,895,970
Provisions and accruals		21,697	41,173
Other		99,869	15,019
		4,296,066	3,952,162
Set-off deferred tax liabilities	5a	-	-
Net deferred tax assets		4,296,066	3,952,162
Less deferred tax assets not recognised		(4,296,066)	(3,952,162)
Net tax assets		-	-
Deferred tax liabilities			
Exploration expenditure		-	-
		-	-
Set-off deferred tax assets	5b	-	-
Net deferred tax liabilities		-	-
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:			
Revenue losses		14,345,219	12,482,130
Capital losses		2,083,905	691,104
		16,429,124	13,173,234

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2017 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised.

ii. The Group continues to comply with conditions for deductibility imposed by law.

iii. No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 6. EARNINGS PER SHARE

	NOTE	2017 $	2016 $
a. Loss from continuing operations for the year		(3,690,599)	(1,625,775)

		2017 NO.	2016 NO.
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		692,642,263	398,625,406

		2017 ¢	2016 ¢
c. Basic and diluted earnings per share (cents per share)		(0.53)	(0.41)

i. The Group is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, ordinary share capital in respect of potential ordinary shares would lead to diluted earnings per share that shows an inferior view of the earnings per share. Therefore in the event the Company has dilutionary equity instruments on issue, the diluted loss per share for the year ended 30 June 2017 is the same as basic loss per share, whilst the Company remains loss making.

ii. There are 80,803,189 (2016: 177,249,702) options over ordinary shares that have vested.

NOTE 7. CASH AND CASH EQUIVALENTS

	NOTE	2017 $	2016 $
Cash at bank		2,614,749	317,758
Short-term bank deposits	7a	38,211	-
		2,652,960	317,758

a. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.

NOTE 8. TRADE AND OTHER RECEIVABLES

	NOTE	2017 $	2016 $
Current			
Value-added tax receivable	8a	62,854	43,346
Trade debtors		-	18,782
Other		-	648
Less: Provision for impairment		-	(5,068)
		62,854	57,708

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

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.

NOTE 9. FINANCIAL ASSETS

	2017 $	2016 $
Current		
Bonds and prepayments	80,897	43,625
	80,897	43,625

NOTE 10. PLANT AND EQUIPMENT

	2017 $	2016 $
Non-current		
Plant and equipment	25,224	160,102
Accumulated depreciation	(6,319)	(160,102)
	18,905	-
Motor vehicles	-	-
Accumulated depreciation	-	-
	-	-
Total plant and equipment	18,905	-
Movements in carrying amounts		
Balance at the beginning of year	-	1,602
Additions	25,224	-
Depreciation expense	(6,319)	(1,602)
Carrying amount at the end of year	18,905	-

NOTE 11. EXPLORATION AND EVALUATION ASSETS

	NOTE	2017 $	2016 $
Non-current			
Exploration expenditure capitalised:			
Exploration and evaluation phase at cost		16,442,768	14,099,992
Add: Effect of exchange rate changes on exploration and evaluation assets		(193,346)	(37,718)
Less: Exploration expenditure impairment	11b	(1,397,602)	-
Net carrying value	11a,b	14,851,820	14,137,710

a. The value of the Group interest in exploration expenditure is dependent upon:

- The continuance of the Group's rights to tenure of the areas of interest.
- The results of future exploration.
- 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.

NOTE 11. EXPLORATION AND EVALUATION ASSETS (CONT)

b. **The Group has recorded an impairment to the carrying value of its Mauritanian and Swedish tenements for the financial year ended 30 June 2017 of $1,397,602 (2016: nil).**

This impairment for the financial year arose from the group relinquishing tenements in Mauritania $495,433 and Sweden $897,368. The Group also recorded an impairment of $4,801 on an entity it placed into voluntary liquidation during the course of the financial year.

NOTE 12. TRADE AND OTHER PAYABLES

	NOTE	2017 $	2016 $
Current			
Unsecured			
Trade payables	12a	333,684	242,496
Accrued expenses		165,282	257,527
Other taxes payable		77,639	50,821
		576,605	550,844

a. **Trade payables are non-interest bearing and arise from the usual operating activities of the Group. Trade payables and other payables and accruals, except directors' fees, are usually settled within the lower of terms of trade or 30 days.**

b. **The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24 Financial risk management.**

NOTE 13. SHORT-TERM PROVISIONS

	2017 $	2016 $
Current		
Employee benefits	118,948	165,251
	118,948	165,251
	2017 NO.	**2016 NO.**
Number of employees at year end	4	4

NOTE 14. OTHER FINANCIAL LIABILITIES

	2017 $	2016 $
Current		
Share Sale Facility	47,803	-
	47,803	-

On 10 February 2017 the Company established a Share Sale facility which enabled shareholders with unmarketable parcels to sell their shares with the Company bearing the costs of the sale. At balance date, the Company held $47,803 in proceeds from the Share sale facility which was distributed to shareholders on 21 July 2017.

NOTE 15. ISSUED CAPITAL

	NOTE	2017 $	2016 $
The Company has issued share capital amounting to 792,808,124 (2016: 457,048,412 fully paid ordinary shares at no par value.	15a	39,558,943	32,784,203
a. Equity raised during the financial year			
At the beginning of the reporting period		32,784,203	31,311,988
Shares issued during the year:			
48,660,000 Shares issued on 29 September 2015	15a.i	-	596,085
851,442 Shares issued on 15 October 2015	15a.ii	-	18,253
13,451,801 Shares issued on 25 November 2015	15a.iii	-	164,785
1,008,004 Shares issued on 9 December 2015	15a.iv	-	18,253
3,267,311 Shares issued on 14 December 2015	15a.v	-	60,000
8,163,265 Shares issued on 15 December 2015	15a.vi	-	100,000
18,755,093 Shares issued on 12 February 2016	15a.vii	-	229,750
1,224,500 Shares issued on 12 February 2016	15a.viii	-	15,000
716,667 Shares issued on 18 February 2016	15a.ix	-	35,000
22,943,877 Shares issued on 10 May 2016	15a.x	-	281,062
1,074,615 Shares issued on 10 May 2016	15a.xi	-	30,000
1,099,578 Shares issued on 10 May 2016	15a.xii	-	18,253
766,476 Shares issued on 10 May 2016	15a.xiii	-	13,375
196,883,849 Shares issued on 12 September 2016	15a.xiv	3,937,877	-
3,937,677 Shares issued on 12 September 2016	15a.xv	78,754	-
53,250,000 Shares issued on 16 September 2016	15a.xvi	1,065,000	-
200,000 Shares issued on 16 September 2916	15a.xvii	4,000	-
4,581,633 Shares issued on 6 October 2016	15a.xviii	114,541	-
500,000 Shares issued on 19 October 2016	15a.xix	12,500	-
871,335 Shares issued on 21 December 2016	15a.xx	13,375	-
559,623 Shares issued on 21 December 2016	15a.xxi	13,375	-
1,882,845 Shares issued on 21 December 2016	15a.xxii	45,000	-
62,111,801 Shares issued on 8 February 2017	15a.xxiii	1,552,795	-
6,530,612 Shares issued on 8 February 2017	15a.xxiv	163,265	-
4,000,000 Shares issued on 23 February 2017	15a.xxv	100,000	-
450,337 Shares issued on 5 April 2017	15a.xxvi	13,375	-
Transaction costs relating to share issues		(338,917)	(107,601)
At reporting date		39,558,943	32,784,203

NOTE 15. ISSUED CAPITAL (CONT)

	NOTE	2017 NO.	2016 NO.
At the beginning of the reporting period		457,048,412	335,065,783
Ordinary shares issued during the financial year:			
48,660,000 Shares issued on 29 September 2015	15a.i	-	48,660,000
851,442 Shares issued on 15 October 2015	15a.ii	-	851,442
13,451,801 Shares issued on 25 November 2015	15a.iii	-	13,451,801
1,008,004 Shares issued on 9 December 2015	15a.iv	-	1,008,004
3,267,311 Shares issued on 14 December 2015	15a.v	-	3,267,311
8,163,265 Shares issued on 15 December 2015	15a.vi	-	8,163,265
18,755,093 Shares issued on 12 February 2016	15a.vii	-	18,755,093
1,224,500 Shares issued on 12 February 2016	15a.viii	-	1,224,500
716,667 Shares issued on 18 February 2016	15a.ix	-	716,667
22,943,877 Shares issued on 10 May 2016	15a.x	-	22,943,877
1,074,615 Shares issued on 10 May 2016	15a.xi	-	1,074,615
1,099,578 Shares issued on 10 May 2016	15a.xii	-	1,099,578
766,476 Shares issued on 10 May 2016	15a.xiii	-	766,476
196,883,849 Shares issued on 12 September 2016	15a.xiv	196,883,849	-
3,937,677 Shares issued on 12 September 2016	15a.xv	3,937,677	-
53,250,000 Shares issued on 16 September 2016	15a.xvi	53,250,000	-
200,000 Shares issued on 16 September 2916	15a.xvii	200,000	-
4,581,633 Shares issued on 6 October 2016	15a.xviii	4,581,633	-
500,000 Shares issued on 19 October 2016	15a.xix	500,000	-
871,335 Shares issued on 21 December 2016	15a.xx	871,335	-
559,623 Shares issued on 21 December 2016	15a.xxi	559,623	-
1,882,845 Shares issued on 21 December 2016	15a.xxii	1,882,845	-
62,111,801 Shares issued on 8 February 2017	15a.xxiii	62,111,801	-
6,530,612 Shares issued on 8 February 2017	15a.xxiv	6,530,612	-
4,000,000 Shares issued on 23 February 2017	15a.xxv	4,000,000	-
450,337 Shares issued on 5 April 2017	15a.xxvi	450,337	-
		792,808,124	457,048,412

NOTE 15. ISSUED CAPITAL (CONT)

i. Issued pursuant to Share Placement (through WH Ireland Limited)
ii. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment
iii. Issued pursuant to Share Placement (through WH Ireland Limited)
iv. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment
v. Issued pursuant to Engagement Letter between the Company and Hartley Limited
vi. Issued pursuant to Share Placement to ASOF
vii. Issued pursuant to Share Placement
viii. Issued pursuant to conversion By ASOP of convertible notes into fully paid ordinary shares
ix. Issued pursuant to conversion by ASOP of convertible notes into fully paid ordinary shares
x. Issued of shares to sophisticated and professional investors for working capital
xi. Issued pursuant to Engagement Letter between Company and Hartley Limited
xii. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment
xiii. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment
xiv. Issued on AIM admission
xv. Issued pursuant to Letter of Engagement to WHI Ireland as commission for AIM Listing
xvi. Issued pursuant to Australian Placement
xvii. Issued pursuant to Letter of Engagement to Australian brokers as commission for Placement
xviii. Exercise of options over ordinary shares expiring 5 February 2018
xix. Exercise of options over ordinary shares expiring 5 February 2018
xx. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment.
xxi. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment.
xxii. Issued to Consultant pursuant to Letter of Engagement
xxiii. Exercise of options over ordinary shares expiring 25 November 2017
xxiv. Exercise of options over ordinary shares expiring 9 May 2018
xxv. Exercise of options over ordinary shares expiring 9 May 2018
xxvi. Issued to Executive Chairman/Managing Director pursuant to Contract of Employment

b. Options

For information relating to the Aura Energy Limited employee options scheme, including details of options issued, issued and lapsed during the financial year, and the options outstanding at balance date, refer to Note 19 Share-based payments. The total number of options on issue is as follows:

	2017 NO.	2016 NO.
Listed options	-	27,226,166
Unlisted options	89,553,189	170,123,536
	89,553,189	197,349,702

NOTE 15. ISSUED CAPITAL (CONT)

c. Capital Management

i. Capital management policy

The directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

ii. Current ratio

The current ratio the Group at 30 June 2017 and 30 June 2016 was as follows:

	NOTE	2017 NO.	2016 NO.
Current ratio		3.76	0.58

iii. Working capital position

The working capital position of the Group at 30 June 2017 and 30 June 2016 was as follows:

	NOTE	2017 NO.	2016 NO.
Cash and cash equivalents	7	2,652,960	317,758
Trade and other receivables	8	62,854	57,708
Financial assets	9	80,897	43,625
Trade and other payables	12	(576,605)	(550,844)
Financial liabilities	14	(47,803)	-
Short-term provisions	13	(118,948)	(165,251)
Working capital surplus / (deficit)		2,053,355	(297,004)

NOTE 16. RESERVES

	NOTE	2017 $	2016 $
Option reserve	16a	457,481	495,651
Foreign exchange reserve	16b	384,190	533,891
		841,671	1,029,542

a. Option reserve

The option reserve records items recognised as expenses on the value of employee and consultant share options.

b. Foreign exchange translation reserve

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiary.

NOTE 17. CONTROLLED ENTITIES

CONTROLLED ENTITIES	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE OWNED	
			2017	2016
Aura Energy Sweden AB	Sweden	Ordinary	100%	100%
Aura Energy Mauritania Pty Limited	Australia	Ordinary	100%	-
Tiris Ressources SA	Mauritania	Ordinary	90%	-
GCM Africa Uranium Limited	United Kingdom	Ordinary	-	100%
Tiris International Mining Company sarl	Mauritania	Ordinary	100%	-

a. Investments in subsidiaries are accounted for at cost.

During the financial year, the Company acquired Tiris International Mining Company Sarl for $133,811. This entity has applied for gold tenements in Mauritania.

The Company also liquidated its non operating UK controlled entity, GCM Africa Uranium Limited during the financial year.

NOTE 18. CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations to loss after income tax

	2017 $	2016 $
Loss after income tax	(3,690,599)	(1,625,775)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit from ordinary activities:		
Share-based payments expense	69,552	158,645
Payments to employees and corporate advisor by way of shares	135,125	158,134
Net interest on convertible notes	-	6,960
Depreciation	6,319	1,602
Effects of foreign exchange on translation	173,997	2,017
Impairment of exploration expenditure previously capitalised	1,397,602	-
Capitalised exploration expenditure included in cash flows from operations	(2,087,976)	(1,110,965)
Other	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in receivables and prepayments	(2,086)	14,845
(Decrease)/Increase in trade and other payables	(208,613)	438,374
(Decrease)/Increase in provisions	(46,302)	26,612
Cash flow from operations	(4,252,981)	(1,929,551)

b. Credit standby facilities

The Group has no credit standby facilities.

c. Non-Cash Investing and Financing Activities

The Group has no non-cash investing and financing activities.

d. Restrictions on Cash Balance

The Group does not have any restrictions over its cash balance.

NOTE 19. SHARE-BASED PAYMENTS

	2017 $	2016 $
Share-based payment expense	69,552	158,645

a. The above share-based payment expense is comprised of the following arrangements in place at 30 June 2017:

On 9 June 2015, the following options over ordinary shares were granted to the Executive Chairman and Managing Director of the Company in the following tranches:

- 8,750,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 June 2018.
- 6,250,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 February 2019.
- 2,500,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2019.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2020.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2021.

$69,552 was the deemed cost of the options over ordinary shares for the financial year.

The options over ordinary shares hold no voting or dividend rights and are not transferable. At balance date, no options over ordinary shares have been exercised or forfeited and the 35,000,000 options over ordinary shares remain.

b. The above share-based payment expense is comprised of the following arrangements in place at 30 June 2016:

On 9 June 2015, the following options over ordinary shares were granted to the Executive Chairman and Managing Director of the Company in the following tranches:

- 8,750,000 at an exercise price of $0.10 each. The options are exercisable on or before 9 June 2018.
- 6,250,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 February 2019.
- 2,500,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2019.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2020.
- 8,750,000 at an exercise price of $0.15 each. The options are exercisable on or before 9 June 2021.

The options over ordinary shares hold no voting or dividend rights and are not transferable. Share-based payments recognised directly in equity and in place at 30 June 2016.

c. Movement in share-based payment arrangements during the period

A summary of the movements of all Company options issued as share-based payments is as follows:

	2017		2016	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at the beginning of the year	56,925,000	$0.1206	59,745,000	$0.1940
Issued	6,578,699	$0.0200	-	$0.1132
Exercised	-	-	-	-
Expired	(9,425,000)	$0.1581	(2,820,000)	($0.2505)
Outstanding at year-end	54,078,699	$0.1018	56,925,000	$0.1206
Exercisable at year-end	45,328,699	$0.1022	36,825,000	$0.1117

The weighted average remaining contractual life of options outstanding at year end is 2.94 years (2016: 2.52 years). The weighted average exercise price of outstanding shares at the end of the reporting period is $0.1018 (2016: $0.1206).

During the financial year, 9,425,000 options over ordinary shares expired and resulted in $205,511 being reclassified from options reserve to accumulated losses.

NOTE 19. SHARE-BASED PAYMENTS (CONT)

d. Fair value of options grants during the period

The Company granted WH Ireland Limited on 12 September 2016 6,578,699 3-year warrants at an exercise price of 2 cents per warrants. The share price on the date of the grant was 2.5 cents per share with a volatility of 84% and risk-free rate of 2%.

NOTE 20. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Key management personnel ("KMP")

The names are positions of KMP are as follows:

PD Reeve	Executive Chairman and Managing Director
Dr R Beeson	Non-executive director
BF Fraser	Non-executive director
JC Perkins	Non-executive director
JM Madden	Company Secretary

b. KMP compensation

The totals of remuneration paid to KMP during the year are as follows:

	2017 $	2016 $
Short-term employee benefits	444,562	445,200
Post-employment benefits	36,838	36,200
Share-based payments in equity	100,000	100,000
Share-based payments in options	69,552	158,645
Other long-term benefits	-	-
Termination benefits	-	-
Payments to contractors for accounting and secretarial services	120,417	92,448
Total	771,369	832,493

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2017.

NOTE 21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other transactions with key management personnel are set out in the Remuneration Report, there are no other related party transactions.

NOTE 22. COMMITMENTS

	2017 $	2016 $
a. Exploration expenditure commitments:		
Exploration tenement minimum expenditure requirements	886,945	335,996
Payable:		
not later than 12 months	412,149	296,416
between 12 months and 5 years	395,588	39,578
greater than 5 years	79,208	-
	886,945	335,994
The Group does not have any expenditure commitments under the terms and conditions of the tenements it holds. The exploration expenditure commitments relate to annual renewal fees,		
b. Operating lease commitments:		
Operating leases contracted for or committed to but not capitalised in the financial statements		
Payable:		
not later than 12 months	50,058	53,460
between 12 months and 5 years	33,949	87,740
greater than 5 years	-	-
	84,007	141,200

NOTE 23. OPERATING SEGMENTS

a. Identification of reportable segments

The Group operates predominantly 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 two principal locations of its projects – Sweden and Mauritania. 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. Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

ii. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The board of directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

NOTE 23. OPERATING SEGMENTS (CONT)

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Non-exploration impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities

NOTE 23. OPERATING SEGMENTS (CONT)

FOR THE YEAR TO 30 JUNE 2017	MAURITANIA EXPLORATION $	SWEDEN EXPLORATION $	CORPORATE $	TOTAL $
Segment revenue	-	-	4,905	4,905
Segment results	(495,433)	(894,800)	103	(1,390,130)
Amounts not included in segment results but reviewed by Board:				
Expenses not directly allocable to identifiable segments or areas of interest				
Accounting and audit fees				(161,277)
Computers and communications				(35,034)
Depreciation				(6,319)
Employee benefits expense				(736,614)
Exchange fluctuation				(173,997)
Insurance				(32,981)
Consulting fees and corporate advisory				(31,238)
Public relations				(100,650)
Rent and utilities				(66,178)
Share-based payment expenses				(69,552)
Share registry and listing fees				(119,455)
Travel and accommodation				(70,290)
AIM listing costs				(640,963)
Other expenses				(55,921)
Tax rebate for research and development				-
Loss after income tax				(3,690,599)
AS AT 30 JUNE 2017				
Segment assets	9,383,768	5,685,455	2,490,644	17,559,867
Unallocated assets:				
Trade and other receivables				61,697
Plant and equipment				18,905
Other non-current assets				-
Total assets				17,640,469
Segment asset increases for the period:				
Capital expenditure-exploration	2,030,513	206,431	-	2,236,944
Less: Write-off of exploration assets	(495,433)	(897,367)	(4,802)	(1,397,602)
	1,535,080	(690,936)	(4,802)	839,342
Segment liabilities	225,765	24,608	-	250,373
Unallocated liabilities:				
Trade and other payables				326,232
Short-term provisions				118,948
Financial liabilities				47,803
Total liabilities				743,356

NOTE 23. OPERATING SEGMENTS (CONT)

FOR THE YEAR TO 30 JUNE 2016	MAURITANIA EXPLORATION $	SWEDEN EXPLORATION $	CORPORATE $	TOTAL $
Segment revenue	-	-	4,907	4,907
Segment results	(51,461)	-	4,907	(46,554)
Amounts not included in segment results but reviewed by Board:				
Expenses not directly allocable to identifiable segments or areas of interest				
Accounting and audit fees				(149,416)
Computers and communications				(44,193)
Depreciation				(1,602)
Employee benefits expense				(711,929)
Finance costs				(8,171)
Insurance				(51,378)
Consulting fees and corporate advisory				(223,149)
Public relations				(22,472)
Rent and utilities				(39,847)
Share-based payment expenses				(158,645)
Share registry and listing fees				(79,385)
Travel and accommodation				(49,273)
AIM Listing costs				(165,840)
Other expenses				(22,529)
Tax rebate for research and development				148,606
Loss after income tax				(1,625,775)
AS AT 30 JUNE 2016				
Segment assets	7,647,926	6,484,992	366,185	14,459,093
Unallocated assets:				
Trade and other receivables				57,708
Plant and equipment				-
Other non-current assets				-
Total assets				14,556,801
Segment asset increases for the period:				
Capital expenditure-exploration	704,014	173,898	-	877,912
Less: Write-off of exploration assets	-	-	-	-
	704,014	173,898	-	877,912
Segment liabilities	-	30,474	-	30,474
Unallocated Liabilities:				
Trade and other payables				520,370
Short term provisions				165,251
Financial liabilities				-
Total liabilities				716,095

NOTE 24. FINANCIAL RISK MANAGEMENT

a. Financial risk management policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments. A summary of the Group's financial assets and liabilities is shown below:

	FLOATING INTEREST RATE $	FIXED INTEREST RATE $	NON-INTEREST BEARING $	2017 TOTAL $	FLOATING INTEREST RATE $	FIXED INTEREST RATE $	NON-INTEREST BEARING $	2016 TOTAL $
Financial assets								
Cash and cash equivalents	2,652,960	-	-	2,652,960	317,758	-	-	317,758
Trade and other receivables	-	-	62,854	62,854	-	-	57,708	57,708
Financial assets	-	-	53,930	53,930	-	-	43,625	43,625
Total financial assets	2,652,960	-	116,784	2,769,744	317,758	-	101,333	419,091
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables	-	-	576,605	576,605	-	-	550,844	550,844
Financial liabilities	-	-	47,803	47,803	-	-	-	-
Total financial liabilities	-	-	624,408	624,408	-	-	550,844	550,844
Net financial assets	2,652,960	-	(507,624)	2,145,336	317,758	-	(449,511)	(131,753)

b. Specific financial risk exposures and management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. The board of directors has adopted practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. 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

The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

Credit risk exposures
The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

Impairment losses
Group's financial assets that are past due total $nil (2016: $nil).

There has been no allowance for impairment in respect of the financial assets of the Group during this year.

NOTE 24. FINANCIAL RISK MANAGEMENT (CONT)

ii. 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 liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The board of directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

iii. 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.

(1) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

(2) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian dollars functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal; however the Board continues to review this exposure regularly.

(3) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is exposed to securities price risk on investments held for trading or for medium to longer terms.

The investment in listed equities has been valued at the market price prevailing at balance date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment.

At balance date, the Group does not hold financial instruments that would give rise to price risk.

NOTE 24. FINANCIAL RISK MANAGEMENT (CONT)

iv. Sensitivity analyses

(1) Interest rates

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet 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.

A change of 100 basis points in the interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis was performed on a change of 100 basis points for 2017.

	PROFIT $	EQUITY $
Year ended 30 June 2017		
± 100 basis points change in interest rates	±26,250	±26,250
Year ended 30 June 2016		
± 100 basis points change in interest rates	±6,516	±9,929

(2) Foreign exchange

The Group has exposure to foreign currency risk to Swedish Krona (SEK) for assets the Group holds through its Swedish subsidiary, Aura Energy Sweden AB. The following table illustrates sensitivities to the Group's exposures to changes in the SEK rate. The table indicates the impact on how profit and equity values reported at balance sheet 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.

	PROFIT $	EQUITY $
Year ended 30 June 2017		
± 10% of Australian dollar strengthening/weakening against the SEK	Nil	+23,681 -46,199
Year ended 30 June 2016		
± 10% of Australian dollar strengthening/weakening against the SEK	Nil	+65,849 -59,118

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 sheet 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.

	PROFIT $	EQUITY $
Year ended 30 June 2017		
± 10% of Australian dollar strengthening/weakening against the US dollar	Nil	+93,568 -78,084
Year ended 30 June 2016		
± 10% of Australian dollar strengthening/weakening against the US dollar	Nil	+27,300 -59,745

NOTE 24. FINANCIAL RISK MANAGEMENT (CONT)

v. *Net fair values*

(1) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table below and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

vi. *Financial liability and asset maturity analysis*

	WITHIN 1 YEAR		TOTAL	
	2017 $	2016 $	2017 $	2016 $
Financial liabilities due for payment				
Trade and other payables	576,605	550,844	576,605	550,844
Financial Liabilities	47,803	-	47,803	-
Total contractual outflows	624,408	550,844	624,408	550,844
Financial assets				
Cash and cash equivalents	2,652,960	317,758	2,652,960	317,758
Trade and other receivables	62,854	57,708	62,854	57,708
Financial assets	53,930	43,625	80,897	43,625
Total anticipated inflows	2,769,744	419,091	2,796,711	419,091
Net (outflow)/inflow on financial instruments	2,145,336	(131,753)	2,172,303	(131,753)

NOTE 25. EVENTS SUBSEQUENT TO REPORTING DATE

Since balance date, the Company has informed the market that it has made a critical metallurgical breakthrough which has resulted in the reduction of Tiris project cash costs from US$30 / lb U_3O_8 to US$19.40 / lb U_3O_8.

NOTE 26. PARENT ENTITY DISCLOSURES

a. Financial position of Aura Energy Limited

	NOTE	2017 $	2016 $
Current assets			
Cash and cash equivalents		2,490,644	299,974
Trade and other receivables		7,763	24,227
Financial assets		80,897	43,625
Total current assets		2,579,304	367,826
Non-current assets			
Plant and equipment		18,905	-
Financial assets	26b	5,996,451	8,317,554
Other assets		9,021,201	5,871,421
Total non-current assets		15,036,557	14,188,975
Total assets		17,615,861	14,556,801
Current liabilities			
Trade and other payables		551,997	520,370
Short-term provisions		118,948	165,264
Financial liabilities		47,803	-
Total current liabilities		718,748	685,634
Total liabilities		718,748	685,634
Net assets		16,897,113	13,871,167
Equity			
Issued capital		39,558,943	32,784,203
Option reserve		522,221	599,802
Accumulated losses		(23,184,051)	(19,512,838)
Total equity		16,897,113	13,871,167

b. Financial assets

Loans to subsidiaries	26b.i	5,729,189	6,410,654
Shares in controlled entities at cost		267,262	1,906,900
Net carrying value		5,996,451	8,317,554

i. Loans are provided by the parent entity to its controlled entities to fund their activities. The eventual recovery of loans and investments will be dependent upon the successful commercial application of these projects or their sale to third parties.

NOTE 26. PARENT ENTITY DISCLOSURES (CONT)

c. Financial performance of Aura Energy Limited

	2017 $	2016 $
Loss for the year	(3,510,081)	(1,433,556)
Other comprehensive income	(45,374)	-
Total comprehensive income	(3,555,455)	(1,433,556)

d. Guarantees entered into by Aura Energy Limited for the debts of its subsidiaries

There are no guarantees entered into by Aura Energy Limited for the debts of its subsidiaries as at 30 June 2017 (2016: none).

e. Contingent liabilities of Aura Energy Limited

There are no contingent liabilities as at 30 June 2017, other than as detailed in Note 27 Contingent liabilities (2016: none).

f. Commitments by Aura Energy Limited

	2017 $	2016 $
Exploration expenditure commitments:		
Exploration tenement minimum expenditure requirements	886,945	335,996
Payable:		
not later than 12 months	412,149	296,418
between 12 months and 5 years	395,588	39,578
greater than 5 years	79,208	-
	886,945	335,996
The Group has no contracted exploration expenditure, however the Group has treatment core asset tenement renewals as expenditure the Group is committed to.		
Operating lease commitments:		
Operating leases contracted for or committed to but not capitalised in the financial statements		
Payable:		
not later than 12 months	50,058	53,460
between 12 months and 5 years	33,949	87,740
greater than 5 years	-	-
	84,007	141,200

The Group shares premises with a number of companies. Balances stated represent the maximum gross amount payable, prior to reimbursement from other parties.

The amounts presented above are applicable for both Aura Energy Limited (the parent) and the Consolidated Group.

NOTE 27. CONTINGENT LIABILITIES

On 15 October 2010, the Company and Global Coal Management plc entered into a Share Sale and Purchase Agreement which resulted in the Company acquiring all the shares on issue in GCM Africa Uranium, the entity which held the beneficial interest of GCM in the above- mentioned research permits in Mauritania.

The Company paid GCM US$100,000 on execution of the Share Sale and Purchase Agreement; US$472,183 in cash plus 2,000,000 fully paid ordinary shares in the Company on completion (due diligence); and, US$500,000 on the first anniversary of completion.

The Company also agreed to pay a contingent consideration:

- US$2,000,000 (in cash and shares as determine by the Company) on the delineation of 75 million pounds or more Initial Resource (not defined in the Letter Agreement) under the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves; and
- US$400,000 in cash and 400,000 fully paid ordinary shares in the Company for each Subsequent Resource of 6,500,000 pounds up to a maximum of US$4,000,000 in cash and 4,000,000 in fully paid ordinary shares.

The obligations to make the contingent consideration payments are held by the Company and the contingent consideration is only payable if the Initial Resource and Subsequent Resource are achieved within 10 years of the date of the Share Sale and Purchase Agreement. Accordingly, the obligation to pay the contingent consideration expires on 15 October 2020.

There are no other contingent liabilities as at 30 June 2017.

NOTE 28. COMPANY DETAILS

The registered office and principal place of the Company is:

Address: Level 1, 34-36 Punt Road, Windsor Victoria 3181
Telephone: +61 (0)3 9516 6500
Facsimile: +61 (0)3 9516 6565
Website: www.auraenergy.com.au
E-mail: info@auraenergy.com.au

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes to the accounts are in accordance with the Corporations Act 2001 (Cth) and:
   (a) Comply with Accounting Standards.
   (b) Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements.
   (c) Give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and Consolidated Group.

2. The Chief Executive Officer and Chief Finance Officer have each declared that:
   (a) The financial records of the Company for the financial year have been properly maintained in accordance with s.286 of the Corporations Act 2001 (Cth).
   (b) The financial statements and notes for the financial year comply with the Accounting Standards.
   (c) The financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion 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 the Board of Directors pursuant to s.295(5) and is signed for and on behalf of the directors by:

Peter Reeve

Chairman

Dated this Friday, 29 September 2017

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of Aura Energy Limited

Bentleys
THINKING AHEAD

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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 Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2017, 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 Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 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 1(a)(i).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity 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.

Independent Auditor's Report

To the Members of Aura Energy Limited *(Continued)*

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(iii) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $3,690,599 during the year ended 30 June 2017. As stated in Note 1(a)(iii), these events or conditions, along with other matters as set forth in Note 1(a)(iii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity'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
Exploration and Evaluation Expenditure – $14,851,820 (Refer to Note 11) Exploration and evaluation is a key audit matter due to: - The significance of the balance to the Consolidated Entity's consolidated financial position. - The level of judgement required in evaluating management's application of the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources ("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. - The assessment of impairment of exploration and evaluation expenditure being inherently difficult.	Our procedures included, amongst others: - 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 consolidated entity holds an interest and the exploration programmes planned for those tenements. - For a sample of tenements, we assessed the Consolidated Entity's rights to tenure by corroborating to external supporting documentation; - We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; - 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 for each area of interest; - We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: - the licenses for the right to explore expiring in the near future or are not expected to be renewed;

Key audit matter	How our audit addressed the key audit matter
	- substantive expenditure for further exploration in the specific area is neither budgeted or planned; - decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and - 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. - We assessed the appropriateness of the related disclosures in note 11 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2017, 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 Company 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 1(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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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.

Independent Auditor's Report

To the Members of Aura Energy Limited *(Continued)*

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 2017. The directors of the Company 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 the Company, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

Dated at Perth this 29th day of September 2017

ADDITIONAL INFORMATION
AS OF 22 SEPTEMBER 2017

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

a. Distribution of Shareholders

	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	74	3,888	0.00
1,001 - 5,000	32	90,830	0.01
5,001 - 10,000	28	236,506	0.03
10,001 - 100,000	647	27,956,960	3.53
100,001 - 1,000,000,000	445	764,519,940	96.43
TOTAL	1,226	792,808,124	100.00

b. Unmarketable Parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 500.00 parcel at $ 0.0250 per unit	20,000	258	2,212,370

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- Ordinary shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. 20 Largest Shareholders – Ordinary Shares as at 22 September 2017

RANK	NAME	UNITS	% OF UNITS
1.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	242,837,266	30.59
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	98,099,286	12.36
3	CITICORP NOMINEES PTY LIMITED	63,576,281	8.01
4	PRE-EMPTIVE TRADING PTY LTD	37,500,000	4.72
5	SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	15,364,895	1.94
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	14,796,330	1.86
7	PASAGEAN PTY LIMITED	13,094,558	1.65
8	MR MARTY HENG LAU	10,500,000	1.32
9	MR PETER DESMOND REEVE	9,718,304	1.22
10	MR PIETER HOEKSTRA + MRS RUTH HOEKSTRA <HOEKSTRA SUPER FUND A/C>	5,300,000	0.67
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,250,000	0.66
12	YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	4,754,793	0.60
13	MS MICHELLE ANNE PAINE	4,700,000	0.59
14	BUSHELL NOMINEES PTY LTD <BUSHELL SUPER FUND A/C>	4,292,542	0.54
15	MRS KERRYN PATRICIA DELEN	3,668,075	0.46
16	MR LUKE PETER DALE + MRS MARIEANNE ERIKA DALE	3,611,468	0.45
17	MR SEBASTIAN MADEJA + MRS SYLVIA MADEJA	3,500,000	0.44
18	MR SCOTT ANDREW ROBERTS	3,500,000	0.44
19	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	3,400,000	0.43
20	MS CHUI YING CHAN	3,327,828	0.42
Totals: Top 20 holders of Ordinary Fully Paid Shares		550,791,626	69.39
Total Remaining Holders Balance		242,944,264	30.61

COMPANY SECRETARY

The name of the Company Secretary is JM Madden.

PRINCIPAL REGISTERED OFFICE

As disclosed in Note 28 Company Details of this Annual Report.

REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES

As disclosed in the Corporate Directory of this Annual Report.

STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

UNQUOTED SECURITIES

Options over Unissued Shares

A total of 89,553,189 (2016: 170,123,536) unlisted options are on issue of which 35,000,000 (2016: 35,000,000) options are issued to directors as at 22 September 2017.

USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

TENEMENT REPORT

COUNTRY	TENEMENT NUMBER	NAME	DATE OF GRANT/ APPLICATION	EXPIRY DATE	SQ KMS	HOLDER	EQUITY INTEREST
Mauritania	561	Oum Ferkik	16-Apr-08	20-Nov-17	60	Aura Energy Limited	100%
	563	Oued El Foule Est	16-Apr-08	24-Mar-18	313	Aura Energy Limited	100%
	564	Ain Sder	16-Apr-08	09-Jun-18	330	Aura Energy Limited	100%
	1482	Oum Ferkik Sud	17-Jan-17	17-Jan-20	476	Aura Energy Limited	100%
	2002	Aguelet	17-Jan-17	17-Jan-20	100	Aura Energy Limited	100%
	2365	Oued El Foule Sud	20-May-15	(Application)	224	Aura Energy Limited	100%
	2366	Agouyame	20-May-15	(Application)	34	Aura Energy Limited	100%
	2457	Hadeibet Bella	1-Mar-16	(Application)	41	TIMCO	100%
	2458	Touerig Taet	1-Mar-16	(Application)	134	TIMCO	100%
Sweden	2007:243	Haggan nr 1	28-Aug-07	28-Aug-22	18.3	Aura Energy Sweden AB	100%
	2009:23	Koborgsmyren nr 1	23-Jan-09	23-Jan-19	5.4	Aura Energy Sweden AB	100%
	2017:7	Skallbole nr 1	20-Jan-16	20-Jan-19	7.8	Aura Energy Sweden AB	100%
	2017:9	Mockelasen nr 1	21-Jan-16	21-Jan-19	17.6	Aura Energy Sweden AB	100%

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