



19 October 2018

Dear Shareholder,

OFFER OF OPTIONS UNDER FULLY UNDERWRITTEN NON-RENOUCEABLE PRO-RATA ENTITLEMENT ISSUE

As announced on 17 October 2018, **Auris Minerals Limited** (ACN 085 806 284) (**AUR** or **Company**) will be offering eligible shareholders the opportunity to subscribe for one (1) new option for every four (4) fully paid ordinary shares (**New Options**) in the Company held on the Record Date at an issue price of \$0.01 through an underwritten pro rata non-renounceable entitlements issue to raise up to \$1,021,703 (**Entitlement Issue** or **Offer**).

The Entitlement Issue is fully underwritten by Pinnacle Corporate Finance Pty Ltd (**Underwriter**). The Entitlement Issue will be undertaken pursuant to a prospectus which will be sent to eligible shareholders on or about 26 October 2018.

The Company intends to apply for Official Quotation of the New Options offered pursuant to the Entitlement Issue and each New Option will be exercisable into one (1) Share at an exercise price of \$0.08 (**New Shares**) and will expire 30 November 2020. The New Shares issued following the exercise of New Options will rank equally with existing Shares on issue and the Company will apply for official quotation of the New Shares.

The Entitlement Issue is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 17 October 2018 (**Prospectus**) and released to the Australian Securities Exchange (**ASX**) on the same date. The Prospectus is available on the Company's website: www.aurisminerals.com.au or on the ASX website (company announcements section, ASX code: **AUR**): www.asx.com.au.

It is anticipated that the Prospectus, together with an Entitlement and Acceptance Form, will be sent to all eligible shareholders in Australia and New Zealand on 26 October 2018. Entitlement to fractions of New Options will be rounded up to the next whole number.

Based on the Company's existing capital structure and disregarding any entitlements relating to shares that may be issued on the exercise of options or conversion of performance rights, up to 102,170,335 New Options will be issued pursuant to the Entitlement Offer if it is fully subscribed, raising approximately \$1,021,703 before the costs of the offer.

The Company has agreed, subject to obtaining shareholder approval at the upcoming Annual General Meeting, to grant a total of 16,000,000 New Options to directors, Neville Bassett, Rob Martin, Brian Thomas and Craig Hall (**Director Options**) and 2,500,000 New Options to Chief Operating Officer, Mike Hendriks and 1,500,000 New Options to newly engaged Consulting Geologist, Dr Margaret Hawke (**KMP Options**). The Director and KMP Options will be offered on the same terms as the New Options offered under the Entitlement Offer and are exercisable at any time on and from the Optionholder remaining in the employment of the Company on that date which is six (6) months from the issue date of the Director and KMP Options until the Expiry Date.

The Underwriter will be entitled to 5,000,000 New Options (**Underwriter Options**) pursuant to the Underwriting Agreement in part payment of their fees. The Underwriter Options will be offered on the same terms as the New Options offered under the Entitlement Offer. The Underwriter has entered into a sub-underwriting agreement with Goldfire Enterprises Pty Ltd (**Goldfire**), pursuant to which Goldfire will sub-underwrite up to 20,000,000 Options (**Sub-Underwriting Agreement**). Goldfire is an entity associated with Director, Robert Martin. Under the terms of the Sub-Underwriting Agreement, Goldfire will be paid a sub-underwriting fee of 2.0% of the sub-underwritten amount, being up to \$4,000, in consideration for sub-underwriting.

AURIS MINERALS LTD ABN 77 085 806 284

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If the Entitlement Offer is not fully subscribed by eligible shareholders, the number of unaccepted New Options will form the Shortfall (**Shortfall**) and pursuant to Exception 3 of ASX Listing Rule 7.2, the Directors reserve the right to issue the Shortfall at their discretion within one (1) month after the close of the Entitlement Offer.

The Company intends to apply the funds raised under the Entitlement Offer to ongoing exploration activities in the Bryah Basin including target generation, geochemical soil, sampling and continued geological evaluation at the Cashman Project and ongoing geological review and drilling programmes at the Wodger and Forrest Prospects.

Given the nature of the Company's business, the allocation of funds may change depending on intervening events.

If you are an eligible shareholder, you will be entitled to do any of the following:

- take up your full entitlement;
- accept your full entitlement and apply for additional New Options in the Shortfall;
- accept part of your entitlement and allow the balance to lapse; or
- do nothing (in which case you will receive no benefit from your entitlement and your interest in AUR will be diluted).

Table 1 sets out the capital structure of AUR on completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed and no options are exercised or performance rights converted after the date of the Prospectus but before the Record Date and ignoring any variations that may be attributable to the fact that fractional Entitlement will be rounded up to the next whole number).

Table 1 - Capital structure of AUR on completion of the Entitlement Offer

Shares	
Shares currently on issue	408,681,340
Options	
Options currently on issue:	
Unquoted exercisable at \$1.30 on or before 8 October 2019	2,500,000
New Options offered pursuant to the Entitlement Offer (Quoted exercisable at \$0.08 on or before 30 November 2020)	102,170,335
New Options offered pursuant to the Underwriter Offer (Quoted exercisable at \$0.08 on or before 30 November 2020)	5,000,000
Director and KMP Options (Unquoted exercisable at \$0.08 on or before 30 November 2020, subject to vesting conditions) ¹ *Subject to Shareholder approval	20,000,000
Total Options on issue after completion of the Offer	129,670,335

Notes:

1. The Director and KMP Options do not vest (i.e. are not exercisable) until the Optionholder has remained in the employment of the Company on that date which is six months from the issue date.
2. The above table does not take into account the Entitlement that would attach to Shares that would be issued if any of the existing Options or Performance Rights described in the table were exercised or converted before the Record Date.
3. There are currently 6,000,000 Performance Rights on issue subject to certain vesting conditions, none of which have been satisfied.

The current proposed timetable for the Entitlement Issue is set out below.

Event	Date
Lodgement of Prospectus with the ASIC	17 October 2018
Lodgement of Prospectus & Appendix 3B with ASX	17 October 2018
Notice sent to Optionholders	17 October 2018
Notice sent to Shareholders	19 October 2018
Ex date	22 October 2018
Record Date for determining Entitlement	23 October 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	26 October 2018
Closing Date*	16 November 2018
Securities quoted on a deferred settlement basis	19 November 2018
ASX notified of under subscriptions	21 November 2018
Despatch of holding statements	23 November 2018
Quotation of New Options issued under the Offer*	23 November 2018

The dates in this timetable are indicative only and the Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, without notice to vary the times and dates of the Entitlement Offer and the offer of the Shortfall, including extending those offers or accepting late applications, either generally or in particular cases).

For and on behalf of the Board.

Neville Bassett

Chairman