
AUROCH MINERALS NL

ACN 148 966 545

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at the
Amberley Business Centre, 3/1060 Hay Street, West Perth WA 6005 on
19 February 2014 at 10:00am (WST).**

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on
(08) 9486 4036.***

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Auroch Minerals NL (**Company**) will be held at the Amberley Business Centre, 3/1060 Hay Street, West Perth WA 6005 on 19 February 2014 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 17 February 2014 at 5:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 5.

AGENDA

1. Resolution 1 – Selective Capital Reduction

To consider, and if thought fit, to pass with or without amendment, the following resolution as a special resolution:

“That, subject to the approval of the special resolution set out as Resolution 1 in the Notice of Meeting of the Consideration Shareholder, pursuant to section 256C(2) of the Corporations Act, and for all other purposes, approval is given by the Shareholders for the Company to make a selective reduction of capital and cancel a total of 25,000,000 Consideration Shares on the terms and conditions set out in the Explanatory Memorandum”.

2. Resolution 2 – Placement Facility

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors, if they think fit, to issue up to 80,000,000 Shares (**Placement Shares**) at an issue price that is at least 80% of the average market price for Shares in the Company over the last five days on which sales of the Company’s Shares are recorded before the issue of the Placement Shares, and otherwise on the terms and conditions set out in the Explanatory Memorandum”.*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of such persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 16 January 2014

BY ORDER OF THE BOARD

Matthew Foy
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Amberley Business Centre, 3/1060 Hay Street, West Perth WA 6005 on 19 February 2014 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Selective Capital Reduction

3.1 Background

The Consideration Shares were issued to Pan African in two tranches (on or about 11 January 2013 and 30 April 2013) as part consideration for the acquisition by Auroch Mozambique of Pan African's shares and quotas in Mistral Resource Development Corporation and Explorator Limitada in accordance with the Acquisition Agreement. Shareholder approval for the issue of the Consideration Shares was obtained on 2 November 2012 and 4 April 2013.

The obligations of the Company and Auroch Mozambique remaining under the Acquisition Agreement are the following:

- (a) the payment of \$2,000,000 cash consideration (**Cash Consideration**) to Pan African by no later than 11 July 2014;
- (b) the payment of up to \$4,000,000 (in four \$1,000,000 tranches) to Pan African upon the achievement of certain milestones (**Deferred Cash Consideration**); and
- (c) the issue of up to 71,666,668 Shares (in aggregate) to Pan African upon the achievement of certain milestones (**Deferred Consideration Shares**),

subject to an \$80,000,000 cap on the total value of the Deferred Cash Consideration and Deferred Consideration Shares.

Subsequent to the Acquisition Agreement, the Company and Pan African entered into a letter deed on 23 November 2013 whereby it was agreed that the Consideration Shares would be cancelled and the obligations to pay the Deferred Cash Consideration and issue the Deferred Consideration Shares would be extinguished (**Letter Deed**). The material terms of the Letter Deed are as follows:

- (a) Auroch Mozambique will pay the Cash Consideration by no later than 1 March 2014 (**Payment Date**). As at the date of this Notice, the Company has paid Pan African \$150,000 as a non-refundable initial payment in part satisfaction of the Cash Consideration;
- (b) Auroch Mozambique may extend the Payment Date by up to two months by paying Pan African the non-refundable sum of \$50,000 per month of extension prior to the Payment Date (as extended). Any sums paid for extension of the Payment Date will be in part satisfaction of the Cash Consideration;
- (c) any proceeds that the Company may receive as a result of any capital raising exercise undertaken by the Company prior to the Payment Date shall be used to discharge Auroch Mozambique's obligation to pay the Cash Consideration;
- (d) subject to payment of the of the Cash Consideration by the Payment Date (as extended, if applicable):
 - (i) the Consideration Shares will be cancelled by the Company in accordance with section 256C of the Corporations Act; and
 - (ii) the Company will no longer have any obligation to pay the Deferred Cash Consideration or issue the Deferred Consideration Shares under the Acquisition Agreement;

- (e) no consideration will be provided to Pan African in respect of the cancellation of the Consideration Shares;
- (f) Pan African irrevocably agrees to do all things necessary to give effect to the cancellation, including providing any approvals or consents, executing any agreements and to the extent necessary voting in favour of any required resolutions; and
- (g) if the Cash Consideration is not paid by the Payment Date (as extended) then:
 - (i) the Acquisition Agreement remains unvaried, including the obligations in respect of payment of the Cash Consideration, the payment of the Deferred Cash Consideration and the issue of the Deferred Consideration Shares;
 - (ii) the Consideration Shares are not liable to be cancelled; and
 - (iii) the Letter Deed terminates and the parties will cease to have any rights or obligations under the Letter Deed.

Accordingly, Resolution 1 seeks Shareholder approval for the reduction of capital by way of the cancellation of the Consideration Shares held by Pan African.

3.2 Corporations Act

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the Company's solvency;
- (b) seeking to ensure fairness between the shareholders of the Company; and
- (c) requiring the Company to disclose all material information.

Further, section 256B of the Corporations Act provides that a Company may only reduce its capital if:

- (a) it is fair and reasonable to the shareholders as a whole;
- (b) it does not materially prejudice the Company's ability to pay its creditors (although this paragraph does not apply to a cancellation of a share for no consideration); and
- (c) it is approved by shareholders in accordance with section 256C of the Corporations Act.

The Directors believe that the capital reduction as proposed is fair and reasonable to Shareholders for the reasons set out in this Explanatory Memorandum. Further, the Directors believe that it is appropriate that the Consideration Shares be cancelled in the circumstances.

In accordance with section 256C(2) of the Corporations Act, a selective reduction of capital must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction, or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates; or

- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders (i.e. unanimous approval).

The term “no votes being cast” is intended to operate in a similar way to the way in which voting exclusion statements operate in the context of the ASX Listing Rules.

If the reduction of capital involves the cancellation of shares, the reduction must also be approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled.

Section 256C(4) of the Corporations Act requires that the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on Resolution 1. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

The capital reduction will proceed only if the following resolutions are passed:

- (a) Resolution 1 of the above Notice; and
- (b) Resolution 1 of the Notice of Meeting of the Consideration Shareholder.

Accordingly:

- (a) Resolution 1 of the Notice above must be passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution; and
- (b) Resolution 1 of the Notice of Meeting of the Consideration Shareholder must be passed by Pan African (which holds 100% of the Consideration Shares). Pan African has agreed to pass Resolution 1 under the terms of the Letter Deed.

If:

- (a) Resolution 1 of the above Notice; and/or
- (b) Resolution 1 of the Notice of Meeting of the Consideration Shareholder,

is not passed (or the Cash Consideration is not paid to Pan African by the Payment Date (as extended, if applicable)), the Consideration Shares will not be cancelled and Pan African will remain as the holder of the Consideration Shares in the Company.

3.3 Summary of and Effect of Proposed Selective Capital Reduction

The overall effect of the selective capital reduction and cancellation of the Consideration Shares is as follows:

Capital Structure before selective reduction of capital and cancellation of the Consideration Shares	Fully Paid Shares: 59,492,515 Partly Paid Shares: 21,800,000
Capital Structure after selective reduction of capital and cancellation of the Consideration Shares	Fully Paid Shares: 34,492,515 Partly Paid Shares: 21,800,000

The Consideration Shares the subject of the selective capital reduction and cancellation are fully paid ordinary shares and therefore carry voting rights at general meetings of Shareholders. Accordingly, if the selective reduction of capital and cancellation of the Consideration Shares proceeds, it will increase the voting power of ordinary Shareholders (other than Pan African).

3.4 Directors' Recommendation

The Directors believe that the proposed capital reduction and cancellation of the Consideration Shares (together with the other changes to the Acquisition Agreement) is in the best interests of the Company as it will result in a much simpler capital structure, which will enable the Company to raise the appropriate funding to pay the Cash Consideration and to grow the business going forward. For this reason, the Directors recommend that Shareholders vote in favour of the capital reduction and cancellation.

3.5 Timetable

The meeting of the Consideration Shareholder convened by the Notice of Meeting of Consideration Shareholder will be held immediately prior to the Meeting.

Once Resolution 1 has been passed at the Meeting and resolution 1 has been passed at the meeting of the Consideration Shareholder, the Company will not make the reduction of capital or cancel the Consideration Shares until at least 14 days after lodgement of the resolutions with ASIC.

The Cash Consideration must be paid to Pan African before the Company can make the reduction of capital and cancel the Consideration Shares (refer to Section 3.1).

3.6 Other Material Information

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 1, being information that is known to the Company and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Memorandum.

4. Placement Facility

4.1 Background

The Company seeks prior Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 80,000,000 Shares (**Placement Shares**) at an issue price that is at least 80% of the average market price of the Company's Shares over the last 5 days on which sales of the Company's Shares are recorded before the date of issue of the Placement Shares (or, if a prospectus or offer information statement is issued in relation to the placement, before the date of signing of that document). "Market price" means the closing price for the Company's Shares on ASX (excluding special crossings and overnight sales) on the relevant five trading days.

The Directors believe that Resolution 2 is in the best interests of the Company and recommend that Shareholders vote in favour of it.

4.2 Listing Rule 7.3 Disclosures

For the purposes of ASX Listing Rule 7.3, information regarding the placement facility is provided as follows:

- (a) the maximum number of securities that the Company may issue under the proposed placement facility is 80,000,000 Shares;
- (b) the Placement Shares may be issued no later than 3 months after the date of the Meeting (or by such later date as the ASX may allow);
- (c) the Placement Shares will be issued at an issue price per Share calculated in accordance with ASX Listing Rule 7.3.3 of at least 80% of the average market price of the Company's Shares over the last 5 days on which sales of the Company's Shares are recorded before the day of issue of the Placement Shares (or, if a prospectus or offer information statement is issued in relation to the issue, before the date of signing of that document);
- (d) the identities of the persons to whom the Company would propose issuing the Placement Shares are not currently known and have not been ascertained. It is expected that the Placement Shares, if the placement proceeds, will be issued at the discretion of the Directors to institutional, professional and sophisticated investors. None of these persons will be related parties of the Company;
- (e) the Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company;
- (f) the funds raised by the issue of Placement Shares will be used to assist in the payment of the Cash Consideration (refer to Section 3.1 above), to fund the completion of the definitive feasibility study on the non-refractory material at the Manica Gold Project, and to provide working capital;
- (g) the issue of the Placement Shares may occur progressively; and
- (h) a voting exclusion statement for Resolution 2 is included in the Notice.

5. Definitions

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars.

Acquisition Agreement means the share sale and purchase agreement between the Company, Auroch Mozambique and Pan African dated on or about 27 August 2012 and includes any variation thereof.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auroch Mozambique means Auroch Minerals Mozambique Pty Ltd ACN 159 952 084, a wholly owned subsidiary of the Company.

Board means the board of Directors.

Cash Consideration has the meaning given in Section 3.1.

Company means Auroch Minerals NL ACN 148 966 545 (formerly Terranova Minerals NL).

Consideration Shares means 25,000,000 Shares issued to Pan African in accordance with the Acquisition Agreement.

Corporations Act means the Corporations Act 2001 (Cth).

Deferred Cash Consideration has the meaning given in Section 3.1.

Deferred Consideration Shares has the meaning given in Section 3.1.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Letter Deed has the meaning given in Section 3.1.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Notice of Meeting of the Consideration Shareholder means the notice of meeting of the Consideration Shareholder dated on or about the date of this Notice.

Pan African or **Consideration Shareholder** means Pan African Resources PLC, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered company number 3937466.

Payment Date has the meaning given in Section 3.1.

Placement Shares has the meaning given in Resolution 2 and Section 4.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

AUROCH MINERALS NL
ACN 148 966 545

PROXY FORM

The Company Secretary
Auroch Minerals NL

By delivery:
Office J, Level 2
1139 Hay Street
WEST PERTH WA 6005

By post:
PO Box 7653
Cloisters Square
PERTH WA 6850

By facsimile:
+61 8 9486 4799

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____
of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

**The Chairman of the
Meeting (mark box)** ☐

OR if you are **NOT** appointing the Chairman of the
Meeting as your proxy, please write the name and
address of the person or body corporate (excluding the
registered shareholder) you are appointing as your
proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting,
as my/our proxy to act generally on my/our behalf at the Meeting to be held at the Amberley Business Centre, 3/1060 Hay
Street, West Perth WA 6005 on 19 February 2014 at 10:00am (WST) and to vote in accordance with the following directions (or
if no directions have been given, as the proxy sees fit, except for as set out below).

**Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours
before the Meeting.**

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Selective Capital Reduction	☐	☐	☐
Resolution 2	Placement Facility	☐	☐	☐

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of
hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:	where the holding is in more than one name all of the holders must sign.
Power of Attorney:	if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies:	a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Hand deliveries: Office J, Level 2
1139 Hay Street
WEST PERTH WA 6005

Postal address: PO Box 7653
Cloisters Square
PERTH WA 6850

Facsimile: (08) 9486 4799 if faxed from within Australia or + 61 8 9486 4799 if faxed from outside Australia.