



ACN 148 966 545

**Interim Financial Report
for the Period Ended 31 December 2014**

AUROCH MINERALS NL

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CORPORATE DIRECTORY

ABN	91 148 966 545
Directors	Mr Glenn Whiddon (Executive Chairman) Mr Nicholas Ong (Non-Executive Director) Mr Matthew Foy (Non-Executive Director)
Company Secretary	Mr Matthew Foy
Registered office	Office J, Level 2, 1139 Hay Street Perth WA 6005 Telephone +61 8 9486 4699 Facsimile +61 8 9486 4799
Website	www.aurochminerals.com
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone +61 8 9315 2333 Facsimile +61 8 9315 2233
Solicitors	GTP Legal Level 1, 28 Ord St West Perth WA 6005
Bankers	National Australia Bank 7 Sandridge Road Bunbury WA 6230
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, WA 6008
Stock Exchange	Australian Securities Exchange Limited ASX Code: AOU

Your Directors present their report on Auroch Minerals NL (**Auroch**, the **Company** or the **Group**) for the half-year ended 31 December 2014 (the **Period**).

1. DIRECTORS

The names of Directors who held office during or since the end of the half-year:

Mr Glenn Whiddon (Executive Chairman)
Mr Nicholas Ong (Non-Executive Director)
Mr Matthew Foy (Non-Executive Director) (appointed 3 December 2014)
Mr Jan Nelson (Non-Executive Director) (resigned 28 November 2014)

All Directors were in office for the entire duration unless otherwise stated.

2. OPERATING RESULTS

The net loss after providing for income tax amounted to \$513,532 (2013: \$370,440).

3. PRINCIPAL ACTIVITY

The principal activity of the Group is mineral exploration and development.

4. REVIEW OF OPERATION

MANICA GOLD PROJECT

During the reporting period, the Company announced a significant shift in focus which will unlock the value of its Mozambique gold assets near the town of Manica, Mozambique.

In early 2014 Auroch committed resources to a comprehensive review of the Fair Bride deposit which is the largest orebody within the Manica Project Area (**Figure 1**). The new work included a new Mineral Resource Estimate (**MRE**) for Fair Bride completed by CSA Global (UK) and a comprehensive set of metallurgical tests on the fresh gold bearing ore. Both results were released to market during the reporting period and will form the basis of a Scoping Study on Fair Bride as a stand-alone development which is expected to be released to the market in Q1 2015.

The recent Mineral Resource update (ASX - 14 November 2014) has brought the estimate into line with the 2012 JORC Code for the reporting of mineral resources and ore reserves. Importantly, the new mineral resource estimate included a significant re-interpretation of the geological controls on mineralisation, along with this better understanding came a significant increase in the global grade of the deposit to over 3 g/t Au. The additional detail has significantly improved the ability to devise and manage a more selective mining strategy which will predominantly be open pit before proceeding underground on the high-grade shoots.

Recent testwork on the sulphide ore at Fair Bride has shown that a recovery range of between 74% and 78% for the fresh ore, is achievable (ASX - 19 November 2014). The higher resource grade and the high recoveries in the transitional (>80%) and oxide (>95% ASX – 14 March 2014) ores point to an exciting development opportunity. The planned circuit will involve crushing and milling followed by flotation to produce a gold rich concentrate which will undergo a re- grind followed by standard cyanide leaching of the concentrate.

Auroch will now concentrate its efforts into completing the required technical studies and bringing Fair Bride into production in the shortest time possible.

Updated Mineral Resource Estimate

During the Period, Auroch released an updated Mineral Resource Estimate (**MRE**) for the Fair Bride Deposit. Fair Bride is the flagship deposit within the Manica Project in western Mozambique.

The Mineral Resource Estimate is presented in Table A.

Auroch has made a strategic decision to focus on the Fair Bride deposit, the largest orebody within the Mining Lease 3990C (**Figure 1**). The update to the previous 2011 mineral resource estimate and a comprehensive set of new metallurgical tests at Fair Bride will form the backbone of a scoping study focused solely on the development of the Fair Bride deposit.

A summary of the information used to estimate the resource follows. The overall geological setting is a classic “Shear Zone Hosted Gold Deposit” occurring in the Odzi-Manica-Mutare (**OMM**) greenstone belt within the Archaean aged Zimbabwe Craton. The OMM hosts a number of gold deposits including the Redwing, Penhalonga and Rezende mines. The Fair Bride deposit is hosted within a sequence of low-MgO ultramafics, mafics and sedimentary units that have been metamorphosed to upper Greenschist – lower amphibolite facies. Gold mineralisation occurs in an east-west trending shear zone within a multiply deformed, retrograde alteration halo. The gold is typically associated with arsenopyrite (up to 5%) within a silica + chlorite + albite + biotite + Illite ± carbonate ± pyrite alteration halo.

Fair Bride Mineral Resource Estimate (MRE) November 2014.					
Deposit	Category	Cut-off Au (g/t)	Tonnes (kt)	Grade Au (g/t)	Total Au (Oz)
Fair Bride	Measured	1.0	2,893	3.14	291,600
Fair Bride	Indicated	1.0	2,665	3.07	263,300
Fair Bride Measured & Indicated Resources			5,557	3.11	554,900
Fair Bride	Inferred	1.0	3 988	2.87	368,300
Fair Bride Total Resources			9,546	3.01	923,200

Table A. Fair Bride Mineral Resource Estimate presented at a 1.0 g/t cut-off. The grade-tonnage relationship for the Measured and Indicated category resources is presented in Figure 4.

Detailed geological studies have identified the key lithologies interpreted to be important to the spatial distribution of the orebody, including the overprint of weathering where the Base of Complete Oxidation (**BOCO**) and the Top of Fresh Rock (**TOFR**) were logged in detail. This has allowed the compilation of a robust geological interpretation which was wireframed and used for resource estimation.

Drilling of the deposit has been by both diamond drilling (75%) and Reverse Circulation (RC) drilling. Diamond drilling was of HQ and NQ diameter core (111 holes for 21,555m), recoveries of diamond core across the deposit were excellent averaging 96%.

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The map displays the geological and geographical features of the Auroch Minerals NL area. Key elements include:

- Geological Units:** Alluvial Sediment (light yellow), Quartzite (yellow), Pyroxene (Slate) (orange), Gneiss (light green), Amphibolite (green), High Mg Basalt (dark green), and Unexposed Supracrustal (purple).
- Hydrology:** Major rivers shown include the Murchison River and Gascoyne River.
- Towns and Infrastructure:** Towns marked include Newman, Ashburton, Kunene, and others. Infrastructure like roads and railways are also indicated.
- Scale and Orientation:** A scale bar shows distances up to 400 km. A north arrow is located in the upper right corner.
- Inset Map:** A small map in the top right corner shows the location of the study area within the state of Western Australia.

4

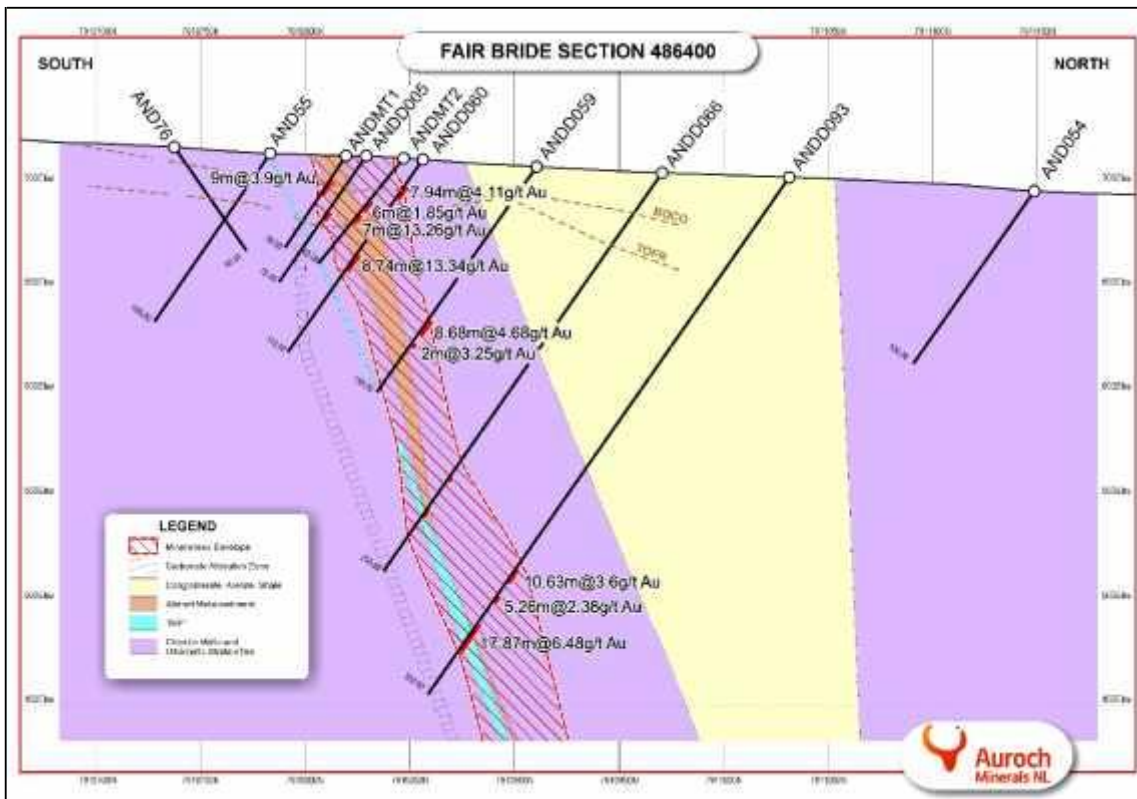


Figure 3. Cross section 486400mE looking east highlights the mafic, ultramafic, sedimentary sequence dipping steeply north.

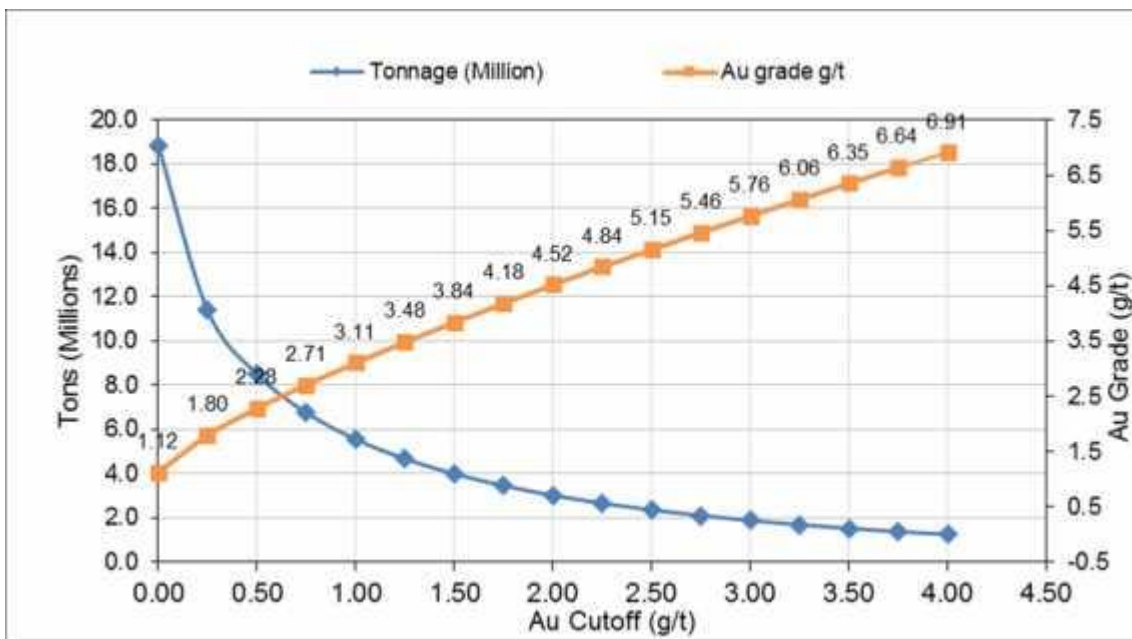


Figure 4. Graph of the Grade - Tonnage relationship for **Measured and Indicated** Resources.

Update on metallurgical evaluation of fair bride sulphide ore

During the Period, Auroch provided an update on progress of its metallurgical test programme, focusing on the Fair Bride sulphide ore body.

Metallurgical Test Program

The process under development for Fair Bride consists of a sulphide flotation plant which will produce a gold-rich concentrate. This concentrate, which is typically 10-20% of the main plant feed tonnage, will then undergo a regrind before final recovery in a conventional carbon circuit. Testing of various grind sizes between 45 micron to 14 micron has been completed with the 14 micron sample delivering the highest recoveries.

Oxides and Transitionals

Further work on oxide ore conducted at SGS in Johannesburg confirmed the amenability of the material to direct cyanidation and recoveries of >95% were achieved. In order to fully develop the process route transitional samples were also tested and as previously announced, an overall recovery of 79.5% was achieved after concentrate treatment and tailings leach.

Flotation on Sulphide Ore

The use of flotation on pyrite/arsenopyrite ores containing gold is a well-established metallurgical application and is used in many gold deposits worldwide. Previous flotation test work on Fair Bride ore date back to 2006, when high-grade ore (3.73 g/t Au) was tested at SGS Laboratories in Johannesburg. More recently a composite sample of sulphide ore with a 2.1g/t Au head grade was tested at Maelgwyn Laboratories in Johannesburg to determine the flotation recovery at a nominal grind size of $P_{80}=75$ microns, results are presented in Table B.

Year	Laboratory	Head Grade g/t Au	Au Recovery to Concentrate %	Mass Pull % head feed	Concentrate Grade g/t Au
2006	SGS	3.73	98	19	21.0
2014	Maelgwyn	2.10	91	14	15.3

Table B: The results of flotation tests on sulphide ores from Fair Bride are summarised.

The results shown above refer to first pass rougher flotation only. Further test work showed it was possible to reduce the concentrate mass to just over 10% and increase the final concentrate gold grade from 21 to 33 g/t or higher with Re-cleaning.

Process Development

Interpretation of previous work combined with new results show that overall gold recovery from Fair Bride sulphide ore will be in the range of 74-78%.

Potential to grow Fair Bride Resource

Following the reinterpretation of the geology and completion of the updated MRE at Fair Bride, opportunities for both resource classification upgrading and addition of new resource Au ounces has been assessed.

Excellent target opportunities identified are as follows (See **Figure 7** and Table D):

1. **Conversion of Inferred Resources to Indicated Resources** within the existing model to RL 300m
2. Generate **new Inferred Resources within** the existing block model to RL 300m
3. Generate **new Inferred Resources below** the existing block model to RL 100m

4. Assess the ground adjacent the western extremity of the existing block model

The Exploration targets stated below show the potential for Fair Bride to grow through exploration where opportunities exist to upgrade current resources (target 1) from inferred to indicated and from down dip (targets 2 & 3) and along strike (target 4) outside the resource boundary where additional ounces may be discovered.

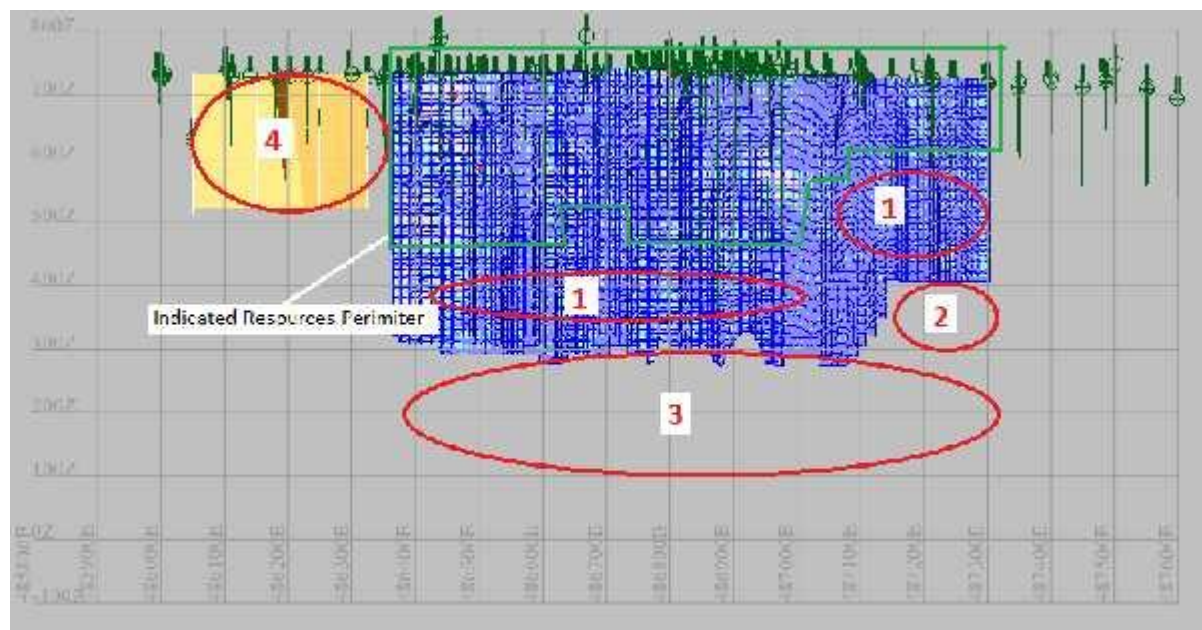


Figure 7. West - East Long Section Showing the Block Model (shaded blue) and Opportunity Areas

Opportunity	Tonnage (kt)	Mean Grade (Au g/t)	Contained Au (Au Oz)
1	3,200 – 3,900	2.60 – 3.2	267,000 – 398,000
2	50 – 60	1.8 – 2.1	3,000 – 4,000
3	3,900 – 4,700	2.7 – 3.2	329,000 – 491,000
4	2,400 – 3,000	2.9 – 3.5	226,000 – 337,000
Total	9,500 – 11 660	2.7 – 3.4	825,000 – 1,230,000

Table C: Exploration Targets - Possible Tonnage Grade and Content Ranges for Opportunities 1 – 4 (@ Cut off 1.0 g/t Au)

A drilling program to validate these targets is currently in the planning phase. The potential quantity and grade of the Exploration Targets is conceptual in nature, and there has so far been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimate of a Mineral Resource.

Regional Exploration Potential of the Project

Importantly, although the current focus is on Fair Bride, the 3390C Licence area still has considerable exploration upside, with significant resources already defined at Guy Fawkes, Dot's Luck and Boa Esperanza.

The consolidated Exploration Target for the Manica Gold Project has been estimated in accordance with the JORC (2012) guidelines and is presented in Table D.

Table E: Manica Gold Project – Exploration Target		
Tonnes (Kt)	Au (g/t)	Contained Gold
250-1,500	2.0-4.0	360,000-1,700,000

Table D: Exploration Targets - Possible Tonnage Grade and Content Ranges regional exploration

The potential quantity and grade of the Exploration Target is conceptual in nature, and there has so far been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimate of a Mineral Resource.

Fair Bride Scoping Study

The Company is in the final stages of completion of a Scoping Study for the development of the Fair Bride deposit as an open cut operation that will progress towards an underground development by declining from the high-wall of the open pit. The results of the scoping study will be released to the market in Q1 2015.

CORPORATE

Manica Gold Project Acquisition – Final Completion

During the Period the Company advised that it had entered into a deed of mutual settlement and release with Pan African Resources plc (**Pan African**) in relation to the Manica Gold Project.

Auroch paid Pan African a final payment of \$350,000 in full and final satisfaction of its obligations:

- to pay the remaining \$1.15 million Consideration Cash;
- to pay up to \$4 million in Deferred Cash Consideration;
- to issue up to 71,666,668 ordinary shares as Deferred Consideration Shares under the original share sale agreement; and
- Auroch also cancelled the existing 25 million shares held by Pan African.

Board Changes

Following the resignation of Jan Nelson as a Non-executive Director of the Company during the reporting period, Matthew Foy was appointed to the Board as a Non-executive Director. Matthew is also Auroch's Company Secretary and is an active member of the WA State Governance Council of Governance Institute Australia (GIA). Matthew spent four years at the ASX facilitating the listing and compliance of companies and possesses competencies in publicly listed company secretarial, operational and governance disciplines. Matthew is currently company secretary to several ASX-listed Companies.

Loan Facility

During the reporting period, the Company advised that it entered into an unsecured loan facility with an unrelated party of up to \$500,000 (**Loan Facility**). The Loan Facility has a repayment date of 31 July 2015 and accrues interest at a rate of 9.25% per annum. The Company also entered into an unsecured loan facility with Mr Glenn Whiddon for \$275,000 which accrues interest at a rate of 9.25% per annum and may be repayable on seven business days following a written notice for repayment.

SUBSEQUENT EVENTS

Appointment of CEO

Subsequent to the Period the Company advised that Dr Andrew Tunks had joined the Company as Chief Executive Officer on 9 January 2015 to advance the Fair Bride deposit through its feasibility stages and assess potential new opportunities.

For six months prior to his appointment, Dr Tunks acted as a consultant to Auroch, assisting on the MRE update. Prior to joining Auroch, Dr Tunks was Managing Director at A-Cap Resources Limited and has previously held senior gold exploration positions, including Chief Geologist at IAMGOLD Corporation, Ranger Minerals Limited in West Africa and North Limited in Western Australia.

Dr Tunks, who holds a B.Sc. (Hons) from Monash University and a Ph.D. in geology from the University of Tasmania, has over 25 years of experience in exploration and mining in Australia, Africa and South America.

Dr Tunks' core expertise is in structural and economic geology relating to gold deposits. As a former Senior Lecturer in Geology at the University of Tasmania, Dr Tunks has been published in peer-reviewed journals and presented at various international conferences on the structural controls of gold mineralisation. He is also an accredited member of The Australian Institute of Geoscientists.

Dr Tunks has strong links to the equity markets and has been involved in raising over \$50M of capital for exploration and development projects, he has held several Board positions and is currently a Non-executive Director of Minerals Corporation Limited (ASX:MSC).

Convertible Note Conversion and Maturity Date Extension

Subsequent to the reporting period Auroch advised of the conversion of 640,000 Convertible Note Securities pursuant to the terms and conditions of the convertible note facility announced to ASX on 23 April 2014. Further, Noteholders representing 160,000 Convertible Note Securities entered into deeds of extension to vary the End Date of the Convertible Note Securities to 30 June 2015.

Competent Persons Statement

The information in this report that relates to Mineral Resources, Exploration Targets and Exploration Results is based on information compiled by Mr Gordon Koll who is a registered professional natural scientist (Pr.Sci.Nat.) under the South African Council for Natural Scientific Professions (SACNASP) and is a Fellow of the Geological Society of South Africa, which is a recognised professional organisation by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr Koll is a full-time employee of the Company. Mr Koll has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of The JORC Code. Mr Koll consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

5. AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C of the Corporations Act 2001 is included on page 11 of this half-year financial report.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in dark ink, appearing to read 'M. Foy', is positioned above the printed name and title.

Matthew Foy
DIRECTOR

Dated this 13th Day of March 2015

DECLARATION OF INDEPENDENCE BY PHILIP MURDOCH TO THE DIRECTORS OF AUROCH MINERALS NL

As lead auditor for the review of Auroch Minerals NL for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Auroch Minerals NL and the entities it controlled during the period.



Philip Murdoch
Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2015

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014 \$	31 December 2013 \$
Revenue	771	25,154
Less Expenses:		
Accounting fees	(39,000)	(31,671)
Audit fees	(12,972)	(15,107)
Consulting fees	(79,473)	(5,600)
Corporate advisory	(24,000)	(42,600)
Directors expense	(30,000)	(161,969)
Corporate and regulatory fees	(15,997)	(11,183)
Interest	(73,547)	-
Rent	-	(24,603)
Travel & accommodation	(25,821)	(31,596)
Borrowing costs	(62,676)	-
Finance Expense	(150,930)	-
Reversal of Share Based Payment Expense	42,630	-
Other expenses	(42,517)	(71,265)
Loss before income tax	(513,532)	(370,440)
Income tax (expense)/benefit	-	-
Loss after income tax for the period	(513,532)	(370,440)
Other comprehensive income		
<i>Items that may be reclassified to the profit or loss</i>		
Exchange difference on translation of foreign operations	912,901	249,885
Other comprehensive income for the period net of tax	912,901	249,885
Total comprehensive income/(loss) for the period attributable to the owners of Auroch Minerals NL	399,369	(120,555)
Loss per share for the period attributable to the member of Auroch Minerals NL		
Basic loss per share (cents per share)	(0.90)	(0.62)
Diluted loss per share (cents per share)	(0.90)	(0.62)

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

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		110,207	331,570
Trade and other receivables		15,400	18,393
Total Current Assets		125,607	349,963
Non-current Assets			
Property, plant and equipment		-	1,157
Mineral exploration and evaluation expenditure	3	9,334,972	16,371,887
Total Non-current Assets		9,334,972	16,373,044
TOTAL ASSETS		9,460,579	16,723,007
LIABILITIES			
Current Liabilities			
Trade and other payables	4	1,864,779	1,581,576
Borrowings	5	1,993,517	1,021,541
Financial Liabilities		-	50,000
Total Current Liabilities		3,858,296	2,653,117
Non-current Liabilities			
Financial liabilities		-	1,450,000
Total Non-current Liabilities		-	1,450,000
TOTAL LIABILITIES		3,858,296	4,103,117
NET ASSETS		5,602,283	12,619,890
EQUITY			
Contributed equity	6	7,325,111	14,699,457
Reserves		1,550,208	679,937
Accumulated losses		(3,273,036)	(2,759,504)
TOTAL EQUITY		5,602,283	12,619,890

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Foreign Translation Reserve \$	Total Equity \$
Balance at 1 July 2013	14,699,457	(1,838,453)	42,630	1,555,705	14,459,339
Loss for period	-	(370,440)	-	-	(370,440)
Exchange difference on foreign operations	-	-	-	249,885	249,885
Total comprehensive income/(loss) for period	-	(370,440)	-	249,885	(120,555)
Transactions with owners in their capacity as owners:					
Issue of shares	-	-	-	-	-
Share capital raising costs	-	-	-	-	-
Balance at 31 December 2013	14,699,457	(2,208,893)	42,630	1,805,590	14,338,784
Balance at 1 July 2014	14,699,457	(2,759,504)	42,630	637,307	12,619,890
Loss for period	-	(513,532)	-	-	(513,532)
Exchange difference on foreign operations	-	-	-	912,901	912,901
Total comprehensive income/(loss) for period	-	(513,532)	-	912,901	399,369
Transactions with owners in their capacity as owners:					
Issue of shares	127,429	-	-	-	127,429
Share buy-back	(7,500,000)	-	(42,630)	-	(7,542,630)
Share capital raising costs	(1,775)	-	-	-	(1,775)
Balance at 31 December 2014	7,325,111	(3,273,036)	-	1,550,208	5,602,283

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	December 2014 \$	December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(158,495)	(419,475)
Interest received		771	19,643
Interest paid		-	-
Net cash outflow from operating activities		(157,724)	(399,832)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		-	-
Payments for acquisitions of tenements		(350,000)	(150,000)
Payments for exploration expenditure		(434,190)	(1,892,528)
Payments for prepaid exploration expenditure		-	-
Loans to related entity		-	-
Net cash outflow from investing activities		(784,190)	(2,042,528)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		-	-
Proceeds from borrowings		725,000	-
Capital raising costs		-	-
Net cash inflow from financing activities		725,000	-
Net increase/(decrease) in cash and cash equivalents		(216,914)	(2,442,360)
Foreign exchange movement on cash and cash equivalents		(4,449)	19,196
Cash and cash equivalents at the beginning of the period		331,570	2,886,145
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		110,207	462,981

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to assist in the understanding of the accounts, the following summary explains the material accounting policies that have been adopted in the preparation of the accounts.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This report should be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Adoption of new and revised accounting standards

In the half year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

Compliance with IFRS

The financial statements of the company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred net losses after tax of \$513,532 (31 December 2013: \$370,440) and experienced net cash outflows from operating and investing activities of \$941,914 for the half-year ended 31 December 2014 (31 December 2013: net outflows \$2,442,360). Net assets of the Group as at 31 December 2014 were \$5,602,283 (30 June 2014: net assets of \$12,619,890).

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent upon the Group raising additional capital via any means available to it inclusive of, but not limited to, placements, partly paid share conversions, rights issues, or joint venture arrangement in a timely manner in order to fund the ongoing exploration and operation activities. Over the course of the next 12 months, the Directors consider that there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and that the going-concern basis of preparation remains appropriate when preparing the half-year report.

The Company is currently in advanced negotiations with an existing shareholder in relation to securing a convertible debt facility. The Company is also considering conducting a capital raising via other methods such as an equity raising.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

2. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in Mozambique and Western Australia, which is based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Segment information relating to the reportable segment being mineral exploration in Mozambique and Western Australia is outlined below.

December 2014

	Mozambique	Western Australia	Total
	\$	\$	\$
Revenue from external sources	-	-	-
Reportable segment profit / (loss)	-	-	-
Reportable segment assets	9,114,515	181,190	9,295,705
Reportable segment liabilities	1,347,908		1,347,908

AUROCH MINERALS NL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

2. SEGMENT INFORMATION (Cont)

December 2014

	Mozambique \$	Western Australia \$	Total \$
<i>Reconciliation of reportable segment profit or loss</i>			
Reportable segment profit /(loss)	-	-	-
Other income	-	-	771
Unallocated:			
Depreciation expense			(1,157)
Director benefits			(30,000)
Share based payments			42,630
Employee benefits			-
Other expenses			(525,776)
Loss before tax			<u>(513,532)</u>

June 2014

	Mozambique \$	Western Australia \$	Total \$
Revenue from external sources	-	-	-
Reportable segment profit / (loss)	-	-	-
Reportable segment assets	16,194,782	177,105	16,371,887
Reportable segment liabilities	1,500,000	-	1,500,000
<i>Reconciliation of reportable segment profit or loss</i>			
Reportable segment profit /(loss)			-
Other income			29,154
Unallocated:			
Depreciation expense			(2,313)
Director benefits			(358,134)
Share based payments			-
Employee benefits			-
Other expenses			(589,758)
Loss before tax			<u>(921,051)</u>

Other Segment Information

	Dec 2014 \$	June 2014 \$
Total segment revenue	-	-
Interest revenue	771	29,154
Total revenue from continuing operations	<u>771</u>	<u>29,154</u>

Segment assets are reconciled to total assets as follows:

Segment assets	9,295,705	16,371,887
Unallocated:		
Cash and cash equivalents	110,207	331,570
Trade and other receivables	15,400	18,393
Other mineral exploration and evaluation expenditure	39,267	-
Property, plant and equipment	-	1,157
Total assets as per the statement of financial position	<u>9,460,579</u>	<u>16,723,007</u>

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Segment liabilities are reconciled to total liabilities as follows:

Segment Liabilities	1,347,908	1,500,000
Unallocated:		
Trade and other payables	516,871	1,581,576
Borrowings	1,993,517	1,021,541
Total liabilities as per the statement of financial position	3,858,296	4,103,117

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014 \$	30 June 2014 \$
Balance at beginning of the period	16,371,887	14,017,538
Sharebuy-back (Pan African shares) (i)	(7,500,000)	-
Cancellation of cash consideration (ii)	(1,150,000)	-
Exploration expenditure incurred	747,573	3,278,210
Movement due to foreign exchange translation	865,512	(923,861)
Balance at the end of the period	9,334,972	16,371,887

During the Period the Company advised that it had entered into a deed of mutual settlement and release with Pan African Resources plc (**Pan African**) in relation to the Manica Gold Project.

Auroch paid Pan African a final payment of \$350,000 in full and final satisfaction of its obligations:

- (i) Immediate cancellation of existing Consideration shares (25 million ordinary shares) held by Pan African Resources Plc.
- (ii) Cancellation of the outstanding cash consideration due of \$1,150,000

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

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4. TRADE AND OTHER PAYABLES

	December 2014 \$	30 June 2014 \$
Trade payables	1,805,666	1,528,463
Accruals	59,113	53,113
	<u>1,864,779</u>	<u>1,581,576</u>

All current liabilities are expected to be settled within 12 months.

5. BORROWINGS

		December 2014 \$	30 June 2014 \$
Loans (held at amortised cost)	(i)	972,653	200,000
Convertible Notes (held at fair value)	(ii)	1,020,864	821,541
		<u>1,993,517</u>	<u>1,021,541</u>

(i)(a) Loan received from Glenn Whiddon (Executive Director) to fund the Group's working capital commitments.

Principal	Repayment date	Interest	Security
\$300,000	21 February 2015	9.25%	Nil
\$175,000	7 days written notice	9.25%	Nil

(b) Loan received from an unrelated party to fund the Group's working capital commitments.

Principal	Repayment date	Interest	Security
\$472,500	31 July 2015	9.25%	Nil

(ii) Funds raised from the issue of convertible notes for working capital purposes and subject to the following terms:

Principle amount	\$800,000
Date	7 April 2014
Term	9 months from drawdown
Coupon interest rate	12% per annum
Conversion	Greater of:
	(a) \$0.03; and
	(b) The price which is a 20% discount to the 10 day VWAP

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6. CONTRIBUTED EQUITY

(a) Share Capital	2014	2013	2014	2013
	Shares	Shares	\$	\$
Fully paid	34,325,781	58,092,515	7,755,184	15,127,754
Partly Paid	21,800,000	21,800,000	218,000	218,000
Equity raising costs	-	-	(648,073)	(646,297)
	56,125,781	79,892,515	7,325,111	14,699,457

(b) Movements in ordinary shares

2014					
Date	Details	Note	Number of shares	Issue price	2014 \$
01/07/14	Balance at 01 July		58,092,515	-	14,481,457
21/07/14	Issue of Facility Fee shares		217,500	0.10	21,750
17/12/14	Share issued in settlement of deferred employment entitlement		1,015,766	-	105,679
22/12/14	Share buy-back	3	(25,000,000)	0.30	(7,500,000)
	Less: capital raising costs				(1,775)
31/12/14	Balance at 31 December		34,325,781		7,107,111

2013					
Date	Details		Number of shares	Issue price	2013 \$
01/07/13	Balance at 01 July		59,492,515	-	14,481,457
31/12/13	Balance at 31 December		59,492,515		14,481,457

(c) Movements in partly paid shares

Each partly paid share is issued at a price of 20 cents of which 1 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time within 5 years of issue or the Directors may determine that the balance may become payable at future times in satisfaction of all or part of the unpaid issued price.

2014

				2014
Date	Details	Number of shares	Issue Price	\$
01/07/14	Balance at 01 July	21,800,000	-	218,000
31/12/14	Balance at 31 December	21,800,000	-	218,000

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FOR THE HALF YEAR ENDED 31 DECEMBER 2014

(c) Movements in partly paid shares (cont)

2013

				2013
Date	Details	Number of shares	Issue Price	\$
01/07/13	Balance at 01 July	21,800,000	-	218,000
31/12/13	Balance at 31 December	21,800,000	-	218,000

7. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Appointment of CEO

Subsequent to the Period the Company advised that Dr Andrew Tunks had joined the Company as Chief Executive Officer on 9 January 2015 to advance the Fair Bride deposit through its feasibility stages and assess potential new opportunities.

For six months prior to his appointment, Dr Tunks acted as a consultant to Auroch, assisting on the MRE update. Prior to joining Auroch, Dr Tunks was Managing Director at A-Cap Resources Limited and has previously held senior gold exploration positions, including Chief Geologist at IAMGOLD Corporation, Ranger Minerals Limited in West Africa and North Limited in Western Australia.

Dr Tunks, who holds a B.Sc. (Hons) from Monash University and a Ph.D. in geology from the University of Tasmania, has over 25 years of experience in exploration and mining in Australia, Africa and South America.

Dr Tunks' core expertise is in structural and economic geology relating to gold deposits. As a former Senior Lecturer in Geology at the University of Tasmania, Dr Tunks has been published in peer-reviewed journals and presented at various international conferences on the structural controls of gold mineralisation. He is also an accredited member of The Australian Institute of Geoscientists.

Dr Tunks has strong links to the equity markets and has been involved in raising over \$50M of capital for exploration and development projects, he has held several Board positions and is currently a Non-executive Director of Minerals Corporation Limited (ASX:MSC).

Convertible Note Conversion and Maturity Date Extension

Subsequent to the reporting period Auroch advised of the conversion of 640,000 Convertible Note Securities pursuant to the terms and conditions of the convertible note facility announced to ASX on 23 April 2014. Further, Note holders representing 160,000 Convertible Note Securities entered into deeds of extension to vary the End Date of the Convertible Note Securities to 30 June 2015.

8. CONTINGENCIES

The contingent liability reported in the year to 30 June 2014 has been settled as part of the deed of mutual settlement and release.

The Group had no contingent assets or liabilities at 31 December 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

9. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Consolidated Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Due to their short term nature, the carrying amount of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

DECLARATION BY DIRECTORS

The Directors of the Group declare that:

1. The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Group 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 and is signed for and on behalf of the directors by:

Dated this 13th day of March 2015



Matthew Foy
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Auroch Minerals NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Auroch Minerals NL, which comprises the consolidated statement of financial position as at 31 December 2014, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Auroch Minerals NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Auroch Minerals NL, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Auroch Minerals NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the consolidated entity raising additional capital via any means available to it inclusive of, but not limited to, placements, partly paid share conversions, rights issues, or joint venture arrangements in a timely manner to fund the ongoing exploration and operation activities. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P Murdoch', written over a horizontal line.

Phillip Murdoch
Director

Perth, 13 March 2015