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ASX Limited
Marked Announcements Platform
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Project Update – Mining Concession 3990C

Over the past 5 months Auroch Minerals NL ("Auroch" or the "Company") has undertaken several significant steps towards realising value from its 100% owned gold assets situated in Western Mozambique.

Preliminary Economic Assessment – Fair Bride Deposit

Since updating the Fair Bride Mineral Resource to comply with the JORC 2012 Code (ASX 14 November 2014) the Company has commissioned JPMC International to undertake a Preliminary Economic Assessment ("PEA") of the Fair Bride deposit. This study has evaluated various development scenarios and production profiles, however the key factors adopted in determining a way forward have been:

- Initial startup development capital cost <$35 million;
- Mining operations designed to maximise grade – due to relative low gold price, grade is king;
- Conventional plant and process route design;
- Minimise stripping ratios; and
- Minimise C1 and C2 cash costs.

This PEA is scheduled for completion in the immediate future and will be released to shareholders in due course.

Metallurgical Work

Approximately one tonne of ore has been collected from previous drilling, combined into a composite sample and shipped to Australia for further metallurgical testwork at Nagrom Laboratories in Perth. The aim of this testwork is to produce a flotation concentrate that can be sent to smelters. To this end, Auroch has been approached by three different smelters seeking to test the concentrate for amenity to their particular process. The proposed testwork regime includes:

- Bond Work Indices(BWI) and abrasion characterization of ores;
- Flotation rougher tests;
- Gravity Recoverable Gold testwork; and
- Detailed elemental analysis of the concentrate.

This testwork will enable further design on the process route for the next stage feasibility studies, allowing fine tuning of gold recoveries and increased information on operating costs. Full results of the metallurgical testwork program will be published to the market as soon as they become available.

Alluvial Mining Potential

Auroch has also been confidentially approached by two separate Mining Groups who wish to conduct a preliminary assessment of the alluvial potential of the auriferous cobble-gravel (i.e. "alluvial gold") deposits located within its 100% owned mining licence (3990C). These gravels form a 'perched' alluvial deposit that extends both up and down-stream and is approximately 20 kilometres in length (**Figure 1**). The Company views this as a potential opportunity for near-term gold production and considers further detailed assessment justified.

The current assessment includes site visits and sampling of the alluvial gravels by both parties under the supervision of Auroch geologists. Field visits are now complete and results awaited.

Bi-World International from China, are currently mining and recovering gold from the alluvial gravels, approximately one kilometre down-stream from the Auroch licence (Figure 1). Data presented to Auroch staff during a visit to the Bi-World operation suggests they are recovering approximately 1 gram of gold per cubic metre of the basal gravel.

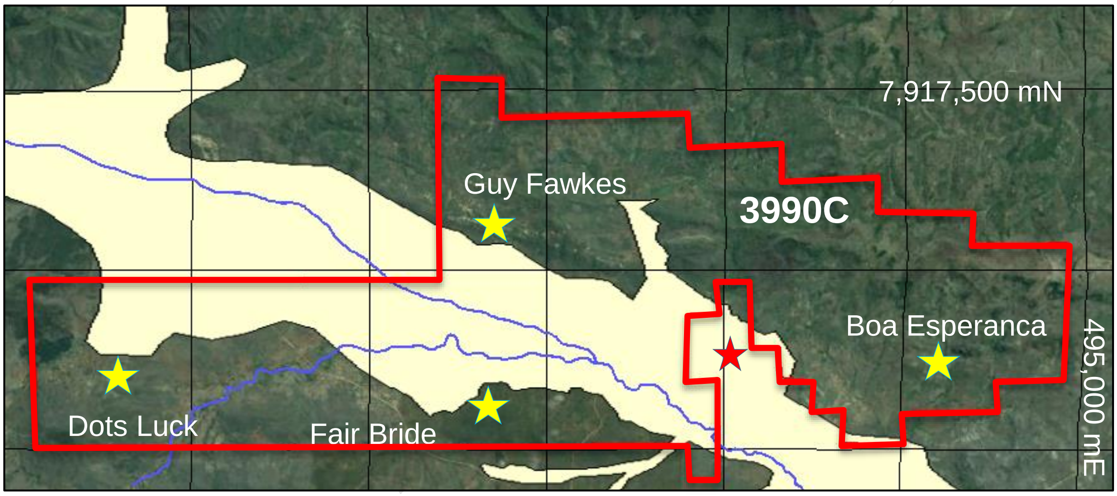

Figure 1. Highlights the extent of the alluvial gravel in pale yellow within Auroch's 100% owned mining licence 3990C (red outline). The location of the Bi-World International mining operation is shown with a red star.

Financial

As outlined in the Company's March quarterly cashflow report, the Company's financial requirements are tight, with funding currently provided by major shareholders via convertible loans. Additional funding in excess of what has currently been provided will be required going forward.

The Company is evaluating various funding alternatives and is in various stages of negotiations to seek additional funding, including:

- A long term off-take agreement for the concentrate from Fair Bride with a smelter and the potential for an advance payment;
- Provision of a turnkey plant; and
- The joint venture or sale of a whole or a portion of the Mozambican assets.

The Company will update the market accordingly upon the development of any of the above funding opportunities.

For further information please visit www.aurochminerals.com or contact:

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