

14 September 2015

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

Update re Sale of Manica Gold Project

Auroch Minerals NL (ASX: AOU) (**Auroch** or the **Company**), advises that it has agreed revised sale terms in relation to the conditional disposal of the Manica Gold Project in Mozambique to AIM-listed Xtract Resources Plc (LON:XTR) (**Xtract**).

Under the revised binding sale terms the total consideration payable is US\$10.0 million and is attributable to the sale of the Company's 100% owned subsidiary, Mistral Resource Development Corporation (**Mistral**) and the transfer of the Company's direct 2% shareholding in Explorator Limitada (**Explorator**) to Xtract.

The Company and Xtract have agreed that the allocation of the aggregate consideration price of US\$10.0 million is comprised of:

- US\$5.8 million for the acquisition of Manica Mining Concession 3990C;
- US\$4.0 million in respect of all Mining Information relating to the Mining Concession; and
- US\$200,000 in respect to the transfer of the Company's 2% shareholding in Explorator to Xtract.

Breakdown and Timing of Transaction Payments

In respect of the sale of 100% of Mistral:

- US\$500,000 upon executing the revised agreement;
- US\$3.5 million in cash payable at completion;
- US\$1.8 million in cash three months post completion;
- Issue of 1,032,258,065 new XTR ordinary shares at Completion representing approximately 11% of the issued capital of XTR (**Consideration Shares**). The Consideration Shares will be issued at a deemed price of 0.25 pence per Share (being equivalent to US\$0.003875 per ordinary share at an exchange rate of £1.00 = US\$1.55) and escrowed for 3 months from issue;

In respect of the transfer of the 2% shareholding in Explorator:

- US\$200,000 in cash.

The revision to the consideration payable¹ was borne out of Xtract's need to provide certainty to its shareholders around dilution relating to the issue of Consideration Shares and to reflect changing and volatile market conditions. The original share sale agreement determined the number of consideration shares by a formula with no floor price. This new arrangement provides certainty to all parties.

Chairman Mr Glenn Whiddon commented:

We are pleased with the revised terms as they ensure a positive outcome for all parties. We wish to see the Manica project developed and financed on a timely basis and we believe the revised terms will assist in achieving this goal. Pursuant to the terms of the original agreement, effective from 1 June 2015 Xtract will be responsible for all management and supervision of operations of the Manica Mining Concession as well as funding associated costs and liabilities from 1 June 2015.

Conditions Precedent to Completion

The Agreement is conditional upon Auroch obtaining prior consent of the Government of Mozambique through the Ministry of Mineral Resources and Energy to the extent required under the Mozambique Mining Act and other applicable laws relating to the change of control of the Company's subsidiary and communicating such change of control to the Mozambican mining authorities. Completion of the Agreement is also subject to Auroch obtaining shareholder approval under ASX Listing Rule 11.2 for the sale of the Manica Mining Concession and Xtract obtaining approval for the admission of the Consideration Shares to trading on AIM.

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

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¹ Effective 1 June 2015, Xtract has assumed operational control of Mistral Development Corporation and, thus the Manica Gold Project. As such, Xtract has assumed responsibility for remaining project creditors up to US\$1.0 million and also any tax payable in Mozambique in respect of the transaction up to US\$1.25 million. Should the tax payable be in excess of this amount, then Auroch will be responsible for paying the excess. Should the tax be less than US\$750,000, then Auroch will be refunded the difference.