



**ACN 148 966 545**

**Annual Report for the Year Ended 30 June 2015**

**AUROCH MINERALS NL**  
**CORPORATE DIRECTORY**

---

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

|                                                                           | <b>Page</b> |
|---------------------------------------------------------------------------|-------------|
| • Directors' Report                                                       | 3           |
| • Auditor's Independence Declaration                                      | 23          |
| • Consolidated Statement of Profit or Loss and Other Comprehensive Income | 24          |
| • Consolidated Statement of Financial Position                            | 25          |
| • Consolidated Statement of Changes in Equity                             | 26          |
| • Consolidated Statement of Cash Flows                                    | 27          |
| • Notes to the Consolidated Financial Statements                          | 28          |
| • Directors' Declaration                                                  | 59          |
| • Independent Auditor's Report                                            | 60          |
| • Additional information                                                  | 62          |

## REVIEW OF OPERATIONS

### SALE OF MANICA GOLD PROJECT

During the Reporting Period, the Company advised it has entered into a binding agreement to sell 100% of the Manica Mining Concession 3990C (**Project**) to AIM-listed Xtract Resources plc (**Xtract** or **XTR**) in a combination of cash and equity in Xtract.

#### About Xtract

Xtract Resources plc is a gold and copper exploration development company with projects in Chile and South Africa with a current market capitalisation of approximately A\$45 million (£22 million) and is well funded. Xtract aims to become a mid-tier gold and copper producer with a focus on low cost, high margin shallow/surface deposits. Xtract's Chairman Mr Colin Bird and CEO Mr Jan Nelson have a long history of involvement in the Manica Mining Concession having initially acquired the Manica Gold Project whilst at Pan African Resources plc in 2006. Mr Nelson is also a former Director of the Company.

#### Material Terms of Share Sale and Purchase Agreement

Auroch entered into a binding share sale and purchase agreement for the sale of Project to Xtract which was revised subsequent to the reporting period (**Agreement**).

Under the Agreement 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 payable 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.

Effective from 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 (in addition to the US\$500,000 forwarded by Xtract to the Company subsequent to the reporting period) 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.

### ***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.

### ***Statements of Voting Intention***

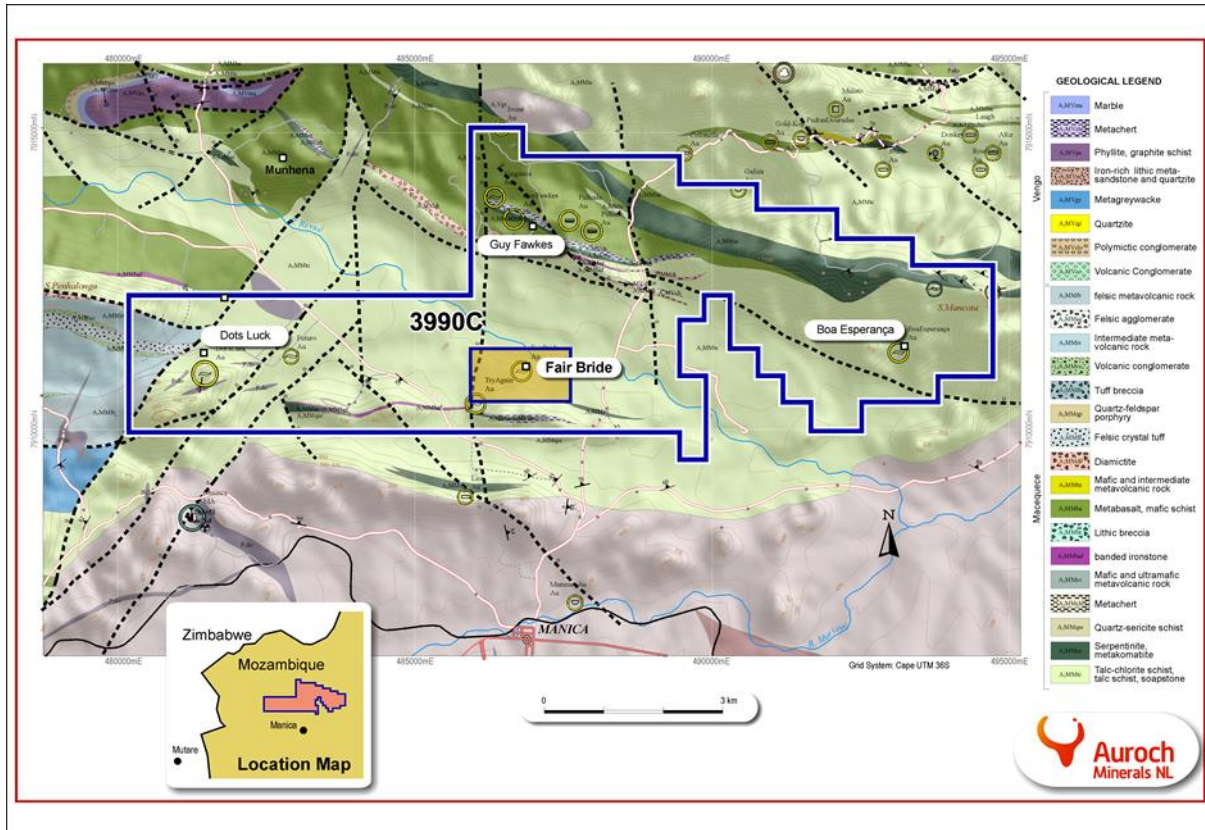
Several major shareholders including the Chairman, have advised the Company that they intend to vote in favour of the Agreement at a shareholders' meeting to approve the disposal.

## **OPERATIONS - MANICA GOLD PROJECT**

### **Preliminary Economic Assessment Delivers Excellent Results at the Fair Bride Deposit**

During the reporting period, the Company announced positive results from a Preliminary Economic Assessment (the **PEA**) on the Fair Bride Gold Project (the **Project**) (**Figure 1**). The PEA has confirmed the technical and robust economic viability of the Project and is based on the following assumptions:

- Open Pit mining of oxide, transitional and sulphide ores will run for five years and have a stripping ratio averaging 8:1 waste to ore (inclusive of low grade ore);
- High-grade shoots beneath the open pit will be accessed from underground via two declines, initially a 20m crown pillar will be left which will be extracted at the end of the underground operation;
- Oxides and transitional ores will utilise a simple process route of primary milling and Carbon in Leach (**CIL**);
- As mining progresses into the sulphide ore, these ores will be processed with a flotation circuit with a concentrate re-grind followed by CIL for the sulphides;
- The diluted head grades and gold recoveries modelled in the PEA are:
  - Oxide ore 2.53g/t Au and 96% recovery;
  - Transitional ore 3.55g/t Au and 82% recovery; and
  - Sulphide ore 3.44 g/t Au (open pit) and 3.68 g/t Au (underground) 80% recovery.
- Operating costs with C1 Cash Cost at US\$650/oz and total operating costs (including sustaining capital and royalties) at US\$769/oz.



**Figure 1: Location map and position of all major prospects of the Manica Project with the PEA over the Fair Bride Deposit in the southern portion of the mining concession.**

The base case provides a low-cost, low technical risk, quick route to gold production. Key variables are summarised below in **Table 1**.

| Variable                       | Used in Study      |
|--------------------------------|--------------------|
| Gold price                     | US\$ 1,250         |
| Annual Production Rate         | 47,750 oz Au       |
| Initial mine life              | 8 yrs              |
| Total gold Production          | 331,000 oz Au      |
| Stripping Ratio                | 8:1                |
| LOM High grade                 | 3.49 g/t Au        |
| LOM Low grade                  | 0.93 g/t Au        |
| Initial capex                  | US\$ 28.4 M        |
| Average recovery               | 80%                |
| Power Cost                     | US\$ 0.064 per kWh |
| Annual processing              | 0.5 Mtpa           |
| Payback                        | < 3 yrs            |
| Direct C1 cash operating costs | US\$ 650           |
| All-in sustaining costs        | US\$ 769           |
| Mozambique Corporate Tax Rate  | 38 %               |
| Mozambique Royalty             | 6 %                |
| Assumed Discount rate          | 8 %                |

|               |             |
|---------------|-------------|
| After tax NPV | US\$ 50.3 M |
| After tax IRR | 57.5 %      |

Table 1: PEA Key Variables

The PEA was based on the Measured and Indicated portions of the updated Mineral Resource Estimate for Fair Bride (ASX: 14 November 14) of 9.5Mt tonnes at 3.0 g/t for a contained 923,000 ounces of gold at a cut-off grade of 1.0g/t gold.

Once ramp up is achieved, Fair Bride delivers an average steady state production profile of 46,700 ounces of gold per annum once full production is reached. There is an expectation of increasing the mine life through the addition of further ore along strike to the west, and at depth. As well as over 150k oz already defined at other targets throughout the Manica Gold Project 3990C mining licence.

The PEA is based on a convention open pit treating oxide and transitional ore through a standard CIL circuit at a rate of 0.5M tonnes per annum. The deeper transitional and sulphide ore will be processed through a flotation circuit, recoveries of over 95% of the Au from final concentrate mass pull of less than 12-13% have been proved in testwork. The flotation concentrate will go through a re-grind process and then into a CIL circuit, final recoveries of 82% for the transitional and 80% for the sulphide have been used in the PEA.

Start-up capital costs are estimated to be US\$28.4M, and underground development costs of US\$14.8M. Importantly, the underground capital development does not commence until year 4 of the operation, after the initial project capital has been repaid and will be funded from cash flows.

Operating costs (C1 Cash Costs) are estimated at US\$650/oz over the life of mine. Given the amount of engineering work already undertaken by Auroch, the estimation accuracy for the capital cost is in the range of -15% to +20%, which only marginally affects the project financials. No contingency is included in the quoted capital costs.

The PEA confirms the potential for strong economics with the Project estimated to generate US\$82.4M of post-tax cumulative net cash flow over the life of the mine at a gold price of US\$1,250/oz. Payback is calculated to be 3 years from first ore.

## Details of the PEA

### Mining

This PEA is based around an open pit mine and shallow underground operation processing 500,000 tonnes per annum through a conventional plant. Open pit mining will be contracted through a mining service provider applying standard open pit methods according to a mine plan and production schedule provided by Auroch. Additional operating costs have been included for the technical mine supervision of the selective mining by the contractor. Underground mining will be owner-operated and high-grade zones will be targeted and mined using a variety of stoping methods depending on ore body geometry but will predominantly be sub-level open stoping with waste filling.

During the mining process, ore will be separated into high grade (cut-off >1.2g/t) and low-grade (0.4 – 1.2 g/t). The low grade ore will be stockpiled separately and will be treated at the end of the mine life to produce an additional 11,500 ounces of gold.

### Processing

The ore will be fed to the process plant at a rate of 0.5MT per annum or 40-45 ktpm, to produce gold doré. Initial plant feed will be from the oxide zone and uppermost transitional zones, where recoveries in excess of 90% have been demonstrated, into a standard CIL circuit. As mining progresses deeper into the transitional ore and sulphides the process route will be upgraded to include a flotation circuit and regrind before oxidative leaching and CIL.

The carbon emanating from the CIL circuit will be acid washed, eluted and re-generated in the elution circuit. The eluate will be subjected to electrowinning and smelting to produce a gold doré bullion and shipped to a refinery.

After gold is removed in the CIL circuit, the tailings will be sent to the cyanide detoxification process. The flotation tailings, which have not undergone cyanidation, will be combined with the detoxified CIL tailings and pumped as a de-watered slurry to an engineered Tailings Storage Facility (TSF) for safe storage through the mine closure and reclamation process. Excess water will be reclaimed from the TSF and recirculated to the plant.

## Resource

The current PEA considers only ore within the Measured and Indicated categories as released to the ASX on the 14<sup>th</sup> of November 2014 and presented in **Table 2** below:

| Fair Bride MRE November 2014. Cut-off 1.0g/t Au      |           |                  |              |                |                |
|------------------------------------------------------|-----------|------------------|--------------|----------------|----------------|
| 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        |
| <b>Fair Bride Measured &amp; Indicated Resources</b> |           |                  | <b>5,557</b> | <b>3.11</b>    | <b>554,900</b> |
| Fair Bride                                           | Inferred  | 1.0              | 3 988        | 2.87           | 368,300        |
| <b>Fair Bride Total Resources</b>                    |           |                  | <b>9,546</b> | <b>3.01</b>    | <b>923,200</b> |

Table 2. Fair Bride Resource statement November 2014.

There are considerable opportunities at the Fair Bride Gold Project for further resource growth through additional drilling, particularly at the western end of the deposit. There are also opportunities for further drilling to convert a percentage of the inferred resource into the mining schedule to add additional mine life.

Furthermore, there are three other deposits within the 3990C Mining Concession with a combined Mineral Resource inventory in excess of 150K oz of gold that are not considered in the scope of the current PEA.

## Site infrastructure

The overall site plan contains all facilities required to mine and process half a million tonnes of ore per year, including:

- Haul roads
- Open pit mine
- Process plant and infrastructure
- Water treatment plants
- Tailing Storage Facility (TSF)
- Waste rock dumps
- Auxiliary buildings

Power for the process plant will come from the Mozambique grid via an upgrade of the local Manica substation, including power lines from Manica to site and a transformer to supply the power required.

The TSF will be situated to the north of the Revue River and will contain and store tailings from the process plant, it will be built in several stages (lifts) and final capacity will not be needed until year five of operations. Some tailings will also be used to fill voids underground.

## 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 2.

Auroch made a strategic decision to focus on the Fair Bride deposit, the largest orebody within the Mining Lease 3990C (**Figure 2**). 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

## DIRECTORS' REPORT

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  $\pm$  carbonate  $\pm$  pyrite alteration halo.

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 (**BCO**) 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%.

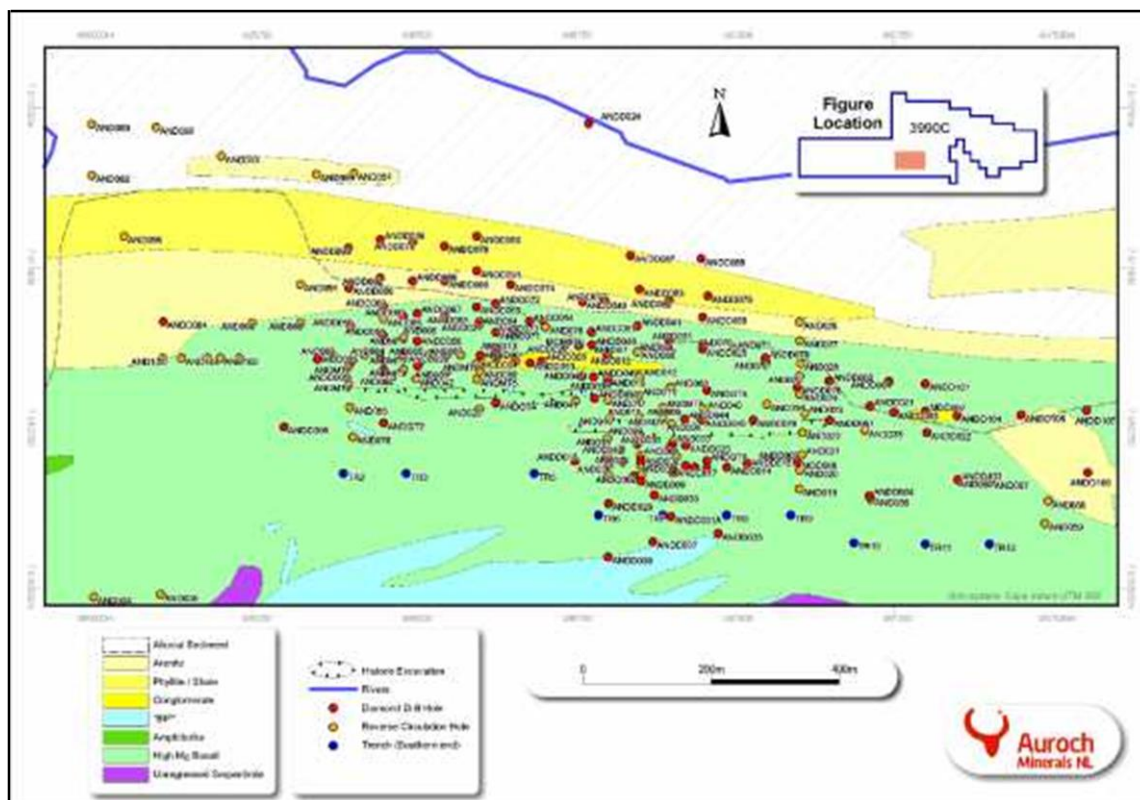


Figure 2. Fair Bride MRE focus area showing surface geology. Collar plan hole traces and trenching.

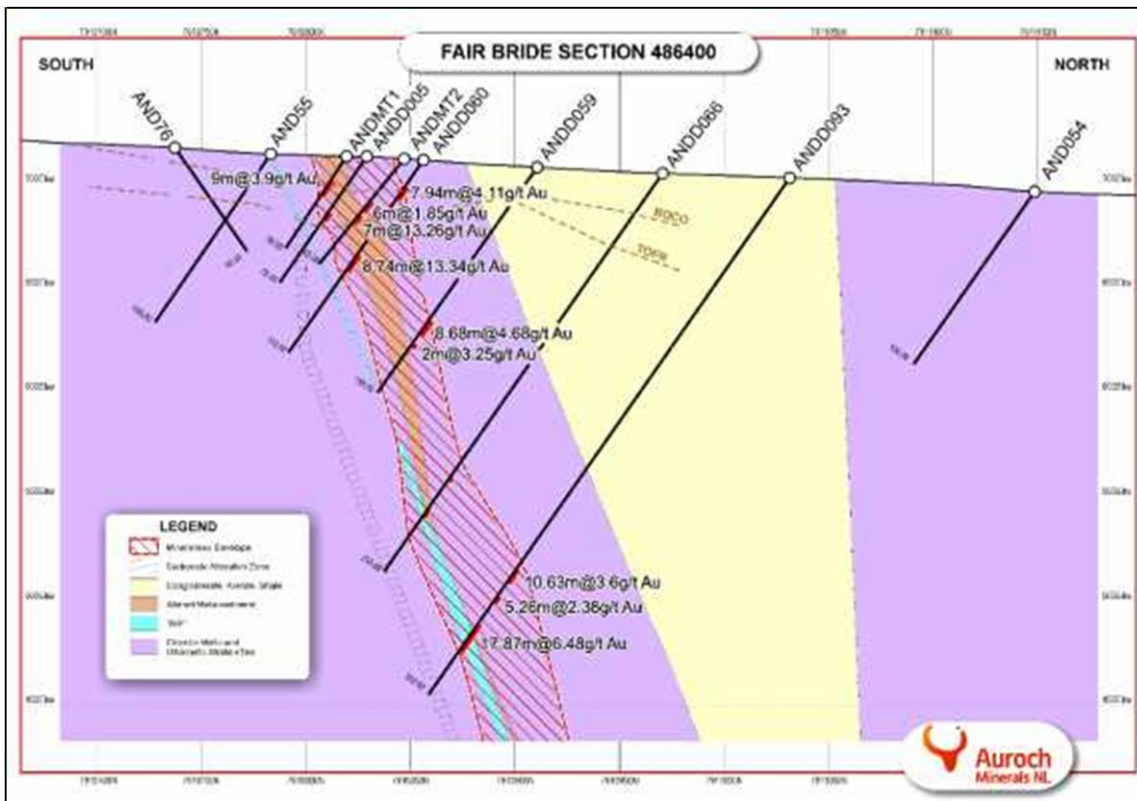


Figure 3. Cross section 486400mE looking east highlights the mafic, ultramafic, sedimentary sequence dipping steeply north.

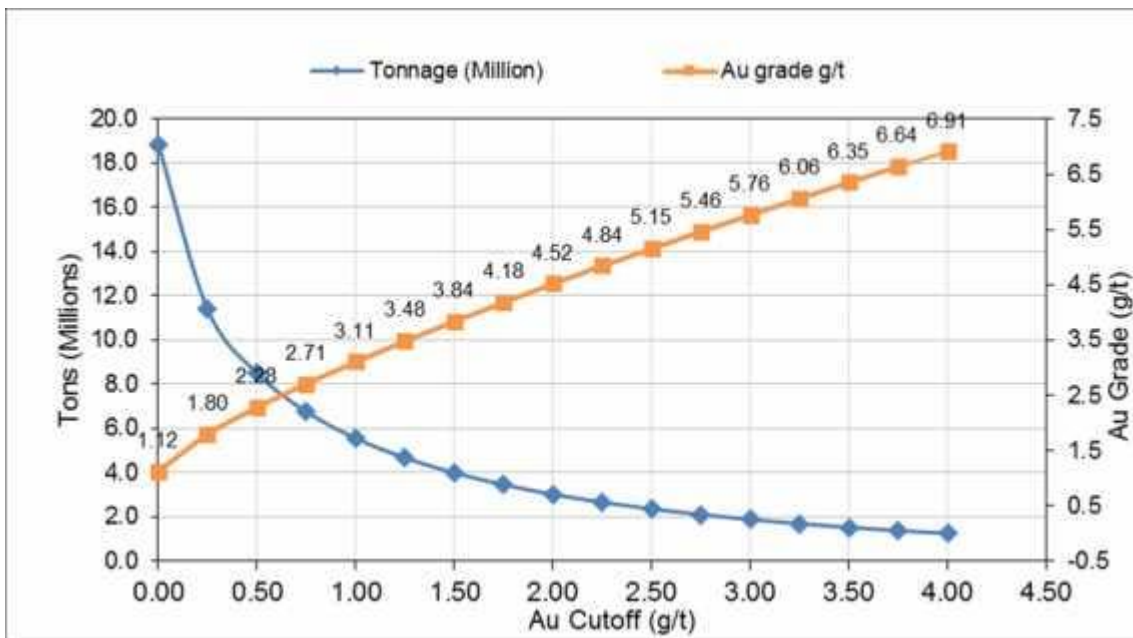


Figure 4. Graph of the Grade - Tonnage relationship for **Measured and Indicated** Resources.

## 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.

### Appointment of CEO

During 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).

### 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 facilities with unrelated parties of up to \$814,087 (**Loan Facilities**). The Loan Facilities have a repayment date of 30 June 2016 and accrue interest at a rate of 9.25% per annum. The Company also entered into loan facilities with Mr Glenn Whiddon for \$625,000 which accrue interest at a rate of 9.25% per annum and may be repayable on seven business days following a written notice for repayment. Should interest not be paid then the interest rate increases to 12%.

The convertibility of the debt provided is subject to shareholder approval. The convertible loan facility may be converted into ordinary shares with attaching options. The conversion price for the issue of shares will be a 20% discount to the 5-day VWAP with a free attaching option for every two shares issued on conversion.

The loan facility is convertible at any point between the granting of shareholder approval and the repayment date of 30 June 2016. The Company received notifications on 19 and 30 June 2015 by two convertible note holders of their intention to convert the entire loan amounts, subject to shareholder approval.

### Metallurgical Update

On 8 July 2015, the Company announced positive results from Metallurgical testwork on the Project. Auroch received several requests for samples of flotation concentrate for technical and commercial evaluation by smelters and other downstream processors in various countries. To produce the samples, 737kg of diamond drill core from the Fair Bride sulphide zones were shipped to Nagrom laboratories in Perth, Western Australia, in May 2015.

The objectives of the programme were:

1. to produce high grade concentrate samples for shipment to clients; and
2. to confirm and expand on the earlier flotation and gravity pre-concentrating testing done on Fair Bride ore in 2006.

### Flotation Tests:

The sample was ground to P<sub>90</sub> -0.075mm and then four screening tests, using different reagent suites, were done to determine the best conditions for a bulk flotation run to produce the required samples.

| Test No. | Calculated grade g/t Au | Au Recovered to conc % | Conc grade g/t Au | Mass Pull % |
|----------|-------------------------|------------------------|-------------------|-------------|
| 1        | 3.06                    | 94.05                  | 21.84             | 13.19       |
| 2        | 2.98                    | 94.06                  | 24.30             | 11.52       |
| 3        | 3.12                    | 92.56                  | 27.07             | 10.68       |
| 4        | 3.27                    | 91.37                  | 32.71             | 9.12        |

These results confirmed earlier work which resulted in over 90% gold recovery to flotation concentrate in a low percentage mass.

### Gravity Tests

For the gravity tests, the ore was ground to a relatively coarse size of 0.5mm and processed over a shaking table. The table residue was further ground to 75 microns and processed in a flotation cell to scavenge the remaining gold. The concentrate from this scavenger flotation was subjected to cyanidation in a bottle roll test to determine gold recovery under standard cyanide conditions – without fine grinding or oxidative leaching.

The gravity tests yielded better than expected results with almost 50% of the gold being recovered into a relatively small mass of less than 3% and 73% being recovered into a mass of 10.7%. The scavenger flotation recovered 88% of the remaining gold and, of this, 49% was dissolved under standard cyanidation conditions.

The use of gravity concentration at a coarser grind can recover up to 70% of the gold at a much reduced energy consumption. Flotation of the gravity residue produces a concentrate that could be processed in the cyanide circuit already installed for the processing of oxide ore at no extra cost. The overall gold recovery using a gravity flowsheet is 84 % which compares favourably to the recovery of 80% achieved by flotation and ultrafine grinding and that was used as the basis of the PEA.

### **First Tranche of US\$500,000 Funding Forwarded from Xtract**

On 15 July 2015, the Company advised that the first tranche of US\$500,000 in funding from Xtract Resources plc (Xtract) had been forwarded to the Company. As part of the Agreement, Xtract agreed to provide funding up to a maximum of US\$1.5 million for the Company to settle project-related creditors. On 14 September 2015 the Company advised it had received a further US\$500,000 in cash from Xtract pursuant to the revised sale terms for the sale of 100% of the Manica Mining Concession 3990C.

### **Governance Arrangements and Internal Controls**

The Company has ensured that the mineral resource estimates quoted above are subject to governance arrangements and internal controls. A summary of these are outlined below.

The report of mineral resources is reported as one development property and includes a gold deposits. The mineral resources at the Manica Gold Project are reported in accordance with JORC 2004 and JORC 2012 and these will be progressively updated to the JORC 2012 standard as development priorities dictate.

Audit of the estimation of mineral resources is addressed as part of the annual internal audit plan approved by the Board in its capacity as the audit and risk management committee. Specific audit of the mineral resources was performed in 2014 and this audit was managed by Auroch and its external technical experts.

In addition to routine internal audit, the Board monitors the mineral resource status and approves the final outcome. The annual mineral resource update is a prescribed activity within the annual corporate planning calendar that includes a schedule of regular executive engagement meetings to approve assumptions and guide the overall process.

The mineral resource estimation processes followed internally are well established and are subject to systematic internal and external peer review. Independent technical reviews and audits are undertaken on an as-needs basis as a product of risk assessment.

## Appendix 1 - Interest in Mining Tenements

### Mozambique

| Tenement            | Tenement ID | Status  | Interest at beginning of period | Interest acquired or disposed | Interest at end of period |
|---------------------|-------------|---------|---------------------------------|-------------------------------|---------------------------|
| Manica Gold Project | 3990C       | Granted | 100%                            | -                             | 100%                      |

### Western Australia

| Tenement  | Tenement ID | Status  | Interest at beginning of period | Interest acquired or disposed | Interest at end of period |
|-----------|-------------|---------|---------------------------------|-------------------------------|---------------------------|
| Crawford  | E09/1899    | Granted | 100%                            | (100%)                        | -                         |
| Beete     | P63/1646    | Granted | 100%                            | -                             | 100%                      |
| Peninsula | P63/1694    | Granted | 100%                            | -                             | 100%                      |

#### Competent Persons Statement

The information in this report that relates to 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 a Fellow of the Geological Society of South Africa, which is recognised as a ROPO 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 they are 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.

The information in this report that relates to Mineral Resources is based on information reviewed by Dr W.D. Northrop who is a consultant to ExplorMine and is appointed as Independent Geologist to Auroch Minerals NL project team. He is registered by the South African Council for Natural Scientific Professions as a Professional Natural Scientist in the field of practice of Geological Science, Registration Number 400164/87, and as such is considered to be a Competent Person. Dr Northrop has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Northrop consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

*The information in this report that relates to the Metallurgical Test Work was compiled by Mr. Noel O'Brien, B.Met.Eng, MBA, FAusIMM, who is a consultant to the Company and who has sufficient experience which is relevant to the recovery of gold from the style of mineralisation contained in Fair Bride, 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. O'Brien consents to the inclusion, in this announcement, of the matters based on the information in the form and context in which it appears.*

Your Directors present their report on Auroch Minerals NL (**Auroch** or the **Group**) for the period 1 July 2014 to 30 June 2015.

## **DIRECTORS**

The names of Directors who held office during or since the end of the period:

Mr Glenn Whiddon

Mr Nicholas Ong

Mr Matthew Foy (appointed 3 December 2014)

Mr Jan Nelson (resigned 28 November 2014)

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

## **INFORMATION ON DIRECTORS**

Information on Directors as at the date of this report is as follows:

### **Mr Glenn Whiddon**

#### **Executive Chairman**

Glenn has an extensive background in equity capital markets, banking and corporate advisory with specific focus on natural resources, enabling project origination and financing. He has a significant contact network throughout the world which has led to the development of a number of projects. Glenn holds an economics degree and has extensive corporate and management experience. He has global banking experience with The Bank of New York in Australia, Europe and Russia.

Mr Whiddon is currently a director of Azonto Petroleum Ltd and Statesman Resources Ltd.

In the past 3 years Mr Whiddon has been a director of Zyl Ltd, Sirocco Energy Ltd, Rialto Energy Ltd, Segue Resources Ltd and Fraser Range Metals Group Ltd.

### **Mr Nicholas Ong**

#### **Non-Executive Director**

Nicholas was a Principal Adviser at the Australian Securities Exchange (ASX) in Perth and brings ten years' experience in compliance and corporate governance to the Board. He has overseen the admission of over 100 companies on to the official list of the ASX. Nicholas is a member of the Governance Institute of Australia and is Managing Director of Minerva Corporate, a corporate advisory firm that specialises in providing transaction advisory, financial reporting and company secretarial services. Nicholas holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.

Nicholas is currently a director of ASX-listed Excelsior Gold Limited (since May 2011), Fraser Range Metals Group Ltd (since July 2013), Minerals Corporation Limited (since 24 June 2014) and Segue Resources Limited (since June 2011).

**Mr Matthew Foy**

**Non-Executive Director** (appointed 3 December 2014) **and Company Secretary**

Matthew is an active member of the WA State Governance Council of the Governance Institute of Australia (GIA) and spent four years at the ASX facilitating the listing and compliance of companies. Matthew is also currently Non-executive Director of Minerals Corporation Ltd.

In the last 3 years, Matthew has been a Non-Executive Director of Segue Resources Ltd (resigned 1 September 2014) and Omni Market Tide Limited (resigned 22 July 2015).

**Mr Jan Nelson**

**Non-Executive Director** (resigned 28 November 2014)

Jan is currently Chief Executive Officer of Xtract Energy plc. After obtaining his Honours degree in Geology, Jan embarked on a career in gold exploration and mining in South Africa, Zimbabwe and Tanzania. He has over 15 years' experience in the mining industry, more recently as CEO of Pan African Resources plc where he was responsible for transforming the company from an exploration vehicle with little cash resources to a 200,000oz per annum low cost, high grade precious metals dividend paying mining company. Prior to this Jan held positions in mine management and operations with Harmony Gold Mining Company Limited and Gold Fields Limited.

In the last 3 years, Jan has been an Executive Director of Pan African Resources plc (resigned 27 February 2013).

**DIRECTORS MEETING**

There were no formal Directors' meetings held during the period. The Directors' conducted formal business via circulating resolution.

**REMUNERATION REPORT (Audited)**

The Remuneration Report is set out under the following main headings:

- Remuneration policy
- Details of remuneration
- Service agreements
- Share-based compensation

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

This report details the nature and amount of remuneration for each Director of Auroch Minerals NL and key management personnel of the group. Person who are considered key management personnel of the group during the Period are as follows:

- Glenn Whiddon (Executive Chairman)
- Nicholas Ong (Non-Executive Director)
- Jan Nelson (Non-Executive Director, resigned 28 November 2014)
- Matthew Foy (Non-Executive Director, Company Secretary, appointed 3 December 2014)
- Jim Porter (Chief Operations Officer)
- Francisco Matos (Exploration Manager, Mozambique)
- Gordon Koll (Chief Geologist)
- Andrew Tunks (Chief Executive Officer, appointed 9 January 2015)

**Remuneration policy**

The remuneration policy of Auroch has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. Key performance areas of the Group include cash flow, share price, exploration results and development of cash-generating business activities. The Board of Directors (the **Board**) of Auroch believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

*Voting and comments made at the company's 2014 Annual General Meeting*

At the 2014 Annual general Meeting the Company remuneration report was passed by the requisite majority of shareholders (100% by a show of hands).

**Remuneration Governance**

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and the ability to receive options and performance-based incentives. The remuneration committee, composed of the full Board, reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

The employees of the Group receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options (if applicable) given to Directors and Key Management Personnel are valued using an appropriate option pricing methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The remuneration committee determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group.

The maximum aggregate amount of fees that can be paid to non-executive Directors was approved by shareholders at a General Meeting held on 11 February 2011. The maximum amount of fees payable to non-executive directors is \$250,000 per annum.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. During the Period no performance based incentives, options or bonuses were granted to any director or executive. As such, no pre-determined performance criteria have been outlined for the existing Board.

# AUROCH MINERALS NL

## DIRECTORS' REPORT

During the year the company did not seek the advice of remuneration consultants.

### Company performance, shareholder wealth and director and executive remuneration.

The following table shows gross revenue, profits/losses and share price of the Group at the end of the current and previous financial years since incorporation. There is no link between company performance and remuneration given the current nature of the Company's operations.

|                                    | 30 June<br>2015<br>\$ | 30 June<br>2014<br>\$ | 30 June<br>2013<br>\$ | 25 January<br>2011 to 30<br>June 2012<br>\$ |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------------|
| Revenue from continuing operations | 81,791                | 29,154                | 110,819               | 134,981                                     |
| Net profit/(loss)                  | (1,003,116)           | (921,051)             | (1,093,562)           | (744,891)                                   |
| Share price                        | \$0.12                | \$0.05                | \$0.09                | \$0.24                                      |

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. This will be achieved via offering performance incentives based on key performance indicators.

### Details of remuneration

| 2015               | Short-term<br>benefits     | Post-<br>employment<br>benefits | Share-based<br>Payment |          |                |                                      |                     |                  |
|--------------------|----------------------------|---------------------------------|------------------------|----------|----------------|--------------------------------------|---------------------|------------------|
| Name               | Cash<br>Salary and<br>Fees | Super-<br>annuation             | Equity                 | Options  | Total          | Options as<br>a % of<br>remuneration | %<br>perf.<br>based | % Share<br>based |
| Glenn Whiddon      | 148,160                    | -                               | -                      | -        | 148,160        | -                                    | -                   | -                |
| Matthew Foy (i)    | -                          | -                               | -                      | -        | -              | -                                    | -                   | -                |
| Jan Nelson (ii)    | 41,113                     | -                               | -                      | -        | 41,113         | -                                    | -                   | -                |
| Nicholas Ong       | -                          | -                               | -                      | -        | -              | -                                    | -                   | -                |
| <b>Other</b>       |                            |                                 |                        |          |                |                                      |                     |                  |
| Francisco Matos    | 108,215                    | -                               | -                      | -        | 108,215        | -                                    | -                   | -                |
| Gordon Koll        | 115,180                    | -                               | -                      | -        | 115,180        | -                                    | -                   | -                |
| Jim Porter         | 92,396                     | -                               | -                      | -        | 92,396         | -                                    | -                   | -                |
| Andrew Tunks (iii) | 30,000                     | -                               | -                      | -        | 30,000         | -                                    | -                   | -                |
| <b>Total</b>       | <b>535,064</b>             | <b>-</b>                        | <b>-</b>               | <b>-</b> | <b>535,064</b> | <b>-</b>                             | <b>-</b>            | <b>-</b>         |

(i) Matthew Foy was appointed 3 December 2014

(ii) Jan Nelson resigned 28 November 2014

(iii) Andrew Tunks was appointed on 9 January 2015

Valuation of shares to be issued on the achievement of certain vesting conditions as disclosed below .

**AUROCH MINERALS NL**

**DIRECTORS' REPORT**

| <b>2014</b>         | <b>Short-term<br/>benefits</b>      | <b>Post-<br/>employment<br/>benefits</b> | <b>Share-based<br/>Payment</b> |                |                |                                               |                              |                          |
|---------------------|-------------------------------------|------------------------------------------|--------------------------------|----------------|----------------|-----------------------------------------------|------------------------------|--------------------------|
| <b>Name</b>         | <b>Cash<br/>Salary and<br/>Fees</b> | <b>Super-<br/>annuation</b>              | <b>Equity</b>                  | <b>Options</b> | <b>Total</b>   | <b>Options as<br/>a % of<br/>remuneration</b> | <b>%<br/>perf.<br/>based</b> | <b>% share<br/>based</b> |
| Glenn Whiddon       | 61,200                              | -                                        | -                              | -              | 61,200         | -                                             | -                            | -                        |
| Dean Cunningham (i) | 293,021                             | -                                        | -                              | -              | 293,021        | -                                             | -                            | -                        |
| Jan Nelson          | 29,113                              | -                                        | -                              | -              | 29,113         | -                                             | -                            | -                        |
| Nicholas Ong (ii)   | -                                   | -                                        | -                              | -              | -              | -                                             | -                            | -                        |
| <b>Other</b>        |                                     |                                          |                                |                |                |                                               |                              |                          |
| Francisco Matos     | 170,049                             | -                                        | -                              | -              | 170,049        | -                                             | -                            | -                        |
| Gordon Koll         | 168,327                             | -                                        | -                              | -              | 168,327        | -                                             | -                            | -                        |
| Jim Porter          | 110,079                             | -                                        | -                              | -              | 110,079        | -                                             | -                            | -                        |
| <b>Total</b>        | <b>831,789</b>                      | <b>-</b>                                 | <b>-</b>                       | <b>-</b>       | <b>831,789</b> | <b>-</b>                                      | <b>-</b>                     | <b>-</b>                 |

(i) Dean Cunningham resigned 31 May 2014

(ii) Nicholas Ong was appointed 31 May 2014

Valuation of shares to be issued on the achievement of certain vesting conditions as disclosed below.

**Share-based compensation**

The Auroch Minerals NL Employee Share Plan (the "Plan") is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. Approved by Shareholders 4 April 2013 the Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

During the Period no shares were issued under the Plan.

**Shares**

There were no shares issued to Directors or employees by the Group during the year (2014: Nil)

**Options**

There were no options issued to Directors or employees by the Group during the year (2014: Nil)

**Equity Instrument Disclosures Relating to Key Management Personnel**

*(i) Options provided as remuneration and shares issued on any exercise of such options*

There were no options provided as remuneration and shares issued on any exercise of such options issued during the period.

*(ii) Option holdings*

There are no options over ordinary shares in the Group held during the financial year by any Director of the Company or any other key management personnel of the Group, including their personally related parties.

# AUROCH MINERALS NL

## DIRECTORS' REPORT

### (iii) Share holdings

Aggregate numbers of shares of the Group held directly, indirectly or beneficially by Directors or key management personnel of the Group at the date of this report:

| 2015                          | Balance at the start of the period | Received during the period | Other changes during the period | Balance at the end of the period |
|-------------------------------|------------------------------------|----------------------------|---------------------------------|----------------------------------|
| <b>Fully Paid Shares</b>      |                                    |                            |                                 |                                  |
| <b>Directors</b>              |                                    |                            |                                 |                                  |
| Glenn Whiddon                 | 660,000                            | -                          | 4,808,333                       | 5,468,333                        |
| Jan Nelson <sup>(i)</sup>     | -                                  | -                          | -                               | -                                |
| Nicholas Ong                  | 100,000                            | -                          | -                               | 100,000                          |
| Matthew Foy <sup>(ii)</sup>   | -                                  | -                          | -                               | -                                |
| <b>Employees</b>              |                                    |                            |                                 |                                  |
| Francisco Matos               | -                                  | -                          | -                               | -                                |
| Gordon Koll                   | -                                  | -                          | -                               | -                                |
| Jim Porter                    | -                                  | -                          | -                               | -                                |
| Andrew Tunks <sup>(iii)</sup> | -                                  | -                          | -                               | -                                |
| Total                         | 760,000                            | -                          | 4,808,333                       | 5,568,333                        |

(i) Mr Nelson resigned as Director on 28 November 2014

(ii) Mr Foy appointed as Director on 3 December 2014

(iii) Mr Tunks appointed as Chief Executive Officer on 9 January 2015

| 2015                      | Balance at the start of the period | Received during the period | Other changes during the period | Balance at the end of the period |
|---------------------------|------------------------------------|----------------------------|---------------------------------|----------------------------------|
| <b>Partly Paid Shares</b> |                                    |                            |                                 |                                  |
| <b>Directors</b>          |                                    |                            |                                 |                                  |
| Glenn Whiddon             | 4,275,000                          | -                          | -                               | 4,275,000                        |
| Jan Nelson                | -                                  | -                          | -                               | -                                |
| Nicholas Ong              | 100,000                            | -                          | -                               | 100,000                          |
| <b>Employees</b>          |                                    |                            |                                 |                                  |
| Francisco Matos           | -                                  | -                          | -                               | -                                |
| Gordon Koll               | -                                  | -                          | -                               | -                                |
| Jim Porter                | -                                  | -                          | -                               | -                                |
| Total                     | 4,375,000                          | -                          | -                               | 4,375,000                        |

### Loans to key management personnel

There were no loans to key management personnel during the year.

### Other transactions with Key Management Personnel

Mr Nicholas Ong is a director of Minerva Corporate Pty Ltd. During the period ended 30 June 2015 the Company was providing consultancy, company secretarial, accounting and administration and registered office services to Auroch Minerals NL. In accordance with the services agreement the monthly charge for these services is \$11,000 per month. Payments to Minerva Corporate Pty Ltd during the relevant period total \$99,000 (2014: \$110,000). The amounts owed to Minerva Corporate Pty Ltd as at 30 June 2015 was \$132,061 (2014: \$41,752).

## AUROCH MINERALS NL

### DIRECTORS' REPORT

---

Loan received from Glenn Whiddon (Executive Director) to fund the groups working capital commitments. The loan is repayable within 7 business days' following written notice by the Lender to the Borrower. Interest is payable at 9.25% per annum on repayment date. Should interest not be paid then the interest rate increases to 12%.

Mr Jim Porter is a director of JPMC Pty Ltd. During the year ended 30 June 2015 the company was providing project consultancy services to Auroch Minerals NL. The total amount invoiced to Auroch Minerals NL during the year to 30 June 2015 was \$298,072 and the amounts owed to JPMC Pty Ltd as at 30 June 2015 was \$250,775 (2014: \$99,115).

#### **Service Agreements**

Mr Jim Porter is a director of JPMC Pty Ltd. JPMC Pty Ltd has a consultancy agreement with the Company whereby Mr Porter provides consultancy services in relation to the development of the Manica Gold Project, Mozambique. The consulting agreement commenced in December 2012 for an initial twelve month term and continues on the same terms as the initial agreement at \$12,500 per month. During the year ended 30 June 2015 the company was providing project consultancy services to Auroch Minerals NL. The total amount invoiced to Auroch Minerals NL during the year to 30 June 2015 was \$298,072. Mr Porter serves on a month to month basis and there are no termination payments payable. Mr Porter's services are provided on standard commercial terms on an arm's length basis.

Mr Andrew Tunks has a consultancy agreement with the Company whereby Mr Tunks provides services in his capacity as Chief Executive Officer. The consulting agreement commenced on 9 January 2015 for an indefinite term at \$5,000 per month.

No other key management personnel have Service Agreements in place.

#### **End of Audited Remuneration Report**

### **OPERATING RESULTS**

The net loss after providing for income tax amounted to \$1,003,116 (2014: \$921,051).

### **PRINCIPAL ACTIVITY**

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

### **DIVIDENDS**

There were no dividends paid or recommended during the financial year ended 30 June 2015 (2014: Nil).

### **FINANCIAL POSITION**

The net assets of the Group at 30 June 2015 are \$4,123,489 (2014: \$12,619,890).

### **ENVIRONMENTAL REGULATIONS**

In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

#### **Greenhouse gas and energy data reporting requirements**

The Company is not required to report under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse and Energy Efficient Reporting Act 2007 (the **Acts**).

### **INDEMNIFYING OFFICERS OR AUDITOR**

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as

Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. During the period the Group paid \$10,147 in premiums for Directors and Officer Insurance.

#### **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

#### **SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There have been no other significant changes in the state of affairs of the Group during the financial year.

#### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 8 July 2015, the Company announced positive results from Metallurgical testwork on the Project.

On 15 July 2015, the Company advised that the first tranche of US\$500,000 in funding from Xtract had been forwarded to the Company.

On 14 September 2015, the Company announced the revised terms for the sale of the Project to Xtract as detailed earlier in this report.

#### **NON AUDIT SERVICES**

During the financial period the following fees were paid or payable for services provided by the auditor:

|                                                | <b>2015</b>  | <b>2014</b> |
|------------------------------------------------|--------------|-------------|
|                                                | <b>\$</b>    | <b>\$</b>   |
| BDO Corporate Tax (WA) Pty Ltd, tax compliance | 9,466        | 546         |
|                                                | <u>9,466</u> | <u>546</u>  |

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the group are important.

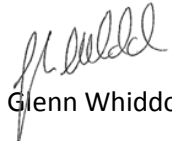
The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the board of directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the independence declaration by the lead auditor under section 307C of the Corporations Act 2001 is included on page 23 of this financial report.

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



Glenn Whiddon

**DIRECTOR**

Dated this 30<sup>th</sup> day of September 2015

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

As lead auditor of Auroch Minerals NL for the year ended 30 June 2015, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2015

**AUROCH MINERALS NL**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2015**

|                                                                                                               | Note | 2015<br>\$  | 2014<br>\$  |
|---------------------------------------------------------------------------------------------------------------|------|-------------|-------------|
| Revenue                                                                                                       | 3    | 81,791      | 29,154      |
| Less Expenses:                                                                                                |      |             |             |
| Accounting fees                                                                                               |      | (79,193)    | (63,615)    |
| Audit fees                                                                                                    |      | (37,380)    | (39,442)    |
| Consulting fees                                                                                               |      | (217,702)   | (52,119)    |
| Corporate advisory                                                                                            |      | (28,757)    | (110,690)   |
| Directors expense                                                                                             |      | (48,000)    | (358,134)   |
| Share buy back                                                                                                |      | 42,630      | -           |
| Corporate and regulatory fees                                                                                 |      | (17,541)    | (19,501)    |
| Interest                                                                                                      |      | (140,375)   | (21,541)    |
| Impairment expense                                                                                            |      | (13,915)    | -           |
| Rent                                                                                                          |      | -           | (24,603)    |
| Travel & accommodation                                                                                        |      | (77,946)    | (69,973)    |
| Finance costs                                                                                                 |      | (351,216)   | (26,250)    |
| Other expenses                                                                                                |      | (115,512)   | (164,337)   |
| Loss before income tax                                                                                        |      | (1,003,116) | (921,051)   |
| Income tax expense                                                                                            | 5    | -           | -           |
| Loss for the year after income tax                                                                            |      | (1,003,116) | (921,051)   |
| <b>Other comprehensive income</b>                                                                             |      |             |             |
| <i>Items that may be reclassified to the profit or loss</i>                                                   |      | -           | -           |
| Exchange difference on translation of foreign operations                                                      |      | (828,689)   | (918,398)   |
| <b>Other comprehensive income/(loss) for the year net of tax</b>                                              |      | (1,831,805) | (918,398)   |
| <b>Total comprehensive income/(loss) for the year attributable to the owners of Auroch Minerals NL</b>        |      | (1,831,805) | (1,839,449) |
| Basic and diluted loss per share (cents per share) attributable to the ordinary equity holders of the company | 6    | (\$0.018)   | (\$0.015)   |

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 30 JUNE 2015**

|                                                | Note | 2015<br>\$       | 2014<br>\$        |
|------------------------------------------------|------|------------------|-------------------|
| <b>ASSETS</b>                                  |      |                  |                   |
| <b>Current Assets</b>                          |      |                  |                   |
| Cash and cash equivalents                      | 7    | 86,667           | 331,570           |
| Trade and other receivables                    | 8    | 20,086           | 18,393            |
| Assets held for sale                           | 10   | 7,947,290        | -                 |
| <b>Total Current Assets</b>                    |      | <b>8,054,043</b> | <b>349,963</b>    |
| <b>Non-current Assets</b>                      |      |                  |                   |
| Property, plant and equipment                  | 9    | -                | 1,157             |
| Mineral exploration and evaluation expenditure | 10   | 206,866          | 16,371,887        |
| <b>Total Non-current Assets</b>                |      | <b>206,866</b>   | <b>16,373,044</b> |
| <b>TOTAL ASSETS</b>                            |      | <b>8,260,909</b> | <b>16,723,007</b> |
| <b>LIABILITIES</b>                             |      |                  |                   |
| <b>Current Liabilities</b>                     |      |                  |                   |
| Trade and other payables                       | 11   | 2,278,448        | 1,581,576         |
| Borrowings                                     | 12   | 414,113          | 1,021,541         |
| Financial liabilities                          | 12   | 1,444,859        | 50,000            |
| <b>Total Current Liabilities</b>               |      | <b>4,137,420</b> | <b>2,653,117</b>  |
| <b>Non-current Liabilities</b>                 |      |                  |                   |
| Financial liabilities                          | 13   | -                | 1,450,000         |
| <b>Total Non-current Liabilities</b>           |      | <b>-</b>         | <b>1,450,000</b>  |
| <b>TOTAL LIABILITIES</b>                       |      | <b>4,137,420</b> | <b>4,103,117</b>  |
| <b>NET ASSETS</b>                              |      | <b>4,123,489</b> | <b>12,619,890</b> |
| <b>EQUITY</b>                                  |      |                  |                   |
| Contributed equity                             | 14   | 7,961,958        | 14,699,457        |
| Reserves                                       | 15   | (75,849)         | 679,937           |
| Accumulated losses                             | 16   | (3,762,620)      | (2,759,504)       |
| <b>TOTAL EQUITY</b>                            |      | <b>4,123,489</b> | <b>12,619,890</b> |

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 PERIOD ENDED 30 JUNE 2015**

|                                                              | Contributed<br>Equity | Accumulated<br>Losses | Share Based<br>Payments<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Total Equity      |
|--------------------------------------------------------------|-----------------------|-----------------------|------------------------------------|-----------------------------------------------|-------------------|
|                                                              | \$                    | \$                    | \$                                 | \$                                            | \$                |
| <b>Balance at 1 July 2014</b>                                | <b>14,699,457</b>     | <b>(2,759,504)</b>    | <b>42,630</b>                      | <b>637,307</b>                                | <b>12,619,890</b> |
| Loss for year                                                | -                     | (1,003,116)           | -                                  | -                                             | (1,003,116)       |
| Exchange difference on foreign operations                    | -                     | -                     | -                                  | (828,689)                                     | (828,689)         |
| Total comprehensive loss for year                            | -                     | (1,003,116)           | -                                  | (828,689)                                     | (1,831,805)       |
| <b>Transactions with owners in their capacity as owners:</b> |                       |                       |                                    |                                               |                   |
| Issue of shares                                              | 771,862               | -                     | -                                  | -                                             | 771,862           |
| Share buy-back                                               | (7,500,000)           | -                     | (42,630)                           | -                                             | (7,542,630)       |
| Share based payment reserve                                  | -                     | -                     | 115,533                            | -                                             | 115,533           |
| Share capital raising costs                                  | (9,361)               | -                     | -                                  | -                                             | (9,361)           |
| <b>Balance at 30 June 2015</b>                               | <b>7,961,958</b>      | <b>(3,762,620)</b>    | <b>115,533</b>                     | <b>(191,382)</b>                              | <b>4,123,489</b>  |
| <b>Balance at 1 July 2013</b>                                | <b>14,699,457</b>     | <b>(1,838,453)</b>    | <b>42,630</b>                      | <b>1,555,705</b>                              | <b>14,459,339</b> |
| Loss for year                                                | -                     | (921,051)             | -                                  | -                                             | (921,051)         |
| Exchange difference on foreign operations                    | -                     | -                     | -                                  | (918,398)                                     | (918,398)         |
| Total comprehensive loss for year                            | -                     | (921,051)             | -                                  | (918,398)                                     | (1,839,449)       |
| <b>Transactions with owners in their capacity as owners:</b> |                       |                       |                                    |                                               |                   |
| Issue of shares                                              | -                     | -                     | -                                  | -                                             | -                 |
| Share capital raising costs                                  | -                     | -                     | -                                  | -                                             | -                 |
| <b>Balance at 30 June 2014</b>                               | <b>14,699,457</b>     | <b>(2,759,504)</b>    | <b>42,630</b>                      | <b>637,307</b>                                | <b>12,619,890</b> |

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 YEAR ENDED 30 JUNE 2015**

|                                                             | Note | 2015<br>\$  | 2014<br>\$  |
|-------------------------------------------------------------|------|-------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |             |             |
| Payments to suppliers and employees                         |      | (218,413)   | (576,415)   |
| Other revenue                                               |      | -           | 5,511       |
| Interest received                                           |      | 900         | 23,643      |
| <b>Net cash outflow from operating activities</b>           | 17   | (217,513)   | (547,261)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |             |             |
| Payments for acquisitions                                   |      | (350,000)   | (500,000)   |
| Payments for exploration expenditure                        |      | (890,224)   | (2,481,064) |
| <b>Net cash outflow from investing activities</b>           |      | (1,240,224) | (2,981,064) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |      |             |             |
| Proceeds from borrowings                                    |      | 1,238,845   | 973,750     |
| Capital raising costs                                       |      | (26,011)    | -           |
| <b>Net cash inflow from financing activities</b>            |      | 1,212,834   | 973,750     |
| Net decrease in cash and cash equivalents                   |      | (244,903)   | (2,554,575) |
| Foreign exchange movement on cash and cash equivalents      |      | -           | -           |
| Cash and cash equivalents at the beginning of the year      |      | 331,570     | 2,886,145   |
| <b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b> | 7    | 86,667      | 331,570     |

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 YEAR ENDED 30 JUNE 2015**

---

**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.

**(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing these financial statements.

*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)

*Historical cost convention*

These financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

*Going concern*

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

During the year the consolidated entity incurred a net loss of \$1,003,116 (2014: \$921,051) and incurred net cash outflows from operating activities of \$217,513 (2014: \$547,261). The consolidated entity held cash assets at 30 June 2015 of \$86,667 (2014: \$331,570).

Auroch entered into a binding share sale and purchase agreement for the sale of Project to Xtract which was revised subsequent to the reporting period (Agreement).

Under the Agreement 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. (Refer to note 10)

The director's recognise that the ability of the consolidated entity's to continue as a going concern and pay its debts as and when the fall due is dependent upon the consolidated entity completing the binding share sale and purchase agreement for the sale of the Manica Mining Concession 3990C, which is conditional upon the consolidated entity obtaining prior consent of the Government of Mozambique, through the Ministry of Mineral Resources and Energy, to the extent under the Mozambique Mining Act and other applicable laws. Should the consent not be obtained, there is a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

In considering the above, the Directors have reviewed the consolidated entity's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the consolidated entity will be successful in securing the funds through the sale.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation (continued)**

Accordingly, the accompanying financial statements have been prepared on a going concern basis.

*Use of estimates and judgments*

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

*Use of estimates and judgments (continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Note 23 – Share-based payment arrangements - The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

*Early adoption of new standards*

The Group has elected not to early adopt any new standards issued not yet effective. Refer to note 1 (z) for an assessment of the impact of these standards to the Group.

**(b) Principles of Consolidation**

*New and amended standards adopted by the group*

The entity has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- Interpretation 21 Accounting for Levies
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2014-1 Amendments to Australian Accounting Standards

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Principles of Consolidation (continued)**

None of the new Standards and amendments to Standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods. Additionally, they did not significantly affect the entity's accounting policies or any of the disclosures.

*Adoption of new and revised accounting standards*

In the year ended 30 June 2015, 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.

*Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Auroch Minerals NL as at 30 June 2015 and the results of all subsidiaries for the year then ended. Auroch Minerals NL and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Joint arrangements*

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

*Joint operations*

The group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

*Joint ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

**(c) Impairment of Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Impairment of Assets (continued)**

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(d) Share Based Payment Transactions**

Under AASB 2 Share Based Payments, the Group must recognise the fair value of shares and options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of comprehensive income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

**(e) Segment Reporting**

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Group as the Managing Director and other members of the Board of directors.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximately their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**(g) Property, Plant and Equipment**

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss.

**(h) Assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**(i) Income Tax and Other Taxes**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Adjustments to current income tax are made to take into account any change in tax rates between the Company and its subsidiaries.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Income Tax and Other Taxes (Cont)**

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Auroch Minerals NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the financial statements.

**(j) Exploration and Evaluation Expenditure**

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

- i. Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs; and
- ii. Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
  - such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
  - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

**(k) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Investments and other financial assets**

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

*(i) Loans and receivables*

Loans and receivables are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivable are included in trade and other receivables in the statement of financial position.

**Recognition and de-recognition**

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**Subsequent measurement**

Loans and receivables are carried at amortised cost using the effective interest method.

**Impairment**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired.

**(m) Employee Entitlements**

The Group's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

**(n) Earnings Per Share**

**(i) Basic Earnings Per Share**

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Company after income tax by the weighted average number of ordinary shares outstanding during the financial year.

**(ii) Diluted Earnings Per Share**

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

**(o) Revenue recognition**

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recognised as it accrues using the effective interest method.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Trade and Other Receivables**

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

**(q) Trade and Other Payables**

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

**(r) Financial Liabilities**

Financial Liabilities are carried at cost.

**(s) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Convertible notes are recognised as borrowings until required shareholder approval is obtained and the remaining liability is classified as convertible notes.

**(t) Borrowings Cost**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

**(u) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable and payable are stated with the amount of GST included.

The amount of GST recoverable from the taxation authority is included as part of the receivables in the Statement of financial position. The amount of GST payable to the taxation authority is included as part of the payables in the Statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

**(v) Contributed Equity**

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(w) Provisions**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(x) Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

*Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position.

**(x) Foreign currency translation**

- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

*Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

No dividends were paid or proposed during the year.

**(y) Parent entity information**

The financial information for the parent entity, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below.

*(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries are accounted for at cost in the financial statements. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**(z) Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

| AASB reference                                          | Title and Affected Standard(s): | Nature of Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Application date:                                                          | Impact on Initial Application                                                                                                                      |
|---------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 9 (issued December 2009 and amended December 2010) | Financial Instruments           | <p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:</p> <ul style="list-style-type: none"> <li>• Amortised cost</li> <li>• Fair value through profit or loss</li> <li>• Fair value through other comprehensive income.</li> </ul> <p>The following requirements have generally been carried forward unchanged from AASB 139 <i>Financial Instruments: Recognition and Measurement</i> into AASB 9:</p> <ul style="list-style-type: none"> <li>• Classification and measurement of financial liabilities; and</li> <li>• Derecognition requirements for financial assets and liabilities.</li> </ul> <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p> | Annual reporting periods beginning on or after 1 January 2017 <sup>1</sup> | <p>Adoption of AASB 9 is only mandatory for the year ending 30 June 2018.</p> <p>The entity does not currently have any financial instruments.</p> |

<sup>1</sup> The application date of AASB 9 has been deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017 by AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments*.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

| <b>AASB reference</b>                         | <b>Title and Affected Standard(s):</b> | <b>Nature of Change</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Application date:</b>                                      | <b>Impact on Initial Application</b>                                                                                                               |
|-----------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 15 Revenue from Contracts with Customers | Revenue                                | <p>The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.</p> | Annual reporting periods beginning on or after 1 January 2017 | The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity. |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

| AASB reference                     | Title and Affected Standard(s):                                                                             | Nature of Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Application date:                                             | Impact on Initial Application                                                                                                                                                                                                        |
|------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    |                                                                                                             | Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.                                                                                                      |                                                               |                                                                                                                                                                                                                                      |
| AASB 2013-9 (issued December 2013) | Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments | <p>Makes three amendments to AASB 9:</p> <ul style="list-style-type: none"> <li>Adding the new hedge accounting requirements into AASB 9</li> <li>Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017, and</li> <li>Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements.</li> </ul> <p>Under the new hedge accounting requirements:</p> <ul style="list-style-type: none"> <li>The 80-125% highly effective threshold has been removed</li> </ul> | Annual reporting periods beginning on or after 1 January 2015 | <p>The application date of AASB 9 has been deferred to 1 January 2017. The entity has not yet made an assessment of the impact of these amendments.</p> <p>The entity does not currently have any hedging arrangements in place.</p> |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

| AASB reference | Title and Affected Standard(s): | Nature of Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Application date: | Impact on Initial Application |
|----------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------|
|                |                                 | <ul style="list-style-type: none"> <li>Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable</li> <li>An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure</li> <li>When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI</li> </ul> |                   |                               |

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these Financial Statements the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

### (a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### Capitalisation of exploration and evaluation expenditure

The Group has capitalised exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. Refer to note 10 for further details.

#### Deferred tax assets

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets on the basis that the extent of any Australia capital gains tax liability on the proposed disposal of 'Assets Held for Sale' is uncertain due to potential exemptions available under Australian participation exemption rules and foreign tax offset (arising from payments of Mozambique tax.) Refer to note 5 for further details.

### (b) Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**(b) Significant accounting estimates and assumptions (continued)**

**Impairment of capitalised exploration and evaluation expenditure**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

**Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change. Details of estimates used can be found in Note 23.

**Estimated fair value of borrowings**

The initial fair value of the liability portion of converting notes is determined as the proceeds less value of borrowing costs and fees. The liability is subsequently recognised at fair value until extinguished on conversion or maturity of the notes, with the fair value at maturity estimated based on management's view of the most likely conversion outcome.

**3. REVENUE**

|                                   | <b>2015</b>   | <b>2014</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$</b>     | <b>\$</b>     |
| <b>From continuing operations</b> |               |               |
| Gain on settlement of liability   | 80,891        | 5,511         |
| Interest received                 | 900           | 23,643        |
| <b>Total</b>                      | <b>81,791</b> | <b>29,154</b> |

**4. EXPENSES**

|                                                | <b>2015</b> | <b>2014</b> |
|------------------------------------------------|-------------|-------------|
|                                                | <b>\$</b>   | <b>\$</b>   |
| Loss includes the following specific expenses: |             |             |
| Consultants and advisory fees                  | 217,702     | 151,391     |
| Advertising and Marketing                      | 1,462       | 8,500       |
| Share registry costs                           | 6,367       | 6,820       |
| Depreciation                                   | 1,157       | 2,313       |

**5. TAXATION**

|                                         | <b>2015</b> | <b>2014</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>\$</b>   | <b>\$</b>   |
| The components of tax expense comprise: |             |             |
| Current tax                             | -           | -           |
| Deferred tax                            | -           | -           |
|                                         | <b>-</b>    | <b>-</b>    |

The prima facie tax payable/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**5. TAXATION (continued)**

|                                                                                                 |           |           |
|-------------------------------------------------------------------------------------------------|-----------|-----------|
| Prima facie tax benefit on loss from continuing activities before income tax at 30% (2014: 30%) | (296,760) | (263,370) |
| Add/(subtract) tax effect of:                                                                   |           |           |
| Expenditure not deductible                                                                      | 37,391    | -         |
| Other                                                                                           | -         | 121,174   |
| Deferred tax assets relating to tax losses not recognised                                       | 259,369   | 132,489   |
| Timing differences previously unrecognised now recognised to reduce deferred tax liabilities    | -         | 9,707     |
| Total income tax expense                                                                        | -         | -         |

The franking account balance at year end was \$nil.

Deferred tax assets and liabilities not recognised relate to the following:

**Deferred tax assets**

|                                                |                 |                 |
|------------------------------------------------|-----------------|-----------------|
| Tax losses                                     | 812,868         | 313,350         |
| Other temporary differences                    | 109,728         | 46,352          |
| <b>Deferred tax liabilities not recognised</b> | <b>(50,389)</b> | <b>(53,132)</b> |
| <b>Net deferred tax assets</b>                 | <b>872,207</b>  | <b>306,570</b>  |

**6. LOSS PER SHARE**

|                                                                                                        | <b>2015</b> | <b>2014</b> |
|--------------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                        | <b>\$</b>   | <b>\$</b>   |
| <b>(a) Loss per share</b>                                                                              |             |             |
| Loss attributable to the ordinary equity holders of the Group                                          | (1,003,116) | (921,051)   |
| <b>(b) Reconciliations of loss used in calculated loss per share</b>                                   |             |             |
| Basic and diluted loss per share                                                                       | (\$0.018)   | (\$0.015)   |
| <b>(c) Weighted average number of shares used as a denominator</b>                                     |             |             |
| Weighted average number of ordinary shares used as the denominator in calculating basic loss per share | 56,092,271  | 59,492,515  |

**7. CASH AND CASH EQUIVALENTS**

|                      | <b>2015</b>   | <b>2014</b>    |
|----------------------|---------------|----------------|
|                      | <b>\$</b>     | <b>\$</b>      |
| Deposits at call (b) | 42,176        | 294,826        |
| Cash at bank (a)     | 44,491        | 36,744         |
|                      | <b>86,667</b> | <b>331,570</b> |

**(a) Cash at bank**

These are not interest bearing.

**(b) Deposits at call**

The deposits are at call.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**7. CASH AND CASH EQUIVALENTS (continued)**

**(c) Interest rate risk exposure**

The Group's exposure to interest rate risk is discussed in Note 20.

**(d) Financial Guarantees**

The Group has provided no financial guarantees.

**8. TRADE AND OTHER RECEIVABLES**

|                   |        |        |
|-------------------|--------|--------|
| Other receivables | 20,086 | 18,393 |
|-------------------|--------|--------|

**(a) Other receivables**

These amounts generally consist of GST receivable or prepayments made by the Group.

**(b) Ageing of receivables past due or impaired**

As at 30 June 2015 there were no receivables past due or impaired.

The Group's exposure to credit risk is discussed in Note 20.

| <b>9. PROPERTY, PLANT AND EQUIPMENT</b> | <b>2015</b> | <b>2014</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>\$</b>   | <b>\$</b>   |
| Office equipment- at cost               | 5,383       | 5,383       |
| Accumulated depreciation                | (5,383)     | (4,226)     |
| Net book value                          | -           | 1,157       |

Reconciliation of the total carrying amount of office equipment:

|                                     |         |         |
|-------------------------------------|---------|---------|
| Carrying amount at 1 July           | 1,157   | 3,470   |
| Additions                           | -       | -       |
| Depreciation expense for the period | (1,157) | (2,313) |
| Carrying amount at 30 June          | -       | 1,157   |

**10. EXPLORATION AND EVALUATION EXPENDITURE**

|                                              | <b>2015</b> | <b>2014</b> |
|----------------------------------------------|-------------|-------------|
|                                              | <b>\$</b>   | <b>\$</b>   |
| Balance at beginning of the year             | 16,371,887  | 14,017,538  |
| Tenement acquisition costs cancelled         | (8,650,000) | -           |
| Exploration expenditure incurred             | 1,005,683   | 3,278,210   |
| Exploration expenditure written off          | (13,915)    | -           |
| Movement due to foreign exchange translation | (559,499)   | (923,861)   |
| Transfer to assets held for sale             | (7,947,290) | -           |
| Balance at the end of the year               | 206,866     | 16,371,887  |

- (i) During the financial year, Auroch has entered into a deed of mutual settlement and release with Pan African Resources plc (Pan African) in relation to the Manica Gold Project.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**10. EXPLORATION AND EVALUATION EXPENDITURE (continued)**

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

- To pay the remaining of \$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 cancelled the existing 25 million shares held by Pan African.

The Manica Gold Project has been initially accounted for as an asset acquisition and recognised at the above value at acquisition.

**SALE OF MANICA GOLD PROJECT**

During the Reporting Period, the Company advised it has entered into a binding agreement to sell 100% of the Manica Mining Concession 3990C (**Project**) to AIM-listed Xtract Resources plc (**Xtract** or **XTR**) in a combination of cash and equity in Xtract.

Auroch entered into a binding share sale and purchase agreement for the sale of Project to Xtract which was revised subsequent to the reporting period (**Agreement**).

Under the Agreement 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.

Therefore at 30 June 2015 the carrying value of the capitalised exploration expenditure has been reclassified as "Asset held for sale".

Completion of the above transaction is subject to certain conditions precedent including obtaining the necessary approval from the Ministry of Mineral Resources Mozambique.

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

**11. TRADE AND OTHER PAYABLES**

|                | <b>2015</b>      | <b>2014</b>      |
|----------------|------------------|------------------|
|                | <b>\$</b>        | <b>\$</b>        |
| Trade payables | 2,176,262        | 1,528,463        |
| Accruals       | 102,186          | 53,113           |
|                | <u>2,278,448</u> | <u>1,581,577</u> |

All current liabilities are expected to be settled within 12 months as they are generally due on 30-60 day terms.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**11. TRADE AND OTHER PAYABLES (continued)**

The group no longer has financial liabilities outstanding in relation to the Manica Project acquisition. Please refer to Note 13 for details.

The Group's exposure to credit risk is discussed in Note 20.

**12. BORROWINGS**

|                                        |       | <b>2015</b>      |      | <b>2014</b>      |
|----------------------------------------|-------|------------------|------|------------------|
|                                        |       | \$               |      | \$               |
| Loans (held at amortised cost)         | (iii) | 100,000          | (i)  | 200,000          |
| Convertible Notes (held at fair value) | (iv)  | 314,113          | (ii) | 821,541          |
| Other financial liabilities*           | (v)   | 1,444,859        |      | -                |
|                                        |       | <u>1,858,972</u> |      | <u>1,021,541</u> |

\*Loan received awaiting approval then will be classified to convertible notes.

(i) Loan received from Glenn Whiddon (Executive Director) to fund the groups working capital commitments. The loan is repayable 1 November 2014. Interest is payable at 9.25% per annum on repayment date.

(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 (extended terms as per (v) (a) below

Coupon interest rate 12% per annum

(iii) Loan received from Glenn Whiddon (Executive Director) to fund the groups working capital commitments. The loan is repayable within 7 business days' following written notice by the Lender to the Borrower. Interest is payable at 9.25% per annum on repayment date.

(iv) Conversion

Greater of:

(a) \$0.03; and

(b) The price which is a 20% discount to the 10 day VWAP prior to the lenders providing written notice to the Company of its intention to convert the principle amount and/or accrued interest to shares, or part thereof.

Term 30 June 2015

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

a Principle amount \$135,000

Date 30 June 2015

Term 9 months from drawdown

Coupon interest rate 12% per annum

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**12. BORROWINGS (continued)**

|   |                      |                         |
|---|----------------------|-------------------------|
| b | Principle amount     | \$1,265,049             |
|   | Date                 | 20 March 2015           |
|   | Term                 | 15 months from drawdown |
|   | Coupon interest rate | 9.25% per annum         |
| c | Principle amount     | \$50,000                |
|   | Date                 | 30 March 2015           |
|   | Term                 | 30 June 2016            |
|   | Coupon interest rate | 9.25% per annum         |
| d | Principle amount     | \$100,000               |
|   | Date                 | 22 June 2015            |
|   | Term                 | 30 June 2016            |
|   | Coupon interest rate | 9.25% per annum         |

The borrowings in (v) above are subject to shareholder approval on 15 October 2015 and therefore not classified as convertible notes.

**13. FINANCIAL LIABILITIES**

|                            | <b>2015</b> | <b>2014</b>      |
|----------------------------|-------------|------------------|
|                            | <b>\$</b>   | <b>\$</b>        |
| Pan African Resources plc: |             |                  |
| Due within 12 months       | -           | 50,000           |
| Due after 12 months        | -           | 1,450,000        |
|                            | <u>-</u>    | <u>1,500,000</u> |

During the financial year, Auroch has 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 of \$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 cancelled the existing 25 million shares held by Pan African.

**14. CONTRIBUTED EQUITY**

**(a) Share Capital**

|                      | <b>2015</b>       | <b>2014</b>       | <b>2015</b>      | <b>2014</b>       |
|----------------------|-------------------|-------------------|------------------|-------------------|
|                      | <b>Shares</b>     | <b>Shares</b>     | <b>\$</b>        | <b>\$</b>         |
| Fully paid           | 58,591,397        | 58,092,515        | 8,399,616        | 15,127,754        |
| Partly Paid          | 21,800,000        | 21,800,000        | 218,000          | 218,000           |
| Equity raising costs | -                 | -                 | (655,658)        | (646,297)         |
|                      | <u>80,391,397</u> | <u>79,892,515</u> | <u>7,961,958</u> | <u>14,699,457</u> |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**14. CONTRIBUTED EQUITY (continued)**

**(b) Movements in ordinary shares (including equity raising costs)**

**2015**

| <b>Date</b> | <b>Details</b>                                                        |    | <b>Number of<br/>shares</b> | <b>Issue price</b> | <b>2015<br/>\$</b> |
|-------------|-----------------------------------------------------------------------|----|-----------------------------|--------------------|--------------------|
| 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    | Shares issued in settlement of deferred employment entitlement        |    | 1,015,766                   | \$0.02             | 20,315             |
| 22/12/14    | Share cancellation                                                    | 13 | (25,000,000)                | \$0.30             | (7,500,000)        |
| 23/01/15    | Share issued upon conversion of Convertible Note                      |    | 23,658,328                  | \$0.03             | 701,230            |
| 16/06/15    | Share issued upon conversion of Convertible Note including securities |    | 607,288                     | \$0.05             | 28,567             |
|             | Equity raising costs                                                  |    |                             |                    | (9,361)            |
| 30/06/15    | Balance at 30 June                                                    |    | <u>58,591,397</u>           |                    | <u>7,743,958</u>   |

**2014**

| <b>Date</b> | <b>Details</b>     |  | <b>Number of<br/>shares</b> | <b>Issue price</b> | <b>2014<br/>\$</b> |
|-------------|--------------------|--|-----------------------------|--------------------|--------------------|
| 01/07/13    | Balance at 01 July |  | 58,092,515                  | -                  | 14,481,457         |
| 30/06/14    | Balance at 30 June |  | <u>58,092,515</u>           |                    | <u>14,481,457</u>  |

**(c) Movements in partly paid shares**

Each partly paid share is issued at a price of 20 cents of which \$0.01 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.

**2015**

| <b>Date</b> | <b>Details</b>     |  | <b>Number of<br/>shares</b> | <b>Issue price</b> | <b>2015<br/>\$</b> |
|-------------|--------------------|--|-----------------------------|--------------------|--------------------|
| 01/07/14    | Balance at 01 July |  | 21,800,000                  | -                  | 218,000            |
| 30/06/15    | Balance at 30 June |  | <u>21,800,000</u>           |                    | <u>218,000</u>     |

**2014**

| <b>Date</b> | <b>Details</b>     |  | <b>Number of<br/>shares</b> | <b>Issue price</b> | <b>2014<br/>\$</b> |
|-------------|--------------------|--|-----------------------------|--------------------|--------------------|
| 01/07/13    | Balance at 01 July |  | 21,800,000                  |                    | 218,000            |
| 30/06/14    | Balance at 30 June |  | <u>21,800,000</u>           |                    | <u>218,000</u>     |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**14. CONTRIBUTED EQUITY (continued)**

**(d) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Partly paid shares have an issue price of \$0.20 of which 1 cent is paid. The balance of the issue price is payable at the election of the holder at any time by the issue of a Payment Notice in writing and delivered to the registered office of the Group; or the directors can make a call on the partly paid shares up to one day before five years from the date of issue of the partly paid shares. If a call is not paid when made, the partly paid shares shall be subject to forfeiture. Partly paid shares participate in any dividends on the same basis as if the partly paid share were fully paid. Partly paid shares are not listed.

**(e) Capital risk management**

The Group's objective when managing working capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders, issue new shares or sell assets to reduce debt. The Group defines capital as cash and cash equivalents plus equity.

The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from their mineral exploration and currently has no debt facilities in place.

**15. RESERVES**

**(a) Reserves**

|                                      | <b>2015</b>     | <b>2014</b>    |
|--------------------------------------|-----------------|----------------|
|                                      | <b>\$</b>       | <b>\$</b>      |
| Share-based payments reserve         | 115,533         | 42,630         |
| Foreign currency translation reserve | (191,382)       | 637,307        |
|                                      | <u>(75,849)</u> | <u>679,937</u> |

**Share-based payments reserve**

|                      | <b>2015</b>    | <b>2014</b>   |
|----------------------|----------------|---------------|
|                      | <b>\$</b>      | <b>\$</b>     |
| Balance 1 July       | 42,630         | 42,630        |
| Share buy back       | (42,630)       | -             |
| Share based payments | 115,533        | -             |
| Balance 30 June      | <u>115,533</u> | <u>42,630</u> |

**Foreign currency translation reserve**

|                                                          | <b>2015</b>      | <b>2014</b>    |
|----------------------------------------------------------|------------------|----------------|
|                                                          | <b>\$</b>        | <b>\$</b>      |
| Balance 1 July                                           | 637,307          | 1,555,705      |
| Foreign currency translation difference on consolidation | (828,689)        | (918,398)      |
| Balance 30 June                                          | <u>(191,382)</u> | <u>637,307</u> |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**15. RESERVES (continued)**

**Nature and purpose of reserves**

*(i) Share-based payments reserve*

The share based payments reserve is used to recognise:

- The fair value of options issued to employees and consultants but not exercised
- The fair value of shares issues to employees

*(ii) Foreign currency translation reserve*

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

**16. ACCUMULATED LOSSES**

|                                                     | <b>2015</b>        | <b>2014</b>        |
|-----------------------------------------------------|--------------------|--------------------|
|                                                     | <b>\$</b>          | <b>\$</b>          |
| Accumulated losses at the beginning of the period   | (2,759,504)        | (1,838,453)        |
| Net loss attributable to members of the Group       | (1,003,116)        | (921,051)          |
| Accumulated losses at the end of the financial year | <u>(3,762,620)</u> | <u>(2,759,504)</u> |

**17. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|                                                            | <b>2015</b>      | <b>2014</b>      |
|------------------------------------------------------------|------------------|------------------|
|                                                            | <b>\$</b>        | <b>\$</b>        |
| Loss for the year                                          | (1,003,116)      | (921,051)        |
| Gain on settlement of liability                            | (80,891)         |                  |
| Depreciation and amortisation                              | 1,157            | 2,313            |
| Finance and interest expense                               | 495,614          | -                |
| Non-cash employee benefits expense – share-based payments  | (42,630)         | -                |
| Impairment of capitalised expenditure                      | 13,915           | -                |
| Other (employee benefits)                                  | 101,206          | -                |
| (Increase)/Decrease in trade debtors and other receivables | (1,693)          | 23,174           |
| Increase in trade creditors and other payables             | 298,925          | 348,303          |
| Net cash outflow from operating activities                 | <u>(217,513)</u> | <u>(547,261)</u> |
| Non-cash investing and financing activities                | -                | -                |

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES**

**(a) Key Management Personnel Compensation**

|                              | <b>2015</b>    | <b>2014</b>    |
|------------------------------|----------------|----------------|
|                              | <b>\$</b>      | <b>\$</b>      |
| Short-term employee benefits | 535,064        | 831,789        |
| Post-employment benefits     | -              | -              |
| Share-based payments         | -              | -              |
|                              | <u>535,064</u> | <u>831,789</u> |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)**

**(b) Other transactions with Key Management Personnel**

Mr Nicholas Ong is a director of Minerva Corporate Pty Ltd. During the year ended 30 June 2015 the Company was providing consultancy, company secretarial, accounting and administration and registered office services to Auroch Minerals NL. In accordance with the services agreement the monthly charge for these services is \$11,000 per month.

\$625,000 loan has been received from Glenn Whiddon (Executive Director) to fund the groups working capital commitments. The loan is repayable within 7 business days' following written notice by the Lender to the Borrower. Interest is payable at 9.25% per annum on repayment date.

Mr Jim Porter is a director of JPMC Pty Ltd. During the year ended 30 June 2015 the company was providing project consultancy services to Auroch Minerals NL. The total amount invoiced to Auroch Minerals NL during the year to 30 June 2015 was \$298,072

**19. REMUNERATION OF AUDITORS**

|                                                                                              | <b>2015</b>   | <b>2014</b>   |
|----------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                              | <b>\$</b>     | <b>\$</b>     |
| Amounts received or due and receivable by the auditors for:                                  |               |               |
| Audit services:                                                                              |               |               |
| BDO Audit (WA) Pty Ltd Audit and review of financial reports under the Corporations Act 2001 | 37,380        | 38,896        |
| Non audit services                                                                           | 9,466         | 546           |
|                                                                                              | <u>46,846</u> | <u>39,442</u> |

**20. FINANCIAL RISK MANAGEMENT**

**Overview**

The Group has exposure to the following risks from their use of financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and for the Group arises principally from cash and cash equivalents.

All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**20. FINANCIAL RISK MANAGEMENT (continued)**

**Exposure to credit risk**

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

|                           | <b>2015</b>   | <b>2014</b>    |
|---------------------------|---------------|----------------|
|                           | <b>\$</b>     | <b>\$</b>      |
| Cash and cash equivalents | 86,667        | 331,570        |
|                           | <u>86,667</u> | <u>331,570</u> |

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:

**Cash and cash equivalents**

|               |               |                |
|---------------|---------------|----------------|
| AA S&P rating | 86,667        | 331,570        |
|               | <u>86,667</u> | <u>331,570</u> |

**(b) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

*Maturities of financial liabilities*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                           | <b>Less than<br/>6 months<br/>\$</b> | <b>6-12<br/>months<br/>\$</b> | <b>1-2 years<br/>\$</b> | <b>2-5<br/>years<br/>\$</b> | <b>Over 5<br/>years<br/>\$</b> | <b>Total<br/>contractual<br/>cash flows<br/>\$</b> | <b>Carrying<br/>amount<br/>(assets)/<br/>liabilities<br/>\$</b> |
|---------------------------|--------------------------------------|-------------------------------|-------------------------|-----------------------------|--------------------------------|----------------------------------------------------|-----------------------------------------------------------------|
| <b>As at 30 June 2015</b> |                                      |                               |                         |                             |                                |                                                    |                                                                 |
| Trade and other payables  | 2,278,448                            | -                             | -                       | -                           | -                              | 2,278,448                                          | 2,278,448                                                       |
| Loans                     | 100,000                              | 1,444,859                     | -                       | -                           | -                              | 1,544,859                                          | 1,544,859                                                       |
| Convertible Notes         | -                                    | 314,113                       | -                       | -                           | -                              | 314,113                                            | 314,113                                                         |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**20. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Liquidity risk (continued)**

|                            | Less than<br>6 months<br>\$ | 6-12<br>months<br>\$ | 1-2 years<br>\$ | 2-5<br>years<br>\$ | Over 5<br>years<br>\$ | Total<br>contractual<br>cash flows<br>\$ | Carrying<br>amount<br>(assets)/<br>liabilities<br>\$ |
|----------------------------|-----------------------------|----------------------|-----------------|--------------------|-----------------------|------------------------------------------|------------------------------------------------------|
| <b>As at 30 June 2014</b>  |                             |                      |                 |                    |                       |                                          |                                                      |
| Trade and other payables   | 1,581,576                   | -                    | -               | -                  | -                     | 1,581,576                                | 1,581,576                                            |
| Tenement Acquisition Costs | 50,000                      | -                    | 1,450,000       | -                  | -                     | 1,500,000                                | 1,500,000                                            |
| Loans                      | 200,000                     | -                    | -               | -                  | -                     | 200,000                                  | 200,000                                              |
| Convertible Notes          | -                           | 821,541              | -               | -                  | -                     | 821,541                                  | 821,541                                              |

**(c) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*(i) Currency risk*

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group did not have any formal policies in place regarding currency risk during the year as it was not considered significant. This will be monitored as appropriate going forward and introduced as necessary.

The groups exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

|                             | 2015<br>USD<br>\$ | 2014<br>USD<br>\$ |
|-----------------------------|-------------------|-------------------|
| Cash and cash equivalents   | 7,507             | 216               |
| Trade and other receivables | -                 | -                 |
| Trade and other payables    | 623,533           | 571,996           |

*Sensitivity analysis*

|                           | 2015<br>Foreign exchange risk |         | 2014<br>Foreign exchange risk |         |
|---------------------------|-------------------------------|---------|-------------------------------|---------|
|                           | + 1%                          | - 1%    | + 1%                          | -1%     |
| Cash and cash equivalents | -                             | -       | -                             | -       |
| Trade and other payables  | 6,235                         | (6,235) | 5,720                         | (5,720) |
|                           | 6,235                         | (6,235) | 5,720                         | (5,720) |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**20. FINANCIAL RISK MANAGEMENT (continued)**

*(ii) Cashflow and interest rate risk*

The Group's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk. The Group does not consider this risk to be material and has therefore not undertaken any further analysis of risk exposure for 2015.

**(d) Fair values**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Fair value of financial instruments that are not traded in an active market (for example investments in unlisted subsidiaries) is determined using valuation techniques.

The carrying value less impairment of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The carrying amounts are estimated to approximate fair values of financial assets and financial liabilities as follows:

|                              | <b>2015</b>      | <b>2014</b>      |
|------------------------------|------------------|------------------|
|                              | <b>\$</b>        | <b>\$</b>        |
| <b>Financial Assets</b>      |                  |                  |
| Cash and cash equivalents    | 86,667           | 331,570          |
| Trade and other receivables  | 20,085           | 18,393           |
| Total Financial Assets       | <u>106,752</u>   | <u>349,963</u>   |
| <b>Financial Liabilities</b> |                  |                  |
| Trade and other payables     | 2,278,448        | 1,581,576        |
| Borrowings                   | 1,858,972        | 1,021,541        |
| Financial liabilities        | -                | 1,500,000        |
| Total Financial Liabilities  | <u>4,137,420</u> | <u>4,103,117</u> |

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

***Cash/financial liabilities and loans***

The carrying amount is fair value due to the liquid nature of these assets.

***Receivables/payables***

Due to the short term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

***Convertible notes***

The current market value of the convertible notes, net of borrowing costs, is estimated to represent the fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to their short term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

Refer to note 21 for further details.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

*Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Due to their short term nature, the carrying values of all of the Group's financial assets and liabilities is assumed to be their fair value. That is, there are no financial assets or financial liabilities measured using the fair value hierarchy.

**22. 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.

**2015**

|                                                     | <b>Mozambique</b> | <b>Western<br/>Australia</b> | <b>Total</b> |
|-----------------------------------------------------|-------------------|------------------------------|--------------|
|                                                     | <b>\$</b>         | <b>\$</b>                    | <b>\$</b>    |
| Revenue from external sources                       | -                 | -                            | -            |
| Reportable segment profit / (loss)                  | -                 | -                            | -            |
| Reportable segment assets                           | 7,986,196         | 167,960                      | 8,154,156    |
| Reportable segment liabilities                      | (1,420,842)       | -                            | (1,420,842)  |
| Reconciliation of reportable segment profit or loss |                   |                              |              |
| Reportable segment profit /(loss)                   |                   |                              | -            |
| Other income                                        |                   |                              | 81,791       |
| Unallocated:                                        |                   |                              |              |
| Depreciation expense                                |                   |                              | (1,157)      |
| Director benefits                                   |                   |                              | (48,000)     |
| Share buy-back                                      |                   |                              | 42,630       |
| Employee benefits                                   |                   |                              | -            |
| Other expenses                                      |                   |                              | (1,078,380)  |
| Loss before tax                                     |                   |                              | (1,003,116)  |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**22. SEGMENT INFORMATION (continued)**

| <b>2014</b>                                         | <b>Mozambique</b> | <b>Western<br/>Australia</b> | <b>Total</b> |
|-----------------------------------------------------|-------------------|------------------------------|--------------|
|                                                     | <b>\$</b>         | <b>\$</b>                    | <b>\$</b>    |
| 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    |
| Reconciliation of reportable segment profit or loss |                   |                              |              |
| 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                                     |                   |                              | (921,051)    |

**Other Segment Information**

|                                                 | <b>2015</b>   | <b>2014</b>   |
|-------------------------------------------------|---------------|---------------|
|                                                 | <b>\$</b>     | <b>\$</b>     |
| Total segment revenue                           | 80,891        | -             |
| Interest revenue                                | 900           | 29,154        |
| <b>Total revenue from continuing operations</b> | <b>81,791</b> | <b>29,154</b> |

**Segment assets are reconciled to total assets as follows:**

|                                                                |                  |                   |
|----------------------------------------------------------------|------------------|-------------------|
| <b>Segment assets</b>                                          | <b>8,154,156</b> | <b>16,371,887</b> |
| Unallocated:                                                   |                  |                   |
| Cash and cash equivalents                                      | 86,667           | 331,570           |
| Trade and other receivables                                    | 20,086           | 18,393            |
| Property, plant and equipment                                  | -                | 1,157             |
| <b>Total assets as per the statement of financial position</b> | <b>8,260,909</b> | <b>16,723,007</b> |

**Segment liabilities are reconciled to total liabilities as follows:**

|                                                                     |                  |                  |
|---------------------------------------------------------------------|------------------|------------------|
| <b>Segment Liabilities</b>                                          | <b>1,420,842</b> | <b>1,500,000</b> |
| Unallocated:                                                        |                  |                  |
| Trade and other payables                                            | 857,606          | 1,581,576        |
| Borrowings                                                          | 1,858,972        | 1,021,541        |
| <b>Total liabilities as per the statement of financial position</b> | <b>4,137,420</b> | <b>4,103,117</b> |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

## **23. SHARE BASED PAYMENT TRANSACTIONS**

### **Employee Share Plan**

The Auroch Minerals NL Employee Share Plan is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. There are no performance requirements to be met before exercise can take place. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The share based payments listed below have been issued to the company directors under the terms of the Auroch Minerals NL Employee Share Plan.

Share based payments transactions are recognised at fair value in accordance with AASB 2. The adoption of AASB 2 is equity-neutral for equity-settled transactions.

Numbers of Employee Shares were issued this year is nil (2014: nil).

25,000,000 shares were issued to Pan African Resources on the acquisition of the Manica Gold Project in the prior year. These shares were valued on issue at \$0.30 (Total \$7,500,000) and are escrowed until 17 January 2015. These were cancelled in the current year from the deed of mutual settlement and release of Pan African.

## **24. DIVIDENDS**

There were no dividends paid or declared by the Group during the year (2014: Nil).

## **25. EVENTS OCCURRING AFTER REPORTING DATE**

On 15 July 2015, the Company advised that the first tranche of US\$500,000 in funding from Xtract had been forwarded to the Company.

On 14 September 2015, the Company announced the revised terms for the sale of the Project to Xtract as detailed earlier in this report.

## **26. CONTINGENCIES**

### **Contingent Liabilities**

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

During the period a claim has been made against the group relating to a Sale and Purchase Agreement executed back in June 2014. The Directors of Auroch Minerals NL believe there is no basis for the opposing party's claims, and that any potential legal action brought against the group will be unsuccessful. The maximum liability the from this claim at the date of this report is \$533,000 based on the current market price of Auroch shares. No amounts have been recorded in the financial statements as at 30 June 2015.

The Group had no other material contingent assets or liabilities at 30 June 2015.

### **Commitments**

The Group had no material commitments at 30 June 2015.

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**27. SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

| <b>Name of entity</b>                                         | <b>Country of<br/>Incorporation</b> | <b>Class of<br/>shares</b> | <b>Equity holding<br/>2015</b> | <b>Equity holding<br/>2014</b> |
|---------------------------------------------------------------|-------------------------------------|----------------------------|--------------------------------|--------------------------------|
| Auroch Minerals Mozambique Pty Ltd <sup>1</sup>               | Australia                           | Ordinary                   | 100%                           | 100%                           |
| Explorator Limitada <sup>2</sup>                              | Mozambique                          | Ordinary                   | 100%                           | 100%                           |
| Mistral Resource Development Corporation Limited <sup>3</sup> | British Virgin Isles                | Ordinary                   | 100%                           | 100%                           |
| Auroch Minerals SA Proprietary Limited <sup>4</sup>           | South Africa                        | Ordinary                   | 100%                           | 100%                           |

<sup>1</sup> Holding company for Mistral Development Corporation Ltd.

<sup>2</sup> Holder of the Manica Mining Concession 3990C.

<sup>3</sup> Holding company for 98% of Explorator Limitada.

<sup>4</sup> Dormant subsidiary.

**28. RELATED PARTY TRANSACTIONS**

**(a) Parent entities**

The parent entity within the Group is Auroch Minerals NL. The ultimate parent entity and ultimate controlling party is Auroch Minerals NL (incorporated in Australia) which at 30 June 2015 owns 100% of the issued ordinary shares of the above subsidiaries.

**(b) Subsidiaries**

Interests in subsidiaries are set out in note 27.

**(c) Key management personnel**

Disclosures relating to key management personnel are set out in note 18.

**(d) Outstanding balances arising from sales/purchases of goods and services**

There is an outstanding balance arising from services provided by Minerva Corporate Pty Ltd of \$132,061. Mr Nicholas Ong is a director of Auroch Minerals NL and a director of Minerva Corporate Pty Ltd.

**29. PARENT ENTITY INFORMATION**

The following details information related to the parent entity, Auroch Minerals NL, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

| <b>ASSETS</b>            | <b>2015</b>      | <b>2014</b>       |
|--------------------------|------------------|-------------------|
|                          | <b>\$</b>        | <b>\$</b>         |
| Current Assets           | 96,380           | 344,290           |
| Non-Current Assets       | 8,397,946        | 15,784,560        |
| <b>TOTAL ASSETS</b>      | <b>8,494,326</b> | <b>16,128,850</b> |
| Current Liabilities      | 4,137,420        | 2,653,116         |
| Non-Current Liabilities  | -                | 1,450,000         |
| <b>TOTAL LIABILITIES</b> | <b>4,137,420</b> | <b>4,103,116</b>  |

**AUROCH MINERALS NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

---

**29. PARENT ENTITY INFORMATION (continued)**

|                                              |                    |                   |
|----------------------------------------------|--------------------|-------------------|
| Contributed equity                           | 7,961,958          | 14,699,457        |
| Reserves                                     | 115,533            | 42,630            |
| Accumulated losses                           | (3,720,585)        | (2,716,353)       |
| <b>TOTAL EQUITY</b>                          | <b>4,356,906</b>   | <b>12,025,734</b> |
| <br>                                         |                    |                   |
| Loss for the year                            | (1,004,232)        | (877,899)         |
| Other Comprehensive loss for the year        | -                  | -                 |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b> | <b>(1,004,232)</b> | <b>(877,899)</b>  |

At reporting date the parent entity has nil guarantees and contingent liabilities (2014: Nil).

**AUROCH MINERALS NL**  
**DIRECTORS' DECLARATION**

---

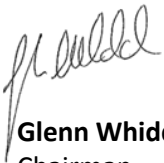
**AUROCH MINERALS NL**  
**ACN 119 267 391**

**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, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
  - a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated Group.
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.
3. The remuneration disclosures included in the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.
4. The Group has included in the notes to the financial statements and explicit an unreserved statement of compliance with International Financial Reporting Standards.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

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:



**Glenn Whiddon**  
Chairman  
Perth, Western Australia  
30 September 2015

## INDEPENDENT AUDITOR'S REPORT

To the members of Auroch Minerals NL

### Report on the Financial Report

We have audited the accompanying financial report of Auroch Minerals NL, which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, 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 report.

#### Opinion

In our opinion:

- (a) the financial report of Auroch Minerals NL is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

#### Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the consolidated entity completing the sale of the Manica Mining Concession 3990C, which is conditional upon the consent by the Government of Mozambique, through the Ministry of Mineral Resources and Energy. This condition, along with other matters as set out in Note 1(a), 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.

#### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

#### Opinion

In our opinion, the Remuneration Report of Auroch Minerals NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

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

Phillip Murdoch

Director

Perth, 30 September 2015

**AUROCH MINERALS NL**  
**ADDITIONAL INFORMATION**

---

The following additional information is required by the ASX in respect of listed public companies only.

**Information as at 15 September 2015**

**(a) Distribution of Shareholders**

| <b>Category (size of holding)</b> | <b>Number<br/>Ordinary</b> |
|-----------------------------------|----------------------------|
| 1 - 1,000                         | 4                          |
| 1,001 - 10,000                    | 83                         |
| 10,001 - 100,000                  | 385                        |
| 100,001 and above                 | 90                         |
| <b>Total</b>                      | <b>562</b>                 |

**(b)** The number of shareholdings held in less than marketable parcels is 175.

**(c) Voting Rights**

The voting rights attached to each class of equity security are as follows:

**Ordinary Shares**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**(d) 20 Largest Shareholders — Ordinary Shares as at 25 September 2015.**

| <b>Rank</b> | <b>Holder Name</b>        | <b>Designation</b> | <b>Securities</b> | <b>%</b> |
|-------------|---------------------------|--------------------|-------------------|----------|
| 1           | MED BRAVO SA              |                    | 11,522,500        | 19.63%   |
| 2           | 6466 INV PL               |                    | 4,708,333         | 8.02%    |
| 3           | NORTON MATTHEW J + R F    | NORTON FAM SUPER A | 2,633,954         | 4.49%    |
| 4           | HSBC CUSTODY NOM AUST LTD |                    | 2,124,964         | 3.62%    |
| 5           | REID BRENDAN HENRY + M M  | REID FAM S/F A/C   | 1,966,666         | 3.35%    |
| 6           | SMITH PETER S + D P       | MONTARA S/F A/C    | 1,308,333         | 2.23%    |
| 7           | RAINMAKER HLDGS WA PL     | MACRI INV A/C      | 1,219,980         | 2.08%    |
| 8           | CUNNINGHAM DEAN ROY       |                    | 1,049,099         | 1.79%    |
| 9           | BUSSELL ALAN GRANT        |                    | 941,666           | 1.60%    |
| 10          | PAECH MICHAEL J + M A     | PAECH FAM S/F A/C  | 726,666           | 1.24%    |
| 11          | MIMO STRATEGIES PL        | MIMO A/C           | 500,000           | 0.85%    |
| 12          | J P MORGAN NOM AUST LTD   |                    | 481,242           | 0.82%    |
| 13          | BOAG TERRANCE D + J M     | BOAG SUPER A/C     | 463,333           | 0.79%    |
| 14          | SYDNEY-SMITH JOHN C + W   | SYDNEY-SMITH S/F A | 421,666           | 0.72%    |
| 15          | HIGHLANDER DVLMTS PL      |                    | 372,219           | 0.63%    |

**AUROCH MINERALS NL**  
**ADDITIONAL INFORMATION**

|    |                       |                                |                   |                |
|----|-----------------------|--------------------------------|-------------------|----------------|
| 16 | PARKVISTA HLDGS PL    |                                | 363,333           | 0.62%          |
| 17 | ROWAN HALL PL         | ROWAN HALL TRADING             | 333,333           | 0.57%          |
| 18 | LANE KEVIN NOEL + E A | KEVIN LANE S/F A/C             | 302,689           | 0.52%          |
| 19 | STEVENSON JAMES Y + T | CJ HLDGS S/F A/C               | 300,000           | 0.51%          |
| 20 | HAYMES DAVID KEITH    |                                | 300,000           | 0.51%          |
|    |                       | <b>Top 20 Total</b>            | <b>32,039,976</b> | <b>54.59%</b>  |
|    |                       | <b>Total Remaining Balance</b> | <b>26,653,985</b> | <b>45.41%</b>  |
|    |                       | <b>Grand Total</b>             | <b>58,693,961</b> | <b>100.00%</b> |

(e) The name of the Company Secretary is Mr Matthew Foy.

(f) The address of the principal registered office is Office J, Level 2, 1139 Hay St West Perth WA 6005 Telephone (08) 9486 4036.

(g) Registers of securities are held at Security Transfer Registrars Ltd, 770 Canning Highway, Applecross WA 6153.

**(h) Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd.

**(i) Unquoted Securities**

(a) Options - 4,000,000 options exercisable at \$0.015 on or before 18 July 2016.

(b) Partly Paid Shares - 21,800,000 partly paid ordinary shares paid to \$0.01 with \$0.19 unpaid.

**(j) Securities Subject to Escrow**

Nil.

**(k) Unquoted Equity Securities Holders with Greater than 20% of an Individual Class**

Options exercisable at \$0.15 on or before 18 July 2016:

| Percentage Held | Name         | Number of Securities held |
|-----------------|--------------|---------------------------|
| 54.38%          | MED ALPHA SA | 2,175,000                 |

**(l) Corporate Governance Statement**

The Company's Corporate Governance Statement is available on the Company's website at:

<http://www.aurochminerals.com/about-us/corporate-governance/>