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ASX Limited
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Preliminary Economic Assessment Delivers Excellent Results at the Fair Bride Deposit

- Study confirms technical and economic viability of Auroch's Fair Bride Gold Project in Mozambique
- Total gold production of 331,000 ounces over 7.0 years from open pit and shallow underground mining including a further one year treating low-grade stockpiles
- Estimated annual production is 46,700 oz of gold (Au) with a design throughput of 500,000 tonnes of ore per annum delivered to the plant
- Based on Measured and Indicated Resources, life of Mine head grades and recoveries of:

| | Head Grade (g/t) | Au Recovery % |
|-------------------------|------------------|---------------|
| Oxides | 2.53 | 96% |
| Transitional Ore | 3.55 | 82% |
| Sulphides (open pit) | 3.44 | 80% |
| Sulphides (Underground) | 3.68 | 80% |

- Potential to increase mine life as ore body is open down dip and to the west
- High grade ores (HG>1.2g/t) will be processed as a priority. Low grade ores (LG 0.4 – 1.2 g/t) will be stockpiled for later processing
- Life of mine C1 Cash Cost of US\$ 650/oz - C2 cost (all in sustaining costs) of US\$ 769/oz
- Initial start-up capital cost of US\$ 28.4m
- Net cumulative cash flow of US\$ 82.4M and payback of 3 years from first ore
- NPV at 8% discount rate is US\$ 50.3M and IRR 57.5%
- Three additional identified targets with published Mineral Resources in excess of 150K oz to provide incremental ounces and exciting exploration opportunities

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Auroch Minerals NL (ASX:AOU) (“Auroch” or the “Company”) is pleased to announce positive results from a Preliminary Economic Assessment (the “PEA”) on the Fair Bride Gold Project (the “Project” Figure 1), located in Central Western Mozambique in the Odzi Mutare Greenstone Belt. 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.

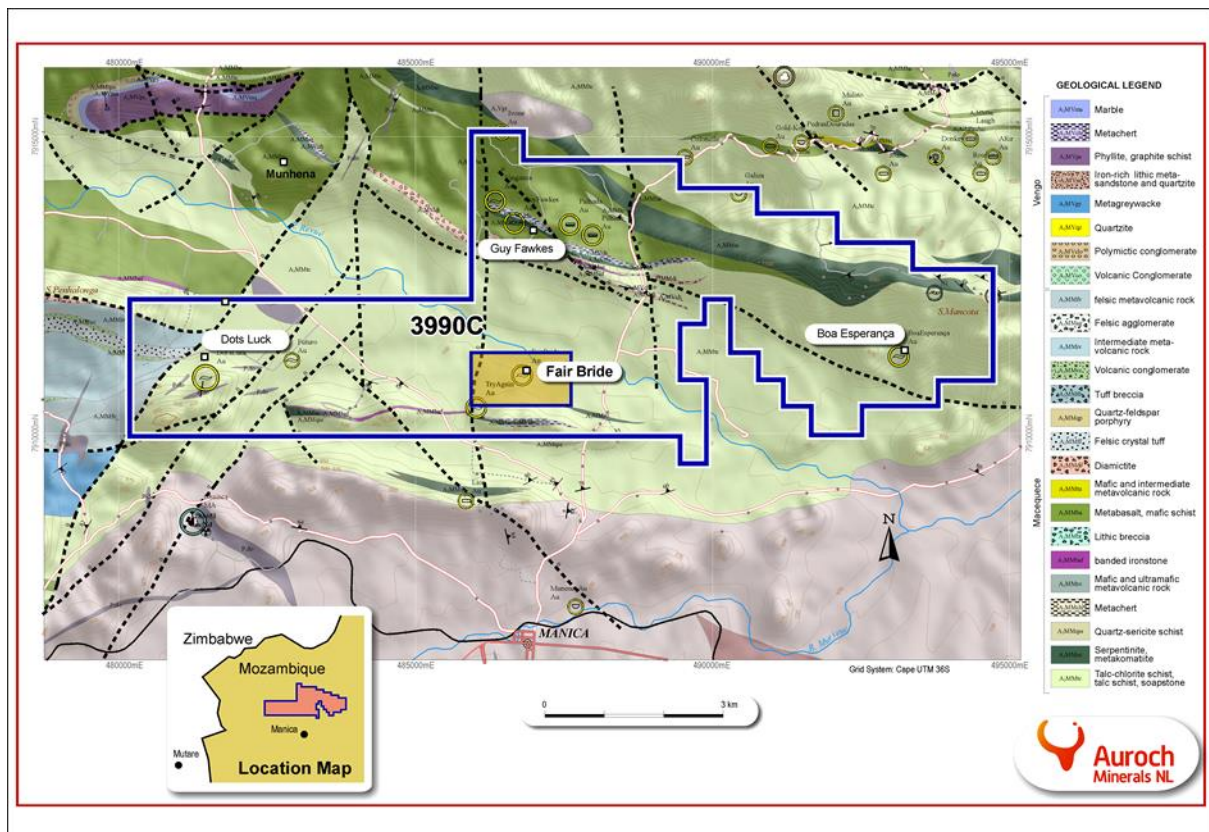


Figure 1: Location map and position of all major prospects of the Manica Project with the PEA over the Fair Bride Deposit in the southern portion of the mining concession.

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 has been 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 14th 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 |
| Fair Bride Measured & Indicated Resources | | | 5,557 | 3.11 | 554,900 |
| Fair Bride | Inferred | 1.0 | 3 988 | 2.87 | 368,300 |
| Fair Bride Total Resources | | | 9,546 | 3.01 | 923,200 |

Table 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.

Conclusions

Dr. Andrew Tunks, CEO of Auroch Resources, said, "I am excited with the results of this Preliminary Economic Assessment that shows a low-cost, route to gold production for Fair Bride with little technical risk. The initial target is 25,000oz of gold for the first year of full production after ramp up with a LOM production of 46,700oz/year and an all-in sustaining cash cost of US\$ 769/oz from a 0.5Mtpa plant."

"Beyond the immediate results I am also excited by the high quality exploration opportunities offered on the virtually unexplored Mozambique half of the Greenstone belt. Over two million ounces of gold have been produced on the Zimbabwean side of the border and there are wonderful opportunities ahead for Auroch as the first mover on the gold belt in Mozambique"

Working Capital Facility Secured

The Company advises that it has secured A\$100,000 via a convertible loan facility with Auroch's Chairman Mr Glenn Whiddon. 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 10-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 convertible loan facility has been made on the same material terms and conditions of the convertible loan facility announced on 20 March 2015.

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Manica Gold Project Global Resources

| Manica Gold Project Global Resource | | | | | |
|---|----------------|------------------|---------------|----------------|------------------|
| Category | Project Sector | Cut-off Au (g/t) | Tons (000') | Grade Au (g/t) | Total Au (oz) |
| Measured | Fair Bride | 1.0 | 2,893 | 3.14 | 291,600 |
| Total Measured Resources | | | 2,893 | 3.14 | 291,600 |
| Indicated | Fair Bride | 1.0 | 2,665 | 3.07 | 263,300 |
| | Guy Fawkes | 1.25 | 420 | 1.92 | 25,600 |
| | Dot's Luck | 0.50 | 425 | 1.87 | 25,500 |
| Total Indicated Resources | | | 3,210 | 3.04 | 314,400 |
| Inferred | Fair Bride | 1.0 | 3,998 | 2.87 | 368,300 |
| | Guy Fawkes | 1.25 | 380 | 3.90 | 48,000 |
| | Dot's Luck | 0.50 | 455 | 2.06 | 30,000 |
| | Boa Esperança* | 1.25 | 330 | 2.94 | 30,000 |
| Total Inferred Resources | | | 5,163 | 2.87 | 476,300 |
| Total Manica Gold Project Resource | | | 11,266 | 2.99 | 1,082,300 |

Table 3: Global Resources

*The information on Boa Esperança was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. State amounts in table 2 are rounded.

Independent Consultants

This Independent Preliminary Economic Assessment has been prepared by JPMC International and Auroch Management. The conversion of the Mineral Resource to the Mineral Reserves stated herein was completed by JPMC staff in South Africa under the supervision of Professor Jim Porter, a qualified Mining Engineer of 38 years' experience in narrow seam and vein hard rock gold mining. Jim is also a Fellow of the Southern African Institute of Mining and Metallurgy and Visiting Adjunct Professor of the Centre for Mechanised Mining Systems at the University of the Witwatersrand. Metallurgy and Process design was conducted by Mr. Graeme Farr, an independent qualified Process Engineer with 37 years' experience in Mineral Processing, a Fellow of the South African Institute of Mining and Metallurgy and Senior Process Consultant for JPMC International. JPMC International consents to the inclusion in this report of all information pertaining to the conversion of resources to reserves.

Competent Person Statements

The information in this report that relates to Mineral Resources and their estimation is based on information compiled by Mr Malcolm Titley of CSA Global (UK) Ltd. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Malcolm Titley consents to the inclusion in this release of information relating to the estimation of Mineral Resources, in the form and context in which it appears.

The information in this report that relates to Geological interpretation 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 RPO by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012). Mr Koll is a part-time employee of the Company. Mr Koll has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of The JORC Code. Mr Koll consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.