Auroch Minerals NL

ACN 148 966 545

Financial Report for the Year Ended 30 June 2014

CORPORATE DIRECTORY

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Solicitors	GTP Legal Level 1, 28 Ord Street West Perth WA 6005

CONTENTS

REVIEW OF OPERATIONS

During the Reporting Period, the Company's activities focused on gold exploration and project development at the Manica Gold Project (**Project**) in Mozambique.

Manica Gold Project

Location

The Manica Gold Project (**Project**) is located within the Manica Province of central Mozambique near the town of Manica which is approximately 270km from the deep water port of Beira on the Indian Ocean. The Project lies 4km north of the town of Manica along gravel roads. Manica is well positioned on the Beira Corridor which contains sealed road and operating rail infrastructure linking Zimbabwe to Beira (**Figure 1**).

Infrastructure

The Project has access to water (both municipal and bore field), power (33 KVa line crosses the property), labour and can be accessed by local flights to the town of Chimoio (1 hour 30 minutes from Maputo), some 60Km from the town of Manica. The Mining Concession is easily accessible by gravel roads.

Historical Production

The Project lies within the Odzi-Mutare (OMM) greenstone belt which is well known for hosting gold mines such as Penhalonga, Rezende, Monarch and Old West. The OMM is a typical Archean greenstone belt and runs 160km from Zimbabwe and tongues in Mozambique. An estimated 2.5Mozs of gold has been extracted from the surrounding mines, several of which are directly along strike of the Project.

Geology

The ore deposits in the OMM belt are typical shear zone hosted gold deposits occurring within iron rich lithologies such as Banded Iron Formations, mafic and ultra mafic rocks and typically associated with quartz veins, and stock works, talc- and carbonate alteration zones.

Figure 1: Manica Gold Project location

Mining Concession

The Mining Concession is 42 km² with a total prospective strike length for gold mineralisation of 27km, along two shear zones, namely the Northern and Southern Shear (**Figure 2**).

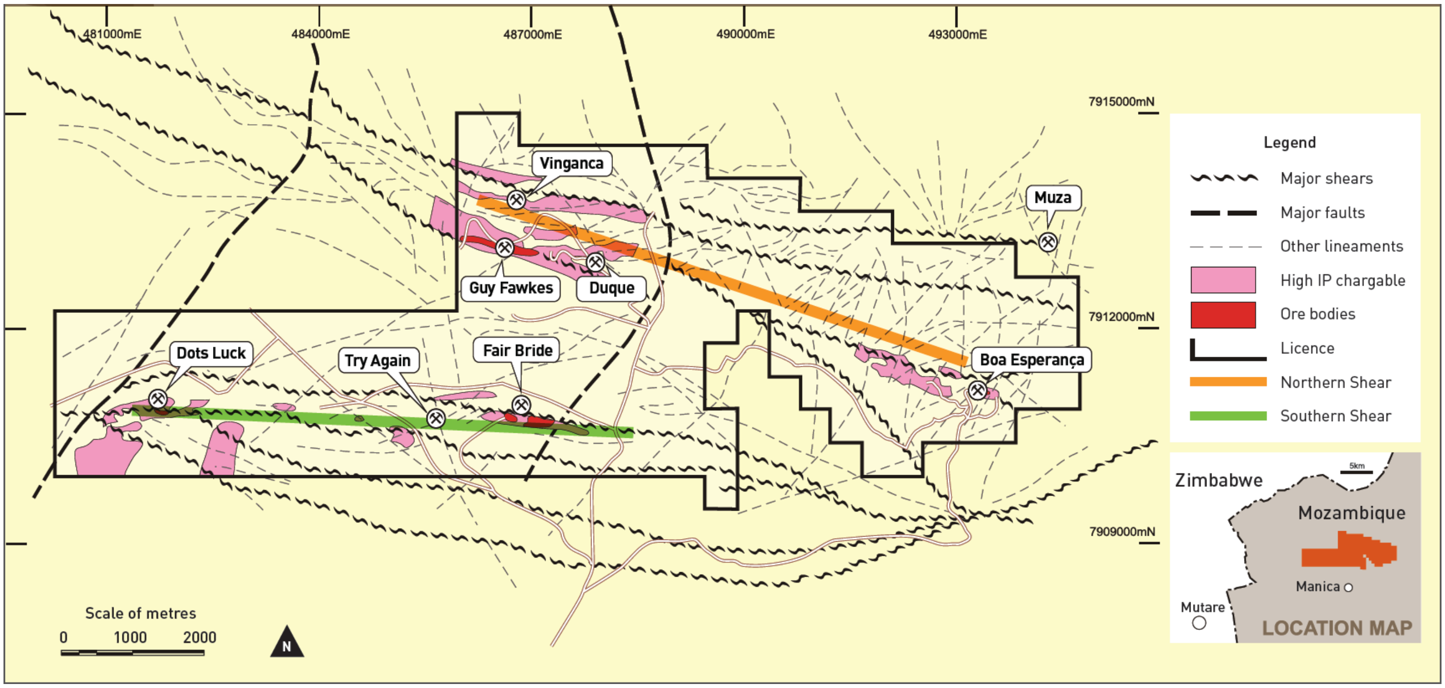

Figure 2: Manica Gold Project Northern and Southern Shears

EXPLORATION

Metallurgical Drilling and Assay Results

During the period, the Company provided shareholders with an update on the progress of the metallurgical drilling and test work undertaken on the Company's gold resources at the Project to confirm the appropriate metallurgical characterisation of the Fair Bride, Dot's Luck and Guy Fawkes ores.

Fair Bride – Metallurgical Drilling Assay Results

A total of nine RC holes (of 579m) were completed for the collection of metallurgical test samples. These holes were assayed in order to inform the selection of material for compositing to provide representative samples for detailed metallurgical analysis.

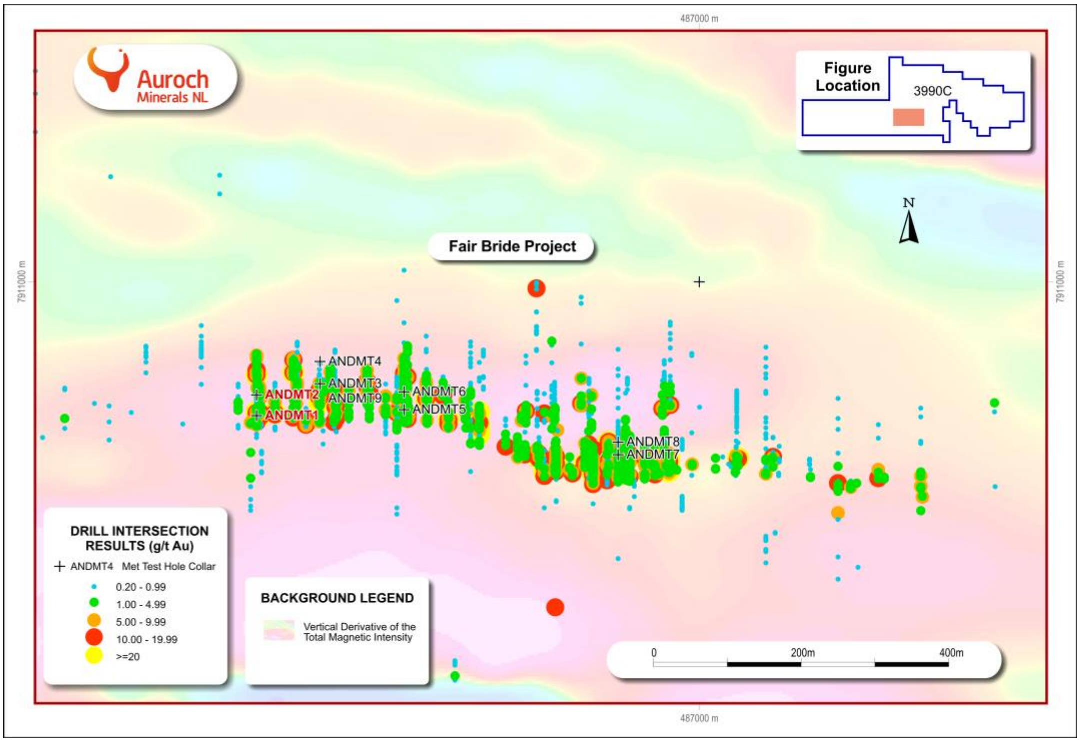

Figure 3: Metallurgical Test Drilling Location

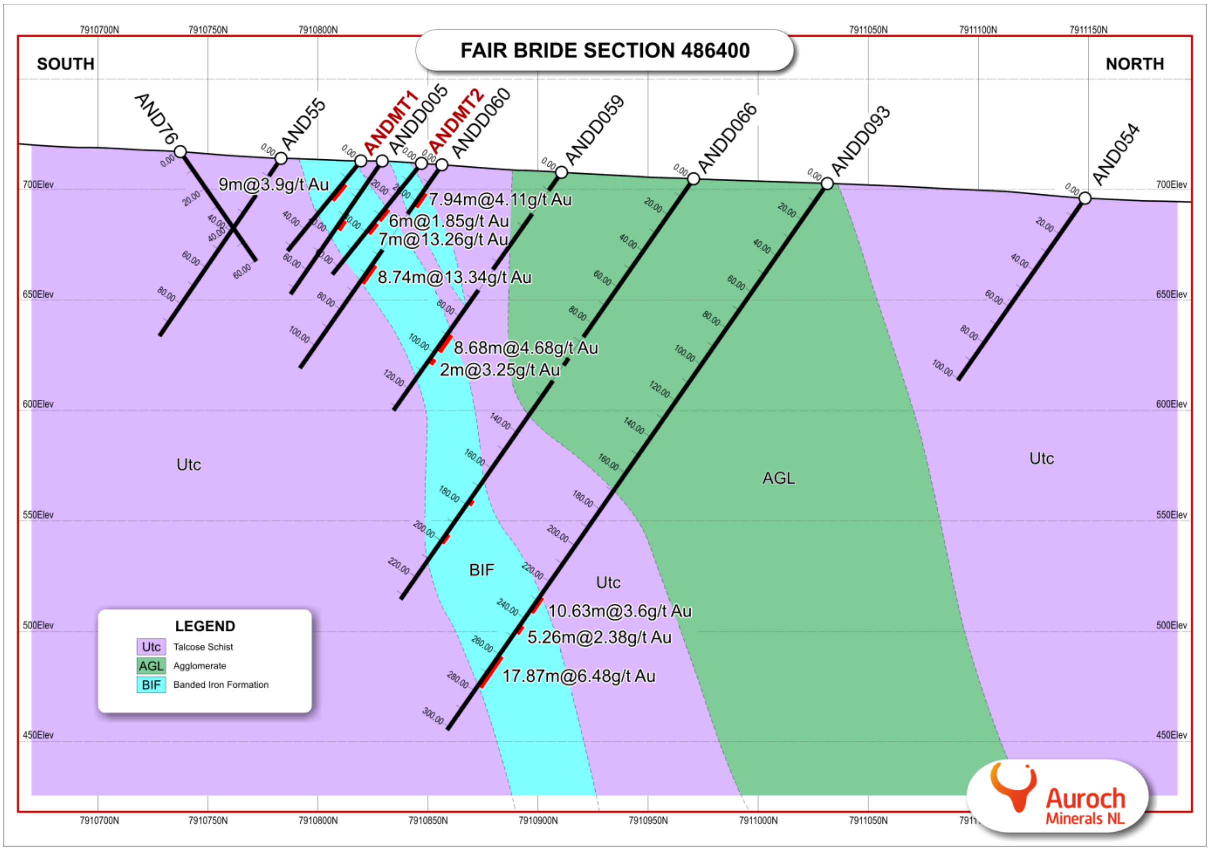

Figure 4: Cross section at Fair Bride

Metallurgical Test Work Results

Flotation

During the Period Auroch made significant metallurgical progress and completed several test programs. No historical test work had prevously been conducted on transitional ore samples at Fair Bride or Dot's Luck. The results of this recent test work point to the need for a pre-wash stage prior to flotation. The addition of an activator in the mill and sulphurdising agent prior to flotation was included in the current metallurgical test work program.

The flotation tests showed that 80% of the Au and 97% of the sulphide sulphur is recovered into the concentrate. The current plan is that the flotation tails will be treated in a standard leach circuit.

Concentrate Leaching on Transitional Material (Only at Fair Bride and Dot's Luck)

The first series of tests on rougher concentrate[1] have provided information on the primary grind of 80% passing 75µm. Subsequent test batches of rougher concentrate were then subject to Ultra-Fine Grind (**UFG**) and Carbon in Leach test work. These tests produced the following grind size Au Recovery curve (**Figure 5**).

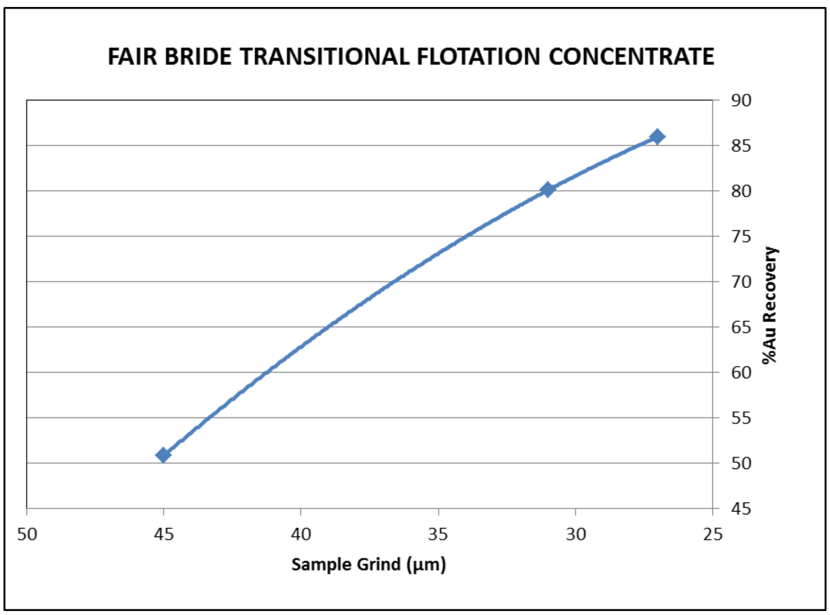

Figure 5: Grind Size Recovery Curve

Based on the Figure 11 results, a grind size of 79% passing 27µm gives a remarkable overall plant recovery of 88%.

The net impact of this high recovery from the UFG test work coupled with the relatively coarse grind of 27µm gives the Company flexibility in evaluating the Fair Bride deeper refractory ore to delay or even eliminate the oxidation process.

Oxide Leaching

The initial Stage 1 plant process design and capital cost, with 24 hours residence time in the leach, has been confirmed as a result of the recent test work. The recoveries are tabulated below (**Table 1**).

[1] Rougher concentrate refers to first stage of flotation.

Table 1: Oxide Leaching Au Recovery		
Sample	Calculated Head Grade (Au g/t)	Recovery (%)
Fair Bride Oxide ROM[2]:		
24 hours	3.61	89.6
48 hours	4.02	97.3
Air Sparging[3] 24 hours	4.20	96.5
Dot's Luck Oxide ROM:		
24 hours	1.58	91.2
48 hours	1.46	96.6
Air Sparging 24 hours	1.74	97.7
Guy Fawkes Oxide ROM:		
24 hours	2.80	96.9
Air Sparging 24 hours	2.72	97.5

Based on **Table 1**, a conservative recovery factor of 96% (Air Sparging 24 hours) has been assumed.

Geology

Dot's Luck

The Dot's Luck in-fill drilling programme comprised two reverse circulation (RC of 130m) and two diamond drill (DD of 136m) holes (See **Figures 6** and **7**).

The positions of the in-fill drilling is shown in Figure 6 along with all gold intersections to date.

[2] **ROM refers to Run of Mine.**

[3] **Air Sparging refers to the introduction of air into each leach vessel to maintain the dissolved oxygen levels.**

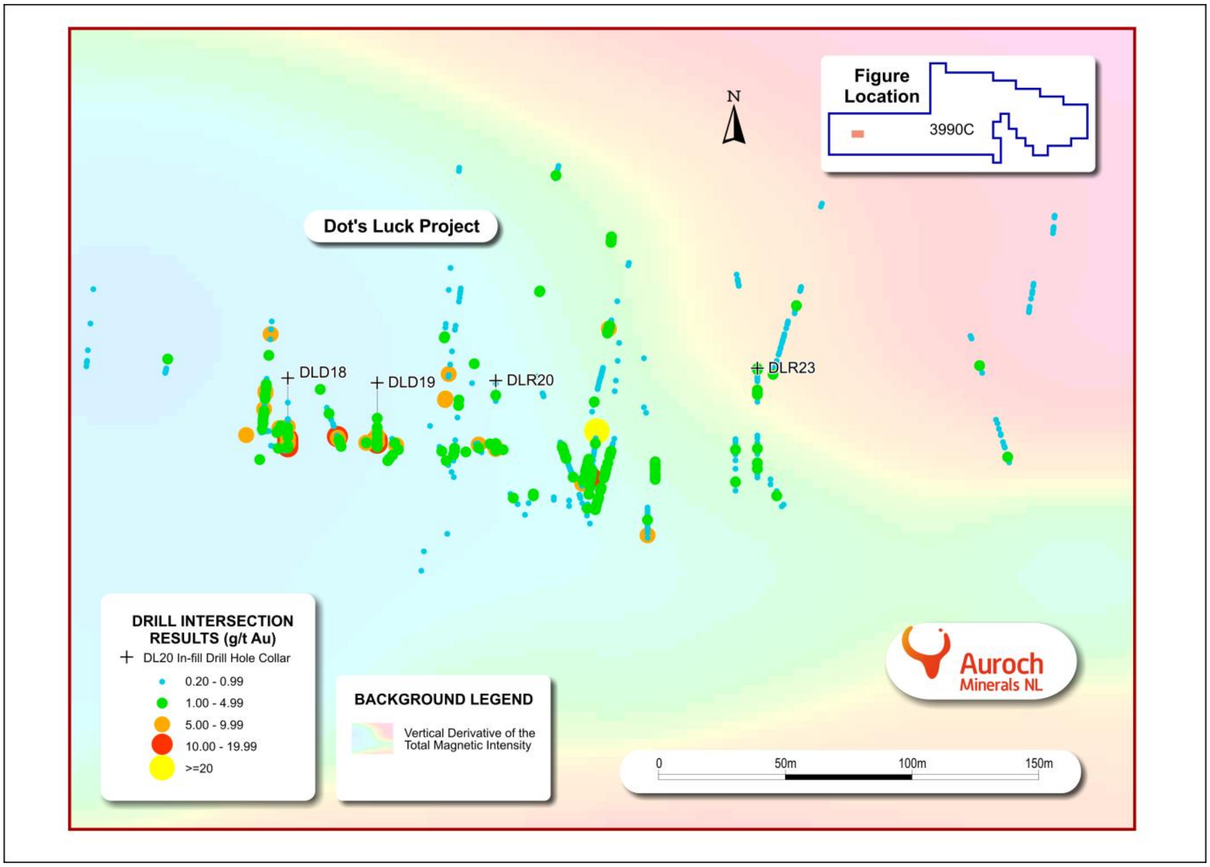

Figure 6: Dot's Luck In-fill Drilling Results

Selected results from this drilling include the following:

- **11.11m** at **6.53g/t Au** between 37.47m and 48.58m, including **6.9m** at **10.41g/t Au** between 40.78m and 47.72m (DLD18).
- **13.7m** at **3.88g/t Au** between 30.40m and 44.10m, including **2.57m** at **14.27g/t Au** between 39.13m and 41.70m (DLD19).
- **6m** at **4.93g/t Au** between 42.50m and 48.50m (DLR20).

A cross-section through Dot's Luck is is presented in **Figure 7**.

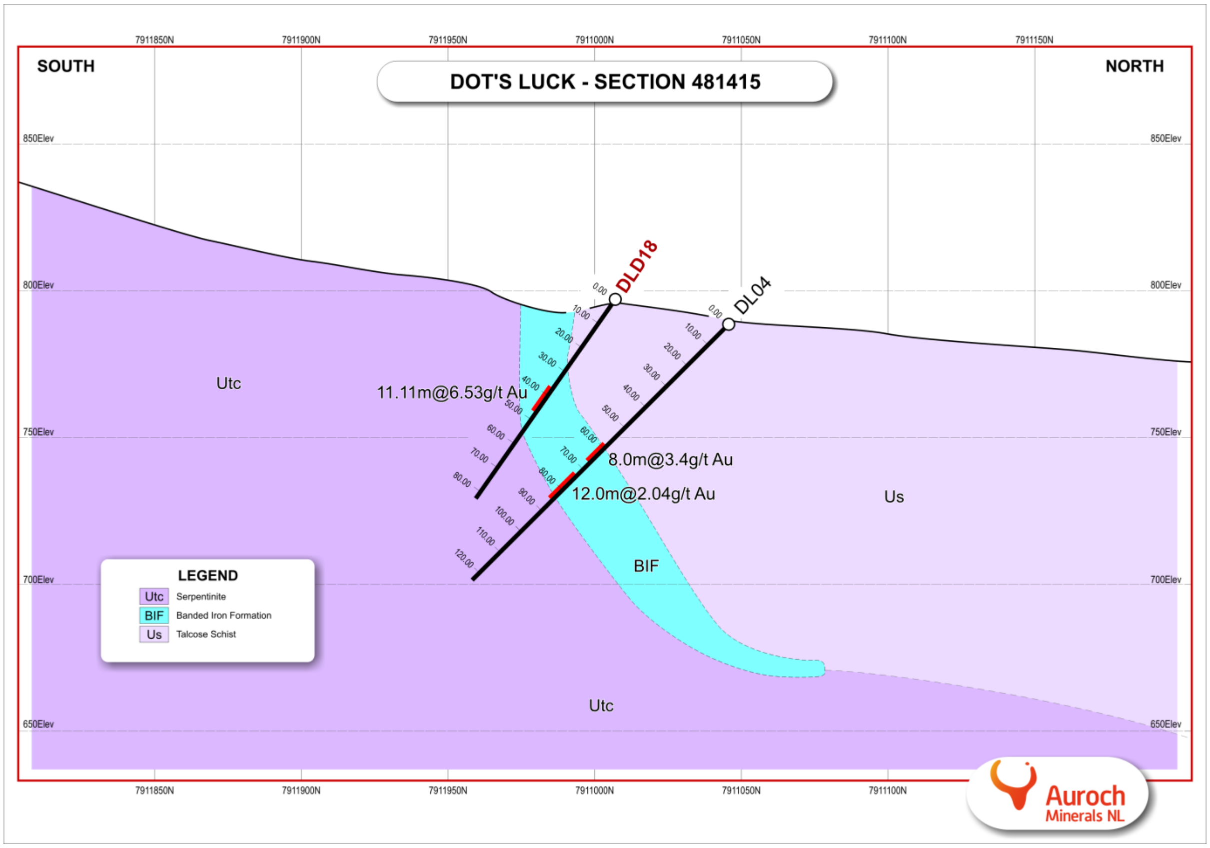

Figure 7: Values intersected in borehole DLD18 & DL04

Guy Fawkes

Drilling at Guy Fawkes during the 2012/2013 drilling campaigns facilitated the reinterpretation of the mineralised structures and confirms previous models of mineralised quartz veins and hydrothermally altered shear zones associated with the Northern Shear.These campaigns have been supplemented with an in-fill drilling programme which comprised a total of ten RC (of 862m) and three DD (of 845m) holes.

The positions and results of the in-fill programme are presented in **Figure 8** below.

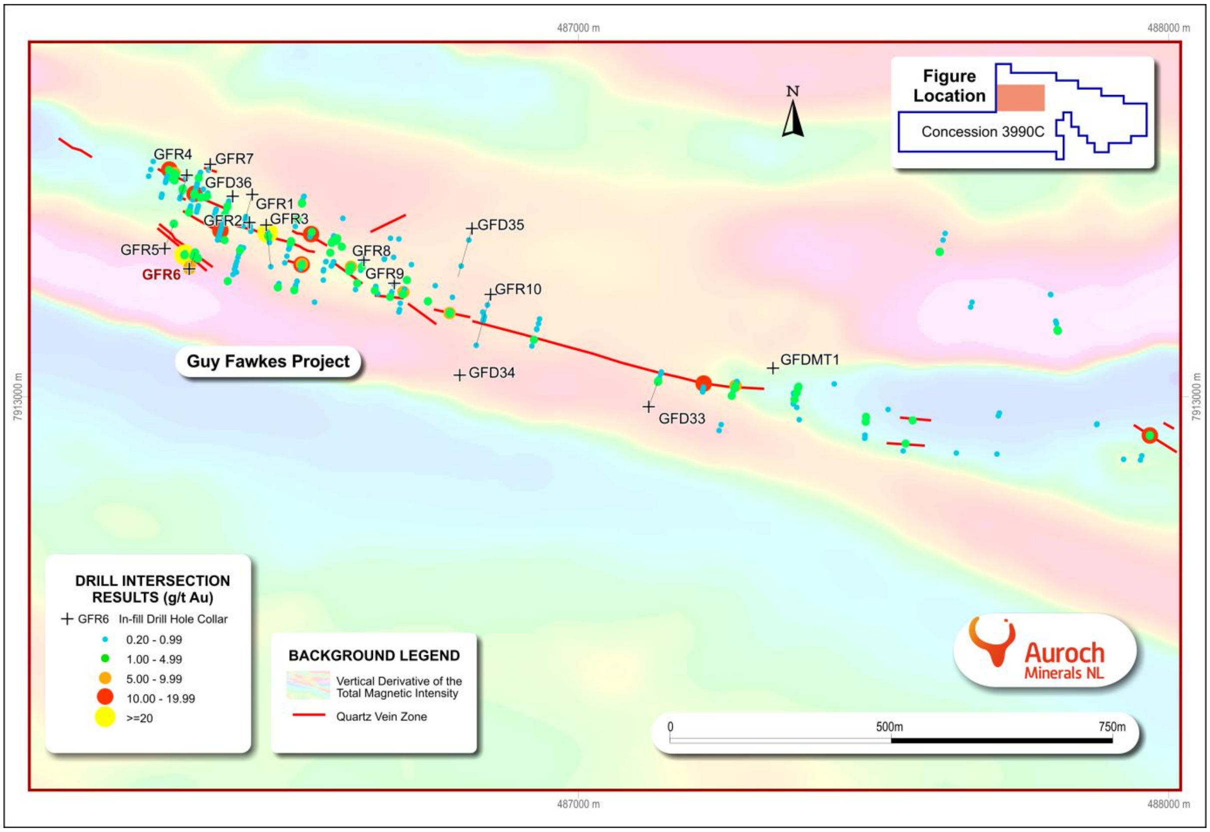

Figure 8: Guy Fawkes In-fill Drill Hole Locations

The intersections include the following results which are expected to impact on the calculation of resource ounces.

- **2m** at **11.15g/t Au** between 19.50m and 21.50m, including **1m** at **21.96g/t Au** between 20.50m and 21.50m (GFR03).
- **3m** at **2.35g/t Au** between 37.50m and 40.50m (GFR04).
- **1m** at **7.35g/t Au** between 0.50m and 1.50m (GFR06).
- **1m** at **9.80g/t Au** between 5.50m and 6.50m (GFR06).
- **20m** at **1.64g/t Au** between 89.50m and 91.50m (GFR07).
- **1m** at **1.67g/t Au** between17.50m and 18.50m (GFR08).
- **1m** at **1.70g/t Au** between 37.50m and 38.50m (GFR09).
- **2.74m** at **1.90g/t Au** between 69.02m and 71.76m (GFD33).

A typical cross-section is presented in **Figure 9** below.

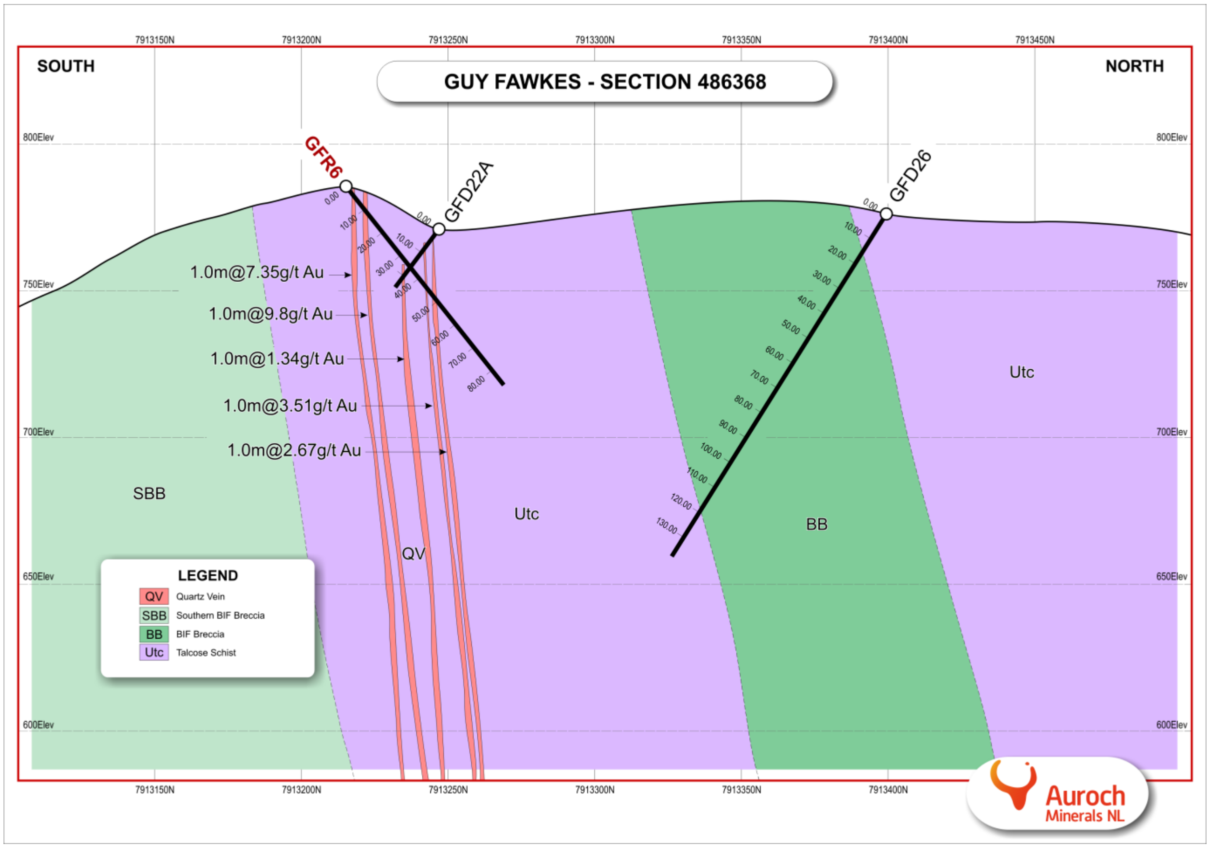

Figure 8: Gold intersected in borehole GFR6

A four-hole diamond drilling programme at Guy Fawkes was undertaken to test the possible depth extension of the mineralised structures. The depth extension was confirmed from hole GFD35 at 229.91m.

Fair Bride

Additional metallurgical test work drilling has been completed and the full set of these results is presented in the announcement "*Assay Results and Confirmatory Metallurgical Test Work*" dated 15 November 2013. High grade intersections from this campaign have included:

- **12m** at **3.08g/t Au** between 12.50m and 24.50m, including **2m** at **7.69g/t Au** between 13.5m and 15.5m (ANDMT1).
- **25m** at **4.45g/t Au** between 16.50m and 41.50m, including **6m** at **15.14g/t Au** between 34.5m and 40.50m (ANDMT2).
- **11m** at **8.45g/t Au** between 11.50m and 22.50m, including **6m** at **14.20g/t Au** between 16.50m and 22.50m (ANDMT3).
- **6m** at **4.31g/t Au** between 59.50m and 65.50m, including **3m** at **7.29g/t Au** between 59.50m and 62.50m (ANDMT4).
- **14m** at **2.31g/t Au** between 37.50m and 51.50m, including **1m** at **7.21g/t Au** between 38.50m and 39.50m, and **3m** at **3.51g/t A**u between 44.50m and 47.50m (ANDMT6).
- **3m** at **24.48g/t Au** between 45.50m and 48.50m (ANDMT8).

2012 / 2013 Drilling Campaign

In November 2012 the Company commenced an initial scout drilling campaign within the Guy Fawkes Project sector. The campaign comprised 33 drill holes for a total of 7,445 metres of diamond drilling. The assay results confirmed the historic drill intersection values distribution.

Gold mineralisation was successfully intersected in the majority of holes within the Guy Fawkes Project sector, key intersections include:

- 5.00m @ 5.77 g/t Au from 5.10m, including 1.24m @ 18.86 g/t Au (Borehole GFD31);
- 1.02m @ 3.13 g/t Au from 121m (Borehole GFD28);
- 9.40m @ 2.92 g/t Au from 0m, including 1m @ 20.49 g/t Au (Borehole GFD22); and
- 0.40m @ 10.83 g/t Au from 27.60m (Borehole GFD10).

Figure 10 below shows the Guy Fawkes Project drill collar locations and intersection values.

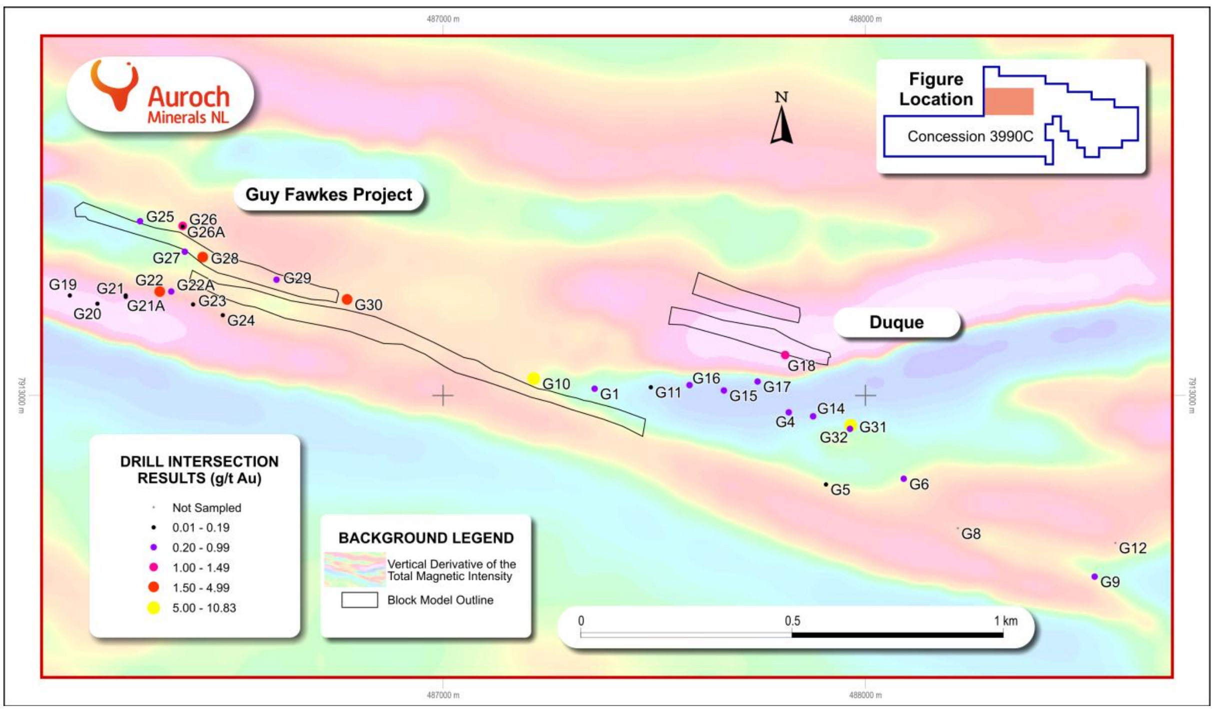

Figure 10: Guy Fawkes 2012/2013 Drilling Intersection Values (g/t Au)

Note: All borehole names have been shortened in the figure above: G10=GFD10; M1=MAC001 for clarity.

The distribution of all gold values intersected within the Guy Fawkes Project are presented in **Figure 11** below.

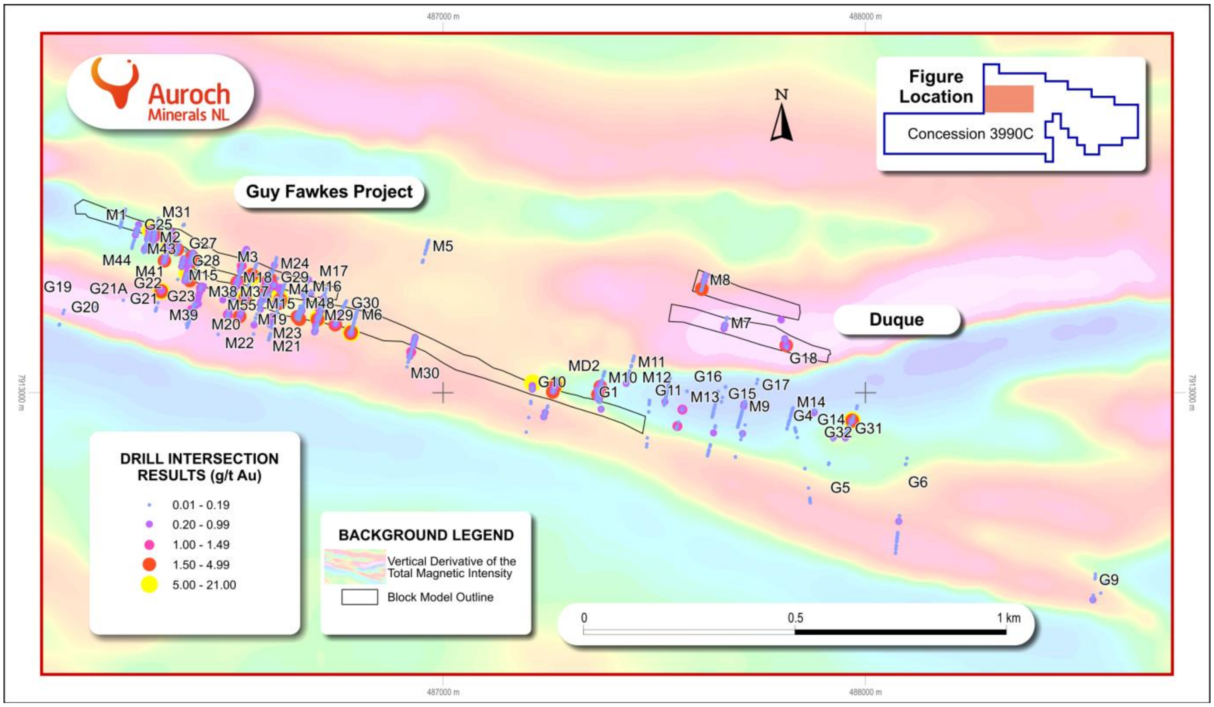

Figure 10: All drill hole gold intersections at Guy Fawkes Project Sector to date

The drill hole information in the vicinity of the historical Guy Fawkes workings is of a sufficient spread, density and quality to justify infill drilling and a subsequent update of the existing resources at Guy Fawkes.

Mineral Resource Estimate Update

In March 2014 Auroch released an updated Mineral Resource Estimate (**MRE**) at the Manica Gold Project which incorporated exploration and infill drilling work conducted at the Dot's Luck and Guy Fawkes deposits during 2012/13. A discussion and summary of this recent Mineral Resource Estimate is set out below.

CSA Global was commissioned to update the MRE for the Dot's Luck and Guy Fawkes deposits within the Manica Gold Project Mining Concession to incorporate the additional results from the exploration and infill drilling campaigns. The results for Dot's Luck and Guy Fawkes are set out below. A review of the Fairbride mineral resource estimate is currently underway as at the date of this report.

Dot's Luck Resource

The additional in-filling and metallurgical test work drill results (refer above) along with underground sampling at Dot's Luck resulted in the declaration of a maiden Indicated 25,500 ounces and Inferred 30,000 ounces of resource.

Dot's Luck mineralisation is hosted by pebbly tuffaceous metagreywacke intercalated with BIF and is strongly foliated. The mineralised zone is enveloped within talc carbonate schists. The lithologies are altered by silicification and carbonatisation. The mineralised zone has a maximum thickness of about 30m.

Guy Fawkes Resource

The Guy Fawkes deposit is characterised by narrow quartz vein gold mineralised structures. These multiple structures are similar in size to those in other quartz hosted greenstone deposits[4]. A comparison of the previous calculated resource estimate (Table 2) and the updated resource is set out below (Table 3).

Table 2: Previous Guy Fawkes Resource			
Classification	**Tonnes**	**Au g/t**	**Ounces**
Indicated	2,150,000	2.44	170,000
Inferred	480000	3.25	50,000
Total	**2,630,000**	2.62	**220,000**

Table 3: Updated Guy Fawkes Resource following 2014 MRE Review			
Classification	**Tonnes**	**Au g/t**	**Ounces**
Indicated	420,000	1.92	25,600
Inferred	380,000	3.90	48,000
Total	**800,000**	**2.87**	**73,600**

Reported from blocks where AU>= 1.25 g/t and depleted blocks removed. Differences may occur due to rounding.

In the context of the Guy Fawkes deposit, the MRE records a material change from the June 2011 MRE. Auroch considers that the revision has provided a sound base from which to develop and increase the resource classification of the MRE from current levels at this deposit by undertaking:

- underground sampling and on reef mapping;
- focused in-fill drilling from surface to:
    - delineate strike extensions; and
    - further depth extensions.

The near vertical structures hosting the gold mineralisation at Guy Fawkes lends themselves to semi-mechanised open stoping mining methods.

Geological and Metallurgical Review of Fair Bride

The geological technical team commenced a comprehensive review of the geology of the Fair Bride deposit during the year. This comprised the re-logging of the entire available diamond drill core and the reinterpretation of the geology and mineralised envelope. In addition, further metallurgical investigations were undertaken on representative samples of the deposit. This work was ongoing at the date of this report and is expected to form the basis for an update of the mineral resource estimate for Fair Bride.

[4] Foster, R.P., et al (1986). Archean Gold Mineralisation in Zimbabwe. In Anhaeusser, C.R. and Maske, S. (1986). Mineral Deposits of Southern Africa Vol. 1. Geol. Soc. S. Afr., Johannesburg

The Manica Gold Project global resource as at the date of this report is set out below.

Table 4: 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*	0.50	11,561	1.73	642,000
Total Measured Resources			**11,561**	**1.73**	**642,000**
Indicated	Fair Bride*	0.50 < 300 m 1.00 > 300 m	10,795	1.64	570,000
	Guy Fawkes	1.25	420	1.92	25,600
	Dot's Luck	0.50	425	1.87	25,500
Total Indicated Resources			**11,640**	**1.66**	**621,100**
Inferred	Fair Bride*	0.50	24,598	1.83	1,449,000
	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			**25,763**	**1.88**	**1,557,000**
Total Manica Gold Project Resource			**48,964**	**1.79**	**2,820,100**

*This information 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.

Governance Arrangements and Internal Controls

On 15 August 2014 the Company requested a voluntary suspension pending the relase of an update in relation to the resource inventory at the Manica Gold Project. As at the date of this report the Company was not in a position to release the results of this update but will ensure that once the update is sufficiently finalised the results will be released to the market immediately. The Company has ensured that the existing 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 grouped by development deposits on the Company's Mining Concession 3990C in Mozambique. The gold mineral resources at the Fair Bride, Guy Fawkes, Dot's Luck and Boa Esperanza prospects. The Guy Fakws and Dot's Luck mineral resources were recently updated and are reported in accordance with JORC 2012 standards. The Fair Bride and Boa Esperanza mineral resources have been reported in accordance with JORC 2004 standards 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 mineral resources was performed in 2014 and this audit was managed by Auroch in conjunction with 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. An Independent technical review and audit is currently being undertaken as a product of risk assessment and the results of this update will be released accordingly.

Consolidation of Mozambique Ground

During the year the Company advised that it reached conditional agreement with Republic Gold Limited (ASX:RAU) (**Republic**) to acquire African Stellar Mozambique Limitada (**ASMoz**), the holder of three prospecting licences and four prospecting licence applications in the Manica and Sofala Provinces of Mozambique.

The agreement is subject to the completion of certain conditions precedent, including any ministerial consent and regulatory approval as required by Republic or the Company. Auroch will seek shareholder approval for the issue of the consideration securities.

Terms of Acquisition

Auroch will acquire 100% of ASMoz for the following consideration:

- 6,538,462 ordinary Auroch shares.
- 6,538,462 options exercisable at $0.15 on or before 31 December 2016.

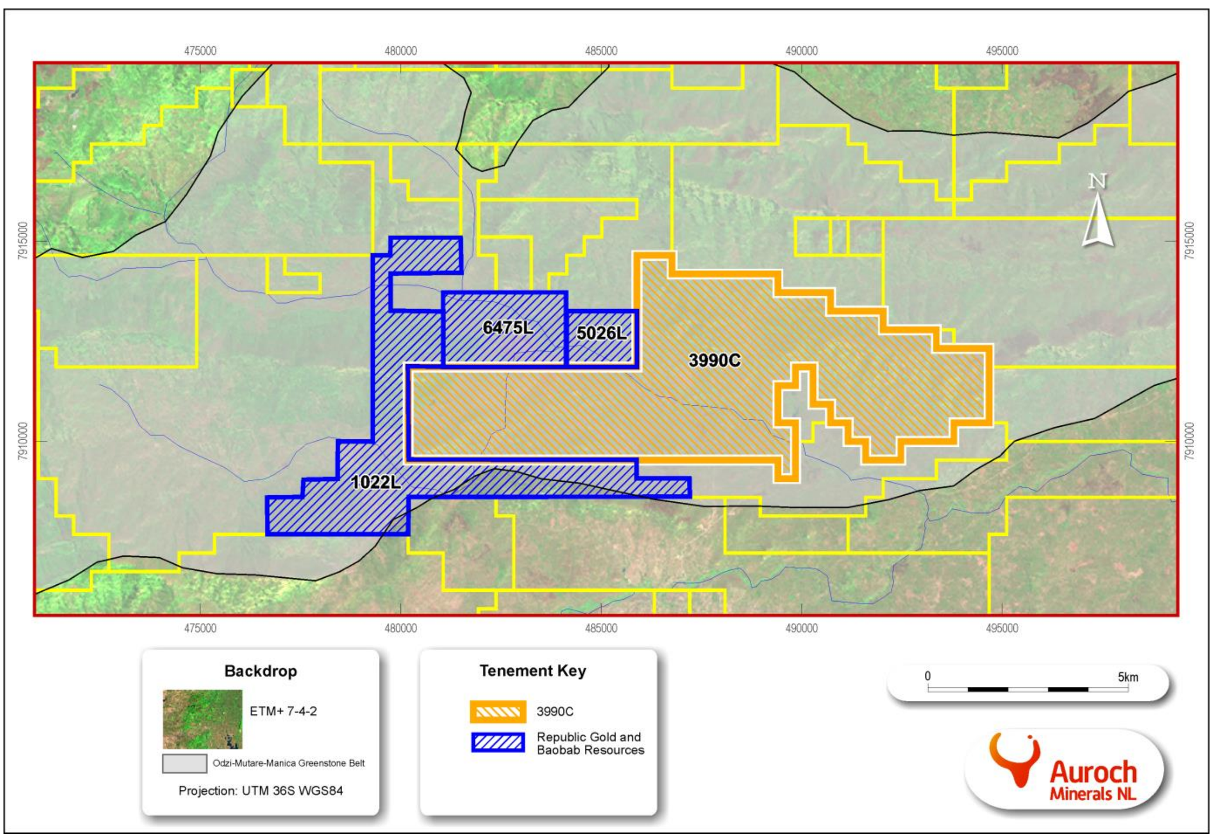

Figure 11: OMM Greenstone belt overlain with Auroch Minerals' Project Location, Republic Gold's Prospecting Licence (5026L), licence application (6475L) and Baobab Resources plc's Prospecting Licence (1022L) subject to a proposed Joint Venture agreement with Auroch.

Mucurumadzi Project (5026L)

Republic acquired ASMoz in April 2013 and has since completed an 8-hole drill programme intersecting high-grade gold mineralisation at the Mucurumadzi Project, located directly along strike from Auroch's Guy Fawkes Project (**Figure 12**). The mineralised zone is located at the sheared contact of a talc-chlorite schist and meta-sediment unit. The mineralised zone strikes north-northwest to northwest and dips vertically. The zone is thought to be hosted within the sheared out hinge zone of a tightly folded structure. Disseminated sulphides and fracture-hosted sulphide mineralisation occurs predominantly within the competent folded meta-sediment unit.

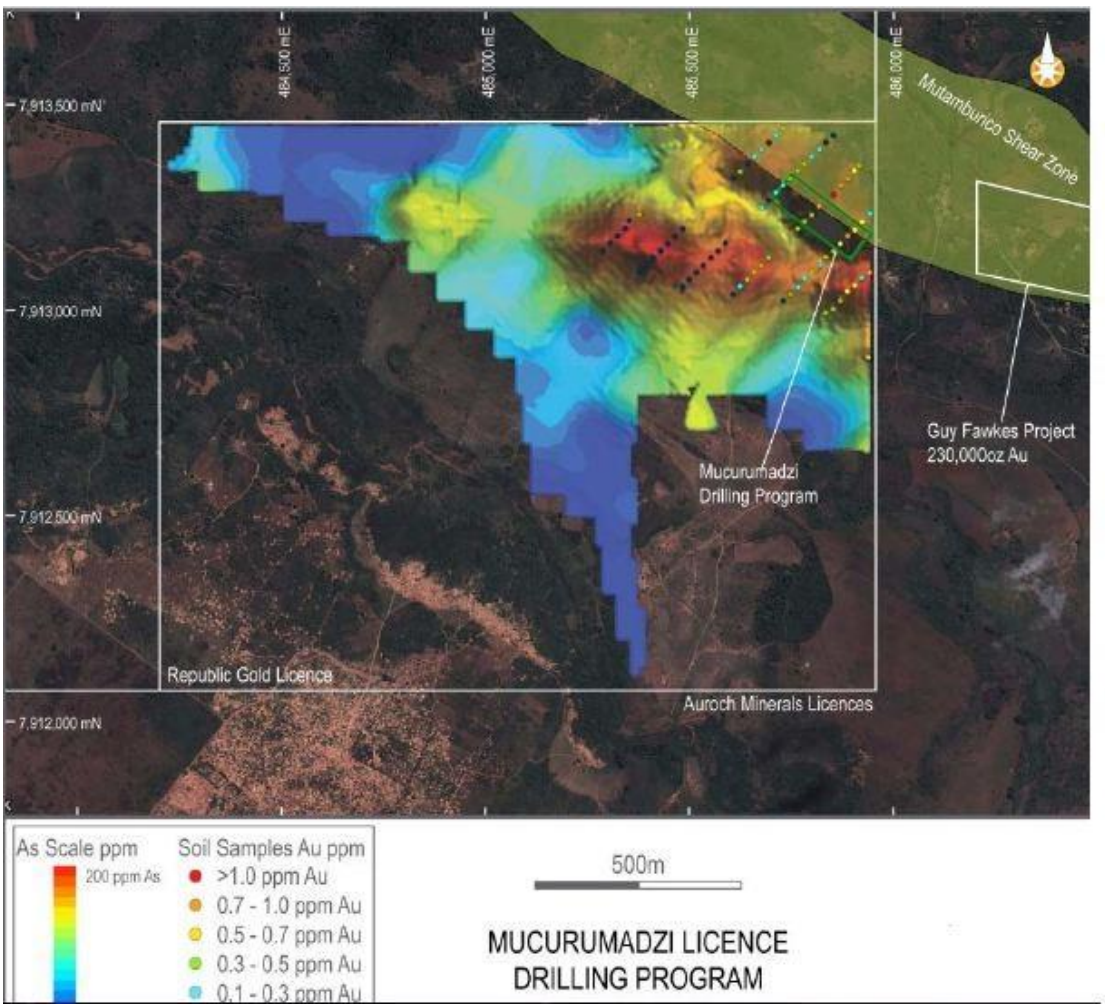

Figure 12: Republic's soil sampling and 8-hole Mucurumadzi drill program (Source: RAU.ASX Release 3 December 2013)

Republic recently conducted a preliminary assessment of the alluvial potential of the auriferous cobble-gravel (i.e. "alluvial gold") deposit located along the southern bank of the Revue River within the south-western corner of the Mucurumadzi licence (5026L) (**Figure 13**). Selected grab sampling has been conducted in 25 shafts from the base of the cobble-boulder unit and show grades as high as 4.46 grams per loose cubic metre (RAU ASX Announcement 21 January 2014).

Gondola Project (5000L)

The geology of the Gondola Licence area presents greenstone belt hosted grass roots gold target possibilities. An unusual pegmatite-associated native gold occurrence is reportedly being mined at present by artisanal miners on this licence.

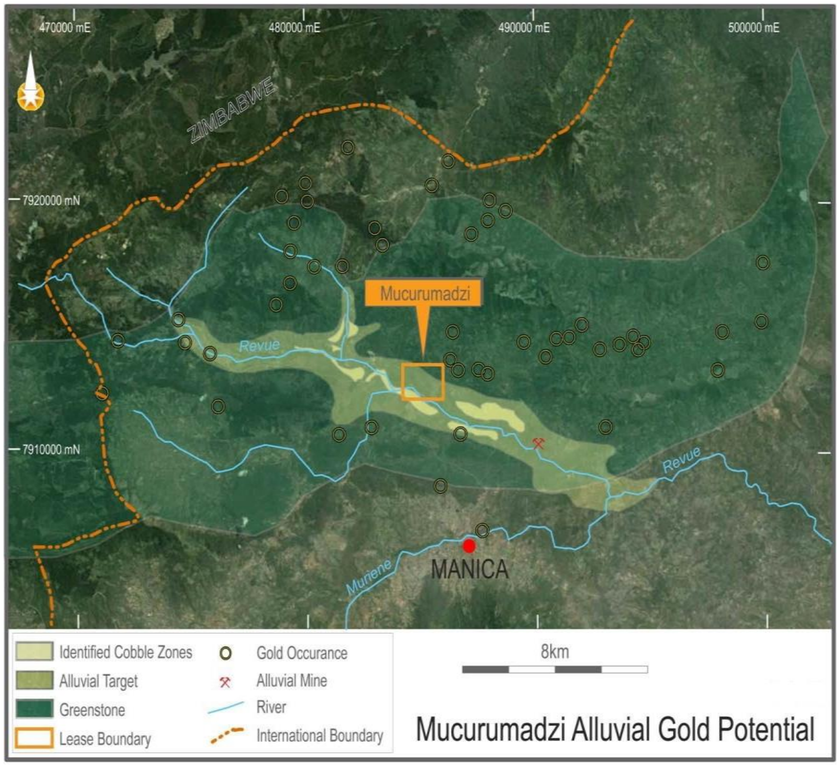

Figure 13: Mucurumadzi Project Licence (5026L) (Source: RAU.ASX Release 21 January 2014)

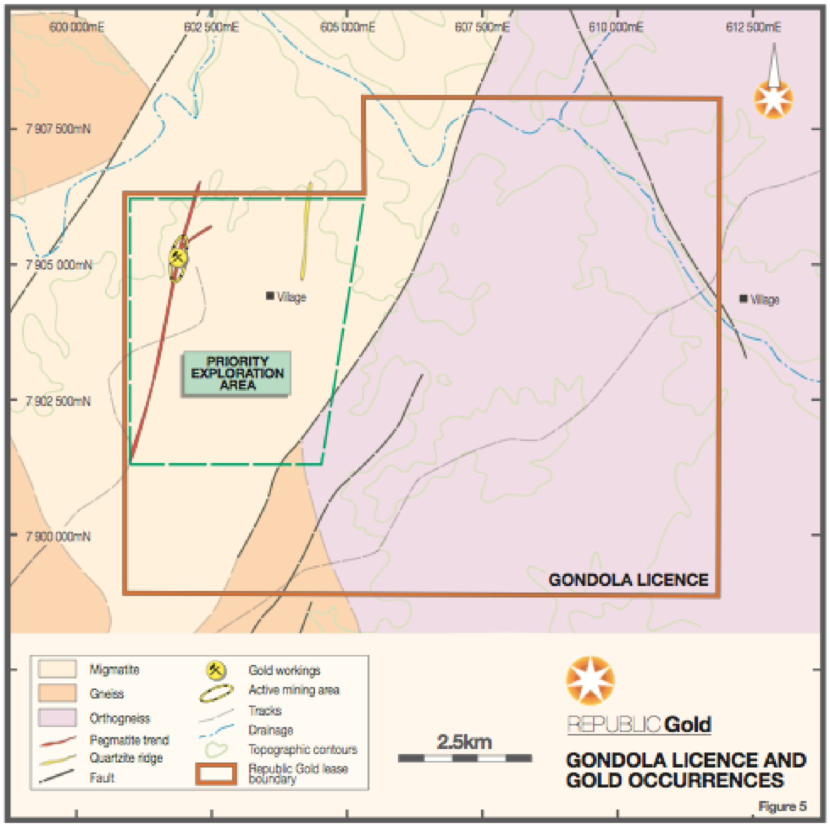

Figure 14: Gondola Licence (Source: RAU.ASX Release 25 November 2013)

Sussundenga Project (4800L)

Republic targeted this licence for near surface, bulk tonnage gold targets. The total licence area is 245km^2 covering a regional contact margin between the Zimbabwe Craton and adjacent Mozambique Belt. The gold deposit model is thought to be an intrusive related gold style with gold hosted within the vein segregations in the gneiss. (RAU ASX Announcement 25 November 2013). While a first-pass exploration programme has been completed over a small area, minimal exploration activity has occurred at the Sussundenga Licence (**Figure 15**). Auroch management believe the licence represents a potentially excisting grass roots exploration opportunity over a large area.

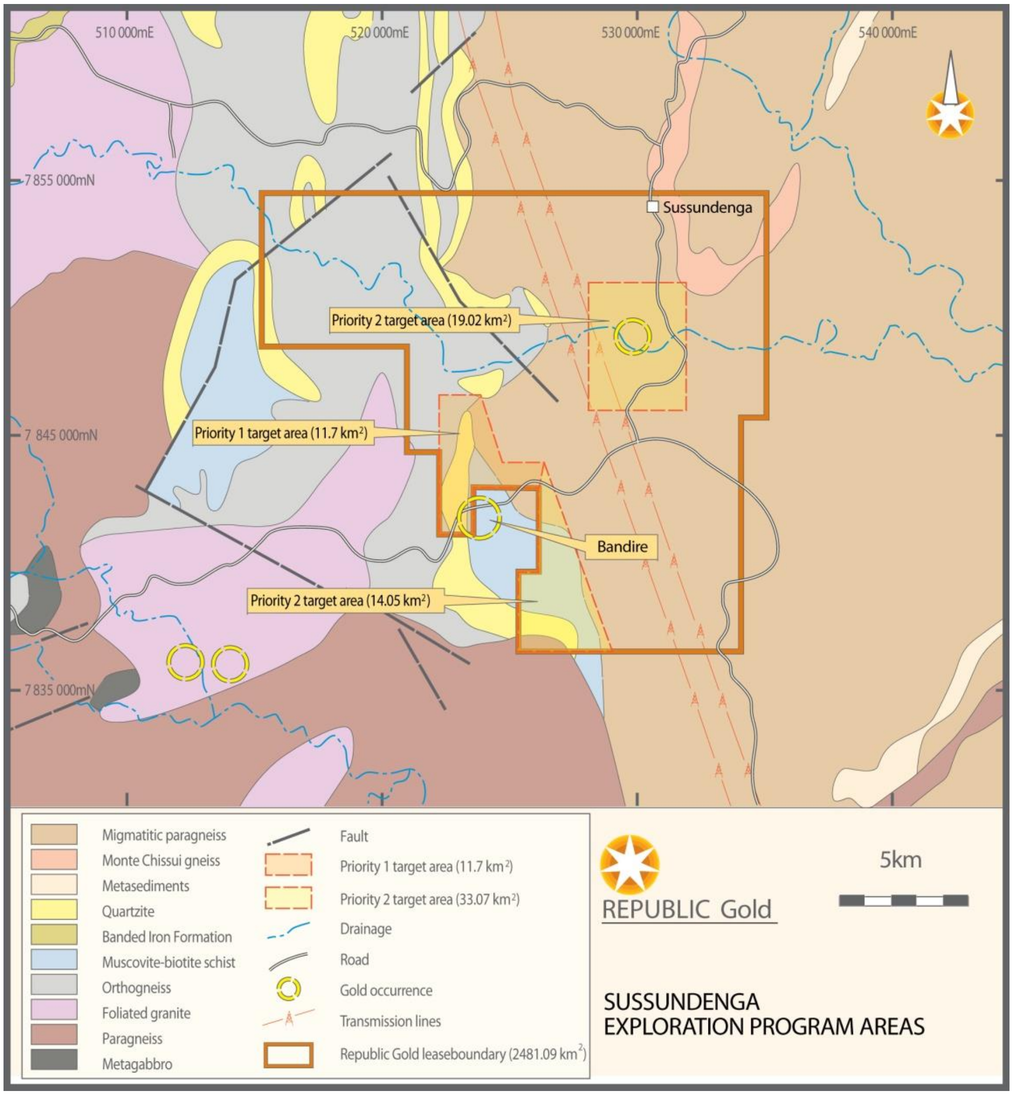

Figure 15: Sussundenga Licence showing mineral occurrences in the vicinity (Source: RAU.ASX Release 25 November 2013)

The Sussundenga and Gondola Project areas are largely underexplored and their potential will be assessed, starting with reconnaissance field mapping in association with satellite imagery interpretation in order to develop specific target areas.

Approval of Grant Funding from DTI

During the year the Company confirmed that the Department of Trade and Industry (**DTI**) South Africa, through Basil Read Matomo (Pty) Limited (**Matomo**), had approved the Company's application for grant funding under the Capital Projects Feasibility Programme. Matomo is the manager of the DFS.

Grant funding for the Project was approved to the value of up to ZAR8,000,000 (~A$870,000)[5] by the DTI and the effective date for commencement of activities was **1 November 2013**. These funds represented a significant portion (33%) of the estimated DFS cost and will be paid directly to Matomo to cover qualifying engineering services and offset against amounts owing.

Matomo is a leading design, project engineering, procurement and construction (**EPC**) company servicing the minerals processing, chemical and renewable energy sectors. They offer a full range of turn-key solutions for project implementation, ranging from concept development and feasibility studies, through to final project execution.

The mining component of the DFS will be subcontracted to Royal Haskoning DHV (RHDHV Mining, formerly Turgis Consulting) by Matomo. This experienced Mining Consulting and Engineering group with headquarters in South Africa and the United Kingdom, has a mining history spanning more than two decades. RHDHV Mining specialises in all aspects of mining engineering and has an impressive track record with projects of this type, size and degree of complexity.

The approval of DTI grant funding will enhance the Company's ability to secure project financing from South Africa, including ECIC funding, which is South Africa's official Export Credit Agency, 100% owned by the Government of South Africa.

Environmental Impact Assessment Report Submitted

During the year Auroch advised that the Environmental Impact Assessment Report (**EIA**) on the proposed mining activities at the Manica Gold Project has been submitted to the Mozambique Ministry of Coordination of Environmental (MICOA) for assessment.

The EIA is required in order to comply with the terms of the 25 year Mining Concession (3990C), granted in March 2011 and will allow for the on-going development and exploitation of the Company's gold resources. The completion of the EIA has involved in excess of 15 scientists and specialist consultants from disciplines as diverse as archaeology to flora and fauna to geohydrology.

They have defined a baseline of the ecology, environment and social communities against which the Company can now monitor and manage its economic and environmental impact.

As part of the above EIA process, significant work was also completed that form an integral component of the Manica Gold Project Stage 1 DFS, as follows:

1. In-fill drilling and metallurgical assay results at Dot's Luck and Guy Fawkes, together with the historical database, provided the data and material for the additional metallurgical test work;
2. Metallurgical test work to confirm earlier preliminary recovery factors (final report due in March 2014) which are required to established the chemical composition of the gold bearing ores to be processed;

[5] Based on an exchange rate of 1 AUD = 9.19 ZAR

3. Based on points 1 and 2 the gold plant process design has been updated, mass balances re-calculated and key equipment lists re-priced to a PFS level of accuracy in order to establish water consumption and rates of waste disposal;
4. Surface geotechnical studies for the tailings disposal site and for the placement and preliminary design of the gold plant infrastructure; Preliminary open pit designs by RHDHV mining consultants with capital and working cost estimates; and
5. Preliminary gold plant and infrastructure capital and working cost estimates from Basil Read Matomo.

The completed EIA, which is purely of a technical nature and does not entail DFS financial considerations, clearly indicates that there are no fatal flaws in terms of potential environmental or social impact issues. The EIA sets out the guidelines required by Mozambican legislation under which the Manica Gold Project will be managed in terms of the Company's environmental policies.

CORPORATE

Variation to Manica Acquisition Agreement

During the year, the Company advised it had reached agreement with Pan African Resources plc (**Pan African**) to extend the date to 30 September 2015 by which the Company must pay the remaining A$1.5 million cash consideration for the buyback or cancellation of Pan African's existing Consideration Shares (25 million ordinary shares) and Deferred Consideration of Cash and shares, including its right to Deferred Cash Consideration.

As of the date of this report, Auroch has paid A$500,000 against the initial $2 million sum owing to Pan African. Following payment of the above extension payments prior to 30 September 2014, the balance of A$1,450,000 will be payable to Pan African no later than 30 September 2015. In consideration for the extension of the payment date, Auroch has agreed to pay Pan African a fee of A$200,000 at the time of final payment, being 30 September 2015 (**Additional Fee**). If the outstanding balance is made prior to 30 September 2014 the Additional Fee is not payable and only the balance of A$1,450,000 is payable. In addition, the Company has agreed that 15% of funds raised under any equity raising will be allocated to reducing the balance owing to Pan African.

Board and Management Restructure

During year, the Company advised of a board and management restructure whereby Dean Cunningham stepped down as Managing Director of Auroch as the Manica Gold Project gains momentum and moves into the development and construction phase. He remains as a consultant assisting the Chairman in securing ongoing project financing from South African Banks required for the development phase of the project.

Glenn Whiddon became the Company's Executive Chairman and Professor Jim Porter assumed the role of Chief Operations Officer. Prof. Porter is a Consulting Engineer with 37 years' operational, project management and consulting engineering experience. He is a Fellow of the Southern African Institute of Mining and Metallurgy and its President effective from August 2014. Prof. Porter is also visiting Adjunct Professor at the Centre of Mechanised Mining Systems at Wits University and Chairman and CEO of a gold exploration company in Zimbabwe.

The Company further advised of the appointment of Mr Nicholas Ong as Non-executive Director. Mr Ong spent seven years as a Principal Advisor at the ASX overseeing the listings of over a hundred companies. He has since worked as a director and company secretary to listed companies and has developed a wide network of private client advisers, high net worth individuals and sovereign fund managers. Mr Ong also currently holds the position of Executive Director of Excelsior Gold Limited (ASX:EXG).

Capital Raising Completed

During the year, the Company advised that it had raised $800,000 via a convertible note facility. Proceeds from the raising will be used for working capital purposes. Pursuant to shareholder approval granted at a general meeting in June 2014, the debt facility may be converted into ordinary shares on the terms and conditions set out in the ASX announcement of 23 April 2014.

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 Program being conducted by SGS (Johannesburg) and is based on information received to date. It was compiled by Mr Graeme Farr, who is a Fellow of the South African Institute of Mining and Metallurgy. Mr Farr is contracted by the Company to oversee all issues relating to the design of the beneficiation process. Mr Farr has sufficient experience which is relevant to the type of beneficiation plant 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 Farr consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears

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%
Mucurumadzi Project	5026L	Granted	-	-	-
Gondola Project	5000L	Granted	-	-	-
Sussundenga Project	4800L	Granted	-	-	-
Baobab Farm-in	1022L	Granted	-	-	-

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%

Your Directors present their report on Auroch Minerals NL (**Auroch** or the **Group**) for the period 1 July 2013 to 30 June 2014.

DIRECTORS

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

Mr Glenn Whiddon

Mr Jan Nelson

Mr Nicholas Ong (appointed 31 May 2014)

Mr Dean Cunningham (resigned 31 May 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 TSX Listed 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 Jan Nelson
Non-Executive Director
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 past 3 years Mr Nelson has not been a director of any other ASX listed companies.

Mr Nicholas Ong
Non-Executive Director (appointed 31 May 2014)
Mr Ong was a Principal Adviser at the Australian Securities Exchange (ASX) in Perth and brings nine years' experience in compliance and corporate governance to the board. Mr Ong has overseen the admission of over 100 companies on to the official list of the ASX. Mr Ong 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. Mr Ong 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), Minerals Corporation Limited (since 24 June 2014), Fraser Range Metals Group Limited (since 1 July 2013) and Segue Resources Limited (since June 2011). He has had no former directorships within the last three years.

Mr Dean Cunningham
Managing Director (resigned 31 May 2014)

Dean is an experienced mining engineer and corporate financier with over 25 years' experience. He graduated from the University of the Witwatersrand in 1985 with a BSc (Honours) Mining Engineering. Previously Executive Director Corporate Finance for Basil Read where he was responsible for the acquisition activity within the group in conjunction with capital raisings and investor relations. In addition he held the position of Chief Executive Officer at TWP Investments, the investment arm of TWP Holdings, a mining, processing and energy consultancy company based in South Africa, Peru and Australia. Dean was also previously the Head of Mining Equity and Corporate Sales at Nedbank Securities, overseeing African mining investment opportunities, IPOs, Mergers and Acquisitions, capital raising and debt facilitation and Director and Head of Mining Research at Investec Securities Limited.

DIRECTORS MEETING

Attendances by each Director during the period were as follows:

	Number Eligible to Attend	Number Attended
Mr Glenn Whiddon	4	4
Mr Jan Nelson	4	4
Mr Nicholas Ong (appointed 31 May 2014)	0	N/A
Mr Dean Cunningham (resigned 31 May 2014)	4	4

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)
- Dean Cunningham (Managing Director, resigned 31 May 2014)
- Nicholas Ong (Non-Executive Director)
- Jan Nelson (Non-Executive Director)
- Jim Porter (Chief Operations Officer)
- Francisco Matos (Exploration Manager, Mozambique)
- Gordon Koll (Chief Geologist)

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 2013 Annual General Meeting

At the 2013 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, options and performance 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 9.25%, 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 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.

	30 June 2014 $	30 June 2013 $	25 January 2011 to 30 June 2012 $
Revenue from continuing operations	29,154	110,819	134,981
Net profit/(loss)	(921,051)	(1,093,562)	(744,891)
Share price	$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

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

(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.

2013	Short-term benefits	Post-employment benefits	Share-based Payment					
Name	Cash Salary and Fees	Super-annuation	Equity	Options	Total	Options as a % of remuneration	% perf. based	% share based
Glenn Whiddon (i)	17,032	-	-	-	17,032	-	-	-
Dean Cunningham	164,426	-	42,630 (i)	-	207,055	-	-	20.6%
Jan Nelson	15,000	-	-	-	15,000	-	-	-
B Bussell (ii)	19,355	-	-	-	19,355	-	-	-
M Foy (iii)	40,355	-	-	-	40,355	-	-	-
R Jewson (iv)	19,400	-	-	-	19,400	-	-	-
Other								
Francisco Matos (v)	87,689	-	-	-	87,689	-	-	-
Gordon Koll (vi)	71,981	-	-	-	71,981	-	-	-
Jim Porter (vii)	58,970	-	-	-	58,970	-	-	-
Total	494,208	-	42,630	-	536,838	-	-	20.6%

(i) Glenn Whiddon was appointed on 11 January 2013
(ii) Ben Bussell resigned on 14 January 2013
(iii) Matthew Foy resigned on 14 January 2013
(iv) Rob Jewson resigned on 14 January 2013
(v) Francisco Matos was appointed on 11 January 2013
(vi) Gordon Koll was appointed on 11 January 2013
(vii) Jim Porter was appointed on 11 January 2013

(i) 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 in place to enable the Company 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.

The below shares were issued to Mr Dean Cunningham under the Plan and were subsequently bought back and cancelled on 17 July 2104 following Mr Cunningham's resignation. The Plan shares were subject to the following vesting conditions:

	Number of shares	Grant Date	Share Price	Vesting Condition	Value $
Class 1	350,000	28/08/12	$0.29	(i)	42,630
Class 2	308,000	28/08/12	$0.29	(ii)	-
Class 3	308,000	28/08/12	$0.29	(iii)	-

Class 4	336,000	28/08/12	$0.29	(iv)	-
Class 5	98,000	28/08/12	$0.29	(v)	-
	1,400,000				42,630

Vesting Conditions

(i) 24 months continuous employment

(ii) upon the delineation of at least 400,000 ounces of a JORC Inferred gold Resource of Oxide Ore with a cut off grade of 1.25g/t being defined on the Mining Concession (including the existing 90,000 ounces of JORC Inferred gold Resource of Oxide Ore at a cut off grade of 1.25g/t that has already been delineated on the Mining Concession);

(iii) upon the delineation of at least 1,000,000 ounces of a JORC Inferred gold Resource of Oxide Ore with a cut off grade of 1.25g/t being defined on the Mining Concession (including the existing 90,000 ounces of JORC Inferred gold Resource of Oxide Ore at a cut off grade of 1.25g/t that has already been delineated on the Mining Concession and any ounces of JORC Inferred gold Resource of Oxide Ore that satisfied the 400koz Milestone);

(iv) upon completion of a positive Bankable Feasibility Study (**BFS**) on either the oxide or sulphide ore on the Mining Concession which recommends the construction of a mine with at least a ten year life and production scope of 50,000 ounces per annum and at any time after completion of the BFS the Board of AOU elects to commence construction of the mine as recommended in the BFS and has financing arranged for the construction of the mine

(v) upon production of either oxide or sulphide ore at the plant constructed by Explorator Limitada to process ore from the Mining Concession at the capacity specified in the Bankable Feasibility Study

The value included in the above table is determined by applying a vesting probability factor to each class of share.

Shares

Details of ordinary shares in the Group provided as remuneration to each key management personnel of Auroch Minerals NL are set out below:

2014 **Name**	**Year Granted**	**No. Granted**	**Value Per Share**	**% Vested**	**Financial years in which shares may vest**	**Max value yet to vest**
Directors						
Glenn Whiddon	-	-	-	N/A	-	N/A
Dean Cunningham[1]	2013	1,400,000	$0.29	-	N/A	N/A
Jan Nelson	-	-	-	N/A	-	N/A
Nicholas Ong	-	-	-	N/A	-	N/A
Employees						
Francisco Matos	-	-	-	N/A	-	N/A
Gordon Koll	-	-	-	N/A	-	N/A
Jim Porter	-	-	-	N/A	-	N/A

[1] Resigned 31 May 2014, all unvested shares were bought back and cancelled on 17 July 2014. The key terms and conditions of the above share based payments is disclosed in Note 21 to the financial statements.

Options

There were no options issued to Directors or employees by the Group during the year (2013: 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

The number of options over ordinary shares in the Group held during the financial year by each Director of Auroch Minerals NL and any other key management personnel of the Group, including their personally related parties are set out below:

2014 Name	**Balance at start of the year**	**Granted as compensation**	**Exercised**	**Other changes**	**Balance at end of the year**	**Vested and exercisable**	**Unvested**
Directors							
Glenn Whiddon	-	-	-	-	-	-	-
Dean Cunningham	-	-	-	-	-	-	-
Jan Nelson	-	-	-	-	-	-	-
Nicholas Ong	-	-	-	-	-	-	-
Employees							
Francisco Matos	-	-	-	-	-	-	-
Gordon Koll	-	-	-	-	-	-	-
Jim Porter	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

(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:

2014	**Balance at the start of the period**	**Received during the period**	**Other changes during the period**	**Balance at the end of the period**
Fully Paid Shares				
Directors				
Glenn Whiddon	660,000	-		660,000
Dean Cunningham	1,433,333	-	(a) (1,433,333)	-
Jan Nelson	-	-	-	-
Nicholas Ong	-	-		
Employees				
Francisco Matos	-	-	-	-
Gordon Koll	-	-	-	-
Jim Porter	-	-	-	-
Total	2,093,333	-	(1,433,333)	660,000

(a) Removed as KMP on director's resignation effective 31 May 2014

2014	Balance at the start of the period	Received during the period	Other changes during the period	Balance at the end of the period
Partly Paid Shares				
Directors				
Glenn Whiddon	4,275,000	-	-	4,275,000
Dean Cunningham	-	-	-	-
Jan Nelson	-	-	-	-
Nicholas Ong	100,000	-	-	100,000
Employees				
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 2014 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 $110,000 (2013: $22,000).

A $200,000 loan has been 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.

Mr Jim Porter is a director of JPMC Pty Ltd. During the year ended 30 June 2014 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 2014 was $179,118.

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 intial twelve month term and continues on the same terms as the initial agreement for the some of $12,500 per month. During the year ended 30 June 2014 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 2014 was $176,646.

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 $921,051 (2013: $1,093,562).

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 2014 (2013: Nil).

FINANCIAL POSITION

The net assets of the Group at 30 June 2014 are $12,619,890 (2013: $14,459,339).

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 $12,884 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 16 July 2014, the Company completed the buyback of 1,400,000 Shares pursuant to an Employee Share Scheme Buyback.

On 13 August the Company entered a trading halt pending an announcement regarding an update on the resources inventory at the Manica Gold Project, Mozambique. The Company requested voluntary suspension to take effect on 15 August 2014.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NON AUDIT SERVICES

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

	2014 $	2013 $
BDO Corporate Tax (WA) Pty Ltd, tax compliance	546	775
	546	775

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 35 of this financial report.

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

Glenn Whiddon

DIRECTOR

Dated this 30th day of September 2014

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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 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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 2014

This statement outlines the main corporate Governance practices that were in place during the financial year. This Corporate Governance Statement sets out the Group's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). The ASX Recommendations are not mandatory. However, the Group will be required to provide a statement in its future annual reports disclosing the extent to which the Group has followed ASX Recommendations.

The Directors' of Auroch Minerals NL are responsible for Corporate Governance of the Group and its controlled entities (the Economic Entity) and support the principles of the ASX Recommendations. To date, due to the size of the Group, the Board has not formally adopted all policies or guidelines required for complete compliance with the ASX Recommendations. The Board considers that where a policy or guideline has not been adopted completely that alternate policies adopted would be considered appropriate under the circumstances.

ASX RECOMMENDATION

1. *Lay solid foundations for management and oversight*

1.1 *Companies should establish and disclose the respective roles and responsibilities of board and management.*

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board. Due to the size of the Group and current operations there is no CEO and it is the intention to appoint a CEO when required, however, the Corporate Governance Charter contains a statement of practices and processes the Board has adopted to discharge its responsibilities. It includes the processes the Board has implemented to undertake its own tasks and activities, the matters it has reserved for its own consideration and decision-making, the authority delegated to the CEO, including limits on how the CEO can execute that authority and provides guidance on the relationship between the Board and the CEO.

The matters that the Board has specifically reserved for its decision are:

- the appointment and management of the CEO;
- approval of the overall strategy and annual budgets of the business; and
- compliance with constitutional documents.

Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

1.2 *Companies should disclose the process for evaluating the performance of senior executives.*

The Board monitors the performance of senior management, including measuring actual performance against planned performance.

1.3 *Companies should provide the information indicated in the Guide to reporting on Principle 1.*

The Board Charter is set out in the Corporate Governance Plan which is posted on the Group's website. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Group to the CEO.

2. *Structure the board to add value*

2.1 *A majority of the board should be independent directors.*

The Board's policy is that the majority of directors shall be independent, non-executive directors and the Group has a majority of independent directors. Consistent with the size of the Group and its activities, the Board is comprised of three (3) directors, of which Mr Nicholas Ong are currently considered to be independent directors.

2.2 *The chairperson should be an independent director.*

The Chair of the Board is Mr Glenn Whiddon who is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.

2.3 *The roles of chairperson and chief executive officer should not be exercised by the same individual.*

The Company currently does not have a CEO. The Company intends to appoint a suitable CEO as soon practicable. As such the role of the Chairman and the CEO are not currently exercised by the same person. The division of responsibilities between the Chairman and the CEO is set out in the Board Charter and it is the Board's intention to comply with its policy at a time when the sizeof the Group and its activities warrants such a structure.

2.4 *The board should establish a nomination committee.*

A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

2.5 *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

An informal assessment process, facilitated by the Chairman in consultation with the Group's professional advisors, has been committed to by the Board.

2.6 *Provide the information indicated in Guide to Reporting on Principle 2.*

The Group will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures (if any) from the ASX Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports.

The Corporate Governance Plan is posted on the Group's website.

3. *Promote ethical and responsible decision-making*

3.1 *Companies should establish a code of conduct and disclose the code or a summary of the code as to:*

- *(a) the practices necessary to maintain confidence in the Group's integrity;*
- *(b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*
- (c) *the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

The Group's Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.

3.2 *Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender* *diversity and for the board to assess annually both the objectives and progress in achieving them.*

The Group has adopted a diversity policy to address equal opportunities in the hiring, training and career advancement of Directors, officers and employees.

3.3. *Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.*

The Group has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Group Due to the size of the Group, the Board does not consider it appropriate at this time, to formally set objectives for gender diversity.

3.4 *Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

As at 30 June 2014 the Group has no female employee or Board Member.

3.5 *Companies should provide the information indicated in the Guide to reporting on Principle 3.*

The Group will explain any departures (if any) from ASX Recommendations 3.2, 3.3 and 3.4 in its Annual Reports.

4. *Safeguard integrity in financial reporting*

4.1 *The board should establish an audit committee.*

An audit committee has not been established. The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

4.2 *Structure the audit committee so that it consists of:*

(a) only non-executive directors;
(b) a majority of independent directors;
(c) an independent chairperson, who is not chairperson of the board; and
(d) at least three members.

There is no audit committee. However, if one was established the Board policy is that it would have two (2) members who are non-executive directors. This structure would comply with the structure set out in the Board Charter adopted by the Group but not with the ASX Corporate Governance Principles and the corresponding Recommendations.

4.3 *The audit committee should have a formal charter.*

The Group's has an Audit Committee Charter although this is currently administered by the Board.

4.4 *Provide the information indicated in Guide to Reporting on Principle 4.*

There is no Audit Committee and the whole Board acts in this capacity in accordance with the Board Charter. When established, the Audit Committee plans to hold a minimum of 3 meetings per year. It is intended that the Group's auditor will be invited to attend all Audit Committee meetings held during the financial year.

The Group has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Group's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

5. *Make timely and balance disclosure*

5.1 *Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.*

The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

5.2 *Provide the information indicated in Guide to Reporting on Principle 5.*

The company secretary who reports directly to the Board has been appointed the disclosure officer and is required to keep abreast of all material information and where appropriate, ensure disclosure of share price sensitive information.

6. *Respect the rights of shareholders*

6.1 *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*

The Group’s Corporate Governance Plan includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Group’s state of affairs. Shareholders are encouraged to attend and participate in general meetings.

6.2 *Provide the information indicated in the Guide to reporting on Principle 6.*

The Board aims to ensure that Security Holders are informed of all information necessary to assess the performance of the Group.

Information is communicated to the shareholders through:

- The annual report, which is distributed to all shareholders (other than those who elect not to receive it);
- The AGM and other shareholder meetings called to obtain approval for Board action as appropriate;
- Making available all information released to the ASX website immediately following confirmation of receipt by the ASX;
- Encouraging active participation by shareholders at shareholder meetings;

Encouraging all shareholders who are unable to attend general meetings to communicate issues or ask questions by writing to the Company.

7. *Recognise and manage risk*

7.1 *Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*

The Board has adopted a Risk Management Policy. As detailed in 7.2 no risk management committee has been formed and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

i. Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board.

ii. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.

iii. Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.

iv. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.

7.2 *The board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.*

The Board's collective experience will enable accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by Management as at the date of this report.

7.3 *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

Due to the size of the Group, the Board signed the declaration in accordance with section 295A of the Corporations Act. The declaration is made and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

7.4 *Provide the information located in Guide to Reporting on Principle 7.*

The Group will provide an explanation of any departures (if any) from ASX Recommendations 7.1, 7.2 and 7.3 in its future annual reports.

The Corporate Governance Plan, including the charter of the audit and risk committee is posted on the Group's website.

8. *Remunerate fairly and responsibly*

8.1 The board should establish a remuneration committee.

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

8.2 The remuneration committee should be structured so that it:

(a) consists of a majority of independent directors;
(b) is chaired by an independent director; and
(c) has at least three members

A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

8.3 *Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.*

The Board will distinguish the structure of non-executive director's remuneration form that of executive directors and senior executives. The Company's constitution also provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting.

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation). There are currently no options issued to non-executive directors.

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.

8.4 *Provide the information indicated in Guide to Reporting on Principle 8.*

The Board will consider what information to include in the corporate governance section of the Group's annual report in respect of remuneration policies at the relevant time.

The Group will explain any departures (if any) from best practice recommendations 8.1, 8.2 and 8.3 in its future annual reports.

AUROCH MINERALS NL

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Revenue	3	29,154	110,819
Less Expenses:			
Accounting fees		(63,615)	(50,779)
Audit fees		(39,442)	(35,965)
Consulting fees		(52,119)	(134,312)
Corporate advisory		(110,690)	(106,848)
Directors expense		(358,134)	(220,033)
Share based payments		-	(42,630)
Employee benefits expense		-	(121,143)
Corporate and regulatory fees		(19,501)	(23,005)
Interest		(21,541)	(62)
Rent		(24,603)	(38,204)
Travel & accommodation		(69,973)	(126,644)
Finance costs		(26,250)	-
Other expenses	4	(164,337)	(304,756)
Loss before income tax		(921,051)	(1,093,562)
Income tax expense	5	-	-
Loss for the year after income tax		(921,051)	(1,093,562)
Other comprehensive income			
Items that may be reclassified to the profit or loss		-	-
Exchange difference on translation of foreign operations		(918,398)	1,555,705
Other comprehensive income/(loss) for the year net of tax		(918,398)	1,555,705
Total comprehensive income/(loss) for the year attributable to the owners of Auroch Minerals NL		(1,839,449)	462,143
Basic and diluted loss per share (cents per share) attributable to the ordinary equity holders of the company	6	($0.015)	($0.022)

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 2014

	Note	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	331,570	2,886,145
Trade and other receivables	8	18,393	152,498
Total Current Assets		**349,963**	**3,038,643**
Non-current Assets			
Property, plant and equipment	9	1,157	3,470
Mineral exploration and evaluation expenditure	10	16,371,887	14,017,538
Total Non-current Assets		**16,373,044**	**14,021,008**
TOTAL ASSETS		**16,723,007**	**17,059,651**
LIABILITIES			
Current Liabilities			
Trade and other payables	11	1,581,576	600,312
Borrowings	12	1,021,541	-
Financial liabilities	13	50,000	-
Total Current Liabilities		**2,653,117**	**600,312**
Non-current Liabilities			
Financial liabilities	13	1,450,000	2,000,000
Total Non-current Liabilities		**1,450,000**	**2,000,000**
TOTAL LIABILITIES		**4,103,117**	**2,600,312**
NET ASSETS		**12,619,890**	**14,459,339**
EQUITY			
Contributed equity	14	14,699,457	14,699,457
Reserves	15	679,937	1,598,335
Accumulated losses	16	(2,759,504)	(1,838,453)
TOTAL EQUITY		**12,619,890**	**14,459,339**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2014

	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$	$
Balance at 1 July 2013	**14,699,457**	**(1,838,453)**	**42,630**	**1,555,705**	**14,459,339**
Loss for 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)
Transactions with owners in their capacity as owners:					
Issue of shares	-	-	-	-	-
Share capital raising costs	-	-	-	-	-
Balance at 30 June 2014	**14,699,457**	**(2,759,504)**	**42,630**	**637,307**	**12,619,890**
Balance at 1 July 2012	**4,417,035**	**(744,891)**	**-**	**-**	**3,672,144**
Loss for year	-	(1,093,562)	-	-	(1,093,562)
Exchange difference on foreign operations	-	-	-	1,555,705	1,555,705
Total comprehensive income/(loss) for year	-	(1,093,562)	-	1,555,705	462,143
Transactions with owners in their capacity as owners:					
Issue of shares	10,585,754	-	42,630	-	10,628,384
Share capital raising costs	(303,332)	-	-	-	(303,332)
Balance at 30 June 2013	**14,699,457**	**(1,838,453)**	**42,630**	**1,555,705**	**14,459,339**

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

AUROCH MINERALS NL

CONOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(585,304)	(1,125,296)
Other revenue		5,511	-
Interest received		23,643	110,819
Interest paid		-	(62)
Other payments – GST		8,889	7,858
Net cash outflow from operating activities	16	(547,261)	(1,006,681)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisitions		(500,000)	-
Payments for purchase of plant and equipment		-	(5,383)
Payments for exploration expenditure		(2,481,064)	(2,394,675)
Net cash outflow from investing activities		(2,981,064)	(2,400,058)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		973,750	-
Proceeds from the issue of shares		-	3,085,754
Capital raising costs		-	(303,332)
Net cash inflow from financing activities		973,750	2,782,422
Net decrease in cash and cash equivalents		(2,554,575)	(624,317)
Foreign exchange movement on cash and cash equivalents		-	17,594
Cash and cash equivalents at the beginning of the year		2,886,145	3,492,868
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	331,570	2,886,145

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

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

On the 28th August 2012 the Company entered into an agreement to acquire 100% of the Manica Gold Project from Pan African Resources. As part of this acquisition, the company will be required to pay a remaining $1.5 million as part of the consideration for the project. Accordingly, the company will be required to raise further capital or debt to fund the acquisition. The Directors believe that if required the Company will be able to raise sufficient capital or debt to complete the acquisition of the Manica Gold Project and at the date of this report believes it can meet all liabilities. Accordingly, the accompanying financial statements have been prepared on a going concern basis.

The financial report has been prepared on a 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 $921,050 (2013: $1,093,562) and incurred net cash outflows from operating activities of $547,261 (2013: $1,006,681). The consolidated entity held cash assets at 30 June 2014 of $331,570 (2013: $2,886,145).

The ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements.

Early adoption of new standards

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Principles of Consolidation (Cont)

New and amended standards adopted by the group

The accounting policies have been consistently applied by the Consolidated Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period, except the following:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 13 Fair Value Measurement
- AASB 119 Employee benefits
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

Adoption of new and revised accounting standards

In the year ended 30 June 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. 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 2014 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(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. 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-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(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.

(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) 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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(h) Income Tax and Other Taxes

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.

(i) 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:

(i) Exploration and Evaluation Expenditure (Cont)

- 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.

(j) 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.

(k) Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(p) 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.

(q) Financial Liabilities

Financial Liabilities are carried at cost and represent the deferred cash payments for the Manica Gold Project Acquisition.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(w) 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.
- 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.

(x) Parent entity information

The financial information for the parent entity, disclosed in note 28 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.

(y) 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	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: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. 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.	Annual reporting periods beginning on or after 1 January 2017[6]	Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity does not currently have any financial instruments.

[6] 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.*

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 2013-9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Makes three amendments to AASB 9: • Adding the new hedge accounting requirements into AASB 9 • Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017, and • 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. Under the new hedge accounting requirements: • The 80-125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • 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 • 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	Annual reporting periods beginning on or after 1 January 2015	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. The entity does not currently have any hedging arrangements in place.

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 9 for further details.

Deferred tax assets

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions. 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:

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.

3. REVENUE

	2014 $	2013 $
From continuing operations		
Other revenue	5,511	-
Interest received	23,643	110,819
Total	29,154	110,819

4. EXPENSES

	2014 $	2013 $
Loss includes the following specific expenses:		
Administration fees	-	38,924
Consultants and advisory fees	151,391	106,848
Advertising and Marketing	8,500	72,177
Share registry costs	6,820	12,755
Depreciation	2,313	1,913

5. TAXATION

	2014 $	2013 $
(i) Reconciliation		
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Loss before income tax at 30% tax rate	(263,370)	(372,896)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payments	-	67,200
Other	121,174	137,563
Deferred tax assets relating to tax losses not recognised	132,489	180,861
Timing differences previously unrecognised now recognised to reduce deferred tax liabilities	9,707	(12,728)
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	313,350	427,449
Other temporary differences	46,352	66,929
Deferred tax liabilities not recognised	(53,132)	(50,442)
Net deferred tax assets	306,570	443,936

6. LOSS PER SHARE

	2014 $	2013 $
(a) Loss per share		
Loss attributable to the ordinary equity holders of the Group	(921,051)	(1,093,5620
(b) Reconciliations of loss used in calculated loss per share		
Basic and diluted loss per share	($0.015)	($0.022)
(c) Weighted average number of shares used as a denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	59,492,515	49,400,793

7. CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Deposits at call	294,826	2,567,352
Cash at bank	36,744	318,793
	331,570	2,886,145

(a) Cash at bank

These are not interest bearing.

(b) Deposits at call

The deposits are at call.

(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	18,393	152,498

(a) Other receivables

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

(b) Ageing of receivables past due or impaired

As at 30 June 2014 there were no receivables past due or impaired.

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

9. PROPERTY, PLANT AND EQUIPMENT

	2014 $	2013 $
Office equipment- at cost	5,383	5,383
Accumulated depreciation	(4,226)	(1,913)
Net book value	1,157	3,470

Reconciliation of the total carrying amount of office equipment:		
Carrying amount at 1 July	3,470	-
Additions	-	5,383
Depreciation expense for the period	(2,313)	(1,913)
Carrying amount at 30 June	1,157	3,470

10. EXPLORATION AND EVALUATION EXPENDITURE

	2014 $	2013 $
Balance at beginning of the year	14,017,538	192,989
Tenement acquisition costs	-	9,500,000
Exploration expenditure incurred	3,278,210	2,785,789
Exploration expenditure written off	-	-
Movement due to foreign exchange translation	(923,861)	1,538,760
Balance at the end of the year	16,371,887	14,017,538

At the date of acquisition the directors assessed the fair value of the Manica Gold Project at $9,500,000. The value of the equity issued as part of the acquisition totaling $7,500,000 was valued based on the Company's share price in the last capital raising. The cash consideration of the acquisition was $2,000,000. The directors of the Company consider this to be the appropriate asset obtained under AASB 2: Share based payments.

The Manica Gold Project has been accounted for as an asset acquisition and recognised at the above value at acquisition, excluding the contingent payments as disclosed in note 26.

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

Trade payables	1,528,463	567,993
Accruals	53,113	32,319
	1,581,577	600,312

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

The group 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

Loans (held at amortised cost)	(i)	200,000	-
Convertible Notes (held at fair value)	(ii)	821,541	-
		1,021,541	-

(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
Coupon interest rate	12% per annum

12. BORROWINGS (Cont)

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.

13. FINANCIAL LIABILITIES

	2014 $	2013 $
Pan African Resources plc:		
Due within 12 months	50,000	-
Due after 12 months	1,450,000	2,000,000
	1,500,000	2,000,000

As of the date of this report, Auroch has paid A$500,000 against the initial $2 million sum owing to Pan African. Following payment of the extension payments of $50,000 prior to 30 September 2014, the balance of A$1,450,000 will be payable to Pan African no later than 30 September 2015. In consideration for the extension of the payment date, Auroch has agreed to pay Pan African a fee of A$200,000 at the time of final payment, being 30 September 2015 (**Additional Fee**). If the outstanding balance is made prior to 30 September 2014 the Additional Fee is not payable and only the balance of A$1,450,000 is payable. In addition, the Company has agreed that 15% of funds raised under any equity raising will be allocated to reducing the balance owing to Pan African.

14. CONTRIBUTED EQUITY

(a) Share Capital	**2014** **Shares**	**2013** **Shares**	**2014** **$**	**2013** **$**
Fully paid	58,092,515	58,092,515	15,127,754	15,127,754
Partly Paid	21,800,000	21,800,000	218,000	218,000
Equity raising costs	-	-	(646,297)	(646,297)
	79,892,515	79,892,515	14,699,457	14,699,457

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

2014

Date	**Details**	**Number of shares**	**Issue price**	**2014** **$**
01/07/13	Balance at 01 July	58,092,515		14,481,457
30/06/14	Balance at 30 June	58,092,515		14,481,457

14. CONTRIBUTED EQUITY (Cont)

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

2013

Date	Details	Number of shares	Issue price	2013 $
01/07/12	Balance at 01 July	22,800,001		4,217,035
21/09/12	Conversion of partly paid shares	200,000	$0.20	40,000
11/01/13	Placement	10,092,514	$0.30	3,027,754
11/01/13	Share Issued for Acquisition of Manica Project	20,900,000	$0.30	6,270,000
02/05/13	Share Issued for Acquisition of Manica Project	4,100,000	$0.30	1,230,000
	Less: Capital Raising Costs			(303,332)
30/06/13	Balance at 30 June	58,092,515		14,481,457

(c) Movements in partly paid shares

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

2014

Date	Details	Number of shares	Issue price	2014 $
01/07/13	Balance at 01 July	21,800,000		218,000
30/06/14	Balance at 30 June	21,800,000		218,000

2013

Date	Details	Number of shares	Issue price	2013 $
01/07/12	Balance at 01 July	20,000,000		200,000
21/09/12	Conversion of fully paid shares	(200,000)	$0.01	(2,000)
11/01/13	Placement	2,000,000	$0.01	20,000
30/06/13	Balance at 30 June	21,800,000		218,000

(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.

14. CONTRIBUTED EQUITY (Cont)

(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

	2014 $	2013 $
(a) Reserves		
Share-based payments reserve	42,630	42,630
Foreign currency translation reserve	637,307	1,555,705
	679,937	1,598,335

Share-based payments reserve	2014 $	2013 $
Balance 1 July	42,630	-
Share based payments	-	42,630
Balance 30 June	42,630	42,630

Foreign currency translation reserve	2014 $	2013 $
Balance 1 July	1,555,705	-
Foreign currency translation difference on consolidation	(918,398)	1,555,705
Balance 30 June	637,307	1,555,705

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

	2014 $	2013 $
Accumulated losses at the beginning of the period	(1,838,453)	(744,891)
Net loss attributable to members of the Group	(921,051)	(1,093,562)
Accumulated losses at the end of the financial year	(2,759,504)	(1,838,453)

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

	2014 $	2013 $
Loss for the year	(921,051)	(1,093,562)
Depreciation and amortisation	2,313	1,913
Non-cash employee benefits expense – share-based payments	-	42,630
Decrease in trade debtors and other receivables	23,174	7,086
Increase in trade creditors and other payables	348,303	35,252
Net cash outflow from operating activities	(547,261)	(1,006,681)
Non-cash investing and financing activities	-	7,542,630

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

	2014 $	2013 $
Short-term employee benefits	987,581	494,208
Post-employment benefits	-	-
Share-based payments	-	42,630
	987,581	536,838

(b) Other transactions with Key Management Personnel

Mr Nicholas Ong is a director of Minerva Corporate Pty Ltd. During the year ended 30 June 2014 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.

$200,000 loan has been 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.

Mr Jim Porter is a director of JPMC Pty Ltd. During the year ended 30 June 2014 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 2014 was $179,118.

19. REMUNERATION OF AUDITORS

Amounts received or due and receivable at 30 June 2014 by the auditors for:		
Audit services:		
BDO Audit (WA) Pty Ltd Audit and review of financial reports under the Corporations Act 2001	38,896	35,190
Non audit services	546	775
	39,442	35,965

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.

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:

	2014 $	2013 $
Cash and cash equivalents	331,570	2,886,145
	331,570	2,886,145

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	331,570	2,886,145
	331,570	2,886,145

20. FINANCIAL RISK MANAGEMENT (Cont)

(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.

	Less than 6 months $	6-12 months $	1-2 years $	2-5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
As at 30 June 2014							
Trade and other payables	1,581,577	-	-	-	-	1,581,577	1,581,577
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

	Less than 6 months $	6-12 months $	1-2 years $	2-5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
As at 30 June 2013							
Trade and other payables	600,312	-	-	-	-	600,312	600,312
Tenement Acquisition Costs	-	-	2,000,000	-	-	2,000,000	2,000,000

20. FINANCIAL RISK MANAGEMENT (Cont)

(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:

	2014 USD $	2013 USD $
Cash and cash equivalents	216	269,471
Trade and other receivables	-	-
Trade and other payables	571,996	30,873

Sensitivity analysis

	2014 Foreign exchange risk		2013 Foreign exchange risk	
	+ 1%	- 1%	+ 1%	-1%
Cash and cash equivalents	-	-	2,694	(2,694)
Trade and other payables	5,720	(5,720)	309	(309)
	5,720	(5,720)	3,003	(3,003)

(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.

At 30 June 2014, the effect on the Group's loss and equity as a result of changes in the interest rates, with all other variables remaining constant, would be as follows:

	2014 Interest rate risk		2013 Interest rate risk	
	+ 1%	-1%	+1%	-1%
Financial assets				
Deposits at call	2,948	(2,948)	52,771	(52,771)
	2,948	(2,948)	52,771	(52,771)

20. FINANCIAL RISK MANAGEMENT (Cont)

(c) Market Risk (Cont)

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

30 June 2014	Weighted average interest rate	1 year or less $	2-5 years $	Total $
Financial Assets				
Deposits at call	2.13%	331,570	-	331,570

30 June 2013	Weighted average interest rate	1 year or less $	2-5 years $	Total $
Financial Assets				
Deposits at call	2.10%	2,886,145	-	2,886,145

(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 a as follows:

Consolidated	2014 $	2013 $
Financial Assets		
Cash and cash equivalents	331,570	2,886,145
Trade and other receivables	18,393	152,498
Total Financial Assets	349,963	3,038,643
Financial Liabilities		
Trade and other payables	1,581,576	600,312
Borrowings	1,021,541	-
Financial liabilities	1,500,000	2,000,000
Total Financial Liabilities	4,103,117	2,600,312

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

20. FINANCIAL RISK MANAGEMENT (Cont)

(d) Fair values (Cont)

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.

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).

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2014				
Borrowings (convertible notes)	**-**	821,541	-	**821,541**
Total as at 30 June 2014	-	821,541	-	**821,541**
30 June 2013				
Borrowings (convertible notes)	-	-	-	-
Total as at 30 June 2013	-	-	-	-

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.

2014	**Mozambique**	**Western Australia**	**Total**
	$	**$**	**$**
Revenue from external sources	-	-	-
Reportable segment profit / (loss)	-	-	-
Reportable segment assets	16,194,782	177,105	16,371,887
Reportable segment liabilities	1,500,000	-	1,500,000

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)

2013	**Mozambique**	**Western Australia**	**Total**
	$	**$**	**$**
Revenue from external sources	-	-	-
Reportable segment profit / (loss)	-	-	-
Reportable segment assets	13,849,398	168,141	14,017,539
Reportable segment liabilities	2,000,000	-	2,000,000

Reconciliation of reportable segment profit or loss	
Reportable segment profit /(loss)	-
Other income	110,819

22. SEGMENT INFORMATION (Cont)

Unallocated:	
Depreciation expense	(1,913)
Director benefits	(220,033)
Share based payments	(42,630)
Employee benefits	(121,143)
Other expenses	(818,663)
Loss before tax	(1,093,563)

Other Segment Information

	2014 $	2013 $
Total segment revenue	-	-
Interest revenue	29,154	110,819
Total revenue from continuing operations	29,154	110,819
Segment assets are reconciled to total assets as follows:		
Segment assets	16,371,887	14,017,539
Unallocated:		
Cash and cash equivalents	331,570	2,886,145
Trade and other receivables	18,393	152,497
Property, plant and equipment	1,157	3,470
Total assets as per the statement of financial position	16,723,007	17,059,651
Segment liabilities are reconciled to total liabilities as follows:		
Segment Liabilities	1,500,000	2,000,000
Unallocated:		
Trade and other payables	1,581,576	600,312
Borrowings	1,021,541	-
Total liabilities as per the statement of financial position	4,103,117	2,600,312

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 (2013: 1,400,000).

Share based payments issued during 2013 are as follows:

23. SHARE BASED PAYMENT TRANSACTIONS (Cont)

Directors	**Number of shares Issued**	**Issue Price**	**$**
Dean Cunningham[1]	1,400,000	$0.29	42,630
Total	1,400,000		42,630

[1]Mr Dean Cunningham resigned as Director as at 31 May 2014 and all unvested Plan shares were cancelled effective 17 July 2014.

In addition to the above shares 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.

24. DIVIDENDS

There were no dividends paid or declared by the Group during the year (2013: Nil).

25. EVENTS OCCURRING AFTER REPORTING DATE

On 17 July 2014, the Company completed the buyback of 1,400,000 Shares pursuant to an Employee Share Scheme Buyback.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

26. CONTINGENCIES

Contingent Liabilities

On 11 January 2013 the Company completed the acquisition of 100% of the Manica Gold Project from Pan African Resources plc. During the Period the Company and Pan African varied the terms of this agreement, the details of which are set out on page 23 of the Directors' Report.

The original terms of the acquisition agreement included the following deferred consideration:

Deferred consideration		
Cash		
on achievement of milestone 1	(i)	1,000,000
on achievement of milestone 2	(ii)	1,000,000
on achievement of milestone 3	(iii)	1,000,000
on achievement of milestone 4	(iv)	1,000,000

26. CONTINGENCIES

Contingent Liabilities (Cont)

Shares		
20,066,667 on achievement of milestone 1	(i)	6,200,000
20,066,667 on achievement of milestone 2	(ii)	6,200,000
24,366,667 on achievement of milestone 3	(iii)	7,310,000
7,166,667 on achievement of milestone 4	(iv)	2,150,000
Total		**25,860,000**

(i) $1,000,000 cash and 20,066,667 Shares to be issued to Pan African (or as directed by Pan African) upon the delineation of at least 400,000 ounces of a JORC Inferred gold Resource of Oxide Ore with a cut off grade of 1.25g/t being defined on the Mining Concession (including the existing 90,000 ounces of JORC Inferred gold Resource of Oxide Ore at a cut off grade of 1.25g/t that has already been delineated on the Mining Concession);

(ii) $1,000,000 cash and 20,066,667 Shares to be issued to Pan African (or as directed by Pan African) upon the delineation of at least 1,000,000 ounces of a JORC Inferred gold Resource of Oxide Ore with a cut off grade of 1.25g/t being defined on the Mining Concession (including the existing 90,000 ounces of JORC Inferred gold Resource of Oxide Ore at a cut off grade of 1.25g/t that has already been delineated on the Mining Concession and any ounces of JORC Inferred gold Resource of Oxide Ore that satisfied the 400koz Milestone);

(iii) $1,000,000 cash and 24,366,667 Shares to be issued to Pan African (or as directed by Pan African) upon completion of a positive Bankable Feasibility Study (**BFS**) on either the oxide or sulphide ore on the Mining Concession which recommends the construction of a mine with at least a ten year life and production scope of 50,000 ounces per annum and at any time after completion of the BFS the Board of AOU elects to commence construction of the mine as recommended in the BFS and has financing arranged for the construction of the mine or at the Company's election $7,310,000 in cash, paid as directed by Pan African;

(iv) $1,000,000 cash and 7,166,667 Shares to be issued to Pan African (or as directed by Pan African) upon production of either oxide or sulphide ore at the plant constructed by Explorator Limitada to process ore from the Mining Concession at the capacity specified in the Bankable Feasibility Study, or at the Company's election, $2,150,000 in cash, paid as directed by Pan African;

On 26 November 2013 the Company signed a binding agreement with Pan African Resources plc for the buy back or cancellation of its existing consideration shares (25 million ordinary shares) and deferred consideration of cash and shares. Amounts of deferred consideration have been disclosed as above.

On 27 May 2014 the company reached an agreement with Pan African Resources plc to extend the remaining payment dates to 30 September 2015.

27. SUBSIDIARIES

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

Name of entity	Country of Incorporation	Class of shares	Equity holding 2014	Equity holding 2013
Auroch Minerals Mozambique Pty Ltd[1]	Australia	Ordinary	100%	100%
Explorator Limitada[2]	Mozambique	Ordinary	100%	100%
Mistral Resource Development Corporation Limited[3]	British Virgin Isles	Ordinary	100%	100%
Auroch Minerals SA Proprietary Limited[4]	South Africa	Ordinary	100%	100%

[1] Holding company for Mistral Development Corporation Ltd.
[2] Holder of the Manica Mining Concession 3990C.
[3] Holding company for 98% of Explorator Limitada.
[4] 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 2014 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 $41,752. Mr Nicholas Ong is a director of Auroch Minerals NL and a director of Minerva Corporate Pty Ltd.

28. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Auroch Minerals NL, at 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

ASSETS	2014 $	2013 $
Current Assets	344,290	3,053,722
Non-Current Assets	15,784,560	12,339,074
TOTAL ASSETS	**16,128,850**	**15,392,796**
Current Liabilities	2,653,116	489,163
Non-Current Liabilities	1,450,000	2,000,000
TOTAL LIABILITIES	**4,103,116**	**2,489,163**
Contributed equity	14,699,457	14,699,457
Reserves	42,630	42,630
Accumulated losses	(2,716,353)	(1,838,453)
TOTAL EQUITY	**12,025,734**	**12,903,634**
Loss for the year	(877,899)	(1,259,933)
Other Comprehensive loss for the year	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(877,899)**	**(1,259,933)**

At reporting date the parent entity has nil guarantees and contingent liabilities (2013: Nil).

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 2014 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 2014, 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 2014

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Australia

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 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2014 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 future successful raising of necessary funding through equity or debt, successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, 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 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch
Director

Perth, 30 September 2014

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

Information as at 22 September 2014

(a) Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 - 1,000	4
1,001 - 10,000	87
10,001 - 100,000	436
100,001 and above	61
Total	588

(b) The number of shareholdings held in less than marketable parcels is 99.

(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 22 September 2014.

	Name	Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	PAN AFRICAN RESOURCES PLC	25,000,000	42.87%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,588,900	2.72%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	540,064	0.93%
4	MR MATTHEW JOEL NORTON &MRS ROSELYNN FAY NORTON <NORTON FAMILY SUPER A/C>	500,000	0.86%
5	MIMO STRATEGIES PTY LTD <MIMO A/C>	450,000	0.77%
6	MR PETER STIRLING SMITH & MRS DENISE PHYLLIS SMITH <MONTARA SUPER FUND A/C>	400,000	0.69%
7	ROWAN HALL PTY LTD <ROWAN HALL TRADING A/C>	333,333	0.57%
8	RAINMAKER HOLDINGS (WA) PTY LTD <THE MACRI INVESTMENT A/C>	311,647	0.53%
9	MR KEVIN NOEL LANE & MRS ELSIE ANN LANE <KEVIN LANE SUPER FUND A/C>	310,000	0.53%
10	MR BRUCE MCKENZIE HAWKES & MRS ALISON VALERIE HAWKES <HAWKES SUPERFUND A/C>	300,000	0.51%
11	MR DAVID KEITH HAYMES	300,000	0.51%

12	MR JAMES YOUNG STEVENSON & MRS TERESA STEVENSON <CJ HOLDINGS SUPER FUND A/C>	300,000	0.51%
13	MR CHRISTOPHER JOHN FRANCIS TERRY & MS SOPHIE LOUISE KERSLAKE <FRANCIS HOLDINGS S/F A/C>	263,358	0.45%
14	RAINMAKER SUPER PTY LTD <RAINMAKER SUPER A/C>	261,719	0.45%
15	MR GLENN ROSS WHIDDON	260,000	0.45%
16	HIGHLANDER DEVELOPMENTS PTY LTD	254,857	0.44%
17	MR BEVAN NIGEL HUGH TARRATT & MRS SOPHIE TARRATT	250,000	0.43%
18	PARKVISTA HOLDINGS PTY LTD	230,000	0.39%
19	MR STUART ALLAN WILLIS & MRS BARBARA ANN WILLIS <WILLIS SUPER FUND A/C>	230,000	0.39%
20	MR PAUL STUART HIGGINSON & MRS PAULA LOUISE HIGGINSON <HIGGINSON SUPER FUND A/C>	225,000	0.39%
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**32,308,878**	**55.41%**
	Total Remaining Holders Balance	**26,001,137**	**44.59%**
	Grand TOTAL	**58,310,015**	**100.00%**

(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

25,000,000 ordinary shares and 6,750,000 partly paid ordinary shares are subject to escrow until 17 January 2015.

(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