

AusROC Metals Ltd

6 January 2015

ASX Release,
By e-lodgement

Shenglong Transaction update

Highlights

- **Payment of first instalment completed**
- **AusROC earns initial project equity**
- **Transaction terms amended to assist AusROC**

The Directors of AusROC Metals Ltd (“AusROC” or “the Company”) (formally AusAmerican Mining Limited) are pleased to announce that the initial payment of US\$1 million has been made to the vendor. This initial payment results in the Company earning its initial equity interest in Shenglong Investments International Ltd (“Shenglong”).

Over the past five weeks AusROC has been negotiating with the vendor and 100% owner of Shenglong to amend the previously announced terms of the Binding Term Sheet between Shenglong and AusROC (see ASX announcements of 5 September 2014, 29 September 2014 and 20 November 2014). The Binding Term sheet, originally signed and announced to the market on 5 September 2014 outlined the terms for AusROC to acquire up to 77.58% interest in Shenglong. AusROC is pleased to advise that it has amended the previously announced deal on the following terms:

1. Deposit of US\$1 million (already paid)
2. On or before 31 December 2014 a payment of US\$1 million which has been paid. AusROC acquired a 1.50% interest in Shenglong.
3. On or before 15 January 2015, payment of US\$0.5 million. AusROC will upon payment, have acquired 1.88% of Shenglong.
4. On or before 31 January 2015, payment of US\$4 million. AusROC will upon payment, have acquired 4.88% of Shenglong in total, and will also take management control of the project and Company - and be entitled to a 77.58% interest in all profits of Shenglong moving forward.
5. On or before 28 February 2015 a payment of US\$5 million. AusROC will have acquired 8.63% of Shenglong.
6. On or before 15 April 2015 a payment of US\$5 million. AusROC will have acquired 12.38% of Shenglong.
7. On or before 15 June 2015 a payment of US\$5 million. AusROC will have acquired 16.13% of Shenglong.
8. On or before 31 August 2015 a payment of US\$5 million. AusROC will have acquired 19.88% of Shenglong.
9. On or before 30 October 2015 a payment of US\$5 million. AusROC will have acquired 23.63% of Shenglong.

AusROC Metals Ltd

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10. On or before 30 August 2016 a payment of US\$33 million. AusROC will have acquired 48.38% of Shenglong.
11. On or before 30 August 2017 a payment of US\$38.94 million. AusROC will have acquired 77.58% of Shenglong.
12. Should AusROC not make the payment of US\$33 million by 30 August 2016, it can still make the full payment of US\$71.94 million by 1 March 2017 and not be in breach of the terms of this agreement.
13. AusROC has first and last rights over the vendors remaining 22.42% ownership of Shenglong.

The overall percentages and quantum of the deal remain the same as that approved by shareholders at the AGM in November 2014. The previous amendment to the Binding Term Sheet announced on 20 November 2014, provided for AusROC to pay the initial payment of US\$49 million to the vendor over four instalments from 1 December 2014 until 2 April 2015.

The Company has funded the recent payment through a US\$1.2 million loan with a sophisticated investor. The loan has a coupon rate of 20% p.a. and is repayable by 30 June 2015 either by cash or shares (converting at 2 cents) or by converting the debt under the corporate bond terms (or a combination of the three).

The Company's corporate bond offer remains in place and the AusROC remains confident that the remaining payments to the vendor will be met out of proceeds raised through a combination of the debt through the issuing of the corporate bonds and through cash flow from the Moubiri mine.

AusROC will now proceed to re-comply under chapters 1 & 2 of the ASX listing rules. This involves inter alia, a capital raising of \$4.28 million by issuing 214 million shares at 2 cents per share (on a consolidate basis). At this stage the Company will have approximately 500 million ordinary shares on issue at a re-compliance price of 2 cents. The Company plans to have this raising fully underwritten and is currently in the process of finalising the prospectus and the underwriting agreement.

The Company plans to lodge the prospectus and documents by Wednesday 14th January 2015. Re-listing under prospectus usually takes up a minimum of 4 weeks so it is envisaged the company will re-list in February 2015.

Sincerely,



Jim Malone
CEO & Company Secretary

For further information, please contact:
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