

Notice of Meeting, Explanatory Statement and related documentation

**for the proposed sale of
African Stellar Mozambique Limitada**



REPUBLIC**Gold**

Republic Gold Limited
(ACN 106 399 311)

This document is important and requires your immediate attention. You should read the document in its entirety before you decide whether to vote in favour of the Proposed Transaction and the other relevant resolutions to be considered at the Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Table of Contents

1	Information about Republic and the Transaction	8
1.1	Background to the Transaction	8
1.2	Overview of ASMoz	8
1.3	Transaction description	9
1.4	Novated loans	9
1.5	Capital structure of Auroch	10
1.6	Overview of Auroch	11
1.7	Potential advantages of the Transaction	12
1.8	Potential disadvantages and risks of the Transaction	12
1.9	Effect of the Transaction on Republic's capital structure	14
1.10	Activities of the Company following completion of the Transaction	14
1.11	Effect of the Transaction on the Company's financial position and on the interests of the Shareholders	15
1.12	Recommendations of the Board	15
1.13	Indicative timetable	16
2	Overview of Auroch Minerals NL	16
2.1	Description of Auroch's assets and mineral resources	16
2.2	The directors and key management of Auroch	17
2.3	Incorporation and history of Auroch	18
2.4	Capital and ownership structure of Auroch	18
2.5	Additional information about Auroch	20
3	Detailed information on the resolution to be passed at the Meeting	22
	Annexure A - Summary of Quota Sale and Purchase Agreement	23
	Annexure B - Auroch Interim Financial Report for the period ended 31 December 2013	27



Letter from the Chairman of the Company

26 August 2014

Dear fellow Shareholders,

You will all have read the recent announcements made by Republic Gold Limited ACN 106 399 311 (**Republic** or **Company**) that it intends to cease operating as an explorer for gold in Mozambique through its wholly-owned subsidiary, African Stellar Mozambique Limitada (**ASMoz**). The proposed sale by Republic of its interest in ASMoz to Auroch Minerals Limited NL ACN 148 966 545 (**Auroch**) for ordinary shares and options to acquire ordinary shares in the capital of Auroch (**Transaction**) completes the Company's transition from exploration operations in Mozambique toward a future investment direction.

The principal purpose of this document is to seek your approval of the Transaction.

Sale of ASMoz to Auroch

The completion of the Transaction is subject to, among other things, approval by the shareholders of the Company (**Shareholders**). This approval will be sought at the Extraordinary General Meeting (**Meeting**) of the Shareholders to be held on 29 September 2014.

A more complete description of the Transaction, including detailed information about Auroch and the potential advantages, disadvantages, and risks to Shareholders relating to the Transaction is set out in the attached Explanatory Statement.

Recommendation of the Directors

The board of directors of the Company (**Board**) believes that the Transaction provides an opportunity for Shareholders to continue to participate in the existing Mozambican exploration upside of the historical business of the Company, and to also participate in the next phase of opportunities to be pursued by the Company, and is in the best interests of Shareholders. The Board believes that the benefits and advantages of the Transaction outweigh the potential disadvantages and risks of the Transaction. The directors of the Company (**Directors**) unanimously recommend that the Transaction should be approved by the Shareholders.

To the extent permitted, all of the Directors intend to vote the shares of the Company (**Shares**) held or controlled by them "FOR" the resolution at the Meeting, so long as the Board does not change its recommendation in relation to how Shareholders should vote on the resolution.

The Meeting to vote on the Transaction will be held at 11:00 am (Sydney time) on 29 September 2014 at Level M, 66 Hunter Street, Sydney NSW 2000.

What do you need to do?

I encourage you to carefully read this document in full and, if required, to seek legal, financial or other professional advice.

Your Directors encourage you to vote by attending the Meeting or, if you are unable to attend, to complete and return the proxy form included with this document for the Meeting. Information on

how to vote at the Meeting is set out in the “Time and Place of Meeting and How to Vote” section of this document.

Yours sincerely,

Ray Shorrocks

Executive Chairman
Republic Gold Limited

Notice of Extraordinary General Meeting

Republic Gold Limited (ACN 106 399 311)

Notice is given that the Extraordinary General Meeting of Republic Gold Limited will be held at 11:00 am (Sydney time) on 29 September 2014 at Level M, 66 Hunter Street, Sydney NSW 2000.

The Explanatory Statement attached to this Notice of Meeting provides additional information on the matters to be considered at the Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

Business Agenda

Disposition of ASMOz to Auroch

To consider and, if thought fit, pass the following resolution as an **ordinary resolution** of the Company:

"That for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the Company to dispose of its main undertaking by selling all of the Company's interest in the issued share capital of African Stellar Mozambique Limitada to Auroch Minerals NL, on terms substantially similar to those set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on the resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company if the resolution is passed, and any associate of such person.

However, the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is

entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

Nick Geddes

Company Secretary
Sydney, Australia
26 August 2014

Time and Place of Meeting and How to Vote

These notes form part of the Notice of Meeting.

Entitlement to vote

For the purposes of the Meeting, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of those persons set out in the register of members of the Company at 7:00 pm (Sydney time) on 28 September 2014. Accordingly, transactions registered after that time will be disregarded in determining members entitled to attend and vote at the Meeting.

How to Vote

Shareholders may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, Shareholders should attend the Meeting on the date and at the place set out in the Notice of Meeting. The Meeting will commence at 11:00 am (Sydney time).

Appointment of a Proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. If one proxy is appointed, that proxy may exercise all of the member's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.

A proxy may be, but need not be, a Shareholder and can be an individual or a body corporate.

To appoint a proxy (or two proxies), a proxy form must be signed by the Shareholder or the Shareholder's attorney duly authorised in writing. If the Shareholder is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or office duly authorised.

A body corporate appointed as a proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting by Proxy

To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery, or fax to:

Advanced Share Registry Services

Street address: 110 Stirling Highway
Nedland WA 6009

Mailing address: PO Box 1156, Nedlands WA 6909

Fax: (within Australia) 08 9262 3723

(outside Australia) +61 8 9389 7871

provided that Shareholders who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon to do so at the Meeting.

Enquiries

Shareholders are invited to contact the Company Secretary, Mr. Nick Geddes, on +61 2 9239 0277 if they have any queries in respect of the matters set out in this Notice of Meeting or the Explanatory Statement.

A form of proxy is included with these documents.

Explanatory Statement

This Explanatory Statement has been prepared to provide Shareholders with information about the business to be conducted at the Company's Meeting to be held at 11:00 am (Sydney time) on 29 September 2014 at Level M, 66 Hunter Street, Sydney NSW 2000.

This Explanatory Statement is an important document and should be read carefully by all Shareholders.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolution set out in the Notice of Meeting at the Meeting.

1 Information about Republic and the Transaction

1.1 Background to the Transaction

Republic acquired beneficial title to all of the issued capital of ASMoz in April 2013. ASMoz is a company established and registered in Mozambique to explore for minerals and develop mines in Mozambique.

ASMoz is the registered holder of three exploration licences in Mozambique, together with certain other licences pending or under application by ASMoz. Although the Company had a cash balance in excess of \$2.7m as at 31 December 2013, in the Company's view, the available capital resources of the Company were insufficient to fully explore the potential of the existing prospective tenements held by ASMoz.

In March 2014, the Board announced that the Company was conducting a strategic business review in response to the prevailing capital markets and operational environment. The strategic review ultimately led to the Board's decision, as announced on 11 June 2014 that Republic would cease operating as an explorer for gold in Mozambique through its wholly-owned subsidiary, ASMoz.

Also on 11 June 2014, the Company announced that it had entered into a Quota Sale and Purchase Agreement between Republic, Republic East Africa Limited, a wholly-owned subsidiary of Republic (**REAL**), and Auroch (**Quota Sale and Purchase Agreement**).

Under the terms of the Quota Sale and Purchase Agreement, Republic agreed to sell all of the Company's interest in ASMoz to Auroch in exchange for ordinary shares and options to acquire ordinary shares in the capital of Auroch. Auroch is a company listed for trading on the ASX under the symbol "AOU" and is engaged in the exploration of the Manica gold project in Mozambique.

ASX Listing Rule 11.2 provides that an entity must seek the approval of its shareholders before disposing of its main undertaking. If completed, the sale by the Company of its interest in ASMoz will result in a disposal of the Company's main undertaking.

1.2 Overview of ASMoz

ASMoz is the registered holder of three exploration licences in Mozambique, together with certain other licences pending or under application by ASMoz, further details of which are set out in the following table:

License No.	Date of issuance and validity (mining title)	Holder	Status	Mineral	Location
4800L	27 April 2012 – 27 April	ASMoz	Em vigor or "In	Gold and	Sussundenga,

License No.	Date of issuance and validity (mining title)	Holder	Status	Mineral	Location
	2017		force"	Associated Minerals	Manica
5000L	26 July 2012 – 26 July 2017	ASMoz	Em vigor or "In force"	Gold and Associated Minerals	Gondola, Manica
5026L	18 July 2012 – 18 July 2017	ASMoz	Em vigor or "In force"	Gold and Associated Minerals	Manica,
6471L	Applied 26 July 2013	ASMoz	Pedido or "Requested"	Gold and Associated Minerals	Manica
6346L	Applied 24 May 2013	ASMoz	Approvacao Pendente or "Pending Approval"	Gold and Associated Minerals	Manica
6463L	Applied 23 July 2013	ASMoz	Approvacao Pendente or "Pending Approval"	Gold and Associated Minerals	Manica
6475L	Applied 26 July 2013	ASMoz	Approvacao Pendente or "Pending Approval"	Gold and Associated Minerals	Manica

1.3 Transaction description

The completion of the Transaction will result in Republic selling all of its legal and beneficial interest in the issued capital of ASMoz to Auroch in exchange for new ordinary shares and options to acquire ordinary shares in the capital of Auroch.

Specifically, the consideration to be received by the Company from Auroch in exchange for the sale of ASMoz is 6,538,462 new ordinary shares in the capital of Auroch (**Consideration Shares**) and 6,538,462 options to acquire ordinary shares in the capital of Auroch, each option exercisable into one ordinary share of Auroch at a strike price of \$0.15 expiring 31 December 2016 (**Consideration Options**), in accordance with the terms of the Quota Sale and Purchase Agreement.

The Consideration Shares and Consideration Options represent consideration to the benefit of the Company at the time of the announcement of the Transaction of approximately \$392,400 which comprises the nominal value of shares offered and assigns no value to the options (under a Black Scholes valuation approach, the value of the option is nominal) even though value may be realised in the future.

1.4 Novated loans

At the same time that the Company, REAL and Auroch entered into the Quota Sale and Purchase Agreement, the Company, ASMoz and Auroch entered into a novation deed (**Novation Deed**), under which the Company agreed to novate to Auroch two existing loan agreements between the Company and ASMoz. The novation by the Company to Auroch of the two loan agreements represents a face value of approximately \$832,000.

The loans were used by the Company and by a former owner of ASMOz to provide funding to ASMOz – ie, funds were paid by the Company and by the former owner to ASMOz by way of loan. African Stellar Holdings Limited, the former owner of ASMOz, novated a loan agreement between it and ASMOz to Republic at the time that Republic acquired ASMOz. Republic then entered into a new loan agreement dated 16 July 2013 with ASMOz to fund ASMOz under its ownership.

Both loans are at nil interest and are secured over shares in ASMOz. Republic novated both of the loans to Auroch under the Novation Deed. If the Quota Sale and Purchase Agreement is terminated prior to completion of the Transaction, the Novation Deed also terminates. In this case, the loan asset returns to Republic, and any additional amounts forwarded by Auroch to ASMOz under the novated loan agreements after the date of the Novation Deed must be repaid by the Company to Auroch. As at the date of this Notice of Meeting, no loan amounts have been forwarded by Auroch to ASMOz.

1.5 Capital structure of Auroch

The following tables set out the capital structure of Auroch.

Capital structure of Auroch at the date of this Notice of Meeting

Ordinary shares	58,310,015 *
Partly paid shares	21,800,000 **
Convertible debt facility (maximum shares on conversion)	24,525,000
Convertible debt facility options	4,000,000
Fully diluted capital structure	108,635,015

* Includes 25,000,000 shares held by Pan African Resources agreed to be bought back/cancelled by 15 September 2015 at the latest, with the final \$1.65m payment of the \$2m total agreed consideration for same.

** \$0.20 shares partly paid to \$0.01.

Capital structure of Auroch after giving effect to the completion of the Transaction

Ordinary shares	58,310,015 *
Partly paid shares	21,800,000 **
Convertible debt facility (maximum shares on conversion)	24,525,000
Convertible debt facility options	4,000,000
Consideration Shares	6,538,462
Consideration Options	6,538,462
Fully diluted capital structure	121,711,939

* Includes 25,000,000 shares held by Pan African Resources agreed to be bought back/cancelled by 15 September 2015 at the latest, with the final \$1.65m payment of the \$2m total agreed consideration for same.

** \$0.20 shares partly paid to \$0.01.

The Company's stake in Auroch after giving effect to the completion of the Transaction is shown below under a number of measures:

% stake of Republic in Auroch after giving effect to the completion of the Transaction	% Ord shares
% of ordinary shares held to ordinary shares on issue	9.9%
% of ordinary shares held to ordinary shares on issue assuming the cancellation/buyback of the 25,000,000 Auroch shares held by Pan African Resources	15.9%
% of shares and options held assuming cancellation/buyback of the 25,000,000 Auroch shares held by Pan African Resources and excluding the partly paid shares as fully diluted capital	17.2%
% of shares and options held vs fully diluted capital structure	10.6%

The Board has decided to retain the Consideration Shares and Consideration Options received as consideration for the sale of ASMOz, as it believes that this may potentially offer Shareholders greater value in the medium to long term.

Doing so is also aligned with the Board's view that the combined ASMOz and Auroch tenement holding will generate scale and mining plan benefits significantly stronger than each business working independently.

The completion of the Transaction is subject to certain conditions precedent, including:

- the absence of a material adverse change in the business operations, properties, prospects, assets or condition of either the Company or Auroch since the signing of the non-binding term sheet between the Company and Auroch dated 24 March 2014;
- that the Company has novated two existing loan arrangements between the Company and ASMOz to Auroch;
- the approval of the Transaction by the Shareholders;
- that all approvals and consents of government agencies, the Australian Securities and Investment Commission, and the ASX have been obtained; and
- that all approvals have been obtained as required by laws or regulations in Mozambique, Hong Kong and Australia for the transfer of the shares of ASMOz to Auroch and the issuance of the Consideration Shares and the Consideration Options to the Company.

Further information regarding the Quota Sale and Purchase Agreement, including a summary of its terms, is set out in **Annexure B** of this Explanatory Statement.

1.6 Overview of Auroch

Auroch is a company listed for trading on the ASX under the trading symbol "AOU" and is engaged in the exploration of the Manica Gold Project in Mozambique.

Auroch acquired a 100% interest in the Manica Gold Project in 2012. The Manica gold project is located within the Manica province of central Mozambique near the town of Manica, which is approximately 270 km from the deep water port of Beira on the Indian Ocean.

Further information regarding Auroch is set out in **Section 2** of this Explanatory Statement.

The balance sheet of Auroch as at 31 December 2013 is summarised below. The full half yearly accounts of Auroch are set out in **Annexure B**.

Auroch Minerals NL balance sheet as at 31 December 2013		\$A,000
Cash and equivalents		463
Trade and other receivables		142
Property, plant and equipment		2
Mineral exploration and evaluation expenditure		16,661
TOTAL ASSETS		17,270
Total Liabilities – (Trade and other payables)		2,931
NET ASSETS		14,339
Contributed equity		14,699
Reserves		1,848
Accumulated losses		(2,209)
TOTAL EQUITY		14,339

1.7 Potential advantages of the Transaction

If approved by Shareholders, the Directors consider that the main advantages to the Shareholders of the Transaction include, but are not limited to:

- the Transaction will protect the Company from potentially expending all of its cash in further exploration in Mozambique without achieving the minimum required level of success or proving up of the current opportunities required to support a further capital raising. This may have left the Company capital starved with low probability of successfully raising additional capital and therefore showing the potential of the Mozambique properties; and
- it retains the ability of Shareholders to participate in the potential upside of the ASMOz tenements through the Company's share and option holding in Auroch following the completion of the Transaction, which, due to Auroch's scale and proximity to the ASMOz tenements, may not have been available in a sale to a different party; and
- it retains the approximately \$2m cash at bank in the Company for use in a new and considered strategic direction.

1.8 Potential disadvantages and risks of the Transaction

Before voting whether to approve the Transaction, the Directors advise that the Shareholders should also consider the potential disadvantages and risks associated with the Transaction, the consideration to be received by the Company upon the completion of the Transaction, and Auroch. A summary of these disadvantages and risks is set out below.

(a) Disadvantages and risks associated with the Transaction

The potential disadvantages and risks associated with the Transaction include, but are not limited to:

- that there are a number of conditions precedent that must be satisfied or waived before the Transaction is completed. There is a risk that not all conditions precedent will be satisfied or waived, in which case, if the Transaction is not renegotiated with Auroch, the Quota Sale and Purchase Agreement may be terminated and the Transaction will not occur;

- if the Transaction does not occur, there is a risk that an alternative business opportunity may not be secured by the Company, in which case the Company risks depleting or exhausting its current cash reserves; and
- the integration of ASMoz with Auroch's existing business operations may require substantial management effort, time and resources and may divert Auroch management's focus from other strategic opportunities and operational matters.

(b) Disadvantages and risks associated with the Consideration Shares and Consideration Options

The potential disadvantages and risks associated with the Consideration Shares and Consideration Options include, but are not limited to:

- the market price of the ordinary shares of Auroch may be volatile, which may affect the ability of the Company to sell the Consideration Shares at an advantageous price;
- the market price of the ordinary shares of Auroch may fluctuate due to Auroch's operating results failing to meet the expectations of securities analysts or investors, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Auroch or its competitors, along with a variety of additional factors;
- Auroch's available capital resources may not be sufficient to fund its ongoing activities at all times, which may affect the market price of the ordinary shares of Auroch;
- Auroch may require additional financing in order to carry out its mineral exploration activities or to fully realize the Company's strategic goals and business plans;
- to the extent that external sources of capital become limited or unavailable or available on onerous terms, Auroch's ability to make capital investments and maintain existing assets or operations may be impaired; and
- other risks that are common to all investments in equity securities and which are not specific to an investment in Auroch; for example, prevailing economic and capital market operating conditions, and other external events which are not related to the usual course of Auroch's business such as acts of terrorism or war.

(c) Risks associated with Auroch

Auroch is subject to risks prevalent in the industry in which Auroch operates, which include, but are not limited to:

- geopolitical risks associated with operating in Mozambique including the potential for civil war, slow and cumbersome bureaucratic processes, risks on key staff operating in remote and or hostile locations. Mozambique has had a history of civil war and other small scale political disturbances which may disrupt operations of Auroch at any time for a short or long period. The risk of operating in such an environment may also make it harder for Auroch to attract the appropriate staff to the operations;
- the risk associated with exploration and development generally including uncertainties around the amount and type of resource and reserves available on its various tenements or the discovery of additional resources;
- risks of causing environmental damage and the costs of any clean up;
- construction and technology risk around the build of the necessary plant and specifically sizing of plant and the plant's adaptability to the ore types to be used in the process to produce gold;

- the relatively low volume of shares traded in the company also increases the volatility in share price performance; and
- the uncertain nature of the price of gold and the impact on its underlying projects being able to raise capital.

The graph below shows the trading performance of Auroch shares for the year prior to 22 August 2014 and was sourced from ASX.



1.9 Effect of the Transaction on Republic's capital structure

If the Shareholders approve the Transaction, and the Transaction is completed in accordance with the terms of the Quota Sale and Purchase Agreement, the capital structure of Republic will not change.

1.10 Activities of the Company following completion of the Transaction

Should the Shareholders approve the Transaction, the Company will have a stake in Auroch and hence an interest in Mozambican gold exploration and development.

The Company continues to review its strategic options and is investigating further investment opportunities, although no defined parameters have been determined at this stage. These investments may not necessarily be in the resources sector or in Mozambique. The Company will advise the market as soon as possible and as required under the ASX Listing Rules when a suitable opportunity has been identified.

The Company continues to investigate further investment opportunities and has no current intention to initiate the formalities for its winding up. However, Shareholders should be aware that in accordance with ASX Guidance Note 12, if Republic is not able to either make an announcement of its intention to acquire a new business or complete the formalities for its winding up within six months of completing the Transaction, ASX may exercise its discretion under ASX Listing Rules 12.3, 17.3.2 or 17.3.4 to suspend the quotation of Republic's securities at the end of that six month period. In this case, the suspension would continue until Republic makes an announcement acceptable to ASX about its future activities.

In the case of the acquisition by Republic of a new business, ASX will generally exercise its discretion under Listing Rule 11.1.2 to require security holder approval to the acquisition of the new business. Depending on the circumstances, it may also exercise its discretion under ASX Listing Rule 11.1.3 to require Republic to re-comply with the conditions for admission to the official list.

1.11 Effect of the Transaction on the Company's financial position and on the interests of the Shareholders

If the Shareholders approve the Transaction, and the Transaction is completed in accordance with the terms of the Quota Sale and Purchase Agreement, the financial position of the Company will be impacted in the following ways:

- The company will not have to fund any further administrative or exploration expenditure to do with the Mozambican operations.
- The Company will hold two key assets:
 - the Auroch Consideration Shares and Consideration Options;
 - cash at bank, which as at 30 June 2014 was approximately \$1.9 m.

The following table sets out the pro forma statement of financial position of Republic after giving effect to the completion of the Transaction.

Republic Gold Limited pro forma statement of financial position as at 1 October 2014 after giving effect to the completion of the Transaction		\$A
Current Assets		
Cash and equivalents		1,852,049
Trade and other receivables		82,327
Other current financial assets		385,625
TOTAL CURRENT ASSETS		2,320,001
Non-Current Assets		
Property, plant and equipment		2,638
TOTAL NON-CURRENT ASSETS		2,638
TOTAL ASSETS		2,322,639
Current Liabilities		
Trade and other payables		147,748
TOTAL CURRENT LIABILITIES		147,748
TOTAL LIABILITIES		147,748
NET ASSETS		2,174,891
Equity		
Issued capital		58,357,494
Accumulated losses		(57,031,007)
Reserves		848,404
TOTAL EQUITY		2,174,891

The above table has been based on management accounts adjusting for the likely cash spends as advised in the previous quarterly financial statements.

1.12 Recommendations of the Board

The Directors believe that the Transaction is in the best interests of the Company.

The Directors unanimously recommend that Shareholders vote in favour of the Transaction by voting “FOR” the resolution.

All Directors who hold or control the right to vote their Shares intend to vote in favour of the resolution in respect of those Shares.

1.13 Indicative timetable

Subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth), and conditional on satisfaction of the conditions to the Transaction, including obtaining the requisite Shareholder approvals, the Company anticipates completion of the Transaction in accordance with the following indicative timetable (which is subject to change):

Event	Date
Execution of Quota Sale and Purchase Agreement	11 June 2014
Notice of Meeting and Explanatory Statement mailed to Shareholders	25 August 2014
Meeting of Shareholders to approve the Transaction	29 September 2014
Completion of the Transaction	1 October 2014

2 Overview of Auroch Minerals NL

2.1 Description of Auroch’s assets and mineral resources

(a) Description of the Manica Gold Project

The Manica Project is located on the eastern limb of the Zimbabwe Craton, and lies on the well-documented OMM Greenstone Belt, which runs through Zimbabwe into western Mozambique. The OMM belt extends some 140 km from the Save River in Zimbabwe eastwards into Mozambique and truncated by Pan-African Mozambique mobile belt.

The Manica Gold Project is situated approximated 4km north of the town of Manica, which lies approximately 270 km west-northwest of the city of Bieria. It currently has a JORC compliant resource base of 2.82 million ounces at 1.79 g/t Au.

The Manica Licence area contains shear hosted gold contained in two major structures, the Andrada shear to the North and the Mutamburico shear to the South. The project spans 15 km x 5 km and is host to approximately 25 km of strike length outcropping on surface. To date, only 4 km have been explored to delineate the 2.82Moz JORC resource.

(b) Description of the joint venture with Baobab Resources plc

Auroch is party to a joint venture (JV) agreement with AIM-listed Baobab Resources plc’s (**Baobab**) (AIM:BAO) wholly owned subsidiary Capitol Resources Limitada (**Capitol**). Pursuant to the JV, Auroch has the ability to earn up to 80% of an area of interest within Prospecting Licence 1022L (**JV Prospecting Licence**), located in the Manica Province by spending \$1.5 million over a period of 4 years. The JV Prospecting Licence is situated adjacent to the western-most limit and part of the southern limit of Auroch’s Mining Concession 3990C. Completion of the JV remains subject to certain suspensive conditions.

(c) Description of Auroch’s mineral resources

The Manica Project has total measured, indicated and inferred resources of 48,964,000 tons Au at 1.79 g/t for 2,820,100oz Au.

2.2 The directors and key management of Auroch

(a) Information regarding the directors of Auroch and their expertise

Name and position	Expertise
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 and is currently a director of a number of Australian and international publicly listed companies.
Jan Nelson Non-executive Director	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.
Nicholas Ong Non-executive Director	Nicholas spent seven years as a Principal Adviser 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. Nicholas currently holds the position of Executive Director of Excelsior Gold Limited (ASX:EXG).

(b) Information regarding the management of Auroch and their expertise

Name and position	Expertise
Jim Porter Chief Operating Officer	<ul style="list-style-type: none"> Engineer with 37 years' operational, project and consulting experience Worked for AngloGold Ashanti (1977 to 1997), holding positions including Prod Manager, Senior Project Manager and Mine Manager Chairman and CEO of a Zimbabwe based gold

	<p>exploration company.</p> <ul style="list-style-type: none"> • President Elect and Honorary Treasurer of the Southern African Institute of Mining and Metallurgy
<p>Graeme Farr Processing Executive</p>	<ul style="list-style-type: none"> • 39 years' experience in the mining industry, over 25 years in design. • Senior Process Consultant and Managing Director of Outsourced Plant Solutions (Pty) Ltd - the planned plant operating component of TWP/Basil Read • Background covers studies and design of Refractory and Non-refractory Gold plants globally. Flotation, solid liquid separation and Sulphide Oxidation forming part of this experience.
<p>Gordon Koll Geological Executive</p>	<ul style="list-style-type: none"> • Experienced geologist with 34 years' experience in the mining industry • Previously Senior Geologist at Central African Exploration and Mining Company where he oversaw copper and cobalt exploration and evaluation • Extensive operational and consulting experience in multiple commodity mineral exploration
<p>Francisco Matos Exploration Executive</p>	<ul style="list-style-type: none"> • Geologist with 17 years' experience working with different base metals throughout the central and northern regions of Mozambique, 9 years spent on gold exploration. • Previously Exploration Manager at the Manica Project – increased resource from 400,000oz to ~3Moz • Extensive experience with government authorities and mining stakeholders in Mozambique

2.3 Incorporation and history of Auroch

Auroch is an Australian-based exploration company, incorporated on 25 January 2011, established primarily to acquire, explore, evaluate and exploit mineral resource project opportunities. On 29 August 2012 Auroch announced it had entered an agreement to acquire the Manica Gold Project, Mozambique. In addition to the Manica Gold Project, Auroch holds three exploration licences being the Peninsula Gold, Beete Gold and Crawford Copper-Bismuth Projects in Western Australia.

2.4 Capital and ownership structure of Auroch

(a) Capitalisation structure

The following table sets out pertinent information regarding the capitalisation and ownership of Auroch.

Capital structure of Auroch at the date of this Notice of Meeting

Ordinary shares	58,310,015
Partly paid shares	21,800,000
Convertible debt facility (maximum shares on conversion)	24,525,000
Convertible debt facility options	4,000,000
Fully diluted capital structure	108,635,015

Capital structure of Auroch after giving effect to the completion of the Transaction

Ordinary shares	58,310,015
Partly paid shares	21,800,000
Convertible debt facility (maximum shares on conversion)	24,525,000
Convertible debt facility options	4,000,000
Consideration Shares	6,538,462
Consideration Options	6,538,462
Fully diluted capital structure	121,711,939

The following table sets out information regarding the ten largest shareholders of Auroch who hold ordinary shares of Auroch as at 4 September 2013, and after giving effect to the completion of the Transaction.

Name of Auroch shareholder	Number and percentage of Auroch shares held as at 4 September 2013	Number and percentage of Auroch shares held after giving effect to the Transaction
Pan African Resources PLC	25,000,000 (42.02%)	25,000,000 (37.86%)
Republic Gold Limited	-	6,538,462 (9.9%)
Mr Dean Roy Cunningham	1,400,000 (2.35%)	1,400,000 (2.12%)
Mimo Strategies Pty Ltd	400,000 (0.67%)	400,000 (0.60%)
Mr Matthew Joel Norton & Mrs Roselynn Fay Norton	351,500 (0.59%)	351,500 (0.53%)
Med Alpha Sa	333,000 (0.56%)	333,000 (0.50%)
Rowan Hall Pty Ltd	333,333 (0.56%)	333,333 (0.50%)
Rainmaker Holdings (Wa) Pty Ltd	311,647 (0.52%)	311,647 (0.47%)
Mr David Keith Haymes	300,000 (0.50%)	300,000 (0.45%)
Mr James Young Stevenson & Mrs Teresa Stevenson	300,000 (0.50%)	300,000 (0.45%)
Mr Peter Stirling Smith &	300,000 (0.50%)	300,000 (0.45%)

Name of Auroch shareholder	Number and percentage of Auroch shares held as at 4 September 2013	Number and percentage of Auroch shares held after giving effect to the Transaction
----------------------------	--	--

Mrs Denise Phyllis Smith

(b) Price history of Auroch ordinary shares

During the period from 1 July 2013 to 22 August 2014, the trading price of the Auroch ordinary shares was between a high of \$0.18 on 3 December 2013 and a low of \$0.04 on 4 August 2014.

(c) Description of Auroch's 10% placement facility

The current capacity under Auroch's placement facility under Listing Rule 7.1A is 5,949,251.

(d) Description of Auroch's convertible note facility

Investors provided \$800,000 to Auroch through a convertible debt facility (**Debt Facility**), as was announced to ASX on 23 April 2014. This short term funding will be used to ensure that Auroch has sufficient working capital to secure cornerstone interest in the development of the Manica project.

Following Auroch shareholder approval on 19 June 2014 the principal amount advanced to Auroch under the Debt Facility was substituted with 800,000 convertible notes with a face value of \$1.00 each. The convertible notes together with any accrued interest will be convertible into shares, at the election of the noteholder, at the greater of:

- the price which is a 20% discount to the 10 day volume weighted average price of AOU shares on ASX prior to the noteholder providing written notice of its election to convert; and
- \$0.03.

The principal amount advanced to Auroch under the Debt Facility together with any accrued interest is repayable by 23 January 2015. Funds advanced under the Debt Facility accrue interest at 12% per annum, which is repayable on the repayment date.

In consideration for the provision of the funds pursuant to the Debt Facility, Auroch agreed to pay the facility providers a facility fee of 5% of funds advanced under the Debt Facility payable in shares, at the election of the facility providers, at a deemed issue price of 10 cents per Share. Auroch has also agreed to issue to the facility providers a total of 4,000,000 facility fee options, exercisable at \$0.15 on or before the date which is two years from the date of issue. Shareholder approval for the issue of the facility fee shares and options was granted on 19 June 2014 and the issue took place on 18 July 2014.

(e) Financial report of Auroch

The interim financial report of Auroch for the period ended 31 December 2013 is set out in **Annexure B** of this Explanatory Statement.

2.5 Additional information about Auroch

Shareholders are invited to read further information about Auroch and Auroch's operations by reviewing the information provided on Auroch's website at www.aurochminerals.com and Auroch's announcements released to the ASX under Auroch's trading symbol "AOU" at www.asx.com.au.

Following is a list of the announcements made by Auroch to the ASX over the last six months, all of which are available on the ASX website.

Date	ASX Announcement	Pages
15/08/2014	Suspension from Official Quotation	2
13/08/2014	Trading Halt	2
31/07/2014	Quarterly Activities Report	12
31/07/2014	Quarterly Cashflow Report	5
21/07/2014	Appendix 3B	13
18/07/2014	Form 484 - Cancellation of Buy-back shares	2
17/07/2014	Final Share Buy-Back Notice - Appendix 3F	2
01/07/2014	Announcement of buy-back - Appendix 3C	3
19/06/2014	Results of Meeting	2
11/06/2014	Auroch Consolidates Mozambique Ground	8
11/06/2014	RAU: Sale of African Stellar Mozambique	4
03/06/2014	Initial Director's Interest Notice	2
03/06/2014	Final Director's Interest Notice	2
02/06/2014	Auroch Restructures Board and Management	1
27/05/2014	Variation to Manica Acquisition Agreement	4
20/05/2014	Notice of General Meeting/Proxy Form	20
30/04/2014	Quarterly Activities Report	23
30/04/2014	Quarterly Cashflow Report	5
23/04/2014	Auroch Completes Capital Raising	4
27/03/2014	Mozambique Mining, Energy, Oil & Gas Conference Presentation	17
27/03/2014	Priority Exploration Targets Identified	13
26/03/2014	CNBC Africa Interview	1
18/03/2014	Research Report	1
17/03/2014	Near Term Production Strategy Update	12
14/03/2014	Half Yearly Report and Accounts	37
14/03/2014	Excellent Metallurgical Test Work Results	6
04/03/2014	Updated Mineral Resource Estimate, Manica Gold Project	40
27/02/2014	Environmental Impact Assessment Report Submitted	2
19/02/2014	Results of Meeting	1
19/02/2014	Results of Meeting - Consideration Shareholder	1
19/02/2014	Endeavour Financial Appointment as Corporate Advisor	2

3 Detailed information on the resolution to be passed at the Meeting

The resolution to be passed at the Meeting as set out in the Notice of Meeting refers to the proposed sale of all of the Company's legal and beneficial interest in the issued shares of ASMOZ to Auroch effected by the completion of the Transaction.

Detailed information about the Company, the Transaction, and the effect of the Transaction on the capital structure and financial position of the Company is set out in **Section 1** of this Explanatory Statement.

(a) Legal and regulatory requirements

ASX Listing Rule 11.2 requires a listed company to seek shareholder approval where it proposes to make a significant change to the nature or scale of its activities and the significant change involves the entity disposing of its main undertaking.

In the Company's view, the change to the Company's activities upon the completion of the Transaction constitutes a disposal of its main undertaking as contemplated by ASX Listing Rule 11.2. Accordingly, the Company is seeking Shareholder approval for the Transaction.

(b) Conditions of the Transaction

Completion of the Transaction is subject to the satisfaction of the conditions specified in the Quota Sale and Purchase Agreement, the terms of which are summarised in **Annexure B** of this Explanatory Statement.

(c) Consequences of the Transaction not proceeding

In the event that the Transaction does not proceed, the Company will continue to seek alternative acquisition or investment opportunities. However, as this process continues the Company's cash balance will likely decrease as it continues to incur administration expenses, reducing its ability to enhance Shareholder value. There is no guarantee that an alternative transaction will be found before the Company exhausts its existing cash balances.

The Directors recommend that you vote in favour of the resolution.

Annexure A - Summary of Quota Sale and Purchase Agreement

1 Title of document	Quota Sale and Purchase Agreement (Agreement)
2 Parties	<p>Republic Gold Limited (ACN 106 399 311), of Suite 302, Level 3, 70 Pitt Street Sydney NSW 2000 (Republic)</p> <p>Republic East Africa Limited (Hong Kong Reg nr 1928132) of 27th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, Hong Kong (together with Republic, the Sellers)</p> <p>Auroch Minerals NL (ACN 148 966 545), of Office J, Level 2 1139 Hay St, West Perth WA 6005 or nominee (Auroch or the Buyer)</p>
3 Overview	The Buyer will buy all of the issued capital (the Sale Quotas) of African Stellar Mozambique Limitada (Moz Reg No. 1000260603) (ASMoz) from the Sellers.
4 Selected defined terms	<p>Completion Date means on or before the 1 August 2014, unless otherwise agreed by the parties in writing.</p> <p>Consideration Options means 6,538,462 options to acquire ordinary shares of Auroch, each option to be exercisable into one ordinary share of Auroch at a strike price of \$0.15 expiring 31 December 2016.</p> <p>Consideration Shares means, 6,538,462 new ordinary shares at a nominated value of \$0.13 in the capital of Auroch to be credited as fully paid shares in the issued paid up capital of Auroch with a resultant equity holding in Auroch by Republic.</p> <p>End Date means 1 October 2014 or such other date as agreed between the parties in writing.</p> <p>Inter Company Loan Agreement means the loan agreement between Republic and ASMoz dated 16 July 2013.</p> <p>Novation Deed means the novation deed between Republic, the Buyer and ASMoz to be executed on the date of the Agreement, under which the Inter Company Loan Agreement and the Stellar Loan Agreement must be novated by Republic to the Buyer.</p> <p>Stellar Loan Agreement means the loan agreement between Stellar and ASMoz which Stellar novated to Republic in connection with the acquisition by Republic of ASMoz.</p> <p>Term Sheet means the non-binding term sheet between Republic and Auroch dated 24 March 2014.</p>
5 Conditions precedent	<p>The transaction is conditional upon the following conditions precedent:</p> <ul style="list-style-type: none"> with certain exceptions, no material adverse change in the business, operations, properties, prospects, assets or condition of either Republic or Auroch since the execution of the Term Sheet; the Novation Deed has been executed by Republic, the Buyer and ASMoz and has not been terminated; all approvals and consents of all necessary government agencies in Mozambique, Hong Kong and Australia have been obtained; approvals of the Australian Securities and Investment Commission, the Australian Securities Exchange, the shareholders of Republic and the shareholders of Auroch, to the extent that such approvals are required by Australian law; and all approvals required by laws or regulations in Mozambique, Hong Kong and Australia have been obtained for the transfer of the Sale Quotas to the Buyer and the issuance of the Consideration Shares and Consideration Options to

	<p>the Sellers.</p> <p>If any of the conditions precedent are not satisfied or waived before the End Date, any party may terminate the Agreement with immediate effect on written notice.</p>
6 Consideration	<ul style="list-style-type: none"> Upon the completion of the transaction, the transfer of the Sale Quotas from the Sellers to the Buyer and its nominee in exchange for the issue and allotment of the Consideration Shares and the Consideration Options to Republic. Concurrently with the execution of the Agreement, the novation by Republic to the Buyer of the Inter Company Loan Agreement and of the Stellar Loan Agreement in accordance with the terms of the Novation Deed, with a beneficial value to the assignee, in aggregate, of approximately USD\$832,000.
7 Actions prior to completion	<p>Funding of ASMOz</p> <ul style="list-style-type: none"> The Buyer and the Sellers agree that, upon the execution of the Novation Deed, until the earlier of Completion or the termination of the Agreement, the Sellers must advance funds to ASMOz to satisfy the working capital requirements of ASMOz on the terms of the Inter Company Loan Agreement until and including 31 May 2014, the Buyer must advance funds to ASMOz to satisfy the working capital requirements of ASMOz on the terms of the Inter Company Loan Agreement from and including 1 June 2014 until Completion. If the Agreement is terminated prior to completion, any amounts advanced by the Buyer to ASMOz under the terms of the Inter Company Loan Agreement must be repaid by ASMOz to the Buyer prior to the Completion Date, and the Buyer must procure the release of any Encumbrance or Third Party Interest created in relation to any payments advanced to ASMOz. <p>Conduct of ASMOz</p> <ul style="list-style-type: none"> Sellers must ensure that, from the date of the Agreement until completion, ASMOz carries on the business in the ordinary and normal course and with all due care and diligence. Sellers must ensure that, from the date of the Agreement until completion, ASMOz will not do a number of prescribed activities, mostly relating to the capital structure of ASMOz, material contracts, and activities that would be considered not to be in the ordinary and normal course of business, without the Buyer's written consent. <p>Notice of change</p> <ul style="list-style-type: none"> Sellers must give notice to the Buyer of an event or circumstance that occurs before completion which has or may have a material effect on the profitability or value of ASMOz or the value of the Sale Quotas. <p>Attendance at meetings</p> <ul style="list-style-type: none"> After Completion and until the Sale Quotas are registered in the name of the Buyer, the Sellers must convene, attend and vote at general meetings of ASMOz and vote at general as the Buyer may lawfully require. <p>Access to information</p> <ul style="list-style-type: none"> The Sellers must ensure that, from the date of the Agreement until completion, ASMOz makes available to the Buyer and its representatives full and complete access to all relevant books of account, records, contracts, registers, key employees and senior management The Buyer must ensure that any person provided with access does not unreasonably interfere with the Business or the operations of ASMOz.

<p>8 Completion</p>	<p>Obligations of all Parties</p> <ul style="list-style-type: none"> Each party to the Agreement agrees to cause meetings of the directors or Quotaholders of ASMOz to be held and to obtain at these meetings: <ul style="list-style-type: none"> (i) the approval of the registration of the transfers of the Sale Quotas; (i) the cancellation of the existing certificates for the Sale Quotas; (ii) the issue of new certificates for the Sale Quotas in favour of the Buyer and its nominee; (iii) the appointment of Buyer representatives to the board of directors of ASMOz; and (iv) do all other things which are required by this Agreement to be done by ASMOz at completion, or which are reasonably required by the Buyer to give to the Buyer the full possession and benefit of the Sale Quotas. <p>Buyer Completion obligations</p> <ul style="list-style-type: none"> Subject to performance by the Sellers of their obligations under the Agreement, the Buyer must: <ul style="list-style-type: none"> (i) at completion, issue the Consideration Shares and Consideration Options to Republic and issue a holding statement in respect of the Consideration Shares and Consideration Options; and (ii) within five business days of completion, register Republic as the holder of the Consideration Shares and the Consideration Options. <p>Buyer deliveries and other actions</p> <ul style="list-style-type: none"> Subject to performance by the Sellers of their obligations under the Agreement, at Completion the Buyer must: <ul style="list-style-type: none"> (i) deliver to the Seller a duly executed original of the Novation Deed; (ii) deliver to the Sellers copies of any consents and waivers required under the Agreement; and (iii) otherwise do all other things necessary or desirable to receive a transfer of the Sale Quotas, to complete any other transaction contemplated by the Agreement and to place itself in effective control of ASMOz. <p>Sellers Completion obligations</p> <ul style="list-style-type: none"> Subject to performance by the Buyer and the Sellers of their obligations under the Agreement, at completion the Sellers must deliver to the Buyer: <ul style="list-style-type: none"> (i) a duly executed original of the Novation Deed; (ii) an application for transfer form or transfer forms in respect of the Sale Quotas in favour of the Buyer which have been properly executed by the Sellers and subject only to being executed by the Buyer and stamped (if necessary), is otherwise in registrable form; (iii) the certificates representing the Sale Quotas; (iv) a certified copy of any power of attorney or other authority under which the transfers of the Sale Quotas are executed; (v) other completion deliverables standard for a transaction of this nature.
<p>9 Warranties</p>	<p>Seller Warranties</p> <ul style="list-style-type: none"> Sellers provide a suite of warranties in relation to the following matters (Schedule B of the Agreement): existence and authority; solvency; issued capital; accounts; records; commitments; litigation; information; compliance with applicable laws; licences; and tenements. <p>Buyer Warranties</p> <ul style="list-style-type: none"> Buyer provides warranties in relation to the following matters: <ul style="list-style-type: none"> (i) that the Consideration Shares will be fully paid and without any money owing in respect of them; (ii) the Consideration Shares and the Consideration Options will have

	<p>been validly issued with all necessary authority and free from all Encumbrances and Third Party Interests; and</p> <p>there will be no:</p> <p>(iii) options or other entitlements over the Consideration Shares or the Consideration Options; or</p> <p>(iv) restrictions on the transfer of the Consideration Shares or the Consideration Options.</p> <p>Maximum liability</p> <ul style="list-style-type: none"> \$850,000, being the approximate value of the Consideration Shares. <p>Minimum claim</p> <ul style="list-style-type: none"> The Sellers and Buyer are not liable for claims unless the amount finally agreed or adjudicated to be payable exceeds \$60,000, in which event the party is liable for all of that amount including the initial \$60,000. <p>Time limit on claims</p> <ul style="list-style-type: none"> Three months after the first anniversary of the Completion Date.
10 Termination	<ul style="list-style-type: none"> A party may terminate the Agreement by written notice if the other party breaches a material term or condition of the Agreement and does not rectify the breach upon notice. A party may terminate the Agreement at anytime by written notice if the other party becomes insolvent or bankrupt.
11 Assignment	Permitted with the prior written consent of the other parties, such consent to not be unreasonably withheld.
12 Governing law	New South Wales

Annexure B – Auroch’s interim financial report for the period ended 31 December 2013



ACN 148 966 545

**Interim Financial Report
for the Period Ended 31 December 2013**

AUROCH MINERALS NL

CONTENTS

	Page
▪ Directors' Report	2
▪ Auditor's Independence Declaration	21
▪ Consolidated Statement of Profit or Loss and Other Comprehensive Income	22
▪ Consolidated Statement of Financial Position	23
▪ Consolidated Statement of Changes in Equity	24
▪ Consolidated Statement of Cash Flows	25
▪ Notes to the Financial Statements	26
▪ Directors' Declaration	33
▪ Independent Auditor's Review Report to the Members	34

CORPORATE DIRECTORY

ABN	91 148 966 545
Directors	Mr Glenn Whiddon (Non-executive Chairman) Mr Dean Cunningham (Managing Director) Mr Jan Nelson (Non-executive Director)
Company Secretary	Mr Matthew Foy
Registered office	Office J, Level 2, 1139 Hay Street Perth WA 6005 Telephone +61 8 9486 4699 Facsimile +61 8 9486 4799
Website	www.aurochminerals.com
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone +61 8 9315 2333 Facsimile +61 8 9315 2233
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
Bankers	National Australia Bank 7 Sandridge Road Bunbury WA 6230
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, WA 6008
Stock Exchange	Australian Securities Exchange Limited ASX Code: AOU

Your Directors present their report on Auroch Minerals NL (**Auroch**, the **Company** or the **Group**) for the half-year ended 31 December 2013 (the **Period**).

1. DIRECTORS

The names of Directors who held office during or since the end of the half-year:

Mr Glenn Whiddon (Non-Executive Chairman)
Mr Dean Cunningham (Managing Director)
Mr Jan Nelson (Non-Executive Director)

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

2. OPERATING RESULTS

The net loss after providing for income tax amounted to \$370,440 (2012: \$616,572).

3. PRINCIPAL ACTIVITY

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

4. REVIEW OF OPERATION

MANICA GOLD PROJECT

Near-term Route to Production

During the reporting period the Company approved a "Near Term Route to Production" at its 100% Manica Gold Project in Mozambique. The Company also commissioned activities associated to a Definitive Feasibility Study (**DFS**) focused on its existing non-refractory (oxide and transitional) JORC compliant resources within the Fair Bride, Guy Fawkes and Dot's Luck Project Sectors. Subsequent to the reporting period, there was an update to the Company's Mineral Resource Estimate.

This strategy reflected the markets' desire for near term production opportunities and ensures an effective use of existing resources. While the Board believes that the Manica Gold Project still has excellent potential for further exploration upside, the focus will be the generation of cash flow to fund future exploration activities at a later date.

Joint Venture with Baobab Resources plc

During the Period, the Company entered into a joint venture (**JV**) agreement with AIM-listed Baobab Resources plc's (**Baobab**) (AIM:BAO) wholly owned subsidiary Capitol Resources Limitada (**Capital**).

Pursuant to the JV, Auroch has the ability to earn up to 80% of an area of interest within Prospecting Licence 1022L (**JV Prospecting Licence**), located in the Manica Province by spending \$1.5 million over a period of 4 years.

The JV Prospecting Licence is situated adjacent to the western-most limit and part of the southern limit of Auroch's Mining Concession 3990C (**Mining Concession**) in the Odzi-Mutare-Manica Greenstone Belt (OMM) (**Figure 1**).

Capitol's focus to date has been on the Mundonguara copper deposit which is situated immediately to the south of the proposed JV area. The JV area has had soil geochemical mapping and airborne magnetic and spectral gamma surveys completed over it. A very small portion of the southernmost area has limited Induced Potential coverage.

Auroch is confident that the prospective regional shear zones that are present on the Company's 100% owned Mining Concession continue into the proposed JV area, having been offset to the south by a regional NNE trending fault as indicated on Figure 1 below.

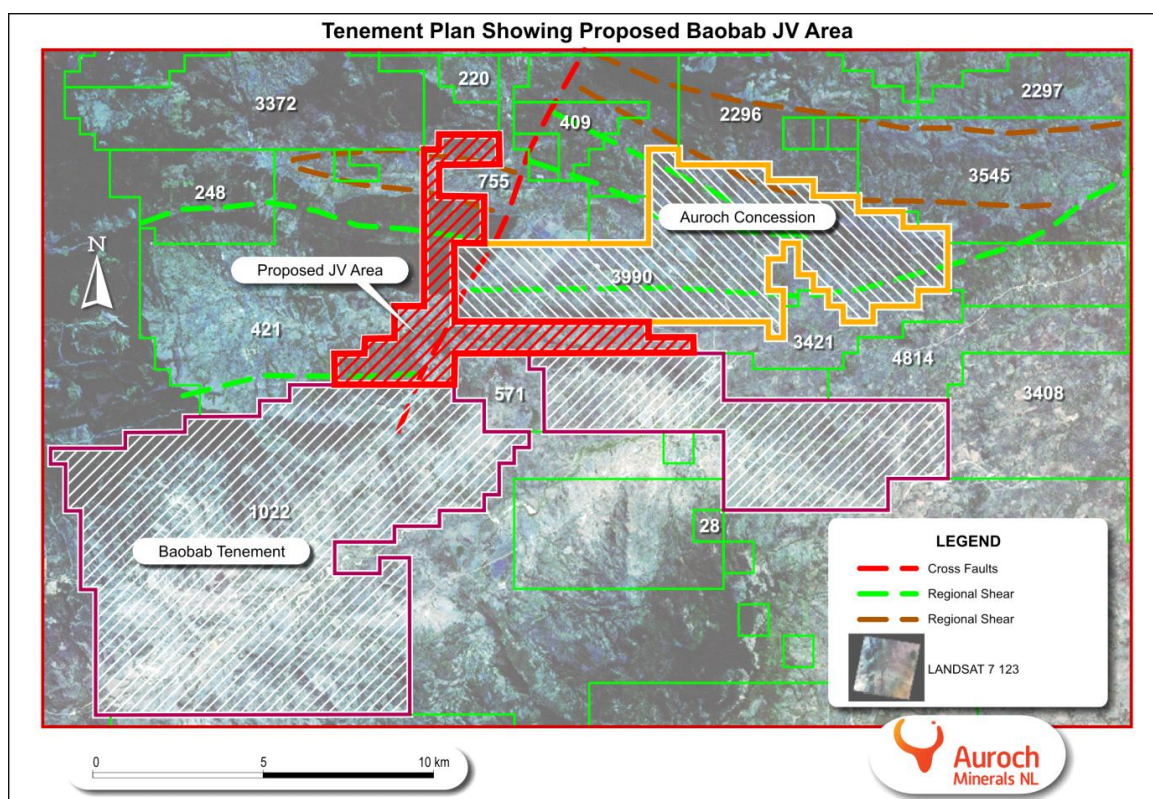


Figure 1: Prospecting Licence 1022L and Proposed JV Area

The proposed JV area covers approximately 18km² and extends the Company's Northern Shear by 1.6km and the Southern Shear by 2.2km. Auroch believes there may be an additional 4.1km of regional prospective shears based on the interpretation of satellite imagery. The proposed JV area increases the Manica Gold Project's existing prospective strike length from 27km to 34.9km.

Farm-in Terms

The Company has an exclusive due diligence before it may advise Baobab of its intention to proceed with the JV. On successful completion of due diligence and other suspensive conditions the Company will earn an initial 51% interest in the JV with the expenditure of \$500,000 on exploration activities at the Prospecting Licence (**First Work Programme**). The First Work Programme will be mutually agreed between Auroch and Baobab.

On completion of the First Work Programme or during the process of completion, Auroch will have the right to withdraw from the JV at its sole discretion at no cost to it. Within 90 days of the successful completion of the First Work Programme the Company must inform Baobab of its decision to proceed to earn a further 29% interest (for a total 80% interest) in the JV by completing a **Second Work Programme**.

The Second Work Programme will comprise expenditure of \$1 million over 3 years from the date the Company advises Baobab of its decision to proceed.

On the successful completion of the Second Work Programme, Auroch will have the exclusive option to purchase the remaining 20% interest in the JV Prospecting Licence held by Baobab for scrip, based upon a mutually agreed third party's valuation.

Metallurgical Drilling and Test Work

During the Period, Auroch advised of the metallurgical drilling and confirmatory metallurgical test work that was being undertaken on the Company's non-refractory and transitional gold resources at the Manica Gold Project to confirm the appropriate metallurgical characterisation of the Fair Bride, Dot's Luck and Guy Fawkes ores for the metallurgical plant design in the DFS.

Fair Bride – Metallurgical Drilling Assay Results

A total of nine RC holes (of 579m) were completed for the generation 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.

The location and results of the metallurgical drilling can be found in **Figure 2**.

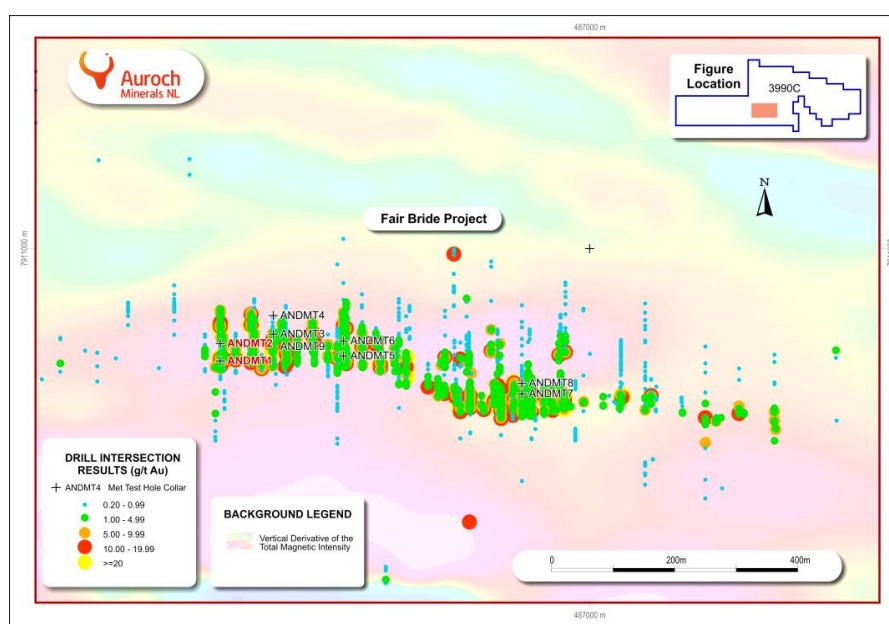


Figure 2: Metallurgical Test Drilling Location

High grade intersections from this campaign include:

- **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 Au** between 44.50m and 47.50m (ANDMT6).
- **3m at 24.48g/t Au** between 45.50m and 48.50m (ANDMT8).

An example intersection at Fair Bride is shown in **Figure 3** below.

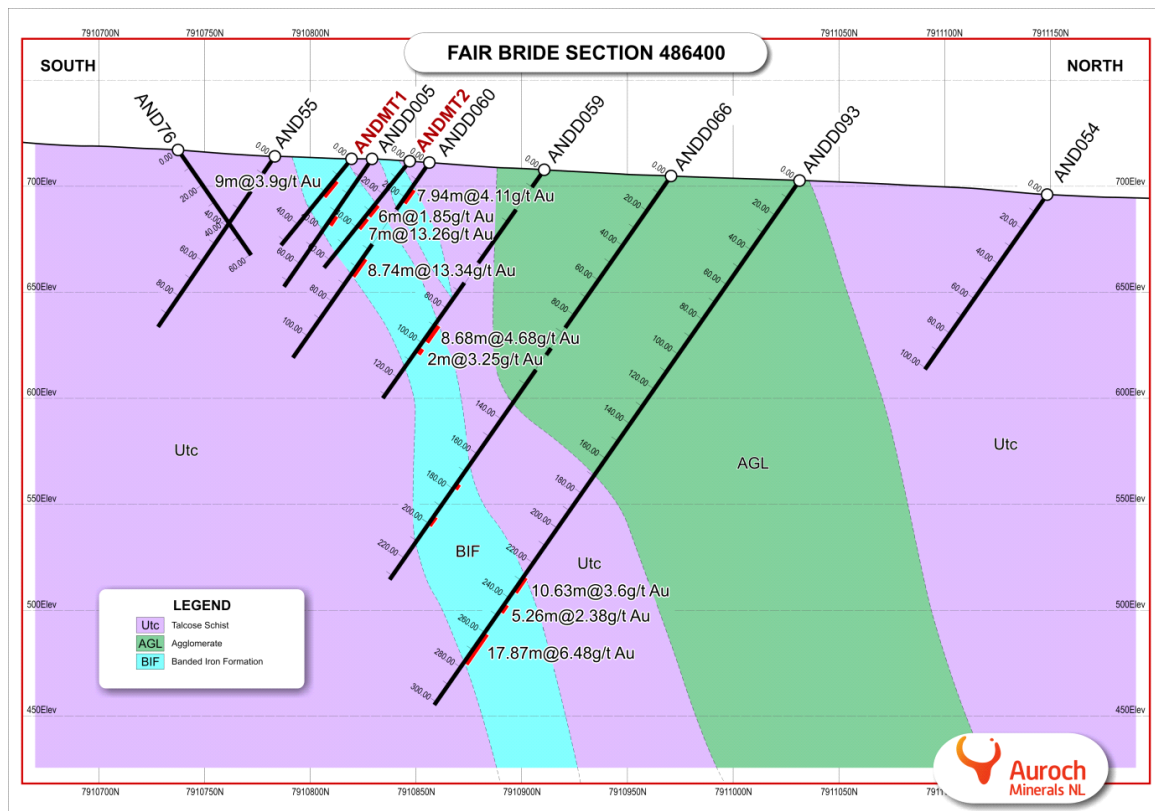


Figure 3: Cross section at Fair Bride

Confirmatory Metallurgical Test Work

Fair Bride

The composite samples were tested for “free” gold recovery using enhanced gravity techniques. The results indicated insufficient recovery benefit to justify the extra capital expenditure for inclusion of a gravity concentrator in the plant’s design.

The result of the Run of Mine (RoM) leach test work completed to date on the non-refractory composite has given a gold dissolution of 97.2% over 48hrs in excess conditions (using the standard 5kg per ton of cyanide dissolution test). From this Auroch is confident the assumed 95% recoveries used in the Scoping Study are attainable at the residence time of 24 hours used in the plant design.

Further test work is being undertaken to optimise grind, reagent consumption and leach kinetics. Test work is still underway on the transitional composite sample. From the results so far no fatal flaws have been indicated in the overall plant design.

Dot’s Luck

The first metallurgical drilling programme has been completed at Dot’s Luck. A shallow (highly weathered) ore composite was made using material from in-fill RC hole DLR23.

DD Boreholes DLD18A and DLD19A (a total of 100m) twinned the original in-fill holes DLD18 and DLD19 respectively. These were combined with material from RC hole DLR20 to make a deeper (transitional) composite ore sample for metallurgical testing.

Similar to Fair Bride, there is no direct benefit of a gravity concentrator in overall recoveries at this stage.

The net result of the RoM leach test work completed to date on the non-refractory composite, has demonstrated gold dissolution of 96.9% over 48 hours in excess conditions. From this Auroch is confident the assumed 95% recoveries used in the Scoping Study are attainable at a residence time of 24 hours used in the plant design. Further work is being undertaken to optimise grind, reagent consumption and leach kinetics. Test work is still underway on the transitional composite sample.

Most importantly and from a process and operational perspective, the results so far show Dot's Luck ore can be blended with Fair Bride and treated through the plant as proposed in the scoping study, which confirms the Company's original thinking on plant design.

Guy Fawkes

A metallurgical diamond drill hole was completed at Guy Fawkes to a depth of 143m. This material was combined with other in-fill programme core to provide a representative sample for comminution (crushing and grinding) studies.

A composite generated from the in-fill RC drilling will undergo detailed metallurgical analysis. The Guy Fawkes samples for metallurgical testing are still in the preparation phase and should be submitted to the laboratory during November 2013.

In-Fill Drilling Gold Intersections

During the Period, the Company advised of the results of in-fill drilling at the Dot's Luck and Guy Fawkes prospects. These activities aimed to provide additional information to improve the resource classification of the mineral resource estimation.



Figure 4: Infill drilling at the Dot's Luck Deposit, Manica

Dot's Luck

The Dot's Luck in-fill drilling program comprised two reverse circulation (RC of 130m) and two diamond drill (DD of 136m) holes (See **Figures 5 and 6**).

The positions of the in-fill drilling is shown in Figure 5 along with all gold intersections to date.

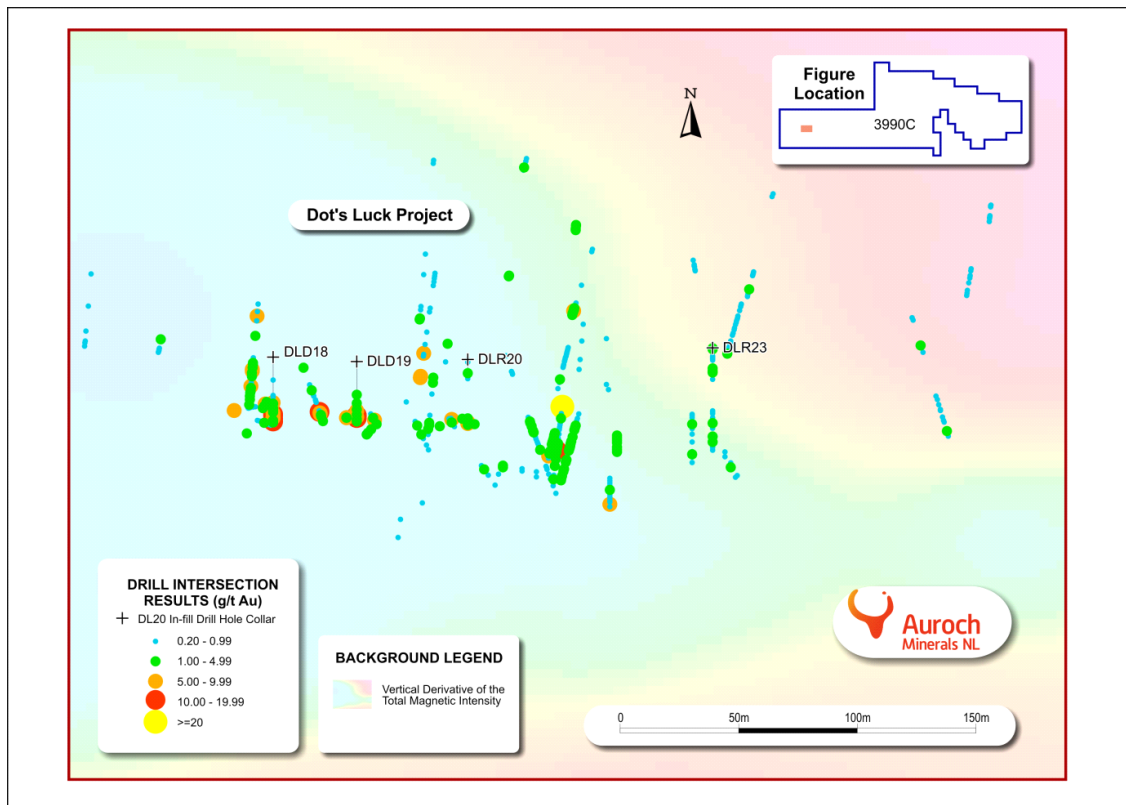


Figure 5: Dot's Luck In-fill Drilling Results

Highlight 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).

An example intersection is presented in **Figure 6** below.

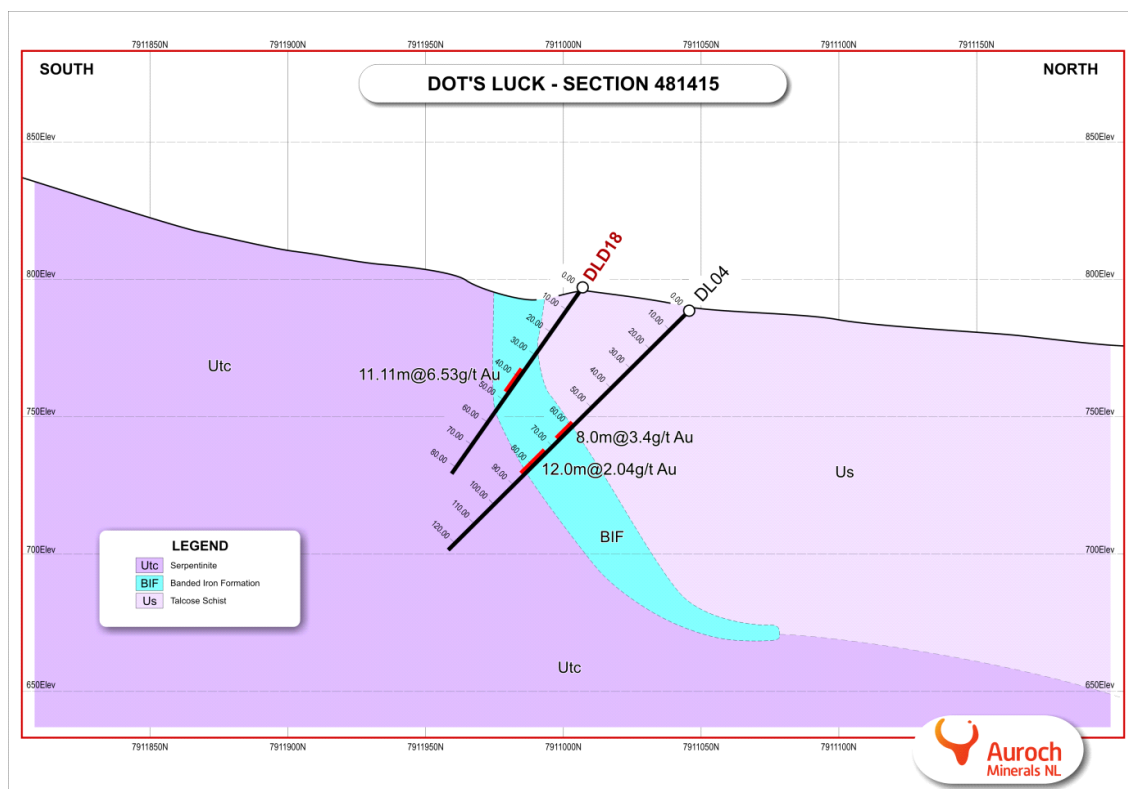


Figure 6: Values intersected in borehole DLD18 & DL04

Further analysis is currently being undertaken on the Dot's Luck drill samples at ALS Chemex in Johannesburg due to high silver grades. It is believed that the silver content is likely to reduce cash costs through by-product credits.

Guy Fawkes

Drilling at Guy Fawkes during the 2012/2013 drilling campaigns has 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. This improved structural understanding will enhance the underground mining study within the Definitive Feasibility Study currently underway.

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 in-fill drilling is expected to achieve an upgrade and improvement in the confidence categories of the existing 230,000oz resource at Guy Fawkes.

The positions and results of the in-fill program are presented in **Figure 7** below.

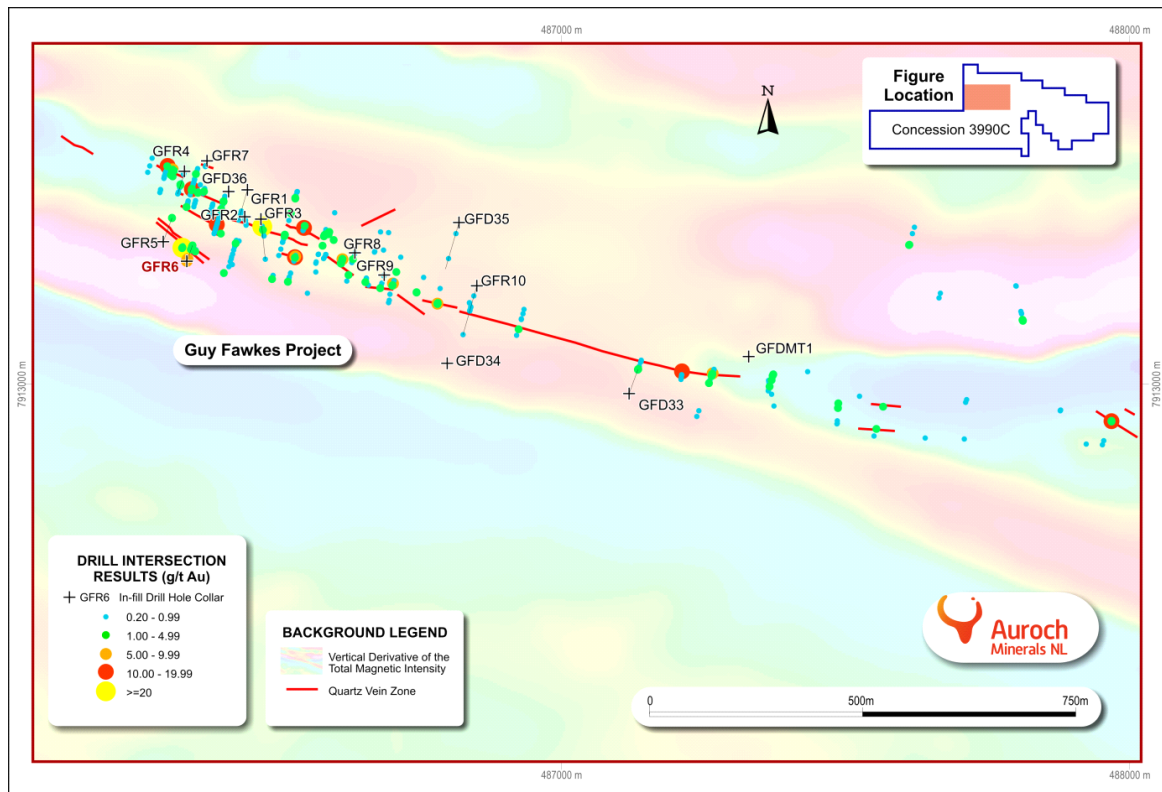


Figure 7: Guy Fawkes In-fill Drill Hole Locations

The intersections include the following results which impacted 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** between 17.50m 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).

An example intersection is presented in **Figure 8** below.

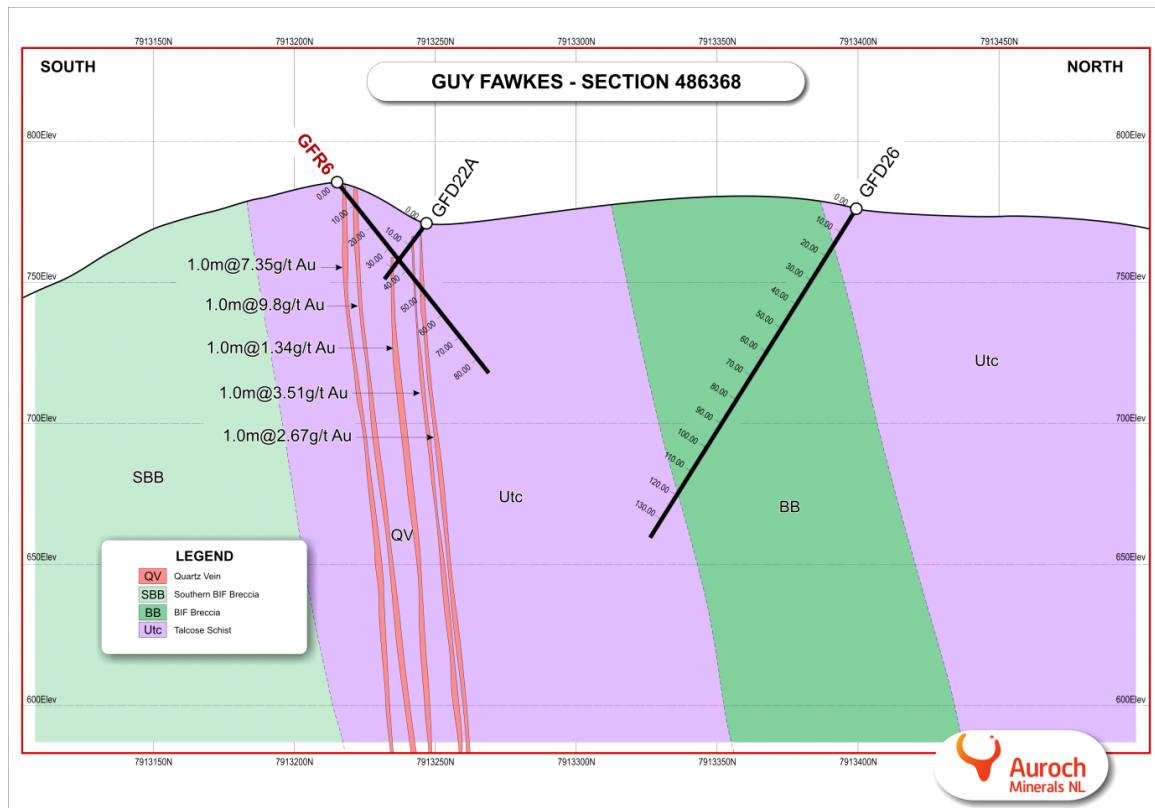


Figure 8: Gold intersected in borehole GFR6

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.

Approval of Grant Funding from DTI

During the Period, the Company confirmed that the Department of Trade and Industry (**DTI**) South Africa, through Basil Read Matomo (Pty) Limited (**Matomo**), has 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) by the DTI and the effective date for commencement of activities is 1 November 2013. These funds represents 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 DTI application and the current DFS parameters were based on the Scoping Study prepared by independent technical advisers JP Mining Consulting (Pty) Limited.

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.

Mineral Resource Estimate

Subsequent to the Period, 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 updated JORC Code (2012) compliant MRE is presented in **Table 1**.

Table 1: Manica Gold Project MRE, February 2014					
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 < 300m	10,795	1.64	570,000
		1.00 > 300m			
	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.

**The February 2014 MRE was classified by following the guidelines in the JORC Code (2012). Classification of the MRE included consideration of geological understanding of the deposits, QAQC of the samples, *in situ* dry bulk density data and drill-hole spacing.

The geological work carried out at Dot's Luck and Guy Fawkes during 2012/2013 was part of the verification and validation process undertaken by management, including the historical geological work. This has given management the confidence to move forward with the DFS. At Dot's Luck, the structural interpretation remains unchanged and at Guy Fawkes it has resulted in a different structural interpretation which resulted in reduced resources at Guy Fawkes.

Work completed at Dot's Luck and Guy Fawkes over the past 12 months includes:

- 8,249m of diamond drilling and 1,010m of RC drilling;
- Trenching of 1,867m at Guy Fawkes; and
- A complete database review which improved the understanding of continuity and potential depth extensions.

The Stage 1 DFS will incorporate targeted resource drilling and underground mapping and sampling. Drill ready targets have been identified at both Dot's Luck and Guy Fawkes deposits and these may add to the project MRE in the future.

The net impact of the verification and validation process has resulted in the MRE being reduced by 8% from 2.970Mozs to 2.820Mozs.

Fair Bride Resource

No independent resource review was undertaken on the Fair Bride deposit and its resource estimate remains unchanged. An internal Auroch audit has replicated and confirmed the estimation technique and MRE on this deposit.

During 2013 metallurgical test work drilling was completed wherein assay results confirmed grades and structure of the existing resource (refer ASX announcement 27 November 2013), including the following highlights:

- **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).
- **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).
- **11m at 8.45g/t Au** between 11.50m and 22.50m, including **6m at 14.20g/t Au** between 16.50m and 22.60m (ANDMT3).

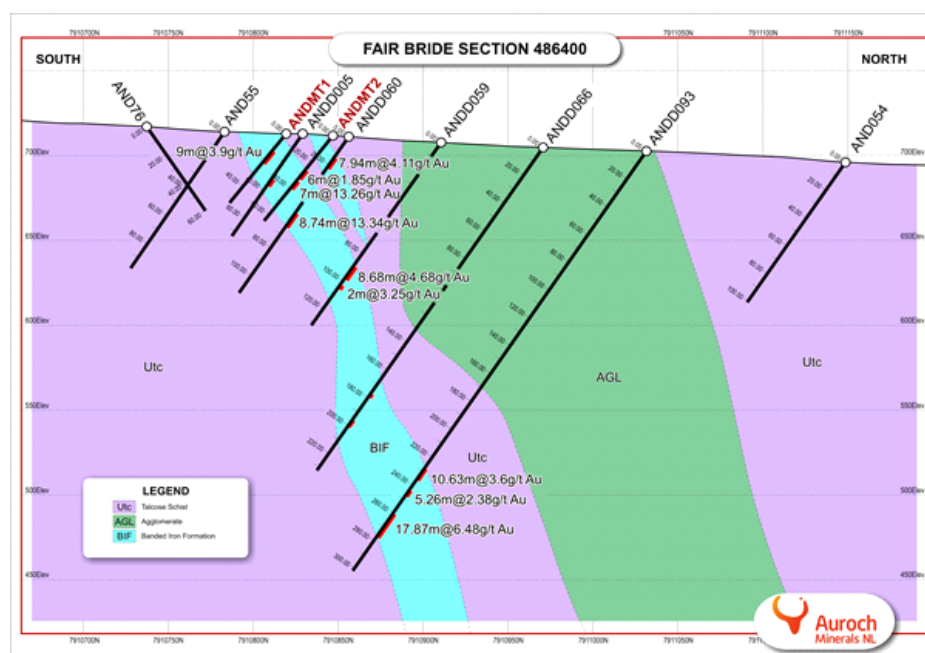


Figure 9: Fair Bride Deposit Example South North Cross Section

Fair Bride (**Figure 9**) is characterised by gold mineralisation primarily within metasedimentary units, such as metagreywackes, phyllites and banded iron formations (BIF), within an east-west trending shear zone. The mineralisation is structurally controlled within lenses along a major shear zone. The mineralised zone ranges in thickness from 2m to 59m averaging about 35m in the west, and from 2m to 15m, averaging about 7m in the east.

A tabulation of the non-refractory resource categories (**Table 2a**) and refractory resources categories (**Table 2b**) are set out below.

Table 2a: Fair Bride Non-Refractory MRE, February 2014

Classification	Tonnes	Au g/t	Ounces
Measured	1,996,000	1.73	111,000
Indicated	228,000	1.64	54,500
Inferred	68,000	1.83	92,800
Total	2,292,000	1.72	258,300

Cut-off grades: Measured 0.50g/t; Indicated 0.50g/t <300m and 1.00g/t >300m; Inferred 0.50g/t

Table 2b: Fair Bride Refractory MRE, February 2014

Classification	Tonnes	Au g/t	Ounces
Measured	9,565,000	1.73	531,000
Indicated	10,567,000	1.64	515,500
Inferred	24,530,000	1.83	1,356,200
Total	44,662,000	1.76	2,402,700

Cut-offs: Measured 0.50g/t; Indicated 0.50g/t <300m and 1.00g/t >300m; Inferred 0.50g/t

The notable feature of this deposit (**Figure 9**) is that it is amenable to open pit mining and future underground mechanised sub-level stoping and Table 1b includes **1,025,904oz Au at 4.13g/t Au** using a 3.0g/t cut-off of refractory material. Fair Bride is located 2km from the proposed processing plant.

Dot's Luck Resource

The additional in-filling and metallurgical test work drill results together with underground sampling at Dot's Luck has 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.

A tabulation of the resource categories is detailed in **Table 3**.

Table 3: Dot's Luck MRE, February 2014

Classification	Tonnes	Au g/t	Ounces
Indicated	425,000	1.87	25,500
Inferred	455,000	2.06	30,000
Total	880,000	1.97	55,500

Reported from blocks where Au ≥ 0.5 g/t and depleted blocks removed. Differences may occur due to rounding.

A reporting cut-off grade of 0.5g/t Au is used in order to conform to the cut-off grade used for the planned open pit mining method at the Fair Bride deposit.

The Dot's Luck project is intended to be a small high quality open pit operation (located only 6km from the proposed processing plant), with potential upside on strike and deeper drilling having confirmed extensions to depth.

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.

A tabulation of the resource categories is detailed in **Table 4** below.

Table 4: Guy Fawkes MRE, February 2014			
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 \geq 1.25 g/t and depleted blocks removed. Differences may occur due to rounding.

In the context of the Guy Fawkes deposit, the February 2014 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 structure at Guy Fawkes lends themselves to semi-mechanised open stoping mining methods. The proposed processing plant is located in the Guy Fawkes Project sector.

Boa Esperança Resource

No independent resource review was done on the Boa Esperança deposit and its MRE remains unchanged (**Table 5**). Limited historic drilling was undertaken in the vicinity of Boa Esperança and included the following highlight intersection:

- **15.67m** at **1.33g/t** Au between 36.38m and 52.05m, Including **0.92m** at **5.53g/t** between 39.83m and 40.75m (BED001).

Boa Esperança, is characterised by a mineralised sequence comprising highly fractured and re-crystallised BIF with aplite and has a BIF-breccia footwall. The mineralised zone is about 23m thick.

A tabulation of the resource categories is detailed in **Table 5** below.

Table 5: Boa Esperança MRE, February 2014

Classification	Tonnes	Au g/t	Ounces
Inferred	330,000	2.94	30,000
Total	330,000	2.94	30,000

Reported for a relatively high cut-off grade of 1.25g/t as likely mining parameters have not been determined to date.

The nature of this deposit will lend itself to open pit mining methods.

Environmental Impact Assessment Report Submitted

Subsequent to the reporting period, Auroch advised that the Environmental Impact Assessment Report (EIA) on the proposed mining activities at the Manica Gold Project was been submitted to the Mozambique Ministry of Coordination of Environmental (MICOA) for assessment.

EnviroSig Limitada (**EnviroSig**), a Mozambique environmental consultancy registered with MICOA, and SLR Consulting Africa (Pty) Limited (SLR), a South African based environmental consultancy, were appointed by Auroch Minerals to conduct the EIA.

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:

- 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;
- Metallurgical test work to confirm earlier preliminary recovery factors (final report due in March 2014) which are required to establish the chemical composition of the gold bearing ores to be processed;
- 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;
- 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
- 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.

Metallurgical Test Work Results

Subsequent to the Period the Company advised of the results of its metallurgical test work program. The focus has been on Stage 1¹ non-refractory² gold resources at the Manica Gold Project. The results ensure the accuracy of

¹ Stage 1 refers to the 30Ktpm standalone centralised non-refractory plant.

² See Annexure 1 for definition of non-refractory.

recoveries used for the metallurgical plant design in the Definitive Feasibility Study, for the processing of ore from the Fair Bride, Dot's Luck and Guy Fawkes deposits.

Flotation

No historical test work has ever been conducted on the non-refractory transitional ore samples at Fair Bride or Dot's Luck. The results of the recent test work indicated the need for a pre-wash stage prior to flotation. The addition of an activator in the mill and sulphurising agent prior to flotation was included in the current metallurgical test work program.

The tests showed that 80% of the Au and 97% of the sulphide sulphur is recovered into the concentrate. 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 concentrate³ 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 1).

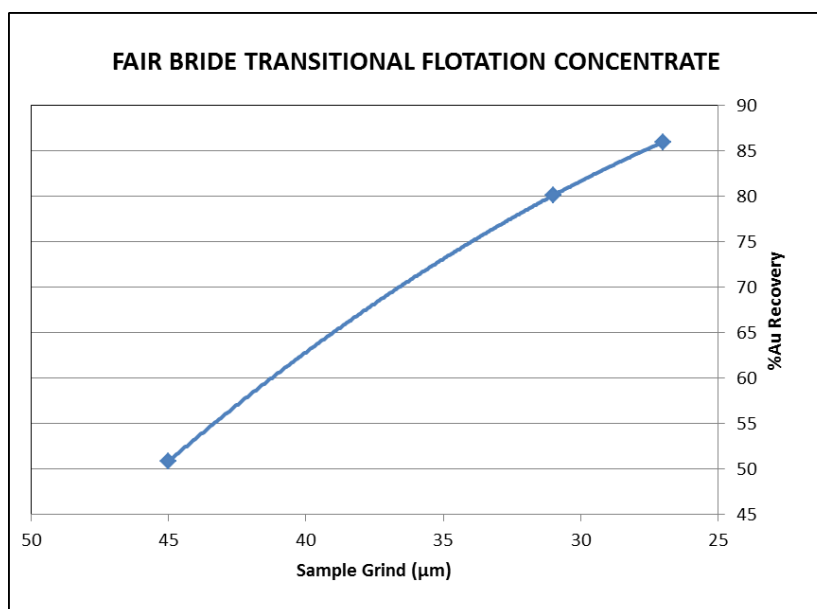


Figure 1: Grind Size Recovery Curve

Based on the Figure 1 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 (e.g. Biox).

However, it is anticipated that as mining extends into the deeper portions of the Fair Bride deposit, the refractory nature of the ore will increase and the recovery will change. To address the lower recovery we will be in a position to adjust the grind size⁴ to accommodate this change in recovery.

Oxide Leaching

³ Rougher concentrate refers to first stage of flotation.

⁴ Ultra-Fine Grinding - A Practical Alternative to Oxidative Treatment of Refractory Gold Ores, S. Ellis, Kalgoorlie Consolidated Gold Mines, Kalgoorlie, WA.

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 6).

Table 6: Oxide Leaching Au Recovery		
Sample	Calculated Head Grade (Au g/t)	Recovery (%)
Fair Bride Oxide ROM ⁵ :		
24 hours	3.61	89.6
48 hours	4.02	97.3
Air Sparging ⁶ 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 6, a conservative recovery factor of 96% (Air Sparging 24 hours) has been used for all of the oxide ores in the Stage 1 scoping study assumptions.

CORPORATE

Amendment to Pan African Agreement

During the reporting period, Auroch advised it had signed a binding agreement with Pan African Resources plc (**Pan African**) for the buyback or cancellation of its existing Consideration Shares (25 million ordinary shares) and Deferred Consideration of Cash and Shares, including its right to Deferred Cash Consideration (refer ASX Announcement 29 August 2012), following the payment of A\$2 million (the amount of cash consideration to be paid under the Pan African Agreement) by 1 March 2014.

As part of this binding agreement, Auroch has agreed to a total consideration payable to Pan African of A\$2 million on 1 March 2014. Auroch made a payment of A\$150,000 within 5 days of the agreement, which is offset against the A\$2 million payment due 1 March 2014. Auroch can extend the payment date by a further two months, to 1 May 2014, by the payments of A\$50,000 per month. All these payments (up to A\$250,000) will be offset against the A\$2 million consideration so long as payment of the balance due is received by 1 May 2014.

Should Auroch fail to make the full payment of A\$2 million (less payments already remitted) to Pan African by no later than 1 May 2014, then the original terms of the agreement between Pan African and Auroch (refer ASX announcement 29 August 2012, supplementary prospectus dated 15 November 2012 and second supplementary prospectus dated 20 December 2012) remains intact and unchanged, and the payments made under this agreement are non-refundable.

⁵ ROM refers to Run of Mine.

⁶ Air Sparging refers to the introduction of air into each leach vessel to maintain the dissolved oxygen levels.

AUROCH MINERALS NL

DIRECTORS' REPORT

The effect on the capital structure of the Company is set out below:

Existing Capital Structure	
Pan African Shares currently held	25,000,000
Balance of Register	34,492,515
Total Ordinary Shares	59,492,515
Partly Paid Shares ¹	21,800,000
Deferred Consideration Shares	71,666,668
Fully Diluted Capital Structure	152,959,183

Post Buyback	
Ordinary Shares	34,492,515
Total Ordinary Shares	34,492,515
Partly Paid Shares	21,800,000
Fully Diluted Capital Structure	56,292,515

¹ Partly Paid shares are paid to 1 cent with 19 cents unpaid

Buyback of the Consideration Shares was approved by shareholders subsequent to the reporting period on 19 February 2014.

Appointment of Endeavour Financial as Corporate Adviser

Subsequent to the reporting period, the Company advised of the appointment of Endeavour Financial as the Company's exclusive financial advisor in respect of financing the development of the Manica Gold Project.

Endeavour Financial is an internationally renowned corporate advisor that has raised over \$4 billion of debt for junior mining companies and closed M&A related financings valued at over \$28 billion. Endeavour Financial will assist Auroch in structuring appropriate financing and strategic partnership arrangements in the lead up to the development and commencement of production at the Manica Gold Project.

Competent Persons Statement

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 in-situ Mineral Resources at Dot's Luck and at Guy Fawkes is based on information compiled by David Williams of CSA Global Pty Ltd. David Williams takes responsibility for those parts of the report. He is a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). David Williams consents to the inclusion of such information in this Report in the form and context in which it appears.

AUROCH MINERALS NL

DIRECTORS' REPORT

The information in this report that relates to Exploration Targets and 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 is a Fellow of the Geological Society of South Africa, which is a recognised professional organisation 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 he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of The JORC Code. Mr Koll consents to the inclusion in this 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 the Scoping Study is based on information reviewed by Professor Jim Porter who is a Fellow of the Southern African Institute of Mining and Metallurgy, visiting Professor to the Faculty of Engineering at the University of the Witwatersrand and has wide experience in gold deposits and mining methods as envisaged in the Scoping Study; accordingly he is a Competent Person in terms of the JORC code. In terms of the Scoping Study he is responsible for the Mineral Reserve Estimate and has reviewed and approved the Scoping Study section of this press release.

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.

5. AUDITOR'S DECLARATION

A copy of the independence declaration by the lead auditor under section 307C of the Corporations Act 2001 is included on page 21 of this half-year financial report.

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

A handwritten signature in black ink, appearing to be 'D. Cunningham', with a long horizontal stroke extending to the right.

Dean Cunningham
DIRECTOR

Dated this 14th Day of March 2014

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

As lead auditor for the review of Auroch Minerals NL for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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, 14 March 2014

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Revenue	25,154	55,394
Less Expenses:		
Accounting fees	(31,671)	(62,275)
Audit fees	(15,107)	(18,656)
Consulting fees	(5,600)	(121,675)
Corporate advisory	(42,600)	(50,798)
Directors expense	(161,969)	(54,000)
Corporate and regulatory fees	(11,183)	(18,844)
Interest	-	(3)
Rent	(24,603)	(21,622)
Travel & accommodation	(31,596)	(91,785)
Other expenses	(71,265)	(232,308)
Loss before income tax	(370,440)	(616,572)
Income tax (expense)/benefit	-	-
Loss after income tax for the period	(370,440)	(616,572)
Other comprehensive income		
<i>Items that may be reclassified to the profit or loss</i>		
Exchange difference on translation of foreign operations	249,885	-
Other comprehensive income/(loss) for the period net of tax	249,885	-
Total comprehensive loss for the period attributable to the owners of Auroch Minerals NL	(120,555)	(616,572)
Loss per share for the period attributable to the member of Auroch Minerals NL		
Basic loss per share (cents per share)	(0.62)	(1.44)
Diluted loss per share (cents per share)	(0.62)	(1.44)

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 31 DECEMBER 2013

	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		462,981	2,886,145
Trade and other receivables		142,415	152,498
Total Current Assets		605,396	3,038,643
Non-current Assets			
Property, plant and equipment		2,305	3,470
Mineral exploration and evaluation expenditure	3	16,661,907	14,017,538
Total Non-current Assets		16,664,212	14,021,008
TOTAL ASSETS		17,269,608	17,059,651
LIABILITIES			
Current Liabilities			
Trade and other payables	4	2,930,824	600,312
Total Current Liabilities		2,930,824	600,312
Non-current Liabilities			
Financial liabilities		-	2,000,000
Total Non-current Liabilities		-	2,000,000
TOTAL LIABILITIES		2,930,824	2,600,312
NET ASSETS		14,338,784	14,459,339
EQUITY			
Contributed equity	5	14,699,457	14,699,457
Reserves		1,848,220	1,598,335
Accumulated losses		(2,208,893)	(1,838,453)
TOTAL EQUITY		14,338,784	14,459,339

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

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Foreign Translation Reserve \$	Total Equity \$
Balance at 1 July 2012	4,417,035	(744,891)	-	-	3,672,144
Loss for period	-	(616,572)	-	-	(616,572)
Exchange difference on foreign operations	-	-	-	-	-
Total comprehensive loss for period	-	(616,572)	-	-	(616,572)
Transactions with owners in their capacity as owners:					
Issue of shares	38,000	-	-	-	38,000
Share capital raising costs	-	-	-	-	-
Balance at 31 December 2012	4,455,035	(1,361,463)	-	-	3,093,572
Balance at 1 July 2013	14,699,457	(1,838,453)	42,630	1,555,705	14,459,339
Loss for period	-	(370,440)	-	-	(370,440)
Exchange difference on foreign operations	-	-	-	249,885	249,885
Total comprehensive income/(loss) for period	-	(370,440)	-	249,885	(120,555)
Transactions with owners in their capacity as owners:					
Issue of shares	-	-	-	-	-
Share capital raising costs	-	-	-	-	-
Balance at 31 December 2013	14,699,457	(2,208,893)	42,630	1,805,590	14,338,784

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

AUROCH MINERALS NL
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2013

	Note	December 2013 \$	December 2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(419,475)	(683,918)
Interest received		19,643	55,394
Interest paid		-	(3)
Net cash outflow from operating activities		<u>(399,832)</u>	<u>(628,527)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		-	(2,762)
Payments for acquisitions of tenements		(150,000)	-
Payments for exploration expenditure		(1,892,528)	(4,646)
Payments for prepaid exploration expenditure		-	(293,838)
Loans to related entity		-	(20,069)
Net cash outflow from investing activities		<u>(2,042,528)</u>	<u>(321,315)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		-	38,000
Proceeds from funds received in advance		-	3,048,574
Capital raising costs		-	(290,820)
Net cash inflow from financing activities		<u>-</u>	<u>2,795,754</u>
Net increase/(decrease) in cash and cash equivalents		(2,442,360)	1,845,912
Foreign exchange movement on cash and cash equivalents		19,196	-
Cash and cash equivalents at the beginning of the period		2,886,145	3,492,868
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>462,981</u>	<u>5,338,780</u>

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

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

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.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This report should be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Company 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

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Adoption of new and revised accounting standards

In the half year ended 31 December 2013, 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.

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)

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Going Concern

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

The Consolidated Entity has incurred net losses after tax of \$370,440 (31 December 2012: \$616,572) and experienced net cash outflows from operating and investing activities of \$2,442,360 for the half-year ended 31 December 2013 (31 December 2012: net outflows \$949,842). Net assets of the Group as at 31 December 2013 were \$14,338,784 (30 June 2013: net assets of \$14,459,339).

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent upon the Group raising additional capital via any means available to it inclusive of, but not limited to, placements, partly paid share conversions, rights issues, or joint venture arrangement in a timely manner in order to fund the ongoing exploration and operation activities.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

2. 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.

December 2013

	Mozambique	Western Australia	Total
	\$	\$	\$
Revenue from external sources	-	-	-
Reportable segment profit / (loss)	-	-	-
Reportable segment assets	16,641,095	628,513	17,269,608
Reportable segment liabilities	(2,894,232)	(36,592)	(2,930,824)

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

2. SEGMENT INFORMATION (Cont)

December 2013

	Mozambique	Western	Total
	\$	Australia	\$
		\$	
<i>Reconciliation of reportable segment profit or loss</i>			
Reportable segment profit /(loss)	-	-	-
Other income	-	-	25,154
Unallocated:			
Depreciation expense			(1,165)
Director benefits			(161,969)
Share based payments			-
Employee benefits			-
Other expenses			(232,460)
Loss before tax			<u>(370,440)</u>

June 2013

	Mozambique	Western	Total
	\$	Australia	\$
		\$	
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
<i>Reconciliation of reportable segment profit or loss</i>			
Reportable segment profit /(loss)			-
Other income			110,819
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			<u>(1,093,563)</u>

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December	30 June
	2013	2013
	\$	\$
Balance at beginning of the period	14,017,538	192,989
Tenement acquisition costs	-	9,500,000
Exploration expenditure incurred	2,432,314	2,785,789
Allocation of expenditure to prepaid expenses	-	-
Movement due to foreign exchange translation	212,055	1,538,760
Balance at the end of the period	<u>16,661,907</u>	<u>14,017,538</u>

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

4. TRADE AND OTHER PAYABLES

	December 2013	30 June 2013
	\$	\$
Trade payables	946,630	567,993
Accruals	26,113	32,319
Other creditors (i)	1,958,081	-
	<u>2,930,824</u>	<u>600,312</u>

All current liabilities are expected to be settled within 12 months.

(i) Includes \$1,850,000 owing to Pan African Resources Plc for the settlement of acquisition of Manica Gold Project.

5. CONTRIBUTED EQUITY

(a) Share Capital

	2013	2012	2013	2012
	Shares	Shares	\$	\$
Fully paid	59,492,515	23,000,001	15,127,754	4,600,000
Partly Paid	21,800,000	19,800,000	218,000	198,000
Equity raising costs	-	-	(646,297)	(144,965)
	<u>81,292,515</u>	<u>42,800,001</u>	<u>14,699,457</u>	<u>4,653,035</u>

(b) Movements in ordinary shares

2013

Date	Details	Number of shares	Issue price	2013 \$
01/07/13	Balance at 01 July 2013	59,492,515	-	14,481,457
31/12/13	Balance at 31 December 2013	<u>59,492,515</u>		<u>14,481,457</u>

2012

Date	Details	Number of shares	Issue price	2012 \$
01/07/12	Balance at 01 July	22,800,001	-	4,417,035
21/09/12	Conversion of fully paid shares	200,000	\$0.20	38,000
31/12/12	Balance at 31 December	<u>23,000,001</u>		<u>4,455,035</u>

(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.

2013

Date	Details	Number of shares	Issue price	2013 \$
01/07/13	Balance at 01 July	21,800,000	-	218,000
31/12/13	Balance at 31 December	<u>21,800,000</u>		<u>218,000</u>

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

5. CONTRIBUTED EQUITY (Cont)

2012

Date	Details	Number of shares	Issue price	2012 \$
01/07/12	Balance at 01 July	20,000,000	-	200,000
21/09/12	Conversion of fully paid shares	(200,000)	-	(2,000)
31/12/12	Balance at 31 December	<u>19,800,000</u>		<u>198,000</u>

6. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 19 February 2014, the Company announced the appointment of Endeavour Financial as Corporate Advisor.

On 19 February, the Company announced the approval of shareholders in respect of the selective capital reduction of shares formerly held by Pan African.

On 27 February 2014, the Company announced that it had submitted its Environmental Impact Assessment (EIA) in relation to the Manica Gold Project

On 4 March 2014, the Company announced an updated mineral resource estimate in relation to the Manica Gold Project.

Apart from the above there were no subsequent events of a material nature that require disclosure in this report

7. CONTINGENCIES

Contingent Liabilities

On 17 January 2013 the Company completed the acquisition of 100% of the Manica Gold Project from Pan African Resources plc.

The 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

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

35,360,000

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

7. CONTINGENCIES (Cont)

- (i) 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) 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) 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 TNV 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) 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 advised it had signed a binding agreement with Pan African for the buyback or cancellation of its existing Consideration Shares (25 million ordinary shares) and Deferred Consideration of Cash and Shares, including its right to Deferred Cash Consideration (refer ASX Announcement 29 August 2012), following payment of A\$2 million (the amount of cash consideration to be paid under the Pan African Agreement) by 1 March 2014.

As part of this binding agreement, Auroch has agreed to a total consideration payable to Pan African of A\$2 million on 1 March 2014. Auroch will make a payment of A\$150,000 within 5 days of the agreement, which is offset against the A\$2 million payment due 1 March 2014. Auroch can extend the payment date by a further two months, to 1 May 2014, by the payments of A\$50,000 per month. All these payments (up to A\$250,000) will be offset against the A\$2 million consideration so long as payment of the balance due is received by 1 May 2014.

Should Auroch fail to make the full payment of A\$2 million (less payments already remitted) to Pan African by no later than 1 May 2014, then the original terms of the agreement between Pan African and Auroch (refer ASX announcement 29 August 2012, supplementary prospectus dated 15 November 2012 and second supplementary prospectus dated 20 December 2012) remains intact and unchanged, and the payments made under this agreement are non-refundable.

AUROCH MINERALS NL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 8: FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Consolidated Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Due to their short term nature, the carrying amount of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

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, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
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.

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:

Dated this 14th day of March 2014



Dean Cunningham
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Auroch Minerals NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Auroch Minerals NL, which comprises the consolidated statement of financial position as at 31 December 2013, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Auroch Minerals NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Auroch Minerals NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the Group raising additional capital via any means available to it inclusive of, but not limited to, placements, partly paid share conversions, rights issues, or joint venture arrangement in a timely manner in order to fund the ongoing exploration and operation activities. These conditions, along with other matters as set out in Note 1, 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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a horizontal line extending to the right.

Phillip Murdoch
Director

Perth, 14 March 2014



REPUBLICGold

ABN 86 102 399 311

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
(Within Australia) (08) 9262 3723
(Outside Australia) +618 9262 3723

For Online Vote

www.advancedshare.com.au/investors.aspx

For all enquiries call:

Telephone:

(Within Australia) (08) 9389 8033
(Outside Australia) +618 9389 8033

Email: admin@advancedshare.com.au

Proxy Form

🔔 Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows:
7. Shareholders must deliver their proxies prior to 27 September 2014 at 11.00am AEST by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at (08) 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
8. For those wishing to lodge their vote online, this facility will close at 11.00am AEST on 27 September 2014.
9. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7:00pm on 28 September 2014 be entitled to attend and vote at the Meeting.
10. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
11. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
12. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
13. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form →



CHECK OUT OUR WEBSITE at
www.advancedshare.com.au

- Check all holdings by using HIN/SRN
- Update your holding details
- Reprint various documents online



REPUBLICGold

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'x') should advise your broker of any changes.

Form of Proxy

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

PLEASE NOTE: This proxy is solicited on behalf of the management of Republic Gold Limited ABN 86 106 399 311 (the "Company") for use at the meeting of the shareholders of the Company to be held at Level M, 66 Hunter Street, Sydney NSW 2000 on 29 September 2014 at 11:00am (AEST) or any adjournment thereof (the "Meeting").

I/We being a member/s of Republic Gold Limited hereby appoint

the Chairman
of the meeting

OR

PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following: Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes. My total voting right is _____ shares.

PLEASE NOTE: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business

PLEASE NOTE: If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

FOR

AGAINST

ABSTAIN

Resolution 1: Disposition of ASMOz to Auroch

☐☐☐

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR the resolutions.

SIGN

Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Member 2 (if joint holding)

Member 3 (if joint holding)

Individual or Member 1

Sole Director and Sole Secretary

Director/Company Secretary

Director

/ /

Date