

29 May 2017

Market Announcements Platform  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## Drilling program of Alcoutim Cu-Zn Project in Portugal

### On Track – Currently at 650 meters down hole

---

#### Highlights

- Drilling commenced at Alcoutim on Friday 12<sup>th</sup> May and has progressed on schedule;
- Drilling contractor Drillcon Iberia is operating double shift and 7 days a week. They are achieving 30m per shift and are over 650m down hole;
- The first hole (ALFP001), of an initial 5-hole program over the next 6 months, is situated in the Foupana target; one of 5 priority areas to be drilled in Phase 1 exploration;
- The Alcoutim targets occur along strike of the supergiant Neves Corvo Cu-Zn-Pb-Ag-Au mine operated by Lundin Mining Corporation;
- Auroch in a STRONG FINANCIAL POSITION: A\$7.7 million in cash, receivables and loans to Bolt Resources Pty Ltd (holder of Alcoutim Cu-Zn license)

---

#### Drilling Progress

The Company is pleased to announce rapid progress of its first deep diamond drill hole at the Alcoutim Cu-Zn Project in Portugal. AOU has the right to acquire 75% of the project. The first hole is currently at 650m at the end of night shift on the 28<sup>th</sup> May and is making rapid progress through the flysch cover sequence on the way to the target zone at approximately 850m downhole.

**Auroch CEO Dr. Andrew Tunks explained:**

***“The first hole is rapidly progressing toward target zone; a coincident gravity/EM anomaly adjacent to the major Foupana magnetic anomaly. Drillcon Iberia are performing well and demonstrate high standards of safety and environmental awareness on the rig. On top of this we recently added a new Senior Geologist Sónia Vila and Geologist João Geraldês to the team, both whom have significant exploration experience in the Iberian Pyrite Belt, with Sonia has been working on the geology of the Belt since graduation. In my experience, great people lead to great exploration. I am travelling to Portugal in the coming weeks to be onsite when we intersect the target zone, and for the collection of the down-hole geophysical data.”***



Geologist Joao Geraldes inspecting core from ALFP001

## Hole ALFP001

Hole ALFP001 is targeting coincident EM and gravity anomalies adjacent to the Foupana magnetic anomaly. The hole is progressing to plan with the deviation in azimuth and dip within expected ranges. To date the geology has been within the Mertola Formation part of the Baixo Alentejo Group, a Carboniferous aged sedimentary sequence comprising siltstone, mudstones and greywackes. These rocks are part of the overlying cover sequence to the target zone and are not prospective for mineralisation.

The target host rocks for the massive sulphides are known as the Volcanic-Sedimentary Complex (VCS), a bi-modal volcanic and sedimentary sequence of Upper Devonian age. The VCS represents the ancient sea floor at the time of mineralisation and the VMS targets are typically towards the base of this sequence. The target depth for ALFP001 is 800 -900m down hole.

Preparation for the down-hole geophysical testwork has commenced with the design of the induction loop and site preparation to receive the geophysics field team and equipment.



Core from ALFP001 within the Mértola Formation shows typical monotonous alternating intercalations of greywackes dark grey argillite

## Phase 1 Exploration

A total of 22 potential VMS targets have been created by integrated teams of geologists and geophysicists throughout the Alcoutim license area, the first 5 holes will all test targets along the Neves Corvo Trend (see Figure 2 of Background - Alcoutim Project). The Foupana magnetic anomaly (42 km southeast of the supergiant Neves Corvo Mine) is a significant and intense magnetic anomaly of the Neves Corvo Trend which the Auroch team interpret to be a large submarine centre of bimodal magmatic activity. Associated electromagnetic (EM) anomalies are interpreted to represent massive sulphide mineralisation. The first borehole location represents an ideal combination of our geological model; close to the magmatic centre and with a strong EM anomaly.

Due to the sulphide-rich nature of VMS deposits the massive mineralisation has very strong electrical conductive properties and this can be used as an exploration tool to find mineralisation that was not intersected by the drilling but may be close by. Down hole geophysics can thus greatly increase the exploration effectiveness of each drill hole. When each hole is finished drilling, a down-hole geophysical tool will be lowered down the hole to test for EM conductors that may be close to the hole. This crucial data collected within the target horizon will have a significant impact on future exploration planning and the location of subsequent holes.

For further information visit [www.aurochminerals.com](http://www.aurochminerals.com) or contact:

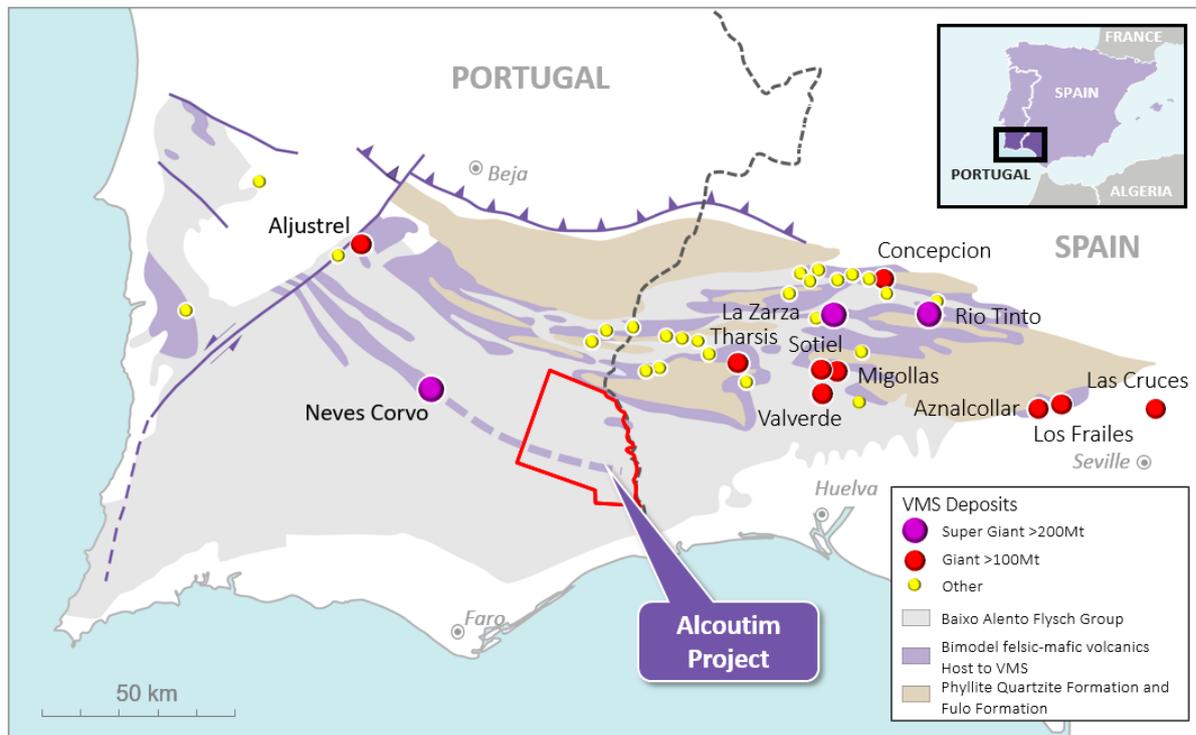
### Auroch Minerals Limited

Dr Andrew Tunks  
**CEO**  
T: +61 8 9486 4036

Glenn Whiddon  
**Executive Chairman**  
T: +61 8 9486 4036

## Background - Alcoutim Project

The Company has the right to earn up to 75% of the “**Alcoutim Project**”, a significant Cu-Zn-Pb-Au-Ag opportunity in south-eastern Portugal located immediately along strike from the supergiant Neves Corvo Mine in the western half of the world famous Iberian Pyrite Belt (**IPB**).



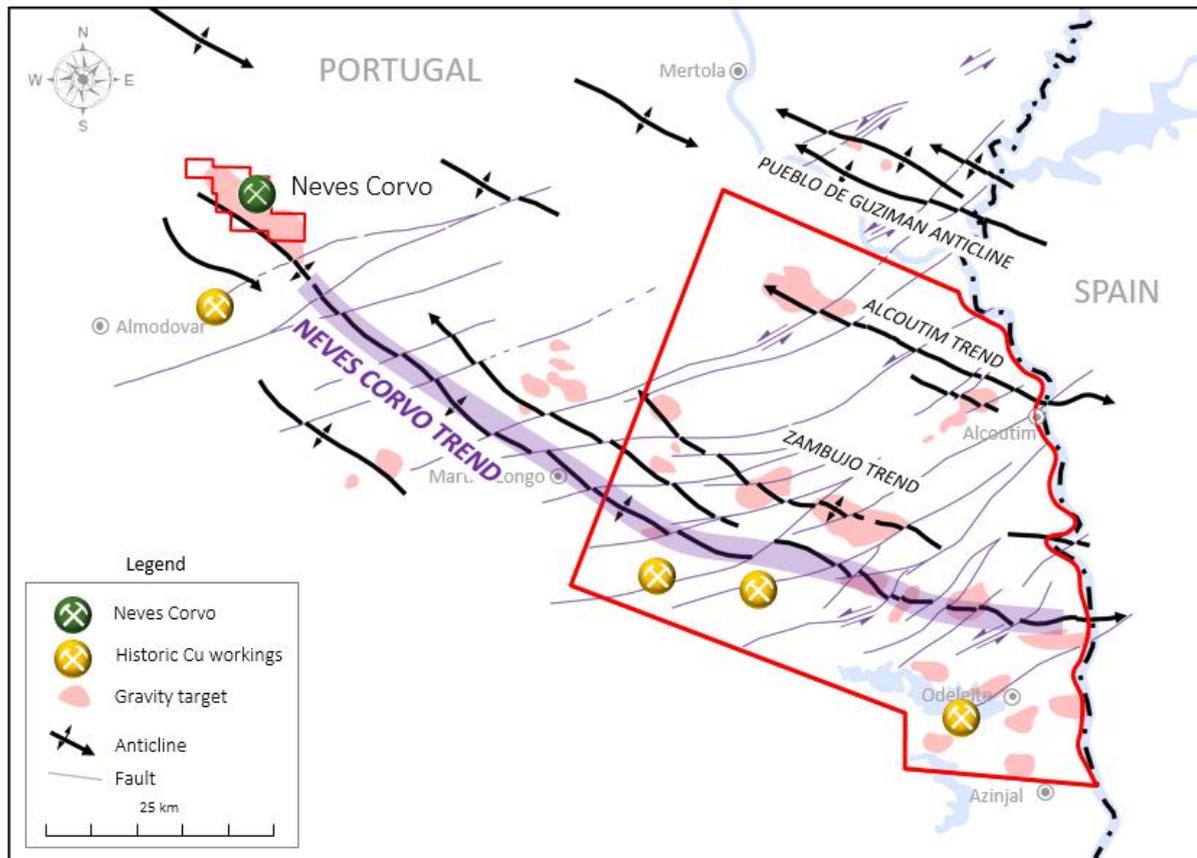
**Figure 1. The geology of the Iberian Pyrite Belt highlighting the major mines and the location of the Alcoutim Project on the Portugal-Spain border. Note the continuation of the Neves Corvo Volcanics (dashed line) into the Alcoutim Licence covered by the younger rocks of the Baixo Alento Group.**

## Multiple Exploration Targets

The Alcoutim Project covers 576 square kilometres and lies immediately east and down plunge of the Super Giant Neves Corvo deposit in Eastern Portugal (Figure 1). The licence covers the interpreted down plunge extensions of the highly prospective Neves Corvo trend. Previous geophysical exploration has highlighted twenty-two targets that are characterised by coincident gravity and magnetic anomalies, modelling of the data suggests target depths of 700 to 1000m.

Major gravity highs are shown within the Alcoutim licence in Figure 5, similar anomalies focussed the initial Neves Corvo exploration. A series of small deposits of remobilised copper are present in the south of Neves Corvo which are spatially related to a series of NE-SW trending faults that post-date the VMS mineralisation. Similarly, deposits of remobilised copper are found in the south of the Alcoutim licence which were mined in several places such as Cova dos Mouros. It is possible that these small deposits represent remobilised copper from mineralisation at depth and give further evidence to the prospectivity of the main gravity and magnetic anomalies.

Within the licence area there are multiple coincident gravity-magnetic and EM targets that are the focus for the first round of drilling that commenced on the 12<sup>th</sup> of May 2017. Importantly the most intense gravity anomalies lie along the Neves Corvo structural trend Figure 2.



**Figure 2. Location diagram for Land of Giants Project highlighting major magnetic anomalies and the vital Neves Corvo Trend which is the focus for the initial exploration– Also highlighted are the major gravity anomalies that will be the focus of the initial drill testing. Note the presence of several small oxide copper deposits to the south west of the main gravity targets and the similarity to the situation at Neves Corvo.**

### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr. Andrew Tunks and represents an accurate representation of the available data. Dr. Tunks (Member Australian Institute Geoscientists) is the Company's Chief Executive Officer and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Tunks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.