

# QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2020



## ABOUT AUROCH MINERALS LIMITED

### ASX CODE: AOU

Auroch Minerals Limited is an Australian base-metals exploration company. The Company is focused on its two Nickel Projects: Saints and Leinster located in the prospective Norseman-Wiluna Greenstone Belt within the Eastern Goldfields of Western Australia.

188,601,187 fully paid ordinary shares (quoted)

A\$9.4 million market capitalisation

### DIRECTORS

Aidan Platel  
(Managing Director)

Ed Mason  
(Non-Executive Chairman)

Chris Hansen  
(Non-Executive Director)

### COMPANY SECRETARY

James Bahen

### CONTACT

Suite 1, 295 Rokeby Road  
Subiaco WA 6008  
Australia

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## 14 July 2020

Auroch Minerals Limited (ASX:AOU) (**Auroch** or the **Company**) is pleased to provide the following report on its activities during the June 2020 quarter. The Company's primary focus during the reporting period was the exploration activities at its Saints Nickel Project (**Saints**) and Leinster Nickel Project (**Leinster**), two high-grade nickel sulphide projects in Western Australia.

## 2020 Q2 - HIGHLIGHTS

### SAINTS NICKEL PROJECT

- Completion of a 60-hole air-core (**AC**) drilling programme for 1,960m at Saints
- Completion of a ~1,200m reverse circulation (**RC**) drilling over two programmes designed to test the T2 channel target
- Completion of down-hole electromagnetic (**DHEM**) surveys of the completed drill-holes identified a very strong conductor within the fertile basal channel at the T2 Target area
- Continued modelling and interpretation of drilling assays, DHEM and a surface fixed-loop electromagnetic (**FLEM**) survey over the T1 Target area
- Electromagnetic (**EM**) surveys successfully define two new conductors at the T2 and T1 Targets to be tested by drill programme commencing this week

### LEINSTER NICKEL PROJECT

- Completion of 4,200m air-core (AC) drilling programme at the Valdez prospect
- Continued review and remodelling of historic geological and geophysical data

### SEPTEMBER QUARTER 2020 - PLANNED ACTIVITY

- Completion of 1,300m air-core (AC) drilling programme at the Saints T4
- Focused drill programmes at Saints to test the DHEM conductor at T2, the FLEM conductor at T1, and the deeper channel positions at the St Andrews channel target
- RC drilling at the Valdez Prospect following up the results from the completed AC programme
- Resource drilling at the Horn nickel sulphide deposit of the Leinster Nickel Project

### CORPORATE

- Completion of \$2 million (before costs) oversubscribed placement
- The Company received a R&D tax refund of ~\$550,000 and remains well funded with **\$3.4 million on hand at 30 June 2020**

## COMPANY PROJECTS – WESTERN AUSTRALIA

### SAINTS NICKEL PROJECT

During the quarter Auroch completed two RC drilling programmes for a total of ~1,200m at the Saints Nickel Project, located approximately 65km northwest of Kalgoorlie and 7km east of the Goldfields Highway.

Each drill programme comprised three holes drilled into the T2 channel target, and one drill-hole at the T1 Target area. The initial programme successfully identified a very strong DHEM conductor located on the margins of the T2 channel, which was then drill-tested by the follow-up drilling. The two drill-holes completed at the T1

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channel target (Figure 1) were deeper holes designed to intersect the basal Eastern Footwall Contact below the weathered profile, so that the DHEM survey could potentially “see” further into the T1 channel.

All drill-holes were logged and sampled and DHEM surveys were also completed for all drill-holes. Initial high-level modelling completed for the T1 Target by Southern Geoscience Consultants (SGC) during the second drill programme was enough to recognise that a small surface FLEM survey was warranted over the T1 Target area, which was then extended to cover the T3 Target area. The intention of all of the EM surveys was to potentially provide a vector to massive sulphide mineralisation to better guide the T1 Target drilling on the small salt lake, scheduled to start in the coming quarter.

The first drill-hole of the second drill programme, SNRC005, successfully intersected twelve metres of massive sulphides from 112m, coincident with the modelled strong DHEM conductor identified by the initial T2 drilling, thus proving the validity of DHEM as a tool to target massive sulphides (Figure 2 and Figure 3). Whilst not nickeliferous, the sulphide mineralisation was anomalous in copper and zinc, typical of sedimentary exhalative-style sulphidic mineralisation commonly found on the margins of nickel-bearing basal channels.

A DHEM survey of drill-hole SNRC007, drilled further to the south in the T2 channel, successfully defined another strong conductor located deeper within the T2 channel (Figure 2). The strength of the conductor was again very high at 15,000 – 30,000<sup>+</sup> S, which is considered a typical signature of well-developed sulphides. The strong conductor is also very discreet, which means it is less likely to be caused from conductive stratigraphic units and more likely to be from localised sulphide mineralisation. This strong conductor will be tested by a diamond drilling programme commencing this week.

Assay results for SNRC007 confirmed that the basal ultramafic unit in the T2 channel target was a highly fertile, high MgO nickel-bearing lava flow, characteristics necessary for significant nickel sulphide mineralisation. An intersection of **2m @ 0.61% Ni from 96m** was recorded immediately above the basal contact with the underlying basalt.

A second EM conductor was identified within the T1 Target area. Whilst not as strong as the T2 conductor, the fixed loop EM (FLEM) conductor at T1 is coincident with the modelled basal channel position, and hence will also be drill tested in the upcoming drill programme. Originally thought to be one large channel, the T1 Target area has now been modelled as several smaller channels, which may indicate close proximity to the original vent source.

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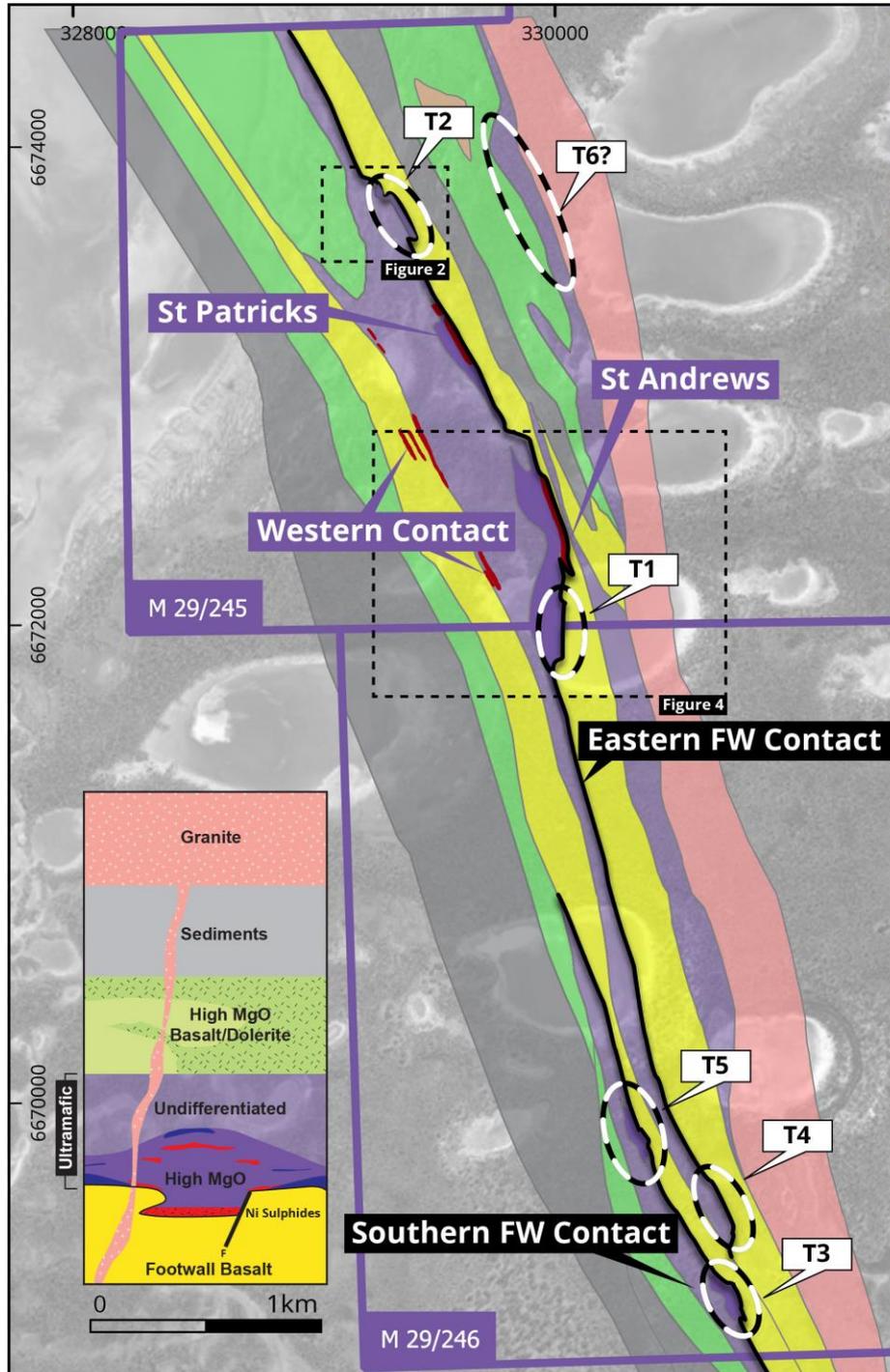


Figure 1 – Geological interpretation of the Saints Nickel Project showing the location of T1 and T2 and the other channel target areas

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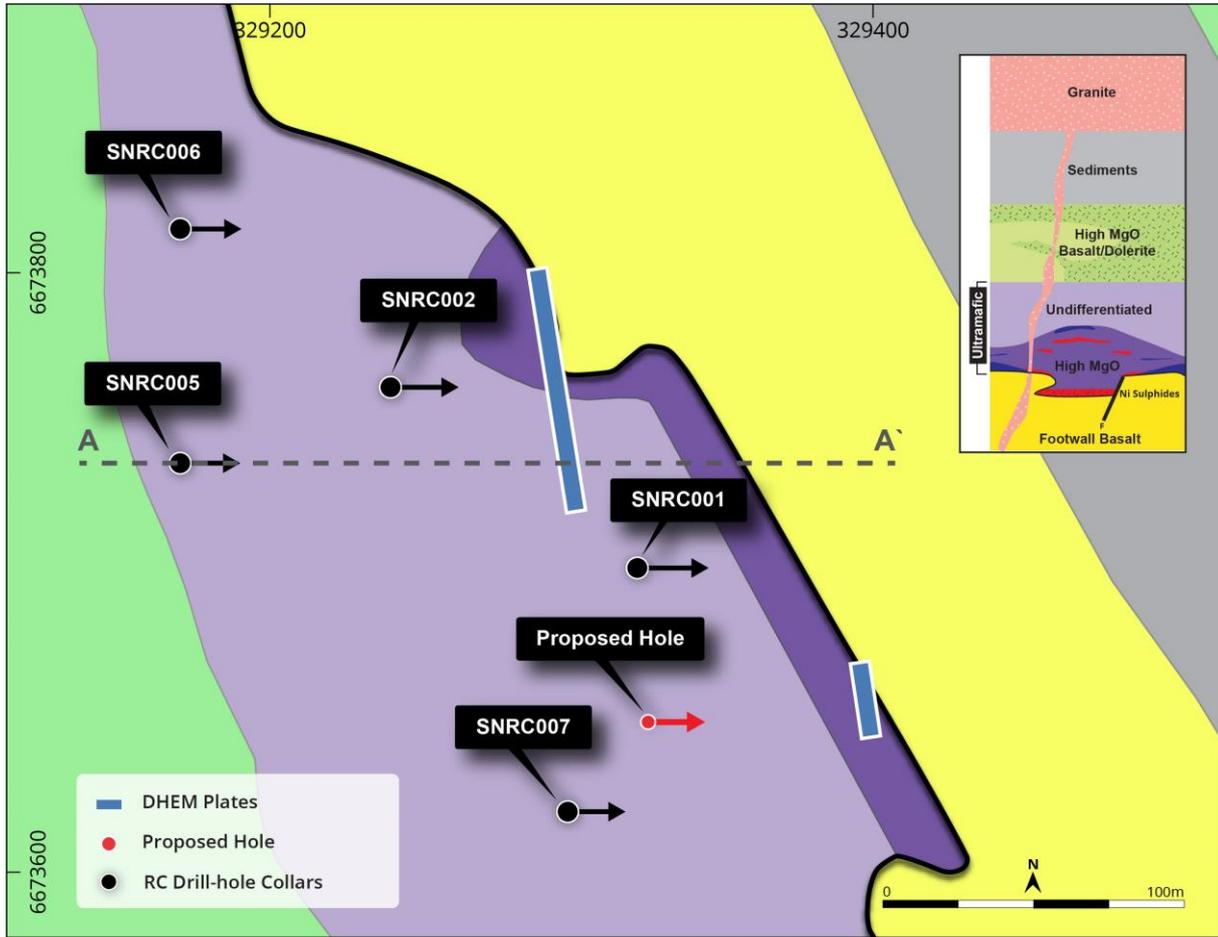


Figure 2 – Zoom of the T2 channel target area showing the location of the completed RC drill-hole collars and projection of the modelled strong DHEM conductors (plates) in relation to the interpreted geology

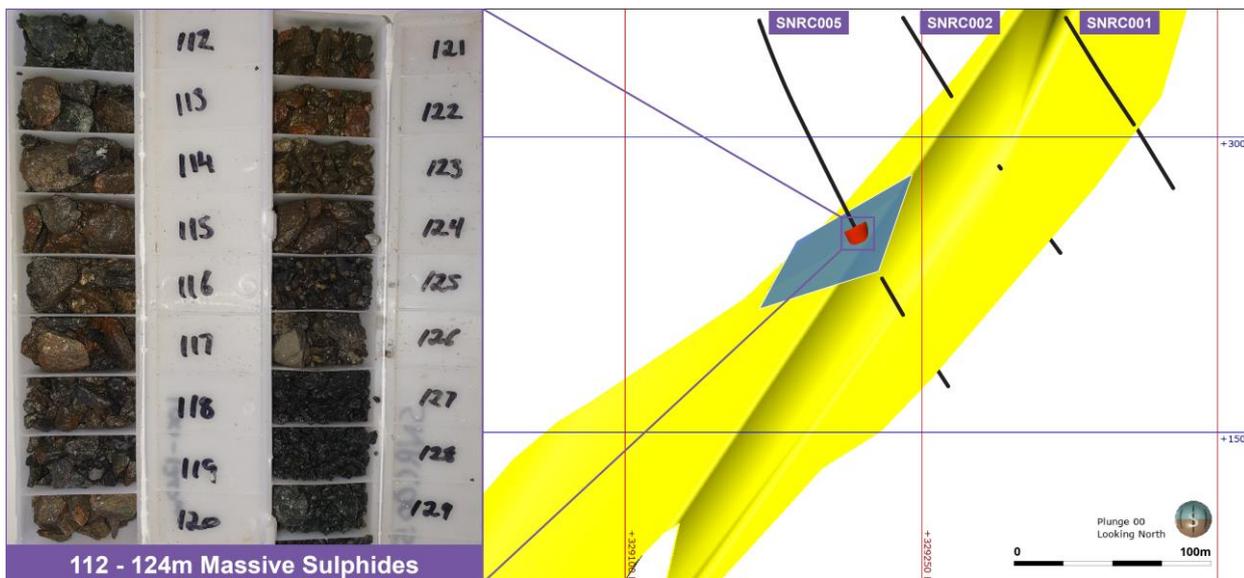


Figure 3 – 3D Cross-section at 6673730mN ± 50m through the T2 channel target area showing the location of the strong DHEM conductor (grey plate) and the massive sulphide intercept at 112-124m, plus the completed RC drill-holes in relation to the modelled basal Eastern Footwall Contact (yellow). View is looking to the north

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## LEINSTER NICKEL PROJECT

Auroch completed a 4,200m air-core drilling programme at the Valdez Prospect near Leinster, Western Australia. KTE Mining Services Ltd (**KTE**) was awarded the contract and mobilised prior to the end of the quarter. The drilling programme covers the entire strike of the ultramafic unit at Valdez in order to characterise the ultramafics and define possible basal channels in the footwall contact, in a similar manner to the work completed at Saints earlier in the year.

The AC programme will also attempt to confirm mineralised intersections reported in historic RAB drill-holes, such as 32m @ 0.75% Ni from surface, including 4m @ 1.55% Ni from 24m (LWDR2036), and 16m @ 1.07% Ni from 24m, including 4m @ 1.34% Ni from 24m (LWDR2039).

The Company is busy collating, interpreting and modelling the results from the AC programme in order to define drill targets for a follow-up RC drill programme planned for the start of August.

## CORPORATE ACTIVITY

### PLACEMENT

During the quarter, the Company completed an oversubscribed placement of \$2,000,000 (before costs) (**Placement**) through the issue of 36,363,637 fully paid ordinary shares at \$0.055 per share (**Placement Shares**). The Placement Shares attracted a 1 for 2 free attaching option with an exercise price of \$0.10 and expiry date of 30 November 2021 (**Options**), totalling 18,181,818 Options.

### R&D Grant

During the period, the Company received a rebate of approximately \$550,000 under the Research & Development Tax Incentive. This money will be used to advance the exploration programmes at the Saints and Leinster Nickel Projects, as well as for general working capital.

The Company remains well funded with approximately \$3.4 million in cash on hand at 30 June 2020.

### CHANGE OF COMPANY DETAILS

During the quarter, the Company advised that its principal place of business and registered address changed to Suite 1, 295 Rokeby Road, Subiaco WA 6008.

### RELATED PARTY PAYMENTS

During the quarter, the Company made payments of \$58,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

## JUNE 2020 QUARTER - ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

NEW NICKEL SULPHIDE TARGETS DELINEATED AT SAINTS	8 July 2020
EXPLORATION UPDATE - SAINTS AND LEINSTER NICKEL PROJECTS	23 June 2020
DRILLING PROGRAMME UNDERWAY AT SAINTS NICKEL PROJECT	9 June 2020
\$2M OVER-SUBSCRIBED PLACEMENT	4 June 2020
RESULTS CONFIRM STRONG POTENTIAL OF CHANNEL TARGETS AT SAINT	2 June 2020
DHEM DELINEATES STRONG NICKEL SULPHIDE TARGET AT SAINTS	19 May 2020

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CHANGE OF COMPANY DETAILS	12 May 2020
SAINTS AND LEINSTER NICKEL PROJECTS - EXPLORATION UPDATE	6 May 2020
DRILLING TO COMMENCE AT SAINTS NICKEL PROJECT	21 April 2020
AC RESULTS PROVIDE DRILL-READY NICKEL TARGETS AT SAINTS	1 April 2020

These announcements are available for viewing on the Company's website [aurochminerals.com](http://aurochminerals.com) under the *Investors* tab. Auroch confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

**-END-**

This announcement has been approved by the Board of Directors of Auroch.

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

Aidan Platel

**Managing Director**

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T: +61 8 6555 2950

## Competent Persons Statement

*The information in this report that relates to Exploration Results is based on information compiled by Mr Aidan Platel and represents an accurate representation of the available data. Mr Platel (Member of the Australian Institute of Mining and Metallurgy) is the Company's Chief Geological 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' ("JORC Code 2012"). Mr Platel consents to the disclosure of this information in this report in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources for the Saints Project was reported by Minotaur Exploration Ltd (ASX:MEP) to the ASX on 4th May 2017 under JORC Code 2012 (refer <https://www.asx.com.au/asxpdf/20170504/pdf/43j0r0dt0ytq74.pdf>). The information in this report in relation to Mineral Resources for the Saints Project is based on, and fairly represents, the available data and studies for the project which have been compiled by Mr Aidan Platel. Mr Platel (Member of the Australian Institute of Mining and Metallurgy) is the Company's Chief Geological 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 JORC Code 2012. Mr Platel consents to the disclosure of this information in this report in the form and context in which it appears.*

## Forward-Looking Statements

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Auroch Minerals Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Auroch Minerals Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

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## ABOUT AUROCH MINERALS

Auroch Minerals Limited is an Australian base-metals exploration company listed on the Australian Securities Exchange (**ASX:AOU**). The Company is focused on its two Nickel Projects: Saints and Leinster located in the prospective Norseman-Wiluna Archaean greenstone belt within the Eastern Goldfields of Western Australia. The Company also has three South Australian Projects: Arden and Bonaventura in the Adelaide Geosyncline and the Torrens East Copper Project, located on the highly prospective Stuart Shelf.

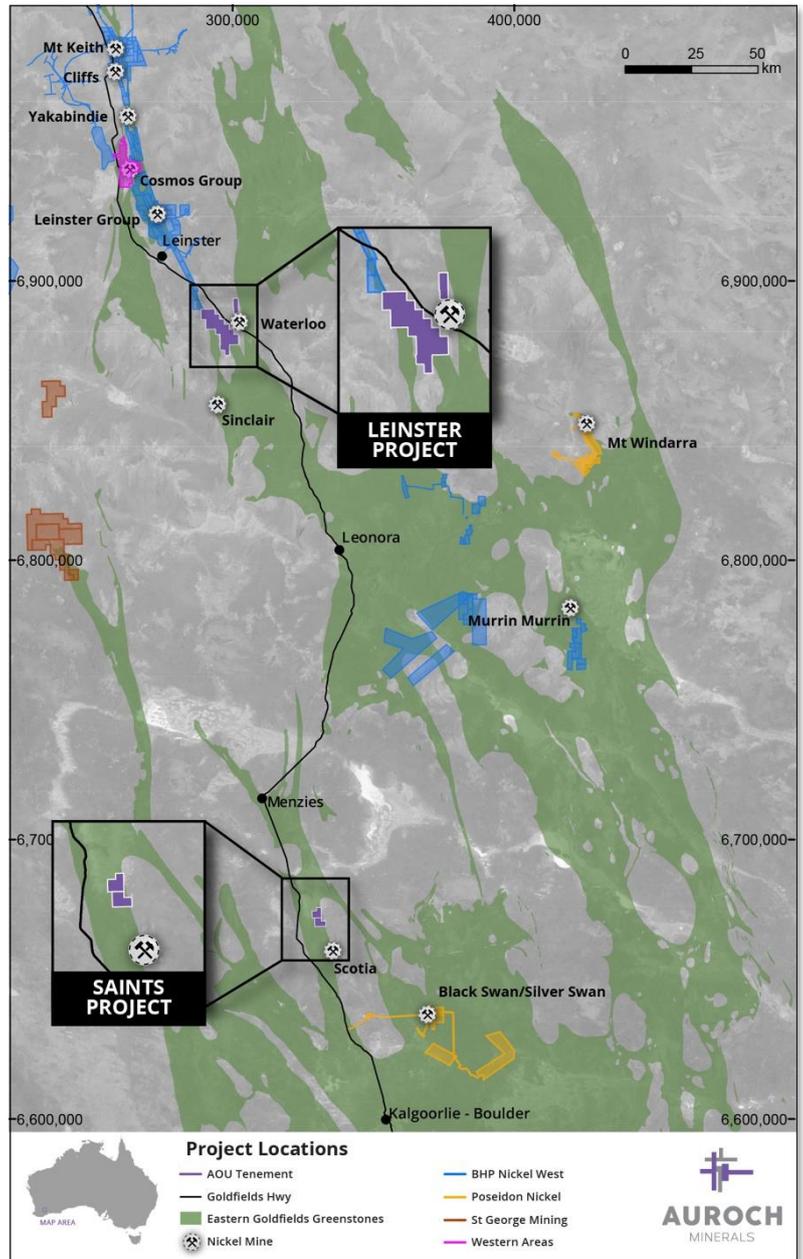
Auroch's acquisition of the Saints and Leinster nickel projects aims to unlock the latent value of high-grade nickel sulphide assets. Auroch provides a dedicated management team to aggressively explore the projects, which have historically seen limited nickel exploration. The combined portfolio of high-grade nickel sulphide assets provides a solid base for Auroch to systematically explore high-priority targets.

### SAINTS PROJECT

The Saints Nickel Project comprises two mining leases for 20km, approximately 65km northwest of Kalgoorlie and 7km east of the Goldfields Highway. The project contains an existing JORC (2012) compliant resource of 1.05Mt @ 2.0% Ni, 0.2% Cu and 0.06% Co for 21,400 tonnes of contained nickel, 1,600 tonnes of contained copper and 600 tonnes of contained cobalt.

### LEINSTER PROJECT

Located approximately 40km southeast of the township of Leinster and approximately 60km north-northwest of Leonora in Western Australia, the Leinster Nickel Project covers approximately 112km<sup>2</sup> of the nickel-rich Norseman-Wiluna Greenstone Belt within the Eastern Goldfields of the Yilgarn Craton. The project contains a historic JORC (2004) compliant Mineral Resource<sup>1</sup> and significant exploration potential.



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## APPENDIX 1 - INTEREST IN MINING TENEMENTS AND CAPITAL STRUCTURE

### Interest in Mining Tenements

Tenement	Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Arden	EL 5821	Granted	90%	-	90%
Arden North	EL 6217	Granted	100%	-	100%
Bonaventura	EL 5973	Granted	100%	-	100%
Bonaventura Extension	EL 6252	Granted	100%	-	100%
Torrens East Copper Project	ELA 00159	Pending	-	-	-
Torrens East Copper Project	EL 6331	Granted	100%	-	100%
Saints	M29/245	Granted	100%	-	100%
Saints	M29/246	Granted	100%	-	100%
Leinster (the Horn)	E36/899	Granted	100%	-	100%
Leinster (Valdez)	E36/936	Granted	100%	-	100%

### Capital Structure

Securities on Issue as at 14 July 2020:

- 188,601,187 fully paid ordinary shares (quoted)
- 45,576,270 options exercisable at \$0.10 on or before 30/11/2021
- 3,250,000 options exercisable at \$0.16 on or before 03/09/2023
- 3,500,000 options exercisable at \$0.20 on or before 03/09/2023
- 6,000,000 Performance Rights
- 12,000,000 Performance Shares

In relation to the Performance Rights:

- a) 450,000 Performance Rights were issued during the period.
- b) The terms and conditions of the Performance Rights are set out in Schedule 1 of the Notice of Meeting dated 10 October 2020
- c) No Performance Rights were converted to ordinary shares during the period.
- d) No milestones for the Performance Rights were met during the period.

In relation to the Performance Shares:

- a) No Performance Shares were issued during the period.
- b) The terms and conditions of the Performance Shares are set out in Schedule 1 of the Notice of Meeting dated 8 March 2018
- c) No Performance Shares were converted to ordinary shares during the period.
- d) No milestones for the Performance Shares were met during the period.