

# QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 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.

231,248,245 fully paid ordinary shares (quoted)

A\$38.4 million market capitalisation

### DIRECTORS

Aidan Platel  
(Managing Director)

Ed Mason  
(Non-Executive Chairman)

Michael Edwards  
(Non-Executive Director)

### COMPANY SECRETARY

James Bahen

### CONTACT

Suite 1, 295 Rokeby Road  
Subiaco WA 6008  
Australia

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## 20 October 2020

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

## 2020 Q3 - HIGHLIGHTS

### SAINTS NICKEL PROJECT

- 1,200m diamond drill (**DD**) programme completed with high grade nickel sulphides intersected at Saints
- High grade massive nickel sulphides intersected in diamond hole SNDD013 within the Saint Andrews channel, with the best result including **1.25m @ 3.71% Ni from 241.61m** within a broader mineralised zone of **3.68m @ 1.85% Ni from 240.79m**
- Four diamond drill-holes identified down-hole electromagnetic (**DHEM**) conductors, with two strong off-hole conductors identified within the Saint Andrews channel near drill-holes SNDD013 and SNDD014

### LEINSTER NICKEL PROJECT

- Binding agreement with Jindalee Resources Ltd (ASX:JRL) (**Jindalee**) to earn up to 70% of four tenements in the nickel sulphide-enriched Norseman – Wiluna Greenstone Belt in Western Australia
- 1,478m Reverse Circulation (**RC**) drill programme completed at Valdez Prospect
- 750m RC programme completed at the Firefly and Sinclair North Prospects

## DECEMBER QUARTER 2020 - PLANNED ACTIVITY

- Saints Nickel Project – RC drilling at T1
- Saint Nickel Prospect – AC programme at T4 and T6
- Saints Nickel Project – infill resource drilling to upgrade existing high-grade Mineral Resource estimate of **1.05Mt @ 2.0% Ni & 0.2% Cu<sup>1</sup>**
- Leinster Nickel Project - Valdez Prospect – Diamond drill programme to target the strong DHEM conductor on the basal contact
- Leinster Nickel Project - Horn Prospect – RC and diamond drill programmes to follow-up on historic high-grade massive nickel sulphide intercepts
- Leinster Nickel Project – DHEM and follow-up RC drilling at the Firefly and Sinclair North Prospects

## CORPORATE

- Completion of a \$2.9M (before costs) oversubscribed Placement
- Mr Michael Edwards was appointed as to the Board as Non-Executive Director
- Current cash position of ~\$4.8M subsequent to the settlement of the Placement

<sup>1</sup> JORC (2012) Inferred Resources, above a 1.0% Ni cut-off grade. Refer to ASX Announcement - AUROCH TO ACQUIRE HIGH-GRADE WESTERN AUSTRALIAN NICKEL PROJECTS <https://www.asx.com.au/asxpdf/20190528/pdf/445dz31g15d0kx.pdf>

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## COMPANY PROJECTS – WESTERN AUSTRALIA

### SAINTS NICKEL PROJECT

During the quarter Auroch received assay results of massive nickel sulphide zones intersected in diamond drill-hole **SNDD013** at the Saints Nickel Project (**Saints**).<sup>2</sup> The results came from the 1,200m diamond drill (DD) programme at the project.

The two main zones of nickeliferous massive sulphides returned down-hole intersections of

- **1.25m @ 3.71% Ni and 0.18% Cu from 241.61m** and
- **0.39m @ 3.77% Ni and 0.26% Cu from 244.08m**

within a broader mineralised zone of **3.68m @ 1.85% Ni and 0.26% Cu from 240.79m** which included some disseminated and blebby sulphide mineralisation.<sup>3</sup>

The high-grade nickel sulphide mineralisation was intersected in a hanging-wall position approximately 14 metres (down-hole) above the basal contact of the **Saint Andrews** channel, coincident with a strong DHEM conductor modelled from historic data.<sup>1</sup> DHEM surveys completed on the four new diamond drill-holes using more modern higher-powered techniques resulted in several new DHEM conductors.

In **SNDD013** a very strong off-hole conductor (**30,000 – 35,000S**) was identified approximately 40m to the north of the hole, in addition to a strong in-hole conductor that was coincident with the massive sulphide intersection. In **SNDD014**, a second strong (**14,000 – 19,000S**) off-hole conductor was modelled only 10m from the drill-hole. Both of these strong off-hole conductors are located near the basal contact of the Saint Andrews channel and represent walk-up drill targets for the next phase of diamond drilling at Saints.

The geochemical signature and elemental ratios of the basal ultramafic unit intersected by **SNDD013** below the massive sulphide intervals confirmed this lowermost unit was a hot and highly fertile lava flow, with disseminated nickel sulphides throughout resulting in **4.84m @ 0.43% Ni from 253m**. These results confirm the fertility of the Saint Andrews channel and the potential that it may host significant massive nickel sulphide mineralisation at the base of the channel at depth.



*Photo 1 – Nickeliferous (Po-Pn-Cpy) massive sulphides intersected in SNDD0013 at the Saint Andrews Target of the Saints Nickel Project*

<sup>2</sup> Refer to ASX Announcement - NICKELIFEROUS MASSIVE SULPHIDES INTERSECTED AT SAINTS  
<https://www.asx.com.au/asxpdf/20200806/pdf/44171cjsjqyvr2.pdf>.

<sup>3</sup> Significant intersections calculated at  $\geq 0.35\%$  Ni, down-hole widths are approximately true width; Refer to ASX Announcement – HIGH GRADE NIKEL SULPHIDES INTERSECTED AT SAINT

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Photo 2 – Nickeliferous (Po-Pn-Cpy) massive sulphides intersected in SNDD0013 at the Saint Andrews Target of the Saints Nickel Project

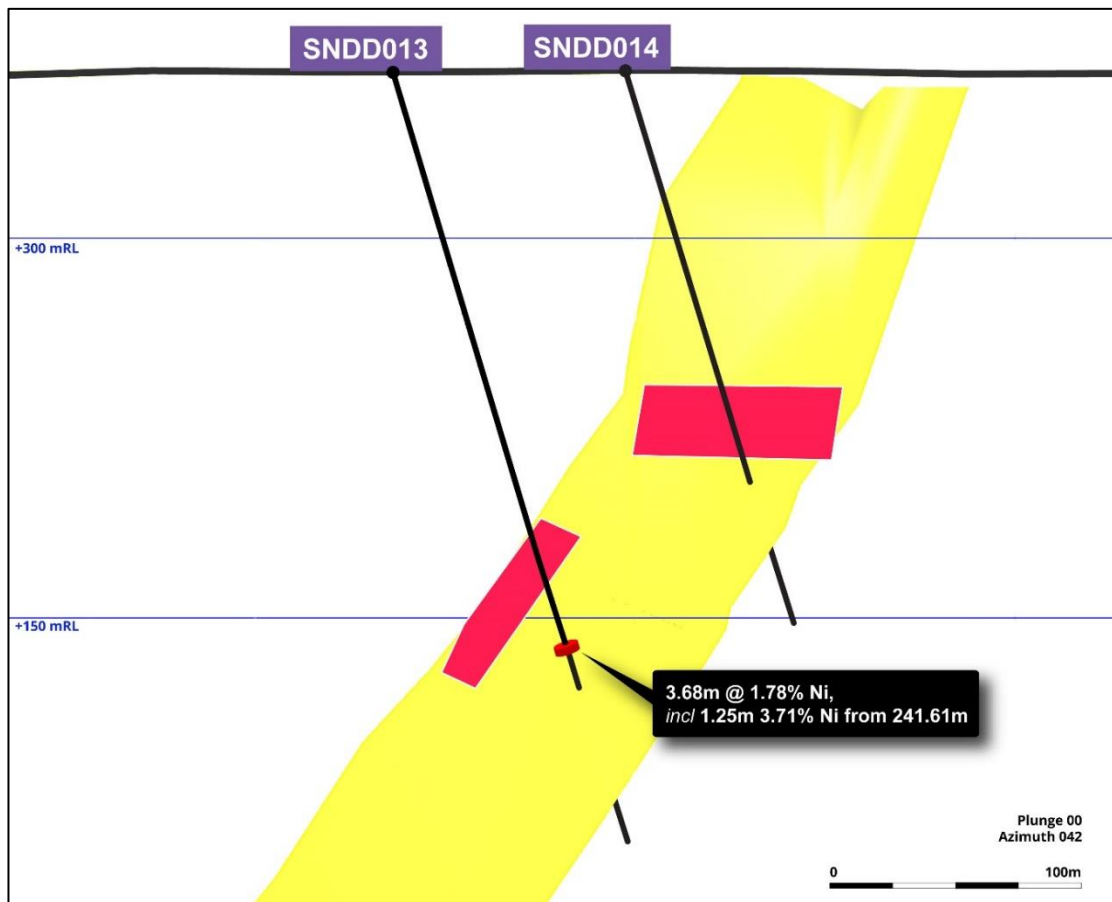


Figure 1 – 3D oblique section through the Saint Andrews channel target area showing the location of the new strong off-hole DHEM conductors (red plates) and diamond drill-holes SNDD013 and SNDD014 in relation to the modelled basal Eastern Footwall Contact (yellow). View is looking towards 042°.

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# QUARTERLY ACTIVITIES REPORT

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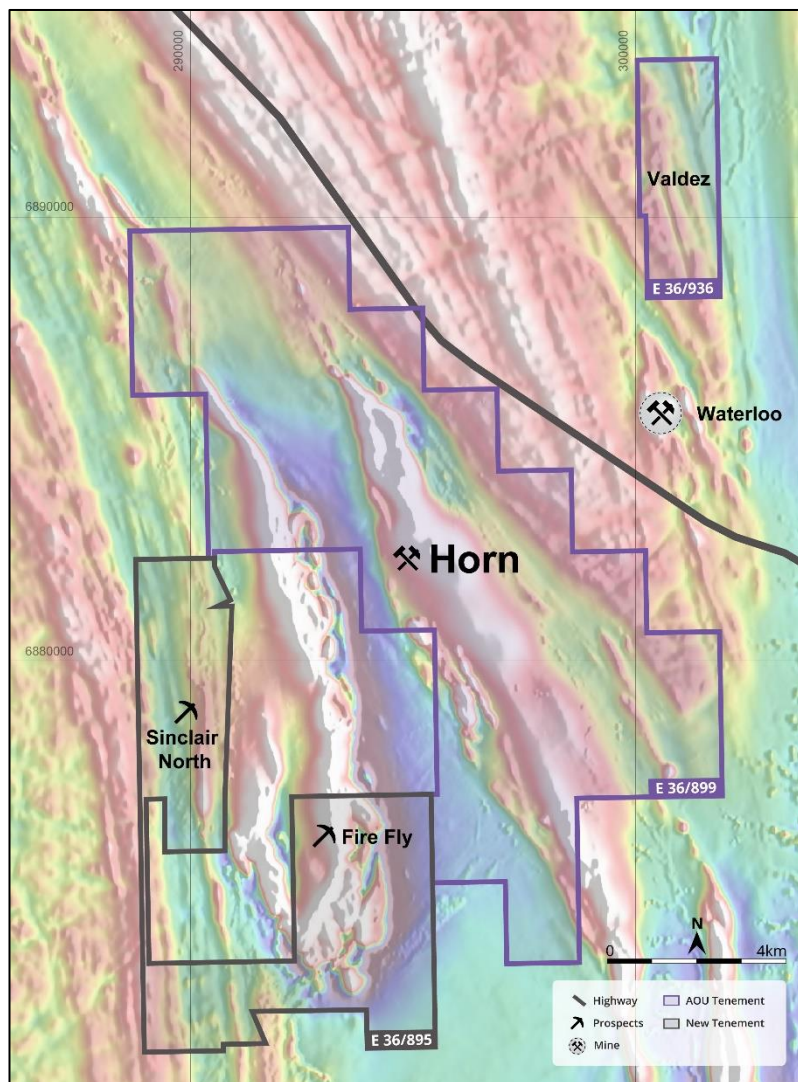
## LEINSTER NICKEL PROJECT

### JINDALEE TENEMENTS

Auroch entered into a binding agreement with Jindalee Resources Ltd (ASX:JRL) (Jindalee) to earn up to 70% of four tenements in the nickel sulphide -enriched Norseman – Wiluna Greenstone Belt in Western Australia.

Auroch paid Jindalee \$50,000 cash immediately, and a further \$50,000 cash will be paid upon completion of all earn-in commitments. The Company must spend \$500,000 on exploration across the four tenements over a three-year period, including \$100,000 in the first 12-month period. Successfully meeting all these commitments will give Auroch 70% ownership of the tenure, after which Jindalee will be free carried until a decision to mine.

The four exploration licences (ELs) comprise 217 km<sup>2</sup> and are considered to be highly-prospective for both gold and nickel-copper sulphide mineralisation . On E36/895, which is adjacent to the Company's 100%-owned Horn Prospect of the Leinster Nickel Project, the Company identified drill-ready targets at the Firefly Prospect, where RAB drilling intersections of elevated nickel and copper were never followed up with deeper reverse circulation (RC) or diamond drilling (Figure 2).



**Figure 2 – Zoom on the Leinster Nickel Project showing the Sinclair North and Fire Fly nickel sulphide prospects on E 36/895 in relation to aeromagnetics (RTP East Shade Non Linear)**

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## Tenure & Location

The tenement package includes four leases that are proximal to the Leinster Nickel Project (E36/910, E36/953 & E37/1370), one of which is contiguous to Auroch's existing Horn Prospect (E36/895). The tenements are located within the Eastern Goldfields between 30km and 60km southwest of the township of Leinster and west of the Goldfields Highway. All tenements are well accessed by existing shire roads and station tracks and are within close proximity to the Kalgoorlie gas pipeline. The operating nickel mines of Leinster are located to the northwest, while the previously operated Sinclair and Waterloo nickel mines are located to the south and east, respectively.

Table 1 – List of Jindalee tenements in the farm-in agreement with Auroch

Tenement ID	Grant Date	Area (km <sup>2</sup> )	Min. Expenditure
E 36/895	11/04/2018	62.0	\$ 20,000
E 36/910	16/03/2018	65.1	\$ 21,000
E 36/953	2/07/2019	49.6	\$ 20,000
E 37/1370	15/11/2019	40.3	\$ 20,000
		217.0	\$ 81,000

## Geology

The tenure straddles the Weebo – Mt. Clifford greenstone belt and the Agnew-Wiluna greenstone belt within the Kalgoorlie Terrane to west and the Kurnalpi Terrane to the East, which are Archaean granite-greenstone terranes that make up part of the Eastern Goldfields province of the Yilgarn Craton. This north-northwest trending belt consists of a folded and thrust stacked sequence of basalts, ultramafics, felsic volcanics and pelitic sediments, intruded by several granitoid plutons. The area is also transected by a splay of the north-northwest trending Perseverance Fault (part of the Keith-Kilkenny lineament) in the centre, and the north striking Mt. McClure shear zone in the east (Blewett and Hitchman, 2006a).

## Exploration Potential

Anomalous nickel identified in historic RAB drilling on E36/895 defined a prospective strike of ultramafics 1.3km long known as the Firefly Prospect. Anomalies within this prospect have not been adequately tested at depth by RC or diamond drilling and present drill-ready targets. The Company will test these targets and other areas of highly fertile ultramafics with the aim of identifying channels or embayments in which nickel sulphide mineralisation may be present.

The best intercepts from the historic RAB drilling include ( $\geq 0.3\%Ni$ , refer to announcement on 27 July 2020 for full table of results):

- 23m @ 0.53% Ni from 13m, including 1m @ 0.86% Ni from 22m (LWDR2399)
- 5m @ 0.74% Ni from 44m (07BWDR0011)
- 4m @ 0.53% Ni from 16m (06BWDR0158)

The Sinclair North Prospect also sits within E36/895, along the same magnetic high anomaly that hosts the Sinclair Nickel mine to the south. A review of all available DHEM and MLTEM geophysical data will be conducted to identify potential conductors along this prospective strike of ultramafic rocks.

Each of the acquired tenements also have potential to host significant gold mineralisation, given their location and proximity to both historic and operating gold mines, such as Saracen Mineral Holdings Ltd's (ASX:SAR) Thunderbox and Bannockburn gold mines, and Gold Fields Limited's (JSE:GFI) Agnew and Lawlers gold mines. Auroch will be conducting a review of all available geochemical and geophysical data, producing a structural interpretation of the newly acquired ground in order to define drill targets.

At the end of September the Company completed a 750m RC drilling programme at the Firefly and Sinclair North prospects, which is the first phase of exploration on these prospects after entering into a binding agreement

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with Jindalee to earn up to 70% of a four tenement package. Assays are pending, and DHEM surveys will be undertaken on the completed RC holes in the December quarter.

## VALDEZ PROSPECT

The Company completed its second phase of exploration at the Valdez Nickel Prospect during the quarter. Four RC holes for 1,478m were completed and all four intersected thick fertile ultramafic units up to 180m thick (down-hole width). The drill-holes have assays pending and were all surveyed with DHEM, with all results to be used for targeting for the next phase of exploration.

## CORPORATE ACTIVITY

### PLACEMENT

During the quarter, the Company announce it had received firm commitments from professional and sophisticated investors for a Placement to raise approximately \$2.9 million (before costs) (Placement) through the issue of 42,647,058 fully paid ordinary shares at \$0.068 per share (Placement Shares).

The Placement settled subsequent to the end of the quarter and proceeds from the Placement are to be used by Auroch to fund its aggressive exploration programmes, in particularly drilling, for further high-grade nickel sulphide mineralisation at the Saints and Leinster Nickel Projects, and for general working capital purposes.

### BOARD CHANGES

During the period, the Company announce that Mr Michael Edwards has been appointed as a Non-Executive Director of the Company.

Mr Edwards is a Geologist and Economist with over 20 years' experience in senior management in both the private and public sector. He spent three years with Barclays Australia in their Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies including Gold Mines of Australia, Eagle Mining and International Mineral Resources.

Mr Edwards has worked as a consultant across a range of industries both as a Geologist and Corporate Advisor, predominantly in Australia and Africa. Mr Edwards has been involved in numerous ASX listings, raising seed and IPO capital as well as being intimately involved in several reverse take overs across a range of commodities and industries. He is currently an Authorized Representative of Alto Capital, an independent investment and advisory firm based in Perth, Western Australia.

Mr Edwards holds a Bachelor of Business (Economics and Finance) from Curtin University of Technology and a Bachelor of Science (Geology) from the University of Western Australia.

In conjunction with this appointment, Mr Chris Hansen has resigned as Non-Executive Director of the Company to pursue other work commitments. The Company would like to thank Mr Hansen for his efforts and wishes him all the best on his future endeavours.

### CASHFLOWS FOR THE QUARTER

Attached to this report is the Appendix 5B containing Company's cash flow statement for the quarter. The significant cashflows relating to the quarter included \$963k spent on exploration and evaluation expenditure, which was primarily associated with the costs relating to the drilling programmes at the Saints and Leinster, \$317K administration and corporate cost, of which \$53k related to the payments made to related parties, which included incoming and outgoing Directors and their associates, and relate to existing remuneration agreements for the Executive and Non-Executive Directors for directors fees, paid during the quarter.

As of 30 September 2020, the Company had available cash of \$2.4 million. Subsequent to the end of the quarter, the Placement for approximately \$2.9 million (before costs) settled and the Company currently has approximately \$4.8 million of available cash as at the date of this report.

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## SECURITIES RELEASED FROM ESCROW

During the quarter, the Company released 19,250,000 fully paid shares from voluntary escrow.

## GENERAL MEETING

On 17 July 2020, the Company held a General Meeting of shareholders. All Resolutions were passed by a poll.

## 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:

\$2.9M OVER-SUBSCRIBED PLACEMENT	25 September 2020
DRILLING COMMENCES AT FIREFLY & SINCLAIR NORTH Ni PROSPECTS	22 September 2020
DRILLING COMMENCES AT THE VALDEZ NICKEL PROSPECT	7 September 2020
BOARD CHANGES	1 September 2020
HIGH GRADE NICKEL SULPHIDES INTERSECTED AT SAINTS	27 August 2020
RELEASE OF SECURITIES FROM VOLUNTARY ESCROW	24 August 2020
AC RESULTS DEFINE NICKEL SULPHIDE DRILL TARGETS AT VALDEZ	13 August 2020
NICKELIFEROUS MASSIVE SULPHIDES INTERSECTED AT SAINTS	6 August 2020
AUROCH INCREASES TENEMENT PACKAGE IN PROSPECTIVE NICKEL BELT	27 July 2020
DIAMOND DRILLING UNDERWAY AT SAINTS	20 July 2020
RESULTS OF MEET	17 July 2020
NEW NICKEL SULPHIDE TARGETS DELINEATED AT SAINTS	8 July 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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## 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.*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.*

## 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.*

## 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

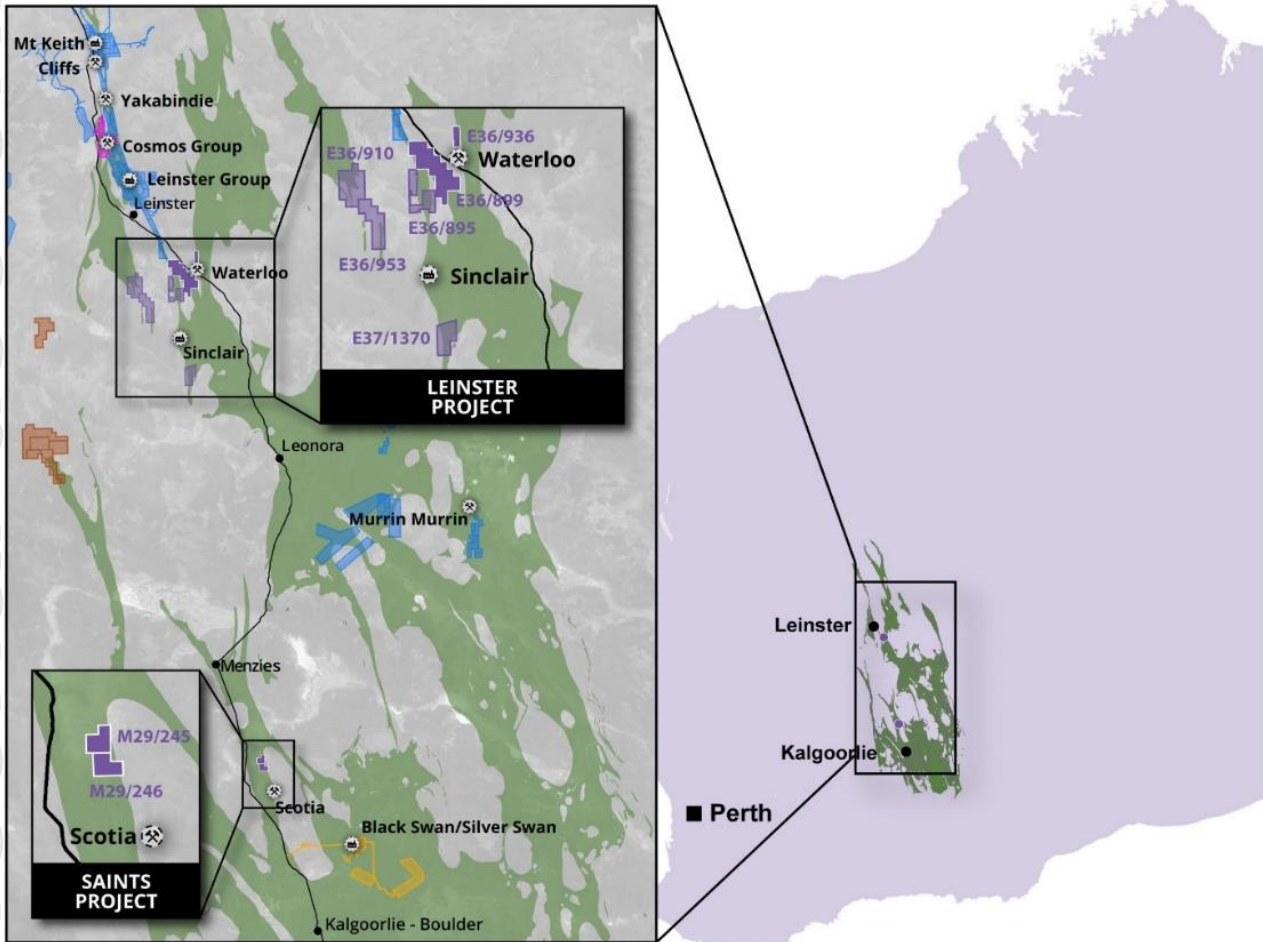


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Norseman-Wiluna Greenstone Belt within the Eastern Goldfields of the Yilgarn Craton. The project contains a historic JORC (2004) compliant Mineral Resource<sup>4</sup> and significant exploration potential.



## Project Locations

- AOU Tenement
- New Tenements
- St George Mining
- Western Areas
- BHP Nickel West
- Poseidon Nickel
- Eastern Goldfields Greenstones
- Goldfields Hwy
- Nickel Mine
- Processing Plant

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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%
Leinster (Sinclair North)	E 36/895	JV	-	-	-
Camel Bore	E 36/910	JV	-	-	-
Wildara	E 36/953	JV	-	-	-
Schmidt Pools	E 37/1370	JV	-	-	-

### Capital Structure

Securities on Issue as at 20 October 2020:

- 231,248,245 fully paid ordinary shares (quoted)
- 66,758,088 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
- 6,400,000 Performance Rights
- 12,000,000 Performance Shares

In relation to the Performance Rights:

- a) 800,000 Performance Rights were issued and 400,000 were cancelled 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.