



ACN 148 966 545

**Interim Financial Report
for the Period Ended 31 December 2020**

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CORPORATE DIRECTORY

ABN	91 148 966 545
Directors	Mr Edward Mason (Non-Executive Chairman) Mr Aidan Platel (Managing Director) Mr Michael Edwards (Non-Executive Director) Mr Trevor Eton (Non-Executive Director)
Company Secretary	Mr James Bahen
Registered office	Suite 6, 295 Rokeby Road Subiaco WA 6008 Telephone +61 8 6555 2950 Facsimile +61 8 6166 0261
Principal Place of business	Level 1, 250 Railway Parade West Leederville WA 6007
Website	www.aurochminerals.com
Share Registry	Automic Registry Services Level 3 50 Holt Street Surry Hills NSW 2010 Telephone 1300 288 664
Solicitors	GTP Legal Level 1, 28 Ord St West Perth WA 6005
Bankers	National Australia Bank Level 14, 100 St Georges Terrace Perth WA 6000
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, WA 6008
Stock Exchange	Australian Securities Exchange Limited ASX Code: AOU

AUROCH MINERALS LIMITED
Interim Financial Report for the Period Ended 31 December 2020

DIRECTORS' REPORT

Your Directors present their report on Auroch Minerals Limited (**Auroch**, the **Company** or the **Group**) for the half-year ended 31 December 2020 (the **Period**).

1. DIRECTORS

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

Mr Edward Mason (Non-Executive Chairman)
Mr Aidan Platel (Managing Director)
Mr Chris Hansen (Non-Executive Director) – resigned 1 September 2020
Mr Michael Edwards (Non-Executive Director) – appointed 1 September 2020
Mr Trevor Eton (Non-Executive Director) – appointed 10 February 2021

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

2. OPERATING RESULTS

The net loss after providing for income tax amounted \$873,182 (2019: \$799,436).

3. PRINCIPAL ACTIVITY

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

4. REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following is a summary of the activities of Auroch Minerals during the period 1 July 2020 to 31 December 2020. During the half year, the Company's primary focus was drilling and exploration programmes at its Saints Nickel Project and Leinster Nickel Project, two high-grade nickel sulphide projects in Western Australia. During the period, the Company issued 67,083,946 shares for the issue of placement shares, conversion of performance rights, the acquisition of the Nepean Nickel Project and exercising of options.

COMPANY PROJECTS – WESTERN AUSTRALIA

NEPEAN NICKEL PROJECT

Auroch completed the acquisition of 80% of the shares in Eastern Coolgardie Goldfields Pty Ltd (ECG), the Company which owns the Nepean Nickel Project (Nepean), comprising a package of 13 tenements located 25km south of Coolgardie, in Western Australia (Figure 1) during the period. As at the date of this report, Goldfellas Pty Ltd (Goldfellas) owns the remaining 20% interest in ECG.

Auroch and Goldfellas operate the Nepean Nickel Project as a joint venture with Auroch holding an 80% participating interest and as at the date of this report, Goldfellas the remaining 20% interest.

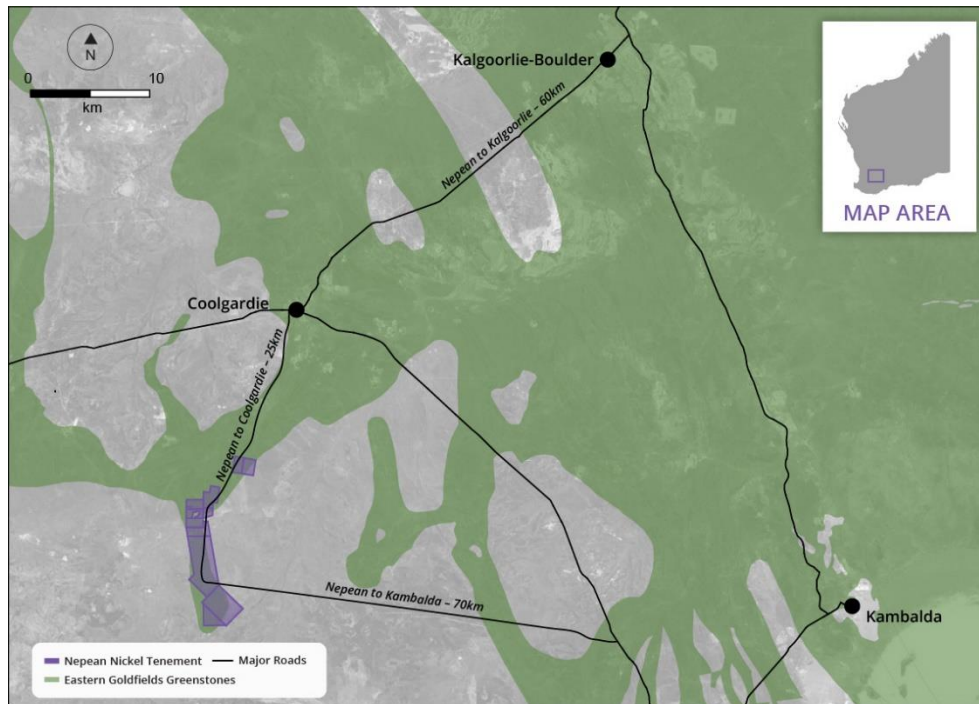


Figure 1 – Location of the Nepean Nickel Project 25km south of Coolgardie, Western Australia

The Nepean Nickel Project contains the historic high-grade Nepean nickel sulphide mine, which was the second producing nickel mine in Australia, producing 1,108,457t of ore between 1970 and 1987 for 32,202t of nickel metal at an average recovered grade of 2.99% Ni¹. The ore was treated by Western Mining Corporation (WMC, now BHP Group Ltd) at their Kambalda processing facilities.

The Nepean mine closed in 1987 due to low nickel prices, leaving significant nickel sulphide resources unmined.

The nickel sulphide mineralisation in the Nepean mine is typically massive to semi-massive sulphides with a very high nickel tenor, contained predominately in two main bodies (Sill 2 and Sill 3, see Figure 2) that are located on ultramafic-mafic contacts. The stratigraphy is intruded and cross-cut by pegmatite veins, with one large pegmatite cutting across the entire stratigraphy at depth below the existing underground mine.

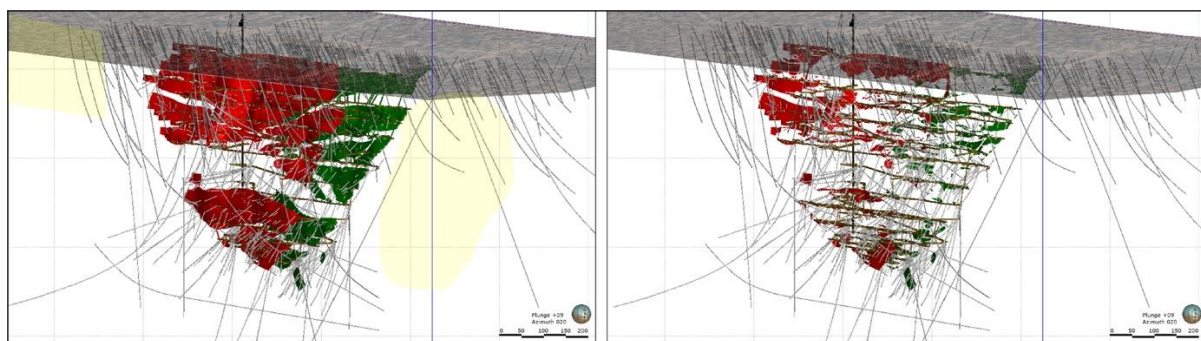


Figure 2 – 3D images of the Nepean nickel mine showing Sill 2 (red) and Sill 3 (green) massive nickel sulphide mineralisation in relation to the mine workings. The image on the right shows the known remnant nickel mineralisation. Note the lack of drilling (yellow areas) immediately along strike of the mine. View is looking towards 020°.

DIRECTORS' REPORT

The Company has identified several near-mine drill targets to potentially extend the known high-grade massive nickel sulphide mineralisation, particularly along strike to the south where very few historic drill-holes have been completed below the weathering zone (Figure 3), as well as at depth below the pegmatite veining.

In 2008, Focus Minerals Limited successfully intersected very high-grade nickel sulphide mineralisation with shallow reverse circulation (RC) drill-holes along strike to the south of the existing Nepean nickel mine and resources, including¹:

- **3m @ 11.78% Ni from 37m** (NP084470-2)
- **3m @ 9.93% Ni from 49m** (NP084480-1)
- **4m @ 6.63% Ni from 46m** (NP084470-1)
- **6m @ 2.82% Ni from 53m** (NP084490-1).

In addition to the near-mine prospectivity, the Company believes that Nepean has enormous potential to host further significant nickel sulphide mineralisation, with the 3,128ha tenement package hosting over 10km of underexplored strike of the Nepean mafic-ultramafic mine stratigraphy and/or aeromagnetic anomalies. The Company has identified several high-priority areas, and a 3,500m reverse-circulation (RC) drill programme drilling commenced subsequent to the end of the period.

TENURE AND LOCATION

The Nepean Nickel Project is located 25km south of the township of Coolgardie in the Goldfields region of Western Australia (Figure 1). The tenement package consists of 13 active leases, including two mining leases and eleven prospecting leases. The total area of the project tenure is 3,128ha located in a highly fertile region for both nickel and gold mineralisation. The project is accessed by maintained bitumen roads, leading directly to the historic Nepean nickel mine, with numerous exploration tracks providing access to the remainder of the tenement package.

GEOLOGY

The tenement package incorporates over 10km of strike of Kambalda-style komatiites, flanked by granites, with significant nickel sulphide mineralisation potential. The mine sequence at Nepean is regarded as a near conformable mafic-ultramafic assemblage intercalated with minor metasedimentary units. The sequence has been subsequently intruded by pegmatite and minor aplite dykes, particularly at depth. Mineralisation at Nepean is interpreted to be similar to the Kambalda style, with nickel sulphides dominantly associated with the basal unit of komatiite flows in the stratigraphic package – also referred to as Sill 2 and Sill 3 (Figure 2).

The Nepean ore body consists of two lodes of nickel sulphides. Nickel mineralization is dominated by pentlandite – pyrrhotite – pyrite, with minor chalcopyrite, cubanite, mackinawite and valerite. Mineralogy in the oxidized zone is dominated by violarite, magnetite and pyrite.

HISTORIC PRODUCTION

Nickel mineralization at Nepean was discovered by Metals Exploration NL in 1968, and by February 1969 the decision to sink a shaft had been made. Over a seventeen-year period, between 1970 and 1987, the Nepean Mine produced

¹ Refer to cautionary statement on page 1, Appendix B, Table 2 and to ASX Announcement by Focus Minerals Ltd – OUTSTANDING HIGH-GRADE NICKEL INTERCEPTS ENHANCE NEPEAN PROJECT DEVELOPMENT <https://www.asx.com.au/asxpdf/20080402/pdf/318c2ckxsl90y7.pdf>

DIRECTORS' REPORT

32,303t of nickel metal at a recovered grade of 2.99% nickel.² All ore was treated at Western Mining Corporation's (WMC) Kambalda concentrator.

EXPLORATION UPSIDE

In addition to the remnant high-grade nickel sulphide mineralisation, the project also hosts significant exploration upside. Much of the ultramafic strike to the north remains untested, and very little deep exploration beneath the existing mine has been conducted. Auroch believes there is great potential to both increase the resources at depth and to discover new mineralisation along strike of the historic mine.

KEY COMMERCIAL TERMS

The key commercial terms of the acquisition are summarised below:

- Auroch acquired 80% of the Nepean Nickel Project by acquiring 80% of the shares in Eastern Coolgardie Goldfields Pty Ltd, the Company which holds the project. The remaining 20% was acquired by Goldfellas.
- The total consideration for the acquisition was \$4M, payable as follows:
 - \$2.5M in cash (Auroch paid 80% of the cash being \$2M and Goldfellas paid 20% of the cash being \$500,000); and
 - \$1.5M in scrip being 8,337,966 Auroch shares issued on completion at a deemed issued price of \$0.1799 per share being the 5-day VWAP prior to 11 November 2020.

² Refer to cautionary statement on page 1, Appendices A and C and ASX Announcement by Focus Minerals Ltd – FOCUS MINERALS COMMENCES FEASIBILITY STUDY ON NEPEAN NICKEL PROJECT <https://www.asx.com.au/asxpdf/20070612/pdf/312wphbtmcqtz6.pdf>

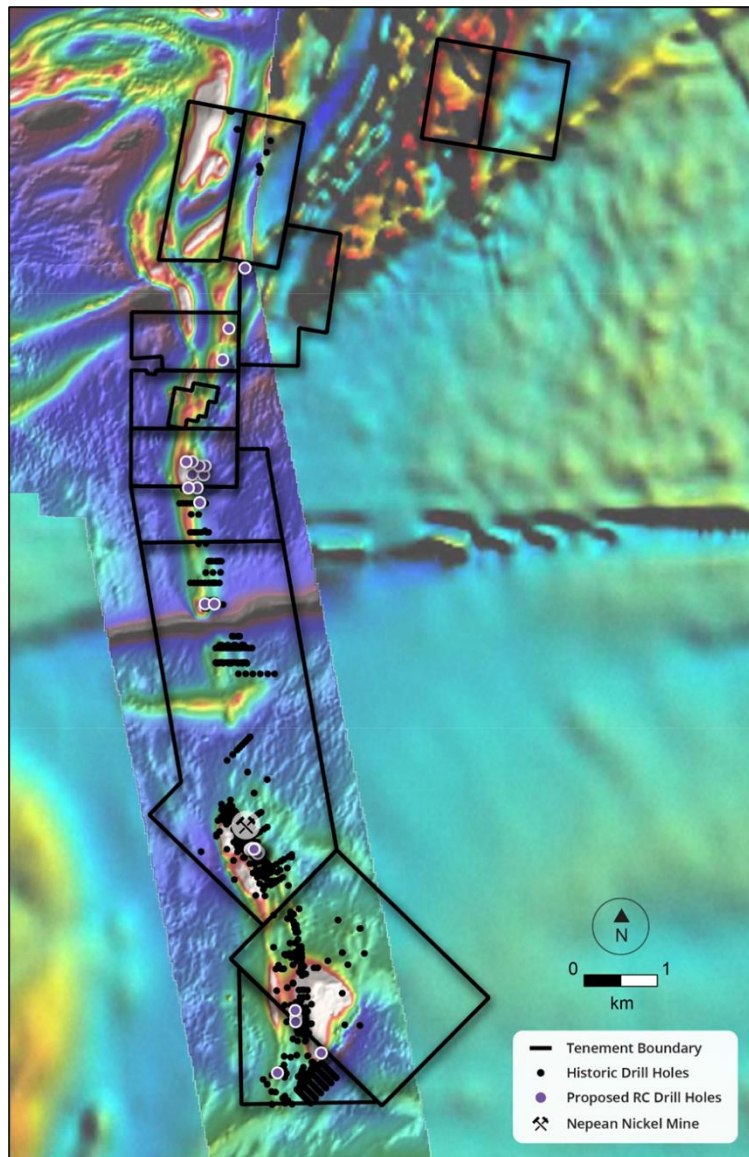


Figure 3 – Plan map of the Nepean Nickel Project showing planned and existing drill-hole collars (RC & DD) relative to aeromagnetic highs (high-resolution aeromagnetics (RTP) overlying GSWA 250k merged mosaic)

SAINTS NICKEL PROJECT

During the period Auroch received assay results of massive nickel sulphide mineralisation intersected in diamond drill-hole **SNDD013** at the Saints Nickel Project (**Saints**).³ 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**

³ Refer to ASX the Company's ASX Announcement - NICKELIFEROUS MASSIVE SULPHIDES INTERSECTED AT SAINTS
<https://www.asx.com.au/asxpdf/20200806/pdf/4417lcjsiqvr2.pdf>

DIRECTORS' REPORT

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.⁴

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.⁴ 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

Auroch followed up this diamond drilling with an air-core drill programme. The programme was focussed on the T4, T5 and T6 prospect areas, which are some of the channels identified by the Company at Saints that have the potential to host significant “feeder channel” massive nickel sulphide mineralisation. The programme was completed to better define the geometry of the identified channels, as well as to assess the characteristics of the basal ultramafic unit. Results of this programme will be used to update the geological model at Saints and provide potential drill targets for follow-up RC drilling scheduled for later in the March quarter.

⁴ 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

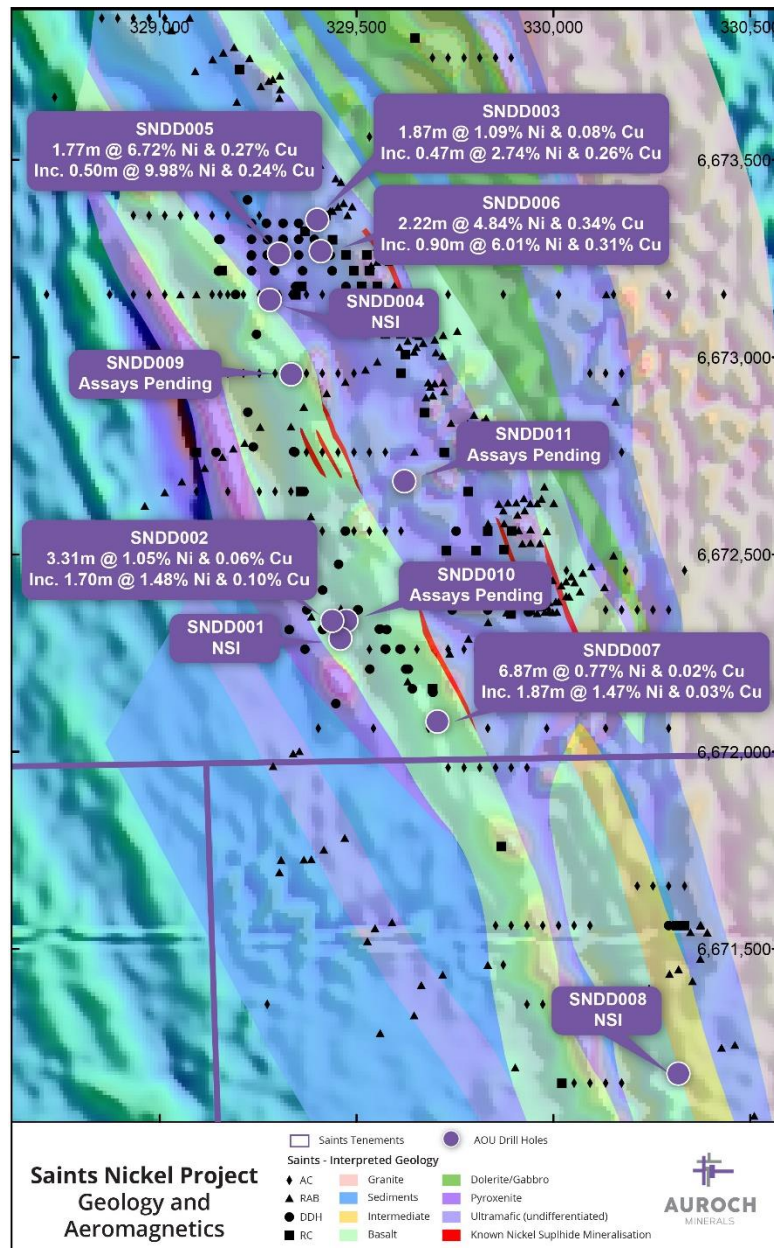


Figure 4 – Plan map of the Saints Nickel Project showing the locations of the eleven drill-holes in relation to geology and aeromagnetics (RTP-1VD)

LEINSTER NICKEL PROJECTS

During the period, the Company received assay results of massive nickel sulphide zones from the maiden diamond drill programme at the Horn Prospect of its Leinster Nickel Project (Leinster) in Western Australia.

The assays for the diamond drill holes include:

- HNDD001, where the logged massive sulphides interval reported **4.09m @ 2.40% Ni, 0.61% Cu, 0.55 g/t Pd & 0.22 g/t Pt from 119.91m** within the larger mineralised interval of **5.09m @ 2.06% Ni, 0.60% Cu, 0.49 g/t Pd & 0.25 g/t Pt from 119.91m**.⁵

⁵ Refer to ASX Announcement – EXPLORATION UPDATE: HIGH-GRADE MASSIVE NICKEL SULPHIDES CONFIRMED AT THE HORN

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02316583-6A1010249?access_token=83ff96335c2d45a094df02a206a39ff4

DIRECTORS' REPORT

- HNDD002 confirmed thick shallow high-grade nickel-copper-PGE sulphide mineralisation, with the logged massive sulphides interval reporting **7.3m @ 2.20% Ni, 0.53% Cu and 0.64 g/t Pd from a down-hole depth of 143m**. HNDD002 intersected the massive nickel sulphide mineralisation 15m further north along strike from a historic intercept of **14.66m @ 2.19% Ni & 0.48% Cu** (08BWDD0015)⁶ (Figure 5), thus extending the mineralisation where previously it was thought to have pinched out.
- HNDD003 returned a significant intercept of **1.5m @ 1.48% Ni, 0.39% Cu and 0.29g/t Pd, from a down-hole depth of 134.9m**, which included a **0.8m zone of massive sulphides which reported 2.41% Ni, 0.47% Cu and 0.46g/t Pd from 134.9m**. Hole HNDD003 was drilled to test a historic DHEM conductor outside of the known mineralisation, highlighting the effectiveness of DHEM in this system.

Downhole electromagnetic (DHEM) surveys have been completed for all holes at the Horn and the geophysical data is currently being processed and modelled. The results of the DHEM and the detailed geological logging will be used to plan the next stages of exploration at the Horn and surrounding prospects at Leinster.

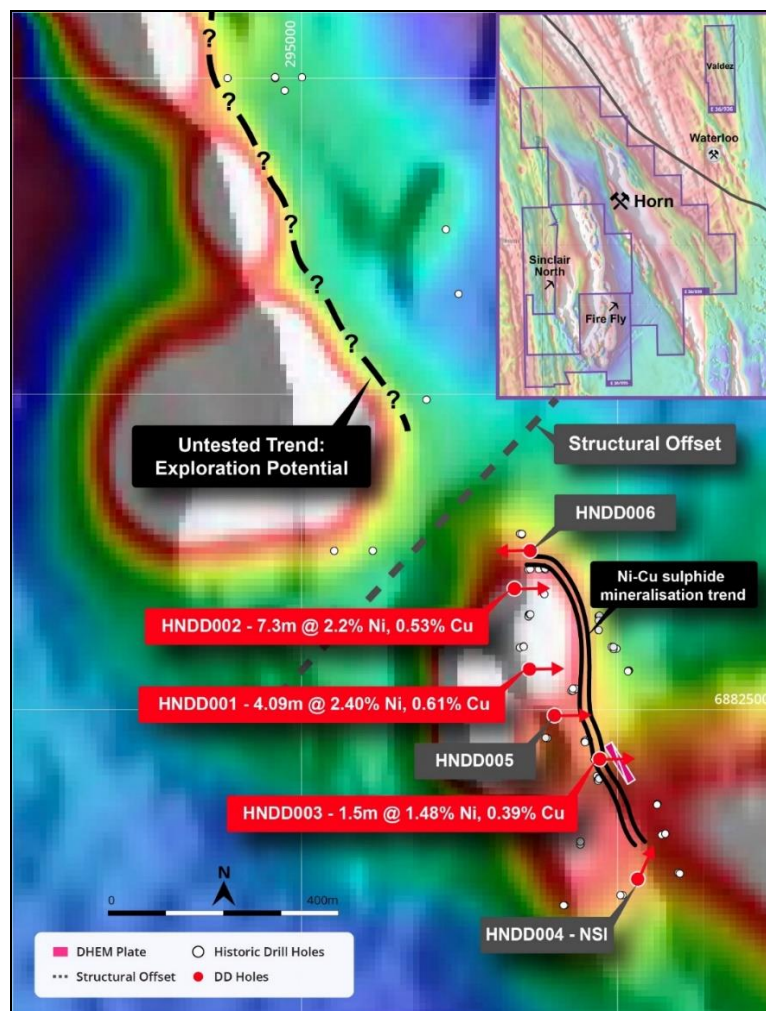


Figure 5 –Plan map of the Horn Prospect showing completed drill programme and Ni-S mineralised trend in relation to historic drilling, DHEM and aeromagnetics (1st vertical derivative, RTP, east shade linear) and highlighting the exploration potential along strike

⁶ Refer to ASX Announcement – AUROCH TO ACQUIRE HIGH-GRADE WA NICKEL PROJECTS
<https://www.asx.com.au/asxpdf/20190528/pdf/445dz31g15d0kx.pdf>

COMPANY PROJECTS – SOUTH AUSTRALIA

ARDEN PROJECT

During the period, the Company commenced a surface sampling programme along the prospective copper trends of its Arden Project (Arden) in South Australia. The programme comprised of both surface rock chip sampling and soil sampling across a regional trend identified by aeromagnetics.

The Arden Project boasts a large relatively-unexplored area of 1,664km² considered highly-prospective for sedimentary-exhalative (SEDEX) mineralisation, as well as high-grade zinc silicate mineralisation. Results from initial exploration at the Ragless Range, Kanyaka and Radford Creek prospects suggest the project has good potential for hosting large-scale zinc and/or copper mineralisation.

BONAVENTURA PROJECT

During the period, no significant exploration activity was undertaken at the Bonaventura Project due to the Company prioritising the Saints and Leinster Nickel Projects and the acquisition of the Nepean Nickel Project.

The Bonaventura Project comprises two large exploration licences (415km²) in the northern part of Kangaroo Island and covers highly prospective geology and historic mines along 55km of strike of the regional scale Cygnet-Snelling Fault. To date, the Company has identified and undertaken exploration on four high-priority base and precious-metal prospects at Bonaventura: Dewrang, Vinco, Grainger and Kohinoor.

TORRENS EAST COPPER PROJECT

The Torrens East Copper Project comprises one Exploration Licence (EL 6331) and one Exploration Application (ELA 00159) covering a combined area of 1,622km² and is considered prospective for IOCG (Iron Oxide – Copper – Gold) mineralisation.

During the period limited exploration was undertaken on the Torrens East Copper Project due to the company prioritising the Saints and Leinster Nickel Projects and the acquisition of the Nepean Nickel Project.

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.

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.

CORPORATE

\$2.9M PLACEMENT

The Company completed a Placement for 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).

BOARD AND MANAGEMENT CHANGES

During the period, Mr Michael Edwards was 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.

Subsequent to the end of the period, the Company Announced that Mr Trevor Eton was appointed as a Non-Executive Director and Ms Rebecca Moylan was appointed as Chief Financial Officer (CFO) of the Company.

Mr Eton is a well-respected finance executive with over 35 years' extensive experience in corporate finance within the minerals industry. His previous full-time role was as CFO and Company Secretary of sulphide nickel producer, Panoramic Resources Limited (ASX:PAN) (Panoramic) from 2003 to 2020 in which he was instrumental in the financing, construction and development of the Savannah Nickel Project and the acquisition and subsequent development of the Lanfranchi Nickel Project, which saw the company reach a market capitalisation exceeding \$1 billion in 2007. Prior to Panoramic, he held corporate finance roles with various other resource companies, including diversified metal producers, MPI Mines Limited (MPI) and Australian Consolidated Minerals Limited (ACM).

Mr Eton holds a Bachelor of Arts (Hons.) degree with a major in Economics from the Victoria University of Wellington (VUW), New Zealand, a Post Graduate Diploma in Management from the Melbourne Business School and is an Associate Fellow of the Australian Institute of Management (AFAIM).

Ms Moylan is an experienced CFO with expertise in financial and corporate management, accounting, project financing and contract negotiation. During her career in the mining industry, she has spent nearly 10 years in various senior roles. This has included positions as CFO and Company Secretary of several ASX-listed companies.

Ms Moylan holds a Bachelor of Business (Accounting and Finance), is a Certified Practicing Accountant (CPA), a fellow of Financial Services Institute of Australasia and a Graduate Member of Australian Institute of Company Directors (GAICD).

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to year end, 18,479,977 unlisted options have been exercised, which has resulted in raising up to \$1,887,998 before cost.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there has been no additional matter or circumstance that has raised after balance date that significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

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 13 of this half-year financial report.

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



Aidan Platel

MANAGING DIRECTOR

Dated this 15th day of March 2021

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AUROCH MINERALS LIMITED

As lead auditor for the review of Auroch Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Auroch Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2021

AUROCH MINERALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
Interest Revenue	7,025	4,989
Other Revenue	37,888	-
Foreign exchange gain/(loss)	355	629
Less Expenses:		
Employee benefits expenses	(146,774)	(224,652)
Accounting and professional fees	(105,419)	(71,679)
Consulting fees	(316,558)	(51,300)
Director's expense	(52,250)	(112,832)
Corporate and regulatory fees	(69,567)	(39,623)
Project Evaluation	(28,997)	(155,976)
Depreciation expense	(4,493)	-
Travel & accommodation	(5,095)	(23,930)
Other expenses	(189,297)	(125,062)
(Loss) before income tax	(873,182)	(799,436)
Income tax expense	-	-
(Loss) after income tax for the period	(873,182)	(799,436)
Other comprehensive loss for the period	-	-
Total comprehensive loss for the period	(873,182)	(799,436)
Loss for the period attributable to:		
Owners of the parents	(873,182)	(799,436)
Non-controlling interest	-	-
	(873,182)	(799,436)
Total Comprehensive Loss attributable to:		
Owners of the parents	(873,182)	(799,436)
Non-controlling interest	-	-
	(873,182)	(799,436)
Basic loss per share (cents per share)	(0.40)	(0.65)
Diluted loss per share (cents per share)	(0.40)	(0.65)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AUROCH MINERALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,227,244	3,445,147
Trade and other receivables	3	243,254	41,237
Total Current Assets		3,470,498	3,486,384
Non-current Assets			
Property, Plant and Equipment		43,653	-
Mineral exploration and evaluation expenditure	4	13,264,490	6,735,389
Total Non-Current Assets		13,308,143	6,735,389
TOTAL ASSETS		16,778,641	10,221,773
LIABILITIES			
Current			
Trade and other payables	5	620,057	215,273
Provision		52,287	-
Total Current Liabilities		672,344	215,273
TOTAL LIABILITIES		672,344	215,273
NET ASSETS		16,106,297	10,006,500
EQUITY			
Contributed equity	6	23,182,994	17,354,102
Reserves		1,778,589	1,434,502
Accumulated losses		(9,655,286)	(8,782,104)
Non-controlling interest		800,000	-
TOTAL EQUITY		16,106,297	10,006,500

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

AUROCH MINERALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Share Based Payments Reserve \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 July 2019	11,831,620	(8,239,302)	888,469	570,187	-	5,050,974
Loss for period	-	(799,436)	-	-	-	(799,436)
Total comprehensive income/(loss) for period	-	(799,436)	-	-	-	(799,436)
Transactions with owners in their capacity as owners:						
Issue of shares	2,445,000	-	-	-	-	2,445,000
Issue of options	-	-	70,489	73,723	-	144,094
Vesting of share based payments	-	-	-	-	-	-
Conversion of performance rights	325,000	-	-	(325,000)	-	-
Share capital raising costs	(111,669)	-	-	-	-	(111,669)
Balance at 31 December 2019	14,489,951	(9,038,738)	958,958	318,910	-	6,729,081
	Contributed Equity	Accumulated Losses	Option Reserve	Share Based Payments Reserve	Non- Controlling Interest	Total Equity
Balance at 1 July 2020	17,354,102	(8,782,104)	958,959	475,543	-	10,006,500
Loss for period	-	(873,182)	-	-	-	(873,182)
Total comprehensive income/(loss) for period	-	(873,182)	-	-	-	(873,182)
Transactions with owners in their capacity as owners:						
Non-controlling interest recognised on acquisition	-	-	-	-	800,000	800,000
Issue of shares	5,989,892	-	-	-	-	5,989,892
Issue of options	-	-	247,067	110,020	-	357,087
Conversion of performance rights	13,000	-	-	(13,000)	-	-
Share capital raising costs	(174,000)	-	-	-	-	(174,000)
Balance at 31 December 2020	23,182,994	(9,655,286)	1,206,026	572,563	800,000	16,106,297

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

AUROCH MINERALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(690,812)	(599,460)
Interest received	893	6,110
Net cash outflow from operating activities	(689,919)	(593,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(3,831,716)	(895,042)
Net cash outflow from investing activities	(3,831,716)	(895,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares and options	4,489,892	630,000
Capital raising costs	(186,160)	(41,180)
Net cash inflow from financing activities	4,303,732	588,820
Net decrease in cash and cash equivalents	(217,903)	(899,572)
Foreign exchange movement on cash and cash equivalents	-	652
Cash and cash equivalents at the beginning of the period	3,445,147	1,733,184
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,227,244	834,264

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

AUROCH MINERALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with the Australian Accounting Standards 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Auroch Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'

The accounting policies applied are the same as those applied by Auroch Minerals Limited in its annual financial report for the year ended 30 June 2020 other than the below policy.

Plant and Equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

New or Revised Standards and Interpretations that are First Effective in the Current Reporting Period

In the half-year ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to the Group's accounting policies.

AUROCH MINERALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

New Accounting Standards for Application in Future Periods

There are no new and revised standards and amendments thereof and interpretations effective for future reporting periods issued during the current reporting period that are relevant to the Group.

3. TRADE AND OTHER RECEIVABLES

	31 December 2020	30 June 2020
	\$	\$
Prepayments	17,483	3,489
Other receivables	225,771	37,748
	<u>243,254</u>	<u>41,237</u>

4. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2020	30 June 2020
	\$	\$
Balance at beginning of the period	6,735,389	3,408,056
Exploration expenditure incurred	2,229,101	1,512,333
Exploration incurred from acquisition – refer below	4,300,000	1,815,000
Exploration expenditure written off	-	-
Balance at the end of the period	<u>13,264,490</u>	<u>6,735,389</u>

The balance carried forward represents projects in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

On the 17 December 2020, shareholders approved the consideration to complete the 80% share acquisition of Eastern Coolgardie Goldfields Pty Ltd, which holds the Nepean Nickel Project. The acquisition of this company occurred on 17 December 2020, which was the day the consideration was issued. The acquisition has been treated as an asset acquisition via the issue of equity under AASB 2 Share Based Payments (“AASB 2”).

The below outlines the consideration and identifiable assets and liabilities acquired:

Consideration:	\$
Cash Consideration	2,000,000
8,337,966 Ordinary Shares – Consideration	1,500,000
Total Consideration	<u>3,500,000</u>
Assets and Liabilities acquired:	
Exploration Assets	4,300,000
Bond Receivable	96,000
Bond Payable	(96,000)
Non-Controlling Interest (20%)	(800,000)
Closing Balance	<u>3,500,000</u>

AUROCH MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

5. TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020
	\$	\$
Trade Payables	509,557	145,488
Accruals	110,500	69,785
Balance at the end of the period	<u>620,057</u>	<u>215,273</u>

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

6. CONTRIBUTED EQUITY

(a) Share Capital

	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Shares	Shares	\$	\$
Fully paid	255,685,133	188,601,187	23,356,994	17,664,074
Equity raising costs	-	-	(174,000)	(309,972)
	<u>255,685,133</u>	<u>188,601,187</u>	<u>23,182,994</u>	<u>17,354,102</u>

(b) Movements in ordinary shares 31 December 2020

Date	Details	Note	Number of shares	Issue Price	\$
01/07/20	Balance at 01 July		188,601,187		17,354,102
25/09/20	Issue of Placement Shares		42,647,058	\$0.07	2,900,000
11/11/20	Exercising of options		12,087,205	\$0.10	1,208,721
23/11/20	Exercising of options		2,740,056	\$0.10	274,006
07/12/20	Exercising of options		24,332	\$0.10	2,432
07/12/20	Nepean Nickel Project		8,337,966	\$0.18	1,500,000
22/12/20	Exercising of options		1,047,329	0.10	104,733
22/12/20	Conversion of Performance rights		200,000	-	13,000
	Capital Raising Costs		-	-	(174,000)
31/12/20	Balance at 31 December		<u>255,685,133</u>		<u>23,182,994</u>

AUROCH MINERALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

30 June 2020

Date	Details	Note	Number of shares	Issue Price	2020 \$
01/07/19	Balance at 01 July		100,503,540		11,831,620
05/08/19	Issue of Placement Shares		9,000,000	\$0.07	630,000
29/08/19	18,333,333 Ordinary Shares – Consideration		18,333,333	\$0.09	1,650,000
29/08/19	1,833,333 Ordinary Shares – Advisor Shares		1,833,333	\$0.09	165,000
29/08/19	Conversion of performance rights		1,750,000	\$0.10	175,000
31/10/19	Conversion of performance rights		1,500,000	\$0.10	150,000
29/04/20	Issue of Placement Shares		19,317,344	\$0.06	1,062,454
10/06/20	Issue of Placement Shares		36,363,637	\$0.06	\$2,000,000
	Capital Raising Costs		-	-	(309,972)
30/06/20	Balance at year end		188,601,187		17,354,102

7. SHARE BASED PAYMENTS

During the current and previous periods, performance rights have been granted to Directors and others, and which vest based on certain performance obligations.

During the period, 200,000 rights vested and were exercised, resulting in a transfer of \$13,000 from the Share Based Payments reserve, to Contributed Equity.

As the performance rights vest, their fair value is expensed over the vesting period, and credited to the share based payments reserve. During the half-year period, an expense of \$110,020 was recognised in respect of the vesting of these instruments. This amount is included in the following line items on the Statement of Profit or Loss and Other Comprehensive Income:

	31 December 2020	31 December 2019
	\$	\$
Directors	101,277	60,817
Employees	8,743	12,906
	<u>110,020</u>	<u>73,723</u>

Other share based payments, included issue of shares for Eastern Coolgardie Goldfields Pty Ltd as outlined in note 4. Consultant options were granted during the period, which were related to exploration services and have been valued at \$247,067.

AUROCH MINERALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Black and Scholes Model

Terms and conditions upon which the options were granted options granted during the period.

	4,000,000 Consultant Options	400,000 Class A Performance Rights	400,000 Class B Performance Rights
Grant Date	15/10/2020	31/08/2020	31/08/2020
Dividend yield	0%	0%	0%
Expected Volatility	100%	100%	100%
Risk Free interest rate %	0.14%	0.28%	0.28%
Expected Life of options	3	-	-
Option Exercise Price (\$)	0.12	-	-
Share price at measurement date (\$)	0.11	0.084	0.084
Valuation per option (\$)	0.0618	0.084	0.084
Vesting period	N/A	12 months	24 Months

During the period, Non-executive Director Michael Edwards was granted 400,000 Class A performances rights which vest after completing 12 months of service and a further 400,000 Class B performances rights which vest after completing 24 months of service.

8. SEGMENT INFORMATION

The Group is organised into one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operation Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

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.

AUROCH MINERALS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

9. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to year end, 18,479,977 unlisted options have been exercised, which has resulted in raising up to \$1,887,998 before cost.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there has been no additional matter or circumstance that has raised after balance date that significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

10. CONTINGENCIES AND COMMITMENTS

There has been no material change to commitments or contingencies since 30 June 2020.

11. RELATED PARTY TRANSACTIONS

On 31 August 2020, Mr Michael Edwards was appointed Non-Executive Director, with a director fee of \$36,000 per annum. Director performance rights granted during the period are disclosed in note 7.

Other than the above, there has been no material changes in related party transactions since 30 June 2020.

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 2020 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 report has been signed in accordance with a resolution of the directors pursuant to section 303(5)(a) of the Corporations Act 2001.

Dated this 15th day of March 2021



Aidan Platel
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Auroch Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Auroch Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 15 March 2021