

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



ABOUT AUROCH MINERALS LIMITED

ASX CODE: AOU

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

299,452,995 fully paid ordinary shares (quoted)

A\$51 million market capitalisation

DIRECTORS

Aidan Platel
(Managing Director)

Ed Mason
(Non-Executive Chairman)

Michael Edwards
(Non-Executive Director)

Trevor Eton
(Non-Executive Director)

COMPANY SECRETARY

Rebecca Moylan

CONTACT

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Perth WA 6005
Australia

FOLLOW US



29 October 2021

Auroch Minerals Limited (ASX:AOU) (**Auroch** or the **Company**) is pleased to provide the following report on its activities during the September 2021 quarter. The Company's primary focus during the reporting period was on the exploration drilling activities at its Nepean Nickel Project (**Nepean**), exploration approvals for planned drilling at the Arden Copper-Zinc Project (**Arden**) and reviewing exploration results for the Leinster Nickel Project (**Leinster**) and Nepean.

HIGHLIGHTS

NEPEAN NICKEL PROJECT, WA

- First drill-hole (NPDD008) commenced to test the high-priority Nepean Deeps exploration target below the historic Nepean nickel mine and drilled to 1,210m (completed shortly after the reporting period on 4th October to a down-hole depth of 1,291m)
- NPDD008 successfully intersected a total of 78m of prospective komatiitic ultramafic units over four intervals
- Abundant pegmatites also intersected in NPDD008 to be sampled for lithium-caesium-tantalum (LCT) mineralisation
- Major moving-loop electromagnetic (MLEM) survey successfully identified and delineated a discrete strongly conductive body 1.8km south of the historic Nepean nickel mine
- Thirteen reverse circulation (RC) holes drilled during the quarter targeting interpreted regional ultramafic targets and MLEM plates with assay results pending
- Assay results received for NPDD007:
 - o **4.64m @ 2.99% Ni & 0.13% Cu** from 71.58m

LEINSTER NICKEL PROJECT, WA

- Assays received for nine outstanding RC drill-holes from the Woodwind and Firefly Prospects successfully identifying thick prospective ultramafic units with anomalous nickel resulting from disseminated nickel sulphide mineralisation
- Down-hole electromagnetic (**DHEM**) surveys completed on all holes with two prospective moderate-strong conductors identified for follow-up drill-testing

ARDEN COPPER-ZINC PROJECT, SA

- All approvals received for a planned diamond drill programme at the Ragless Range Zinc Target
- Drill contractor secured for the four-hole diamond drill programme to commence in October

SAINTS NICKEL PROJECT, WA

- Scoping Study commenced to assess the viability of a potential underground mining scenario

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CORPORATE

- 30 September 2021 cash balance of \$2.26 million
- \$1.48 million in cash received during the quarter via the exercise of 14,862,710 unlisted \$0.10 options
- 13.8 million unlisted \$0.10 options outstanding at 30 September 2021 (expiry 30 November 2021)
- Options underwriting agreement completed 18th August to fully underwrite the exercise of the unlisted \$0.10 options which remained unexercised at the time of the agreement, representing an amount of \$1.64 million guaranteed to be received by the Company (before costs and subject to conditions)

DECEMBER QUARTER PLANNED ACTIVITY

The upcoming results and work programmes for Auroch include the following:

- Nepean Deeps Maiden Drill Programme – completion of the first diamond drill-hole NPDD008 and down-hole electromagnetic (DHEM) and down-hole magnetometric resistivity (DHMMR) surveys
- Follow up diamond drilling to test target areas from initial Nepean Deeps drilling
- Planned four hole 1,000m diamond drill programme to be completed at the Ragless Range Zinc target at the Arden Project
- Metallurgical drill testing of shallow mineralisation (<100m depth) identified in Sill 3 south of the Nepean mine
- Continue scoping studies at Saints and Nepean
- Assess any regional potential for Li-Cs-Ta in pegmatites mapped at Nepean
- Test any DHEM plates identified from the regional RC drilling
- Review the JORC(2012) -compliant Inferred nickel sulphide Resources at Saints and plan further infill/extensional drilling as required

COMPANY PROJECTS – WESTERN AUSTRALIA

NEPEAN NICKEL PROJECT

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% Ni.

During the period, exploration at the Nepean Nickel Project primarily focussed on the Nepean Deeps drill programme targeting economic nickel sulphide mineralisation below the historic Nepean nickel mine workings. At the end of the reporting period, the Company had drilled the first diamond drill-hole NPDD008 to a down-hole depth of 1,210m (completed shortly after the reporting period on 4th October to a down-hole depth of 1,291m). DHEM and down-hole magnetometric resistivity (DHMMR) surveys are planned to be completed straight after the completion of the maiden drill-hole.

The drill programme was designed to test for down-plunge extensions to the high-grade nickel sulphide mineralisation below the historic Nepean mine at the Nepean Nickel Project. NPDD008 is the first drill-hole to successfully drill through the thick pegmatite intrusion below the historic Nepean nickel mine. Below this pegmatite, the drill-hole intersected a greenstone sequence that importantly includes 46m of prospective komatiitic ultramafics over three intervals from 1088.5 - 1108.5m, 1144.5 – 1148.35m and 1210.5 - 1233m (Figure 1).

The Company commenced a Scoping Study, which will evaluate the economic viability of several mining scenarios at Nepean, including an initial open pit mine of the known shallow high-grade nickel sulphide mineralisation, which could generate significant cashflow in the short to medium term, as well as potential underground mining scenarios of the known high-grade nickel sulphide mineralisation.

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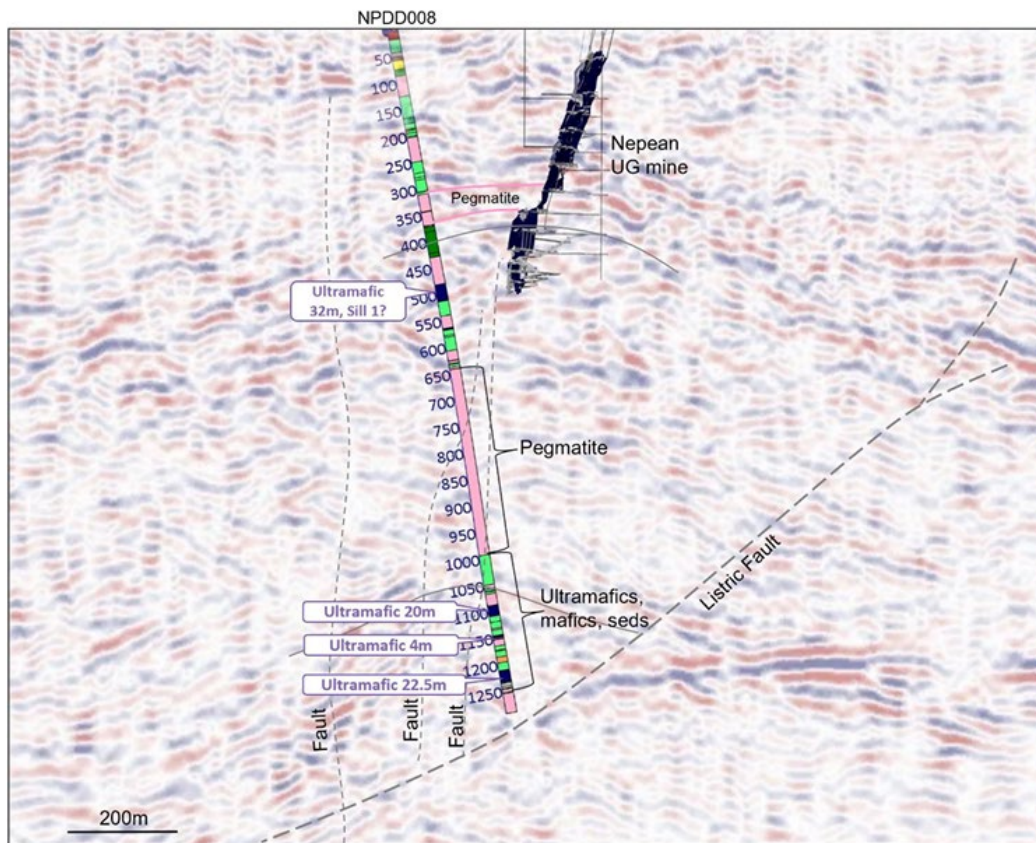


Figure 1 – Cross section of diamond hole NPDD008 showing lithologies intersected, including multiple ultramafic units, against a 2D seismic survey section. The thick pegmatite intrusion below the mine corresponds with an area of weaker reflectors, while greenstone sequences generally have stronger reflectors.

Earlier in the period, the Company completed a major ground MLEM survey along strike to the north and south of the historic Nepean nickel mine. Several conductors were successfully identified, the stronger of which was drilled with a short RC programme (Figure 2). However, the prospectivity of these conductors is now considered to be low.

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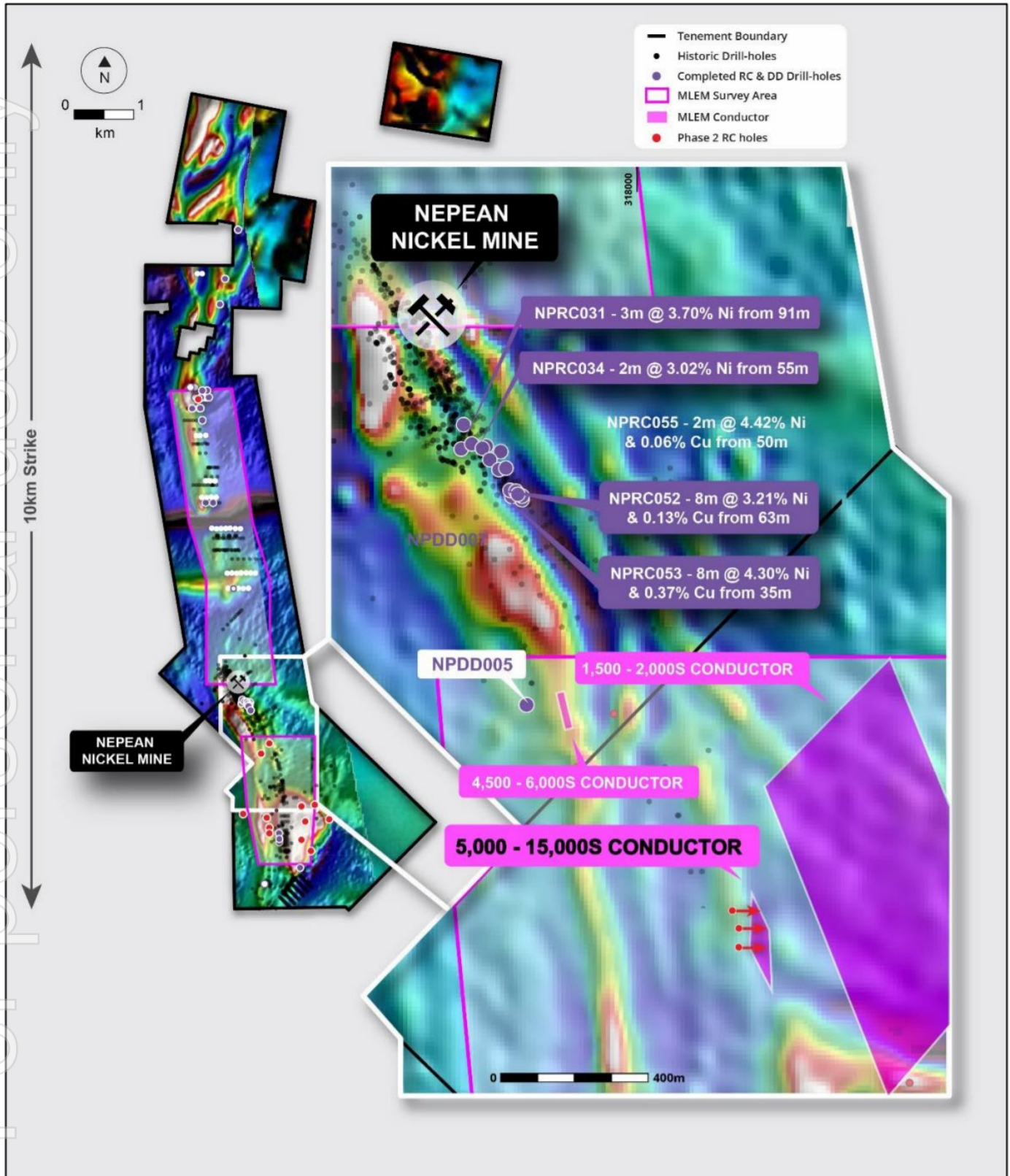


Figure 2 – Plan map of aeromagnetics over the Nepean Nickel Project showing the area covered by the high-powered ground MLEM survey and the strong MLEM conductor to the south of the historic Nepean nickel mine

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Diamond Drilling Programme

During the period, assay results were received for the first drill-hole from a three-hole diamond programme completed at Nepean in May this year. Hole NPDD007 was drilled into the known shallow high-grade nickel sulphide mineralisation directly south of the historic Nepean nickel mine (Figure 3).¹ The results confirmed the high-grade and high tenor nature of the modelled near-surface nickel sulphide mineralisation:

4.64m @ 2.99% Ni & 0.13% Cu from 71.58m

The hole was the Company's first diamond drill-hole into the shallow high-grade mineralisation and was completed to better understand the assemblages and textures of the sulphides, as well as to initiate thin-section studies and metallurgical test work on this near-surface mineralisation. The drill-hole initially intersected a zone of weak to moderate disseminated sulphides from 65.00m – 71.58m (6.58m @ 0.42% Ni) leading into the high-grade net-textured sulphides from 71.58m – 76.22m down-hole.

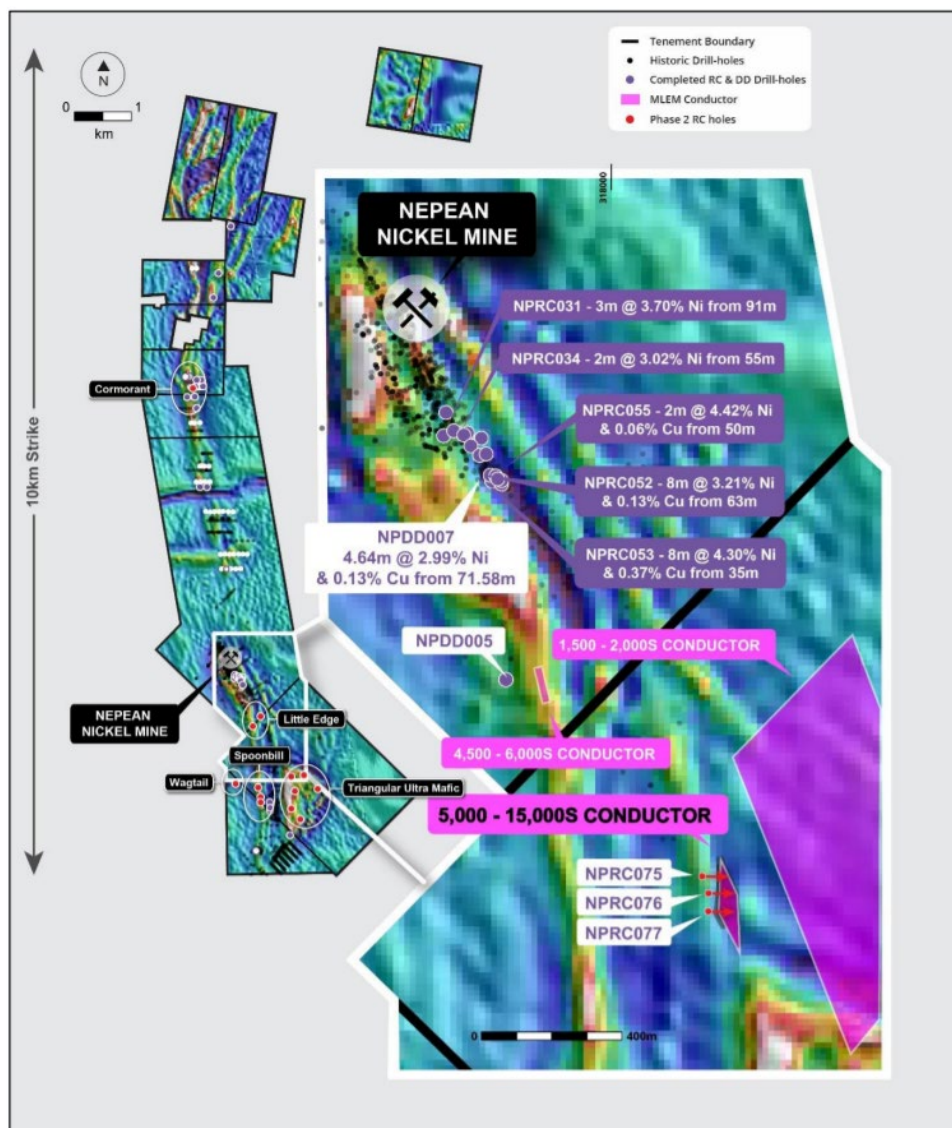


Figure 3 – Plan map of aeromagnetics over the Nepean Nickel Project showing the key prospects, the strong MLEM conductors to the south of the historic Nepean nickel mine, and the location of NPDD007.

¹ Refer to ASX Announcement – NEPEAN NICKEL PROJECT – DRILLING UPDATE https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02400538-6A1043023?access_token=83ff96335c2d45a094df02a206a39ff4

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LEINSTER NICKEL PROJECT

During the reporting period, assay results were received for nine RC drill-holes and one diamond drill-hole as part of a 14-hole (3,400m) regional drill programme designed to test the Woodwind, Percussion, Brass and Firefly Prospects (Figure 5). The prospects are interpreted to contain the same ultramafic stratigraphy that hosts the known shallow high-grade nickel sulphide mineralisation at the Horn Prospect located directly along strike to the south, making these prospects high-priority drill targets.²

The dual phase first-pass drill programme consisted of five high priority diamond drillholes drilled in March and April, followed by nine RC holes drilled in May and June. Diamond core results were announced in June with one hole (HNDD011) pending at the time. Significant results from the latest assay batch include:

- **8m @ 0.45% Ni from 19m (WDRC001)**
- **5m @ 0.30% Ni from 66m & 4m @ 0.30% Ni from 80m (WDRC004)**
- **7m @ 0.40% Ni from 52m (WDRC005)**
- **2m @ 0.50% Ni from 30m (WDRC007)**
- **1m @ 0.56% Ni from 159m (WDRC008)**
- **1m @ 0.45% Ni from 41m (FFRC004)**
- **4m @ 0.30% Ni from 251m (HNDD011)**

DHEM surveys have now been completed on all drill-holes. Two conductive targets have been identified from drillholes at the Woodwind and Brass Prospects. At Woodwind, an off-hole conductor ranging between 2,000–3,000S was detected southeast of, and below, WDRC007 (Figure 5 and Figure 6). Due to the distance off-hole and the strike of the modelled conductor, it is not yet clear if this is associated with an ultramafic unit. The conductor at Woodwind represents a priority follow up target, which will be tested in the second phase of RC drilling.

At the Brass Prospect, a thin intersection of disseminated nickel sulphides in WDRC008 (1m @ 0.56% Ni) occurs on the prospective ultramafic–basalt lithological contact. This is located above an off-hole DHEM conductor (Figure 6). The EM response has been modelled with a moderate to high conductance of 3,000–6,000S centred just north of the drill-hole. This conductor will also be tested in the next phase of RC drilling at the Leinster Project.

² Refer to ASX Announcement – RESULTS DEFINE NEW HIGH-PRIORITY DRILL TARGETS AT LEINSTER https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02405737-6A1045214?access_token=83ff96335c2d45a094df02a206a39ff4

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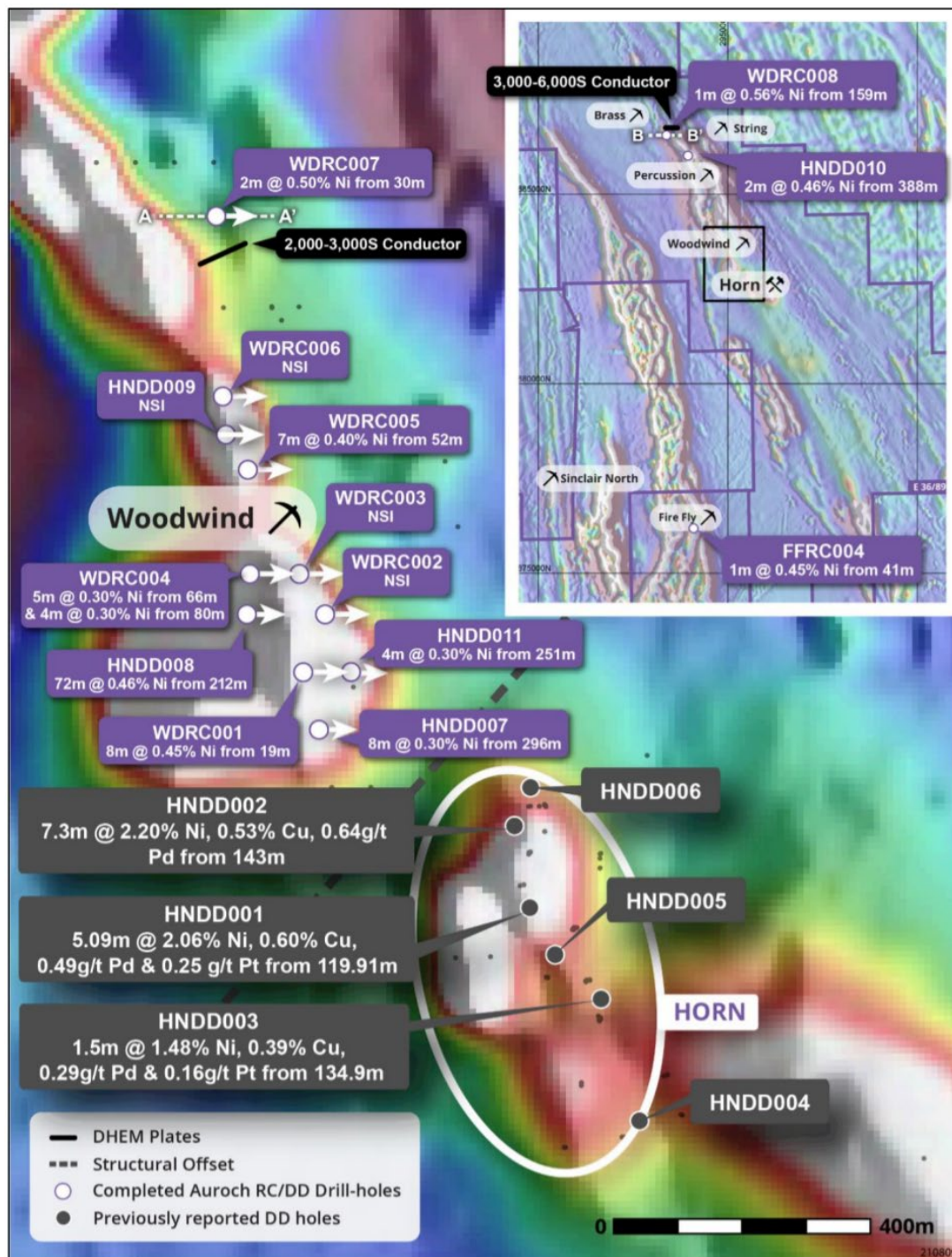


Figure 4 – The Leinster Nickel Project showing priority target areas and completed diamond and RC drillhole collars over aeromagnetic anomalies on the Horn trend

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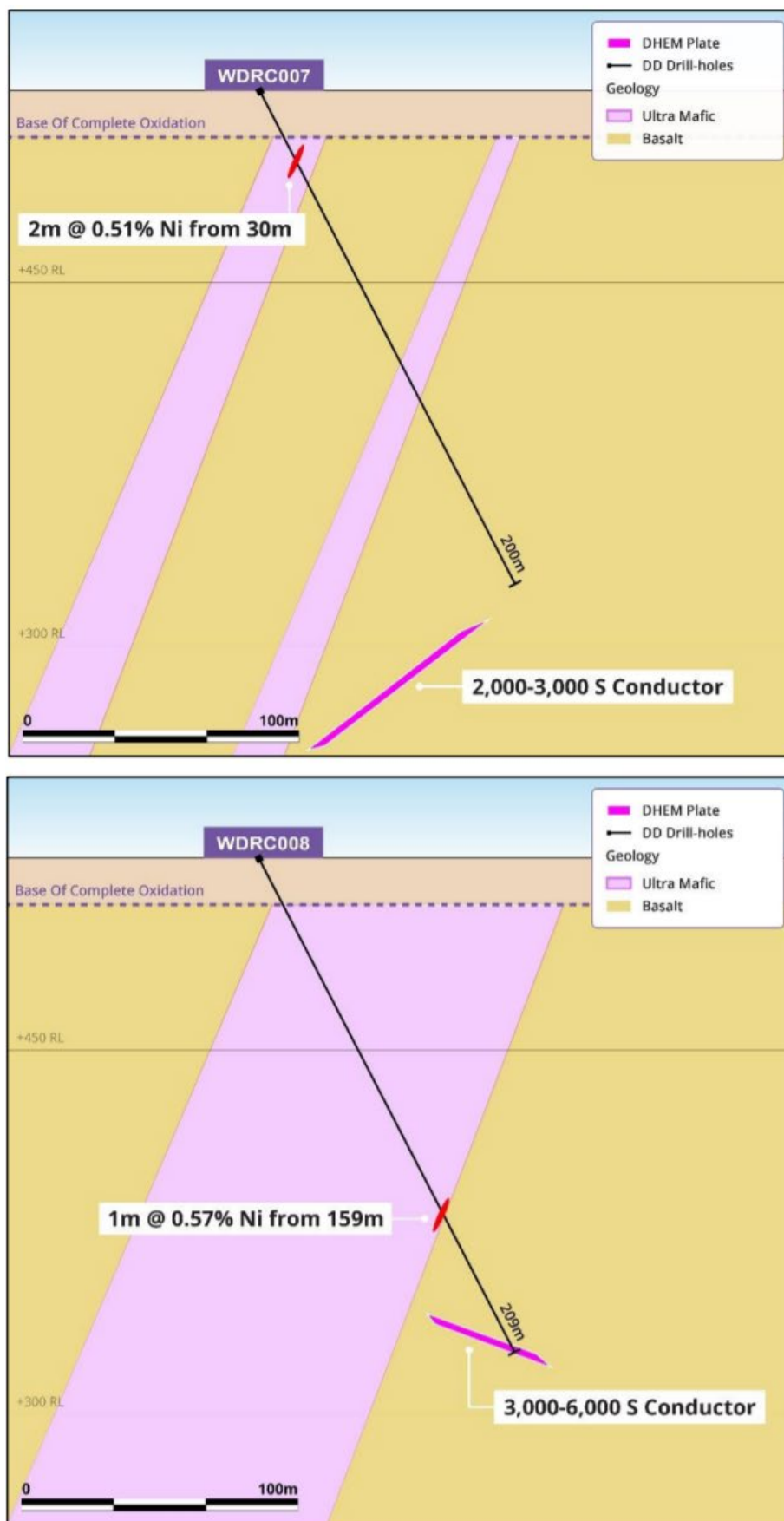


Figure 5 – Schematic cross-sections A – A' and B – B' (see Figure 1) showing modelled DHEM plates from drillholes WDRC007 (section 6883800N, north Woodwind Prospect) and WDRC008 (section 688660N, Brass Prospect), respectively

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SAINTS NICKEL PROJECT

During the period, a Scoping Study of potential underground mining scenarios at the high-grade Saints Nickel Project was initiated, to be run in parallel to the study at Nepean, taking advantage of synergies between the projects to reduce the overall costs of the studies. Saints currently hosts a high-grade JORC-2012 Mineral Resource of 1.05Mt @ 2 %Ni & 0.2% Cu for over 21kt of contained nickel.³

Auroch has an existing offtake agreement in place for Saints with BHP Nickel West (ASX:BHP), whilst high-grade ore from the historic nickel mine at Nepean, when in production, was processed at the Kambalda Nickel Operations (KNO) that BHP is currently preparing to re-start early next year.

COMPANY PROJECTS – SOUTH AUSTRALIA

ARDEN COPPER-ZINC PROJECT

A statutory work permit (**PEPR**) application for the planned diamond drill programme was approved by the Department for Energy and Mining (**DEM**) in South Australia.⁴ The programme will comprise four diamond drill-holes for up to 1,000m of drilling to test the high-grade zinc target at Ragless Range.

An Aboriginal Heritage Agreement (**AHA**) was recently executed between Auroch and the Nukunu Wapma Thura Aboriginal Corporation. Representatives of both the Traditional Owners and Auroch will conduct a site clearance survey in the area of the drill programme at Ragless Range.

The Company has also finalised a Land Access Agreement with the freehold landowners of the property that contains the Ragless Range Prospect.

The planned drill programme comprises four diamond drill-holes to test for Sedimentary Exhalative (**SEDEX**) zinc mineralisation previously identified in the Company's 2018 diamond drill programme, with drillhole RRDD007 intersecting **12.8m @ 4.96% Zn** from 53m, including **3.65m @ 15.47% Zn** from 62.15m.

The high-grade zinc mineralisation identified in this drilling was primarily associated with the zinc mineral smithsonite (ZnCO_3), which often occurs as a result of oxidation above/around many major zinc ore deposits. The drill programme will largely focus on a significant gravity anomaly extending over 2km in the Ragless Range syncline west of the previous drill-holes (Figure 6). The gravity anomaly may be indicative of thickened mineralised horizons of high-density, high-grade zinc mineralisation. Previous mineralisation intersected in the shallow drilling and outcropping gossans may have been restricted to horizons within the narrower fold limbs (Figure 7), hence testing the interpreted anomaly at depth is warranted.

³ Refer to ASX Announcement – NEPEAN AND SAINTS SCOPING STUDIES UNDERWAY https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02416139-6A1048371?access_token=83ff96335c2d45a094df02a206a39ff4

⁴ Refer to ASX Announcement – APPROVALS RECEIVED FOR DRILLING AT RAGLESS RANGE ZINC TARGET https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02422084-6A1050556?access_token=83ff96335c2d45a094df02a206a39ff4

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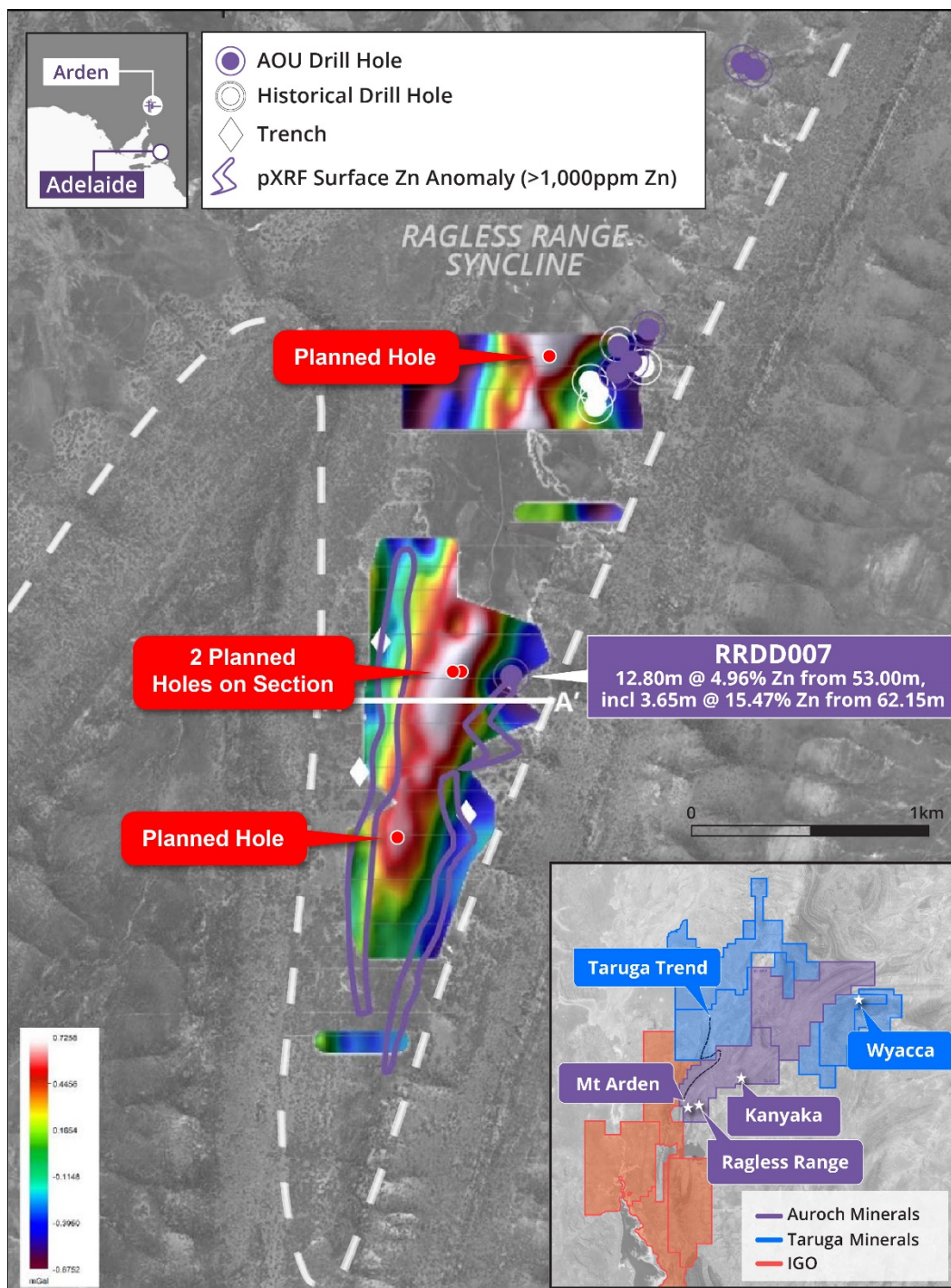


Figure 6 -Residual Bouguer gravity linear image. Strong gravity anomaly extending over 2km in hinge zone of Ragless Range syncline and planned drill-hole locations

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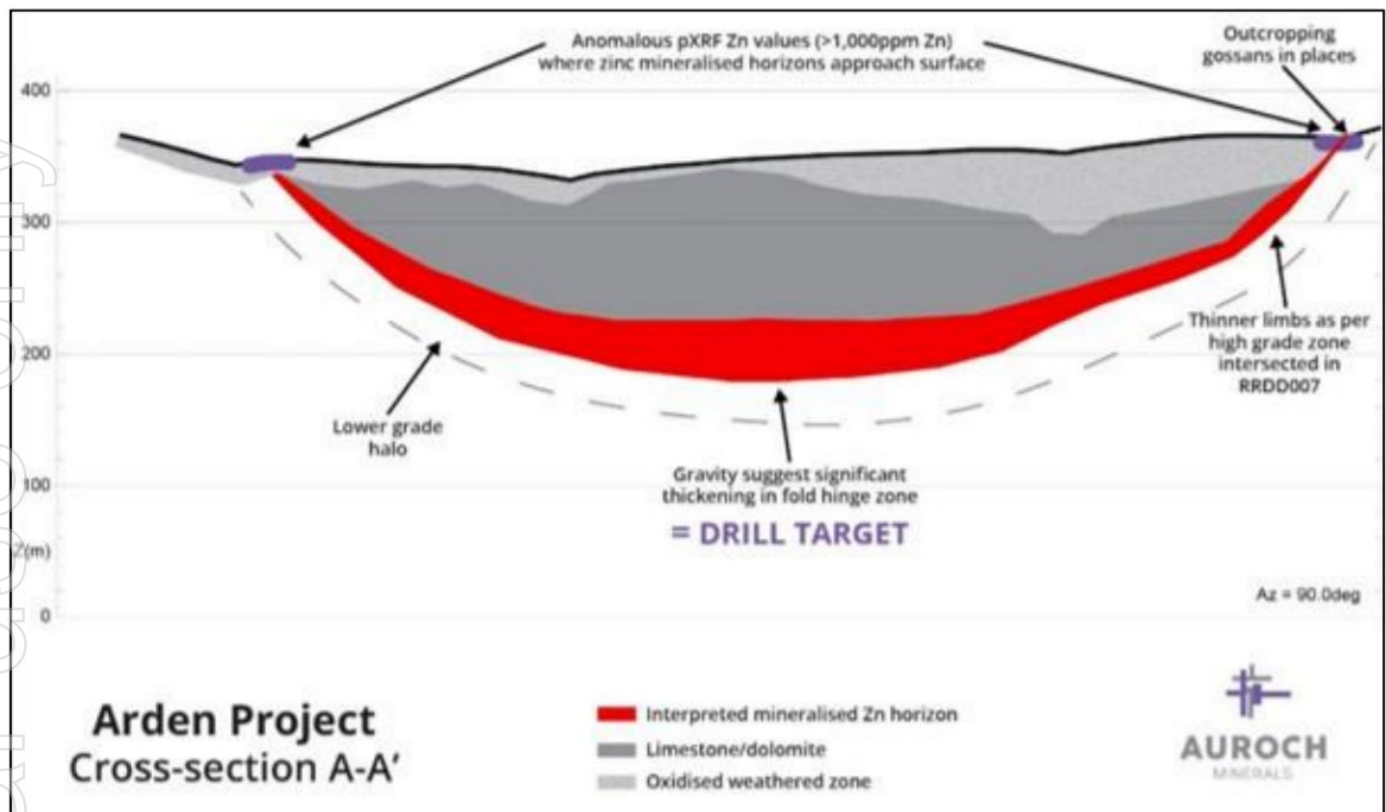


Figure 7 – Schematic cross section of gravity anomaly within Ragless Range syncline and proposed drill target

SUSTAINABILITY PLAN

During the period, the Company released its maiden Sustainability Plan (**Plan**), which highlights the Company's vision and priorities to support a sustainable business. Auroch's Plan and pillared strategy are aligned to the United Nations (**UN**) Sustainable Development Goals (**SDG**) and has been set by the Company's newly formed Sustainability Committee, chaired by Non-Executive Director Mike Edwards.⁵

The Company's complete Sustainability Plan can be accessed on the Company's website via the following link:

<https://www.aurochminerals.com/wp-content/uploads/Auroch-SustainabilityPlanJuly.pdf>

CORPORATE ACTIVITY

CASHFLOWS FOR THE QUARTER

Attached to this report is the Appendix 5B containing Company's cash flow statement for the quarter. The cashflows relating to the quarter included \$2M spent on exploration and evaluation expenditure, which was primarily associated with the costs relating to the geology and drilling the Nepean Deeps. There were \$534k of administration and corporate costs paid during the quarter, of which \$54k were payments made to related parties, including the Directors and their associates pursuant to existing director fee agreements for Executive and Non-Executive Directors.

The Company received a further ~\$1.48 million in cash via the conversion of 14,862,710 unlisted \$0.10 options. At 30 September 2021, the Company had available cash of \$2.26 million.

⁵ Refer to ASX Announcement – AUROCH COMMITS TO A SUSTAINABLE FUTURE https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02397400-6A1041689?access_token=83ff96335c2d45a094df02a206a39ff4

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OPTIONS UNDERWRITING

The Company entered into an option exercise underwriting agreement (**Underwriting Agreement**) with existing major shareholders Rainmaker Holdings (WA) Pty Ltd and 6466 Investments Pty Ltd (each an Underwriter, and together the Underwriters) to fully underwrite the exercise of unquoted options each with an exercise price of \$0.10 and an expiry date of 30 November 2021 (Underwritten Options). As at the date of the Underwriting Agreement, there were 16,440,584 Underwritten Options on issue which remained unexercised, representing an amount of \$1,644,058.40 (Underwritten Amount) guaranteed to be received by the Company (subject to certain termination events and less the underwriting fee of ~\$66k).

SEPTEMBER 2021 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:

01-Jul-21	Executive Management Changes
07-Jul-21	MLEM Survey Identifies High Priority Drill Target at Nepean
21-Jul-21	Auroch Commits to Sustainable Future
29-Jul-21	Nepean Nickel Project Drilling Update
11-Aug-21	Results Define New High-Priority Drill Targets at Leinster
19-Aug-21	Options Underwriting to fund expanded Nepean Deeps Drill Programme
01-Sep-21	Nepean and Saints Scoping Studies Underway
16-Sep-21	Approvals Received for Drilling at Ragless Range Zinc Target

These announcements are available for viewing on the Company's website 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-

For further information please visit www.aurochminerals.com or contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Matthew McCarthy and represents an accurate representation of the available data. Mr McCarthy (Member of the Australian Institute of Mining and Metallurgy) is the Company's Senior 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 McCarthy 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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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 (Valdez)	P36/1911	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	-	-	-
Nepean	M15/709	Granted	80%	-	80%
Nepean	M15/1809	Granted	80%	-	80%
Nepean	P15/5625	Expired	80%	80%	-
Nepean	P15/5629	Expired	80%	80%	-
Nepean	P15/5738	Granted	80%	-	80%
Nepean	P15/5740	Granted	80%	-	80%
Nepean	P15/5741	Granted	80%	-	80%
Nepean	P15/5742	Granted	80%	-	80%
Nepean	P15/5743	Granted	80%	-	80%
Nepean	P15/5749	Granted	80%	-	80%
Nepean	P15/5750	Granted	80%	-	80%
Nepean	P15/5963	Granted	80%	-	80%
Nepean	P15/5965	Granted	80%	-	80%
Nepean	M15/1887	Pending	80%		80%
Nepean	M15/1890	Pending	80%		80%

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Capital Structure

Securities on Issue at 30 September 2021:

- 296,850,581 fully paid ordinary shares (quoted)
- 13,801,218 options exercisable at \$0.10 on or before 30/11/2021
- 2,000,000 options exercisable at \$0.12 on or before 15/10/2023
- 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
- 5,280,000 2020 Performance Rights
- 12,000,000 2018 Performance Shares
- 3,050,000 2021 Performance Rights
- 900,000 2021 Incentive Options

In relation to the 2021 Performance Rights:

- A. 3,050,000 Performance Rights were issued during the period
- B. The terms and conditions of the 2021 Performance Rights are set out in Schedule 1
- C. No Performance Rights were converted to ordinary shares during the period
- D. No milestones for the 2021 Performance Rights were met during the period

In relation to the 2021 Incentive Options:

- A. 900,000 Incentive Options were issued during the period
- B. The terms and conditions of the 2021 Incentive Options are set out in Schedule 2
- C. No Incentive Options were converted to ordinary shares during the period
- D. No milestones for the 2021 Incentive Options were met during the period

In relation to the 2020 Performance Rights:

- A. No Performance Rights were issued during the period
- B. The terms and conditions of the 2020 Performance Rights are set out in Schedule 1 of the Notice of Meeting dated 10 October 2020
- C. 400,000 Performance Rights were converted to ordinary shares during the period
- D. No milestones for the 2020 Performance Rights were met during the period

In relation to the 2018 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 achieved during the period

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Schedule 1 Terms of 2021 Performance Rights

1. Entitlement

Each Performance Right that vests entitles the holder (Holder) to redeem the Performance Right during the redemption period (without having to pay any cash consideration) for one Share.

2. Performance Period – Class A Performance Rights

The Class A Performance Rights are divided equally among the following three tranches, which are each subject to a different successive performance period in sequence as follows (each a Performance Period):

- (i) Tranche 1: continuous service to the Company by the relevant Employee who holds the Tranche 1 Class A Performance Rights (or who nominated the holder of those Performance Rights) commencing on the date of issue of those Tranche 1 Performance Rights until 1 July 2022;
- (ii) Tranche 2: continuous service to the Company by the relevant Employee who holds the Tranche 2 Class A Performance Rights (or who nominated the holder of those Performance Rights) commencing on the date of issue of those Tranche 2 Performance Rights until 1 July 2023; and
- (iii) Tranche 3: continuous service to the Company by the relevant Employee who holds the Tranche 3 Class A Performance Rights (or who nominated the holder of those Performance Rights) commencing on the date of issue of those Tranche 3 Performance Rights until 1 July 2024.

3. Performance Period – Class B Performance Rights

The Class B Performance Rights are divided equally among the following three tranches, which are each subject to a different successive performance period in sequence as follows (each a Performance Period):

- (i) Tranche 1: 1/3 of the Class B Performance Rights will vest upon the Company achieving a share price of A\$0.40 per Share based on a 30-day VWAP, subject to the continuous service of the relevant Employee from the date of issue of the Tranche 1 Class B Performance Rights to 1 July 2022;
- (ii) Tranche 2: 1/3 of the Class B Performance Rights will vest upon the Company achieving a share price of A\$0.50 per Share based on a 30-day VWAP, subject to the continuous service of the relevant Employee from the date of issue of the Tranche 2 Class B Performance Right to 1 July 2023; and
- (iii) Tranche 3: 1/3 of the Class B Performance Rights will vest upon the Company achieving a share price of A\$0.60 per Share based on a 30-day VWAP, subject to the continuous service of the relevant Employee from the date of issue of the Tranche 3 Class B Performance Right to 1 July 2024.

4. Vesting Date

The Performance Rights will vest at 5:00pm AWST on the date that is the last day of the relevant Performance Period (Vesting Date).

5. Redemption Period

Performance Rights that vest on the relevant Vesting Date may each be redeemed for a Share at any time during the subsequent redemption period, by the Holder in accordance with clause 7 below.

The Performance Rights have a 2 year redemption period following the relevant Vesting Date. A vested Performance Right not redeemed by its Holder by the end of the redemption period will be immediately automatically cancelled for nil consideration.

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6. Ceasing Employment

If a Holder (or the employee of the Company who nominated the holder to receive those Performance Rights) ceases to be an employee of the Company for any reason during a Performance Period:

(i) all of:

(A) the unvested Performance Rights in the Relevant Tranche; and

(B) the other unvested Performance Rights (of any tranche) held by that employee (or by their nominee), will not vest and will instead be immediately automatically cancelled for nil consideration; and

(ii) any vested Performance Rights will not be cancelled during the redemption period due to such cessation of office.

7. Notice of Redemption of vested Performance Rights

A Holder of a vested Performance Right who continues to be an Employee (or who is the nominee of a continuing employee of the Company) has the right to redeem vested Performance Rights for a number of Shares as are equal to the number of such vested Performance Rights on written notice given to the Company prior to the end of the redemption period. Those Performance Rights will automatically be cancelled upon their redemption.

8. Timing of Issue of Shares and Quotation

Within 5 Business Days after the later of the following:

(i) receipt by the Company of a notice of redemption of vested Performance Rights given in accordance with clause 7; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information (if there is no such information the relevant date will be 5 Business Days after the date of receipt of a notice of redemption as set out in clause (i) immediately above),

the Company will:

(iii) allot and issue the Shares pursuant to the vesting of the Performance Rights; and

(iv) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) apply for official quotation on ASX of Shares issued pursuant to the redemption of the Performance Rights.

9. Shares Issued

Shares issued on the satisfaction of the performance milestone attaching to the Performance Rights rank equally with all existing Shares.

10. Quotation of the Shares Issued on Exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Performance Rights.

11. Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will be varied, including an adjustment to the number of

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

12. Holder Rights

A Holder who holds Performance Rights is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company;
- (iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;
- (iv) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or
- (v) cash for the Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Performance Rights are satisfied and the Holder holds Shares.

13. Pro Rata Issue of Securities

If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.

A Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any performance milestone which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

14. Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the Holder is then entitled, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder were vested immediately prior to the record date for the bonus issue.

15. Change of Control

For the purposes of these terms and conditions, a "Change of Control Event" occurs if:

(i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a Takeover Bid:

(A) is announced;

(B) has become unconditional; and

(C) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(iii) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



(iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any performance milestone has been satisfied.

16. Quotation

The Company will not seek official quotation of any Performance Rights.

17. Performance Rights Not Property

A Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

18. No Transfer of Performance Rights

Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Holder.

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



Schedule 2 Terms of 2021 Incentive Options

1. Entitlement

Each Incentive Option that vests entitles the holder (Holder) to redeem the Incentive Options during the redemption period (without having to pay any cash consideration) for one Share.

2. Performance Period – Incentive Option

The Incentive Option will be granted 5 years from grant date if the price hits target of \$0.50 over a 20 day VWAP. If price target(s) hit in years 1-5, then the 5-year options are triggered, but then issued on anniversary, even if share price reduce below strike price at anniversary.

3. Vesting Date

The Incentive Option will vest at 5:00pm AWST on the date that is the last day of the relevant Incentive Option (Vesting Date).

4. Redemption Period

Incentive Option that vest on the relevant Vesting Date may each be redeemed for a Share at any time during the subsequent redemption period, by the Holder in accordance with clause 7 below.

The Incentive Option have a 2 year redemption period following the relevant Vesting Date. A vested Incentive Option not redeemed by its Holder by the end of the redemption period will be immediately automatically cancelled for nil consideration.

5. Ceasing Employment

If a Holder (or the employee of the Company who nominated the holder to receive those Incentive Option) ceases to be a employee of the Company for any reason during a Incentive Option:

(i) all of:

(A) the unvested Incentive Option in the Relevant Tranche; and

(B) the other unvested Incentive Option (of any tranche) held by that employee (or by their nominee), will not vest and will instead be immediately automatically cancelled for nil consideration; and

(ii) any vested Incentive Option will not be cancelled during the redemption period due to such cessation of office.

6. Notice of Redemption of vested Incentive Option

A Holder of a vested Incentive Option who continues to be a employee (or who is the nominee of a continuing employee of the Company) has the right to redeem vested Incentive Options for a number of Shares as are equal to the number of such vested Incentive Options on written notice given to the Company prior to the end of the redemption period. Those Incentive Options will automatically be cancelled upon their redemption.

7. Timing of Issue of Shares and Quotation

Within 5 Business Days after the later of the following:

(i) receipt by the Company of a notice of redemption of vested Incentive Options given in accordance with clause 7; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information (if there is no such information the relevant date will be 5 Business Days after the date of receipt of a notice of redemption as set out in clause (i) immediately above),

the Company will:

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



(iii) allot and issue the Shares pursuant to the vesting of the Incentive Options; and

(iv) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) apply for official quotation on ASX of Shares issued pursuant to the redemption of the Incentive Options.

8. Shares Issued

Shares issued on the satisfaction of the performance milestone attaching to the Incentive Options rank equally with all existing Shares.

9. Quotation of the Shares Issued on Exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Incentive Options.

10. Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Incentive Options and the rights of the Holder who holds such Incentive Options will be varied, including an adjustment to the number of Incentive Options, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

11. Holder Rights

A Holder who holds Incentive Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company;
- (iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;
- (iv) participate in any new issues of securities offered to Shareholders during the term of the Incentive Options; or
- (v) cash for the Incentive Options or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Incentive Options are satisfied and the Holder holds Shares.

12. Pro Rata Issue of Securities

If during the term of any Incentive Option, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a Holder shall not be entitled to participate in the rights issue in respect of any Incentive Options, only in respect of Shares issued in respect of vested Incentive Options.

A Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any performance milestone which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

13. Adjustment for Bonus Issue

If, during the term of any Incentive Option, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the Holder is then entitled, shall be increased by that number of securities which the Holder would have been issued if the Incentive Options then held by the Holder were vested immediately prior to the record date for the bonus issue.

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2021



14. Change of Control

For the purposes of these terms and conditions, a "Change of Control Event" occurs if:

(i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a Takeover Bid:

(A) is announced;

(B) has become unconditional; and

(C) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(iii) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any performance milestone has been satisfied.

15. Quotation

The Company will not seek official quotation of any Incentive Options.

16. Performance Rights Not Property

A Holder's Incentive Options are personal contractual rights granted to the Holder only and do not constitute any form of property.

17. No Transfer of Performance Rights

Unless otherwise determined by the Board, Incentive Options cannot be transferred to or vest in any person other than the Holder.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Auroch Minerals Limited

ABN

91 148 966 545

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(174)	(174)
	(e) administration and corporate costs	(361)	(361)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(55)	(55)
1.9	Net cash from / (used in) operating activities	(590)	(590)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(14)	(14)
	(d) exploration & evaluation	(2,034)	(2,034)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	268	268
2.6	Net cash from / (used in) investing activities	(1,780)	(1,780)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,489	1,489
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	66	66
3.10	Net cash from / (used in) financing activities	1,555	1,555

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,073	3,073
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(590)	(590)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,780)	(1,780)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,555	1,555

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,258	2,258

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter (June 2021) \$A'000	Previous quarter (June 2021) \$A'000
5.1	Bank balances	2,258	3,073
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above) *	2,258	3,073

* Additional funds from options underwriting \$1.38M (before costs) and Placement of \$8M (before costs) due in the December 2021 quarter.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	54
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (underwriting agreement)	1,380	-
7.4	Total financing facilities	1,380	-
7.5	Unused financing facilities available at quarter end	1,380	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(590)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,200)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,790)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,259
8.5	Unused finance facilities available at quarter end (Item 7.5)	1,380
8.6	Total available funding (Item 8.4 + Item 8.5)	3,639
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.