

AUROCH TO ACQUIRE US LITHIUM PROJECT

Highlights

- Strategic acquisition of an 80% interest in the Nevada Lithium Project in USA
- Mining-friendly jurisdiction in the State of Nevada, close to other large lithium deposits including Ioneer Ltd's (ASX:INR) Rhyolite Ridge, American Lithium Corporation's (TSX.V: LI) (US OTC: LIACF) (Frankfurt: 5LA1) TLC Lithium Project, and Albemarle Corporation's (NYSE:ALB) Silver Peak Lithium Mine, currently the only producing lithium mine in North America
- Project area located ~340 km southeast of the Tesla Gigafactory near Reno, with access to major Californian ports
- Nevada Lithium Project consists of four prospect areas comprising ~65 km² covering the same geology that is known to host other major lithium deposits in the region, including the TLC deposit
- Review commenced to consider potential pathways to unlock value from Non-Nickel Assets, including the Nevada Lithium Project

Auroch Minerals Limited (**ASX:AOU**) (**Auroch** or the **Company**) is pleased to announce it has entered into an agreement to acquire an 80% interest in the issued share capital of Nevada Lithium Pty Ltd (**Nevada Australia**), the 100% shareholder of Nevada Li Corp (**Nevada US**) which has the rights to the Nevada Lithium Project (**NLP**) in Nevada, USA (**Proposed Acquisition**).

The NLP consists of four prospect areas – Traction Prospect, San Antone Prospect, Heller Prospect and Lone Mountain Prospect – comprising ~65 km² of ground that is considered highly prospective for large sedimentary-hosted lithium deposits.

The NLP is located close to the silver mining town of Tonopah in the mining-friendly counties of Nye and Esmeralda in the State of Nevada, home to some very large sedimentary-hosted lithium deposits including Ioneer Resources' (ASX:INR) Rhyolite Ridge and American Lithium Corporation's (TSX.V: LI) (US OTC: LIACF) (Frankfurt: 5LA1) TLC Lithium Project (see Figure 1). Albemarle Corporation's (NYSE:ALB) Silver Peak Lithium Mine, currently the only producing lithium mine in North America, lies approximately 45 km to the west of the NLP.

The NLP has had very limited lithium focused exploration to-date, despite covering the same lacustrine sedimentary formation that hosts other large lithium deposits in the region, including the TLC deposit.

The NLP is also strategically located ~340 km southeast of the Tesla Gigafactory near Reno, with access to major Californian ports.

Auroch Managing Director Aidan Platel commented:

*"We are very excited by the potential of the NLP to host significant lithium mineralisation in a stable pro-mining jurisdiction in Nevada, USA. **The project areas cover the same geological formations that host very large lithium deposits in the region, including the TLC Lithium Project nearby. The acquisition adds to and supplements the Company's increasing focus on battery metals and represents a tremendous opportunity to enhance value for Auroch shareholders. We look forward to completing the acquisition and initiating exploration as soon as possible!**"*

Auroch Executive Chairman Mike Edwards also commented:

*“The NLP is located close to the Tesla Gigafactory and has access to major US ports on the West Coast, providing a clear down-stream processing path for any significant lithium mineralisation we potentially discover. Furthermore, **the proposed acquisition of the NLP coincides with the recent Presidential Determination by the Biden Administration to ensure a robust, resilient, sustainable, and environmentally responsible domestic industrial base to meet the requirements of the clean energy economy. The timing and location couldn’t be better!**”*

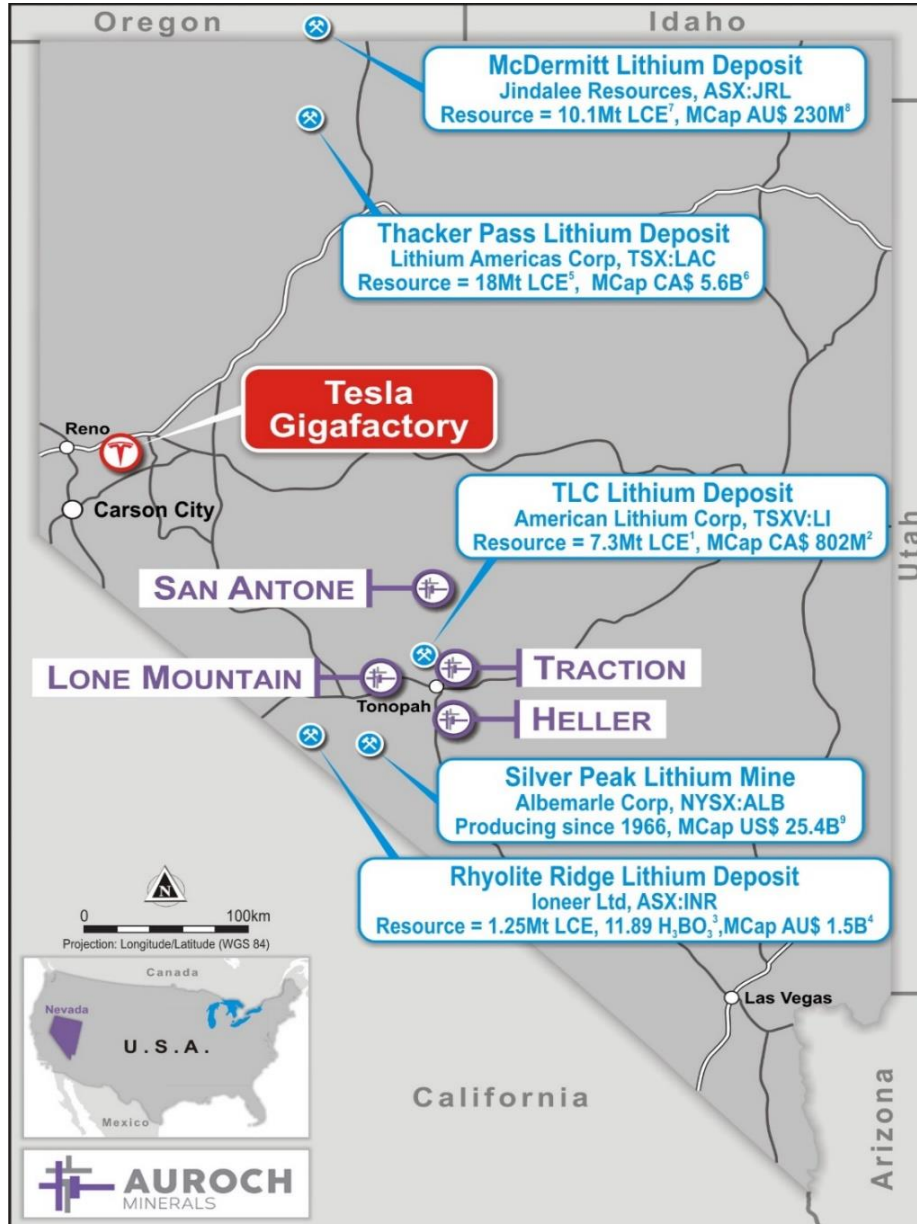


Figure 1 – Location of the Nevada Lithium Project comprising the Traction, San Antone, Heller and Lone Mountain Prospects in relation to known large lithium deposits, the Tesla Gigafactory, and the mining town of Tonopah, Nevada, USA

(LCE – Lithium Carbonate Equivalent; MCap – market capitalisation based on information as at 6th April 2022; ¹ [NI-43-101-Technical-Report_May-4_Final.pdf \(americanlithiumcorp.com\)](#); ² [American Lithium Corp. \(LI\) | TSXV Stock Price | TMX Money](#); ³ [ASX Announcement – Rhyolite Ridge Ore Reserve increased 280% to 60 million tonnes dated 30 April 2020 \(200430-inr-resource-and-reserve-upgrade-combined_vf.pdf \(ioneer.com\)\)](#); ⁴ [ioneer \(asx.com.au\)](#); ⁵ [Announcement – Lithium Americas expands resource at Thacker Pass and Increase Phase 1 Capacity to Target 40,000 TPA Lithium Carbonate dated 7 October 2021 \(Lithium Americas Thacker Pass Resource Estimate\)](#); ⁶ [Lithium Americas Corp. \(LAC\) | TSX Stock Price | TMX Money](#); ⁷ [ASX Announcement – Upgraded Mineral Resource confirms McDermitt as the largest lithium deposit in the USA dated 8 April 2021 \(Updated Mineral Resource McDermitt\)](#); ⁸ [JRL share price and company information for ASX:JRL](#); ⁹ [ALB: Albemarle Corp Stock Price Quote - New York - Bloomberg](#))

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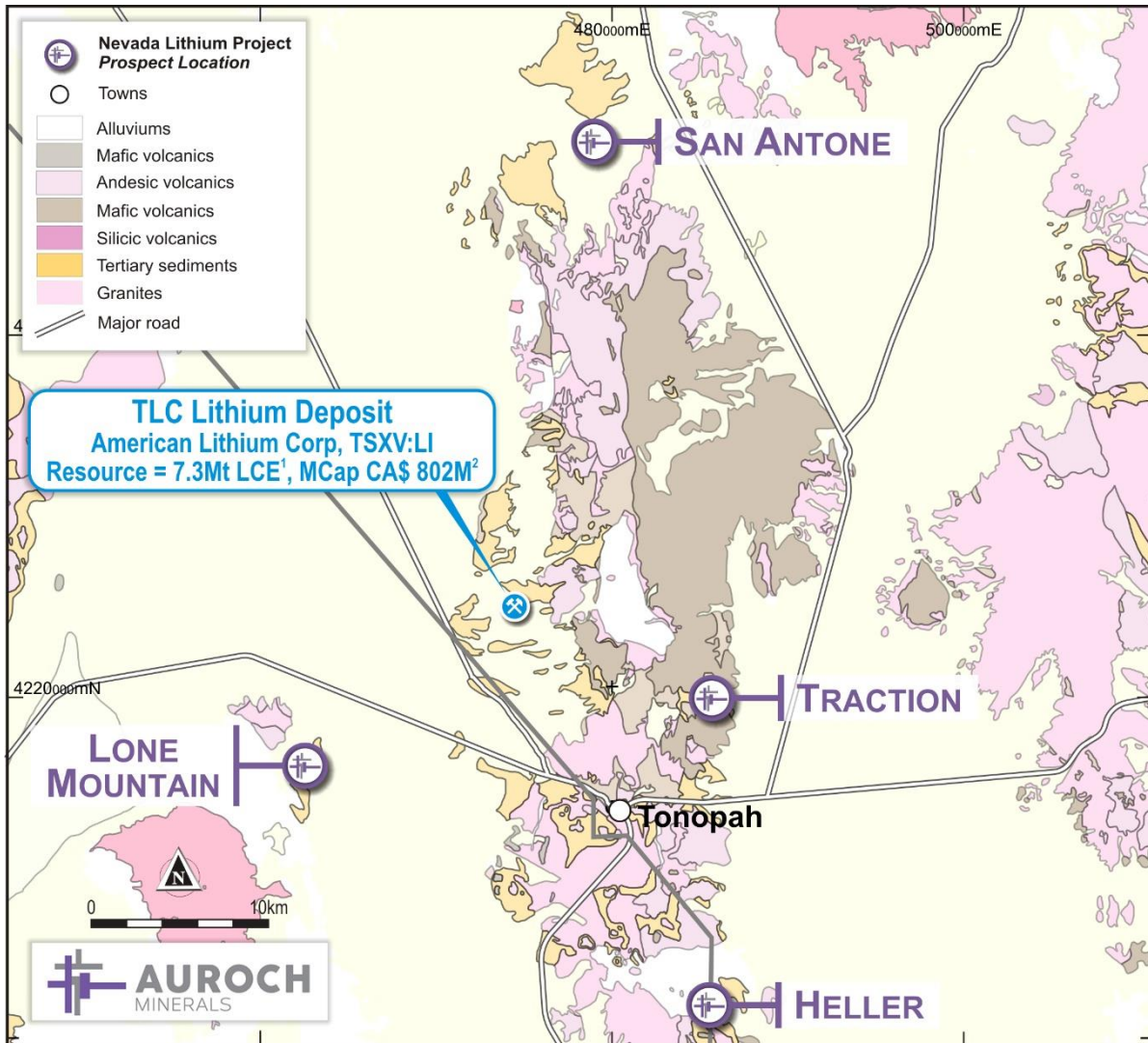


Figure 2 – Location of the Nevada Lithium Project in relation to known large lithium deposits and regional geology (SGMC 1:350k, US Geological Survey Aug 2017)

Acquisition Structure:

The Company has entered into a Share Sale Agreement with the shareholders of Nevada Australia, being Nedeel LLC, Krakouer Capital Pty Ltd and Cratonix Pty Ltd, (**Vendors**) pursuant to which the Company has agreed to acquire an 80% interest in the issued share capital of Nevada Australia. Nevada Australia is the 100% shareholder of Nevada US which has, or will have, rights to the NLP. The Vendors will retain the remaining 20% interest in Nevada Australia.

Completion of the Proposed Acquisition is conditional upon the satisfaction or waiver of certain conditions precedent, including the proper location, filing and recording of certain key mineral claim registrations.

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The total consideration payable by the Company to the Vendors for the Proposed Acquisition is as follows:

- (a) the issue of an aggregate of 7,200,000 fully paid ordinary shares in the capital of the Company (**Shares**); and
- (b) the issue of an aggregate of 7,200,000 performance rights that will convert to Shares upon the Company announcing a new drill intersection of 25m at 1,000ppm Li commencing within 100m (vertical) from the surface of the NLP area.

Further, the Company has also agreed to reimburse the Vendors for expenditure incurred in respect to the NLP for an amount of up to US\$220,000.

As part of the Proposed Acquisition, the Company has also entered into:

- (a) a Shareholders Agreement with the Vendors pursuant to which:
 - (i) the Company must sole fund all expenditure in respect of the NLP until a decision to mine is made by the board of Nevada Australia;
 - (ii) once a decision to mine has been made, both the Vendors and the Company may be required to contribute to expenditure in proportion to their respective shareholding in Nevada Australia;
 - (iii) upon completion of the Proposed Acquisition, the Company will be entitled to appoint two directors to Nevada Australia; and
 - (iv) the Vendors must not, and must ensure their representatives do not, apply for any mineral exploration permits, claims or any exploration or mining interests, directly or indirectly, within 20km of the outer boundaries of the NLP prospects without the prior approval of the Company; and
- (b) a Loan Facility Agreement whereby the Company has agreed to provide a loan facility of up to US\$230,000 to Nevada Australia, on and from execution of the Share Sale Agreement, with all drawdowns to be utilised for the registration of permits, licences and/or claims in respect to the NLP, and/or with the prior approval of the Company, exploration activities in respect to the NLP.

All amounts drawn down under the loan facility will be forgiven by the Company upon the completion of the Proposed Acquisition. If the Proposed Acquisition does not complete (other than by reason of a breach of the Share Sale Agreement by the Company), all outstanding amounts will be repaid to the Company.

Review of Non-Nickel Assets

In addition to the Company's three high-grade nickel sulphide projects in Western Australia, Auroch holds a suite of earlier stage exploration projects in South Australia focussed on critical and future minerals such as zinc, copper, lithium and rare earth elements (REEs). These projects comprise the following:

- **Arden Zinc-Copper Project** – primarily targeting sedex (sedimentary exhalative) - style zinc and copper mineralisation, particularly at the Ragless Range Zinc Target where diamond drilling intersected 12.80m @ 5.0% Zn from 53m, including 3.65m @ 15.5% Zn from 62.15m.¹ More recently, the Company has identified potential for skarn-related lithium and REE mineralisation;

¹ Refer to 18 December 2018 ASX Announcement - [INFILL SAMPLING EXTENDS MINERALISATION AT RAGLESS RANGE - ARDEN ZN PROJECT](#). The Company confirms that it is not aware of any new information or data that materially affects the information included in this referenced announcement

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- **Bonaventura Zinc-Copper Project** – greenfields project targeting sedex-style zinc and copper mineralisation; and
- **Torrens East Copper Project** – greenfields project targeting IOCG mineralisation on the Stuart Shelf, home to BHP's (ASX:BHP) Olympic Dam deposit and Oz Minerals' (ASX:OZL) Carrapateena deposit,

(together the **Non-Nickel Assets**).

In parallel with the NLP acquisition, and as part of the Auroch's ongoing commitment to maximise shareholder value, the Company is undertaking an internal review of these Non-Nickel Assets which will also include the NLP, subject to completion of the Proposed Acquisition. Various opportunities to unlock value are being considered for these assets which may be realised through a range of transactions structures, including a potential demerger and separate ASX listing.

The Company will keep shareholders updated in respect to the progress of its review by way of further ASX announcements.

This announcement has been authorised by the Board of Directors of the Company.

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For further information 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 and fairly represents information compiled by Mr Matthew McCarthy BSc (Hons), a Competent Person, who is a Member of the Australian Institute of Geoscientists. Mr McCarthy 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. Mr McCarthy consents to the inclusion in the announcement of the matters based on his information 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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