15 May 2017

Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Drilling commences ahead of schedule at Alcoutim Cu-Zn Project in Portugal

Highlights

- Drilling has commenced at Alcoutim on Friday 12th May on single shift basis, ramping up to double shift operations Monday 15th of May.
- The first hole is estimated to take between 4 and 6 weeks to complete.
- The borehole is situated in the Foupana priority target, one of 5 priority targets to be drilled, a large magmatic centre with corresponding EM anomalies potentially representing massive sulphide orebodies.
- The Alcoutim targets occur along strike of the supergiant Neves Corvo Cu-Zn-Pb-Ag-Au mine operated by Lundin Mining Corporation.
- Auroch's initial drill program will comprise three to five holes targeting geological environments similar to Neves Corvo in combination with significant geophysical anomalies along the Neves Corvo Trend.
- Auroch in a STRONG FINANCIAL POSITION: A$8.1 million in cash and receivables.

Commencement of Drilling

The Company is pleased to announce a commencement of its initial drilling program at the Alcoutim Cu-Zn Project in Portugal. AOU has the right to acquire 75% of the Project.

Auroch CEO Dr. Andrew Tunks said.

"The fact that we have been able to commence drilling ahead of schedule is a testament to the hard work of the new team we have established in Portugal. The first hole will target an intense EM anomaly. This major conductor may indicate massive sulphide mineralisation adjacent to the significant Foupana volcanic centre. The key geological elements for significant VMS mineralisation are all present within the project area and the commencement of drilling is an important step to finally test the generated targets of this exciting opportunity. Our exploration initiative is also occurring at a time when Lundin Mining have announced the results of a feasibility study confirming a significant increase in Zinc production to peak in excess of 180,000 tpa at the neighbouring Neves Corvo Mine[1]."

[1] Lundin Mining Announces Neves Corvo Zinc Expansion Project Feasibility Study Results. May 11th 2017 http://lundinmining.mwnewsroom.com/

The Drillcon Iberia diamond drill rig completing set-up on site for the first hole of a 5 hole program at Auroch's Alcoutim Project.

Phase 1 Exploration

A total of 22 potential VMS targets have been created by integrated teams of geologists and geophysicists throughout the large scale Alcoutim license area, the first 5 holes will all test priority targets along the Neves Corvo Trend. The Foupana magnetic anomaly (42 km southeast of the supergiant Neves Corvo Mine) is a significant and intense magnetic anomaly of the Neves Corvo Trend which the Auroch team interpreted to be a large submarine centre of bimodal magmatic activity. Associated electromagnetic (EM) anomalies are interpreted to represent massive sulphide mineralisation. The first borehole location represents an ideal combination of our geological model; close to the magmatic centre and with a strong EM anomaly.

A full suite of down-hole geophysical measurements and geochemical assays will be collected from the hole when complete to assist and refine target selection for the ongoing drill program.

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

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Background - Alcoutim Project

The Company has the right to earn up to 75% of the "**Alcoutim Project**", a significant Cu-Zn-Pb-Au-Ag opportunity in south-eastern Portugal located immediately along strike from the supergiant Neves Corvo Mine in the western half of the world famous Iberian Pyrite Belt (**IPB**).

Auroch is to spend ~A$1.4 million to earn a 65% interest in the Alcoutim Project. The Company has the right, but not the obligation, to earn a further 10% by spending a further ~A$1.25 million. Further details of the commercial terms in the announcement issued on 27 March 2017.

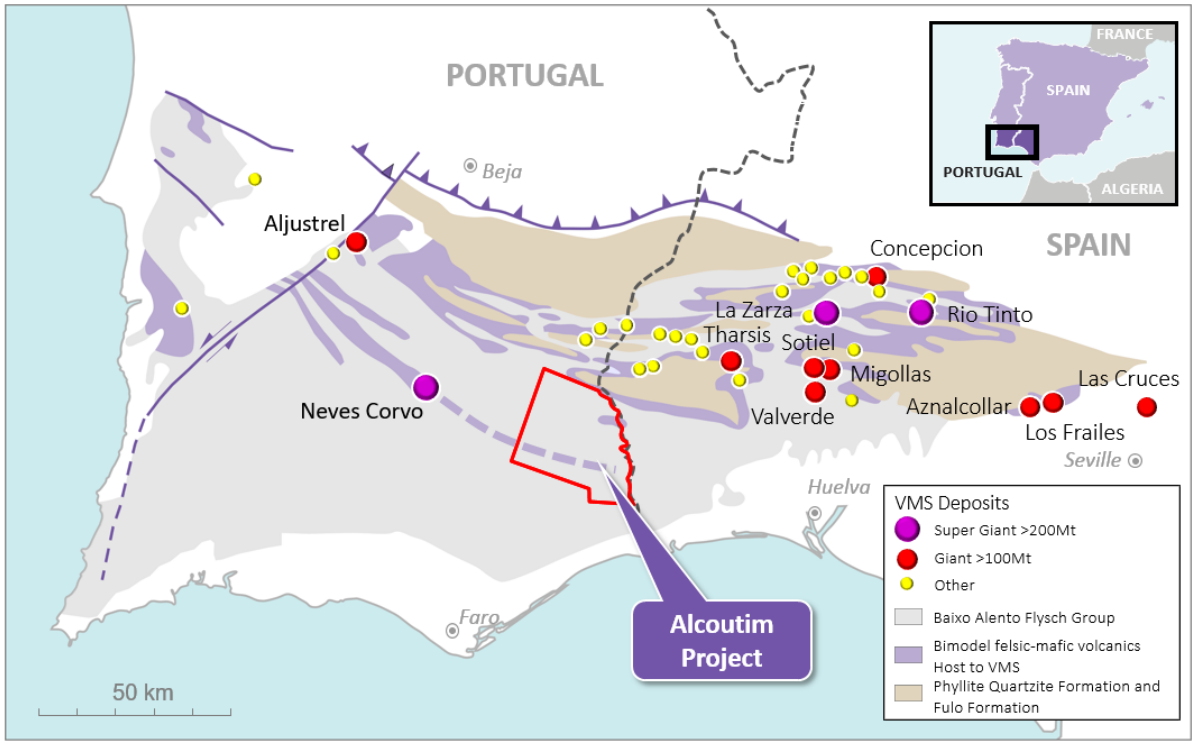

Figure 1. The geology of the Iberian Pyrite Belt highlighting the major mines and the location of the Alcoutim Project on the Portugal-Spain border. Note the continuation of the Neves Corvo Volcanics dashed line) into the Alcoutim Licence covered by the younger rocks of the Baixo Alento Group.

Multiple Exploration Targets

The Alcoutim Project covers 576 square kilometres and lies immediately east and down plunge of the Super Giant Neves Corvo deposit in Eastern Portugal (Figure 1). The licence covers the interpreted down plunge extensions of the highly prospective Neves Corvo trend. Previous geophysical exploration has highlighted twenty-two targets that are characterised by coincident gravity and magnetic anomalies, modelling of the data suggests target depths of 700 to 1000m.

Major gravity highs are shown within the Alcoutim licence in Figure 2, similar anomalies focussed the initial Neves Corvo exploration. A series of small deposits of remobilised copper are present in the south of Neves Corvo which are spatially related to a series of NE-SW trending faults that post-date the VMS mineralisation. Similarly, deposits of remobilised copper are found in the south of the

Alcoutim license which were mined in several places such as Cova dos Mouros. It is possible that these small deposits represent remobilised copper from mineralisation at depth and give further evidence to the prospectivity of the main gravity and magnetic anomalies.

Within the licence area there are multiple coincident gravity-magnetic and EM targets that are the focus for the first round of drilling that commenced on the 12th of May 2017. Importantly the most intense gravity anomalies lie along the Neves Corvo structural trend Figure 2.

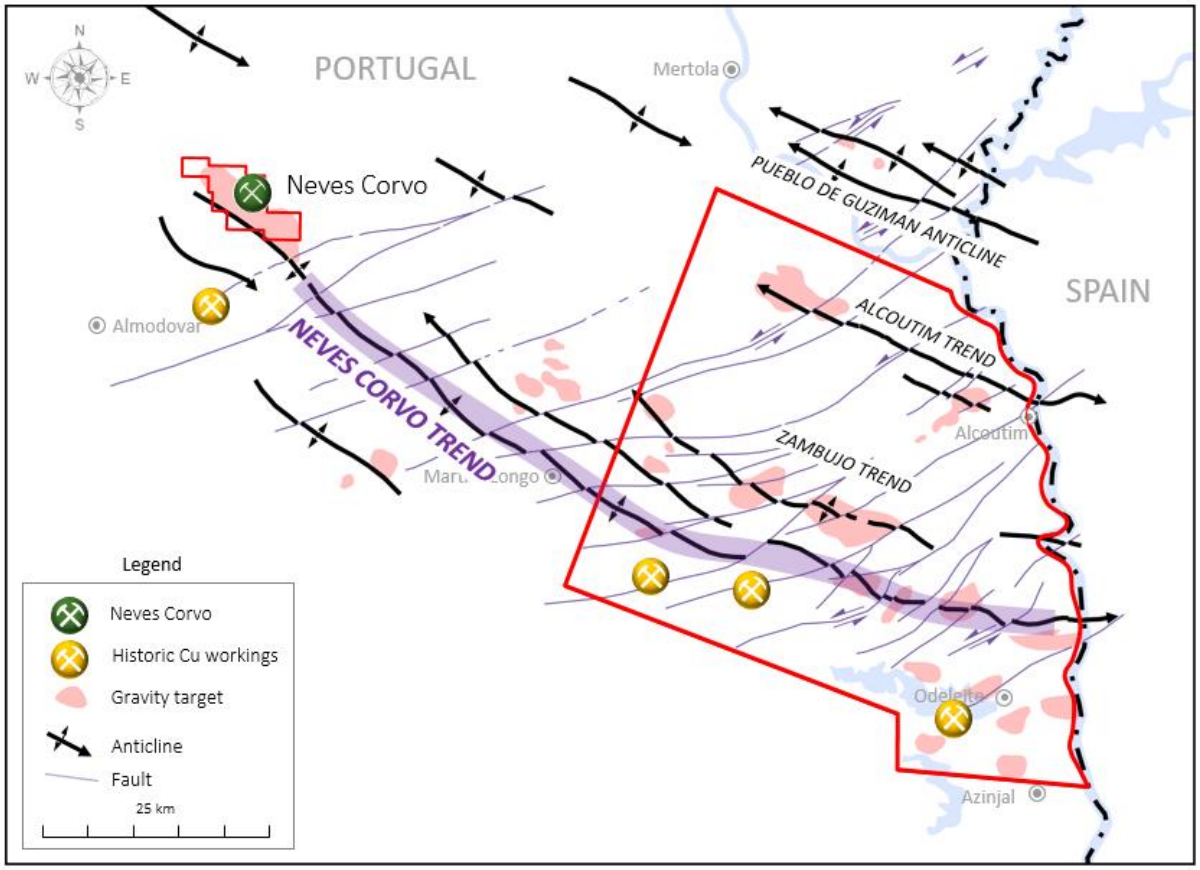

Figure 2. Location diagram for Land of Giants Project highlighting major magnetic anomalies and the vital Neves Corvo Trend – Also highlighted are the major gravity anomalies that will be the focus of the initial drill testing. Note the presence of several small oxide copper deposits to the south west of the main gravity targets and the similarity to the situation at Neves Corvo.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr. Andrew Tunks and represents an accurate representation of the available data. Dr. Tunks (Member Australian Institute Geoscientists) is the Company's Chief Executive 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'. Dr Tunks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.