

**SANDFIRE FARM-IN TO MORCK'S WELL EAST &  
DOOLGUNNA PROJECTS, BRYAH BASIN**

- Sandfire Resources NL (ASX:SFR) pays \$1.2 million to Auris for right to earn interest in Morck's Well East & Doolgunna Projects
- Sandfire to spend minimum of \$2 million in 2 years on exploration
- After minimum spend, Sandfire can continue to sole fund exploration to a "Discovery" - not less than 50,000 tonnes contained Cu (or metal equivalent)
- Sandfire to earn a 70% interest following the completion of a Feasibility Study on a Discovery
- Auris and Sandfire (and Fe Limited in the case of Morck's Well East) then form a joint venture and fund their respective interests or Auris can be loan carried to commercial production by granting Sandfire 5% additional interest in Doolgunna or 4% interest in Morck's Well East

**Auris Minerals Limited ("Auris" or "the Company", ASX:AUR)** is pleased to announce that it and Fe Limited ("**FEL**", ASX:FEL) have entered into an Agreement with Sandfire Resources NL (ASX:SFR "**Sandfire**") in relation to their Morck's Well East JV Project<sup>3</sup> (**AUR 80%:FEL 20%**) and AUR's 100% owned Doolgunna Project located in Western Australia's Bryah Basin (Figure 1).

**CEO Comment**

Auris CEO Wade Evans said: "Our Morck's Well East and Doolgunna Projects cover a portion of the Bryah Basin, that host both the DeGrussa and Monty high-grade copper deposits. Sandfire have proved themselves to be very successful explorers with both the DeGrussa and Monty discoveries and Auris is pleased to have the expertise of the Sandfire team explore this part of our ground whilst we continue to explore our substantive holdings in other parts of the basin. This transaction will also bolster our already significant cash resources enabling the Board to consider other opportunities for Auris."

**Summary of Agreement**

Sandfire has the right to farm into five of the Company's exploration tenements (Figure 1) located in the eastern portion of the Bryah Basin, Western Australia. The key commercial terms are set out below.

*Conditions Precedent*

- The Agreement is subject to any necessary consents under the Mining Act and deeds of assignment and assumption being entered into with certain royalty holders.

*Minimum Commitment*

- Sandfire will pay \$1.2m to Auris and \$0.3m to FEL (shares or cash at Sandfire's election).
- Sandfire must incur a minimum of \$2.0m in exploration expenditure within 2 years ("Minimum Spend").
- The tenements must be kept in good standing at all times.

### *Discovery & Feasibility Study*

- At the completion of the Minimum Spend, Sandfire may continue to sole fund exploration.
- If Sandfire defines a JORC 2012 compliant Mineral Resource of a minimum of 50,000t of contained copper (or metal equivalent), that has greater than 50% in the Indicated classification, ("Discovery") then Sandfire may thereafter complete a Feasibility Study on that Discovery.
- On completion of the Feasibility Study (i.e. the completion of a mine plan which is technically achievable and economically viable which would underpin progressing the Discovery to a decision to mine) Sandfire will have earned a 70% interest in the project upon which the Discovery has been made.
- If a Discovery is made on the Doolgunna Project and Feasibility Study completed then the interests will be Sandfire 70% and Auris 30%.
- If a Discovery is made on Morck's Well East JV Project and a Feasibility Study completed then the interests will be Sandfire 70%, Auris 24% and FEL 6%. In this situation Sandfire will also earn 70% in the Doolgunna Project.

### *Joint Venture*

- Once a Joint Venture is formed in relation to a project the Company has the following options:
  - contribute to Joint Venture expenditure (with standard dilution provisions, including if its interest dilutes to below 5% it converts to a 2% royalty),
  - elect for Sandfire to fund the Company to commercial production where SFR then moves to 75% interest and the Company has the following choices:
    - i. The cost of carrying to commercial production will be treated as a loan, repaid out of 80% of Auris' operational cashflow and subject to an interest rate of Libor +2%;  
*or*
    - ii. The cost of carrying Auris to commercial production will be treated as a loan, repaid out of 100% of Auris's operational cashflow and is interest free.
  - sell its interest to Sandfire based on an independent fair market valuation.

### *Term of Agreement*

- If Sandfire has not made a Discovery on a project within three years of its DeGrussa Operations going onto care and maintenance, then the Agreement lapses.
- If Sandfire has provided notification that Resource drilling on a deposit is underway at this time then the interests and commitments stated above will endure for an additional two years or until the Resource drilling is completed whichever is earlier. If such Resource drilling results in a Discovery, then Sandfire will thereafter complete a Feasibility Study within one year failing which it will be deemed to have withdrawn from the project.
- If such Resource drilling does not result in a Discovery or the two-year period expires then Sandfire will be deemed to have withdrawn from the project.
- Notwithstanding the above if Sandfire has not earned a 70% interest in a project within 10 years of the date of the Agreement then its rights under the Agreement will lapse.

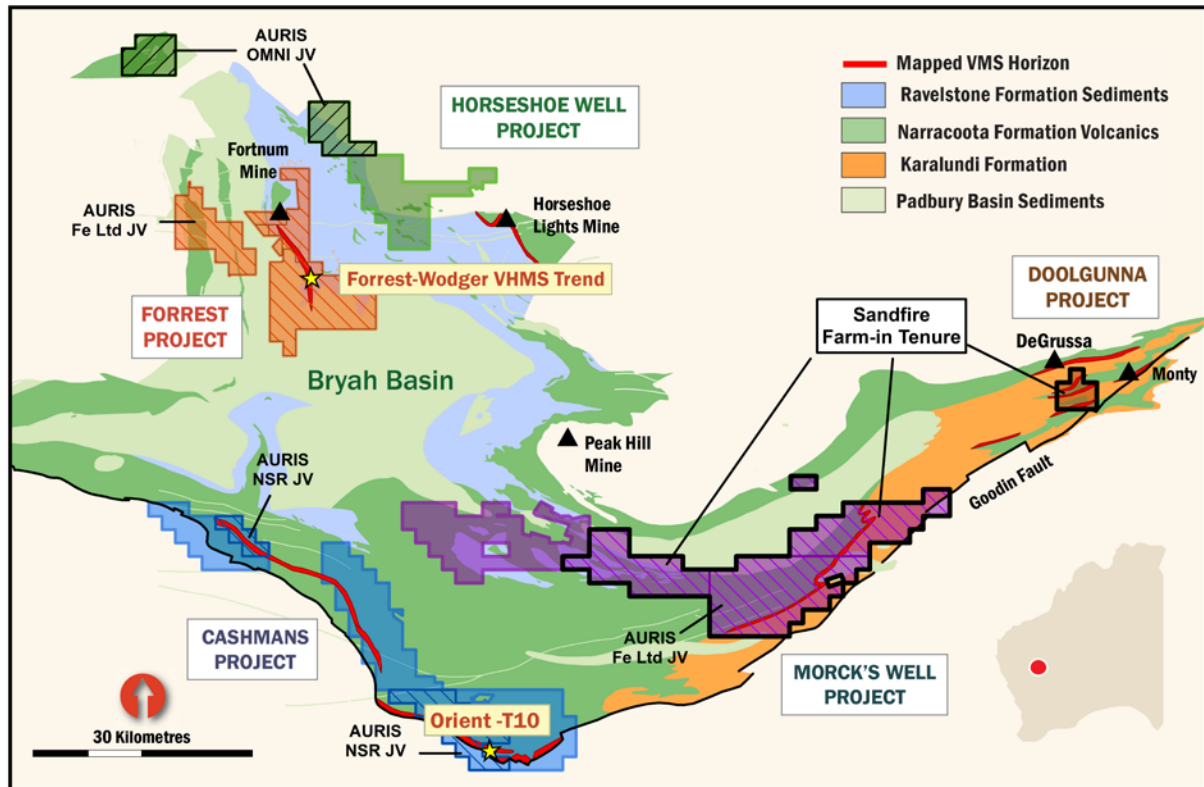
### *FEL Relinquishes Free-carry*

In relation to the Morck's Well East JV tenements that are subject to the Agreement, FEL relinquishes its right to be free carried on these tenements in respect of its present 20% interest.

### *Other Terms*

The Agreement contains other provisions which are reasonably standard in farm-in agreements including:

- Sole risk provisions which in summary provide an option for the Company to endeavour to progress a project in circumstances where Sandfire has earned a 70% or 75% interest in a project but has not made a decision to mine within one year after completing the Feasibility Study.
- Standard pre-emptive rights for each party in respect of a project in which it has an interest.



**Figure 1:** Auris' copper-gold exploration and mining projects with the Sandfire Farm-in Agreement tenements highlighted (thick black outline).

#### Notes

1. The Forrest Project tenements (Figure 1) have the following outside interests:
  - i. Auris 80%; Fe Ltd 20% ((Fe Ltd (ASX:FEL) interest is free carried until a Decision to Mine)
  - ii. Westgold Resources Ltd (ASX:WGX) own the gold rights over the Auris interest.
2. Doolgunna Project tenement E52/2438 – Subject to Farm-in Agreement with Sandfire Resources NL (ASX:SFR)
3. The Morck's Well East JV Project tenements E52/1613, E51/1033, E52/1672 (Figure 1) (Auris 80%; Fe Ltd 20%)
  - i. Subject to Farm-in Agreement with Sandfire Resources NL (ASX:SFR)
4. The Cashmans Project tenements E51/1391, E51/1837-38, E52/2509 (Figure 1) have the following outside interests:
  - i. Auris 51%; Northern Star 49% (ASX:NST) with Auris earning 70%
5. The Horseshoe Well Project tenements E52/3248, E52/3291, E52/2509 (Figure 1) have the following outside interests:
  - i. Auris 85%; OMNI Projects Pty Ltd 15% (OMNI interest is free carried until a Decision to Mine)

For and on behalf of the Board.

**WADE EVANS**  
Chief Executive Officer

#### ABOUT AURIS MINERALS LIMITED

Auris is exploring for a gold and base metal discovery in Western Australia's highly-prospective Bryah Basin region and the Chunderloo area.

Auris has consolidated a ~1,350km<sup>2</sup> copper-gold exploration portfolio in the Bryah Basin divided into five well-defined project areas – Forrest, Doolgunna, Morck's Well, Cashmans and Horseshoe Well.