



ASX Announcement

5 March 2018

Letter to Shareholders

Dear Shareholder,

Following recent announcements, you would be aware of proposed resolutions to be put to a general meeting of the Company to reconstitute the Board of Directors. This process will run its course and board will keep you updated.

At the same time, I continue to manage the Company as your Chief Executive Officer. In that context, I thought it would be worthwhile to bring you up to date with current operational activity and to reflect on what your Company has achieved in the past 12-plus months and near term objectives.

During 2017, the Company embarked on a corporate overhaul, including progressive board and management changes, the injection of fresh capital, a share consolidation and the Company changing its name to Auris Minerals. Corporate overheads were cut by more than 40% and a sale of unmarketable parcels was implemented to further reduce administration costs.

When I was appointed CEO in July 2017 Auris was poised for its renewed focus on exploration activities and I was enthused by the Company's solid foundation, and I retain that sense of enthusiasm. The subsequent period of corporate focus together with a supportive and engaged Board, has provided the opportunity for the Company to develop and start to implement the corporate strategy that I am confident will deliver value to all shareholders.

Auris has a highly-prospective and sought-after exploration portfolio in WA's Bryah Basin. In real estate terms this is a prime address. Our neighbours include a host of gold and base metals discoveries and mining operations such as the world class DeGrussa operation and the Fortnum, Horseshoe Lights and Peak Hill Projects. The number of approaches I receive from corporates is testament to the quality of the land holding Auris has accumulated.

The Company has four key project areas in the Bryah Basin – Forrest, Cashmans, Doolgunna and Morck's Well.

Exploration on Doolgunna and Morck's Well East is poised to accelerate following a significant joint venture that we signed recently with Sandfire Resources. Sandfire has paid \$1.2 million for the right to earn an interest in the two projects and will spend a minimum of \$2 million on exploration within the next two years. At the completion of spending the \$2 million minimum, Sandfire can continue to sole fund exploration until they have completed a feasibility study on a significant discovery (>50kt contained copper) which is the hurdle for them to earn 70% in a project.

Morck's Well East and Doolgunna are in close proximity to Sandfire's DeGrussa and Monty copper deposits and it makes sense to have their expert teams explore this ground and allow us to focus on our other Bryah Basin holdings.

The priority for the Auris exploration team is the Forrest and Cashmans Projects. Our comprehensive review of the project portfolio completed earlier this year identified these two projects as the highest priority with both having significant potential for both copper and gold mineralisation.

At Forrest we have already made the Wodger discovery which has returned drill intersections including 31m at 2.39% Cu from 175m (refer ASX announcement 31 July 2017) and requires further exploration. At Cashmans, significant elevated surface copper mineralisation has been identified which requires continued exploration focus.

The Company recently started a major geophysical survey across the two projects with the aim of supporting our regional interpretation and targeting work and identifying key drill targets.

The technology involved (helicopter-borne Versatile Time-Domain Electromagnetic, or VTEM™ Max) is excellent for locating discrete conductive anomalies like those that host the nearby DeGrussa, Monty and Horseshoe Lights base metals deposits.

In summary I am delighted with the operational progress that has been made and excited by the year ahead. I expect significant news flow from all our projects to keep shareholders updated.

The Company has cash reserves exceeding \$5 million which puts us in an enviable position to pursue the exploration portfolio and other project opportunities. The Company has some of the most exciting copper exploration ground in WA and the challenge for us is to work diligently and systematically to ensure we unlock as much of that value as possible for all shareholders.

I thank you for your ongoing support.

Yours sincerely,

WADE EVANS
Chief Executive Officer