



Aurasian takes over the Chadine polymetallic project, company believes that additional potential exists to discover a whole new district of mineralisation. Aurasian Minerals has signed a heads of agreement with a Jersey-based private exploration company Moroccan Minerals Ltd (MML) to acquire all of that company's outstanding shares.

At the start of December Aurasian signed a heads of terms agreement to fully-acquire Moroccan Minerals Ltd, giving it access to an earn-in agreement signed by Moroccan Minerals to earn up to an 80% stake in the Chadine polymetallic project in Serbia.

Aurasian Minerals has signed a heads of agreement with a Jersey-based private exploration company Moroccan Minerals Ltd (MML) to acquire all of that company's outstanding shares.

MML was set up in 2013 to explore for gold and base metals throughout Northern Africa and Eurasia.

After an extensive search of projects, MML has signed an earn-in deal with a local partner, Balkan Mineral Corporate d.o.o., to earn up to an 80% interest in a polymetallic project known as Chadine, located in South-west Serbia near the border with Montenegro.

Chadine is contained within a 25 kilometre long exploration permit, measuring 100km<sup>2</sup>, centred on an historic former Yugoslav polymetallic deposit explored in the 1980s.

Pursuant to the HoA, Aurasian has proposed to acquire all of the outstanding shares in Moroccan (the "MML Shares") and issue to holders of MML Shares ("MML Shareholders") 4.22 ordinary shares in the capital of Aurasian ("Aurasian Shares") for every 1 MML Share held.

MML currently has 19,200,647 MML Shares outstanding and accordingly Aurasian would issue a maximum of 81,026,730 Aurasian Shares (equating to 19.4% of the current number of Aurasian Shares in issue) pursuant to the Proposed Acquisition. If the Proposed Acquisition completes on the terms envisaged under the HoA MML Shareholders would, on completion, hold 16.3% of the Aurasian Shares then in issue.

Moroccan was set up in 2013 to explore for gold and base metals throughout Northern Africa and Eurasia. After an extensive search of projects Moroccan has signed an earn in agreement with a local partner, Balkan Mineral Corporate d.o.o., to earn up to an 80% interest in a polymetallic project ("Chadine") located in South-west Serbia near the border with Montenegro.

Chadine is contained within a 25 kilometre long exploration permit, measuring 100km<sup>2</sup>, centred on an historic former Yugoslav polymetallic deposit explored in the 1980s. Chadine is a carbonate hosted replacement style deposit with a non-compliant resource, calculated by the Yugoslav Geological Survey of 7.7 million tons of 1.1% Cu, 2.6% Zn, 1.0% Pb plus Au

and Ag credits. Of greater interest to the Board of Aurasian is that little regional exploration work has been carried out on the area's potential. There was minimal earlier work carried out by the then Yugoslav Geologic Survey and the main zone of mineralisation is open down dip. Aurasian's geologists believe there is strong potential to increase both the grade and the size of the deposit and, in particular, the board of Aurasian believes that additional potential exists to discover a whole new district of mineralisation.

A number of zones of outcropping gossan have never been drill tested and the project has not been subject to modern geophysical techniques to explore for buried or covered mineralisation. In addition, assaying for gold and silver was not routinely undertaken during Yugoslav times and potential exists to add significant value through identifying higher grade precious metal zones or standalone gold and silver deposits.

Chadine occurs within a much larger Tethyan Volcanic belt which dates from the late Cretaceous to the Middle Miocene and contains a number of viable mineral deposits including Reservoir Minerals' recent discovery, Timok, which is a Porphyry Copper project located in Serbia (291 million tons @ 7.2% Cu), and Eldorado Gold's Olympias polymetallic deposit located in Greece (4.2 million Oz of Au @ 7.6 g/t Au, plus Ag, Pb and Zn). Of particular interest is that Olympias is of a similar style of mineral deposit to Chadine. The Board of Aurasian believes that Serbia offers a combination of a stable government which is pro-mining, a competitive fiscal regime, government incentives for mining, strong prospectivity and being very under explored. Corporate tax rates in Serbia are low at 15% and royalties competitive at 5%. This compares favourably with other jurisdictions in which Aurasian has been reviewing projects.