



AURIGIN RESOURCES INC. TO BUY GOLD FIELD'S OUT OF THE WESTERN ETHIOPIA PROJECT

Toronto, July 15, 2014 – Aurigin Resources Inc. (“Aurigin” or the “Company”) is pleased to announce that it has entered into an agreement (“Agreement”) with a subsidiary of Gold Fields Ltd. (“Gold Fields”) to terminate the Option and Shareholders Agreement dated 6 December 2012. In addition to this the parties have amended the Loan and Participation Agreement entered into on 6 June 2013 to accommodate the termination of the Option and Shareholders Agreement.

Pursuant to the original Joint Venture Agreement, Gold Fields had the option to earn up to a 75% equity interest in Ethiopian Gold Exploration Limited (“EGEL”), Aurigin’s wholly-owned subsidiary through which it indirectly holds its interest in the Western Ethiopia Project, by incurring an aggregate of US\$17 million of work expenditures over a 5 year period. Gold Fields to date has spent approx. US\$4.6 million.

Aurigin has agreed to purchase Gold Fields interest for the nominal amount spent by Gold Fields – US\$4,645,195 with the following payment terms;

- US\$200,000 by 31 December 2014;
- The outstanding balance by 30 June 2015; and
- Until final payment is made Gold Fields will have security over 60% of the project

The US\$1.8million Loan will be paid by 31 December 2014 as per the initial agreement resulting in an aggregate payment by Aurigin by end December 2014 of US\$2million.

The Aurigin Executive Team decided this was in the Company’s and our shareholders’ best interests to terminate this agreement. Although Gold Fields had spent in excess of the \$4m required to exercise 51% in the first option period, they had ceased work on the project, due to their cutbacks on exploration funding. It is within Aurigin’s interest to continue the work program so as to further develop the project and to retain the licenses in good standing. Had Gold Fields exercised their option, given the spend to date they would have owned 56% of the project and Aurigin would have had to spend in excess of US\$8million to dilute Gold Fields interest to 10%, whereafter Gold Fields would still have retained a royalty in the Western Ethiopia Project.

“The \$1,8m loan to Aurigin and the Option and Shareholders agreement with Gold Fields have allowed Aurigin the opportunity to continue to move forward during very difficult times and to significantly advance the exciting Western Ethiopian projects during a time when it was impossible to raise capital for gold explorers without significant dilution to our shareholders, if at all. In addition, Gold Fields have contributed valuable technical expertise to the project over the past year”, commented Gerard Kisbey-Green, Aurigin’s President & CEO. “As a result of Gold Fields refocusing their attention to production and their nearer term assets, we have agreed to jointly terminate this agreement. This is a positive outcome for Aurigin however as we will have the opportunity to move forward with complete control over 100% of the assets and we continue to look to develop and consolidate our position in country. We are currently considering a number of very interesting options to finance both this transaction as well as the work programmes going forward. If we are to successfully conclude such transactions Aurigin will be very well positioned to enhance shareholder value through development and growth of the Western Ethiopian and other projects”.

About Aurigin Resources

Aurigin Resources is a mineral exploration company focused on the exploration and development of gold mineral resource properties in Ethiopia and the Handeni district of Tanzania. Aurigin holds the Menghe-Dul licenses, consisting of four blocks totaling 536 km² located within the Benishangul Gumuz National Regional State region of Western Ethiopia near the border of Sudan. Aurigin also holds the Kibremengist license, consisting of two blocks totaling 447 km² in Southern Ethiopia, straddling the SNNPR and Oromiya National Regional States regions. In addition, Aurigin also holds 2 contiguous licenses (Negero and Kwadijava), totaling approximately 194.92 km² in the newly discovered Handeni gold region in North East Tanzania.

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Forward-looking and cautionary statement

Certain statements contained in this news release constitute forward looking information, future oriented financial information or financial outlooks (collectively "forward-looking information,") within the meaning of Canadian securities laws. Forward-looking information may relate to this news release and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to investments in our projects, joint-venture relationships, expenditures and potential investments, proposed exploration, existence or realization of mineral resource estimates, capital and operating expenditures, economic conditions, availability of sufficient financing, exploration plans and any and all other timing, exploration, development, operational, financial, economic, legal, social, regulatory, political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions and include exploration results and the ability to explore, the ultimate determination of mineral resources, availability and final receipt of required approvals, titles, licenses and permits, sufficient working capital to explore and develop, access to adequate services and supplies, commodity prices, foreign currency exchange rates, interest rates, access to capital markets and associated cost of funds, availability of a qualified work force, ability to negotiate, finalize and execute relevant agreements, lack of social opposition to the mine, lack of legal challenges with respect to the property or the Company and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties set out above and other unforeseen events or circumstances. Other than as required by law, Aurigin does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.