

16 May 2016

NZX Market Announcement

Acquisition of Gold Prospect in Nevada

Aorere Resources Limited (NZX: **AOR**) is pleased to announce that its wholly owned subsidiary Nevada Gold Limited (**NGL**) has today signed a conditional term sheet to acquire a Nevada company, American Innovative Minerals, LLC (**AIM**).

AIM is a privately held exploration company focused on precious metals discovery and development. AIM's assets include 100% ownership or control of a gold exploration project in Nevada, USA, Fondaway Canyon (**Project**). Due to unforeseen events with the founders of AIM, AIM has come on the market to be purchased.

About the Project

AOR has been undertaking due diligence on the Project and, as part of this, commissioned a scoping report on the Project from Techbase International Limited (**Scoping Report**). In preparing this report the various data obtained and previous reports compiled on the Project were reviewed and evaluated. Considerable investigations on the Project have previously been undertaken, including the commissioning of five technical reports between 1990 and 2013 to refine mineralisation estimates for the Project. These are all considered to be "historic resource estimates" under current reporting standards.

It is important to note that proven or probable gold reserves for the Project cannot be stated under NI 43-101 technical report requirements (or under equivalents in the JORC code) at this time. Necessary mine design work, metallurgical testing, detailed cost estimation, and permitting will be required to state a "Mineral Reserve" in accordance with these reporting requirements. Applicable reporting guidelines provide that mineral resources that are not "Mineral Reserves" do not have demonstrated economic viability.

Within this context the Scoping Report uses a mineralisation estimate of 620,057 indicated tons averaging 0.269 gold ounces per tonne for contained mineralisation of 166,726 ounces of gold.

Using this estimate as a starting point and then applying the following key assumptions:

- A gold price of US\$1,200 per ounce;
- Total gold recovered of 142,862 ounces;
- Operating costs of US\$130 per mined tonne;
- Estimated exploration, planning, permitting and capital costs of US\$39.2 million; and
- The payment of transport costs, royalties, taxes and holding fees at prevailing rates,

the Scoping Report suggests a net value of the Project to be US\$37.2 million.

AIM also owns or controls additional gold and silver projects, wholly owned fee land and 98 additional patented claims.

Terms of Acquisition

The agreed purchase price for AIM is US\$2 million.

NGL will undertake a period of further due diligence over the next three months and negotiate and enter a definitive purchase agreement with the owners of AIM. It has also been agreed that the transaction is conditional on NGL raising up to US\$3 million within the next 8 weeks to fund the purchase price and fund NGL with its initial working capital requirements. It is proposed that NGL will raise this funding directly and, on US\$3 million being raised, Aorere's shareholding in NGL will be diluted to 40%.

NGL is currently working on an investor presentation to support this capital raising strategy and intends to start investor meetings shortly. The capital raising offer is intended for wholesale investors only.

Through the term sheet entered today, NGL has secured exclusivity for 90 days for acquiring AIM (subject to the conditions noted above).

Outlook

Aorere's focus has previously been on investing in early stage oil, gas and mineral projects in New Zealand. A considerable number of projects have been investigated in the last two years. However, those opportunities have not measured up, especially against this opportunity in Nevada. Aorere has found that Nevada has a particularly attractive mining and regulatory environment which is attracting significant investment from other key players in the mining sector.

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Warning - Forward Looking Statements

This release contains forward looking statements. Forward-looking statements and information are not historical facts, are made as of the date of this release, and include, but are not limited to, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to AOR's expectations with respect to, among other things, mineral properties and the matters described in this release.

These forward looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, the timing and receipt of certain approvals, changes in commodity prices, changes in interest and currency exchange rates, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in development or mining plans due to changes in logistical, technical or other factors, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets.