AORERE RESOURCES LIMITED

Financial Statements

For the year ended 31 March 2017

AORERE RESOURCES LIMITED
Directory

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Share registry:	Link Market Services, 80 Queen Street, Auckland
Auditors:	BDO, Chartered Accountants House, 50 Customhouse Quay, Wellington
Legal Advisers:	Duncan Cotterill, Chartered Accountants House, 50 Customhouse Quay, Wellington
Bankers:	ANZ Banking Group (New Zealand) Ltd, 215-229 Lambton Quay, Wellington

(1) Member of Audit Committee
(2) Member of Remuneration Committee

AORERE RESOURCES LIMITED
Directors' Report

In the opinion of the directors of Aorere Resources Limited, the financial statements and notes, on pages 5 to 30:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company and Group as at 31 March 2017 and the results of their operations and cash flows for the year ended on that date.
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company and Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of Aorere Resources Limited for the year ended 31 March 2017.

For and on behalf of the Board of Directors:

Peter Liddle
Director
30 May 2017

Chris D Castle
Director
30 May 2017

AORERE RESOURCES LIMITED

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AORERE RESOURCES LIMITED
Statement of Financial Position
As at 31 March 2017

In thousands of dollars	Note	Group 2017	Group 2016
Assets			
Other investments	11	272	309
Investment in Chatham Rock Phosphate Ltd	10	357	412
Total non-current assets		629	721
Cash and cash equivalents	13	56	167
Trade and other receivables	14	115	14
Other investments	11	2	37
Prepayments		12	12
Current tax assets	9	-	1
Total current assets		185	231
Total assets		**814**	**952**
Equity			
Share capital	17	14,081	13,559
Reserves		21	5
Accumulated losses	17	(13,661)	(12,743)
Total equity attributable to equity holders of the Company		441	821
Total equity		441	821
Liabilities			
Trade and other payables	15	338	131
Total current liabilities		338	131
Other financial liabilities	16	35	-
Total non-current liabilities		35	-
Total equity and liabilities		**814**	**952**

The financial statements have been approved by the Board of Directors on 30 May 2017.

The notes on pages 9 to 30 are an integral part of these financial statements.

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AORERE RESOURCES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2017

		Group	
In thousands of dollars	**Note**	**2017**	**2016**
Revenue	6	130	12
Interest income on bank deposits		3	3
Foreign exchange losses		(7)	(6)
Change in fair value of financial assets designated at fair value through profit or loss		-	(20)
Finance income/(expenses)		126	(23)
Administration expenses	7	(514)	(382)
Exploration expenses	8	(492)	(37)
Gain on disposal available-for-sale investments		17	87
Loss in fair value of available-for-sale financial assets		-	(507)
Impairment of investments		-	(49)
Reversal of impairment	10	-	55
Share of loss of equity accounted investees	10	(55)	(67)
Profit/(loss) before income tax		(918)	(911)
Income tax credit/(expense)	9	-	-
Profit/(loss) for the year attributable to shareholders		**(918)**	**(911)**
Other Comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of available-for-sale financial assets		16	-
Other comprehensive income for the year, net of tax		16	-
Total comprehensive income attributable to shareholders		**(902)**	**(911)**
Basic (loss)/earnings per share	18	(0.097)	(0.139)
Diluted (loss)/earnings per share		(0.097)	(0.139)

The notes on pages 9 to 30 are an integral part of these financial statements.

AORERE RESOURCES LIMITED
Statement of Changes in Equity
For the year ended 31 March 2017

In thousands of dollars	Note	Group 2017	Group 2016
Opening equity as at 1 April		821	1,712
Profit/(loss) for the year		(918)	(911)
Other comprehensive income		16	-
Total comprehensive income for the year		(902)	(911)
Contributions from owners			
Issue of shares	17	536	20
Share issue costs		(14)	-
Closing equity as at 31 March	17	**441**	**821**

The notes on pages 9 to 30 are an integral part of these financial statements.

AORERE RESOURCES LIMITED
Statement of Cash Flows
For the year ended 31 March 2017

In thousands of dollars	**Note**	**Group 2017**	**Group 2016**
Cash flows from operating activities			
Cash received from customers		160	23
Interest received		3	3
Cash paid to suppliers		(824)	(623)
Tax refund received		1	-
Purchase of other investments current		-	(55)
Net cash (used in) operating activities	20	(660)	(652)
Cash flows from investing activities			
Proceeds from sale of other investments non-current		72	895
Proceeds from related parties		13	-
Proceeds from NZX Bond		-	11
Loan repaid from Antipodes Gold Ltd		-	55
Purchase of other investments non-current		-	(158)
Loan (advanced) to Antipodes Gold Ltd		-	(9)
Reinvested NZX Bond interest		(3)	(3)
Net cash generated from investing activities		82	791
Cash flows from financing activities			
Proceeds from issue of share capital		432	-
Deposit from convertible debenture		35	-
Net cash from financing activities		467	-
Net increase/(decrease) in cash and cash equivalents		(111)	139
Cash and cash equivalents at 1 April		167	28
Cash and cash equivalents at 31 March	13	**56**	**167**

The notes on pages 9 to 30 are an integral part of these financial statements.

AORERE RESOURCES LIMITED
Notes to Financial Statements
For the year ended 31 March 2017

1. Reporting entity

Aorere Resources Limited (the "Company"), is a company domiciled and incorporated in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). The Company is a FMC Reporting entity in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The consolidated financial statements of Aorere Resources Limited as at and for the year ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees.

Aorere Resources Limited invests and trades in a range of locally and overseas listed equities and derives income from interest, dividends and management fees.

2. Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). For the purposes of complying with NZ GAAP, Aorere Resources Limited is a Tier 1 entity. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

These financial statements are prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 2013.

The financial statements were approved by the Board of Directors on – 30 May 2017.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in Note 4.

(c) *Going concern*

The Group incurred a net loss of $918,000 (2016: $911,000) and generated negative operating cash flows of $660,000 (2016: $652,000) during the year ended 31 March 2017. In addition, at 31 March 2017 the Group's current liabilities exceeded its current assets by $153,000 (2016: current assets exceeded current liabilities by $100,000).

After considering the Group's cash position, including forecasted revenues and cash flows through until 30 June 2018, the Directors believe there will be sufficient funds to meet the Group's ongoing working capital obligations as they fall due. This will only be possible if the Group is able to raise further capital by one or a combination of placement of shares, pro-rata issue to shareholders, or further issue of shares to the public. On 17 May 2017 the Group issued 94,893,000 fully paid ordinary shares to contractors in lieu of payment for services ($115,000).

Based on these factors, the Directors have concluded that it is appropriate to prepare the financial statements on the basis that the Group is a going concern basis.

A material uncertainty exists surrounding the Group's ability to raise additional capital. If the Group is unable to raise additional capital, significant doubt would be cast on the validity of the going concern assumption. If the going concern assumption is not valid, the Group may be unable to realise the value in its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may need to be made should the Group no longer continue to be a going concern.

(d) *Functional and presentation currency*

These financial statements are presented in New Zealand dollars, which is the Group's functional currency.

2. Basis of preparation (continued)

(e) *Use of estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4(a) – valuation of unlisted investments
- Note 10 – Investment in Chatham Rock Phosphate

Equity settled transactions

For equity-settled share-based payment transactions, the Group measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If fair value cannot be estimated reliably, the goods or services are measure by reference to the fair value of the equity instruments granted.

(f) *New NZ IFRS standards and interpretations issued but not yet adopted*

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but not yet effective, and have not been adopted early by the Group.

Management anticipates that all pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations issued but not yet effective, that are not expected to have a material impact on the Group's financial statements, have not been disclosed.

NZ IFRS 9 – Financial Instruments (effective from 1 January 2018)

The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. AOR intends to adopt NZ IFRS 9 on its effective date and does not expect it to have a material effect on the financial statements.

NZ IFRS 15 Revenue from contracts with customers

Revenue is recognised when a customer obtains control of a goods or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group intends to adopt NZ IFRS 15 on its effective date and does not expect it to have a material effect on the financial statements.

There are no other NZ IFRSs or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. Significant accounting policies

For the purposes of these financial statements the accounting policies set out below have been applied consistently to all periods presented.

(a) *Basis of consolidation*

(i) *Subsidiaries*

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3. Significant accounting policies (continued)

(a) *Basis of consolidation (continued)*

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(ii) *Associates (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Foreign currency*

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the individual group entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) *Financial instruments*

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are measured initially at fair value plus directly attributable transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.
Accounting for finance income and expense is discussed in Note 3(g).

3. Significant accounting policies (continued)

(c) *Financial instruments (continued)*

Available-for-sale financial assets

The Group's long term investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to the profit or loss.

Instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for short term trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in equity securities

Investments in equity securities held by the group with a long term objective are classified as available-for-sale. The fair value of equity investments classified as available-for-sale is their quoted bid price at the reporting date. If fair value cannot be reliably measured, then unlisted investments are valued at cost.

Investments in equity securities held by the group with a short term objective are classified as fair value through profit or loss. The fair value of equity investments classified as fair value through profit or loss is their quoted bid price at the reporting date. If fair value cannot be reliably measured, then unlisted investments are valued at cost.

Receivables

Receivables are stated at amortised cost less impairment losses. Receivables of a short term nature are not discounted.

Trade and other payables

Trade and other payables are stated at amortised cost.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

(d) *Impairment*

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

3. Significant accounting policies (continued)

(d) *Impairment (continued)*

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities.

Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available for sale financial assets

Impairment for an available-for-sale instrument occurs when there is a significant or prolonged decrease in value. Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses are recognised to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

(e) *Director benefits*

Equity settled transactions

The grant date fair value of shares granted to directors is recognised as a directors' expense, with a corresponding increase in equity, over the period in which the directors become unconditionally entitled to the shares. The amount recognised as an expense is adjusted to reflect the actual number of shares issued.

(f) *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

Revenue comprises consultancy fee revenue and directors fees which are recognised on a monthly and/or quarterly basis when the labour expense have been incurred and are eligible to be recovered.

3. Significant accounting policies (continued)

(g) *Finance income and expenses*

Finance income comprises interest income on funds invested, dividend income, and gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), and losses on the disposal of available-for-sale financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

(h) *Income tax expense*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases of those items. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and differences relating to investments in equity accounted investees. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) *Investments in equity and debt securities*

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. Where an active market does not exist around reporting date, a proxy for the quoted bid price is determined using active market prices for a period closest to the reporting date. For equity investments which are unlisted, the fair value is based on appropriate valuation methodology. If fair value cannot be reliably measured, then unlisted investments are valued at cost less impairment.

(b) *Receivables*

The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

5. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. For management purposes there is only one operating segment which is investment.

Geographical segments
The investment segment operates in three principal geographical areas, New Zealand, Canada and other.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of investments. Segment assets are based on the geographical location of the assets.

Group
Business segments

In thousands of dollars	**Investment**	**Total**
2017		
Total segment revenue	133	133
Segment result	(918)	(918)
Segment assets	814	814
Other segment information		
Share of losses in equity accounted investees	(55)	(55)
2016		
Total segment revenue	15	15
Segment result	(911)	(911)
Segment assets	952	952
Other segment information		
Share of losses in equity accounted investees	(67)	(67)

Group
Geographical segments

In thousands of dollars	**New Zealand**	**Canada**	**Australia**	**Other**	**Total**
2017					
Interest revenue	3	-	-	-	3
Other revenue	60	70	-	-	130
Total revenue	63	70	-	-	133
Segment assets	630	174	-	10	814
Other segment information					
Investment in Chatham Rock Phosphate	357	-	-	-	357

5. Segment reporting (continued)

Group
Geographical segments

In thousands of dollars	New Zealand	Canada	Australia	Other	Total
2016					
Interest revenue	3	-	-	-	3
Other revenue	-	12	-	-	12
Total revenue	3	12	-	-	15
Segment assets	708	144	69	31	952
Other segment information					
Investment in equity accounted investees	412	-	-	-	412

6. Revenue

In thousands of dollars	Note	Group 2017	Group 2016
Consultancy fees	21	60	-
Directors fees	21	70	12
Total revenue		**130**	**12**

7. Administrative expenses

The following items of expenditure are included in administrative expenses:

In thousands of dollars	Note	Group 2017	Group 2016
Auditor's remuneration to BDO comprises:			
Audit of financial statements		20	20
Tax return preparation		2	5
Total auditor's remuneration		22	25
Accountancy		15	15
Consultancy fees		45	9
Directors fees	21	84	84
General expenses		13	11
Insurance		26	41
Legal fees		58	17
Listing fees		36	27
Management fees	21	180	126
Registry fees		19	10
Travel expenses		16	17
Total administration expenses		**514**	**382**

8. Exploration expenses

The increase in exploration costs relates largely to the costs incurred in relation to the Nevada Gold project.

The Group pursued a transaction to acquire a USA based company that held a number of gold and mineral projects in Nevada, USA (Nevada Project). The Group was successful late last year in conditionally securing a funding partner for the Nevada Project but the conditions were not satisfied and the Nevada Project was sold to a third party.

In order to acquire the Nevada Project, the Group needed to raise at least US$2 million and to support that level of capital raising, the Group needed to invest in data analysis of the Nevada Project including the preparation of technical reports.

9. Income tax expense in the income statement

Reconciliation of effective tax rate

	Group	
In thousands of dollars	**2017**	**2016**
Profit/(loss) for the year	(918)	(911)
Total income tax (credit)/expense	-	-
Profit/(loss) excluding income tax	(918)	(911)
Income tax using the Company's domestic tax rate (28%)	(257)	(255)
Tax effect of:		
Non-deductible expenses	179	181
Non-assessable income	(4)	(38)
Non-assessable equity accounted earnings	15	19
Current year losses for which no deferred tax asset is recognised	46	86
Change in unrecognised temporary differences	16	(15)
Investment income calculated under tax legislation	5	22
Income tax (credit)/expense	-	-
Comprising:		
Current tax expense	-	-
Deferred tax expense (Note 11)		
Origination and reversal of temporary differences	(16)	46
Change in unrecognised temporary differences	16	(46)
	-	-
Total income tax (credit)/ expense recognised directly in profit or loss	-	-
The current tax liability/(asset) consists of:		
Resident withholding tax paid	-	(1)
Current tax liability/(asset)	-	(1)

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9. Income tax expense in the income statement (continued)

	Group	
In thousands of dollars	**2017**	**2016**
Deferred tax expense recognised directly in other comprehensive income		
Deferred tax on revaluation of investments	-	376
Change in unrecognised temporary differences	-	(376)
	-	-
Imputation credit account		
Imputation credits at 1 April	198	198
Resident withholding tax deducted	1	1
New Zealand tax payments, net of refunds	(1)	(1)
Imputation credits at 31 March	198	198

The closing balance represents imputation credits available to be attached to any future distributions from the Company's reserves, subject to shareholder continuity provisions.

10. Investment in Chatham Rock Phosphate

At year end the Group has a 4.5% (2016: 8.3%) interest in Chatham Rock Phosphate Limited (Listed on the TSX). The Company aims to be the premier supplier of direct application phosphate to the New Zealand and global agricultural sector.

The Group's interest in Chatham Rock Phosphate Limited ("CRP") up until 24 February 2017 has been accounted for using the equity method of accounting. Subsequent to 24 February 2017 and as at year end, the Group's interest in CRP is accounted for as an available for sale financial asset.

The reason behind the change in accounting treatment is that the directors have concluded that as of 24 February the Group ceased to have significant influence, (as defined in NZ IAS 28 – Investments in Associates and Joint Ventures) over CRP.

This is a significant judgement and the reason for this change is that on 24 February 2017, Antipodes Gold Limited ("AXG") completed a reverse takeover of Chatham Rock Phosphate.

As a part of the reverse takeover Antipodes Gold changed its name to Chatham Rock Phosphate. The New Zealand based subsidiary acquired in the reverse takeover has been renamed Chatham Rock Phosphate (NZ) Limited.

The Directors came to the conclusion that they no longer have significant influence due to the continued dilution of the Group's interest in CRP and its common Board members being reduced from three common directors out of five, to three common directors out of six.

The reverse takeover offer was script based on the basis of one fully paid share in AXG for every 65.59 shares held in CRP. This resulted in the number of shares the Group owned in CRP at the year end reducing to 628,086 (2016: 41,196,198). The Directors have assessed the fair value of the Group's investment in CRP at year end to be $357,000 ($0.57 cent a share).

The Directors have considered a number of factors in determining this fair value but based on the 20 day listed price VWAP (volume weighted average price) of CAD $0.5288 cents converted to NZD at 31 March 2017 the value of the investment would be $357,000.

10. Investment in Chatham Rock Phosphate (continued)

The Group's calculated share of CRP's loss up until 24 February is $55,000 which applied against the opening carrying value of $412,000 brought the carrying value as at 24 February down to $357,000. As this is equivalent to its fair value as at year end there is no further fair value movement has been recognised in other comprehensive income.

Below is a summary of the audited financial information of the Group's investment in Chatham Rock Phosphate Limited for the prior year

In thousands of dollars	**Group 2016**
Ownership	8.3%
Current assets	544
Non-current assets	4,210
Total assets	4,754
Current liabilities	(991)
Total liabilities	(991)
Revenues	-
Expenses	(818)
Profit/(loss)	(818)

Movements in carrying value of equity accounted investees:

In thousands of dollars	**Group 2016**
Balance at 1 April	1,533
Investment during the year	134
Share of profit/(loss)	(67)
Carrying value before impairment	1,600
Opening balance of impairment	(1,243)
Movement during the year	55
Closing balance of impairment	(1,188)
Balance at 31 March	**412**

11. Investments

Other investments

In thousands of dollars	**Group 2017**	**2016**
Non-current investments		
Available-for-sale financial assets		
Quoted equity shares	174	199
Unquoted equity shares	16	30
Financial assets measured at amortised cost		
NZX Bond	82	80
	272	309
Current investments		
Financial assets designated at fair value through profit or loss	2	37

12. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars	Group **2017**	**2016**
Trade and other payables	(27)	(11)
Tax losses	27	11
Net tax (assets)/liabilities	-	-

Movement in temporary differences during the year:

In thousands of dollars	**Balance at 1/4/16**	**Recognised in income**	**Balance at 31/3/17**
Trade and other payables	(11)	(16)	(27)
Tax losses	11	16	27
	-	-	-

In thousands of dollars	**Balance at 1/4/15**	**Recognised in income**	**Balance at 31/3/16**
Trade and other payables	(32)	(21)	(11)
Tax losses	32	21	11
	-	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

In thousands of dollars	Group **2017**	**2016**
Tax losses	(158)	(86)
Non-current investments	-	-
Net tax (assets)/liabilities	(158)	(86)

The tax losses do not expire under current tax legislation, subject to shareholder continuity provisions. The temporary differences arising on non-current investments do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because the timing of future taxable profits against which the Group can utilise the benefits of these items is uncertain.

13. Cash and cash equivalents

In thousands of dollars	Group **2017**	**2016**
Bank balances	56	167
Cash and cash equivalents in the statement of cash flows	**56**	**167**

14. Trade and other receivables

In thousands of dollars	Group 2017	2016
Other receivables	30	14
Refunds due Nevada project	84	-
	115	**14**

The Group pursued a transaction to acquire a USA based company that held a number of gold and mineral projects in Nevada, USA (Nevada Project). The Group was successful late last year in conditionally securing a funding partner for the Nevada Project but the conditions were not satisfied and the Nevada Project was sold to a third party. The Group is due a refund $84,000 (2016: $nil) of annual permit fees and other costs incurred with the Nevada project. These have been refunded subsequent to balance date in accordance with the terms of the contract.

15. Trade and other payables

In thousands of dollars	Group 2017	2016
Trade creditors	194	5
Other payables	131	126
Advance from related parties	13	-
	338	**131**

Included in Trade creditors are service invoices for work performed by Wairaka Rock Services Ltd (Wairaka) and Techbase International Ltd (Techbase). In order to acquire the Nevada Project, the Group needed to raise at least US$2 million and to support that level of capital raising, the Group needed to invest in data analysis of the Nevada Project including the preparation of technical reports. The Group owes $112,000 in aggregate to Wairaka and Techbase. Wairaka and Techbase have agreed to this amount being settled by way of the issue of shares which were approved at a Special Meeting of Shareholders on 16 May 2017.

Chris Castle is owed $30,000 in remuneration for services he has provided to the Group from 1 October 2016 to 31 March 2017. Chris has agreed to the group satisfying this payment by way of an issue of ordinary shares in the Company at $0.001 (the volume weighted average market price of a share in the Company over the 12 month period to 31 March 2017). This amount remains owing by the Group and will be satisfied by the Group at a later time.

16. Other Financial Liabilities

In thousands of dollars	Group 2017	2016
Convertible Debenture	35	-
	35	**-**

Convertible Debenture

As part of pursuing the Nevada Project, Mr Gordon Fretwell advanced to the Group NZ$35,000 on 31 October 2016 (Debt) to help meet project related costs. The Group has entered into a convertible instrument with Mr Gordon Fretwell, under which Mr Gordon Fretwell may elect (in whole or in part) to convert the Debt to fully paid shares in the Company at an issue price of $0.0009 per share. If the Debt has not been converted on or before 31 March 2020, the Company must repay the Debt. The Debt is interest free. The volume weighted average market price of a share in the Company over the 12 month period to 31 March 2017 was $0.001. The issue of shares on conversion at $0.0009 reflects a 10% discount to this price. The entire balance has been classified as debt as, in the director’s opinion, the value of the conversion features are not material.

17. Capital and reserves

Reconciliation of movement in capital and reserves
Group

In thousands of dollars	Share capital	Available for sale fair value reserve	Share warrant reserve	Accumulated losses	Total
Balance at 1 April 2016	13,559	-	5	(12,743)	821
Total comprehensive income for the year	-	16	-	(918)	(902)
Issue of shares	536	-	-	-	536
Share issue costs	(14)	-	-	-	(14)
Balance at 31 March 2017	**14,081**	**16**	**5**	**(13,661)**	**441**
Balance at 1 April 2015	13,539	-	5	(11,832)	1,712
Total comprehensive income for the year	-	-	-	(911)	(911)
Issue of shares	20	-	-	-	20
Balance at 31 March 2016	**13,559**	**-**	**5**	**(12,743)**	**821**

Share capital

	Ordinary shares	
In thousands of shares	**2017**	**2016**
On issue at 1 April	654,746	651,646
Issued for cash	482,833	-
Issued in lieu of payment	72,948	3,100
On issue at 31 March	1,210,527	654,746

The Group also has issued warrants.

Ordinary Shares
All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In May 2016 the Company issued 47,026,190 ordinary shares in aggregate to Chris Castle, Campbell McKenzie and Kenex Knowledge Systems Ltd in satisfaction of payment for services under their consultancy agreements. The issue prices were $0.00175 per share (685,714 shares); $0.00180 per share (2,583,333 shares); $0.00147 per share (41,224,490 shares) and $0.00166 per share (2,532,653 shares).

In September 2016 the Company completed a Rights Issue which resulted in the issue of 273,710,228 ordinary shares at $0.0009.

In September 2016 the Company issued 25,922,158 ordinary shares in aggregate to Chris Castle and Campbell McKenzie in satisfaction of payment for services under their consultancy agreements. The issue prices were $0.001171 per share (25,619,128 shares) and $0.00198 per share (303,030 shares).

Additionally during the year, 209,122,223 ordinary shares were issued to qualified investors, at an issue price of $0.0009 each.

Equity-settled transactions
Payments of $101,000 (2016: $20,000) settled by the issue of 72,948,348 (2016: 3,100,775) ordinary shares in the Company, have been included in management and consultancy fees during the year (2016: included in management expenses and directors fees).

All equity-settled payments were settled at listed 20 day VWAP on the day of issue.

17. Capital and reserves (continued)

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

Warrants
On 14 March 2007, the Company offered on a pro rata basis to all shareholders of the Company, one transferable Warrant for every 100 shares held. With the effect of the share consolidation on 7 July 2008, the number of shares into which a warrant could be exercised was reduced from 100 shares to 2 shares.

On 22 June 2012, a special meeting of warrant holders agreed to a variation to the terms of the warrants which permitted warrant holders to make an instalment payment of one tenth of a cent ($0.001) per Warrant by the revised final exercise date of 27 July 2012 in order to have until 27 July 2017 to exercise the Warrant - a five year extension to the current exercise period.

An instalment was received for 4,620,819 warrants which were extended for five years. With the effect of the share split on 8 August 2012, the number of shares into which a warrant may be exercised has been increased from 2 shares to 40 shares.

Each warrant entitles the holder, on exercise, to 40 shares. Accordingly the remaining number of new shares that may be issued through the exercise of warrants is 184,832,760. The final exercise date is 27 July 2017, and after that the warrants lapse.

The exercisable price of the warrants is presently:

- From 1 April 2017 until 27 July 2017: $0.0745 cents per new share or, in total, $2.981 cents per warrant.

	Transferable Warrants	
In thousands of warrants	**2017**	**2016**
On issue at 1 April	4,621	4,621
On issue at 31 March	4,621	4,621

Share warrant reserve
The reserve for share warrants includes the $0.001 instalment paid to extend the life of the warrant.

18. Earnings/(loss) per share

Basic earnings/(loss) per share
The calculation of basic earnings per share at 31 March 2017 was based on the profit/(loss) attributable to ordinary shareholders of $(918,000) (2016: $(911,000)) and a weighted average number of ordinary shares outstanding of 945,475,000 (2016: 654,746,000), calculated as follows:

Profit/(loss) attributable to ordinary shareholders

	Group	
In thousands of shares	**2017**	**2016**
Basic earnings/(loss) per share (cents)	(0.097)	(0.139)
Net profit/(loss) for the year	(918)	(911)

18. Earnings/(loss) per share (continued)

Weighted average number of ordinary shares

In thousands of shares	**2017**	**2016**
Issued ordinary shares at 1 April	654,746	654,746
Effect of shares issued May 16	42,388	-
Effect of shares issued August 16	86,687	-
Effect of shares issued September 16	149,406	-
Effect of shares issued January 17	12,248	-
Weighted average number of ordinary shares at 31 March	945,475	654,746

Share warrants have not been included in the diluted earnings per share calculation as they are antidilutive for the periods presented.

19. Financial instruments

Exposure to credit, foreign currency, equity prices and liquidity risks arise in the normal course of the Group's business.

Foreign currency risk
The Group is exposed to foreign currency risk on investments that are denominated in a currency other than the Group's functional currency, New Zealand dollars ($), which is the presentation currency of the Group. The currencies, in which some transactions are denominated in, include Canadian dollars (CAD) and Great British pounds (GBP). It is the Group's policy not to hedge foreign currency risks.

In thousands of dollars	**CAD**	**GBP**
2017		
Foreign currency risk		
Other investments	174	-
2016		
Foreign currency risk		
Other investments	144	90

As the Group's investments are predominantly held overseas, their value in New Zealand dollars is affected by exchange rate fluctuations.

Market risk
Equity Price risk
The Group primarily invests in overseas-based mining and mineral exploration companies and are held for the longer term.

Due to the very narrow spread of investments and the mineral sector focus, the Group's investment approach is likely to provide returns either better or worse than market averages. The Group is structured and operated to achieve growth in shareholders' funds and more particularly in the net tangible asset value of each share. The objective is not to make trading profits on a regular annual basis by selling our successful investments. A year in which net tangible assets per share increases by 20% or more is a good year for the Group, regardless of the accounting profit or loss that may have been incurred.

However, the directors cannot make any forecasts or predictions as to future profits. The business of the Group involves investment in equities, most of these being junior mining companies in development mode. The directors are unable to predict the success, or otherwise, of present or proposed investments and are similarly unable to predict when such successes, or otherwise, might occur.

19. Financial instruments (continued)

Often four or five investments represent 90% of the portfolio value. This occurs because further funds may be directed toward an investment opportunity once it starts to appreciate in value. This approach is contrary to classic portfolio management theory; it increases the investment exposure at the same time as the potential downside increases. The outcome of such an approach is increased volatility in the investment returns achieved by the Group.

Risk is minimised to the extent that it can be by the following strategies:

- § Investments are financed solely from equity sources (the group will have no borrowings)
- § The Group will avoid investment opportunities with open ended liabilities
- § Investments will be well researched before acquisition
- § There is frequent monitoring of the portfolio and market conditions generally
- § There is continuous ongoing assessment of investments in the context of other investment opportunities available.

Other investments of the Group relate to:

In thousands of dollars	**2017**	**2016**
Non-current investments		
Equity securities available-for-sale	190	229
Current investments		
Equity securities at fair value through profit and loss	2	37

Equity securities relate to investments in common stock of entities of privately held and listed companies.

The NZX have a charge over the NZX Bond of $75,000.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk framework for the management of the Group's short, medium and longer term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities through monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities. Refer to Note 3(c).

At 31 March 2017, the Group had $338,000 (2016: $131,000) in trade and other payables. Trade payables are non-interest bearing and have a contractual maturity of less than 30 days.

Capital management
The Group's capital includes share capital, reserves, and retained earnings.

The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the year.

Credit risk
Credit risk is the risk that an outside party will not be able to meet its obligations to the Group. Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash and accounts receivable.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

19. Financial instruments (continued)

Classification and fair values
The fair value of all financial instruments is the carrying value except for unlisted investments that are carried at cost less impairment as fair value cannot be reliably measured.

The Company measures equity investments at fair value (refer Note 11). All equity investments in listed companies are measured based on Level 1 inputs in the fair value hierarchy. Level 1 inputs are based on quoted prices in active markets for identical investments. All other investments (ie. non-listed) are carried at cost less any impairment.

In thousands of dollars	**Designated at fair value**	**Loans and receivables**	**Available for sale or amortised cost (note 11)**	**Other liabilities**	**Total carrying amount**
2017					
Assets					
Other investments			272	-	272
Investment in CRP	-	-	357	-	357
Total non-current assets	-	-	629	-	629
Other investments	2	-	-	-	2
Trade and other receivables	-	115	-	-	115
Cash and cash equivalents	-	56	-	-	56
Total current assets	2	171	-	-	173
Total assets	**2**	**171**	**629**	**-**	**802**
Liabilities					
Other liabilities	-	-	-	35	35
Total non-current liabilities	-	-	-	35	35
Trade and other payables	-	-	-	338	338
Total current liabilities	-	-	-	338	338
Total liabilities	**-**	**-**	**-**	**373**	**373**

19. Financial instruments (continued)

In thousands of dollars	**Designated at fair value**	**Loans and receivables**	**Available for sale or amortised cost (note 11)**	**Other liabilities**	**Total carrying amount**
2016					
Assets					
Other investments	-	-	309	-	309
Total non-current assets	-	-	309	-	309
Other investments	37	-	-	-	37
Trade and other receivables	-	14	-	-	14
Cash and cash equivalents	-	167	-	-	167
Total current assets	37	181	-	-	218
Total assets	**37**	**181**	**309**	**-**	**527**
Liabilities					
Trade and other payables	-	-	-	131	131
Total liabilities	**-**	**-**	**-**	**131**	**131**

20. Reconciliation of the profit/(loss) for the year with the net cash from operating activities

In thousands of dollars	**Group 2017**	**2016**
Profit/(loss) for the year after income tax	(918)	(911)
Adjustments for:		
(Gains) on sale of available-for-sale financial assets	(21)	(87)
Non-cash expenses		
Expenses settled in shares	101	20
Foreign exchange losses	6	6
Loss in fair value of available-for-sale financial assets	-	507
Impairment of investments	-	(6)
Share of loss of equity accounted investees	55	67
	(777)	(404)
Change in trade and other receivables	(101)	13
Change in trade and other payables	182	(225)
Change in prepayments	1	(1)
Change in other investments current	35	(35)
Net cash from operating activities	**(660)**	**(652)**

21. Related parties

Directors of the Company directly control 13.5% (2016: 12.3%) of the voting shares of the Company.

Chris Castle, Jill Hatchwell & Linda Sanders, Directors of Aorere Resources Ltd are also commonly Directors in Chatham Rock Phosphate Limited and Chatham Rock Phosphate (NZ) Limited. Chris Castle is also a director of Asian Mineral Resources Limited.

Chris Castle earned management fees during the year of $180,000 (2016: $126,000). Chris Castle is contracted on a full time basis to Aorere Resources Limited. A significant portion of Chris Castle's management fee is recovered from Asian Mineral Resources Limited and Chatham Rock Phosphate Limited (refer Note 6).

The annual management fee is $180,000 (2016: $126,000) payable in cash $120,000 (2016: $60,000) and shares $60,000 (2016: $66,000). This arrangement was negotiated by the independent directors, effective from 28 February 2016.

The outstanding balance at reporting date was $30,000 (2016: $60,000) which is included in trade payables (2016: trade payables).

		Transaction value Year ended 31 March		**Balance receivable/(payable) as at 31 March**	
In thousands of dollars		**2017**	**2016**	**2017**	**2016**
Directors	**Transactions**				
Asian Mineral Resources Limited	Directors fees received	70	12	-	-
Chatham Rock Phosphate (NZ) Limited	Consultancy fees received	60	-	-	-

Chatham Rock Phosphate Limited formerly Antipodes Gold Limited refer Note 10.

During the year, a loan of $nil (2016: $46,000) to Antipodes Gold Ltd was repaid. The loan was unsecured, interest free and repayable on demand. The outstanding balance at reporting date is $nil (2016: $nil).

Wairaka Rock Services Limited is an entity related to Simon Henderson.

		Transaction value Year ended 31 March		**Balance receivable/(payable) as at 31 March**	
In thousands of dollars		**2017**	**2016**	**2017**	**2016**
Directors	**Transactions**				
Wairaka Rock Services Limited	Consultancy fees received	136	-	69	-

Transactions with key management personnel
Key management personnel of the Group are also members of the board of directors. Key management personnel remuneration includes the following, in addition to Chris Castle's remuneration already disclosed:

In thousands of dollars	**2017**	**2016**
Short-term benefits paid:		
Directors fees	26	163
Equity-settled payments	-	20
Total remuneration	**26**	**183**

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21. Related parties (continued)

Transactions during the year with key management personnel relate to the settlement of 2016 Directors fees and part payment of 2017 Directors fees (2016: final settlement of 2014 Directors fees, the settlement of 2015 Directors fees and part payment of 2016 Directors fees). The outstanding balance at reporting date was $nil (2016: $nil) included in trade payables and $79,000 (2016: $21,000) included in accruals.

22. Contingencies

There are no contingent liabilities at 31 March 2017 (2016: nil).

23. Group entities

Significant subsidiaries

	Country of Incorporation	**Ownership interest**	
		2017	**2016**
Widespread Limited	New Zealand	100	100
Mineral Investments Limited	New Zealand	100	100
Nevada Gold Limited	New Zealand	100	-

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AORERE RESOURCES LIMITED

Opinion

We have audited the consolidated financial statements of Aorere Resources Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Group in the area of taxation compliance. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) to the financial statements, which indicates that the Group incurred a net loss of $918,000 (2016: $$911,000) and generated negative operating cash flows of $660,000 (2016: $652,000) during the year ended 31 March 2017 and, as of that date, the Group's current liabilities exceeded its current assets by $153,000 (2016: current assets exceeded current liabilities by $100,000). As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Judgement regarding the nature of the Group's investment in Chatham Rock Phosphate Limited

As disclosed in Note 10 to the financial statements, the Directors concluded that, from 24 February 2017, the Group no longer had significant influence over Chatham Rock Phosphate Limited ("CRP"). The Directors determined that significant influence no longer existed due to the Group's shareholding having decreased to 4.6% as a result of CRP's reverse acquisition of Antipodes Gold Limited and additional shareholders investing in CRP. We have determined this judgement to be a key audit matter due to the significance of the investment in CRP to the Group's consolidated statement of financial position.

How our audit addressed the Key Audit Matter

We reviewed the Directors' assessment of the Group's investment in CRP by performing audit procedures that included:

- Assessing the Directors' conclusion for consistency with the definition of significant influence in NZ IAS 28 Investments in Associates and Joint Ventures.
- Meeting with the Group's Directors to discuss the basis on which they reached their conclusion.
- Reviewing the Group's board minutes subsequent to 24 February 2017 to determine whether there were any indicators of significant influence over CRP.

We also considered the adequacy of the disclosure in respect of this judgement.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report, Shareholders Information, Statutory Information and Corporate Governance Information (but does not include the consolidated financial statements and our auditor's report thereon). This was not made available prior to the date of this auditor's report, but is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Henry McClintock.

BDO Wellington

BDO Wellington
Wellington
New Zealand
30 May 2017