

24 August 2017

Client Market Services  
NZX Limited  
Level 1, NZX Centre  
11 Cable Street  
Wellington 6011

### **Notice of Offer of Same Class Financial Products for Issue**

Aorere Resources Limited (**AOR**) intends to undertake a share purchase plan (**SPP**) offer for new shares in AOR (**New Shares**) to its eligible shareholders (those on the share register on the record date of 24 August 2017) (the **Offer**).

Pursuant to clause 19(1) of Schedule 8 of the Financial Markets Conduct Regulations 2014 (**Regulations**) and clause 19(1) of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**), AOR advises that:

1. The Offer is being made in reliance upon the exclusion in clause 19 of Schedule 1 of the FMCA and AOR is giving this notice (**Cleansing Notice**) under clause 49G(2)(e) of the Regulations.
2. As at the date of this Cleansing Notice, AOR is in compliance with:
  - (a) the continuous disclosure obligations that apply to it in relation to AOR listed securities; and
  - (b) its “financial reporting obligations” within the meaning set out in clause 20(5) of Schedule 8 of the Regulations.
3. As at the date of this Cleansing Notice, there is no information that is “excluded information” within the meaning set out in clause 20(5) of Schedule 8 of the Regulations.
4. The potential effects that the Offer and the issue of New Shares will have on the “control” (within the meaning of clause 48 of Schedule 1 of the FMCA) of AOR and the consequences of those effects are as follows:
  - (a) The Offer is limited to 391,626,205 shares (**Offer Size**) which represents no more than 30% of all shares on issue in AOR prior to the Offer being made. The Offer Size is not considered by AOR to constitute a material parcel of New Shares (in control terms), particularly given that AOR has a broad shareholding spread of more than 900 shareholders and that the vast majority of them are eligible shareholders who may participate in the Offer.
  - (b) In some cases, shareholders with registered addresses outside of New Zealand may not be eligible to participate in the Offer (and their percentage shareholding will be diluted as a result of the issue of New Shares), due to the legal requirements of the relevant jurisdiction being unduly onerous for AOR to make the Offer in that jurisdiction. However, AOR does not consider that any overseas shareholders currently have any material control of AOR and therefore that any potential dilution will not materially affect control.
  - (c) If eligible shareholders do not participate, such shareholders' percentage shareholding will be reduced (relative to those who did participate). If there is a shortfall under the Offer, AOR will be entitled to place the shortfall to any persons (subject to complying with applicable legislative instruments and the NZX Listing Rules) within three (3) months of the Offer closing.
  - (d) The Offer is not a pro rata offer and eligible shareholders have no fixed entitlement to New Shares. Applications will be scaled back if all applications received in the Offer exceed the Offer Size. Accordingly if the Offer is

oversubscribed eligible shareholders may be unable to maintain their existing proportionate shareholding in AOR through participation in the Offer.

- (e) Any scaling of applications under the Offer will not be made on a pro rata basis by reference to the existing shareholdings of applicants. Accordingly scaling may limit the ability of eligible shareholders to obtain New Shares under the Offer and maintain their proportionate interest in AOR. This is considered unlikely to materially affect control given the Offer Size.

On behalf of the Board,

A handwritten signature in black ink, consisting of a stylized 'C' followed by a horizontal line.

Chris Castle  
Managing Director  
Aorere Resources Limited