

23 December 2016

Despatch Notice Received

Chatham Rock Phosphate Limited (NZX: CRP) gives notice that it has today received a Despatch Notice from Antipodes Gold Limited (**AXG**) for the purposes of Rule 45 of the Takeovers Code.

CRP advises that the Target Company Statement, a copy of which is **attached**, in relation to the full takeover offer by AXG, prepared in accordance with Rule 46 and Schedule 2 of the Takeovers Code, will be sent today to CRP's shareholders.

As set out in the Target Company Statement, CRP's Independent Committee of directors unanimously supports the takeover offer and recommends CRP shareholders accept the offer.

For convenience, the Independent Committee's letter in the Target Company Statement is set out in full below:

LETTER FROM INDEPENDENT COMMITTEE

23 December 2016

Dear Shareholder

Takeover Offer by Antipodes Gold Limited

Introduction

Antipodes Gold Limited (**AXG**) is making a full takeover offer (**Offer**) to acquire all of the paid and unpaid shares (**Shares**) of Chatham Rock Phosphate Limited (**CRP**). AXG does not currently hold or control any Shares. The Offer has been invited by the board of directors of CRP because, if it is successful, it will have the effect of reverse listing CRP on the TSX Venture Market in Canada.

This letter forms part of CRP's Target Company Statement in response to the Offer (**Statement**). The Statement is required by the Takeovers Code and includes:

- an Independent Directors' recommendation on the Offer; and
- an Independent Adviser's Report, prepared by Northington Partners Limited on the merits of the Offer.

You should read this Statement and the independent report carefully and in full when considering whether to accept the Offer.

Committee of Independent Directors

The CRP board has formed a Committee of Independent Directors (**Independent Committee**) comprising Robert Goodden, Robin Falconer and Jill Hatchwell to consider the Offer, and to oversee preparation of this Statement.

Recommendation of the Independent Committee

While the decision to accept the Offer is an individual one for CRP shareholders, **the Independent Committee unanimously recommends that CRP shareholders accept the Offer.** The Independent Committee gives this recommendation for the following reasons:

- (a) **Independent Reports:** the proposed consideration to CRP shareholders under the Offer is considered fair and reasonable by Northington Partners Limited (as independent advisor) in the Independent Adviser's Report attached to this Statement as Appendix 1 and the proposed consideration and terms offered for each class is considered fair and reasonable as between the classes of securities;
- (b) **Control:** If successful, the Offer will have the effect of a reverse takeover. CRP shareholders would hold approximately 90.33% of all shares on issue in AXG. In addition CRP's board will be appointed to the board of AXG with all AXG directors (other than Mr. Justin Cochrane) resigning. It is further intended on completion of the offer that AXG will change its name to CRP. The Independent Committee does not consider that the successful completion of the Offer would materially affect control of CRP's business and operations. AXG effectively becomes CRP and CRP shareholders become AXG shareholders;
- (c) **Foreign Listing:** CRP has investigated securing a foreign listing for a number of years. This has been driven by a desire to have a listing on an exchange and in a market that has a strong mining and resources sector focus, particularly in phosphate. It is considered that this will assist access to capital, research and broker support and liquidity in CRP's shares. AXG's primary listing is on the TSX Venture Exchange which is considered to be a market having these features;
- (d) **NZ Listing Retained:** AXG is also listed as an overseas listed issuer on the NZAX market in New Zealand. The CRP board intends to retain a New Zealand listing if the Offer is successfully completed so that New Zealand resident shareholders can still trade their shares locally if they wish;
- (e) **AXG Position:** AXG has divested all of its trading assets and is currently a shell company. It has cash reserves of approximately \$250,000 which CRP will be able to access for working capital on the Offer being successfully completed. AXG was previously a mining and exploration company and has approximately 1,027 shareholders who will in effect become CRP shareholders and further expand CRP's shareholding base. AXG is accordingly seen as an ideal vehicle through which CRP can secure a foreign listing; and
- (f) **Future Acquisitions:** As CRP shareholders will be aware, CRP has a strategy to expand its phosphate activities including acquiring additional phosphate mining projects and building its phosphate trading activities. CRP will be better positioned to deliver on this strategy by obtaining the benefits from the Offer as set out above.

Intentions of Directors and Senior Officers in respect of the Offer

Each member of the Independent Committee intends to accept the Offer in respect of all Shares that they hold or control. The remaining CRP Directors (Chris Castle and Linda Sanders) together with the Senior Officers of CRP (Ray Wood and Robyn Hamilton) have entered lock-up agreements with AXG and have irrevocably committed to accepting the Offer in respect of all Shares that they hold or control (**Lock up Agreements**).

At the date of this Statement, Lock up Agreements have been entered between CRP shareholders and AXG that represent 51.31% of all Shares in aggregate.

Timing

The Offer will close at 5:00pm on 31 January 2017, unless extended by AXG in accordance with the Takeovers Code. The Offer provides for the issue of AXG shares in exchange for fully paid Shares and mandatory warrants in exchange for unpaid Shares. These would be issued by AXG by no later than 7 days after the later of:

- (a) the date on which an acceptor's acceptance is received by AXG; and
- (b) the date on which the Offer becomes unconditional.

Conclusion

As noted above the Independent Committee unanimously recommends that CRP shareholders accept the Offer. The Independent Committee will advise shareholders of any new material information or changes in circumstance that arise relevant to the Offer by announcement to NZX.

You should, when deciding whether to accept the Offer, consider your own individual circumstances, views on value and the merits of the Offer. You are encouraged to consider taking your own separate professional advice (e.g. from your lawyer or financial adviser) tailored to your circumstances.

On behalf of the Independent Committee and the CRP board, I thank you for your support of CRP.

Yours faithfully

Chatham Rock Phosphate Limited

Jill Hatchwell

Chair of the Independent Committee

For and on behalf of the Board,

Chris Castle
Managing Director

Chatham Rock Phosphate Limited

Target Company Statement

In response to a full takeover offer from Antipodes Gold Limited

23 December 2016

This is an important document and requires your urgent attention. If you have any questions in respect of this document or the Offer, you should seek advice from your financial or legal adviser.

Contents

Letter from Independent Committee.....	1
Target Company Statement (Takeovers Code Disclosures).....	3
1 Date.....	3
2 Offer.....	3
3 Target Company.....	4
4 Directors of CRP.....	4
5 Ownership of CRP Equity Securities.....	4
6 Trading in CRP Equity Securities.....	5
7 Acceptance of Offer.....	5
8 Ownership of Equity Securities of AXG.....	5
9 Trading in Equity Securities of AXG.....	5
10 Arrangements between AXG and CRP.....	5
11 Relationship between AXG and Directors and Senior Officers.....	6
12 Agreements between CRP and Directors and Senior Officers.....	7
13 Interests of Directors and Senior Officers in Contracts of AXG or Related Company.....	7
13A Interests of CRP Substantial Security Holders in Material Contracts of AXG or Related Company.....	7
14 Additional Information.....	7
15 Recommendation.....	8
16 Actions of CRP.....	8
17 Equity securities of CRP.....	8
18 Financial Information.....	9
19 Independent Advice on Merits of Offer.....	10
20 Asset Valuation.....	10
21 Prospective Financial Information.....	10
22 Sales of Unquoted Equity Securities Under Offer.....	10
23 Market Prices of Quoted Equity Securities Under Offer.....	11
24 Other Information.....	11
25 Approval of this Statement.....	11
26 Certificate.....	11
Schedule 1: Ownership of Equity Securities in CRP.....	13
Schedule 2: Issue of Equity Securities in CRP.....	14
Schedule 3: Trading In CRP Equity Securities.....	16
1,708,563 Paid CRP Shares.....	17
Acquisition (previously issued Unpaid CRP Shares were fully paid up).....	17
\$0.006 per CRP Share.....	17
19 December 20161.....	17
Appendix 1: Independent Adviser's Report.....	19
Appendix 2: Class Fairness Report.....	20

Letter from Independent Committee

23 December 2016

Dear Shareholder

Takeover Offer by Antipodes Gold Limited

Introduction

Antipodes Gold Limited (**AXG**) is making a full takeover offer (**Offer**) to acquire all of the paid and unpaid shares (**Shares**) of Chatham Rock Phosphate Limited (**CRP**). AXG does not currently hold or control any Shares. The Offer has been invited by the board of directors of CRP because, if it is successful, it will have the effect of reverse listing CRP on the TSX Venture Market in Canada.

This letter forms part of CRP's Target Company Statement in response to the Offer (**Statement**). The Statement is required by the Takeovers Code and includes:

- an Independent Directors' recommendation on the Offer; and
- an Independent Adviser's Report, prepared by Northington Partners Limited on the merits of the Offer.

You should read this Statement and the independent report carefully and in full when considering whether to accept the Offer.

Committee of Independent Directors

The CRP board has formed a Committee of Independent Directors (**Independent Committee**) comprising Robert Goodden, Robin Falconer and Jill Hatchwell to consider the Offer, and to oversee preparation of this Statement.

Recommendation of the Independent Committee

While the decision to accept the Offer is an individual one for CRP shareholders, **the Independent Committee unanimously recommends that CRP shareholders accept the Offer**. The Independent Committee gives this recommendation for the following reasons:

- Independent Reports:** the proposed consideration to CRP shareholders under the Offer is considered fair and reasonable by Northington Partners Limited (as independent advisor) in the Independent Adviser's Report attached to this Statement as Appendix 1 and the proposed consideration and terms offered for each class is considered fair and reasonable as between the classes of securities;
- Control:** If successful, the Offer will have the effect of a reverse takeover. CRP shareholders would hold approximately 90.33% of all shares on issue in AXG. In addition CRP's board will be appointed to the board of AXG with all AXG directors (other than Mr. Justin Cochrane) resigning. It is further intended on completion of the offer that AXG will change its name to CRP. The Independent Committee does not consider that the successful completion of the Offer would materially affect control of CRP's business and operations. AXG effectively becomes CRP and CRP shareholders become AXG shareholders;
- Foreign Listing:** CRP has investigated securing a foreign listing for a number of years. This has been driven by a desire to have a listing on an exchange and in a market that has a strong mining and resources sector focus, particularly in phosphate. It is considered that this will assist access to capital, research and broker support and liquidity in CRP's shares. AXG's primary listing is on the TSX Venture Exchange which is considered to be a market having these features;

- (d) **NZ Listing Retained:** AXG is also listed as an overseas listed issuer on the NZAX market in New Zealand. The CRP board intends to retain a New Zealand listing if the Offer is successfully completed so that New Zealand resident shareholders can still trade their shares locally if they wish;
- (e) **AXG Position:** AXG has divested all of its trading assets and is currently a shell company. It has cash reserves of approximately \$250,000 which CRP will be able to access for working capital on the Offer being successfully completed. AXG was previously a mining and exploration company and has approximately 1,027 shareholders who will in effect become CRP shareholders and further expand CRP's shareholding base. AXG is accordingly seen as an ideal vehicle through which CRP can secure a foreign listing; and
- (f) **Future Acquisitions:** As CRP shareholders will be aware, CRP has a strategy to expand its phosphate activities including acquiring additional phosphate mining projects and building its phosphate trading activities. CRP will be better positioned to deliver on this strategy by obtaining the benefits from the Offer as set out above.

Intentions of Directors and Senior Officers in respect of the Offer

Each member of the Independent Committee intends to accept the Offer in respect of all Shares that they hold or control. The remaining CRP Directors (Chris Castle and Linda Sanders) together with the Senior Officers of CRP (Ray Wood and Robyn Hamilton) have entered lock-up agreements with AXG and have irrevocably committed to accepting the Offer in respect of all Shares that they hold or control (**Lock up Agreements**).

At the date of this Statement, Lock up Agreements have been entered between CRP shareholders and AXG that represent 51.31% of all Shares in aggregate.

Timing

The Offer will close at 5:00pm on 31 January 2017, unless extended by AXG in accordance with the Takeovers Code. The Offer provides for the issue of AXG shares in exchange for fully paid Shares and mandatory warrants in exchange for unpaid Shares. These would be issued by AXG by no later than 7 days after the later of:

- (a) the date on which an acceptor's acceptance is received by AXG; and
- (b) the date on which the Offer becomes unconditional.

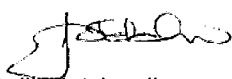
Conclusion

As noted above the Independent Committee unanimously recommends that CRP shareholders accept the Offer. The Independent Committee will advise shareholders of any new material information or changes in circumstance that arise relevant to the Offer by announcement to NZX.

You should, when deciding whether to accept the Offer, consider your own individual circumstances, views on value and the merits of the Offer. You are encouraged to consider taking your own separate professional advice (e.g. from your lawyer or financial adviser) tailored to your circumstances.

On behalf of the Independent Committee and the CRP board, I thank you for your support of CRP.

Yours faithfully
Chatham Rock Phosphate Limited



Jill Hatchwell
Chair of the Independent Committee

Target Company Statement (Takeovers Code Disclosures)

This Target Company Statement (**Statement**) has been prepared by Chatham Rock Phosphate Limited (**CRP**) pursuant to Rule 46 of the Takeovers Code in relation to a full takeover offer (**Offer**) made by Antipodes Gold Limited (**AXG**). Where any information required by Schedule 2 to the Takeovers Code is not applicable, no statement is made regarding that information.

1 Date

1.1 This Statement is dated 23 December 2016.

2 Offer

2.1 This Statement relates to a full takeover offer by AXG to acquire all of the equity securities of CRP (**Securities**). The key terms of the Offer are:

Offer Price	<p>CRP shareholders are offered the following consideration for their Securities (Consideration) under the terms of the Offer:</p> <p>(a) for fully paid ordinary shares in CRP (CRP Shares), AXG is offering fully paid common shares in AXG (AXG Shares) on the basis of one (1) AXG Share for every 65.59 CRP Shares held; and</p> <p>(b) for unpaid ordinary shares in CRP (Unpaid CRP Shares), AXG is offering mandatory warrants in AXG (AXG Warrants) on the basis of one (1) AXG Warrant for every 65.59 Unpaid CRP Shares held.</p>												
Full Offer	The Offer is for 100% of the Securities.												
Effect of the Offer	<p>If the Offer is successful AXG will change its name to Chatham Rock Phosphate Limited and the current board of CRP will be appointed to the AXG board. The current AXG board will, with the exception of Justin Cochrane, resign at that time. The shareholding profile of AXG (AXG Shares and AXG Warrants) would comprise the following:</p> <table border="1" data-bbox="544 1229 1187 1379"> <thead> <tr> <th>Shareholder Group</th> <th>Shares</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>CRP Shareholders</td> <td>12,651,967</td> <td>90.33%</td> </tr> <tr> <td>AXG Shareholders</td> <td>1,355,017</td> <td>9.67%</td> </tr> <tr> <td>Total</td> <td>14,006,984</td> <td>100%</td> </tr> </tbody> </table>	Shareholder Group	Shares	Percentage	CRP Shareholders	12,651,967	90.33%	AXG Shareholders	1,355,017	9.67%	Total	14,006,984	100%
Shareholder Group	Shares	Percentage											
CRP Shareholders	12,651,967	90.33%											
AXG Shareholders	1,355,017	9.67%											
Total	14,006,984	100%											
Conditional Offer	<p>The Offer, and any contract arising from acceptance of it, is conditional on:</p> <p>(a) AXG receiving irrevocable acceptances under the Offer by no later than the Closing Date which, upon the Offer being declared unconditional and the relevant CRP Shares being transferred to AXG, result in AXG holding or controlling 90% or more of the voting rights in CRP (this condition may be waived by AXG to the extent that it would hold or control 50% or more of the voting rights in CRP); and</p> <p>(b) a number of further conditions which are mechanical or customary in their nature for an offer of this kind. See clause 6.1 of the Offer Document.</p>												
Offer Period	The Offer is dated 23 December 2016 (Opening Date) and remains open for acceptance until 5:00pm on 31 January 2017 (Closing Date) (unless extended in accordance with the Takeovers Code).												
Settlement Date	If CRP shareholders accept the Offer on or before the Closing Date they will be issued the Consideration no later than seven calendar days after the later of the date on which their acceptance is received by AXG or the date on which the Offer is declared unconditional.												

2.2 The full terms of the Offer are set out in the Offer document dated 23 December 2016 (**Offer Document**).

3 Target Company

3.1 The name of the target company is Chatham Rock Phosphate Limited, New Zealand Company Number 1508940.

4 Directors of CRP

4.1 The names of the directors of CRP (**Directors**) are:

4.1.1 Robert Mark Goodden (Chairman);

4.1.2 Christopher David Castle;

4.1.3 Robin Keith Halcro Falconer;

4.1.4 Jill Elizabeth Hatchwell; and

4.1.5 Linda Jane Sanders.

5 Ownership of CRP Equity Securities

5.1 For the purposes of this Statement, the Independent Committee has determined that the senior officers of CRP (**Senior Officers**) are:

5.1.1 Christopher Castle (Chief Executive Officer);

5.1.2 Robyn Hamilton (Chief Financial Officer); and

5.1.3 Raymond Wood (Chief Operating Officer).

5.2 Schedule 1 to this Statement sets out the number, designation, and the percentage of any class of Securities of CRP held or controlled by:

5.2.1 each Director or Senior Officer and their associates; and

5.2.2 any other person holding or controlling 5% or more of the class (to the knowledge of CRP).

5.3 Except as set out in Schedule 1 no other Director, Senior Officer or their respective associates holds or controls any class of Securities of CRP.

5.4 Schedule 2 to this Statement sets out the number and issue price of Securities of CRP:

5.4.1 that have, during the two year period to the date of this Statement been issued to the Directors, Senior Officers or their respective associates; or

5.4.2 in which the Directors, Senior Officers or their respective associates have, during the two year period to the date of this Statement obtained a beneficial interest under any employee share scheme or other remuneration arrangement.

6 Trading in CRP Equity Securities

- 6.1 Schedule 2 to this Statement includes the total number and the designation of each class of Securities acquired by way of a new issue by any Director or Senior Officer and their associates during the 6 month period before the date of this Statement.
- 6.2 Otherwise Schedule 3 to this Statement sets out the total number and the designation of each class of Securities of CRP acquired or disposed of by any person referred to in clause 5.2 during the 6 month period before the date of this Statement.

7 Acceptance of Offer

- 7.1 All of the Directors, Senior Officers and their respective associates have advised that they intend to accept the Offer in respect of all Securities held or controlled by them. These holdings of Securities are set out in Schedule 1 to this Statement.

8 Ownership of Equity Securities of AXG

- 8.1 CRP, the Directors, the Senior Officers and their respective associates do not hold any equity securities of AXG as at the date of this Statement.
- 8.2 AXG has agreed to issue 20,000 AXG Shares to Christopher Castle, a Director and Senior Officer of CRP, as consideration for an interest free loan of \$40,000 that Christopher Castle advanced to AXG. It is intended that these AXG Shares will be issued on or about the time that AXG Shares and AXG Warrants are issued under this Offer. Further details regarding this loan are set out at paragraph 11.2.

9 Trading in Equity Securities of AXG

- 9.1 None of CRP, the Directors, the Senior Officers or any of their respective associates has traded in equity securities of AXG during the six month period to the date of this Statement.

10 Arrangements between AXG and CRP

- 10.1 Aorere Resources Limited (**Aorere**) is a shareholder of CRP and three Directors (Christopher Castle, Linda Sanders and Jill Hatchwell) are also directors of Aorere. Aorere and AXG were parties to a conditional agreement dated 1 April 2015 which provided that Aorere would acquire all of the shares of a wholly owned subsidiary of AXG which owned certain gold exploration and mining interests (**Aorere Agreement**). The Aorere Agreement further provided that on completing the sale to Aorere, AXG would make a full, scrip takeover offer for CRP under the Takeovers Code. The conditions to the Aorere Agreement were not satisfied. AXG and Aorere have terminated the Aorere Agreement and it is of no further effect.
- 10.2 CRP and AXG entered in a conditional pre-bid agreement on 22 July 2015 setting out the terms and conditions on which AXG would make the Offer (**Pre-Bid Agreement**). The Pre-Bid Agreement included the following terms:
- 10.2.1 AXG making the Offer was conditional on CRP shareholders holding at least 70% of the CRP Shares entering lock-up agreements irrevocably committing to accept the Offer. AXG waived this condition as 45.22% have entered such lock-up arrangements as at the Offer Date.
- 10.2.2 That the Offer would be made as a full takeover offer under the Takeovers Code and on the following key terms:
- (a) The consideration for CRP shareholders will be satisfied in full by an issue of AXG shares.

- (b) The Offer will be conditional on acceptance by CRP shareholders holding 90% of the CRP Shares (unless waived by AXG).
- (c) The Offer will value AXG at the aggregate of NZ\$300,000 and net cash that it holds as at the day immediately preceding the day that the takeover notice for the Offer is issued.
- (d) The Offer will value CRP at the aggregate of \$0.007 per CRP Share for all CRP Shares on issue at the date of the Pre-Bid Agreement and, in respect of CRP Shares issued after that date, the aggregate issue price at which such CRP Shares were issued.

10.2.3 That AXG making the Offer was also conditional on each party undertaking due diligence enquiries of the other, the Aorere Agreement being terminated and each party obtaining all necessary approvals to undertake the Offer. These conditions were satisfied.

10.3 AXG and CRP entered into a loan agreement dated 21 May 2015 (**Loan Agreement**) where CRP agreed to advance amounts to AXG from time to time to meet costs incurred by AXG in:

10.3.1 disposing of all of its assets and obligations in preparation for the Offer; and

10.3.2 in otherwise preparing for and undertaking the Offer (including CRP's takeover related costs that may otherwise be claimed by CRP from AXG under the Takeovers Code).

10.4 At the Offer Date there are no outstanding advances under the Loan Agreement. If the Offer is not completed or withdrawn AXG is liable to repay advances that CRP has made to it provided that AXG will satisfy the solvency test under Section 4 of the Companies Act 1993 following any such repayment.

10.5 Between 3 March 2016 and 10 May 2016 CRP entered three subscription agreements with three investors who subscribed for 200 million CRP Unpaid Shares (in aggregate) (**Subscription Agreements**). The Subscription Agreements (as amended) provided that in consideration for the investors subscribing for the CRP Unpaid Shares:

10.5.1 The Directors will appoint one nominee for each of two of the investors to the board of directors of CRP. Where such appointments have not occurred prior to the successful completion of the Offer, CRP shall procure that such nominee appointments are honoured by AXG.

10.5.2 CRP will grant to the three investors 100 million options (in aggregate) (**Options**). The Options are to be granted on terms where they may be exercised at the discretion of the holder to receive one CRP Share for an exercise price of \$0.006 at any time in the 12 month period following the date that the Options are granted. If the Offer is completed prior to 31 January 2017 and CRP has not granted the Options, CRP is to procure that AXG grants securities equivalent to the Options to the three investors.

10.6 There is an arrangement between CRP and AXG that AXG will fulfil the above obligations of CRP to the investors under the Subscription Agreements.

10.7 Except as set out in paragraphs 10.1 to 10.6, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between AXG or any of its associates and CRP or any related company of CRP, in connection with, in anticipation of, or in response to, the Offer.

11 Relationship between AXG and Directors and Senior Officers

11.1 Christopher Castle and Linda Sanders (Directors of CRP who are not part of the Independent Committee), Robyn Hamilton (Senior Officer) and Raymond Wood (Senior Officer) have each

entered into lock-up agreements with AXG where they have irrevocably agreed to accept the Offer in respect of all CRP Shares they hold or control (as specified in Schedule 1 of this Statement) (**Lock-Up Agreement**). The Lock-Up Agreement prevents the relevant CRP shareholder from disposing of, encumbering or dealing in any way with any of their CRP Shares (except by accepting the Offer) unless the Lock-Up Agreement is terminated or the Offer lapses.

- 11.2 In November 2014 Christopher Castle (a director of CRP and AXG) advanced \$40,000 to AXG to fund working capital requirements necessary for meeting general and administration expenses. This loan was subsequently repaid in full by AXG. The loan was advanced on the understanding that it would give time for Christopher Castle to explore a potential reverse listing transaction for AXG, including in respect of CRP. The loan was interest free and as consideration for having made the advance, AXG will issue to Christopher Castle 20,000 AXG Shares as described in paragraph 8.2.
- 11.3 There is an arrangement in place between AXG and CRP where AXG will cause to have the Directors appointed to the board of AXG on completion of the Offer and that all current AXG directors, except for Justin Cochrane, will resign as directors of AXG.
- 11.4 Other than Christopher Castle who is a director of AXG, none of the Directors or Senior Officers are also directors or senior officers of AXG, or any related company of AXG.
- 11.5 Except as set out in paragraphs 11.1 to 11.4, no agreements or arrangements (whether legally enforceable or not) have been made, or are proposed to be made, between AXG or any associates of AXG and any of the Directors or Senior Officers or any related company of CRP (including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of or in response to, the Offer.

12 Agreements between CRP and Directors and Senior Officers

- 12.1 No agreements or arrangements (whether legally enforceable or not) have been made or are proposed to be made between CRP and any related company of CRP with any of the Directors, Senior Officers or their respective associates and related companies, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Offer.

13 Interests of Directors and Senior Officers in Contracts of AXG or Related Company

- 13.1 As described at paragraph 11.1 above, AXG has entered into the Lock-Up Agreements with Christopher Castle, Linda Sanders, Robyn Hamilton and Raymond Wood.
- 13.2 As described at paragraph 11.2 above, AXG and Christopher Castle were parties to a loan agreement.
- 13.3 Except as set out in paragraph 13.1 and 13.2, no Director or Senior Officer or their respective associates has any interest in any contract to which AXG or any related company is a party.

13A Interests of CRP Substantial Security Holders in Material Contracts of AXG or Related Company

- 13A.1 Persons holding or controlling 5% or more of a class of Securities of CRP (to the knowledge of the Directors and Senior Officers) are set out in the table in Schedule 1. To the knowledge of the Directors and Senior Officers, no such person has an interest in any material contract to which AXG or any related company is a party.

14 Additional Information

14.1 In the opinion of the Directors there is no information in the Offer Document that is incorrect or misleading.

15 Recommendation

15.1 The CRP board formed the Independent Committee to consider and oversee the response to the Offer. The members of the Committee are Jill Hatchwell, Robert Goodden and Robin Falconer.

15.2 The Independent Committee appointed Northington Partners Limited to provide a report on the merits of the Offer pursuant to Rule 21 of the Code. A copy of that report is enclosed as Appendix One to this Statement.

15.3 The Independent Committee's recommendation is set out in the covering letter to this Statement.

15.4 Christopher Castle and Linda Sanders are not members of the Independent Committee and both abstain from making a recommendation in respect of the Offer as:

15.4.1 Christopher Castle is a director of AXG.

15.4.2 Linda Sanders and Christopher Castle are in a de facto relationship.

15.4.3 Christopher Castle and Linda Sanders have entered Lock-Up Agreements with AXG with respect to the Offer (see paragraph 11.1 above).

16 Actions of CRP

16.1 There are no material agreements or arrangements (whether legally enforceable or not) of CRP and its related companies entered into as a consequence of, in response to, or in connection with, the Offer. Agreements and arrangements entered into in anticipation of the Offer are disclosed above.

16.2 There are no negotiations underway as a consequence of, or in response to, or in connection with, the Offer that relate to or could result in:

16.2.1 an extraordinary event such as a merger, amalgamation, or reorganisation involving CRP or any of its related companies; or

16.2.2 the acquisition or disposition of material assets of CRP or any of its related companies; or

16.2.3 an acquisition of equity securities by, or of CRP or any related company of CRP; or

16.2.4 any material change in the equity securities on issue, or policy relating to distributions, of CRP.

17 Equity securities of CRP

17.1 As at 19 December 2016 there are 829,845,062 ordinary shares on issue in CRP comprising 92,236,269 Unpaid CRP Shares and 737,608,793 CRP Shares.

17.2 The rights of shareholders in respect of CRP Shares are as follows:

17.2.1 the right to an equal share with other shareholders in dividends authorised by the board of CRP;

17.2.2 the right to an equal share with other shareholders in the distribution of surplus assets on liquidation of CRP; and

17.2.3 subject to the prohibitions contained in the NZX Alternative Market Listing Rules and CRP's constitution, the right to cast one vote on a show of hands or the right to cast one vote for each CRP Share held on a poll, in each case at a meeting of shareholders on any resolution, including a resolution to:

- (1) appoint or remove a director or auditor;
- (2) alter CRP's constitution;
- (3) approve a major transaction;
- (4) approve an amalgamation of CRP; and
- (5) put CRP into liquidation.

17.3 The rights of shareholders in respect of the Unpaid CRP Shares are as follows:

17.3.1 they do not confer the rights of CRP Shares (as summarised above) until they are fully paid up;

17.3.2 the issue price to be paid up is fixed at \$0.006 per Unpaid CRP Share. A holder may pay up to CRP the issue price early but otherwise must progressively pay up all Unpaid CRP Shares in 12 equal instalments over twelve months from the date of issue of the Unpaid CRP Shares.

17.3.3 CRP may refuse to register any transfer of Unpaid CRP Shares if the transferor does not provide CRP with evidence that the proposed transferee has agreed to assume the obligation to pay up the Unpaid CRP Shares; and

17.3.4 the Unpaid CRP Shares cannot be traded on any stock exchange until the Unpaid Shares are fully paid.

17.4 Despite clause 17.3.3, CRP has agreed to the transfer of any Unpaid Shares to AXG as part of the Offer.

18 Financial Information

18.1 Every person to whom the Offer is made is entitled to obtain from CRP a copy of CRP's most recent annual report (being the annual report for the year ended 31 March 2016) from CRP's website at <http://www.rockphosphate.co.nz/>, or by making a written request to:

Chatham Rock Phosphate
Level 1, 93 The Terrace
Wellington 6011
New Zealand

Email: chris@widespread.co.nz

18.2 The annual report referred to at paragraph 18.1 is the most recent annual report generated for CRP. A half year report for CRP to 30 September 2016 will be available in late November/early December 2016 and will be announced to (and available from) www.nzx.com at that time.

18.3 The Independent Adviser's Report contains or refers to more information about the trading performance and financial position of CRP.

18.4 The following material circumstances since 31 March 2016 (being the balance date of CRP's most recent annual report) have arisen:

18.4.1 CRP has secured new capital of approximately \$1.95 million from existing shareholders and new investors through issues of CRP Shares and Unpaid CRP Shares, all at an issue price of at \$0.006 per share.

18.4.2 The New Zealand High Court issued a decision in respect of the proceedings brought by the Environmental Protection Authority (EPA) against CRP where the EPA sought to recover costs of approximately \$800,000 from CRP in relation to its 2014 application for a marine consent. The High Court declined to grant Summary Judgment and adjourned the application to 8 November 2016 to allow CRP to stay the application and file for a judicial review in the High Court, challenging the validity of the EPA's fees. CRP has accordingly filed judicial review proceedings in the High Court and the EPA's application has been stayed.

18.5 Other than those circumstances outlined at paragraph 18.4, there have been no material changes in the financial or trading position, or prospects, of CRP since the annual report referred to in paragraph 18.1.

18.6 Other than as set out in the annual report referred to in paragraph 18.1 and the information contained or referred to in this paragraph 18.4, there is no information about the assets, liabilities, profitability and financial affairs of CRP that could reasonably be expected to be material to the making of a decision by Security holders to accept or reject the Offer.

19 Independent Advice on Merits of Offer

19.1 Northington Partners Limited, as Independent Adviser, has prepared a report under Rule 21 of the Takeovers Code (**Independent Adviser's Report**). A full copy of the Independent Adviser's Report is set out in Appendix 1 to this Statement.

19.2 The Independent Adviser's Report includes:

19.2.1 a statement of the qualifications and expertise of Northington Partners Limited; and

19.2.2 a statement that Northington Partners Limited has no conflict of interest that could affect its ability to provide an unbiased report.

19A Different Classes of Securities

19A.1 Simmons Corporate Finance Limited has prepared a report under Rule 22 of the Takeovers Code (**Class Fairness Report**). A full copy of the Class Fairness Report is set out in Appendix 2 to this Statement.

20 Asset Valuation

20.1 None of the information provided in this Statement refers to a valuation of any asset. The Independent Adviser's Report refers to the valuation of certain assets of CRP. The basis of computation and key assumptions on which those valuations are based is set out in that report.

21 Prospective Financial Information

21.1 None of the information provided in this Statement refers to prospective financial information of CRP. The Independent Adviser's Report refers to prospective financial information of CRP. The principal assumptions on which the prospective financial information is based are set out in that report.

22 Sales of Unquoted Equity Securities Under Offer

22.1 CRP Shares and Unpaid CRP Shares are quoted on the NZX Alternative Market.

23 Market Prices of Quoted Equity Securities Under Offer

- 23.1 The closing price on the NZX Alternative Market of the CRP Shares on:
- 23.1.1 19 December 2016, being the latest practicable working day before the date on which this Statement is sent to CRP shareholders, was \$0.010 per share; and
- 23.1.2 7 December 2016, being the last day on which trading on the NZX Alternative Market took place before the date on which CRP received AXG's takeover notice for the Offer, was \$0.010 per share.
- 23.2 The highest and lowest closing market price of the shares on the NZX Alternative Market (and the relevant dates) during the 6 months before the date on which CRP received AXG's takeover notice for the Offer were:
- 23.2.1 \$0.011 per share on 22 August 2016; and
- 23.2.2 \$0.007 per share on 8 June 2016.
- 23.3 Except for the CRP share issues noted below, during the 6 month period referred to directly above, CRP did not issue any equity securities or make any changes in the equity securities on issue or make any distributions which could have affected the market prices of the shares referred to above.

Purpose of Issue	Securities Issued	Issue Price	Issue Date
Cash subscriptions for new capital through a share purchase plan offer to existing shareholders.	100,000,000 CRP Shares	\$0.006	1 July 2016
Cash subscriptions for new capital with qualified investors.	25,000,000 Unpaid CRP Shares	\$0.006	21 July 2016
Cash subscriptions for new capital with qualified investors.	800,000 CRP Shares	\$0.006	21 July 2016

- 23.4 Other than the information provided above, there is no additional information about the market price of the securities that would reasonably be expected to be material to the making of a decision by the Offerees to accept or reject the Offer.

24 Other Information

- 24.1 Except as set out in the Letter from Independent Committee, the Independent Adviser's Report and the Class Fairness Report, there is no other information that could reasonably be expected to be material to the making of a decision by shareholders to accept or reject the Offer.

25 Approval of this Statement

- 25.1 This Target Company Statement has been unanimously approved by the Independent Committee under delegated authority from the CRP Board.

26 Certificate

- 26.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Statement is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise and includes all the information required to be disclosed by the target company under the Takeovers Code.

R. M. Goodden

Robert Goodden
Director

RKH Falconer

Robin Falconer
Director

R. H. Hamilton

Robyn Hamilton
Chief Financial Officer

Christopher Castle

Christopher Castle
Chief Executive Officer

SCHEDULE 1: OWNERSHIP OF EQUITY SECURITIES IN CRP

Directors

Name of Person/Entity that CRP Shares are registered in	CRP Shares held by Person/Entity		Name of CRP Director(s) that is associated with the registered holder
	Number	%	
Christopher David Castle	8,000,000	0.964%	Linda Sanders
Linda Jane Sanders	6,363,502	0.767%	Christopher Castle
LJ Sanders Consulting Limited	411,320	0.050%	Christopher Castle and Linda Sanders
Linda Jane Sanders and Christopher David Castle	452,650	0.055%	N/A
Robin Keith Halcro Falconer and Rosemary Ferial Falconer	3,397,564	0.409%	N/A
Robin Falconer Associates Limited	11,260	0.001%	Robin Falconer
Robert Mark Goodden	1,348,149	0.162%	N/A
Jill Elizabeth Hatchwell, Peter George Vincent and Alison Beverley Pharoah	622,078	0.075%	N/A
Jill Elizabeth Hatchwell	8,843	0.001%	N/A

Senior Officers

Name of Person/Entity that CRP Shares are registered in	CRP Shares held by Person/Entity		Name of CRP Senior Officer that is associated with the registered holder
	Number	%	
Robyn Margaret Hamilton and David John Hamilton	4,033,484	0.486%	N/A
CRP-OCS Consulting Limited	8,519,850	1.027%	Raymond Wood

Substantial Security Holders

Name of Shareholder or person holding or controlling 5% or more of CRP's Shares	Number of Shares held or controlled	Percentage	Date of last Substantial Security Holder Notice
George Wong Kim Pau and Happy Sim	128,166,667	15.445%	10 August 2016
Ernst Schonbachler	69,611,166	8.388%	10 August 2016
General Research GMBH	49,553,833	5.971%	10 August 2016

SCHEDULE 2: ISSUE OF EQUITY SECURITIES IN CRP

The information in this Schedule covers the two year period ending on the date of this Statement

Directors

Name of Person/Entity that CRP Shares were issued to	Equity Securities issued to Person/Entity		Name of Director(s) that is associated with the recipient of the share issue
	Number and nature of equity securities	Issue price per equity security and date of issue	
Christopher Castle	878,835 CRP Shares	\$0.006 per CRP Share. Issued 11 September 2015.	Linda Sanders
	121,156 CRP Shares	1 CRP Share for every 7 CRPOB options cancelled. Issued 10 August 2015.	
	688,039 CRP Shares	\$0.006 per CRP Share. Issued 24 July 2015.	
	3,030,875 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	
	769,231 CRP Shares	\$0.013 per CRP Share. Issued 12 May 2015.	
Christopher Castle and Linda Jane Sanders	226,325 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	N/A
Linda Jane Sanders	2,060,034 CRP Shares	\$0.016 per CRP share as partial payment for services. Issued 2 May 2016.	Christopher Castle
	2,800,022 CRP Shares	\$0.0095 per CRP Share as partial payment for services. Issued 11 September 2015.	
	751,723 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	
LJ Sanders Consulting Limited	937,500 CRP Shares	\$0.016 per CRP Share as partial payment for services. Issued 13 May 2015.	Linda Sanders and Christopher Castle
	79,365 CRP Shares	\$0.189 per CRP Share as partial payment for services. Issued 15 January 2015.	
Robert Goodden	22,747 CRP Shares	1 CRP Share for every 7 CRPOB options cancelled. Issued 10 August 2015.	N/A
	662,701 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	
Robin Keith Halcro Falconer & Rosemary Feriel Falconer	625,000 CRP Shares	\$0.016 per CRP Share as partial payment for services. Issued 10 May 2016	N/A
	100,000 CRP Shares	1 CRP Share for every 5 unlisted options cancelled. Issued 12 August 2015.	
	14,464 CPR Shares	1 CRP Share for every 7 CRPOB options cancelled. Issued 10 August 2015.	

	1,172,800 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	
Robin Falconer Associates Limited	84 CRP Shares	1 CRP Share for every 7 CRPOB options cancelled. Issued 10 August 2015.	Robin Falconer
	937,500 CRP Shares	\$0.016 per CRP Share as partial payment for services. Issued 13 May 2015.	
	5,588 CRP Shares	\$0.0006 per CRP Share. Issued 13 May 2015.	
	79,365 CRP Shares	\$0.189 per CRP Share as partial payment for services. Issued 15 January 2015.	
Jill Hatchwell, Peter Vincent and Alison Pharaoh	500,000 CRP Shares	\$0.006 per CRP Share. Issued 1 July 2016	N/A

Senior Officers

Name of Person/Entity that CRP Shares are registered in	Equity Securities issued to Person/Entity		Name of Senior Officer that is associated with the recipient of the share issue
	Number and nature of equity securities	Issue price per equity security and date of issue	
CRP-OCS Consulting Limited	3,894,988 CRP Shares	\$0.0067 per CRP Share as partial payment for services. Issued 2 May 2016	Raymond Wood
	3,024,029 CRP Shares	\$0.0095 per CRP Share as partial payment for services. Issued 11 September 2015.	
	937,500 CRP Shares	\$0.016 per CRP Share as partial payment for services. Issued 13 May 2015.	
	198,113 CRP Shares	\$0.212 per CRP Share as partial payment for services. Issued 10 February 2015.	
	79,365 CRP Shares	\$0.189 per CRP Share as partial payment for services. Issued 15 January 2015.	
Robyn Hamilton & David Hamilton	1,666,667 CRP Shares	\$0.006 per CRP Share. Issued 1 July 2016	N/A
	65,928 CRP Shares	1 CRP Share for every 7 CRPOB options cancelled. Issued 10 August 2015.	
	1,032,443 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	
	634,223 CRP Shares	\$0.006 per CRP Share. Issued 13 May 2015.	

SCHEDULE 3: TRADING IN CRP EQUITY SECURITIES

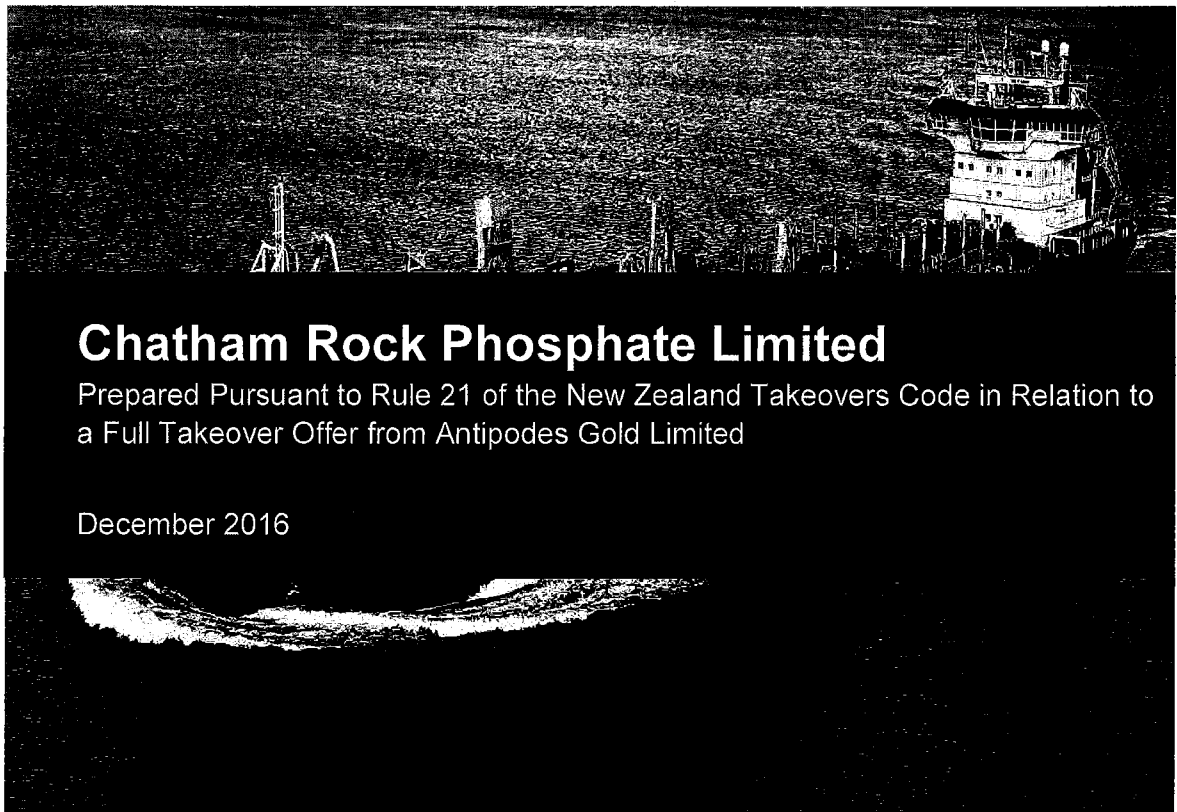
The information in this Schedule covers the six month period ending on the date of this Statement

Name	Number and designation of equity securities	Acquisition or disposal	Consideration per equity security	Date
George Wong Kim Pau and Happy Sim	8,333,333 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	30 June 2016
	3,166,667 CRP Shares	Acquisition	\$0.006 per CRP Share	1 July 2016
	25,000,000 Unpaid CRP Shares	Acquisition (commitment to pay up the Unpaid CRP Shares issued in 12 equal monthly instalments at \$0.006 per Unpaid CRP Share)	\$0.006 per CRP Share	21 July 2016
	10,416,666 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	12 August 2016
	10,416,666 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	25 October 2016
	10,416,666 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	16 November 2016
Ernst Schonbachler	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	17 June 2016
	2,944,500 CRP Shares	Acquisition	\$0.006 per CRP Share	1 July 2016

	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	18 July 2016
	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	24 August 2016
	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	19 September 2016
	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	17 October 2016
	5,555,555 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	18 November 2016
	1,708,563 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	19 December 2016
General Research GmbH	2,777,778 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	29 June 2016
	2,777,778 CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	21 July 2016
	3,720,500 CRP Shares	Acquisition	\$0.006 per CRP Share	26 July 2016

	2,777,778 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	8 August 2016
	2,777,778 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	25 August 2016
	2,777,778 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	10 October 2016
	2,777,778 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	27 October 2016
	2,777,778 Paid CRP Shares	Acquisition (previously issued Unpaid CRP Shares were fully paid up)	\$0.006 per CRP Share	13 December 2016

APPENDIX 1: INDEPENDENT ADVISER'S REPORT



Statement of Independence

Northington Partners Limited confirms that it:

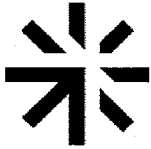
- Has no conflict of interest that could affect its ability to provide an unbiased report; and
- Has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Northington Partners Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.



Table of Contents

	Abbreviations and Definitions	3
1.0	Assessment of the Merits of the Offer	4
1.1	Introduction	4
1.2	Key Conditions	4
1.3	Regulatory Requirements and Scope of this Report	5
1.4	Summary of Our Assessment	5
2.0	Profile of Chatham Rock Phosphate	12
2.1	Background	12
2.2	Capital Structure and Ownership	14
2.3	Share Price Performance and Liquidity	14
2.4	Financial Information	15
2.5	Key Issues and Outlook	17
3.0	Relative Value of AXG and CRP	18
3.1	Valuation Summary	18
3.2	Valuation of CRP	18
	Appendix 1: Regulatory Requirements and Scope of this Report	20
	Appendix 2: Sources of Information Used in this Report	21
	Appendix 3: Declarations, Qualifications and Consents	22



Abbreviations and Definitions

AXG	Antipodes Gold Limited
Code	The Takeovers Code
CRP or Company	Chatham Rock Phosphate Limited
CRP Shares	All the ordinary shares in CRP, which comprises the Paid CRP Shares and the Unpaid CRP Shares
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPA	Environmental Protection Authority
FY	Financial Year
Instalment Investors	Three separate investors who agreed to subscribe for the Unpaid CRP Shares, and who will contribute in aggregate \$1.35 million of new equity capital for CRP
New AXG Discretionary Warrants	Discretionary warrants in AXG proposed to be issued by AXG to fulfil CRP's obligations in respect of the Options
New AXG Mandatory Warrants	Mandatory warrants in AXG
New AXG Shares	New common shares in AXG
Northington Partners	Northington Partners Limited
NPAT	Net Profit After Tax
NZ\$	New Zealand dollars
NZAX	The NZX Alternative Market, being the secondary market operated by NZX
NZX	NZX Limited
Offer	The offer from AXG to be dated on or around 23 December 2016 for all of the CRP Shares
Offer Price	New AXG Shares issued at an exchange ratio of 1 New AXG Share for every 65.59 Paid CRP Shares and New AXG Mandatory Warrants issued at an exchange ratio of 1 New AXG Mandatory Warrant for every 65.59 Unpaid CRP Shares
Options	100 million options agreed to be issued by CRP to the Instalment Investors to secure the investment by the Instalment Investors in the Unpaid CRP Shares
Paid CRP Shares	As at the Offer Date, the 737,608,793 fully paid ordinary shares issued by CRP
Share Consolidation	Prior to any New AXG Shares or New AXG Mandatory Warrants being issued, a proposed share consolidation whereby every 10 existing AXG shares will be consolidated into 1 new AXG share
Unpaid CRP Shares	As at the Offer Date, the 92,236,269 unpaid ordinary shares issued by CRP
VWAP	Volume weighted average price
Takeover Notice	The notice from AXG to CRP on 8 December 2016 setting out AXG's intention to make the Offer
TSXV	The Canadian TSX Venture Exchange
WEL	Widespread Energy Limited



1.0 Assessment of the Merits of the Offer

1.1. Introduction

Chatham Rock Phosphate Limited ("**CRP**" or "**Company**") is a phosphate mining and investment company. The Company's shares are held by around 1,000 shareholders and are quoted on the NZX Alternative Market ("**NZAX**"). Further details on CRP are set out in Section 2.0.

Antipodes Gold Limited ("**AXG**") is a former gold exploration and development company listed on the Canadian TSX Venture Exchange ("**TSXV**") and is an overseas listed issuer on the NZAX. AXG has recently divested all its residual assets with the result that it is now a listed shell company with cash as its only asset and no liabilities.

On 8 December 2016, AXG sent CRP a notice ("**Takeover Notice**") setting out its intention to make a takeover offer for all the ordinary shares in CRP ("**CRP Shares**") it does not already own ("**Offer**"). AXG's Offer will be sent to CRP shareholders on or around 23 December 2016 ("**Offer Date**"), and will remain open for acceptance until on or around 31 January 2017 (unless that date is extended by AXG or the Takeovers Panel in accordance with the provisions of the Takeovers Code ("**Code**")).

As at the Offer Date, the CRP Shares comprise 737,608,793 fully paid ordinary shares ("**Paid CRP Shares**") and 92,236,269 unpaid ordinary shares ("**Unpaid CRP Shares**").

No cash will be paid by AXG to CRP shareholders who accept the Offer. Rather, the consideration for the Offer ("**Offer Price**") will be satisfied in full as follows:

- In respect of the Paid CRP Shares, by an issue of common shares in AXG ("**New AXG Shares**") at an exchange ratio of 1 New AXG Share for every 65.59 Paid CRP Shares held by a CRP shareholder; and
- In respect of the Unpaid CRP Shares, by an issue of mandatory warrants in AXG ("**New AXG Mandatory Warrants**") at an exchange ratio of 1 New AXG Mandatory Warrant for every 65.59 Unpaid CRP Shares held by a CRP shareholder.

The New AXG Mandatory Warrants will be issued because there is no concept of unpaid shares under Canadian law; however, mandatory warrants are a directly comparable instrument.

The New AXG Shares and New AXG Mandatory Warrants will be issued on a post-consolidation basis immediately after AXG has consolidated its existing common shares on a 10:1 basis (see Section 1.4.5 for further details).

As part of the Offer process, AXG has entered lock-up agreements with 28 separate shareholders (each a "**Lock-up Party**") in respect of approximately 45.22% of the Paid CRP Shares. All the substantial security holders in the Company have entered lock-up agreements. Each Lock-up Party has agreed to sell their respective Paid CRP Shares to AXG on the terms set out in the Offer. In addition, the holders of the Unpaid CRP Shares (which shares do not confer voting rights until they are paid up) have signed lock-up agreements to sell 100% of the remaining Unpaid CRP Shares to AXG on the terms of the Offer.

1.2. Key Conditions

The Offer is subject to a number of conditions, the full details of which are set out in the Offer document that will be sent to CRP shareholders. A summary of the key conditions is as follows:

- AXG achieving acceptances that will allow it to hold or control 90% or more of the total voting rights in CRP. This condition can be waived by AXG in accordance with the provisions of the Code.
- If the condition above is waived by AXG, then AXG achieving acceptances that will allow it to hold or control more than 50% of the total voting rights in CRP. Given the existence of the lock-up agreements noted in Section 1.1 above, this condition will be satisfied if holders



of more than 4.78% of the Paid CRP Shares (who are not a Lock-up Party) agree to accept the Offer.

- CRP waiving, for the benefit of the holders of Unpaid CRP Shares who accept the Offer, terms that would otherwise restrict the transfer of such Unpaid CRP Shares.
- CRP receiving (prior to the last day on which the Offer can be declared unconditional) a cumulative total of at least \$961,164 from the holders of the Unpaid CRP Shares as payment for those Unpaid CRP Shares. We note that as at 19 December 2016, CRP had received total payments of \$796,582.38 from the holders of the Unpaid CRP Shares. With further payments of \$276,914.62 due from the holders of the Unpaid CRP Shares before the end of January 2017 (and additional monthly payments due thereafter until July 2017), this condition should be satisfied so long as payments are received in accordance with the terms upon which the Unpaid CRP Shares were issued.

The other Offer conditions (which are standard in a takeover offer of this type) are solely for the benefit of AXG and are designed to protect AXG from substantial changes to CRP or the markets within which CRP operates while the Offer is open for acceptance.

1.3. Regulatory Requirements and Scope of this Report

CRP is a "Code Company" for the purposes of the Code. AXG's Offer and the Company's response to the Offer must therefore comply with the provisions set out in the Code.

Rule 21 of the Code requires the directors of CRP to obtain a report from an independent adviser on the merits of the Offer. The Company's directors requested Northington Partners Limited ("**Northington Partners**") to prepare the Rule 21 report, and our appointment was subsequently approved by the Takeovers Panel. Further details on the regulatory requirements and scope of this report are set out in Appendix 1.

This report will accompany the Target Company Statement to be sent to all CRP shareholders and sets out our opinion on the merits of AXG's Offer. This report should not be used for any other purpose and should be read in conjunction with the declarations, qualifications and consents set out in Appendix 3.

1.4. Summary of Our Assessment

1.4.1. CRP's Current Position and Requirements

As detailed in Section 2.0, CRP currently holds an offshore mining permit over an area of the Chatham Rise located around 450 kilometres to the east of Christchurch. One of CRP's key business objectives is to gain the consents required to mine rock phosphate nodules on the Chatham Rise (the "**Chatham Rise Project**").

In May 2014, CRP lodged an application with the Environmental Protection Authority ("**EPA**") for a marine consent in relation to the Chatham Rise Project. In a decision issued in February 2015, the EPA refused CRP's marine consent application.

Following the EPA's decision, CRP's operational focus has involved two key elements:

- Working through various steps required to reach a decision on when to reapply for a marine consent to mine the Chatham Rise (the decision to reapply having been made).
- Assessing the Company's overall business strategy. This assessment resulted in a decision being taken to switch CRP from a single project business to a more diversified business (involving other phosphate projects, both onshore and offshore, and phosphate trading opportunities). The key rationale behind the change in strategy was to diversify risk and ensure the retention of the significant institutional knowledge and expertise within CRP's management team and the relationships that have been established with strategic partners.



When CRP decides to reapply for a marine consent, Company management estimates \$3-\$6 million will be needed to fund the application. A more accurate assessment of the application funding requirement will be possible once the Company better understands how much material from CRP's initial marine consent application will be "taken as read" by the EPA.

CRP has not derived any income over the last two financial years and has relied on support from its shareholder base to fund day-to-day operations. Since July 2015, the Company has raised or secured firm commitments for approximately \$2.93 million of new capital, including the issue of 224,999,999 Unpaid CRP Shares to three investors ("**Instalment Investors**") which will raise in total \$1.35 million. The Unpaid CRP Shares are being paid up in equal monthly instalments over a period of 12 months from the date of issue, decreasing the number of Unpaid CRP Shares on issue with each instalment payment. As noted in Section 1.2 above, as at 19 December 2016 just over \$796,500 had been paid in respect of the Unpaid CRP Shares, leaving an unpaid balance of approximately \$553,500.

1.4.2. Practical Effect of the AXG Offer

The Offer by AXG constitutes a "reverse takeover", a term used to describe a takeover offer made by an essentially dormant listed shell company to facilitate the acquisition of that shell company by another entity. As noted in Section 1.1, AXG has no current operational activities but remains listed on the TSXV with cash as its only asset and no liabilities.

Although regarded as a takeover offer for the purposes of the Code, in a practical sense AXG's Offer represents the acquisition by CRP of the AXG shell for approximately NZ\$573,000 (see Section 3.3). If the Offer is declared unconditional:

- AXG will change its name to Chatham Rock Phosphate Limited.
- The shareholding structure of the resulting entity will comprise both existing AXG and CRP shareholders, with CRP shareholders owning the significant majority of shares. As noted in Section 1.4.6 below, this outcome reflects the exchange ratio that comprises AXG's Offer Price (which in turn is a result of the relative valuations of CRP and AXG).
- The CRP Board of Directors will be appointed to the AXG Board of Directors.

1.4.3. Perceived Advantages of the AXG Offer

The directors of CRP are supportive of the AXG Offer (i.e. the effective acquisition of AXG by CRP). The principal reason for this support is that if the Offer is declared unconditional, it will allow CRP to achieve a cost-effective overseas listing on the TSXV. In the absence of a transaction such as that contemplated by the AXG Offer, CRP would likely need to embark on a far more costly process to achieve such a listing.

The Company's directors consider a listing on the TSXV would be advantageous. There are a large number of resource companies listed on that exchange compared to the relatively few such companies listed in New Zealand. CRP believes a greater awareness of the opportunities and risk profiles generally associated with TSXV listed companies should improve the prospects of any future capital raising initiatives undertaken by the Company. In the short-term, management believes this could be beneficial if CRP decides to reapply for a marine consent to mine the Chatham Rise and requires additional capital to fund the application.

Additional benefits CRP's directors attribute to the reverse takeover offer include:

- CRP will inherit an experienced and well-connected Toronto-based director currently sitting on the AXG Board, who will be available to assist the Company to pursue its future strategies.
- AXG's existing 500 resource-sector shareholders (resident in a number of countries) will become indirect shareholders of the Company. This will increase the size of the shareholder base from which future equity capital could potentially be sourced.
- CRP will inherit AXG's Canadian corporate support structure.



1.4.4. Impact of Offer on CRP Strategy and Governance

Consistent with the nature of the Offer as a reverse takeover, if the Offer is declared unconditional AXG has no plans to change the direction of CRP's corporate strategy. In particular, the Company will not embark on gold mining or exploration activities, being the former business of AXG. Rather, CRP envisages that the reverse takeover by AXG will simply provide the Company with the advantage of a TSXV listing and the additional benefits outlined in Section 1.4.3 above, which should better facilitate the pursuit by the Company of its current phosphate mining, exploration and trading opportunities.

All the current directors of CRP will be appointed to the board of AXG on completion of the Offer and all current directors of AXG, except Justin Cochrane, will resign as directors of AXG. In addition, we note that the arrangements concluded with the Instalment Investors allow for two of those three investors to appoint a director to the board of CRP - this obligation will be met by AXG if the appointments to the CRP board have not occurred prior to the completion of the Offer.

1.4.5. Impact of Offer on Capital Structure

AXG has no current intention to make any material changes to the assets of CRP or its subsidiaries if the Offer is declared unconditional. Although AXG will need to raise new capital so that CRP can pursue its corporate strategy, no capital raising strategies have yet been adopted.

If the Offer is declared unconditional, prior to any New AXG Shares or New AXG Mandatory Warrants being issued AXG will undertake a share consolidation on the basis that every 10 existing AXG shares will be consolidated into 1 new AXG share ("**Share Consolidation**"). The purpose of the Share Consolidation is to enable the AXG shares to have a market price of at least C\$0.05 following the Share Consolidation. A market price for its shares at or above this level is generally required by the TSXV before new share issues can be made. The Share Consolidation will not change any AXG shareholder's proportion of votes to total votes (although the total votes capable of being cast by AXG shareholders at future AXG general meetings will be reduced). We consider the Share Consolidation to be a practical and logical step to meet TSXV requirements and allow AXG to make the Offer.

As part of the arrangements entered into with the Instalment Investors (see Section 1.4.1 above), CRP agreed to grant 100 million options in aggregate ("**Options**") to the Instalment Investors. The Options may be exercised at the discretion of the holder to receive one CRP Share for an exercise price of \$0.006 at any time in the 12-month period following the date that the Options are granted.

AXG and CRP have entered into an arrangement pursuant to which AXG will fulfil the obligations of CRP to the Instalment Investors in relation to the Options. Immediately following successful completion of the Offer, AXG will satisfy the obligation of CRP to issue the Options to the Instalment Investors by issuing a total of 1,524,618 discretionary warrants to those investors in aggregate ("**New AXG Discretionary Warrants**"). The key terms on which AXG will issue the New AXG Discretionary Warrants are:

- They will be exchangeable into New AXG Shares on a 1:1 basis.
- They will have an exercise price of \$0.394 per New AXG Discretionary Warrant.
- They must be exercised within 12 months of the date they are granted or they lapse and are of no further effect.
- They are only exercisable once all of the New AXG Mandatory Warrants have been exercised.

The New AXG Discretionary Warrants will be issued on the same post Share Consolidation exchange ratio of 65.59 that applies to AXG's Offer Price for the CRP Shares. We consider the proposed issue of New AXG Discretionary Warrants to be a practical way to deal with CRP's existing obligations in respect of the Options and will meet the requirements of the Code (see Section 1.4.11 below for further details).



1.4.6. Relative Value of AXG and CRP

As set out in Section 3.0, the aggregate values for AXG and CRP on which the Offer is based mean that CRP shareholders will hold approximately 90% of the total shares on issue in the combined entity assuming 100% of the CRP shareholders accept the Offer. The agreed values and the resulting relative ownership percentages are presented in Table 2.

Table 1: Relative Values for CRP and AXG

Company	Value	Relative Value Contribution
CRP Value	\$5,351,189	90.33%
AXG Value	\$573,109	9.67%
Merged Value	\$5,924,298	100.00%

Source: CRP and Draft Target Company Statement

On balance, we believe that the agreed values are reasonable from the CRP shareholders' point of view. Given that neither company has any operating assets and recognising that the development options held by CRP cannot be reliably valued using standard valuation approaches, we suggest that the framework used to determine the aggregate values for both AXG and CRP is appropriate. Our assessment of the agreed relative values is discussed further in Section 3.0.

1.4.7. Impact on Control Position of CRP

If the Offer is declared unconditional, existing CRP shareholders' control of CRP will be diluted. However, as a group the existing CRP shareholders will still have a substantial degree of control over CRP – as discussed in Section 1.4.6 above, CRP's existing shareholders will (based on the relative values of AXG and CRP) control around 90.33% of CRP.

If the Offer is declared unconditional, CRP will become a subsidiary of AXG. Accordingly, existing CRP shareholders' control of CRP will change from being direct control in CRP to indirect control (or a combination of indirect and direct control). The extent of the switch from direct to indirect control will depend on the level of acceptances to the Offer:

- If AXG achieves acceptances to the Offer that allow it to hold or control 90% or more of the total voting rights in CRP, AXG intends to invoke the compulsory acquisition provisions of the Code to compulsorily acquire any outstanding shares in CRP. In this circumstance, CRP will become a wholly-owned subsidiary of AXG and existing CRP shareholders' control in CRP will be entirely an indirect control interest. The indirect control interest will be approximately 90.33%.
- If CRP shareholders other than the Lock-up Parties accept the Offer but not in sufficient number to confer upon AXG 90% or more of the voting rights in CRP, then AXG will end up with an ownership interest in CRP of more than 50% but less than 90%. In this circumstance, existing CRP shareholders' control interest in CRP will comprise a combination of direct and indirect control interests.

1.4.8. Impact of Change from a New Zealand listed Entity to a Canadian Listed Entity

CRP Shareholders will have substantial control over the appointment of directors for AXG and will have the rights and protections available to AXG shareholders under the Business Corporations Act (British Columbia), the Constitution and the listing rules of the TSXV.

A general comparison of the rights, protections and obligations between AXG shares and CRP Shares is set out in Appendix 2 of the Offer document. Although there are some differences between New Zealand and Canadian law, in our view most of the differences are relatively subtle and therefore not likely to materially impact CRP shareholders' views on whether to accept or reject the Offer.



An overview of the tax implications of the Offer for holders of CRP Shares who are New Zealand tax residents is also set out in Appendix 2 of the Offer document. Again, for most New Zealand tax residents, we believe the implications will not be a significant factor in their assessment of the Offer.

Our views on the corporate law and tax implications of the Offer are general observations. It is not possible to contemplate all CRP shareholders' personal circumstances and the appropriate course of action for each shareholder is dependent on their own unique situation. We would encourage shareholders to seek independent professional advice if they have any concerns in respect of the possible corporate law or tax implications of accepting the Offer.

1.4.9. Factors that May Affect the Outcome of the Offer

The likely level of acceptances of the Offer is difficult to predict. However, we make the following observations:

- The ability of AXG to reach the 90% compulsory acquisition threshold (which is a condition of the Offer, albeit one that AXG can elect to waive) will depend principally on the attitude of the Company's smaller shareholders. As set out in Section 1.1, a number of the Company's largest shareholders have entered into lock-up agreements pursuant to which they have agreed to sell their shares to AXG on the terms set out in the Offer. With a guaranteed minimum level of acceptances of 45.22% as a result of the Lock-up Parties agreeing to sell their Paid CRP Shares, smaller shareholders comprising in aggregate approximately 44.78% of the Paid CRP Shares will need to accept the Offer if the 90% acceptance condition is to be met.
- The Company's Board of Directors and largest shareholders support the Offer. We believe this will be a significant influencing factor for smaller CRP shareholders when they make their assessment of whether to accept the Offer.
- The Offer is a reverse takeover and constitutes the effective purchase by CRP of the AXG shell. If the Offer is declared unconditional, CRP shareholders will essentially be exposed to the same business risks and opportunities as they are today (i.e. AXG has no intention to change CRP's corporate strategy as a result of the Offer and AXG has no business activities itself). This contrasts with the position that often exists in a standard takeover offer, where shareholders in a "scrip for scrip deal" are offered the opportunity to exchange shares in the target company for shares in an offeror that may have a very different strategy or business risk profile. All things being equal, we would therefore expect the fact that the Offer is a reverse takeover offer (which should assist with the advancement of CRP's current corporate strategy) should result in a higher rather than lower level of acceptances among smaller CRP shareholders.
- The fact that the Offer constitutes a reverse takeover means the likelihood of an alternative offer being presented to CRP shareholders is extremely low.

AXG has limited ability to vary the Offer in response to low acceptance levels. While it could elect to increase the Offer Price (i.e. vary the number of shares in AXG issued for every CRP share), the change in the exchange ratio would be available to all CRP shareholders whether or not those shareholders had already accepted the Offer. In our view, an increase in the Offer Price is highly unlikely given the way in which the exchange ratio has been determined, coupled with the fact that the Offer constitutes a reverse takeover.

The Offer will close on or around 31 January 2017, unless the Offer is extended in accordance with the rules of the Code. The "maximum period" for which the Offer could remain open if extended by virtue of a variation of the Offer terms under Rule 24A of the Code is 90 days. This means AXG could not extend the Offer beyond 22 March 2017 if acceptances before that date are lower than targeted.

1.4.10. Implications for CRP if the Offer is not Declared Unconditional

The ability of the Company to continue to pursue its current strategy (developing and exploring the Chatham Rise Project and diversifying its business interests to other phosphate exploration and trading opportunities) will be dependent on its ability to raise additional capital. Although CRP has



been successful to date in raising capital whilst being NZAX listed, the Company is doubtful that this will remain the case. CRP's Board of Directors is firmly of the view that the Company's future capital raising prospects will be significantly enhanced with a TSXV listing through the reverse takeover of AXG. If the Offer is not declared unconditional, CRP will remain listed on the NZAX and its prospects of raising future capital to fund its corporate strategy may be negatively impacted.

1.4.11. Adherence with Rule 20 of the Code

Rule 20 of the Code requires an offer to be made on the same terms to all shareholders of the same class of securities. In considering whether the terms of the Offer comply with Rule 20, we have specifically considered two matters set out in the Offer document:

- The intended issue of New AXG Discretionary Warrants to the Instalment Investors to satisfy CRP's obligations in respect of the Options; and
- The intended issue of 20,000 AXG shares to Christopher Castle (the Chief Executive Officer and a shareholder in CRP) immediately prior to AXG issuing New AXG Shares as consideration under the Offer ("**Castle Shares**").

In examining these two arrangements, each of which is discussed separately below, we have considered the substance of the arrangements to determine whether they form part of the Offer. If the arrangements should properly be considered part of the Offer, then Rule 20 would not have been complied with. Conversely, if the arrangements are in substance distinct and separate from the Offer, then the arrangements will not result in a failure to comply with Rule 20.

New AXG Discretionary Warrants

We are advised that the Options were offered by CRP as an inducement to secure commitments of new capital (in the form of the Unpaid CRP Shares) from the Instalment Investors. Although we understand the Instalment Investors were advised of the proposed reverse takeover of AXG by CRP, we also understand none of the Instalment Investors have any connection with AXG and were not a "related party" of CRP at the time of negotiating their investment. With the subscription for Unpaid CRP Shares being their first investment in CRP, we have no reason to doubt that the terms of the Instalment Investors' investment in the Unpaid CRP Shares and the Options were negotiated on anything other than an arms' length basis.

The Options have not yet been issued by CRP for practical reasons:

- To avoid what the directors of the Company believed to be unnecessary cost associated with adherence with NZAX Listing Rules when the Offer was believed to be imminent; and
- The Instalment Investors were attracted in negotiations by the issue of the Options being deferred given the one year term of the Options commences from their issue date.

The Options clearly represent an existing contractual obligation of CRP. We do not believe the proposal for AXG to fulfil CRP's obligation by issuing New AXG Discretionary Warrants offends Rule 20 of the Code. Our reasons for this conclusion are as follows:

- The Options were offered for genuine commercial reasons to secure new equity capital in CRP. They were not offered to the Instalment Investors as part of the Offer or to induce acceptance of the Offer.
- The issue of the Options is not conditional on the Offer becoming unconditional. CRP's obligations in respect of the Options remain irrespective of the outcome of the Offer. Therefore, the proposed issue of New AXG Discretionary Warrants is clearly not Offer consideration for the Instalment Investors but rather the proposed fulfilment by AXG of an existing CRP commitment.
- The terms of the proposed New AXG Discretionary Warrants are identical to the Options. There is no additional benefit to the Instalment Investors in relation to the New AXG Discretionary Warrants arising from the Offer. The same exchange ratio that applies to the



Offer Price in respect of the CRP Shares has been applied to the exercise price and the number of New AXG Discretionary Warrants to be issued.

Castle Shares

We understand the proposed issue of the Castle Shares arises from a loan agreement between Christopher Castle and AXG in April 2014. At that time, AXG was cash constrained and Mr Castle agreed to advance a \$40,000 interest free loan to AXG. The interest free terms were agreed to on the basis that AXG would issue the Castle Shares (being an adjusted number of shares to take account of the proposed Share Consolidation) as compensation for the advance. We are advised that the loan was repaid by AXG in full when AXG received the consideration from the sale of its residual assets in March 2016 but the Castle Shares have yet to be issued (due to TSXV restrictions on the issue of new shares by companies with a share price below C\$0.05).

We believe the proposed issue of the Castle Shares conforms with the requirements of Rule 20 of the Code. The arrangement clearly relates to a separate and pre-existing commercial agreement that has no relationship with consideration associated with the Offer. If the Offer does not proceed, AXG's obligation to issue the Castle Shares will remain.

Conclusion

We believe the proposed issue of New AXG Discretionary Warrants and the Castle Shares do not breach Rule 20 of the Code. In our view, each proposal is put forward for valid commercial reasons that are not connected to the consideration associated with the Offer.

1.4.12. Summary of our Assessment

We believe that the current CRP shareholders will be better off if the Offer is successful and the reverse takeover is completed. This view reflects that:

- The long-term value of CRP is dependent on access to further capital to fund the Company's core development strategy. This includes the potential advancement of the Chatham Rise Project as well as other phosphate projects that may be pursued in the future.
- Successful completion of the reverse takeover will provide CRP with a listing on the TSXV exchange and potential access to a new investor set who may have an interest in supporting CRP. The prospects of raising additional capital under the current structure appear limited.
- The Offer Price is based on relative valuations for AXG and CRP which we believe are reasonable.

1.4.13. Acceptance or Rejection of the Offer

This report represents one source of information that CRP shareholders may wish to consider when forming their own view on whether to accept or reject the Offer. It is not possible to contemplate all shareholders' personal circumstances or investment objectives and our assessment is therefore general in nature. The appropriate course of action for each shareholder is dependent on their own unique situation. If appropriate, shareholders should consult their own professional adviser(s).



2.0 Profile of Chatham Rock Phosphate

2.1. Background

2.1.1. Company Origins

CRP traces its origins back to a company called Widespread Energy Limited (“WEL”), an oil and gas exploration company which listed on the NZAX in November 2006. On 25 February 2010, a joint venture consortium comprising WEL and associated company Widespread Portfolios Limited was granted an offshore prospecting licence covering an area of the central Chatham Rise.

In March 2011, a decision was made that the interests of both joint venture partners would be better served if WEL became a dedicated vehicle for pursuing the opportunities presented by the granting of the prospecting licence. Accordingly, a restructuring of the various assets held by the two joint venture partners took place, with the result that WEL became the 100% owner of the interests associated with the Chatham Rise Project.

In April 2011, WEL changed its name to Chatham Rock Phosphate Limited.

2.1.2. The Chatham Rise Deposits

The Chatham Rise stretches from the South Island of New Zealand to just beyond the Chatham Islands. It is approximately 960 kilometres long, 130 kilometres wide and has water ranging in depth from 350-450 metres.

Rock phosphate nodules were first discovered on the Chatham Rise by New Zealand scientists in 1952. The deposit has been extensively studied by a range of private and public sector interests in the 1960s, 1970s and 1980s, confirming the nature and extent of the resource. The nodules lie on or within 20-70 cm of the seafloor surface in glauconitic sands.

A major marine survey conducted in late 2011 and early 2012 has assisted CRP to understand the geology of its permit area (see section 2.1.3 below) and the topography of the seabed where the nodules are known to lie. The best sampled area of 380 km² is estimated to have a resource of 23.4 million tonnes.

2.1.3. CRP's Permit Interests

New Zealand Interests

CRP's key asset is a 100% stake in an 820km² mining permit on the Chatham Rise. The Company previously held a 3,096km² prospecting permit within which the mining permit was located. The prospecting permit expired in February 2014 and CRP submitted a renewal application over a slightly smaller area (which was granted in June 2016).

A summary of CRP's current New Zealand permit interests is summarised below in Table 3.

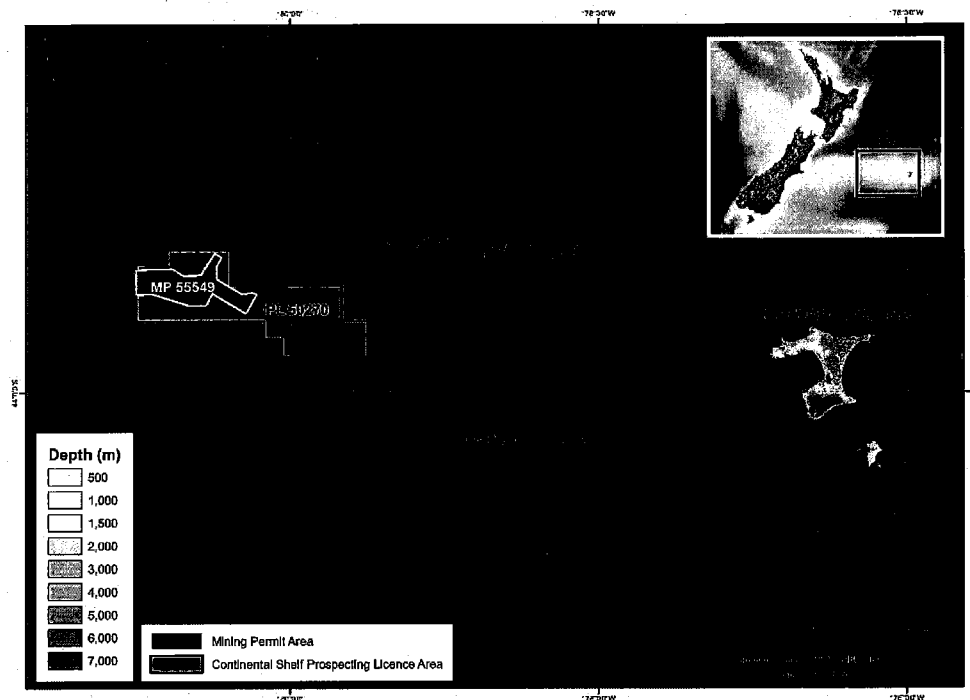
Table 2: Current New Zealand Permit Interests

Permit	Type	Gross Km ²	Ownership	Expiry
MMP55549	Mining	820	100%	December 2033
MPL50270	Prospecting	2,876	100%	February 2020

Source: CRP



Figure 1: CRP's Chatham Rise Permit Interests



Source: CRP

Namibian Interests

CRP has a wholly owned Namibian subsidiary, Manmar Investments 106 (Proprietary) Limited, which holds its Namibian assets. In May 2012, CRP (through its Namibian subsidiary) applied for five offshore prospecting licences off the coast of Namibia. The licences cover an aggregate area of 49.4km².

In September 2013, the Namibian Government declared a moratorium on the granting of any new licences for marine phosphate mining while they conducted a strategic environmental assessment. Although that moratorium has now lapsed, the prospecting licence applications are still pending.

2.1.4. Significant Historical Events

Key milestones in CRP's history are summarised below:

- 2006: WEL listed on the NZAX.
- 2010: Prospecting licence MPL50270 granted in respect of a 3,096km² area of the Chatham Rise.
- 2011: WEL changed its name to Chatham Rock Phosphate Limited to become a dedicated vehicle for pursuing opportunities presented by the granting of the prospecting licence.
- 2012: Five prospecting licences applied for off the coast of Namibia.
- 2013: Mining permit MMP55549 awarded in respect of an 820km² area of the Chatham Rise.
- 2014: Application lodged with the EPA for a marine consent in relation to the Chatham Rise Project.
- 2015: Marine consent application refused by the EPA.
- 2015: Change in corporate strategy, switching from a single project business to a more diversified business (involving other phosphate projects, both onshore and offshore, and phosphate trading opportunities).



2.2. Capital Structure and Ownership

As at 9 December 2016, CRP had 829,845,062 ordinary shares on issue held by approximately 1,000 shareholders. Of the ordinary shares on issue, 737,608,793 are Paid CRP Shares and 92,236,269 are Unpaid CRP Shares issued to the Instalment Investors.

The Company's top 10 shareholders are set out below. Compared to many listed companies, CRP is not very closely held, with the top 10 shareholders holding only around half of the Company's shares.

Table 3: Top 10 Shareholders (as at 9 December 2016)

	Shareholder	Number of Shares Held	Percentage
1	George Wong Kim Pau & Happy Sim	128,166,667	15.44%
2	Ernst Schonbachler	69,611,166	8.39%
3	General Research	49,553,833	5.97%
4	Subsea Investments	36,582,711	4.41%
5	Aorere Resources Limited ¹	23,847,162	2.87%
6	New Zealand Central Securities	22,383,746	2.70%
7	Wouter Van Woudenberg	21,098,900	2.54%
8	Neil Craig Armstrong	18,863,089	2.27%
9	Kwee Heng Mok	17,500,000	2.11%
10	Mineral Investments Limited	17,349,036	2.09%
	Top 10 Shareholders	404,956,310	48.80%
	Remaining Shareholders	424,888,752	51.20%
	Total Shares on Issue		100.00%

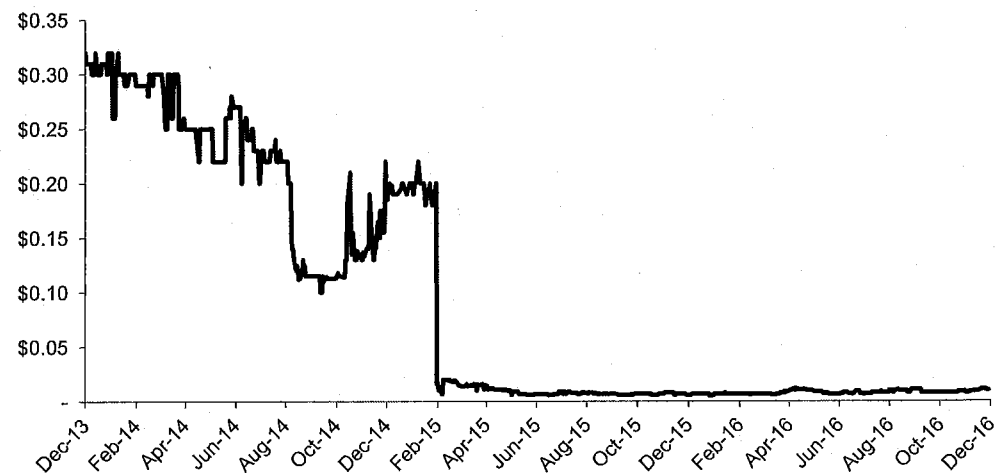
Source: CRP

¹ When combined with the shareholding of Mineral Investments Limited (which is ultimately wholly-owned by Aorere Resources Limited), Aorere Resources Limited controls 4.96% of the Company's shares.

2.3. Share Price Performance and Liquidity

The performance of CRP's share price since 12 December 2013 is shown in Figure 2 below.

Figure 2: CRP Share Price Performance



Sources: Capital IQ / Northington Partners' analysis



The significant decline in the share price in February 2015 was a result of the announcement that the EPA had declined the Company's marine consent application.

The volume weighted average price ("VWAP") of CRP's shares for a number of observation periods is summarised in Table 5. The VWAP has generally remained flat over the last six months, reflecting the limited amount of activity and new information released to the market.

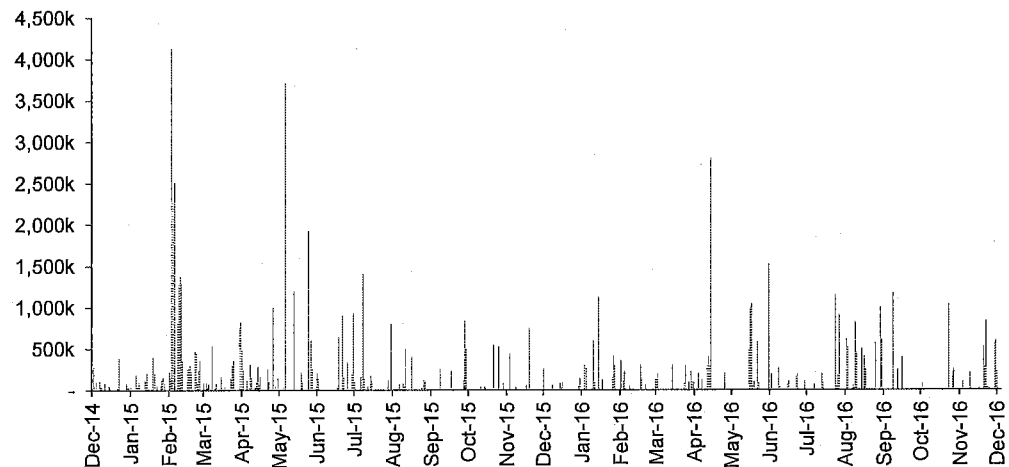
Table 4: CRP Volume Weighted Average Price (to 12 December 2016)

	Last 6 Months	Last 3 Months	Last Month
Volume Weighted Average Price	\$0.0095	\$0.0096	\$0.0101

Source: Capital IQ

Consistent with the nature of CRP as an early stage exploration company, the Company's shares have historically suffered from low liquidity. Figure 3 below sets out the daily trading volumes in CRP's shares during the two year period to 12 December 2016, showing numerous days without any trades and typically low volumes on the days when trading did take place.

Figure 3: CRP Share Liquidity (Daily Volume Traded)



Source: Capital IQ

Further details on the liquidity of CRP's shares during the last 12 months are set out in Table 6 below.

Table 5: CRP Share Liquidity Last 12 Months to 12 December 2016

Average Daily Share Trading Volume	131,120
Total Shares Traded	33,173,290
Shares on Issue	829,845,062
Total Volume / Shares on Issue	4.0%

Sources: Capital IQ / Northington Partners Analysis

2.4. Financial Information

2.4.1. Financial Performance

A summary of CRP's financial performance for the three-year period between FY2014 and FY2016 is set out in Table 7 below.

The main features of CRP's historical financial performance can be summarised as follows:



- As an early-stage exploration company, CRP has derived no revenue from operations during the period.
- A significant loss was sustained in FY15 as a result of costs associated with exploration of the Chatham Rise and preparation of the Company's marine consent application. The loss sustained in FY16 is largely attributable to "stay in business" administrative costs incurred by the Company.

Table 6: CRP Financial Performance

NZ\$000's	FY14	FY15	FY16
Revenue	-	-	-
Finance Income	16.1	4.0	4.3
Finance Expenses	-	(5.7)	(3.3)
Administrative Expenses	(1,441.5)	(2,542.6)	(641.8)
Exploration Costs	(2.8)	(65.7)	(8.0)
Marine Consent Application Costs	-	(6,004.5)	(168.2)
Exploration Costs Impaired	-	(18,732.8)	-
EBITDA	(1,428.2)	(27,347.3)	(817.0)
Interest Expense	-	-	-
Depreciation	-	(3.1)	(0.9)
NPAT	(1,428.2)	(27,350.4)	(817.9)

Source: CRP Annual Reports 2016 and 2015

2.4.2. Financial Position

Table 8 below summarises CRP's financial position for the last three financial years.

Table 7: CRP Statement of Historical Financial Position

NZ\$000's	FY14	FY15	FY16
Cash and Cash Equivalents	74.7	147.9	185.5
Accounts Receivable	106.7	79.7	55.9
Current Tax Assets	2.2	3.3	1.2
Other Current Assets	632.3	61.3	301.3
Intangible Assets	22,042.5	3,949.9	4,193.7
PPE	4.2	2.8	0.9
NZX Bonds	15.0	15.0	15.0
Total Assets	22,877.6	4,259.8	4,753.5
Trade and Other Payables	1,248.1	1,000.1	990.6
Advance from Aorere Resources	4.1	-	-
Total Liabilities	1,252.2	1,000.1	990.6
Share Capital	22,716.7	31,595.9	33,302.1
Share option Reserve	4,067.5	413.0	-
Accumulated Losses	(5,158.8)	(28,749.2)	(29,539.1)
Total Owners Equity	21,625.4	3,259.7	3,763.0

Source: CRP Annual Reports 2016 and 2015

The main features of CRP's financial position are summarised as follows:

- Since 2014 CRP has been raising additional equity capital to finance capital expenditure and operational expenditure;
- The Company has virtually no tangible assets. The large intangible asset (valued at \$4.8m) relates to the exploration and evaluation activities for the Chatham Rise Project.



2.4.3. Cash Flows

Table 9 below summarises CRP's historical cash flows for the period FY2014 to FY2016.

Table 8: CRP Statement of Historical Cash Flows

NZ\$000's	FY14	FY15	FY16
Net Interest and Dividends Received	5.9	2.7	6.4
Cash Paid to Suppliers	(1,509.6)	(5,880.6)	986.2
Exploration Expenditure	(2,730.7)	(2,056.0)	183.3
Tax Refund Received	3.0	-	-
Cashflow from Operations	(4,231.3)	(7,934.0)	1,175.9
Advances from (to) related parties	165.2	(164.1)	-
Purchase of PPE	(10.8)	(2.8)	-
Net Investing Cashflow	154.4	(167.0)	-
Proceeds from issue of share capital	2,999.7	8,174.2	1,200.7
Net Financing Cashflow	2,999.7	8,174.2	1,200.7
Cash Increase/Decrease	(1,077.2)	73.2	2,376.6
Closing Cash Balance	74.7	147.9	185.5

Source: CRP Annual Reports 2016 and 2015

2.5. Key Issues and Outlook

The two principal business issues facing CRP at present are when to reapply for a marine consent to mine the Chatham Rise and the execution of its new strategy to diversify away from being a single project company.

We understand the timing of when to reapply for the marine consent is being actively considered, with the directors of the Company closely watching the progress of Trans-Tasman Resources' new application for a marine consent from the EPA. As noted in Section 1.4.1 above, a significant amount of new equity capital will be needed to fund the application.



3.0 Relative Value of AXG and CRP

3.1. Valuation Summary

As set out in Section 1.1, the Offer Price is based on an exchange ratio of:

- 1 New AXG Share for every 65.59 Paid CRP Shares; and
- 1 New AXG Mandatory Warrant for every 65.59 Unpaid CRP Shares.

The exchange ratio was determined by the parties based on an assessment of the relative values of CRP and AXG, as summarised below in Table 10. The basis for assessing the values for both companies was determined as part of a pre-bid agreement between the parties dated 21 July 2016, whereby:

- i. The offer will value AXG at the aggregate of \$0.3m and the net cash that it holds as at the day immediately preceding the day that the takeover notice for the Offer is issued.
- ii. The Offer will value CRP at the aggregate of \$0.007 per share for all CRP shares on issue at the date of the pre-bid agreement and, in respect of CRP shares issued after that date, the aggregate issue price at which such CRP shares were issued.

Table 9: Relative Values for CRP and AXG

Company	Value	Relative Value Contribution
CRP Value	\$5,351,189	90.33%
AXG Value	\$573,109	9.67%
Merged Value	\$5,924,298	100.00%

Source: CRP and Draft Target Company Statement

Based on the number of shares on issue in AXG (following the proposed Share Consolidation) and the agreed aggregate value of AXG, the agreed value per AXG share is \$0.4230. The equivalent value for CRP is \$0.00645 per share, meaning that the exchange ratio of 65.59 ($\$0.4230 / \0.00645) will ensure that the current CRP shareholders will collectively own 90.33% of the shares on issue (in the event that the Offer is accepted by 100% of the CRP shareholders).

The relative shareholdings are summarised in Table 11, on the basis of 100% acceptances in respect of the CRP shares.

Table 10: Relative Shareholdings

Shareholding Group	Shares	Relative Shareholding
CRP Shareholders	12,651,967	90.33%
AXG Shareholders	1,355,017	9.67%
Total	14,006,984	100.00%

Source: CRP and Draft Target Company Statement

3.2. Valuation of CRP

As set out in the previous section, CRP has been valued for the purposes of the Offer at an aggregate value of approximately \$5.35 million. On balance, we conclude that this value is reasonable in the context of the Offer. Our conclusion reflects the following considerations:

- CRP does not currently hold any income producing assets. Its main asset relates to the Chatham Rise Project and, as set out in Section 2.0, the future prospects for that asset are



extremely uncertain. It is therefore not possible to reasonably assess the value of CRP using standard valuation techniques – the timing and quantum of all future revenue and expenses are clearly too difficult to predict.

- The agreed value framework determines the aggregate value for CRP based on the number of shares on issue and the adopted price of \$0.007 per share. This share value was determined in July at the time of the pre-bid agreement with AXG and was largely in line with the market traded value of the shares in the two months preceding the agreement. The value of shares issued since July is brought to account in the valuation framework at the issue price for each tranche of new shares.
- Although the CRP shares are illiquid and investors have limited information on which to base their value assessments, we suggest that the observed market prices at the time of the pre-bid agreement provide the best available guide as to the current value of CRP.

3.3. Valuation of AXG

AXG is a listed shell company with no remaining operating assets. The current value of AXG was therefore determined as the sum of an assessed value attributed to the listing agreement plus the cash on hand at the Offer Date. These values are summarised in Table 12.

Table 11: AXG Value Components

Value Attributed to TSXV Listing	\$300,000
Net Cash	\$273,109
AXG Agreed Value	\$573,109

Source: CRP

While the value ascribed to the TSXV listing is ultimately based on a subjective assessment, we suggest that the \$0.30m value is in line with the values implied by other similar transactions. We therefore conclude that the assessed value of AXG is reasonable from the CRP shareholders' point of view.

Appendix 1: Regulatory Requirements and Scope of this Report

Role of Takeovers Panel

The Takeovers Code ("**Code**") sets out rules governing the conduct of company takeovers in New Zealand. The provisions of the Code apply to any company that is a "Code Company" (as defined in the Code). CRP is a "Code Company" by virtue of it being listed on the NZAX and by having more than 50 shareholders.

The fundamental rule of the Code is set out in Rule 6 and prevents any entity (together with its associates) from becoming the holder or controller of 20% or more of the voting rights in a "Code Company" other than via one of several courses of action prescribed in Rule 7 of the Code.

Pursuant to Rule 7 of the Code, a person may (among other exceptions) become the holder or controller of 20% or more of a Code Company "by an acquisition under a full offer". A "full offer" requires the offeror to make an offer for all the equity securities in the Code Company that it does not already own.

AXG's Offer is a "full offer" for the purposes of the Code. The Offer and the response by CRP to the Offer must comply with the provisions set out in the Code. Rule 21 of the Code requires the directors of CRP to obtain a report from an independent adviser on the merits of the Offer.

CRP's directors requested Northington Partners Limited ("**Northington Partners**") to prepare the independent adviser's report required by Rule 21 of the Code. Our appointment was approved by the Takeovers Panel in February 2016.

Basis of Assessment

The exact meaning of the word "merits" is not prescribed in the Code and there is no well accepted, authoritative New Zealand reference that clearly establishes what should be considered when assessing the merits of a takeover offer. Although the Takeovers Panel has published a guidance note about the role of an Independent Adviser, it has been careful not to limit the scope of the assessment and states that the relevant factors that should be taken into consideration will depend on the features of the proposed transaction as well as the prevailing circumstances of the parties involved. However, the Takeovers Panel suggests that a merits assessment is broader than a valuation assessment and will include other positive and negative aspects of a transaction.

Northington Partners has assessed the merits of the Offer by taking into account the following factors:

- A comparison of the relative valuations of AXG and CRP in order to assess the merits of the Offer Price (i.e. the number of AXG shares offered for each share in CRP).
- The fact that the Offer constitutes a reverse takeover offer pursuant to which CRP is, in effect, purchasing the TSXV listed AXG shell.
- The perceived advantages of CRP embarking upon the reverse takeover of AXG.
- Such other financial and non-financial considerations as may be appropriate in the circumstances.

Appendix 2: Sources of Information Used in this Report

Other than the information sources referenced directly in the body of the report, this assessment is also reliant on the following sources of information:

- Annual reports for CRP for 2013, 2014 and 2015
- Audited financial statements for CRP for the period FY2013 to FY2015
- Discussions with senior management personnel of CRP
- The website of CRP
- AXG's Takeover Notice dated 8 December 2016

Appendix 3: Declarations, Qualifications and Consents

Declarations

This report is dated 20 December 2016 and has been prepared by Northington Partners at the request of the independent directors of CRP to fulfil the requirements of the Takeovers Panel in relation to the Offer. This report, or any part of it, should not be reproduced or used for any other purpose. Northington Partners specifically disclaims any obligation or liability to any party whatsoever in the event that this report is supplied or applied for any purpose other than that for which it is intended.

Prior drafts of this report were provided to CRP for review and discussion. Although minor factual changes to the report were made after the release of the first draft, there were no changes to our methodology, analysis, or conclusions.

This report is provided for the benefit of all of the shareholders of CRP (other than any shareholder who is associated with AXG) that are being asked to consider the Offer, and Northington Partners consents to the distribution of this report to those people. Our engagement terms did not contain any term which materially restricted the scope of our work.

Qualifications

Northington Partners provides an independent corporate advisory service to companies operating throughout New Zealand. The company specialises in mergers and acquisitions, capital raising support, expert opinions, financial instrument valuations, and business and share valuations. Northington Partners is retained by a mix of publicly listed companies, substantial privately held companies, and state owned enterprises.

The individuals responsible for preparing this report are Greg Anderson B.Com, M.Com (Hons), Ph.D and Steven Grant B.Com, LLB (Hons). Each individual has a wealth of experience in providing independent advice to clients relating to the value of business assets and equity instruments, as well as the choice of appropriate financial structures and governance issues.

Northington Partners has been responsible for the preparation of numerous independent reports in relation to takeovers, mergers, and a range of other transactions subject to the Takeovers Code and NZX Listing Rules.

Independence

Northington Partners has not been previously engaged on any matter by CRP or (to the best of our knowledge) by any other party to the Offer that could affect our independence. None of the Directors or employees of Northington Partners have any other relationship with any of the directors or substantial security holders of the parties involved in the Offer.

The preparation of this independent report will be Northington Partners' only involvement in relation to the Offer. Northington Partners will be paid a fixed fee for its services which is in no way contingent on the outcome of our analysis or the content of our report.

Northington Partners does not have any conflict of interest that could affect its ability to provide an unbiased report.

Disclaimer and Restrictions on the Scope of Our Work

In preparing this report, Northington Partners has relied on information provided by CRP. Northington Partners has not performed anything in the nature of an audit of that information, and does not express any opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied.

Northington Partners has used the provided information on the basis that it is true and accurate in material respects and not misleading by reason of omission or otherwise. Accordingly, neither Northington Partners nor its directors, employees or agents, accept any responsibility or liability for any such information being inaccurate, incomplete, unreliable or not soundly based or for any errors in the analysis, statements and opinions provided in this report resulting directly or indirectly from any such circumstances or from any assumptions upon which this report is based proving unjustified.

We reserve the right, but will be under no obligation, to review or amend our report if any additional information which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

Indemnity

CRP has agreed to indemnify Northington Partners (to the maximum extent permitted by law) for all claims, proceedings, damages, losses (including consequential losses), fines, penalties, costs, charges and expenses (including legal fees and disbursements) suffered or incurred by Northington Partners in relation to the preparation of this report, except to the extent resulting from any act or omission of Northington Partners finally determined by a New Zealand Court of competent jurisdiction to constitute negligence or bad faith by Northington Partners.

CRP has also agreed to promptly fund Northington Partners for its reasonable costs and expenses (including legal fees and expenses) in dealing with such claims or proceedings upon presentation by Northington Partners of the relevant invoices.



Norththington
Partners

APPENDIX 2: CLASS FAIRNESS REPORT

Antipodes Gold Limited

Independent Adviser's Report

Prepared Pursuant to Rule 22 of the Takeovers Code in Relation to a Full Takeover Offer for Chatham Rock Phosphate Limited

December 2016

Purpose of the Report

This report is **not** a report on the merits of the offer.

This report has been commissioned by the offeror, Antipodes Gold Limited.

The purpose of this report is solely to compare the consideration and terms offered for the different classes of securities and to certify as to the fairness and reasonableness of that consideration and terms as between the different classes of securities.

A separate Independent Adviser's Report on the merits of the offer, commissioned by the directors of Chatham Rock Phosphate Limited, must accompany Chatham Rock Phosphate Limited's target company statement.

The offer should be read in conjunction with this report and the separate Independent Adviser's Report on the merits of the offer.

Statement of Independence

Simmons Corporate Finance Limited confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report
- has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Simmons Corporate Finance Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Takeovers Panel, that it is independent under the Takeovers Code for the purposes of preparing this Independent Adviser's Report.

Index

Section	Page
1. Introduction	1
2. Evaluation of the Offer as Between Classes of Securities	3
3. Sources of Information, Reliance on Information, Disclaimer and Indemnity	6
4. Qualifications and Expertise, Independence, Declarations and Consents	8

1. Introduction

1.1 Background

Antipodes Gold Limited (**Antipodes** or the **Company**) is listed on the TSX Venture Exchange (**TSXV**) operated by TMX Group Limited and is listed as an overseas listed issuer on the NZX Alternative Market (**NZAX**) operated by NZX Limited.

Until early 2015, the principal activity of Antipodes was exploration for gold in New Zealand. In March 2016, the Company completed the sale of all of its exploration assets and liabilities to OceanaGold Corporation.

On 24 November 2015, Antipodes received shareholder approval to undertake a reverse takeover of Chatham Rock Phosphate Limited (**CRP**).

CRP is a New Zealand based phosphate development company listed on the NZAX. It holds a mining permit of approximately 820 km² covering an offshore phosphorite deposit on the Chatham Rise, located 450 km south east of Wellington in the Exclusive Economic Zone of New Zealand. CRP also holds a prospecting permit application adjacent to the mining permit.

1.2 Antipodes Offer

Antipodes has issued notice of its intention to make a full takeover offer for all of the equity securities on issue in CRP (the **Antipodes Offer**).

CRP currently has 829,845,062 ordinary shares on issue:

- 733,150,230 fully paid ordinary shares (the **Paid Shares**)
- 96,694,832 unpaid ordinary shares (the **Unpaid Shares**).

The Paid Shares are voting securities and the Unpaid Shares are non-voting securities.

The Unpaid Shares constitute a separate class of non-voting securities for the purposes of the Takeovers Code (the **Code**).

Antipodes currently does not own any of the ordinary shares on issue in CRP.

Antipodes will offer:

- one Antipodes fully paid common share for every 65.59 Paid Shares (the **Paid Share Offer Price**)
- one Antipodes mandatory warrant for every 65.59 Unpaid Shares (the **Unpaid Share Offer Price**).

1.3 Regulatory Requirements

CRP is a listed company on the NZAX and is a *code company* as defined by Rule 3 of the Code. The takeover process contemplated by Antipodes must therefore comply with the provisions set out in the Code.

Rule 8(2) of the Code prescribes that a full offer must include offers in respect of all the securities in each class of equity securities, whether voting or non-voting, of the target company (other than those that are already held by the offeror).

Furthermore, Rule 8(4) of the Code prescribes that if non-voting securities are included in a full offer, the consideration and terms offered for non-voting securities must be fair and reasonable in comparison with the consideration and terms offered for voting securities and as between classes of non-voting securities.

In this particular case, the Code requires that the consideration and terms offered for the Unpaid Shares must be fair and reasonable compared with the consideration and terms offered for the Paid Shares.

As the offeror, Antipodes must obtain a report pursuant to Rule 22 of the Code from an independent adviser which certifies that, in the adviser's opinion, the offer complies with Rule 8(4).

1.4 Purpose of the Report

Antipodes' board of directors (the **Board**) has engaged Simmons Corporate Finance Limited (**Simmons Corporate Finance**) to prepare an Independent Adviser's Report to opine on whether the consideration and terms offered for the Unpaid Shares are fair and reasonable in comparison with the consideration and terms offered for the Paid Shares under the Antipodes Offer in accordance with Rule 22 of the Code.

Simmons Corporate Finance was approved by the Takeovers Panel on 12 August 2016 to prepare the Independent Adviser's Report.

The Independent Adviser's Report is not to be used for any other purpose without our prior written consent.

2. Evaluation of the Offer as Between Classes of Securities

2.1 Basis of Evaluation

Rule 22 of the Code requires that the Independent Adviser's Report certifies that the consideration and terms offered for the Unpaid Shares are *fair and reasonable* in comparison with the consideration and terms offered for the Paid Shares.

There is no legal definition of the term *fair and reasonable* in New Zealand in either the Code or in any statute dealing with securities or commercial law.

In the absence of an explicit definition of *fair and reasonable*, guidance can be taken from:

- the Takeovers Panel *Guidance Note on Independent Advisers and the Takeovers Code* dated 11 October 2016
- definitions designed to address similar issues within New Zealand regulations which are relevant to the proposed transaction
- overseas precedents
- the ordinary meaning of the term fair and reasonable.

Our assessment of whether the consideration and terms offered for the Unpaid Shares are fair and reasonable is based on the following approach:

- the Paid Share Offer Price of one Antipodes fully paid common share for every 65.59 Paid Shares provides the benchmark for our assessment in relation to the Unpaid Shares (although we stress that we make no attempt to determine whether the Paid Share Offer Price is itself fair and reasonable)
- accordingly, we determine the underlying fair value of the Unpaid Shares assuming an initial fair value for the Paid Shares of one Antipodes fully paid common share for every 65.59 Paid Shares
- the assessment then rests on a comparison of the Unpaid Share Offer Price with the underlying fair value of the Unpaid Shares.

In our view the assessment of the terms of the Antipodes Offer relating to the Paid Shares in comparison with the terms relating to the Unpaid Shares is inconsequential in this case. Both the holders of the Paid Shares and the holders of the Unpaid Shares will receive scrip consideration if they are capable of accepting and accept the Antipodes Offer and the Antipodes Offer to each group of shareholders is effectively contingent on the same set of conditions. Accordingly, we are of the opinion that the terms of the Antipodes Offer are equivalent as between the Paid Shares and the Unpaid Shares.

We stress that we have not attempted to assess the underlying value of the Paid Shares, but have used the Paid Share Offer Price as the benchmark for our assessment of the relativity between the offers for the 2 classes of securities.

2.2 Opinion

In our opinion, the consideration and terms offered for the Unpaid Shares are fair and reasonable in comparison with the consideration and terms offered for the Paid Shares.

We certify that in our opinion, the Antipodes Offer complies with Rule 8(4).

2.3 Comparative Value of the Unpaid Shares

Terms

A total of 224,999,999 Unpaid Shares have been issued to 3 investors between 3 March 2016 and 21 July 2016:

- George Wong Kim Pau and Happy Sim (**Wong & Sim**)
- Ernst Schönbacher
- General Research GmbH (**General Research**).

128,305,167 of the Unpaid Shares have been subscribed for and paid up since their issue. Accordingly, there are currently 96,694,832 Unpaid Shares on issue.

Unpaid Shares as at 30 November 2016				
	Wong & Sim	Ernst Schönbacher	General Research	Total
3 Mar 2016	58,333,333			58,333,333
10 May 2016	41,666,667			41,666,667
10 May 2016		66,666,666		66,666,666
10 May 2016			33,333,333	33,333,333
21 Jul 2016	25,000,000			25,000,000
Total Unpaid Shares issued	125,000,000	66,666,666	33,333,333	224,999,999
Paid Shares subscribed for	72,916,667	38,888,500	16,500,000	128,305,167
Remaining Unpaid Shares	52,083,333	27,778,166	16,833,333	96,694,832

The key terms of the Unpaid Shares are:

- the shares are issued as Unpaid Shares on their issue date
- the investor pays for approximately one twelfth of the shares each month after their issue date, paying an issue price of \$0.006 per share for each tranche of shares subscribed for (the **Subscription Price**)
- until the Subscription Price is paid, the Unpaid Shares carry no voting rights or distribution rights
- Unpaid Shares are credited up as fully paid as the Subscription Price is paid (ie they become Paid Shares).

Comparative Value with Paid Shares

Until the Subscription Price is paid, the Unpaid Shares carry no voting rights or distribution rights.

However, upon the payment of the Subscription Price of \$0.006 per share, the Unpaid Shares convert to Paid Shares.

Accordingly, we assess the comparative fair value of an Unpaid Share to equate to the fair value of a Paid Share less the Subscription Price.

Unpaid Share Offer Price

The Paid Share Offer Price is one Antipodes share for every 65.59 Paid Shares.

The Unpaid Share Offer Price is one Antipodes mandatory warrant for every 65.59 Unpaid Shares.

There is no concept of unpaid shares under Canadian law but mandatory warrants are a directly comparable instrument under Canadian law.

Antipodes has structured the mandatory warrants to exactly reflect the terms and conditions of the Unpaid Shares. The mandatory warrants have the following key terms:

- they are exchangeable into Antipodes shares on a 1:1 basis at an exercise price of \$0.394 per mandatory warrant
- they must be exercised by the holder on the same dates as the subscription amounts to pay up the Unpaid Shares would have otherwise been due to CRP and in the same monetary amounts
- they do not confer any voting rights or rights to dividends and are not transferable without the consent of Antipodes.

The exercise price of \$0.394 per mandatory warrant equates to the Unpaid Share Subscription Price x the Paid Share conversion ratio : $\$0.006 \times 65.59$.

In our opinion, the consideration and terms offered for the Unpaid Shares are fair and reasonable in comparison with the consideration and terms offered for the Paid Shares:

- the terms of the Antipodes mandatory warrants exactly mirror those of the Unpaid Shares
- the conversion ratio of one Antipodes security to 65.59 CRP securities is identical for both the Unpaid Shares and the Paid Shares.

3. Sources of Information, Reliance on Information, Disclaimer and Indemnity

3.1 Sources of Information

The statements and opinions expressed in this report are based on the following main sources of information:

- the draft Antipodes Offer Document
- the Antipodes Filing Statement dated 10 November 2016
- the CRP annual report for the year ended 31 March 2016
- the CRP Subscription Agreements in respect of the Unpaid Shares
- data in respect of Antipodes and CRP from NZX Company Research and S&P Capital IQ.

During the course of preparing this report, we have had discussions with and / or received information from the Board and Antipodes' legal advisers.

The Board has confirmed that we have been provided for the purpose of this Independent Adviser's Report with all information relevant to the Unpaid Shares that is known to them and that all the information is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is desirable for the purpose of preparing this Independent Adviser's Report.

3.2 Reliance on Information

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by Antipodes and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of Antipodes or CRP. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

3.3 Disclaimer

It is not intended that this report should be used or relied upon for any purpose other than as an expression of our opinion as to whether the consideration and terms offered for the Unpaid Shares are fair and reasonable in comparison with the consideration and terms offered for the Paid Shares.

This report is not a valuation of the Paid Shares or the Unpaid Shares. We expressly disclaim any liability to any CRP shareholder that relies or purports to rely on this report for any other purpose and to any other party who relies or purports to rely on this report for any purpose.

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of Antipodes or CRP will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of Antipodes and CRP and their directors and management teams. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit, provided that this shall not absolve Simmons Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update this report.

We have had no involvement in the preparation of the Antipodes Offer Document and have not verified or approved the contents of the Antipodes Offer Document. We do not accept any responsibility for the contents of the Antipodes Offer Document except for this report.

3.4 Indemnity

Antipodes has agreed that, to the extent permitted by law, it will indemnify Simmons Corporate Finance and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. Antipodes has also agreed to indemnify Simmons Corporate Finance and its directors and employees for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Simmons Corporate Finance or its directors and employees are found liable for or guilty of negligence, wilful misconduct or breach of law or term of reference, Simmons Corporate Finance shall reimburse such costs.

4. Qualifications and Expertise, Independence, Declarations and Consents

4.1 Qualifications and Expertise

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

The person in the company responsible for issuing this report is Peter Simmons, B.Com, DipBus (Finance), INFINTZ (Cert).

Simmons Corporate Finance and Mr Simmons have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of the transactions.

4.2 Independence

Simmons Corporate Finance does not have at the date of this report, and has not had, any shareholding in or other relationship with Antipodes or CRP or any conflicts of interest that could affect our ability to provide an unbiased opinion in relation to the Antipodes Offer.

Simmons Corporate Finance has not had any part in the formulation of the Antipodes Offer or any aspects thereof. Our sole involvement has been the preparation of this report.

Simmons Corporate Finance will receive a fixed fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the Antipodes Offer. We will receive no other benefit from the preparation of this report.

4.3 Declarations

An advance draft of this report was provided to the Board for its comments as to the factual accuracy of the contents of the report. Changes made to the report as a result of the circulation of the draft have not changed the methodology or our conclusions.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

4.4 Consents

We consent to the issuing of this report in the form and context in which it is to be included in the Antipodes Offer Document to be sent to CRP's shareholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.



Peter Simmons
Director

Simmons Corporate Finance Limited
5 December 2016