

SGX-ST LISTING MANUAL AMENDMENTS – EFFECTIVE 1 FEBRUARY 2011

Listing Rules for mineral, oil and gas companies (Catalist)

RULE	RATIONALE/ PURPOSE OF AMENDMENT	NEW / AMENDED RULES
Definition	To introduce definitions for terms used in relation to mineral, oil and gas companies	<p><u>“mineral, oil and gas company”</u></p> <p><u>a company whose principal activities consist of exploration for or extraction of minerals, oil or gas. This excludes companies that purely provide services or equipment to other companies engaged in such activities</u></p> <hr/> <p><u>“qualified person”</u></p> <p><u>a person who has the appropriate experience in the type of activity undertaken or to be undertaken by a mineral, oil and gas company, meeting the following minimum requirements:</u></p> <p><u>(i) is professionally qualified and a member or licensee in good standing of a relevant Recognized Professional Association;</u></p> <p><u>(ii) has at least five years’ relevant professional experience in the estimation, assessment and evaluation of:</u></p> <p><u>(a) the mineral or minerals, oil or gas that is under consideration; and</u></p> <p><u>(b) the activity which the issuer is undertaking; and</u></p> <p><u>(iii) has not been found to be in breach of any relevant rule or law and is not:</u></p> <p><u>(a) denied or disqualified from membership of;</u></p> <p><u>(b) subject to any sanction imposed;</u></p> <p><u>(c) the subject of any disciplinary proceedings; or</u></p> <p><u>(d) the subject of any investigation which might lead to disciplinary action,</u></p> <p><u>by any relevant regulatory authority or professional association.</u></p> <hr/> <p><u>“Recognised Professional Association”</u></p> <p><u>a self-regulatory organisation of professionals in the mineral, oil or gas industries which is recognised by the Exchange must:</u></p> <p><u>(i) admit members on the basis of academic qualifications and experience;</u></p> <p><u>(ii) require compliance with organisation’s professional standards of competence and ethics established, and</u></p> <p><u>(iii) have disciplinary powers to suspend or expel a member.</u></p>

		<p><u>“reserve”</u></p> <p><u>the following meanings, or their equivalent under the relevant Standard used:</u></p> <p><u>(a) with regard to minerals, the economically mineable part of a resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Reserves can be further categorised as:</u></p> <p>(i) <u>“Proved Reserve” is the economically mineable part of a Measured Resource. Assessments and studies carried out demonstrate at the time of reporting that extraction is justified; and</u></p> <p>(ii) <u>“Probable Reserve” is the economically mineable part of an Indicated, and in some circumstances, a Measured Resource. Assessments and studies carried out demonstrate at the time of reporting that extraction can reasonably be justified;</u></p> <p><u>(b) with regard to oil and gas, those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves can be further categorised as:</u></p> <p>(i) <u>“Proved Reserve” is the quantity of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations;</u></p> <p>(ii) <u>“Probable Reserve” is the additional reserve which analysis of geoscience and engineering data indicate are less likely to be recovered than a Proved Reserve but more certain to be recovered than a Possible Reserve; and</u></p> <p>(iii) <u>“Possible Reserve” is the additional reserve which analysis of geoscience and engineering data indicate are less likely to be recoverable than a Probable Reserve.</u></p> <hr/> <p><u>“resource”</u></p> <p><u>the following meanings, or their equivalent under the relevant Standard used:</u></p> <p><u>(a) with regard to minerals, a concentration or occurrence of material of intrinsic economic interest in or on the earth’s crust in such form, quality and quantity that there are reasonable prospects for economic extraction. The location, quantity,</u></p>
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		<p><u>grade, geological characteristics and continuity of a resource are known, estimated or interpreted from specific geological evidence and knowledge. Resources are sub-divided, in order of decreasing geological confidence, into:</u></p> <p>(i) <u>“Measured Resource” is that part of a resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;</u></p> <p>(ii) <u>“Indicated Resource” is that part of a resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed; and</u></p> <p>(iii) <u>“Inferred Resource” is that part of a resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.</u></p> <p><u>(b) with regard to oil and gas, refers to</u></p> <p>(i) <u>“Contingent Resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies; and</u></p> <p>(ii) <u>“Prospective Resources” are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.</u></p>
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		<p><u>“Standard”</u></p> <p><u>the standards of reporting: -</u></p> <p><u>(a) under one of the following codes or guidelines:</u></p> <p><u>with regards to minerals,</u></p> <p>(i) <u>National Instrument 43-101 Standards of Disclosure for Minerals Projects (“NI43-101”), including Companion Policy 43-101, as promulgated by the Canadian Securities Administrators</u></p> <p>(ii) <u>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (“JORC Code”);</u></p> <p>(iii) <u>Pan European Reserves and Resources Reporting Committee Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (“PERC Code”); and</u></p> <p>(iv) <u>Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee (“VALMIN Code”);</u></p> <p><u>with regards to oil and gas,</u></p> <p>(v) <u>Petroleum Resource Management System promulgated by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers (“SPE-PRMS”); and</u></p> <p>(vi) <u>Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee (“VALMIN Code”);</u></p> <p><u>(b) as promulgated by one of the following organisations:</u></p> <p><u>with regards to minerals,</u></p> <p>(i) <u>Australasian Joint Ore Reserves Committee (“JORC”);</u></p> <p>(ii) <u>Pan European Reserves and Resources Reporting Committee (“PERC”);</u></p> <p>(iii) <u>Society for Mining, Metallurgy and Exploration (“SME”); and</u></p> <p>(iv) <u>Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”);</u></p> <p>(v) <u>The Canadian Securities Administrators (“CSA”)</u></p> <p><u>with regards to oil and gas,</u></p> <p>(vi) <u>Society of Petroleum Engineers (“SPE”);</u></p>
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		<p>(vii) <u>World Petroleum Council (“WPC”);</u></p> <p>(viii) <u>the American Association of Petroleum Geologists (“AAPG”); and</u></p> <p>(ix) <u>the Society of Petroleum Evaluation Engineers (“SPEE”); or</u></p> <p>(c) <u>an equivalent standard that is acceptable to the Exchange.</u></p>
<u>225(1)(i)</u>	To introduce sponsor obligations in relation to their sponsorship of mineral, oil and gas companies.	<u>where the listing applicant or enlarged group is a mineral, oil and gas company, the full sponsor must ensure that it has access to appropriate technical expertise relevant to the business and products of the listing applicant or enlarged group to enable it to properly discharge its obligations as a sponsor. Such expertise can be from a third-party expert or an internal resource of equivalent standards within the full sponsor; and</u>
<u>225(1)(i)</u>		<p><u>where the listing applicant or enlarged group is a mineral, oil and gas company, the full sponsor must:</u></p> <p>(i) <u>obtain a legal opinion, to be disclosed in the Offer Document of the listing applicant, on the following matters:</u></p> <p>(a) <u>compliance by the listing applicant or enlarged group with all the relevant laws, rules and regulations, including but not limited to, the proper incorporation and good standing of any incorporated subsidiary or interest; and</u></p> <p>(b) <u>the title to or validity and enforceability of the rights to any assets (including licences and agreements),</u></p> <p><u>as is appropriate to the listing applicant or enlarged group.</u></p> <p><u>Such legal opinion must be from a legal adviser who has the relevant experience and is authorised to practice and advise in the relevant jurisdiction.</u></p> <p>(ii) <u>be satisfied that the qualified person producing the qualified person’s report required under Rule 441 has the relevant and appropriate qualifications, experience and technical knowledge to professionally and independently appraise the assets and liabilities being reported upon;</u></p> <p>(iii) <u>be satisfied that the scope of the qualified person’s report required under Rule 441 is appropriate with regards to the listing applicant’s or enlarged group’s assets and liabilities; and</u></p> <p>(iv) <u>be satisfied that the work performed by the qualified person is in accordance with the relevant Standard</u></p>
<u>226(5)</u>		<p><u>A sponsor taking on sponsorship of, or undertaking continuing activities for, an existing issuer which is a mineral, oil and gas company must comply with the following obligations:</u></p> <p>(a) <u>ensure that it has access to appropriate technical</u></p>

		<p><u>expertise relevant to the business and products of the issuer to enable it to properly discharge its obligations as a sponsor. Such expertise can be from a third-party expert or an internal resource of equivalent standards within the sponsor;</u></p> <p><u>(b) maintain access to such technical expertise for as long as it remains as the sponsor for such issuer; and</u></p> <p><u>(c) disclose in the relevant announcement, document or circular, whether it had relied on such technical expertise in the discharge of its obligations as a sponsor and if so, whether such expertise is from a third-party expert or an internal resource within the sponsor.</u></p>
Part XIII	<u>ADDITIONAL LISTING REQUIREMENTS FOR MINERAL, OIL AND GAS COMPANIES</u>	
<u>438</u>	To introduce the listing criteria for mineral, oil and gas companies admitted pursuant to Part XIII of Chapter 4.	<u>In addition to the requirements for listing on Catalist, a mineral, oil and gas company applying for admission to the Official List must also meet the requirements set out in this Part of the Listing Manual.</u>
<u>439</u>		<u>The Exchange will normally not admit a listing applicant, whose activities consist solely of exploration for minerals, oil or gas, to Catalist unless the listing applicant is able to establish the existence of adequate resources in a defined area where the listing applicant has exploration and exploitation rights, and which must be substantiated by the qualified person's report required under Rule 441. In complying with this Rule, the resource must be at least, in relation to minerals, categorised as an Indicated Resource and, in relation to oil and gas, as a Contingent Resource.</u>
<u>440</u>		<p><u>Additional Offer Document Requirements</u></p> <p><u>(1) A listing applicant must disclose in its offer document the basis upon which it asserts the existence of any minerals, oil or gas in a defined area where the listing applicant has exploration and exploitation rights, in accordance with the requirements set out in Practice Note 4C.</u></p> <p><u>(2) The listing applicant's sponsor must state the legal opinion obtained pursuant to Rule 225(1)(j)(i) and the legal advisor providing such opinion.</u></p>
<u>441</u>		<p><u>Qualified Person's Report</u></p> <p><u>(1) The offer document must contain a qualified person's report that meets the following requirements:</u></p> <p><u>(a) prepared by an independent qualified person who meets the requirements in Rule 442;</u></p> <p><u>(b) prepared in accordance with a standard;</u></p> <p><u>(c) dated not more than 6 months before the date of lodgement of the offer document; and</u></p> <p><u>(2) The contents of the qualified person's report must comply with the requirements as set out in Practice Note 4C.</u></p>

442		<p><u>Independent Qualified Person</u></p> <p><u>For the purpose of Rule 441, the qualified person preparing the qualified person's report must fulfil the following:</u></p> <p>(a) <u>the qualified person must not be a sole practitioner;</u></p> <p>(b) <u>if the qualified person producing the report is not a partner or director of his firm, the production of the report must be directly supervised by a partner or director on behalf of the firm;</u></p> <p>(c) <u>the qualified person and his firm's partners, directors, substantial shareholders and their associates must be independent of the listing applicant, its directors and substantial shareholders;</u></p> <p>(d) <u>the qualified person and his firm's partners, directors, substantial shareholders and their associates must not have any interest, direct or indirect, in the listing applicant, its subsidiaries or associated companies and will not receive benefits other than remuneration paid to the qualified person in connection with the qualified person's report; and</u></p> <p>(e) <u>remuneration paid to the qualified person or the qualified person's firm in connection with the report must not be dependent on the findings of the report.</u></p>
443		<p><u>Period of Moratorium</u></p> <p><u>Rule 422 will not apply to a promoter of a mineral, oil and gas company. Instead, the period of moratorium will apply to the promoter's entire shareholdings at listing for at least 12 months after listing, and no less than 50% of the original shareholding (adjusted for any bonus issue or subdivision) for the next 6 months.</u></p>
444		<p><u>Working Capital</u></p> <p><u>Rules 407(2) and 407(3) will not apply to mineral, oil and gas companies. A listing applicant must meet the following requirements instead:</u></p> <p>(1) <u>With regard to the statement by the listing applicant's directors required in paragraph 5(a) of Part VI of the Fifth Schedule, the listing applicant's directors must state, without making a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 18 months after listing.</u></p> <p>(2) <u>In addition to the statement by the listing applicant's directors required by Rule 444(1), the listing applicant's sponsor must state, without requiring a profit forecast, that in its reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 18 months after listing.</u></p>

<p><u>704(31)</u></p>	<p>To introduce continuing disclosure obligations for mineral, oil and gas companies.</p>	<p><u>Announcements by mineral, oil and gas companies</u></p> <p>(a) <u>Any material changes to the reserves or resources of a mineral, oil and gas company, including:</u></p> <p>(i) <u>the basis upon which the issuer asserts the existence of any new material reserves or resources that has not been previously disclosed, in accordance with the requirements as set out in Practice Note 4C; and</u></p> <p>(ii) <u>a qualified person's report prepared in accordance the requirements as set out in Practice Note 4C. Where the announcement involves the reporting of new material reserves or resources that has not been previously disclosed, or a 100% change or more in reserves or resources that have been previously reported on, the report must be signed off by an independent qualified person who meets the requirements in Rule 442.</u></p> <p>(b) <u>Any change in the Standard adopted by the issuer, including the reasons for the change and the impact, if any, on its existing stated level of reserves and resources.</u></p> <p>(c) <u>Any appointment or resignation of any qualified person of the issuer.</u></p>
<p><u>705(6)</u></p> <p><u>705(7)</u></p>		<p><u>Use of funds/cash by Mineral, oil and gas companies</u></p> <p><u>Mineral, oil and gas companies whose principal activities consist of exploration for minerals, oil or gas, must:</u></p> <p>(a) <u>make a quarterly announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including principal assumptions, immediately after the figures are available but in any event not later than 45 days after the relevant financial period;</u></p> <p>(b) <u>provide a confirmation by its directors that, to the best of their knowledge, nothing has come to their attention which may render such information provided false or misleading in any material aspect. In order to make this confirmation, the directors would not be expected to commission an external audit or review of the statements. The confirmation may be signed by 2 directors on behalf of the board of directors.</u></p> <p><u>In the announcements required by Rule 705(1) and (6) respectively, a mineral, oil and gas company must also include:</u></p> <p>(a) <u>details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated; and</u></p>

		<u>(b) an update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7F.</u>
1006	To introduce a reserve test in relation to ascertaining the materiality of a disposal of mineral, oil and gas related assets to an issuer	<p>A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 depending on the size of the relative figures computed on the following bases:</p> <p>(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.</p> <p>(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.</p> <p>(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.</p> <p>(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</p> <p><u>(e) The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.</u></p>
1014	To require that major transactions relating to an acquisition or disposal of mineral, oil or gas assets by a mineral, oil and gas company must be substantiated by an independent qualified person's report.	<p><u>(1) A major transaction must be made conditional upon approval by shareholders in general meeting. A circular containing the information in Rule 1010 must be sent to all shareholders. This rule does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b).</u></p> <p><u>(2) If the major transaction relates to an acquisition or disposal of mineral, oil or gas assets of a mineral, oil or gas company, the circular to shareholders required in Rule 1014(1) must contain an independent qualified person's report that meets the requirements in Rule 441.</u></p>
1015(3)	To apply the proposed mineral, oil and gas listing rules to a very substantial acquisition or reverse takeover.	<p>The enlarged group must comply with the following:</p> <p>(a) the requirements in Rule 406, 429 and if applicable, Rule 416 <u>or 438</u>. With regard to Rule 406(1), the proportion of share capital in public hands must be at least 15% based on the total number of issued shares excluding treasury shares of the enlarged group. Where reference is made in Rule 406 to "offer document", it shall mean a shareholder's circular as required pursuant to Rule 1015(2); and</p> <p>(b) <u>the period of moratorium specified in Rule 422(1) or 443, as the case may be, is applicable to:</u></p>

		<p>(i) persons who are existing controlling shareholders or who will become controlling shareholders of the issuer as a result of the asset acquisition; and</p> <p>(ii) associates of any person in (i).</p>
<u>1204(21)</u>	To prescribe additional disclosure requirements in relation the annual reports of mineral, oil and gas companies	<p><u>Mineral, Oil and Gas Activities</u></p> <p><u>In the case of mineral, oil and gas companies:</u></p> <p>(a) <u>a qualified person's report, dated no earlier than the end of the issuer's financial year, in accordance with the requirements as set out in Practice Note 4C;</u></p> <p>(b) <u>details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities for the year. If there has been no exploration, development and/or production activity respectively, that fact must be stated; and</u></p> <p>(c) <u>a summary of reserves and resources as set out in Appendix 7F.</u></p>
Practice Note 2B, paragraph 8b	To remove the general restriction on listing of mineral, oil and gas exploration companies on Catalist	Entities that may be involved in or connected with any money laundering, terrorist financing, or other illicit activities should not be listed. Other entities may be unsuitable because their businesses are not currently addressed by the Rules (e.g. natural resource exploration , companies engaged in scientific research and development with no established financial track record, investment funds, trust structures or structured warrants), or because their structures are not currently addressed (e.g. differential voting rights). A sponsor should consult the Exchange if in doubt as to the suitability of an entity.

APPENDIX 7F
SUMMARY OF RESERVES AND RESOURCES
Cross-referenced from Rule 705(7), 1204(21) and Practice Note 4C

The following information must be provided for each asset of the issuer:

1. Summary of Mineral Reserves and Resources

Name of Asset/Country:

<u>Category</u>	<u>Mineral Type</u>	<u>Gross Attributable to licence</u>		<u>Net Attributable to Issuer</u>			<u>Remarks</u>
		<u>Tonnes (millions)</u>	<u>Grade</u>	<u>Tonnes (millions)</u>	<u>Grade</u>	<u>Change from previous update (%)</u>	
<u>Reserves</u>							
<u>Proved</u>							
<u>Probable</u>							
<u>Total</u>							
<u>Resources</u> *							
<u>Measured</u>							
<u>Indicated</u>							
<u>Inferred</u>							
<u>Total</u>							

*The Measured and Indicated Resources are additional to the Reserves

2. Summary of Oil and Gas Reserves and Resources

Name of Asset/Country:

<u>Category</u>	<u>Gross Attributable to licence</u> <u>(MMbbl / Bcf)</u>	<u>Net Attributable to Issuer</u>		<u>Remarks</u>
		<u>(MMbbl / Bcf)</u>	<u>Change from</u> <u>previous update</u> <u>(%)</u>	
<u>Oil Reserves</u>				
<u>1P</u>				
<u>2P</u>				
<u>3P</u>				
<u>Total</u>				

<u>Natural Gas and Liquids Reserves</u>				
<u>1P</u>				
<u>2P</u>				
<u>3P</u>				
<u>Total</u>				

<u>Contingent Resources</u>				
<u>Oil</u>				
<u>1C</u>				
<u>2C</u>				
<u>3C</u>				
<u>Natural Gas and Liquids</u>				
<u>1C</u>				
<u>2C</u>				
<u>3C</u>				

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbl : Millions of barrels

Bcf : Billions of cubic feet

Name of Qualified Person :

Date :

PRACTICE NOTE 4C
DISCLOSURE REQUIREMENTS FOR MINERAL, OIL AND GAS COMPANIES

Cross-referenced from Rules 440, 441 and 704

1. Introduction

(a) This Practice Note sets out the disclosure requirements for mineral, oil and gas companies.

2. General Disclosure Requirements

All mineral, oil and gas companies must comply with the following requirements:

- (a) The basis upon which the existence of any minerals, oil or gas is asserted must be in terms of reserves, resources or exploration results. The disclosure of any oil or gas accumulation should exclude Prospective Resources.
- (b) A qualified person's report must comply with the requirements as set out in paragraph 5 of this Practice Note.
- (c) All statements and reports in relation to reserves, resources or exploration results should be prepared and presented in accordance with a Standard. The listing applicant or issuer should state in the offer document or announcement, as the case may be, the Standard used.
- (d) The basis on which resource or reserve estimates are presented must be clearly indicated. Estimations of reserves must include presentation on an unrisked basis that is, before adjusting for the likelihood of commercial production. Estimations of resources must be disclosed with appropriate explanation of the accompanying risks that may have an impact on the conversion of such resources into reserves. Estimations of reserves and resources may be presented either as a gross estimate attributable to a licence or net estimate attributable to the listing applicant or issuer after adjusting for the listing applicant's or issuer's effective interest in such gross estimate.
- (e) Presentation of economic valuations on reserve or resource estimates must be accompanied with the following disclosures in the same announcement or document released to shareholders:
 - (i) name and qualification of the Qualified Person who has reviewed such valuation;
 - (ii) whether such Qualified Person is employed by the issuer or a third-party consultant;
 - (iii) the Standard used
 - (iv) principal assumptions used in arriving at the valuation, including but not limited to, assumed commodity prices, rate of discount and rate of inflation, and the basis for each assumption. Contracted commodity prices should be used where available. If unavailable, either forecast or constant prices may be used. Where forecast commodity prices are used, the listing applicant's or issuer's directors must provide a confirmation that such forecast was arrived at after due and careful enquiry and reflects their view of a reasonable outlook of the future; and
 - (v) analysis of the sensitivity of such valuations to variation in the principal assumptions provided in (iv) above. In relation to commodity prices, the scenarios must include both constant and forecast prices. In relation to the rate of discount, the scenarios must include the weighted average cost of capital.

- (f) Reports of reserves, resources or exploration results for the first time must be made in accordance with the following requirements:

Reserves

- (i) Any estimates of reserves must include a precise description of the nature and quality of the reserve, including financial assumptions, method of calculation, modifying factors, exploitation methods/parameters and other information that would reasonably be required to allow investors to make informed decisions on the validity of the data presented.
- (ii) For financial assumptions, the key economic parameters of the analysis, such as operating or capital cost assumptions, and the assumed prices of the mineral, oil or other commodities which could be produced, must be provided. If the prices used differ from the current prices of the commodities, an explanation must be given, including the effect on the economics of the project if current prices were used. Sensitivity analyses may be used to provide a better understanding of the effects of changes in commodity prices on the economics of the project.

Resources

- (iii) Any statements of the existence of resources must be supported by details of all exploration results, geological and geophysical interpretations, drilling results, analyses or other evidence. The statement must include the information on the method of calculation and other relevant information such as cut-off grades, assumptions of continuity and geological and geophysical parameters used to derive the resource statement.

Exploration Results

- (iv) Exploration results must contain sufficient information to allow investors to make an informed judgement of their significance. Exploration context, type and method of sampling, sampling intervals and methods, relevant sample locations, distribution, dimensions and relative location of all relevant assay data, data aggregation methods, land tenure status plus any other information relevant to an assessment, should be included.
- (g) Assay results must include disclosure of the analytical methods used and the name of the analytical laboratories which assayed the material sampled, together with details of their relationship, if any, to the listing applicant or issuer. The accreditation of each laboratory, or lack thereof, must also be disclosed.

3. Additional Disclosure Requirements for Offer Document

In addition to paragraph 2 of this Practice Note, the offer document relating to a mineral, oil and gas company must include the following:

- (a) the listing applicant's plans and milestones for a period of at least 18 months from the date of listing, including the capital expenditure required to meet each milestone; and
- (b) all material agreements with regard to the proposed exploitation of mineral bodies, the nature and extent of the listing applicant's rights and a description of the properties to which such rights attach, giving particulars of the duration and other principal terms of the concessions or other rights.
- (c) the listing applicant's policies and practices in relation to operating in a sustainable manner, including:
- a. the listing applicant's policy with regards to environmental and social issues;
- b. impact of the listing applicant's business practices on the environment and the communities in which it operates; and
- c. environmental and social risks faced by the listing applicant; and
- (d) in relation to a listing applicant whose principal activities consist of exploration for mineral, oil or gas, a statement on the front cover highlighting that fact; that the listing applicant may not progress to the

next stage of development or to a stage where it is able to generate revenue; and industry-specific risks.

4. Additional Continuing Obligations

In addition to paragraph 2 of this Practice Note, a mineral, oil and gas company must also comply with the following:

- (a) Analytical results should be reported in a timely and responsible manner. If the issuer releases partial results, e.g. the first two holes of a six hole program, it must ensure that the balance of the results are disclosed in a timely manner whether the results are positive or negative. A summary of expenditure incurred on these activities should also be reported.
- (b) Where work has been discontinued on properties about which the issuer has made prior disclosure, there must be further information provided as to any undisclosed results and reasons for the cessation of work.
- (c) Disclose in the issuer's annual report its policies and practices in relation to operating in a sustainable manner, including the information as required in paragraph 3(c) of this Practice Note.

5. Qualified Person's Report

- (a) In preparing the qualified person's report, the qualified person must take into account all relevant information supplied to the qualified person by the directors of the listing applicant or issuer.
- (b) The qualified person must review the information contained in the offer document or announcement, as the case may be, which relates to the qualified person's report and confirm that the information presented is accurate, balanced, complete and not inconsistent with the qualified person's report.
- (c) A qualified person's report must include the following:
 - (i) Title page
 - (ii) Table of contents
 - (iii) Executive summary
 - (iv) Introduction
 - Full name and professional qualifications of the qualified person, and if applicable, the partner/director in charge of the report and the address of the qualified person's firm/company;
 - Statement of independence by the qualified person, if the report is prepared by an independent qualified person who meets the requirements in Rule 442;
 - Aim of the report;
 - Scope of the report;
 - Statement on the use of the report;
 - Basis of the report – including data sources, data validation and reliance on other experts; and
 - Standard used.
 - (v) Property description, size, location, access, natural and cultural environment, including:
 - listing applicant's/issuer's assets and liabilities, including the following summary table of assets:

<u>Asset name/ Country</u>	<u>Issuer's interest (%)</u>	<u>Development Status</u>	<u>Licence expiry date</u>	<u>Licence Area</u>	<u>Type of mineral, oil or gas deposit</u>	<u>Remarks</u>

- nature and extent of listing applicant's/issuer's rights of exploration or extraction; and
- description of the economic conditions for the working of the licenses, concessions or similar, with details of the duration and other principal terms and conditions of the concessions including fiscal conditions, environmental and rehabilitation requirements, abandonment costs and any necessary licenses and consents including planning permission.

- (vi) History of the property, including exploration history and any production history.
- (vii) Geological and geophysical setting, type and characteristics of the deposit/accumulation
- (viii) Exploration data including drilling and sampling, sampling and analysis methods, sample preparation and security, quality assurance and quality control on the sample analyses.
- (ix) Mineral processing and metallurgical testing, if applicable.
- (x) Resource and reserve estimates and exploration results, as applicable, in accordance with the relevant Standard, including a summary of reserves and resources in the form of Appendix 7F.
- (xi) Planned extraction method, processing method, capital costs, operating costs, considerations including social, environmental, health and safety factors that may affect exploration and/or exploitation activities; and production schedule, if applicable.
- (xii) Financial analysis of the operations, taxes, liabilities, marketing if applicable.
- (xiii) Interpretation and conclusions
- (xiv) Recommendations
- (xv) References
- (xvi) Date and signature page
- (xvii) Illustrations - of sufficient clarity to graphically present the material within the text. Maps must include a geographical reference system and scale bar for clarity. Technical drawings must include a legend to explain features within the diagram.
- (xviii) Appendices and glossary of terms used, if required.