

AMENDMENTS TO CATALIST RULES - MINERAL, OIL AND GAS COMPANIES

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

“independent qualified person”

a qualified person that fulfils the following requirements:

- (i) the qualified person must not be a sole practitioner;
- (ii) if the qualified person producing the report is not a partner or director of his firm, the report must also be signed off by a partner or director, an authorised representative on behalf of the firm;
- (iii) the qualified person and his firm's partners, directors, substantial shareholders and their associates must be independent of the issuer, the issuer's directors, the issuer's substantial shareholders, the issuer's advisers and their associates;
- (iv) the qualified person and his firm's partners, directors, substantial shareholders and their associates must not have any interest, direct or indirect, in the issuer, the issuer's subsidiaries or associated companies, and will not receive benefits (direct or indirect) other than remuneration paid to the qualified person in connection with the qualified person's report; and
- (v) remuneration paid to the qualified person or the qualified person's firm in connection with the qualified person's report must not be dependent on the findings of the qualified person's report.

“mineral, oil and gas company”

a company whose principal activities consist of exploration ~~for~~, development or ~~extraction~~, production of ~~minerals~~ mineral, oil or gas. This excludes companies that purely provide services or equipment to other companies engaged in such activities

“qualified person”

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:

- (i) is professionally qualified and a member or licensee in good standing of a relevant ~~Recognized~~ Recognised Professional Association;
- (ii) has at least five years' of relevant professional experience in the estimation, assessment and evaluation of:

- (a) the mineral or minerals, oil or gas that is under consideration; and
 - (b) the activity which the issuer is undertaking; and
- (iii) has not been found to be in breach of any relevant rule or law and is not:
- (a) denied or disqualified from membership of;
 - (b) subject to any sanction imposed by;
 - (c) the subject of any disciplinary proceedings by; or
 - (d) the subject of any investigation which might lead to disciplinary action by,
- ~~by~~ any relevant regulatory authority or professional association.

“qualified person’s report”

a report prepared by a qualified person in accordance with paragraph 5 of Practice Note 4C.

“Recognised Professional Association”

a self-regulatory organisation of professionals recognised by the Exchange in the mineral, oil or gas industries which:

- (i) admits members on the basis of academic qualifications and experience;
- (ii) requires compliance with organisation’s professional standards of competence and ethics established, and
- (iii) has disciplinary powers to suspend or expel a member.

“~~reserve~~reserves”

the following meanings, or their equivalent under the relevant Standard used:

- (a) with regard to minerals, the economically mineable part of a Measured and/or Indicated 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~~ or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Reserves can be further categorised as:

- (i) ~~“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~~Mineral Resource. A Proved Reserve implies high degree of confidence in the modifying factors; and
 - (ii) ~~“Probable Reserve” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. Assessments and studies carried out demonstrate at the time of reporting that extraction can reasonably be justified~~The confidence in the modifying factors applying to a Probable Reserve is lower than that applying to a Proved Reserve;
- (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:
- (i) ~~“Proved Reserve” is the quantity~~an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Proved Reserves are those quantities 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. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate;
 - (ii) ~~“Probable Reserve” is the additional reserve which analysis of geoscience and engineering data indicate~~an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than a Proved ReserveReserves but more certain to be recovered than a Possible ReservePossible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved Reserves plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate; and
 - (iii) ~~“Possible Reserve” is the additional reserve~~an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate~~suggests~~are less likely to be recoverable than a Probable ReserveProbable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved Reserves plus Probable Reserves plus Possible Reserves (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

~~“resource”~~resources”

the following meanings, or their equivalent under the relevant Standard used:

- (a) with regard to minerals, a concentration or occurrence of solid material of ~~intrinsic~~ economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, (or quality), continuity, and other geological characteristics ~~and continuity~~ of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of decreasing geological confidence, into:
- (i) "Measured Resource" is that part of a Mineral Resource for which ~~tonnage, quantity, grade (or quality)~~ densities, shape, physical characteristics, ~~grade and mineral content can be~~ estimated with a high level of confidence. It is based on confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from 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, and is sufficient to confirm geological and grade (quality) continuity between points of observation where data and samples are gathered;
- (ii) "Indicated Resource" is that part of a Mineral Resource for which ~~tonnage, quantity, grade (or quality)~~ densities, shape, physical characteristics, ~~grade and mineral content can be estimated with a reasonable level of confidence. It is based on~~ are estimated with a sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately 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 too widely or inappropriately spaced to confirm, and is sufficient to assume geological and/or grade (or quality) continuity but are spaced closely enough for continuity to be assumed between points of observation where data and samples are gathered; and
- (iii) "Inferred Resource" is that part of a Mineral Resource for which ~~tonnage, quantity, and grade and mineral content can be~~ (or quality) are estimated with a low level of confidence. It is inferred from on a basis of limited geological evidence and assumed sampling. Geological evidence is sufficient to imply but not verified geological and/or grade continuity. It is based on exploration, sampling and testing 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.
- (b) with regard to oil and gas, refers to
- (i) "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

- (ii) “Prospective Resources” are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

“Standard”

the standards of reporting: -

- (a) under one of the following codes or guidelines:

with regards to minerals,

- (i) National Instrument 43-101 Standards of Disclosure for Minerals Projects (“NI43-101”), including Companion Policy 43-101, as promulgated by the Canadian Securities Administrators;
- (ii) 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”);
- (iii) ~~Pan European Reserves and Resources Reporting Committee Code Standard~~ Standard for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (“PERC Code Standard”); and
- (iv) Australian Code for Public Reporting of Technical Assessments and Valuations of Mineral and Petroleum Assets and Securities for Independent Expert Reports ~~Assessments and Valuations of Mineral and Petroleum Assets and Securities for Independent Expert Reports~~ promulgated by the VALMIN Committee (“VALMIN Code”), with regards to valuations;

with regards to oil and gas,

- (v) 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
- ~~(vi) Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee (“VALMIN Code”);~~

- (b) as promulgated by one of the following organisations:

with regards to minerals,

- (i) Australasian Joint Ore Reserves Committee (“JORC”);
- (ii) Pan European Reserves and Resources Reporting Committee (“PERC”);

~~(iii)~~ Society for Mining, Metallurgy and Exploration (“SME”); and

~~(iv)~~(iii) Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”); and

~~(v)~~(iv) The Canadian Securities Administrators (“CSA”)

with regards to oil and gas,

~~(vi)~~(v) Society of Petroleum Engineers (“SPE”);

~~(vii)~~(vi) World Petroleum Council (“WPC”);

~~(viii)~~(vii) the American Association of Petroleum Geologists (“AAPG”); and

~~(ix)~~(viii) the Society of Petroleum Evaluation Engineers (“SPEE”); or

(c) an equivalent standard that is acceptable to the Exchange.

“summary qualified person’s report”

a summary report prepared by a qualified person in accordance with paragraph 6 of Practice Note 4C.

Chapter 2 Sponsors

Part V Rights and Obligations of Sponsors and Registered Professionals

225 (1)

A full sponsor, in preparing a listing applicant for admission or advising an issuer in a very substantial acquisition or reverse takeover, must be satisfied that, having made reasonable due diligence enquiries and having considered all relevant matters, the listing applicant, or in the case of a very substantial acquisition or reverse takeover, the enlarged group, is suitable to be listed. This includes doing each of the following, having regard to the guidance in Practice Notes 2B and 4A:

- (i) where the listing applicant or enlarged group is a mineral, oil and gas company, the full sponsor must ensure that it ~~has access to~~will obtain 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, but must be independent of, and have no conflict of interests with, the listing applicant; and

226(5)

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:

- (a) ensure that it ~~has access to~~ will obtain appropriate technical expertise relevant to the business and products of the issuer as necessary 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, but must be independent of, and have no conflict of interest with the issuer;
- (b) maintain access to such technical expertise for as long as it remains as the sponsor for such issuer; and
- (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.

Chapter 4 Equity Securities

Part XII Additional Listing Requirements for Mineral, Oil and Gas Companies

438

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.

439

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~~ is substantiated by the qualified person's report ~~required under Rule 441, prepared by an~~ independent qualified person. In complying with this Rule, the resource must be at least, in relation to minerals, categorised as an ~~Indicated~~ Inferred Resource and, in relation to oil and gas, as a Contingent Resource.

440

Additional Offer Document Requirements

- (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.
- (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.

441

Qualified Person's Report

(1) The offer document must contain a qualified person's report ~~that meets the following requirements; prepared by an independent qualified person that is dated not more than 6 months before the date of lodgement of the offer document.~~

~~—— (a) —— prepared by an independent qualified person who meets the requirements in Rule 442;~~

~~—— (b) —— prepared in accordance with a standard;~~

~~—— (c) —— dated not more than 6 months before the date of lodgement of the offer document;
and~~

~~(2) —— The contents of the qualified person's report must comply with the requirements as set out in Practice Note 4C.~~

442 —————

Independent Qualified Person

~~For the purpose of Rule 441, the qualified person preparing the qualified person's report must fulfil the following:~~

~~(a) —— the qualified person must not be a sole practitioner;~~

~~(b) —— 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;~~

~~(c) —— 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;~~

~~(d) —— 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~~

~~(e) —— 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.~~

Chapter 7 Continuing Obligations

Part II Equity Securities – Immediate Announcements

Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Appointment ~~o~~Or Cessation of Service

- (6)(a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, ~~qualified person~~ or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager, ~~qualified person~~ or other executive officer of equivalent authority must contain the information contained in Appendix 7F or Appendix 7G, as the case may be.

Announcements by mineral, oil and gas companies

- (35)(a) Any material changes to the reserves ~~or~~and resources of a mineral, oil and gas company, including:
- (i) 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
 - (ii) ~~in addition, a summary~~ qualified person's report prepared in accordance with the requirements as set out in Practice Note 4C. The announcement must include a statement that the reserve and resource estimates stated in the announcement have been reviewed by a qualified person and in accordance with the disclosure requirements in Practice Note 4C. The issuer must announce the qualified person's report in respect of the reserves and resources must be announced as soon as practicable.

Where the announcement involves the reporting of new material reserves ~~or~~and resources that has not been previously disclosed, or a 100% change or more in reserves ~~or~~and resources that have been previously reported on, the summary qualified person's report must be ~~signed off~~prepared by an independent qualified person ~~who meets the requirements in Rule 442 and the contents of the qualified person's report must comply with the requirements as set out in paragraph 5 of Practice Note 4C.~~

- 35(b) 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.

~~35(c) Any appointment or resignation of any qualified person of the issuer.~~

Part III Equity Securities – Periodic Reports

Financial Statements

Use of funds/cash by Mineral, oil and gas companies

705(6)

Mineral, oil and gas companies whose principal activities consist of exploration for minerals, oil or gas, must:

- (a) 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 material assumptions, immediately after the figures are available but in any event not later than 45 days after the ~~relevant~~ first three quarters of the financial period year and not later than 60 days after the last quarter;
- (b) 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.

705(7)

In the announcements required by Rule 705(1) and (6), a mineral, oil and gas company must also include:

- ~~(a) — details of exploration (including geophysical surveys), 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~~
- ~~(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 7D.~~

Appointment of Auditors

712(1)

An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.

Chapter 10 Acquisitions and Realisations

Part IV Classification of Transactions

1006

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:—

- (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.
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
- (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.
- (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.
- (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved 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. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.

Part VII Major Transactions

1014(2)

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). If the major transaction relates to an acquisition or disposal of mineral, oil or gas asset of a mineral, oil or gas company, the circular to shareholders must contain (i) a qualified person's report that is prepared by an independent qualified person ~~who meets the requirements in Rule 442~~; and (ii) a statement that no material changes have occurred since the effective date of the qualified person's report. The effective date of the qualified person's report must not be more than 6 months from the date of publishing the circular. In the case of a major acquisition, the circular to shareholders must contain a valuation report prepared by an independent qualified person in accordance with the VALMIN Code, SPE-PRMS or an equivalent standard that is acceptable to the Exchange. The effective date of the valuation report must not be more than 6 months from the date of publishing the circular and the contents of the qualified person's report must comply with the requirements as set out in paragraph 5 of Practice Note 4C. The valuation report may form part of the qualified person's report. In ascertaining whether or not the issuer is required to seek shareholders' approval for the transaction, the issuer should refer to the general principles set out in Practice Note 10A. Where the issuer is unclear, the issuer should consult and clarify with the sponsor as soon as possible.

Chapter 12 Circulars and Annual Reports

1204

The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:

Mineral, Oil and Gas Activities

- (23) In the case of mineral, oil and gas companies:
- (a) ~~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;~~
 - (b) ~~details of exploration (including geophysical surveys), 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~~
 - (c) a summary of reserves and resources as at the end of the issuer's financial year as set out in Appendix 7D supported by a qualified person's report. The issuer must comply with Rule 704(35)(a) if there are material changes to its reserves and resources.

Appendix 7D Summary of Reserves and Resources

Cross-referenced from Rule 705(7), 1204(23) and Practice Note 4C

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

Date of report:

Date of previous report (if applicable):

1. Summary of Mineral Reserves and Resources

Name of Asset/Country/Project:

Category	Mineral Type	Gross Attributable to licence		Net Attributable to Issuer ¹			Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update (%)	
Reserves							

¹ To state reason if this is different from net entitlement to issuer

Proved							
Probable							
Total							
Resources *							
Measured							
Indicated							
Inferred							
Total							

* To state whether the Mineral Resources are reported additional to, or inclusive of, the Mineral Reserves.

2. Summary of Oil and Gas Reserves and Resources

Name of Asset/Country/Project:

Category	Gross Attributable to Licence (MMbbl / Bcf)	Net Attributable to Issuer ¹		Risk Factors ²	Remarks
		(MMbbl / Bcf)	Change previous (%)		
Reserves					
Oil Reserves					
1P					
2P					
3P					
Natural Gas Reserves					
1P					
2P					
3P					
Natural Gas Liquids Reserves					
1P					
2P					
3P					
Contingent Resources					
Oil					
1C					
2C					

² Applicable to Resources. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will commercially extracted. "Risk Factor" for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resources maturing into a Contingent Resource

3C					
Natural Gas					
1C					
2C					
3C					
Natural Gas Liquids					
1C					
2C					
3C					
Prospective Resources					
Oil					
Low Estimate					
Best Estimate					
High Estimate					
Natural Gas					
Low Estimate					
Best Estimate					
High Estimate					

1P: Proved
2P: Proved + Probable
3P: Proved + Probable + Possible

~~MMb~~MMbb: Millions of barrels
Bcf: Billions of cubic feet

Name of Qualified Person: _____

Date: _____

Professional Society Affiliation / Membership: _____

Practice Note 4C-~~Disclosure~~ Requirements for Mineral, Oil and Gas Companies

1. Introduction

- 1.1 This Practice Note sets out guidance on the disclosure requirements for mineral, oil and gas companies.
- 1.2 ~~Where~~ Exploration, development or production of mineral, oil or gas may be considered as principal activities of the issuer if the mineral, oil and gas activity of the issuer and/or its subsidiaries, based on the issuer's latest audited consolidated financial statements: (i) represents 50% or more of the total assets, revenue or operating expenses of the group; or (ii) is the single largest contributor based on any of the tests in (i) above, ~~the issuer may be~~

~~considered to be principally in the business of exploration for or extraction of mineral, oil or gas assets.~~

The issuer is required to make an announcement when any of the above situation occurs and will thereafter be required to comply with all the continuing listing rules applicable to mineral, oil and gas companies.

1.3 A mineral, oil and gas company must demonstrate plans to obtain all necessary approvals required to proceed with development. The qualified person must provide basis for expecting that all required approvals will be granted and the directors must provide evidence of the company's intention to proceed with development within a reasonable time frame. The qualified person should highlight and discuss any material unresolved matter that is dependent on a third party on which extraction is contingent.

1.4 The following sets out the Listing Rules specifically applicable to mineral, oil and gas companies:

(a) Rule 438;

(b) Rule 439;

(c) Rule 440;

(d) Rule 441;

(e) Rule 442;

(f) Rule 443;

(g) Rule 444;

(h) Rule 704(35);

(i) Rule 705(6);

(j) Rule 705(7);

(k) Rule 712;

(l) Rule 718;

(m) Rule 1006(e);

(n) Rule 1014(2);

(o) Rule 1015(2);

(p) Rule 1015(3);

(g) Rule 1207(23); and

(r) Appendix 7D.

Other generally applicable Listing Rules also apply to mineral, oil and gas companies.

2. General Requirements for Disclosure of Reserves, Resources or Exploration Results

2.1 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. If estimated volumes of Prospective Resources are disclosed, relevant risk factors must be clearly stated. Economic values must not be attached to 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 must be prepared and presented in accordance with a Standard. The listing applicant or issuer must state in the offer document, circular 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 unrisksed 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~~
Tabulated estimates of reserves and resources should be presented in the format as set out in Appendix 7D.

~~(e) Presentation of economic valuations on reserve or resource estimates must be accompanied with the following disclosures in the same offer document, circular or announcement released to shareholders:~~
(c) 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.

~~(i) name and qualification of the Qualified Person undertaking the valuation in accordance with the VALMIN Code, SPR-PRMS or an equivalent standard that is acceptable to the Exchange;~~

~~(ii) whether such qualified person is employed by the issuer or a third-party consultant;~~

~~(iii) the Standard used;~~

- (iv) ~~method of valuation and the reason for choice of the valuation method;~~
 - (v) ~~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 must be used where applicable and available. If unavailable, either forecast or constant prices may be used. Where forecast commodity prices are used, this should be accompanied by a statement by the qualified person that such forecast was arrived at after due and careful enquiry and reflects their view of a reasonable outlook of the future; and~~
 - (vi) ~~analysis of the sensitivity of such valuations to variation in the principal assumptions provided in (v) 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 estimation, the reason for choice of estimation method, 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.~~
- (iii) ~~Any estimates of reserves must be supported by a pre-feasibility study or an appropriate study to be done by a qualified person.~~

Resources

- (iv) ~~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

- ~~(v) — 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, must 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, should also be disclosed.~~

3. Additional Disclosure Requirements for Offer Document

3.1 In addition to paragraph 2 of this Practice Note, the ~~offer~~prospectus, offering memorandum or introductory document relating to a mineral, oil and gas company must include the following:

- ~~(a) — a listing applicant must disclose the basis upon which it asserts the existence of any mineral, 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;~~
- (a) — Information required in paragraph 1.3 above;
- (b) the directors' opinion which must state, without requiring a profit forecast that in their reasonable opinion, the working capital available to the applicant is sufficient for the present requirements and for at least 18 months after listing;
- (c) a statement by the listing applicant that no material changes have occurred since the effective date of the qualified person's report. Where there are material changes, these should be prominently disclosed together with a statement that the listing applicant will as soon as practicable following its listing, announce the qualified person's report or the independent qualified person's report, as the case may be, on the material changes in accordance with Rule 704(35);
- (d) the listing applicant's plans and milestones to advance to production stage with capital expenditure for each milestone for an issuer applying for listing pursuant to Rule 439. These plans must be substantiated by the opinion of an independent qualified person ~~who meets the requirements in Rule 442;~~
- ~~(e) — 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;~~

- (f) the listing applicant's policies and practices in relation to operating in a sustainable manner, including:
- (i) the listing applicant's policy with regards to environmental and social issues;
 - (ii) impact of the listing applicant's business practices on the environment and the communities in which it operates; and
 - (iii) environmental and social risks faced by the listing applicant.
- (g) In relation to a listing applicant whose principal activities consist of exploration for mineral, oil or gas, a clear and prominent 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.
- ~~(h) (i) A valuation report on the reserves of the listing applicant. The valuation report must be prepared by an independent qualified person in accordance with the VALMIN Code, SPE-PRMS or an equivalent standard that is acceptable to the Exchange. The effective date of the valuation report must not be more than 6 months from the date of lodgement of the offer document;~~
- ~~(ii) With regard to any valuation, the following must be disclosed:~~
- ~~• An estimate of net present value. If the valuation is arrived at on an alternative basis, an explanation of the basis and the reasons for adopting the basis;~~
 - ~~• The principal assumptions on which the valuation was arrived at;~~
 - ~~• Information to demonstrate the sensitivity to changes in the principal assumptions;~~
 - ~~• Risk factor in the offer document highlighting the uncertainties inherent in the assumptions made in arriving at the valuation and the effects they may have on the valuation for the mineral, oil and gas assets and the value of the offer shares.~~
- ~~(iii) The valuation report may form part of the independent qualified person's report.~~

4. Additional Continuing Obligations

- 4.1 In addition to paragraph 2 of this Practice Note, a mineral, oil and gas company must also comply with the following:
- (a) ~~Analytical results~~ Exploration, development and production activities must 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 must 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.

5. Qualified Person's Report

5.1 The qualified person's report must be prepared in accordance with a Standard.

~~5.2 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.~~

~~5.3~~ The qualified person must review the information contained in the offer document, circular 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. The qualified person's report must not include blanket disclaimers or contain indemnities for fraud and gross negligence. If the qualified person's report includes a statement on the qualified person not accepting any responsibility for the completeness or adequacy of the information provided by the company and its advisors and for information extracted from public sources, this qualification must be subject to the qualified person having: (i) made reasonable enquiries and exercised his judgement on the reasonable use of such information; and (ii) found no reason to doubt the accuracy or reliability of the information.

~~5.45.3~~ A qualified person's report must include the following:

~~(a) Title page~~

~~(b) Table of contents~~

~~(a) (c) Executive summary~~

~~(d)~~ Introduction

- Full name, and if applicable, the partner/director in charge of the report; professional qualifications, years of relevant experience, Professional Society Affiliations and Membership (including details of a recognised professional association) of the qualified person 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; ~~and~~

- ~~• Whether a site visit has been undertaken (if so, when the site visit was undertaken and by whom and if a site visit has not been undertaken a satisfactory reason as to why not).~~

(ec) 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:

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

- 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

(fd) History of the property, including exploration history and any production history

(ge) Geological and geophysical setting, type and characteristics of the deposit/accumulation

(hf) Exploration data including drilling and sampling, sampling and analysis methods, sample preparation and security, quality assurance and quality control on the sample analyses.

(ig) Mineral processing and metallurgical testing, if applicable

(jh) 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 7D

(ki) 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

(lj) Financial analysis of the operations, taxes, liabilities, marketing if applicable

(mk) Interpretation and conclusions

~~(n) Recommendations, if any~~

~~(o) References~~

- (p) ~~_____ Date and signature page~~
- (q) ~~_____ 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.~~
- (r) ~~_____ Appendices and glossary of terms used, if required.~~

6. Summary Qualified Person's Report

6.1 A summary report prepared by a qualified person shall contain the following:

- (a) Appendix 7D and a commentary of material changes to the issuer's reserves and resources. The commentary should include information on the changes to the reserves estimates, indicating explanation for the changes (e.g. extensions and improved recovery, technical revisions, discoveries, acquisitions, dispositions, economic factors, production);
- (b) with regard to minerals, Table 1 of the JORC Code; and
- (c) with regard to oil and gas, paragraphs 5.3(b) and 5.3(c) of Practice Note 4C.

7. Valuation Report

7.1 The prospectus, offering memorandum or introductory document relating to a mineral, oil and gas company must include a valuation report on the assets of the listing applicant. The valuation report must be prepared by an independent expert in accordance with the VALMIN Code, SPE-PRMS or an equivalent standard that is acceptable to the Exchange. The effective date of the valuation report must not be more than 6 months from the date of lodgement of the offer document.

7.2 With regard to any valuation, the following must be disclosed:

- (a) the Standard used;
- (b) 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 must be used where applicable and available. If unavailable, either forecast or constant prices may be used. Where forecast commodity prices are used, this should be accompanied by a statement by the qualified person that such forecast was arrived at after due and careful enquiry and reflects their view of a reasonable outlook of the future;
- (c) analysis of the sensitivity of such valuations to variation in the principal assumptions provided in (b) 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;

(d) an estimate of net present value. If the valuation is arrived at on an alternative basis, an explanation of the basis and the reasons for adopting the basis; and

(e) risk factor in the prospectus highlighting the uncertainties inherent in the assumptions made in arriving at the valuation and the effects they may have on the valuation of the mineral, oil and gas assets and the value of the offering shares.

8. Farm-in and Farm-out Transactions

8.1 A farm-in transaction refers to an acquisition of a partial interest of an existing asset by a company from a third party. A farm-out transaction refers to a sale of a partial interest of an existing asset owned by a company to a third party.

8.2 Farm-in and farm-out transactions are excluded from the requirements in Chapter 10 if they are in the ordinary course of business of the issuer under Rule 1002.

8.3 Where a farm-in or farm-out transaction only changes an issuer's effective interest in the asset, Rule 704(35) is not applicable. However, the issuer must consider if the transaction needs to be disclosed under Rule 703. If so, the issuer must disclose its new working interest and/or net entitlement.