

Chapter 18

EQUITY SECURITIES

MINERAL COMPANIES

Scope

This Chapter sets out additional listing conditions, disclosure requirements and continuing obligations for Mineral Companies. The additional disclosure requirements and continuing obligations will apply to a listed issuer which becomes a Mineral Company by undertaking a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets. Certain continuing obligations will apply to listed issuers that publish details of Resources and/or Reserves.

The main headings are:

18.01	Definitions and interpretation
18.02-18.04	Conditions for listing of new applicant Mineral Companies
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DEFINITIONS AND INTERPRETATION

18.01 For the purposes of this Chapter unless otherwise stated or the context otherwise requires:—

- (1) terms signifying the singular include the plural and vice versa;
- (2) the term mineral includes solid fuels; and
- (3) the following terms have the meanings set out below:—

“CIMVAL”

Standards and Guidelines for Valuation of Mineral Properties endorsed by the Canadian Institute of Mining, Metallurgy and Petroleum, February 2003 (final version) as amended from time to time.

“Competent Evaluator”	a Competent Person undertaking valuations that satisfies rule 18.23.
“Competent Person”	a person that satisfies rules 18.21 and 18.22.
“Competent Person’s Report”	the public report prepared by a Competent Person on Resources and/or Reserves, in compliance with this Chapter (rules 18.18 to 18.33) and the applicable Reporting Standard as modified by this Chapter.
“Contingent Resources”	those quantities of Petroleum estimated, at 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.
“Feasibility Study”	a comprehensive design and costing study of the selected option for the development of a mineral project in which appropriate assessments have been made of realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all other relevant factors, which are considered in enough detail to demonstrate at the time of reporting that extraction is reasonably justified and the factors reasonably serve as the basis for a final decision by a financial institution to finance the development of the project.
“Indicated Resource”	that part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.
“Inferred Resource”	that part of a mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence, sampling and assumed but not verified geological and/or grade continuity.

“IOSCO Multilateral MOU”

the International Organisation of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Co-operation and the Exchange of Information dated May 2002 as amended from time to time.

“JORC Code”

the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), as published by the Joint Ore Reserves Committee, as amended from time to time.

“Major Activity”

an activity of an issuer and/or its subsidiaries which represents 25% or more of the total assets, revenue or operating expenses of the issuer and its subsidiaries. Reference should be made to the issuer’s latest audited consolidated financial statements.

“Measured Resource”

that part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence.

“Mineral or Petroleum Assets”

mineral assets and/or Petroleum assets or the equivalent as defined in either CIMVAL, the SAMVAL Code, or the VALMIN Code.

“Mineral Company”

a new applicant whose Major Activity (whether directly or through its subsidiaries) is the exploration for and/or extraction of Natural Resources, or a listed issuer that completes a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets.

“Natural Resources”

mineral and/or Petroleum.

“NPVs”

net present values.

“NI 43-101”	also referred to as National Instrument 43-101, the (Canadian) Standards of Disclosure for Mineral Projects, including Companion Policy 43-101 as amended from time to time.
“Petroleum”	a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid or solid phase, as further defined in PRMS.
“Possible Reserves”	those quantities of Petroleum which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves.
“Pre-feasibility Study”	a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, for underground mining, or the pit configuration, for an open pit, has been established and an effective method of mineral processing has been determined. It includes a financial analysis based on realistically assumed or reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are enough for a Competent Person, acting reasonably, to determine if all or part of the mineral Resource may be classified as a mineral Reserve.
“PRMS”	the Petroleum Resources Management System published by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, and Society of Petroleum Evaluation Engineers in March 2007 as amended from time to time.
“Probable Reserves”	(1) with regard to minerals, the economically mineable part of an Indicated, and in some circumstances, a Measured Resource.

- (2) with regard to Petroleum, those quantities of Petroleum which analysis of geoscience and engineering data show are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

“Prospective Resources”

those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

“Proved Reserves”

- (1) with regard to minerals, the economically mineable part of a Measured Resource.
- (2) with regard to Petroleum, 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.

“Recognised Professional Organisation”

a self-regulatory organisation of professional individuals in the mining or Petroleum industry which admits individuals on the basis of their academic qualifications and experience, requires compliance with professional standards of competence and ethics established by the organisation and has disciplinary powers including the power to suspend or expel a member.

“Relevant Notifiable Transaction”

a transaction that falls into one of the classifications set out in rules 14.06(3) to (6), namely a major transaction, very substantial disposal, very substantial acquisition and reverse takeover.

“Reporting Standard”

a recognised standard acceptable to the Exchange, including:

- (1) the JORC Code, NI 43-101, and the SAMREC Code, with regard to mineral Resources and Reserves;
- (2) PRMS with regard to Petroleum Resources and Reserves; and
- (3) CIMVAL, the SAMVAL Code, and the VALMIN Code, with regard to valuations.

“Reserve”

- (1) with regard to minerals, the economically mineable part of a Measured, and/or Indicated Resource, taking into account diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments to a minimum of a Pre-feasibility Study must have been carried out. Mineral Reserves are sub-divided in order of increasing confidence into Probable Reserves and Proved Reserves.

Note: Although the term mineral Reserve is used throughout this Chapter it is recognised that the term ore reserve is used in the JORC Code.

- (2) with regard to Petroleum, those quantities of Petroleum anticipated to be commercially recoverable by the application of development projects to known accumulations from a given date forward under defined conditions.

“Resource”

- (1) 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 their eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured Resources, as defined in the JORC Code.
- (2) with regard to Petroleum, Contingent Resources and/or Prospective Resources.

“SAMREC Code”

the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2007 edition) as amended from time to time.

“SAMVAL Code”

the South African Code for the Reporting of Mineral Asset Valuation (2008 edition) as amended from time to time.

“Scoping Study”

a preliminary evaluation of a mineral project, including an assessment of the economic viability of mineral Resources. Scoping Studies should include forecast production schedules and cost estimates based on data under which the Resources are identified.

“VALMIN Code”

the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2005 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time.

“Valuation Report”

the public valuation report prepared by a Competent Evaluator on Mineral or Petroleum Assets in compliance with this Chapter (rule 18.34) and the applicable Reporting Standard, as modified by this Chapter. It may form part of a Competent Person’s Report.

CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES

18.02 In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.

18.03 A Mineral Company must:—

(1) establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either:—

(a) through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or

Note: ‘control over a majority’ means an interest greater than 50%.

(b) through adequate rights (arising under arrangements acceptable to the Exchange), which give it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;

(2) establish that it has at least a portfolio of:—

(a) Indicated Resources; or

(b) Contingent Resources,

identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;

- (3) if it has commenced production, provide an estimate of cash operating costs including the costs associated with:—
- (a) workforce employment;
 - (b) consumables;
 - (c) fuel, electricity, water and other services;
 - (d) on and off-site administration;
 - (e) environmental protection and monitoring;
 - (f) transportation of workforce;
 - (g) product marketing and transport;
 - (h) non-income taxes, royalties and other governmental charges; and
 - (i) contingency allowances;

Note: A Mineral Company must:

- *set out the components of cash operating costs separately by category;*
- *explain the reason for any departure from the list of items to be included under cash operating costs; and*
- *discuss any material cost items that should be highlighted to investors.*

- (4) demonstrate that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include:—
- (a) general, administrative and operating costs;
 - (b) property holding costs; and
 - (c) the cost of any proposed exploration and/or development; and

Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.

- (5) ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has available sufficient working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.

18.04 If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.

Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.

CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS

18.05 In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document:—

- (1) a Competent Person's Report;
- (2) a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;
- (3) the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;
- (4) a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;
- (5) disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and

- (6) if relevant and material to the Mineral Company's business operations, information on the following:—
- (a) project risks arising from environmental, social, and health and safety issues;
 - (b) any non-governmental organisation impact on sustainability of mineral and/or exploration projects;
 - (c) compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;
 - (d) sufficient funding plans for remediation, rehabilitation and, closure and removal of facilities in a sustainable manner;
 - (e) environmental liabilities of its projects or properties;
 - (f) its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;
 - (g) its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and
 - (h) any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.

Additional disclosure requirements that apply to certain new applicant Mineral Companies

- 18.06 If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.
- 18.07 If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.
- 18.08 If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.

RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS

18.09 A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must:—

- (1) comply with Chapter 14 and Chapter 14A, if relevant;
- (2) produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;

Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.

- (3) in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and
- (4) comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.

Note: Material liabilities that remain with the issuer on a disposal must also be discussed.

Requirements that apply to listed issuers

18.10 A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.

18.11 On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.

Requirements that apply to Mineral Companies and listed issuers

18.12 The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.

- 18.13 An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.

CONTINUING OBLIGATIONS

Disclosure in reports

- 18.14 A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.

Publication of Resources and Reserves

- 18.15 A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.
- 18.16 A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.
- 18.17 Annual updates of Resources and/or Reserves must comply with rule 18.18.

Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.

STATEMENTS ON RESOURCES AND/OR RESERVES

Presentation of data

- 18.18 Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.

Basis of evidence

18.19 All statements referring to Resources and/or Reserves:—

- (1) in any new applicant listing document or circular relating to a Relevant Notifiable Transaction, must be substantiated in a Competent Person's Report which must form part of the document; and
- (2) in all other cases, must at least be substantiated by the issuer's internal experts.

Petroleum Competent Persons' Reports

18.20 A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.

Competent Person

18.21 A Competent Person must:—

- (1) have a minimum of five years experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;
- (2) be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and
- (3) take overall responsibility for the Competent Person's Report.

18.22 A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must:—

- (1) have no economic or beneficial interest (present or contingent) in any of the assets being reported on;
- (2) not be remunerated with a fee dependent on the findings of the Competent Person's Report;

- (3) in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and
- (4) in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.

Additional requirements of Competent Evaluators

18.23 In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must:—

- (1) have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);
- (2) have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and
- (3) hold all necessary licences.

Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.

Scope of Competent Persons' Reports and Valuation Reports

18.24 A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must:—

- (1) be addressed to the Mineral Company or listed issuer;
- (2) have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and
- (3) set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.

Disclaimers and Indemnities

18.25 A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.

18.26 The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.

Obligations of sponsor

18.27 Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.

REPORTING STANDARD

Mineral reporting standard

18.28 In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.

18.29 A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either:—

(1) under:

- (a) the JORC Code;
- (b) NI 43-101; or
- (c) the SAMREC Code,

as modified by this Chapter; or

(2) under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.

Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.

18.30 A Mineral Company must ensure that:—

- (1) any estimates of mineral Reserves disclosed are supported, at a minimum, by a Pre-feasibility Study;
- (2) estimates of mineral Reserves and mineral Resources are disclosed separately;
- (3) Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;
- (4) for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves:—
 - (a) the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and
 - (b) if a contract for future prices of mineral Reserves exists, the contract price is used; and
- (5) for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.

Petroleum reporting standard

18.31 In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.

18.32 A Mineral Company must disclose information on Petroleum Resources and Reserves either:—

- (1) under PRMS as modified by this Chapter; or
- (2) under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.

Note: A Reporting Standard applied to specific assets must be used consistently.

18.33 A Mineral Company must ensure that:—

- (1) where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;
- (2) if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;
- (3) Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;
- (4) if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30(5);

Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.

- (5) if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;

Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.

- (6) economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and

- (7) where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.

Mineral or Petroleum Asset Valuation Reports

18.34 A Mineral Company must ensure that:—

- (1) any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;
- (2) the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;
- (3) if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and
- (4) in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.