

Section 12 Mineral Companies

Scope of section

This section sets out the criteria for the listing of, and the additional disclosure requirements for Mineral Companies, with mineral assets comprising of (i) Solid Minerals and/or (ii) Oil and Gas, and, in certain circumstances, substantial mineral assets and/or oil and gas assets of non-Mineral Companies. The main headings of this section are:

Part 1: Solid Minerals

- Section 12.1 Definitions
- Section 12.2 Guiding principles
- Section 12.3 General
- Section 12.4 Readers Panel
- Section 12.5 Criteria for listing
- Section 12.8 Contents of pre-listing statements, listing particulars, prospectuses and circulars prepared by mineral companies and non-mineral companies in respect of substantial mineral assets
- Section 12.9 Competent Person's Report
- Section 12.10 Announcements

Part 2: Oil and Gas

- Section 12.11 Definitions
- Section 12.12 Guiding principles
- Section 12.13 General
- Section 12.14 Oil and Gas Readers Panel
- Section 12.15 Criteria for listing
- Section 12.18 Contents of pre-listing statements, listing particulars, prospectuses and circulars prepared by mineral companies and non-mineral companies in respect of substantial mineral assets
- Section 12.19 Qualified Reserve Evaluator Report
- Section 12.20 Announcements

Part 1: Solid Minerals

Definitions

- 12.1 The definitions set out in the SAMREC Code shall, unless the context otherwise indicates, apply in relation to this section.

For the purposes of this section, unless otherwise stated or the context otherwise requires, terms signifying the singular shall include the plural and vice versa and the following terms shall have the meanings set out below:

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Term	Meaning
Competent Person's Report	the public report prepared on mineral assets and projects, and signed by the lead Competent Person, which complies with this section, the SAMREC code and the SAMVAL code.
Day	business day.
Exploration	the intentional searching or prospecting for any mineral, but not including <u>excluding Oil and Gas Activities and</u> mining.
Material	the JSE's definition of material (as contained in the definition section), together with that contained in the SAMREC Code, must be considered when evaluating materiality.
Mineral Company	a company whose principle activity is that of mining and/or exploration.
Mining	any excavation of the earth, including the portion under the sea or under water or in any tailings, as well as any borehole, made for the purpose of winning a material or the exploitation of any mineral deposit in any other manner, excluding <u>Oil and Gas Activities.</u>
Readers Panel	a Panel of experts established by the JSE to advise the JSE in relation to compliance with SAMREC, SAMVAL and this Section 12.
The SAMREC Code	the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves including the guidelines contained therein, as amended from time to time. The current version is on the website www.samcode.co.za .
The SAMVAL Code	the South African Code for reporting of Mineral Asset Valuation including the guidelines contained therein as amended from time to time. The current version is on the website www.samcode.co.za .
Substantial Mineral Assets	mineral assets of a non-Mineral Company which represent, or will represent, 25% or more of the total assets or revenue or profits of a non-Mineral Company.
SSC	the SAMREC/SAMVAL Committee.

Guiding principles

- 12.2 The JSE has adopted the SAMREC Code and the SAMVAL Code. All references in this section to the SAMREC Code and the SAMVAL Code will be deemed to include any other relevant code(s) which the JSE has approved.

General

- 12.3 The Listings Requirements apply to Mineral Companies and, in certain circumstances, to non-Mineral Companies with substantial mineral assets. If information required to be disclosed under this section is confidential, for legal and/or other reasons and the directors of the applicant issuer can prove, to the satisfaction of the JSE that the applicant issuer's legitimate interests might be

prejudiced if the information were to be disclosed, then the JSE may grant a dispensation from the requirement to make the information public.

Solid Minerals Readers Panel

- 12.4 (a) The JSE will refer all Competent Person's Reports to the Readers Panel for approval.
- (b) Any material unresolved complaints concerning a Competent Person or Competent Valuator in respect of a Competent Person's Report will be referred by the JSE to the SSC who will, in turn, refer the complaint to the appropriate body under which the individual or individuals is/are registered as professionals.
- (c) Competent Person's Reports must be submitted to the JSE for approval in accordance with the following timetable:

Day (D) Action required

D Notify the JSE that a Competent Person's Report will be submitted for approval. The notification must include the name of the applicant issuer, the type of commodity that is involved, the name of the Competent Person and/or Competent Valuator, the date on which the report will be submitted and a short description of the transaction/reason for the report.

D+10 Signed Competent Person's Report to be submitted to the JSE before 10h00. This must be accompanied by a compliance checklist, cross referencing every paragraph in this section, together with the applicable sections in the SAMREC and SAMVAL codes to the relevant part of the Competent Person's Report.

D+20 JSE will make available the Readers Panel comments.

Comments on second and third submissions of the Competent Person's Report will be made available within five days of submission to the JSE.

- (d) If the Competent Person's Report is not approved by the Readers Panel after three submissions, at the discretion of the JSE, it may be referred to the SSC for a technical ruling, which ruling will be taken into account by the JSE in arriving at a decision.

Criteria for listing

- 12.5 The JSE may admit the securities of an applicant to listing on the Main Board provided that the applicant issuer can demonstrate ~~to the satisfaction of the JSE that its management has satisfactory experience in mining and/or exploration depending on its business, and,~~ notwithstanding that the requirements of paragraph 4.28(c) are not satisfied, that:

- (a) the requirements of paragraph 4.28(d) are satisfied; or
- (b) it has a reasonable spread of direct interests in mineral assets and has rights to actively participate in the management of those assets, whether by voting or through other rights which give it influence in decisions relating to the assets,

provided, it or its group (including companies in which the Mineral Company

has investments) is in possession of the necessary legal title or ownership rights to explore or mine or explore and mine the relevant minerals.

The directors and senior management of an applicant must collectively have appropriate expertise and experience for the governance and management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant.

- 12.6 The JSE may admit to listing on ALT^x the securities of an applicant issuer, notwithstanding that the requirements of paragraph 21.3(j) are not satisfied, provided that it can demonstrate that it, or its group (including companies in which the Mineral Company has investments), is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.
- 12.7 Applicant issuers with substantial mineral assets must demonstrate that they, or their group (including companies in which they have investments), are in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by mineral companies, and non-mineral companies in respect of substantial mineral assets

- 12.8 In addition to the relevant Listings Requirements applicable to pre-listing statements/listings particulars/prospectuses (as per Section 6) or Category 1 circulars (as per Section 9), the following information must be included in such documents where they are required to be prepared by Mineral Companies, and by non-Mineral Companies in respect of substantial mineral assets:
- (a) a Competent Person's Report, complying with:
 - (i) the SAMREC and SAMVAL Codes, (which, for purposes of this requirement, includes the guidelines in italics and Table 1 of the SAMREC and SAMVAL Codes); and
 - (ii) paragraph 12.9 of this section;
 - (b) details of any direct or indirect beneficial interest, which each director (and his associates), Competent Person, Competent Valuator and, where applicable, related party (as defined in Section 10), has or, within two years of the date of the pre-listing statement, had:
 - (i) in any asset (including any right to explore for minerals):
 - (1) of the applicant issuer;
 - (2) which has been acquired or disposed of by, or leased to or by, the applicant issuer, including any interest in the consideration passing to or from the applicant issuer; and
 - (ii) in the share capital of the applicant issuer;
 - (c) financial information in terms of Section 8 of the Listing Requirements to the extent that the applicant issuer has a financial history;
 - (d) a statement by the directors regarding any legal proceedings that may have

an influence on the rights to explore or mine, or an appropriate negative statement; and

- (e) confirmation that the applicant issuer, or its group (including companies in which it has investments), is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

Competent Person's Report

12.9 A Competent Person's Report must comply with the SAMREC and SAMVAL Codes and must:

- (a) have an effective date (being the date at which the contents of the Competent Person's Report are valid) less than six months prior to the date of publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular;
- (b) be updated prior to publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular if further material data becomes available after the effective date;
- (c) if the Competent Person is not independent of the issuer, clearly disclose the nature of the relationship or interest;
- (d) show the particular paragraph of this section, the SAMREC Code (including Table 1) and SAMVAL Code complied with in the margin of Competent Person's Report;
- (e) contain a paragraph stating that all requirements of this section, the SAMREC Code (including Table 1) and SAMVAL Code have been complied with, or state that certain clauses were not applicable and provide a list of such clauses; and
include a statement detailing:
 - (i) exploration expenditure incurred to date by the applicant issuer and by other parties, where available;
 - (ii) planned exploration expenditure that has been committed, but not yet incurred, by the applicant issuer concerned; and
 - (iii) planned exploration expenditure that has not been committed to by the applicant issuer but which is expected to be incurred sometime in the future, in sufficient detail to fairly present future expectations;
- (f) contain a valuation section which must be completed and signed off by a Competent Valuator in terms of and in compliance with the SAMVAL Code;
- (g) be published in full on the applicant issuer's website;
- (h) be included in the relevant JSE document either in full or as an executive summary. The executive summary must be approved by the JSE (after approval by the Readers Panel) at the same time as the Competent Person's Report is approved by the JSE and the Readers Panel. The executive summary should be a concise summary of the Competent

Person's Report and must cover, at a minimum, where applicable:

- (i) purpose;
- (ii) project outline;
- (iii) location map indicating area of interest;
- (iv) legal aspects and tenure, including any disputes, risks or impediments;
- (v) geological setting description;
- (vi) exploration programme and budget;
- (vii) brief description of individual key modifying factors;
- (viii) brief description of key environmental issues;
- (ix) Mineral Resource and Mineral Reserve Statement;
- (x) reference to risk paragraph in the full Competent Person's Report;
- (xi) statement by the Competent Person that the summary is a true reflection of the full Competent Person's Report; and
- (xii) summary valuation table. Where the cash flow approach has been employed, the valuation summary must include the discount rate(s) applied to calculate the NPV(s) (net present value(s)) per share with reference to the specific paragraph in the Competent Person's Report. If inferred resources are used, show the summary valuation with and without inclusion of such inferred resources.

Announcements

- 12.10 (a) In addition to the other requirements under the ~~JSE~~ Listings Requirements, announcements by Mineral Companies and by non Mineral Companies in respect of substantial mineral assets must comply with the SAMREC Code insofar as they relate or refer to exploration results, Mineral Resources and Mineral Reserves and comply with the SAMVAL Code insofar as it relates to a valuation of mineral assets and announcements must state the name of the Competent Person/Competent Valuator and that the Competent Person/Competent Valuator:
- (i) has approved the information, in writing, in advance of publication; and
 - (ii) if the Competent Person/Valuator is not independent of the issuer, clearly disclose the nature of the relationship or interest.
- (b) The JSE reserves the right to request the detailed information supporting the announced information and submit the same for review by the Readers Panel, at the cost of the applicant issuer concerned, to assess compliance with the SAMREC and SAMVAL Codes. The approval mechanism in this instance is as per paragraph 12.4 above. Any non-compliance with the SAMREC and SAMVAL Codes may result in a restatement and consequent re-publication of the information concerned.

Part 2: Oil and Gas**Definitions**

12.11

<u>Term</u>	<u>Meaning</u>
<u>Oil and Gas Activities</u>	<p>includes -</p> <p>(a) <u>the search for Product Types in their natural locations;</u></p> <p>(b) <u>the acquisition of property rights or properties for the purpose of exploring for or removing Product Types from their natural locations on those properties;</u></p> <p>(c) <u>the activities necessary to remove product type from their natural locations including construction, drilling, mining, production, and the acquisition, construction, installation and maintenance of field gathering and storage systems, treating, field processing and field storage; and</u></p> <p>(d) <u>the extraction of synthetic crude oil and synthetic gas,</u></p> <p>but does not include -</p> <p>(a) <u>activities that occur after the first point of sale;</u></p> <p>(b) <u>activities relating to the extraction of natural resources other than Product Types and their by-products; or</u></p> <p>(c) <u>the extraction of hydrocarbons as a consequence of the extraction of geothermal steam.</u></p>
<u>Oil and Gas Company</u>	a company undertaking Oil and Gas Activities.
<u>Product Types</u>	<p>(a) <u>in respect of liquid hydrocarbons, any of the following:</u></p> <p>(i) <u>a combination of light crude oil and medium crude oil;</u></p> <p>(ii) <u>heavy crude oil;</u></p> <p>(iii) <u>bitumen;</u></p> <p>(iv) <u>natural gas liquids; and</u></p> <p>(v) <u>synthetic crude oil,</u></p> <p>(b) <u>in respect of gaseous hydrocarbons, any of the following:</u></p> <p>(i) <u>conventional natural gas;</u></p> <p>(ii) <u>coal bed methane;</u></p>

- (iii) gas hydrates;
- (iv) shale gas; and
- (vi) synthetic gas.

Qualified Reserves Evaluator an individual who qualifies as a Reserve Evaluator in terms of the SAMOG Code

Qualified Reserve Evaluator Report the public report prepared on oil and gas assets and projects, and signed by the lead Qualified Reserve Evaluator which complies with this Section 12 and the SAMOG Code. The current version is on the website [www.\[to be confirmed\]](http://www.jse.co.za).

The SAMOG Code South African Oil and Gas Code

Substantial Oil and Gas Assets Oil and gas assets of a non-Oil and Gas Company which represent, or will represent, 25% or more of the total assets or revenue or profits of a non-Oil and Gas Company.

Guiding principles

12.12 The JSE has adopted the SAMOG Code.

General

12.13 The Listings Requirements apply to Oil and Gas Companies and, in certain circumstances, to Non-Oil and Gas companies with Substantial Oil and Gas Assets. If information required to be disclosed under this section is confidential, for legal and/or other reasons and the directors of the applicant issuer can prove, to the satisfaction of the JSE that the applicant issuer's legitimate interests might be prejudiced if the information were to be disclosed, then the JSE may grant a dispensation from the requirement to make the information public.

Oil and Gas Readers Panel

12.14 (a) The JSE will refer all Qualified Reserve Evaluator Reports to the Oil and Gas Readers Panel for approval.

(b) Any material unresolved complaints concerning Qualified Reserves Evaluators in respect of an Qualified Reserve Evaluator Report will be referred by the JSE to the SSC who will, in turn, refer the complaint to the appropriate body under which the individual or individuals is/are registered as professionals.

(c) Qualified Reserve Evaluator Reports must be submitted to the JSE for approval in accordance with the timetable as set out in paragraph 12.4(c).

Criteria for listing

12.15 The JSE may admit the securities of an applicant to listing on the Main Board provided that the applicant issuer can demonstrate, notwithstanding that the requirements of paragraph 4.28(c) are not satisfied, that:

- (a) the requirements of paragraph 4.28(d) are satisfied; or
- (b) it has a reasonable spread of direct interests in oil and gas assets and has rights to actively participate in the management of those assets, whether by voting or through other rights which give it influence in decisions relating to the assets.

provided, it or its group (including companies in which the Oil and Gas Company has investments) is in possession of the necessary legal title or ownership rights to undertake Oil and Gas Activities.

The directors and senior management of an applicant must collectively have appropriate expertise and experience for the governance and management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant

12.16 The JSE may admit to listing on ALT^x the securities of an applicant issuer, notwithstanding that the requirements of paragraph 21.3(j) are not satisfied, provided that it can demonstrate that it, or its group (including companies in which the Oil and Gas Company has investments), is in possession of the necessary legal title or ownership rights to undertake Oil and Gas Activities.

12.17 Applicant issuers with Substantial Oil and Gas Assets must demonstrate that they, or their group (including companies in which they have investments), are in possession of the necessary legal title or ownership rights to undertake Oil and Gas Activities.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by mineral companies, and non-Oil and Gas Companies in respect of Substantial Oil and Gas Assets

12.18 In addition to the relevant Listings Requirements applicable to pre-listing statements/listings particulars/prospectuses (as per Section 6) or Category 1 circulars (as per Section 9), the following information must be included in such documents where they are required to be prepared by Oil and Gas Companies, and by non-Oil and Gas Companies in respect of Substantial Oil and Gas Assets:

- (a) a Qualified Reserve Evaluator Report, complying with:
 - (i) the SAMOG Code, (which, for purposes of this requirement, includes Form 1); and
 - (ii) paragraph 12.19 of this section;
- (b) details of any direct or indirect beneficial interest, which each director (and his associates), Qualified Reserve Evaluator and, where applicable, related party (as defined in Section 10), has or, within two years of the date of the pre-listing statement, had:
 - (i) in any asset (including any right to explore for oil and gas):

(1) of the applicant issuer;

(2) which has been acquired or disposed of by, or leased to or by, the applicant issuer, including any interest in the consideration passing to or from the applicant issuer; and

(ii) in the share capital of the applicant issuer;

(c) financial information in terms of Section 8 of the Listing Requirements to the extent that the applicant issuer has a financial history;

(d) a statement by the directors regarding any legal proceedings that may have an influence on the rights to undertake Oil and Gas Activities, or an appropriate negative statement; and

(e) confirmation that the applicant issuer, or its group (including companies in which it has investments), is in possession of the necessary legal title or ownership rights to undertake Oil and Gas Activities.

Qualified Reserve Evaluator Report

12.19 A Qualified Reserve Evaluator Report must comply with the SAMOG Code and must:

(a) have an effective date (being the date at which the contents of the Qualified Reserve Evaluator Report are valid) less than six months prior to the date of publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular;

(b) be updated prior to publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular if further material data becomes available after the effective date;

(c) if the Qualified Reserve Evaluator is not independent of the issuer, clearly disclose the nature of the relationship or interest;

(d) show the particular paragraph of this section, the SAMOG Code (including Form 1) complied with in the margin of the Qualified Reserve Evaluator Report;

(e) contain a paragraph stating that all requirements of this section, the SAMOG Code (including Form 1) have been complied with, or state that certain clauses were not applicable and provide a list of such clauses;

(f) be published on in full on the applicant issuers website; and

(g) be included in the relevant JSE document in full.

Announcements

12.20 (a) In addition to the other requirements under the Listings Requirements, announcements by Oil and Gas Companies and by non - Oil and Gas Companies in respect of Substantial Oil and Gas Assets must comply with the SAMOG Code insofar as they relate or refer to exploration results. Oil and Gas resources reserves and announcements must state the name of the Qualified Reserve Evaluator and that the Qualified Reserve Evaluator:

(i) has approved the information, in writing, in advance of publication; and

(ii) if the Qualified Reserve Evaluator is not independent of the issuer,

clearly disclose the nature of the relationship or interest.

(b) The JSE reserves the right to request the detailed information supporting the announced information and submit the same for review by the Oil and Gas Readers Panel, at the cost of the applicant issuer concerned, to assess compliance with the SAMOG Code. The approval mechanism in this instance is as per paragraph 12.14 above. Any non-compliance with the SAMOG Code may result in a restatement and consequent re-publication of the information concerned.

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