



**The Stock Exchange of Hong Kong Limited**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: MD20090911-036

11 September 2009

To: Main Board Listed Issuers (Attn: Authorised Representatives)  
GEM Listed Issuers (Attn: Authorised Representatives)  
Market practitioners

Dear Sirs

**Consultation Paper on New Listing Rules for Mineral and Exploration Companies**

I am writing to bring to your attention that the Exchange is proposing to update Chapter 18 of the Listing Rules relating to companies engaged in the exploration for and extraction of minerals, oil or gas. The detailed proposals are in the Consultation Paper published today. The objective of our revisions is to update our rules for mineral and exploration companies to bring them in line with international best practice, ensuring investors are provided with information that is both material and reliable.

The proposals are intended to have only a limited impact on existing listed issuers that are involved in mineral and/or exploration activity.

If, after the proposals are adopted, an existing listed company enters into a 'major' transaction or above (as defined under Chapter 14 of the Listing Rules) to acquire mineral and/or exploration assets, it will be expected to provide an independent technical report on the reserves and resources to be acquired, under international reporting standards. On completion of a 'major' acquisition (or above) of mineral and/or exploration assets, the existing listed issuer will then be treated as a Mineral and Exploration Company (as defined in the Consultation Paper), unless it can demonstrate that it should no longer be so treated.

If classified as a Mineral and Exploration Company, a listed issuer must provide details of exploration, mining production and development activities and expenditure incurred in its interim (half-yearly) and annual reports.

In addition to the above requirement for major transactions, existing listed issuers that have previously published details of reserves and/or resources will need to update these statements once a year in their annual reports. This may be achieved with statements prepared by companies' internal management, including statements of no material change.

The Consultation Paper also discusses proposals relating to Mineral and Exploration Companies seeking a new listing on the Exchange. Specifically, they must demonstrate that they have:

- identified 'resources' under one of the proposed internationally recognized standards;
- sufficient working capital for 125% of their budgeted needs for the next twelve months; and
- provided disclosure about social and environmental matters in their prospectus or circular for transactions if they have a material impact on its business.

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Hong Kong Exchanges and Clearing Limited

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The consultation period for these proposals is from 11 September to 11 November 2009. Our proposals will only take effect if they are formally approved after the consultation conclusions are published.

I invite you to review the Consultation Paper and comment on our revised proposals. We are open to responses from market participants and will draw conclusions on the proposals based on market consensus. The Consultation Paper is available on HKEx's website at [www.hkex.com.hk/consul/paper/cp200909m\\_e.pdf](http://www.hkex.com.hk/consul/paper/cp200909m_e.pdf) from today.

Yours faithfully  
For and on behalf of  
The Stock Exchange of Hong Kong Limited

*[Signed]*

Mark Dickens  
Head of Listing