

22 January 2010

Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
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Dear Sir

We are pleased to respond the Consultation Paper on New Listing Rules for Mineral and Exploration companies published in September 2009. We are an Australian based firm that acts for mineral and exploration companies that are listed both on ASX and TSX-V. In addition the writer is a non-executive director of a number of companies in the minerals and exploration industry including a junior minerals company listed on TSX-V with tenements in Australia.

Rather than addressing each of the questions posed in the questionnaire, we have expressed below in a general way our views on the Consultation Paper and in doing so make some general observations:

1. We support the proposal put forward in the Consultation Paper. They represent a measured and common-sense approach to facilitate access to capital by mineral and exploration companies, and are a step in the right direction from the restrictive requirements of Chapter 18 of the Hong Kong Stock Exchange (the "Exchange") which effectively preclude junior mining and exploration companies listing on the Hong Kong Stock Exchange.
2. Junior mineral and exploration companies have, and continue to play, an important role in the advancement of mineral exploration and development through the identification of potential resources and value-adding to them (ie by proving-up the resource) to the stage where typically some form of joint venture arrangement is undertaken with a "big brother" or the company is the subject of a takeover. Junior mineral and exploration companies are a vital part of the mining sector.
3. Most of the recognised stock exchanges facilitate the listing of junior mineral and exploration companies and in that sense under its current regime the Exchange is 'out of step' with many of the recognised exchanges.

4. Companies for whom we act have a number of Chinese investors who have taken strategic positions in them. It is known from feedback received that these companies would have an ability to attract greater additional capital from Hong Kong and greater China if their stock was able to be traded on the Exchange.
5. While it is recognised that there is a speculative element of investment in junior mineral and exploration companies, the issue should be a question of adequate and proper disclosure and reporting by those companies on the Exchange (which the Consultation Paper addresses), rather than (we submit) an effective ban on them under the current Listing Rules.

We welcome the opportunity to comment on the Consultation Paper and commend the Exchange on its initiative.