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**From:** Mark Ashley

**Sent:** Monday, 09 November, 2009 16:28

**To:** |

**Subject:** Chapter 18

In Australia, exploration companies without any already established Resources can get ASX listed. Under the traditional evolution of a Resource company, it normally starts with individuals providing seed capital to seek tenements with good exploration potential. Upon securing tenements it is normal that to arrange the necessary funds to commence exploration, via an IPO. The prospectus that is required for the IPO is required to have sufficient geological data, details of work programs and budgets and to contain an independent expert report which will include an assessment of the prospectivity of the tenements and also include a "valuation" to support the implied valuation assumed in the pricing of the issue. The protection that the Asx has built into such listings is that the original owners (ie the seed capital investors) are unable to sell their shares for at least 12 - 24 months after the listing. This ensures that they cannot use the listing to "bump" their own stock. It is really at the early exploration phase that companies need "venture capital" type funding - including listing on international stock exchanges. I believe that by not allowing pure exploration companies to list on the HK stock exchange will result in your exchange not getting the early "foot in the door". These companies will look to other exchanges for such listings and in doing so are less likely to "move" to the HK stock exchange at a later date. I believe the asx has built in reasonable and appropriate mechanisms to protect investors in being able invest in pure exploration IPO's and I suggest that this aspect/exclusion be reviewed in order to ensure that the hk stock exchange is seen as "Resource friendly/supportive" at the very initial stage of a resource companies funding requirements. I would be happy to discuss my comments further if necessary.

Ashley. CEO Apex Minerals (Australia).

Best regards. Mark

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