

Part A General Information of the Respondent

All fields are mandatory, except the fields with an asterisk (*) if you are an individual respondent.

Name/ Company Name*	:	G-Resources Group Ltd
Contact Person*	:	
Title*	:	
Phone Number	:	
E-mail Address	:	

If you do not wish to disclose the above information to the public, please check the box here:

☐ I do not wish to disclose the information above.

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink: http://www.hkex.com.hk/consult/paper/cp200909m_e.pdf

Where there is insufficient space provided for your comments, please attach additional pages.

For ease of cross-referencing, please note the question numbers in this questionnaire correspond to the question numbers as they appear in the Consultation Paper.

Consultation Questions on Additional Eligibility Requirements for New Applicant Mineral and Exploration Companies

- 3.1 Do you agree with the Exchange's proposal that new applicant Mineral and Exploration Companies must demonstrate that they have adequate rights to participate actively in the exploration or exploration and extraction of resources, either by having controlling interests in a majority (by value) of the assets in which they have invested or through other rights, which give them significant influence in decisions over the extraction of those resources?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this approach provides an appropriate framework for applicants to submit their credentials.

- 3.2 Do you agree with our proposal that new applicant Mineral and Exploration Companies that have not yet obtained rights to extract relevant reserves must disclose details of how they plan to proceed to extraction and must state risks relevant to obtaining relevant rights?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this enables all stakeholders to understand the Company's position and by outlining risks assist in making an investment decision.

- 3.3 Do you agree that new applicant Mineral and Exploration Companies must demonstrate that they have sufficient working capital for 125% of their budgeted working capital needs for the next twelve months? Do you consider that the requirement for a working capital statement should be extended beyond a period of twelve months?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – the sufficient working capital for 125% of their budgeted working capital needs for the next 12 months is an appropriate requirement. Can we also suggest the Exchange consider quarterly rather than half yearly reporting for Mineral and Exploration Companies. Investors can more readily follow progress, rate of expenditure, etc through more frequent reporting.

- 3.4 Do you agree that estimates of cash operating costs must include those of: (a) workforce employment; (b) consumables; (c) power, water and other services; (d) on and off-site administration; (e) environmental protection and monitoring; (f) transport of workforce; (g) product marketing and transport; (h) non-income taxes, royalties and other governmental charges; and (i) contingency allowances?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree when reporting cash operating costs, a gold company would normally report in accordance with the NAGIS standard which sets the type of costs to be included.

- 3.5 Do you agree that producing new applicant Mineral and Exploration Companies must disclose their operating cash cost per appropriate unit for the mineral(s) and/or oil and gas produced?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – most investors would expect to see this information readily available.

- 3.6 Do you agree that a new applicant Mineral and Exploration Company must demonstrate that its board and senior management, taken together, have adequate experience relevant to the mining and/or exploration activity that the applicant is pursuing, unless it can meet the financial track record requirements under Listing Rule 8.05? Do you agree that individuals relied on must have a minimum of five years relevant experience?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – the proposal is a good safeguard as is the requirement for a minimum of five years relevant experience.

Consultation Questions on Disclosure (General) Obligations

- 4.1 Do you agree with our proposal that technical reports and valuations required by the Listing Rules must be prepared by independent Competent Persons?

☐ Yes

☒ No

Please provide specific reasons for your views.

Don't agree – because of circumstances the Competent Person may not always be independent. Australia, South Africa and United States require independence as a matter to be disclosed. We prefer this approach. It is more transparent

- 4.2 Do you agree with our proposal that a Competent Person must be a member of a Recognised Professional Organisation?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this is the right approach, maintains the appropriate standard.

- 4.3 Do you agree that the Exchange should only accept Competent Persons' Reports (CPRs) prepared by Competent Persons who are registered in jurisdictions where the statutory securities regulator has adequate arrangements with the Securities and Futures Commission for mutual assistance and exchange of information for enforcing and securing compliance with relevant laws of each jurisdiction?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – provides the appropriate safeguard.

- 4.4 Do you agree that the CPR must have an effective date less than six months prior to the date of the publication of the prospectus or circular required under the Listing Rules?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – ensures the report is reasonably up to date.

4.5 Do you agree that CPRs must include an up to date no material change statement?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this provides a good safeguard for investors

4.6 Do you agree that all Mineral and Exploration Companies must disclose in the CPR, where one is required, risk factors and provide a risk analysis in the format outlined in Appendix I to the Consultation Paper?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – good approach and Guidance Note will be of great assistance.

4.7 Do you agree with the Exchange's proposal that disclosure on risks must be provided as part of a Competent Person's Report?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this is a place to include the disclosure of risks.

- 4.8 Do you agree that data on reserves and resources must be presented in tables in a manner readily understandable to a non-technical person?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – all investors should be on a common footing.

Consultation Questions on Disclosure (Technical Reporting) Standards

- 5.1 Do you agree with the Exchange's proposal to accept the three main JORC-type codes for the presentation of information on resources and reserves, namely the JORC Code, NI 43-101 and the SAMREC Code?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – provides a flexible approach while still promoting the most commonly recognised and widely accepted international standards.

- 5.2 Do you agree with the Exchange's proposal to request reconciliation to one of the above codes where information is presented in accordance with Russian or Chinese standards, until such time as they achieve widespread recognition or efforts at convergence between these standards and JORC-type codes are sufficiently advanced?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – adopt a wait and see approach on the Russian and Chinese standards. Such reconciliations must be done by Competent Persons, familiar with the Chinese and Russian Standards.

- 5.3 Do you agree with the Exchange's proposal to require that estimates of mineral reserves be supported at a minimum by a pre-feasibility study as defined in the SAMREC Code and NI 43-101?

☒ Yes

☐ No

Please provide specific reasons for your views.

We are supportive of including both the SAMREC Code and NI 43-101 but also suggest the inclusion of the JORC Code.

- 5.4 Do you agree with the Exchange's proposal that information on mineral resources and mineral reserves must not be combined?

☐ Yes

☒ No

Please provide specific reasons for your views.

Don't agree – JORC simply requires that it is noted if Resources include Reserves; most companies include. We think its appropriate that Resources can include Reserves.

- 5.5 Do you agree with the Exchange's proposal that mineral resources must only be included in economic analyses if they are appropriately discounted for the probabilities of their conversion to reserves and the basis on which they are considered to be economically extractable is stated?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this "conservative" approach assists all shareholders.

- 5.6 Do you agree with our proposal that Mineral and Exploration Companies must explain the methodology used to determine commodity prices used in pre-feasibility and feasibility-level studies and valuations of reserves and resources, and state the basis on which such prices represent reasonable views of future prices?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – all relevant information should be provided.

- 5.7 Do you agree with our proposal that Mineral and Exploration Companies must present sensitivity analyses on price in their valuations of reserves and profit forecasts?

☐ Yes

☒ No

Please provide specific reasons for your views.

Disagree – we don't believe this is necessary.

- 5.8 Do you consider that the requirement to state the methods used to determine prices and state the basis on which they are reasonable should extend to forecast prices of oil and gas?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – provides a consistent approach.

- 5.9 Do you agree with our proposal to adopt the PRMS as the accepted reporting code for CPRs related to oil and gas resources?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – As stated this approach will ensure that oil and gas companies are able to report on their complete portfolio of resources (including reserves).

- 5.10 Do you agree with the proposal that Proved and Proved plus Probable Reserves be presented as Net Present Values (“NPVs”) on a post-tax ‘unrisked’ basis at varying discount rates, including a reflection of the weighted average cost of capital or minimum acceptable rate of return applicable to the entity at the time of evaluation?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – looks a good approach against other jurisdictions

- 5.11 Do you agree with the proposal that Proved Reserves and Proved plus Probable Reserves must be analysed separately and the principal assumptions must be stated in all cases?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – Assists in analysis

- 5.12 Do you agree with the proposal that companies must present estimates of NPVs of reserves using a forecast price as a base case but must also provide a sensitivity analysis including a constant price, to be represented by the unweighted arithmetic average of the closing price on the first day of each month in that 12 month period? Please note the possible variation in this proposed rule applicable for companies that may be subject to the SEC's Oil and Gas Disclosure Standards in paragraph 5.59 of the Consultation Paper.

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – again assists investors when analysing

- 5.13 Do you agree with the Exchange's proposal that disclosures about estimated volumes of oil and gas resources should be allowed, provided relevant risk factors are clearly stated?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – Information or relevant risks is of great assistance

- 5.14 Do you agree with our proposal that Mineral and Exploration Companies should not be permitted to attach economic values to Contingent or Prospective Resources?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – should be a “conservative” assessment

- 5.15 Do you agree with the Exchange’s proposed definition of ‘Competent Person’ for oil and gas reporting?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – looks the right definition

- 5.16 Do you agree with the Exchange’s proposal that CPRs must be prepared by independent Competent Persons and deal with the list of items in Appendix II to the Consultation Paper?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – should be prepared by an Independent Competent Person

5.17 Do you agree with the Exchange's proposal to accept the VALMIN, CIMVAL and SAMVAL valuation codes for the valuation of natural resources properties?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – Good proposal to adopt these valuation codes

5.18 Do you agree with the Exchange's proposed definition of 'Competent Person' for valuation purposes?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – particularly that it largely follows requirement under the VALMIN Code

5.19 Do you agree with the Exchange's proposal that company management and the relevant independent expert must determine whether a valuation report is required?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – ensures a high standard maintains

Consultation Questions on Continuing Obligations (for companies treated as Mineral and Exploration Companies and existing listed issuers engaging in mineral and/or exploration activity)

- 6.1 Do you agree with our proposal that Mineral and Exploration Companies must produce CPRs on transactions for the acquisition or disposal of resources and/or reserves, which require shareholder approval (i.e. transactions which are classed as 'major' or above)?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this approach is fairly consistent throughout all jurisdictions

- 6.2 Do you agree with our proposal that listed issuers which enter into acquisitions for resources and/or reserves classed as major or above must also comply with the requirement to produce CPRs? Do you consider that such companies should be granted a short grace period for relevant transactions that have already been entered into and announced on implementation of the new rules?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree on both proposals – again maintains a good standard.

- 6.3 Do you agree with our proposal that, we may dispense with the requirement for CPRs on relevant transactions if detailed information on reserves and resources, in accordance with our approved mineral and/or oil and gas codes, is already in the public domain?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – no need to “double up”

- 6.4 Do you agree listed issuers that have previously published details of reserves and resources must update such statements once a year in their annual reports?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this is fairly common throughout all jurisdictions

- 6.5 Do you agree with our proposal that Mineral and Exploration Companies must provide details of exploration, mining production and development activities and details of expenditure incurred on these three activities in their interim (half-yearly) and annual reports?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Agree – this is of ready assistance to all investors
however note comment in Q3.3.*

- 6.6 Do you agree with the Exchange's proposal to prohibit blanket disclaimers in technical reports?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – Provides for a more thorough technical report

- 6.7 Do you agree with the Exchange's proposal to disallow material indemnities in favour of the Competent Person or entity that prepared the report?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – responsibility must be retained by the Competent Person or entity.

Consultation Question on Social and Environmental Standards

- 7.1 Do you agree with the Exchange's proposal to encourage Mineral and Exploration Companies to consider and provide disclosure on the social and environmental matters described in paragraph 7.1 of the Consultation Paper, where material to their business operations?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – good forward thinking approach to encourage disclosure of social and environmental matters.

Consultation Questions on Eligibility of exploration companies

- 8.1 Do you agree that Chapter 18 should be amended to allow Mineral and Exploration Companies that have mineral or oil and gas resources to apply for listing?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – These companies should be allowed to apply if they have the appropriate resources

- 8.2 Do you agree that it is not appropriate to list early stage exploration companies in the interests of investor protection, i.e. those that have not yet determined the existence of resources?

☐ Yes

☒ No

Please provide specific reasons for your views.

Disagree – this would disallow a significant proportion of the ASX/TSX/AIM listed juniors. A strong disincentive to exploration.

- 8.3 Do you agree that new applicant Mineral and Exploration Companies that have not yet commenced production must disclose their plans to proceed to production with indicative dates and costs?

☐ Yes

☒ No

Please provide specific reasons for your views.

Don't agree – this may be too onerous for Exploration Companies – their plans may not be so advanced.

- 8.4 Do you consider that new applicant Mineral and Exploration Companies which have not yet commenced production should be subject to any additional eligibility requirements, such as a requirement to have a minimum market capitalisation?

☐ Yes

☒ No

Please provide specific reasons for your views.

Don't think this is required – enough "substance" in other requirements.

- 8.5 Do you agree with the Exchange's proposed definition for 'Mineral and Exploration Companies'?

☒ Yes

☐ No

Please provide specific reasons for your views.

Agree – this is a very good definition.

- End -