

### Summary

This Practice Note outlines the NZX Listing Rules (**Rules**) requirements that apply to Mining Issuers.

### Relevant Listing Rules: 3.10.1, Appendix 4

Under Rule 9.15.1 of the Rules, NZX Limited (**NZX**) may act by and through NZX Regulation Limited (**NZ RegCo**) in performing any function or discharging any power set out in the Rules. References in this Practice Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

Under the Rules, a Mining Issuer is an Issuer that is principally engaged in the exploration for, or extraction of, any mineral, oil or natural gas, and includes an Issuer which holds, as a principal part of its business or assets, an interest or interests in any mining tenement.

### Appendix 4 – Mining Issuer disclosure

All Issuers must comply with the continuous disclosure requirements set out in Section 3 of the Rules. Under Rule 3.10.1, Mining Issuers must also comply with the additional disclosure requirements set out in Appendix 4 of the Rules.

This Practice Note highlights information within Appendix 4 of the Rules.

Appendix 4 of the Rules contemplates two types of Mining Issuers:

- Exploration Mining Issuers – primarily focused, or has an interest in an entity that focuses, on development and exploration activities.
- Production Mining Issuers – primarily focused, or has an interest in an entity that focuses, on commercial production.

Issuers in the development and exploration stage (i.e. pre-resource mineralisation stage reporting or reports on a potential hydrocarbon reserve state) are subject to enhanced disclosure requirements, including terminology restrictions or disclosure qualifications.

Different parts of Appendix 4 will apply, depending on the Mining Issuer's focus. These areas of focus are the following:

### Hydrocarbon – Clause 1.2

Clause 1.2 sets out the requirements for hydrocarbon reports which contain or refer to hydrocarbon reserves, i.e. proved hydrocarbon reserves, probable hydrocarbon reserves or possible hydrocarbon reserves (as defined in Appendix 4).

Mining Issuers must provide to NZX weekly, announced through the Markets Announcements Platform (**MAP**) before 9:00am on a Business Day, the following information on hydrocarbon exploration and assessment during drilling and testing operations:

- (a) the name of the well, the permit in which it is located, and its position in the permit with respect to previous wells, known oil or gas fields or towns;
- (b) the time of reporting;
- (c) the progress for the past week;
- (d) current operation;

- (e) any results of drill stem tests and other flow tests where hydrocarbons are recovered to surface, in accordance with clause 1.2.7; and
- (f) the participating companies and their beneficial percentage interest in the well.

Hydrocarbon Mining Issuers should be mindful of the timing and content disclosure requirements under Clause 1.2.7 which states that within 24 hours of the completion of flow test operations over the test interval, a report must be issued which includes:

- (a) depth and interval tested;
- (b) representative sustained flow rate (if achieved);
- (c) choke size and representative surface flowing pressure (if achieved); and
- (d) summary description of fluids recovered.

### **Ore and Mineralisation – Clause 1.3**

Clause 1.3 sets out the requirements for ore and mineralisation reports and prescribes the forms for assay result disclosure. Clause 1.3.4 states that assay results must be set out in one of the three forms considered most suitable by the Mining Issuer's geologist and/or mining engineer:

- (a) all assay results, with sample widths or size in the case of bulk samples;
- (b) the weighted average grade of mineralised zone, indicating clearly how the grade was calculated; and
- (c) when high values are recorded, they must be given in context, with full supporting data.

The type of assay method used must be stated for all assay results submitted to NZX.

### **Quarterly Reporting**

A Mining Issuer must release through MAP within one month after the end of each quarter in a calendar year, a report providing all the information prescribed by NZX together with full details of production, development and exploration activities (including geophysical surveys) and expenditure incurred thereon. Where there has been no such activity, that fact must be stated (Clause 1.1.4).

There is no prescribed template for quarterly reporting by NZX Issuers. The minimum disclosure requirements required under Appendix 4 are:

1. Compliance with the appropriate technical reporting code (e.g. the JORC Code or an equivalent internationally recognised reporting standard);
2. Competent person or suitably qualified professional involvement or consent as applicable (Clause 1.2.3 and 1.3.6); and
3. Clear, balanced presentation of technical information and correct use of terminology (Clauses 1.2.4 - 1.2.8, and 1.3.1 - 1.3.4). This disclosure should include details of any updates to key projects, technical results that arose during the quarter, and a summary of financial expenditure during the quarter.

Some of this disclosure will be dependent on the progress of geophysical surveys.

A quarterly report operates as a regular update to the market of a Mining Issuers activities. A Mining Issuer should continue to comply with its continuous disclosure obligations under Section 3 of the Rules.

## JORC Code

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) sets out minimum standards that govern how mining and exploration companies publicly report technical information ensuring it is accurate, transparent and prepared by qualified experts. The JORC Code establishes standardised disclosure and terminology across the industry.

The JORC Code applies to all “Public Reports” (a general term for any report or communication made available to the public or to investors that contains information about Exploration Results, Mineral Resources, Ore Reserves or related technical matters). For example, a market announcement released over MAP constitutes a Public Report.

Under the Rules, any Mining Issuer focused on ore and mineralisation must comply with the JORC Code. Appendix 4 incorporates the JORC Code and its terminology by reference in Clause 1.3.5. However, Appendix 4 does not preclude a Mining Issuer from following an equivalent internationally recognised reporting standard. Mining Issuers should consider the JORC Code (or equivalent internationally recognised reporting standard) when preparing market announcements.

Mining Issuers that are focused on hydrocarbon should comply with an equivalent internationally recognised petroleum reporting standard.

## Competent Person

Clause 1.3.6 provides that any report which relates to a Mining Issuer’s ore or mineralisation results and/or estimates must be based on, and state it is based on (or be accompanied by a signed statement to the same effect) information that has been compiled by a “competent person”, as defined in the JORC Code.

Where the competent person is:

- (a) not a full-time employee of the Mining Issuer, a report may be released only with the person’s consent and a statement in writing that the information has been faithfully presented in the form and context, or
- (b) a full-time employee of the reporting Mining Issuer, it must be stated that the report accurately reflects the information compiled by the person.

The JORC Code also contains competent person requirements for public reports.

Clause 1.2.3 contains an equivalent requirement for Hydrocarbon Mining Issuers to ensure that all technical information is prepared by a suitably qualified professional, i.e. a person holding a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had at least five years’ experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

- (a) not a full-time employee of the Mining Issuer, a report may be released only with the person’s consent and a statement in writing that the information has been faithfully presented in form and context, or
- (b) a full-time employee of the reporting Mining Issuer, it must be stated that the report accurately reflects the information compiled by the person.

## **Valuations and Financial Models**

Issuers should ensure that when reporting on any financial valuations for any project or tenement, the source of the information included in any valuation or financial model should be derived from a public report prepared in accordance with the JORC Code or an equivalent internationally recognised reporting standard. This includes clearly disclosing and stating any key assumptions which underpin any mineralisation estimates and ensuring the author of any report (e.g. a competent person or a suitably qualified professional as applicable) is prominently disclosed.

## **Foreign Exempt Issuers**

Foreign exempt issuers' primary obligation is to continue to comply with the listing rules (or their equivalent) of its home exchange (being a recognised stock exchange as published by NZX [here](#)). Rule 1.7.2 sets out the requirements for foreign exempt issuers. Foreign exempt issuers are otherwise largely exempt from the Rules.

Accordingly, Rule 1.7.2 confirms that Rule 3.10.1 does not apply to foreign exempt issuers. This means that foreign exempt issuers do not need to comply with the requirements set out in Appendix 4. Foreign exempt issuers should be mindful of any obligations under any technical reporting code (as applicable).

## Further information

If you have any questions please contact NZ RegCo Issuer Regulation at [issuer@nzregco.com](mailto:issuer@nzregco.com)

NZX Guidance Note on Continuous Disclosure is available at <https://www.nzx.com/regulation/nzx-rules-guidance/nzx-mo-announcements/guidance-notes>

Appendix 4 of the Rules is available at <https://www.nzx.com/regulation/nzx-rules-guidance/nzx-listing-rules>

The JORC Code is available at <https://www.jorc.org>

*Practice Notes are not intended to be a definitive statement of the application of the rules in every situation and are only a guide to NZX's policy and practice. This Practice Note does not limit NZX's discretion under the Rules. NZX takes no responsibility for any error contained in the Practice Note. NZX may replace Practice Notes at any time.*