

NZSX/ NZDX Listing Rules

APPENDIX 1

Part A (Rules 10.4.2 and 10.5.3)

Preliminary Announcements – Full and Half Year Results

1

Full Year Results:

The following information must be contained in each preliminary announcement given to NZX under NZSX Listing Rule 10.4.2 in respect of a full year:

- 1.1 Details of the reporting period and the previous corresponding period.
- 1.2 Information prescribed by NZX from time to time. This information must be identified as “Results for announcement to the market” and must be placed at the beginning of the report in a tabular format as specified by NZX from time to time.
- 1.3 The following information, which may be presented in whatever way the Issuer considers is the most clear and helpful to users, e.g., combined with the body of the report, combined with notes to the financial statements, or set out separately.
 - (a) A statement of financial performance.
 - (b) A statement of financial position. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
 - (c) A statement of cash flows. The statement of cash flows may be condensed but must report as line items each significant form of cash flow.
 - (d) Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividends or distributions.
 - (e) Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
 - (f) A statement of movements in equity.

- (g) Net tangible assets per security with the comparative figure for the previous corresponding period.
- (h) Details of entities over which control has been gained or lost during the period, including the following.
 - (i) Name of the entity.
 - (ii) The date of the gain or loss of control.
 - (iii) Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
- (i) Details of associates and joint venture entities including the following.
 - (i) Name of the associate or joint venture entity.
 - (ii) Details of the reporting entity's percentage holding in each of these entities.
 - (iii) Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
- (j) Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
- (k) A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.
 - (i) The earnings per security and the nature of any dilution aspects.
 - (ii) Returns to shareholders including distributions and buy backs.
 - (iii) Significant features of operating performance.

- (iv) The results of segments that are significant to an understanding of the business as a whole.
 - (v) A discussion of trends in performance.
 - (vi) Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.
- (l) A statement as to whether the report is based on financial statements which have been audited, are in the process of being audited, or have not yet been audited and:
- (i) If the financial statements have not yet been audited and are likely to be subject to qualification, a description of the likely qualification; or
 - (ii) If the financial statements have been audited, a statement of any qualifications that the auditors have made to those financial statements;
- (m) A statement of any major changes or trends in the Issuer's business subsequent to the end of the financial year or half year, as the case may be, and shall include where material any changes in the value of the Issuer's assets, or in its profitability, and any contingent liabilities, all in relation to the position disclosed in the last published financial statements; and
- (n) A statement of any unrealised gains resulting from the revaluation of assets of the Issuer, any subsidiary, or any associated company and unrealised net changes in values or development margins of investment assets included as separate items after profit before extraordinary items, identifying separately amounts arising from any unrealised gains of associated companies.

2

Half-Year Results

The following information must be contained in each preliminary announcement given to NZX under listing rule 10.4.1 in respect of a half year:

- 2.1 Details of the reporting period and the previous corresponding period.
- 2.2 Information prescribed by NZX from time to time. This information must be identified as "Results for announcement

to the market” and must be placed at the beginning of the report in a tabular format as specified by NZX from time to time.

- 2.3 The following information, which may be presented in whatever way the Issuer considers is the most clear and helpful to users, e.g., combined with the body of the report, combined with notes to the financial statements, or set out separately.
- (a) A statement of financial performance.
 - (b) A statement of financial position, which may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
 - (c) A statement of cash flows, which may be condensed but must report as line items each significant form of cash flow.
 - (d) Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividends or distributions.
 - (e) Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
 - (f) Net tangible assets per security with the comparative figure for the previous corresponding period.
 - (g) Details of entities over which control has been gained or lost during the period, including the following.
 - (i) Name of the entity.
 - (ii) The date of the gain or loss of control.
 - (iii) Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
 - (h) Details of associates and joint venture entities including the following.

- (i) Name of the associate or joint venture entity.
- (ii) Details of the reporting entity's percentage holding in each of these entities.
- (iii) Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Full Year and Half-Year Results

All preliminary announcements given under listing rule 10.4.1 must comply with the following requirements:

- 3.1 All statements must be prepared in compliance with applicable Financial Reporting Standards or the equivalent foreign accounting standards.
- 3.2 A statement of the accounting policies (if any) that the directors believe are critical to the portrayal of the Issuers financial condition and results and which require the directors to make judgements and estimates about matters that are inherently uncertain.
- 3.3 If there has been any material change in accounting policies applied in preparation of the statements reflected in the announcement, it must disclose the impact of the change.
- 3.4 If the financial statements have been audited, a copy of the audit report should be provided with the announcement.
- 3.5 The announcement may include any additional facts, figures or interpretative notes that the Issuer wishes to include, and must include any additional information required by any applicable financial reporting standard or necessary to ensure the announcement is not misleading.

Part B (Rule 10.5.3) Half-yearly report

The following information must be included in each half-yearly report prepared for the purposes of listing rule 10.5.3. The information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.

- 1. Details of the reporting period and the previous corresponding period.

2. A statement of financial performance together with notes to the statement.
3. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
4. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow.
5. A statement of movements in equity together with notes to the statement.
6. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.
7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
8. Net tangible assets per security with the comparative figure for the previous corresponding period.
9. Details of entities over which control has been gained or lost during the period, including the following.
 - (a) Name of the entity
 - (b) The date of the gain or loss of control.
 - (c) Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
10. Details of associates and joint venture entities including:
 - (a) The name of the associate or joint venture entity;
 - (b) Details of the reporting entity's percentage holding in each of these entities; and
 - (c) Where material to an understanding of the report -

aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

11. A statement of any major changes or trends in the Issuer's business subsequent to the end of the financial year or half year, as the case may be, and shall include where material any changes in the value of the Issuer's assets, or in its profitability, and any contingent liabilities, all in relation to the position disclosed in the last published financial statements.
12. A statement of the amount of any unrealised gains resulting from the revaluation of assets of the Issuer, any subsidiary, or any associated company and unrealised net changes in values or development margins of investment assets included as separate items after profit before extraordinary items, identifying separately amounts arising from any unrealised gains of associated companies.
13. A statement of any material change in accounting policies applied in preparation of the statements reflected in the announcement and the impact of the change
14. For foreign entities, which set of accounting standards is used in compiling the report (e.g., International Financial Reporting Standards).

The report must also contain any additional information required by law or any applicable financial reporting standard or necessary to ensure the report is not misleading. The report may include any additional facts, figures or interpretative notes that the Directors wish to include. If the financial statements have been audited, the report shall disclose and any qualifications the auditors have made to those financial statements.

Full and Half Year Preliminary Announcements and Half Year Results

In accordance with Clauses 1.2 and 2.2 of Appendix 1 of the NZSX & NZSDX Listing Rules, the following information is prescribed by NZX to be included in announcements made under Appendix 1.

1. The following is the information prescribed pursuant to clauses 1.2 and 2.2 of Appendix 1 of the NZSX and NZDX Listing Rules to appear identified as “Results for announcement to the market” and placed at the beginning of the preliminary report (full and half year) in a tabular format.
 - (a) The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.
 - (b) The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to security holders.
 - (c) The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to security holders.
 - (d) The amount per security and impute amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - (e) The record date for determining entitlements to and the date for payment of the dividends (if any).
 - (f) A brief explanation of any of the figures in (a)- (e) necessary to enable the figures to be understood.

2. The information required by paragraph 1 above should as close as possible be presented in the following tabular format:

Issuer Name		
Results for announcement to the market		
Reporting Period	[] months to []	
Previous Reporting Period	[] months to []	
	Amount (000s)	Percentage change
Revenue from ordinary activities	\$NZ	%
Profit (loss) from ordinary activities after tax attributable to security holder.	\$NZ	%

Net profit (loss) attributable to security holders.	\$NZ	%
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Interim/Final Dividend	Amount per security	Imputed amount per security
	\$NZ .xx [or a statement that it is not proposed to pay dividends.]	\$.xx

Record Date	[Date] or [Not Applicable]
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Dividend Payment Date	[Date] or [Not Applicable]
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Comments:	A brief [A brief explanation of any of the figures above necessary to enable the figures to be understood.]
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APPENDIX 2

MINIMUM HOLDINGS

(Definition of “Minimum Holding” in Rule 1.6.1)

Minimum Holdings at any time shall, unless otherwise determined by NZX, be as follows:

- (a) In relation to Equity Securities, a holding with a market price at the relevant time of:

Number of Units	Price (both figures inclusive)
2,000	where the price does not exceed 25 cents
1,000	where the price exceeds 25 cents but does not exceed 50 cents
500	where the price exceeds 50 cents but does not exceed \$1.00
200	where the price exceeds \$1.00 but does not exceed \$2.00
100	where the price exceeds \$2.00 but does not exceed \$5.00
50	where the price exceeds \$5.00 but does not exceed \$10.00
25	where the price exceeds \$10.00

- (b) In relation to Rights to Equity Securities, the number that would, upon exercise, convert to a minimum holding as specified in (a).
- (c) In relation to Debt Securities, a holding with \$5,000 principal amount.
- (d) In relation to any other Securities, a holding with \$1,000 face value.

Appendix 5

PROVISIONS OF RULES EXCLUDED IF EQUITY SECURITIES NOT QUOTED

(Rule 1.14.2)

Deleted: 9

Rules 1.5.2, 1.5.3, 6.1 and 6.2 in so far as they relate to the Constitution

Rule 1.16

Rule 3.1

Rules 3.3 to 3.5

Rule 3.6

Section 4

Rule 6.3.1

Rules 7.3 to 7.9

Rules 8.1 to 8.4

Section 9

Rule 10.1.2

Rules 10.5.5(i) to 10.5.5(l)

Deleted: and

Deleted: j)

Rules 10.10 to 10.12

APPENDIX 6

PROVISIONS REQUIRED TO BE CONTAINED IN OR INCORPORATED BY REFERENCE IN AN ISSUER'S CONSTITUTION

(Rule 3.1.1(a))

Rules 3.3.1 to 3.3.4

Rules 3.3.7 to 3.3.10

Rule 3.4.1

Rules 3.4.3 to 3.4.4

Rule 6.3.2

Rules 9.3.1 to 9.3.3

Rule 9.3.5

And, in the case of an Issuer that is not a company incorporated under the Companies Act 1993, Rule 8.3.1.

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

Full name of issuer			
Name of officer authorised to make this notice		Authority for event, e.g. Directors' resolution	
Contact phone number		Contact fax number	Date / /
Nature of event Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/> Interest <input type="checkbox"/> Rights Issue Renounceable <input type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/> Call <input type="checkbox"/> Dividend <input type="checkbox"/>	If ticked, state whether: Interim <input type="checkbox"/> Full Year <input type="checkbox"/> Special <input type="checkbox"/> DRP Applies <input type="checkbox"/>

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities	ISIN
	<i>If unknown, contact NZX</i>

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities	ISIN	
	<i>If unknown, contact NZX</i>	
Number of Securities to be issued following event	Minimum Entitlement	Ratio, e.g. 1 for 2
Conversion, Maturity, Call Payable or Exercise Date	Treatment of Fractions	
Strike price per security for any issue in lieu or date Strike Price available.	Tick if <i>pari passu</i> <input type="checkbox"/> OR provide an explanation of the ranking	

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

<i>In dollars and cents</i>	Source of Payment
Amount per security (does not include any excluded income)	
Excluded income per security (only applicable to listed PIEs)	
Currency	Supplementary dividend details - NZSX Listing Rule 7.12.7
Total monies	Amount per security in dollars and cents
	Date Payable

Taxation *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price	Resident Withholding Tax	Imputation Credits (Give details)
	Foreign Withholding Tax	FWP Credits (Give details)

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm For calculation of entitlements -	Application Date Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.
Notice Date Entitlement letters, call notices, conversion notices mailed	Allotment Date For the issue of new securities. Must be within 5 business days of application closing date.

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:
Security Code:



APPENDIX 8 - TIMING OF EVENTS AFFECTING SECURITIES

FOR RIGHTS ONLY						
NZX Notice Date	Ex Date	Record Date	Notice Date	Cease Quotes Date	Application/ Renunciation Closing Date	Allotment Date
Notification to market five business days before Ex Date Rights Issue (Rules 7.10.9 and 7.10.10) →	Rights Commence Quotation on the 2 nd business day before the Record Date (Rule 7.10.9(a)) →		Letters of entitlement mailed within five business days of Record Date (Rule 7.10.1) ←	Rights cease quotation on the 4 th Business day before application closing date (Rule 7.10.9(c)) →	Applications/ renunciations due at registry (Rule 7.10.3)	Allotment of securities within 5 business days of Application Closing Date (Rule 7.11.1) ←
(2) Ten business days before Record Date for: • Bonus Issues • Calls, payments, Dividends, Interest, Conversions (Listing Rule 7.12.2) • Quotations (Rule 5.2.2(c)) • Name changes (Rule 10.8.1 (f)) →				Minimum 12 business after the mailing of the last letters of entitlement (Rule 7.10.2) →		
(3) Six weeks before fixed date for optional conversions (Rule 7.12.8)						
Count forward →			← Count back			

APPENDIX 10**PROVISIONS FOR UNIT TRUSTS****(Rule 5.1.10)**

A Trust Deed governing a unit trust shall contain provisions to the following effect:

- (a) The trustee shall be entitled at any time to appoint an independent valuer to value, at the expense of the trust, the assets of the trust; and
- (b) No deduction from the income of the trust shall be made by the manager or the trustee unless specifically provided for in the Trust Deed; and
- (c) If the office of the trustee becomes vacant, and a new trustee is not appointed within two months of the vacancy occurring, the trust shall be wound up; and
- (d) any change in the manager, or in the terms of the appointment of the manager, shall be subject to the approval of the trustee;
- (e) the trustee shall be entitled to remove the manager if:
 - (i) the manager is in breach of its obligations under the Trust Deed; and
 - (ii) the manager fails to carry out its duties to the satisfaction of the trustee; or
 - (iii) the trustee considers that it is in the interest of unit holders to do so; or
 - (iv) the manager is wound up (except for the purpose of amalgamation or reconstruction while solvent) or a receiver is appointed in respect of the manager; and
- (f) setting out clearly the basis on which unit holders are entitled to participate in the distribution of assets upon the winding up and termination of the trust.

APPENDIX 11

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

.....
(Name of Mining Issuer)

For Quarter ended20.....
(referred to in this Quarter as the "Current Quarter")

Quarterly Report of Consolidated Cash Flows in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are *audited/unaudited. If these figures are based on audited accounts, a statement is required of any material qualification made by the auditor. The Mining Issuer *has/does a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1. CASH FLOWS RELATING TO OPERATING ACTIVITIES

- (a) Receipts from product sales and related debtors
- (b) Payments for exploration and evaluation
 - for development
 - for production
 - for administration
- (c) Dividends received
- (d) Interest and other items of a similar nature received
- (e) Interest and other costs of finance paid
- (f) Income taxes paid
- (g) Other (provide details if material)

(h) NET OPERATING CASH FLOWS

2. CASH FLOWS RELATED TO INVESTING ACTIVITIES

- (a) Cash paid for purchases of
 - prospects
 - equity investments
 - other fixed assets
- (b) Cash proceeds from sale of
 - prospects
 - equity investments
 - other fixed assets
- (c) Loans to other entities
- (d) Loans repaid by other entities
- (e) Other (provide details if material)

(f) NET INVESTING CASH FLOWS

3. CASH FLOWS RELATED TO FINANCING ACTIVITIES

- (a) Cash proceeds from issues of shares, options, etc
- (b) Proceeds from sale of forfeited shares
- (c) Borrowings
- (d) Repayments of borrowings
- (e) Dividends paid
- (f) Other (provide details if material)

(g) NET FINANCING CASH FLOWS

4. (a) *NET INCREASE (DECREASE) IN CASH HELD

- (b) Cash at beginning of quarter/year to date
- (c) Exchange rate adjustments to Item 4(a) above

(d) CASH AT END OF QUARTER

Current Quarter \$NZ 000	Year to Date (..... Months) \$NZ 000

*Delete as Required

9. CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(a) Interests in mining tenements relinquished, reduced and/or lapsed				
(b) Interests in mining tenements acquired and/or increased				

(c) Where changes are reported in (a) and/or (b), an amended list of interests in mining tenements is to be attached to this statement.

10. ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Category of Securities	Number Issued	Number Quoted	Paid-Up Value Cents	
PREFERENCE SHARES
#(DESCRIPTION)
Issued during current Quarter:
ORDINARY SHARES
Issued during current quarter:
CONVERTIBLE NOTES:
#(Description)
Issued during current quarter
OPTIONS:	Exercise Price	Expiry Date
Issued during current quarter
DEBENTURES – totals only:	\$	\$
UNSECURED NOTES – totals only:	\$	\$

Description includes rate of interest and any redemption or conversion rights together with prices and dates thereof.

.....
(Signed by) Authorised Officer of Listed Issuer

.....
(Date)

NOTES

[Not to be faxed to NZX]

[These notes are deemed to form part of this form and are for the purposes of completing it]

- (I) *The objective of the Quarterly Statement of Consolidated Cash Flows is to provide a basis for reporting to the market how the activities of the Mining Issuer for the past quarter have been financed and the effect on the Mining Issuer's cash position. Any Issuer wishing to disclose additional information is encouraged to do so and should provide it in the form of a note or notes attached to this statement.*
- (II) *Although this statement is a specific purpose financial statement, the definitions and provisions of FRS-10: Statement of Cash Flows apply.*
- (III) (a) *The aggregate amount of loans [Item 2(c)] made to associated persons shall be disclosed by way of note.*

(b) *The aggregate amount of payments to suppliers and employees [Item (b)] made to associated persons shall be disclosed by way of note with such additional explanations as are necessary for an understanding of the transactions.*

(c) *In this note, "associated persons" has the same meaning as in NZSX Listing Rule 1.8.*
- (IV) *"Investments" includes expenditure to acquire property, tangible or intangible, with an expectation of yielding income for services over an extended period. Details of investments in intangibles and in other mining exploration Issuers should be disclosed separately by way of note.*
- (V) *"Exploration" outlays include payments arising from the search for a mineral deposit or oil or natural gas field which appears capable of commercial exploitation by an extractive operation and includes payments for topographical, geological, geochemical and geophysical studies and exploratory drilling.*
- (VI) *"Evaluation" outlays include payments arising from the determination of the technical feasibility and commercial viability of a particular prospect and includes outlays made in determining the volume and grade of the deposit or field, examination and testing of extraction methods and metallurgical or treatment processes, surveys of transportation and infrastructure requirements, and market and finance studies.*
- (VII) *"Development" outlays include payments arising from the establishment of access to the deposit or field and other preparation for commercial production and includes expenditure on shafts, underground drives and permanent excavations, roads and tunnels, advance removal of overburden and waste rock, and drilling of oil or natural production wells.*
- (VIII) *"Production" outlays include payments arising from the day-to-day activities directed to obtaining saleable product from the deposit or field on a commercial scale and includes extraction and any processing prior to sale.*
- (IX) *"Administration" outlays include payments made to staff primarily engaged in administration and other payments related to the operation of the Mining Issuer not included in other categories.*
- (X) *The "Nature of Interest" referred to in Item 9 includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. Where the Mining Issuer is involved in a joint venture agreement and there are conditions precedent which will change the Mining Issuer's percentage interest in a mining tenement, disclosure of the change of percentage interest and conditions precedent should be made in the list required for Item 9(c)*

APPENDIX 12

**AUSTRALASIAN CODE FOR REPORTING OF
EXPLORATION RESULTS, MINERAL RESOURCES AND
ORE RESERVES**

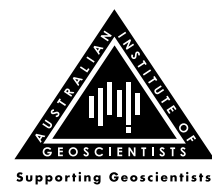
(The JORC Code)

(Rule 10.12)

Australasian Code for
**Reporting of Exploration Results,
Mineral Resources and Ore Reserves**

~ **The JORC Code** ~
2004 Edition

AusImm
AUSTRALASIAN INSTITUTE OF MINING & METALLURGY



Effective December 2004

Prepared by:
The Joint Ore Reserves Committee of The Australasian Institute of
Mining and Metallurgy, Australian Institute of Geoscientists and
Minerals Council of Australia (JORC)

FOREWORD

1. The *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the 'JORC Code' or 'the Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Joint Ore Reserves Committee ('JORC') was established in 1971 and published several reports containing recommendations on the classification and Public Reporting of Ore Reserves prior to the release of the first edition of the JORC Code in 1989.

Revised and updated editions of the Code were issued in 1992, 1996 and 1999. This 2004 edition supersedes all previous editions.

Concurrently with the evolution of the JORC Code, the Combined Reserves International Reporting Standards Committee ('CRIRSCO'), initially a committee of the Council of Mining and Metallurgical Institutions ('CMMI'), has, since 1994, been working to create a set of standard international definitions for reporting Mineral

Resources and Mineral (Ore) Reserves, modelled on those of the JORC Code.

Representatives of bodies from participating countries (Australia, Canada, South Africa, USA and UK) reached provisional agreement on standard definitions for reporting in 1997. This was followed in 1998 by an agreement to incorporate the CMMI definitions into the International Framework Classification for Reserves and Resources – Solid Fuels and Mineral Commodities, developed by the United Nations Economic Commission for Europe ('UN-ECE').

As a result of the CRIRSCO/CMMI initiative, considerable progress has been made towards widespread adoption of consistent reporting standards throughout the world. These are embodied in the similar codes, guidelines and standards published and adopted by the relevant professional bodies in Australia, Canada, South Africa, USA, UK, Ireland and many countries in Europe. The definitions in this edition of the JORC Code are either identical to, or not materially different from, those international definitions.

INTRODUCTION

2. In this edition of the JORC Code, important terms and their definitions are highlighted in **bold text**. The guidelines are placed after the respective Code clauses using *indented italics*. They are intended to provide assistance and guidance to readers. They do not form part of the Code, but should be considered persuasive when interpreting the Code. Indented italics are also used for Appendix 1 – '*Generic Terms and Equivalents*' and Table 1 – '*Check List of Assessment and Reporting Criteria*' to make it clear that they are also part of the guidelines, and that the latter is not mandatory for reporting purposes.
3. The Code has been adopted by The Australasian Institute of Mining and Metallurgy ('The AusIMM') and the Australian Institute of Geoscientists ('AIG') and is therefore binding on members of those organisations. It is endorsed by the Minerals Council of Australia, and the Securities Institute of Australia as a contribution to good practice. The Code has also been adopted by and included in the listing rules of the Australian ('ASX') and New Zealand ('NZX') Stock Exchanges.

The ASX and NZX have, since 1989 and 1992 respectively, incorporated the Code into their listing rules. Under these listing rules, a Public Report must

be prepared in accordance with the Code if it includes a statement on Exploration Results, Mineral Resources or Ore Reserves. The incorporation of the Code imposes certain specific requirements on mining or exploration companies reporting to the ASX and NZX. The 2004 edition of the Code has included much of the relevant material previously found only in the listing rules concerning the reporting of Exploration Results and the naming of the Competent Person. Despite the inclusion of this material in the Code it is strongly recommended that users of the Code familiarise themselves with those listing rules which relate to Public Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The JORC Code requires the Competent Person(s), on whose work the Public Report of Exploration Results, Mineral Resources or Ore Reserves is based, to be named in the report. The report or attached statement must say that the person consents to the inclusion in the report of the matters based on their information in the form and context in which it appears, and must include the name of the person's firm or employer. Refer to Clause 8 of the Code.

SCOPE

4. The main principles governing the operation and application of the JORC Code are transparency, materiality and competence.
 - **Transparency** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and is not misled.
 - **Materiality** requires that a Public Report contains all the relevant information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Exploration Results, Mineral Resources or Ore Reserves being reported.

- **Competence** requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics.
5. **Reference in the Code to a Public Report or Public Reporting is to a report or reporting on Exploration Results, Mineral Resources or Ore Reserves, prepared for the purpose of informing investors or potential investors and their advisers. This includes a report or reporting to satisfy regulatory requirements.**

The Code is a required minimum standard for Public Reporting. JORC also recommends its adoption as a minimum standard for other reporting. Companies are encouraged to provide information in their Public Reports which is as comprehensive as possible.

Public Reports include but are not limited to: company annual reports, quarterly reports and other reports to Australian and New Zealand Stock Exchanges, or as required by law. The Code applies to other publicly released company information in the form of postings on company web sites and briefings for shareholders, stockbrokers and investment analysts. The Code also applies to the following reports if they have been prepared for the purposes described in Clause 5: environmental statements; Information Memoranda; Expert Reports, and technical papers referring to Exploration Results, Mineral Resources or Ore Reserves.

For companies issuing concise annual reports, or other summary reports, inclusion of all material information relating to Exploration Results, Mineral Resources and Ore Reserves is recommended. In cases where summary information is presented it should be clearly stated that it is a summary, and a reference attached giving the location of the Code-compliant Public Reports or Public Reporting on which the summary is based.

It is recognised that companies can be required to issue reports into more than one regulatory jurisdiction, with compliance standards that may differ from this Code. It is recommended that such reports include a statement alerting the reader to this situation. Where members of The AusIMM and the AIG are required to report in other jurisdictions, they are obliged to comply with the requirements of those jurisdictions.

The term 'regulatory requirements' as used in Clause 5 is not intended to cover reports provided to State and Federal Government agencies for statutory purposes, where providing information to the investing public is not the primary intent. If such reports become available to the public, they would not

normally be regarded as Public Reports under the JORC Code (see also guidelines to Clauses 19 and 37).

Reference in the Code to 'documentation' is to internal company documents prepared as a basis for, or to support, a Public Report.

It is recognised that situations may arise where documentation prepared by Competent Persons for internal company or similar non-public purposes does not comply with the JORC Code. In such situations, it is recommended that the documentation includes a prominent statement to this effect. This will make it less likely that non-complying documentation will be used to compile Public Reports, since Clause 8 requires Public Reports to fairly reflect Exploration Results, Mineral Resource and/or Ore Reserve estimates, and supporting documentation, prepared by a Competent Person.

While every effort has been made within the Code and Guidelines to cover most situations likely to be encountered in Public Reporting, there may be occasions when doubt exists as to the appropriate form of disclosure. On such occasions, users of the Code and those compiling reports to comply with the Code should be guided by its intent, which is to provide a minimum standard for Public Reporting, and to ensure that such reporting contains all information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of making of a reasoned and balanced judgement regarding the Exploration Results, Mineral Resources or Ore Reserves being reported.

6. The Code is applicable to all solid minerals, including diamonds, other gemstones, industrial minerals and coal, for which Public Reporting of Exploration Results, Mineral Resources and Ore Reserves is required by the Australian and New Zealand Stock Exchanges.

The JORC Code is cited by the 'Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports' (the 'VALMIN Code') as the applicable standard for the public reporting of Exploration Results, Mineral Resources and Ore Reserves. References to 'technical and economic studies' and 'feasibility studies' in the JORC Code are not intended as references to Technical Assessments or Valuations as defined in the VALMIN Code.

7. JORC recognises that further review of the Code and Guidelines will be required from time to time.

COMPETENCE AND RESPONSIBILITY

8. A Public Report concerning a company's Exploration Results, Mineral Resources or Ore Reserves is the responsibility of the company acting through its Board of Directors. Any such report must be based on, and fairly reflect the information and supporting documentation prepared by a Competent Person or Persons. A company issuing a Public Report shall disclose the name(s) of the Competent Person or Persons, state whether the Competent Person is a full-time employee of the company, and, if not, name the Competent Person's employer. The report shall be issued with the written consent of the Competent Person or Persons as to the form and context in which it appears.

Appropriate forms of compliance statements may be as follows (delete bullet points which do not apply):

- *If the required information is in the report:*

"The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by (insert name of Competent Person), who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX from time to time (select as appropriate and if a ROPO insert name of ROPO)": or

- *If the required information is included in an attached statement:*

"The information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by (insert name of Competent Person), who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX from time to time (select as appropriate and if a ROPO insert name of ROPO)".

- *If the Competent Person is a full-time employee of the company:*

"(Insert name of Competent Person) is a full-time employee of the company".

- *If the Competent Person is not a full-time employee of the company:*

"(Insert name of Competent Person) is employed by (insert name of Competent Person's employer)".

- *For all reports:*

"(Insert name of Competent Person) has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration

and to the activity which he (or she) is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. (Insert name of Competent Person) consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears".

9. Documentation detailing Exploration Results, Mineral Resource and Ore Reserve estimates, on which a Public Report on Exploration Results, Mineral Resources and Ore Reserves is based, must be prepared by, or under the direction of, and signed by, a Competent Person or Persons. The documentation must provide a fair representation of the Exploration Results, Mineral Resources or Ore Reserves being reported.

- 10.A **'Competent Person' is a person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated from time to time.**

A 'Competent Person' must have a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking.

If the Competent Person is preparing a report on Exploration Results, the relevant experience must be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves.

The key qualifier in the definition of a Competent Person is the word 'relevant'. Determination of what constitutes relevant experience can be a difficult area and common sense has to be exercised. For example, in estimating Mineral Resources for vein gold mineralisation, experience in a high-nugget, vein-type mineralisation such as tin, uranium etc. will probably be relevant whereas experience in (say) massive base metal deposits may not be. As a second example, to qualify as a Competent Person in the estimation of Ore Reserves for alluvial gold deposits, considerable (probably at least five years) experience in the evaluation and economic extraction of this type of mineralisation would be needed. This is due to the characteristics of gold in alluvial systems, the particle sizing of the host sediment, and the low grades involved. Experience with placer deposits containing minerals other than gold may not necessarily provide appropriate relevant experience.

The key word 'relevant' also means that it is not always necessary for a person to have five years experience in each and every type of deposit in order to act as a Competent Person if that person has relevant experience in other deposit types. For example, a person with (say) 20 years experience in estimating Mineral Resources for a variety of metalliferous hard-rock deposit types may not require five years specific experience in (say) porphyry copper deposits in order to act as a Competent Person. Relevant experience in the other deposit types could count towards the required experience in relation to porphyry copper deposits.

In addition to experience in the style of mineralisation, a Competent Person taking responsibility for the compilation of Exploration Results or Mineral Resource estimates should have sufficient experience in the sampling and analytical techniques relevant to the deposit under consideration to be aware of problems which could affect the reliability of data. Some appreciation of extraction and processing techniques applicable to that deposit type may also be important.

As a general guide, persons being called upon to act as Competent Persons should be clearly satisfied in their own minds that they could face their peers and demonstrate competence in the commodity, type of deposit and situation under consideration. If doubt exists, the person should either seek opinions from appropriately experienced colleagues or should decline to act as a Competent Person.

Estimation of Mineral Resources may be a team effort (for example, involving one person or team collecting

the data and another person or team preparing the estimate). Estimation of Ore Reserves is very commonly a team effort involving several technical disciplines. It is recommended that, where there is clear division of responsibility within a team, each Competent Person and his or her contribution should be identified, and responsibility accepted for that particular contribution. If only one Competent Person signs the Mineral Resource or Ore Reserve documentation that person is responsible and accountable for the whole of the documentation under the Code. It is important in this situation that the Competent Person accepting overall responsibility for a Mineral Resource or Ore Reserve estimate and supporting documentation prepared in whole or in part by others, is satisfied that the work of the other contributors is acceptable.

Complaints made in respect of the professional work of a Competent Person will be dealt with under the disciplinary procedures of the professional organisation to which the Competent Person belongs.

When an Australian or New Zealand Stock Exchange listed company with overseas interests wishes to report overseas Exploration Results, Mineral Resource or Ore Reserve estimates prepared by a person who is not a member of The AusIMM, the AIG or a ROPO, it is necessary for the company to nominate a Competent Person or Persons to take responsibility for the Exploration Results, Mineral Resource or Ore Reserve estimate. The Competent Person or Persons undertaking this activity should appreciate that they are accepting full responsibility for the estimate and supporting documentation under Stock Exchange listing rules and should not treat the procedure merely as a 'rubber-stamping' exercise.

REPORTING TERMINOLOGY

11. Public Reports dealing with Exploration Results, Mineral Resources or Ore Reserves must only use the terms set out in Figure 1.

The term 'Modifying Factors' is defined to include mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations.

Figure 1 sets out the framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation. Mineral Resources can be estimated mainly by a geologist on the basis of geoscientific information with some input from other disciplines. Ore Reserves, which are a modified sub-set of the Indicated and Measured Mineral Resources (shown within the dashed outline in Figure 1), require consideration of the Modifying Factors affecting extraction, and

should in most instances be estimated with input from a range of disciplines.

Measured Mineral Resources may convert to either Proved Ore Reserves or Probable Ore Reserves. The Competent Person may convert Measured Mineral Resources to Probable Ore Reserves because of uncertainties associated with some or all of the Modifying Factors which are taken into account in the conversion from Mineral Resources to Ore Reserves. This relationship is shown by the broken arrow in Figure 1. Although the trend of the broken arrow includes a vertical component, it does not, in this instance, imply a reduction in the level of geological knowledge or confidence. In such a situation these Modifying Factors should be fully explained.

Refer also to the guidelines to Clause 31.

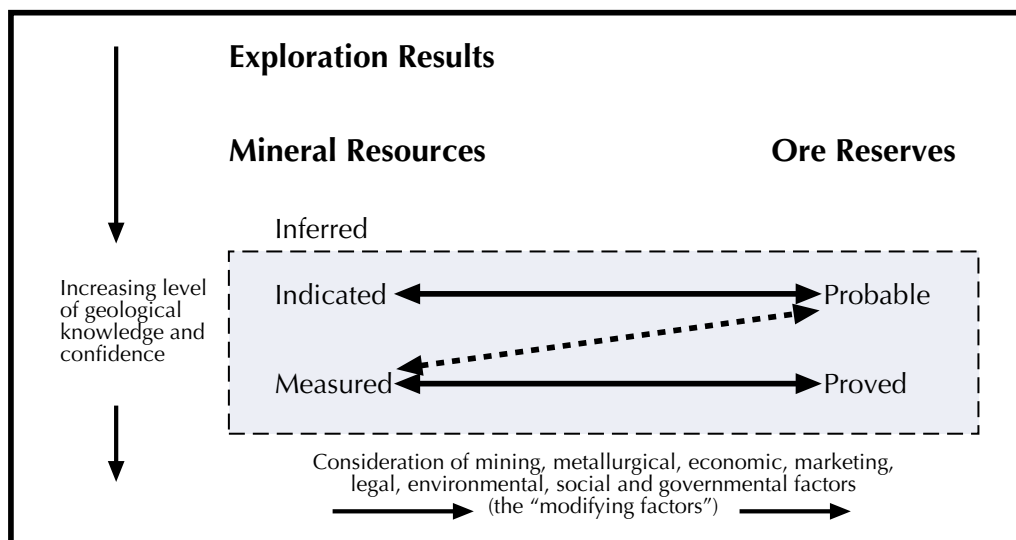


Figure 1. General relationship between Exploration Results, Mineral Resources and Ore Reserves

REPORTING – GENERAL

12. Public Reports concerning a company's Exploration Results, Mineral Resources or Ore Reserves should include a description of the style and nature of the mineralisation.
13. A company must disclose any relevant information concerning a mineral deposit that could materially influence the economic value of that deposit to the company. A company must promptly report any material changes in its Mineral Resources or Ore Reserves.
14. Companies must review and publicly report on their Mineral Resources and Ore Reserves at least annually.
15. Throughout the Code, if appropriate, 'quality' may be substituted for 'grade' and 'volume' may be substituted for 'tonnage'. (Refer Appendix 1 – Table of Generic Terms and Equivalents).

REPORTING OF EXPLORATION RESULTS

- 16. Exploration Results include data and information generated by exploration programmes that may be of use to investors. The Exploration Results may or may not be part of a formal declaration of Mineral Resources or Ore Reserves.**

The reporting of such information is common in the early stages of exploration when the quantity of data available is generally not sufficient to allow any reasonable estimates of Mineral Resources.

If a company reports Exploration Results in relation to mineralisation not classified as a Mineral Resource or an Ore Reserve, then estimates of tonnages and average grade must not be assigned to the mineralisation unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Examples of Exploration Results include results of outcrop sampling, assays of drill hole intercepts, geochemical results and geophysical survey results.

17. Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced

judgement of their significance. Reports must include relevant information such as exploration context, type and method of sampling, sampling intervals and methods, relevant sample locations, distribution, dimensions and relative location of all relevant assay data, data aggregation methods, land tenure status plus information on any of the other criteria listed in Table 1 that are material to an assessment.

Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralisation has been discovered. If true widths of mineralisation are not reported, an appropriate qualification must be included in the Public Report.

Where assay and analytical results are reported, they must be reported using one of the following methods, selected as the most appropriate by the Competent Person:

- either by listing all results, along with sample intervals (or size, in the case of bulk samples), or
- by reporting weighted average grades of mineralised zones, indicating clearly how the grades were calculated.

Reporting of selected information such as isolated assays, isolated drill holes, assays of panned concentrates or supergene enriched soils or surface samples, without placing them in perspective is unacceptable.

Table 1 is a check list and guideline to which those preparing reports on Exploration Results, Mineral Resources and Ore Reserves should refer. The check list is not prescriptive and, as always, relevance and materiality are overriding principles which determine what information should be publicly reported.

18. It is recognised that it is common practice for a company to comment on and discuss its exploration in terms of

target size and type. Any such information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. The terms Resource(s) or Reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

REPORTING OF MINERAL RESOURCES

19. **A ‘Mineral Resource’ is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.**

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource. If the judgement as to ‘eventual economic extraction’ relies on untested practices or assumptions, this is a material matter which must be disclosed in a public report.

The term ‘Mineral Resource’ covers mineralisation, including dumps and tailings, which has been identified and estimated through exploration and sampling and within which Ore Reserves may be defined by the consideration and application of the Modifying Factors.

The term ‘reasonable prospects for eventual economic extraction’ implies a judgement (albeit preliminary) by the Competent Person in respect of the technical and economic factors likely to influence the prospect of economic extraction, including the approximate mining parameters. In other words, a Mineral Resource is not an inventory of all mineralisation drilled or sampled, regardless of cut-off grade, likely mining dimensions, location or continuity. It is a realistic inventory of mineralisation which, under assumed and justifiable technical and economic conditions, might, in whole or in part, become economically extractable.

Where considered appropriate by the Competent Person, Mineral Resource estimates may include material below the selected cut-off grade to ensure

that the Mineral Resources comprise bodies of mineralisation of adequate size and continuity to properly consider the most appropriate approach to mining. Documentation of Mineral Resource estimates should clearly identify any diluting material included, and Public Reports should include commentary on the matter if considered material.

Any material assumptions made in determining the ‘reasonable prospects for eventual economic extraction’ should be clearly stated in the Public Report.

Interpretation of the word ‘eventual’ in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron ore, bauxite and other bulk minerals or commodities, it may be reasonable to envisage ‘eventual economic extraction’ as covering time periods in excess of 50 years. However for the majority of gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

Any adjustment made to the data for the purpose of making the Mineral Resource estimate, for example by cutting or factoring grades, should be clearly stated and described in the Public Report.

Certain reports (eg: inventory coal reports, exploration reports to government and other similar reports not intended primarily for providing information for investment purposes) may require full disclosure of all mineralisation, including some material that does not have reasonable prospects for eventual economic extraction. Such estimates of mineralisation would not qualify as Mineral Resources or Ore Reserves in terms of the JORC Code (refer also to the guidelines to Clauses 5 and 37).

20. **An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not**

verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource.

The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves (see Figure 1).

Caution should be exercised if this category is considered in technical and economic studies.

21. An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource, but has a higher level of confidence than that applying to an Inferred Mineral Resource.

Mineralisation may be classified as an Indicated Mineral Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

22. A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be

estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Mineralisation may be classified as a Measured Mineral Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the Competent Person determining the Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability.

This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability that has a greater degree of certainty than an evaluation based on an Indicated Mineral Resource.

23. The choice of the appropriate category of Mineral Resource depends upon the quantity, distribution and quality data available and the level of confidence that attaches to those data. The appropriate Mineral Resource category must be determined by a Competent Person or Persons.

Mineral Resource classification is a matter for skilled judgement and Competent Persons should take into account those items in Table 1 which relate to confidence in Mineral Resource estimation.

In deciding between Measured Mineral Resources and Indicated Mineral Resources, Competent Persons may find it useful to consider, in addition to the phrases in the two definitions relating to geological and grade continuity in Clauses 21 and 22, the phrase in the guideline to the definition for Measured Mineral Resources: '... any variation from the estimate would be unlikely to significantly affect potential economic viability'.

In deciding between Indicated Mineral Resources and Inferred Mineral Resources, Competent Persons may wish to take into account, in addition to the phrases in the two definitions in Clauses 20 and 21 relating to geological and grade continuity, the guideline to the definition for Indicated Mineral Resources: 'Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability', which contrasts with the guideline to the definition for Inferred Mineral Resources: 'Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results

of the application of technical and economic parameters to be used for detailed planning.’ and ‘Caution should be exercised if this category is considered in technical and economic studies’.

The Competent Person should take into consideration issues of the style of mineralisation and cut-off grade when assessing geological and grade continuity.

Cut-off grades chosen for the estimation should be realistic in relation to the style of mineralisation.

24. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. Reporting of tonnage and grade figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures and, in the case of Inferred Mineral Resources, by qualification with terms such as ‘approximately’.

In most situations, rounding to the second significant figure should be sufficient. For example 10,863,000 tonnes at 8.23 per cent should be stated as 11 million tonnes at 8.2 per cent. There will be occasions, however, where rounding to the first significant figure may be necessary in order to convey properly the uncertainties in estimation. This would usually be the case with Inferred Mineral Resources.

To emphasise the imprecise nature of a Mineral Resource estimate, the final result should always be referred to as an estimate not a calculation.

Competent Persons are encouraged, where appropriate, to discuss the relative accuracy and/or confidence of the Mineral Resource estimates. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage or volume. Where a statement of the relative accuracy and/or confidence is not possible, a qualitative discussion of the uncertainties should be provided (refer to Table 1).

25. Public Reports of Mineral Resources must specify one or more of the categories of ‘Inferred’, ‘Indicated’ and ‘Measured’. Categories must not be reported in a combined form unless details for the individual categories are also provided. Mineral Resources must not be reported in terms of contained metal or mineral content unless corresponding tonnages and grades are also presented. Mineral Resources must not be aggregated with Ore Reserves.

Public Reporting of tonnages and grades outside the categories covered by the Code is not permitted unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Estimates of tonnage and grade outside of the categories covered by the Code may be useful for a

company in its internal calculations and evaluation processes, but their inclusion in Public Reports could cause confusion.

26. Table 1 provides, in a summary form, a list of the main criteria which should be considered when preparing reports on Exploration Results, Mineral Resources and Ore Reserves. These criteria need not be discussed in a Public Report unless they materially affect estimation or classification of the Mineral Resources.

It is not necessary, when publicly reporting, to comment on each item in Table 1, but it is essential to discuss any matters which might materially affect the reader’s understanding or interpretation of the results or estimates being reported. This is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results or an estimate of Mineral Resources or Ore Reserves; for example, poor sample recovery, poor repeatability of assay or laboratory results, limited information on bulk densities etc.

If there is doubt about what should be reported, it is better to err on the side of providing too much information rather than too little.

Uncertainties in any of the criteria listed in Table 1 that could lead to under- or over-statement of resources should be disclosed.

Mineral Resource estimates are sometimes reported after adjustment from reconciliation with production data. Such adjustments should be clearly stated in a Public Report of Mineral Resources and the nature of the adjustment or modification described.

27. The words ‘ore’ and ‘reserves’ must not be used in describing Mineral Resource estimates as the terms imply technical feasibility and economic viability and are only appropriate when all relevant Modifying Factors have been considered. Reports and statements should continue to refer to the appropriate category or categories of Mineral Resources until technical feasibility and economic viability have been established. If re-evaluation indicates that the Ore Reserves are no longer viable, the Ore Reserves must be reclassified as Mineral Resources or removed from Mineral Resource/Ore Reserve statements.

It is not intended that re-classification from Ore Reserves to Mineral Resources or vice versa should be applied as a result of changes expected to be of a short term or temporary nature, or where company management has made a deliberate decision to operate on a non-economic basis. Examples of such situations might be commodity price fluctuations expected to be of short duration, mine emergency of a non-permanent nature, transport strike etc.

REPORTING OF ORE RESERVES

28. An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

In reporting Ore Reserves, information on estimated mineral processing recovery factors is very important, and should always be included in Public Reports.

Ore Reserves are those portions of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a viable project, after taking account of all relevant Modifying Factors.

Ore Reserves are reported as inclusive of marginally economic material and diluting material delivered for treatment or dispatched from the mine without treatment.

The term 'economically mineable' implies that extraction of the Ore Reserve has been demonstrated to be viable under reasonable financial assumptions. What constitutes the term 'realistically assumed' will vary with the type of deposit, the level of study that has been carried out and the financial criteria of the individual company. For this reason, there can be no fixed definition for the term 'economically mineable'.

In order to achieve the required level of confidence in the Modifying Factors, appropriate studies will have been carried out prior to determination of the Ore Reserves. The studies will have determined a mine plan that is technically achievable and economically viable and from which the Ore Reserves can be derived. It may not be necessary for these studies to be at the level of a final feasibility study.

The term 'Ore Reserve' need not necessarily signify that extraction facilities are in place or operative, or that all necessary approvals or sales contracts have been received. It does signify that there are reasonable expectations of such approvals or contracts. The Competent Person should consider the materiality of any unresolved matter that is dependent on a third party on which extraction is contingent. If there is doubt about what should be reported, it is better to err on the side of providing too much information rather than too little.

Any adjustment made to the data for the purpose of making the Ore Reserve estimate, for example by cutting or factoring grades, should be clearly stated and described in the Public Report.

Where companies prefer to use the term 'Mineral Reserves' in their Public Reports, e.g. for reporting industrial minerals or for reporting outside Australasia, they should state clearly that this is being used with the same meaning as 'Ore Reserves', defined in this Code. If preferred by the reporting company, 'Ore Reserve' and 'Mineral Resource' estimates for coal may be reported as 'Coal Reserve' and 'Coal Resource' estimates.

JORC prefers the term 'Ore Reserve' because it assists in maintaining a clear distinction between a 'Mineral Resource' and an 'Ore Reserve'.

29. A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

30. A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Proved Ore Reserve represents the highest confidence category of reserve estimate. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits.

31. The choice of the appropriate category of Ore Reserve is determined primarily by the relevant level of confidence in the Mineral Resource and after considering any uncertainties in the Modifying Factors. Allocation of the appropriate category must be made by a Competent Person or Persons.

The Code provides for a direct two-way relationship between Indicated Mineral Resources and Probable Ore Reserves and between Measured Mineral Resources and Proved Ore Reserves. In other words, the level of geological confidence for Probable Ore Reserves is similar to that required for the determination of Indicated Mineral Resources, and the level of geological confidence for Proved Ore Reserves is similar to that required for the determination of Measured Mineral Resources.

The Code also provides for a two-way relationship between Measured Mineral Resources and Probable Ore Reserves. This is to cover a situation where uncertainties associated with any of the Modifying Factors considered when converting Mineral Resources to Ore Reserves may result in there being a lower degree of confidence in the Ore Reserves than in the corresponding Mineral Resources. Such a conversion would not imply a reduction in the level of geological knowledge or confidence.

A Probable Ore Reserve derived from a Measured Mineral Resource may be converted to a Proved Ore Reserve if the uncertainties in the Modifying Factors are removed. No amount of confidence in the Modifying Factors for conversion of a Mineral Resource to an Ore Reserve can override the upper level of confidence that exists in the Mineral Resource. Under no circumstances can an Indicated Mineral Resource be converted directly to a Proved Ore Reserve (see Figure 1).

Application of the category of Proved Ore Reserve implies the highest degree of confidence in the estimate, with consequent expectations in the minds of the readers of the report. These expectations should be borne in mind when categorising a Mineral Resource as Measured.

Refer also to the guidelines in Clause 23 regarding classification of Mineral Resources.

32. Ore Reserve estimates are not precise calculations. Reporting of tonnage and grade figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures. Refer also to Clause 24.

To emphasise the imprecise nature of an Ore Reserve, the final result should always be referred to as an estimate not a calculation.

Competent Persons are encouraged, where appropriate, to discuss the relative accuracy and/or confidence of the Ore Reserve estimates. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage or volume. Where a statement of the relative accuracy and/or confidence is not possible, a qualitative discussion of the uncertainties should be provided (refer to Table 1).

33. Public Reports of Ore Reserves must specify one or other or both of the categories of 'Proved' and 'Probable'. Reports must not contain combined Proved and Probable Ore Reserve figures unless the relevant figures for each of the categories are also provided. Reports must not present metal or mineral content figures unless corresponding tonnage and grade figures are also given.

Public Reporting of tonnage and grade outside the categories covered by the Code is not permitted unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Estimates of tonnage and grade outside of the categories covered by the Code may be useful for a company in its internal calculations and evaluation processes, but their inclusion in Public Reports could cause confusion.

Ore Reserves may incorporate material (dilution) which is not part of the original Mineral Resource. It is essential that this fundamental difference between Mineral Resources and Ore Reserves is borne in mind and caution exercised if attempting to draw conclusions from a comparison of the two.

When revised Ore Reserve and Mineral Resource statements are publicly reported they should be accompanied by reconciliation with previous statements. A detailed account of differences between the figures is not essential, but sufficient comment should be made to enable significant changes to be understood by the reader.

34. In situations where figures for both Mineral Resources and Ore Reserves are reported, a statement must be included in the report which clearly indicates whether the Mineral Resources are inclusive of, or additional to the Ore Reserves.

Ore Reserve estimates must not be aggregated with Mineral Resource estimates to report a single combined figure.

In some situations there are reasons for reporting Mineral Resources inclusive of Ore Reserves and in other situations for reporting Mineral Resources additional to Ore Reserves. It must be made clear which form of reporting has been adopted. Appropriate forms of clarifying statements may be:

'The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.' or 'The Measured and Indicated Mineral Resources are additional to the Ore Reserves.'

In the former case, if any Measured and Indicated Mineral Resources have not been modified to produce Ore Reserves for economic or other reasons, the relevant details of these unmodified Mineral Resources should be included in the report. This is

to assist the reader of the report in making a judgement of the likelihood of the unmodified Measured and Indicated Mineral Resources eventually being converted to Ore Reserves.

Inferred Mineral Resources are by definition always additional to Ore Reserves.

For reasons stated in the guidelines to Clause 33 and in this paragraph, the reported Ore Reserve figures must not be aggregated with the reported Mineral Resource figures. The resulting total is misleading and is capable of being misunderstood or of being misused to give a false impression of a company's prospects.

35. Table 1 provides, in a summary form, a list of the criteria which should be considered when preparing reports on Exploration Results, Mineral Resources and Ore Reserves. These criteria need not be discussed in a Public Report unless they materially affect estimation or classification of the Ore Reserves. Changes in economic or political factors alone may be the basis for significant changes in Ore Reserves and should be reported accordingly.

Ore Reserve estimates are sometimes reported after adjustment from reconciliation with production data. Such adjustments should be clearly stated in a Public Report of Ore Reserves and the nature of the adjustment or modification described.

REPORTING OF MINERALISED FILL, REMNANTS, PILLARS, LOW GRADE MINERALISATION, STOCKPILES, DUMPS AND TAILINGS

36. The Code applies to the reporting of all potentially economic mineralised material. This can include mineralised fill, remnants, pillars, low grade mineralisation, stockpiles, dumps and tailings (remnant materials) where there are reasonable prospects for eventual economic extraction in the case of Mineral Resources, and where extraction is reasonably justifiable in the case of Ore Reserves. Unless otherwise stated, all other clauses of the Code (including Figure 1) apply.

Any mineralised material as described in this clause can be considered to be similar to in situ mineralisation for the purposes of reporting Mineral Resources and Ore Reserves. Judgements about the mineability of such mineralised material should be made by professionals with relevant experience.

If there are no reasonable prospects for the eventual economic extraction of all or part of the mineralised material as described in this clause, then this material cannot be classified as either Mineral Resources or Ore Reserves. If some portion of the mineralised material is currently sub-economic, but there is a reasonable expectation that it will become

economic, then this material may be classified as a Mineral Resource. If technical and economic studies have demonstrated that economic extraction could reasonably be justified under realistically assumed conditions, then the material may be classified as an Ore Reserve.

The above guidelines apply equally to low grade in situ mineralisation, sometimes referred to as 'mineralised waste' or 'marginal grade material', and often intended for stockpiling and treatment towards the end of mine life. For clarity of understanding, it is recommended that tonnage and grade estimates of such material be itemised separately in Public Reports, although they may be aggregated with total Mineral Resource and Ore Reserve figures.

Stockpiles are defined to include both surface and underground stockpiles, including broken ore in stopes, and can include ore currently in the ore storage system. Mineralised material in the course of being processed (including leaching), if reported, should be reported separately.

REPORTING OF COAL RESOURCES AND RESERVES

37. Clauses 37 to 39 of the Code address matters that relate specifically to the Public Reporting of Coal Resources and Reserves. Unless otherwise stated, Clauses 1 to 36 of this Code (including Figure 1) apply. Table 1, as part of the guidelines, should be considered persuasive when reporting on Coal Resources and Reserves.

For purposes of Public Reporting, the requirements for coal are generally similar to those for other commodities with the replacement of terms such as 'mineral' by 'coal' and 'grade' by 'quality'.

For guidance on the estimation of Coal Resources and Reserves and on statutory reporting not primarily

intended for providing information to the investing public, readers are referred to the 2003 edition of the 'Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves'. These guidelines do not override the provisions and intentions of the JORC Code for Public Reporting.

Because of its impact on planning and land use, governments may require estimates of inventory coal that are not constrained by short to medium term economic considerations. The JORC Code does not cover such estimates. Refer also to the guidelines to Clauses 5 and 19.

38. The terms 'Mineral Resource(s)' and 'Ore Reserve(s)', and the subdivisions of these as defined above, apply also to coal reporting, but if preferred by the reporting company, the terms 'Coal Resource(s)' and 'Coal Reserve(s)' and the appropriate subdivisions may be substituted.
39. 'Marketable Coal Reserves', representing benefited or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered, may be publicly reported in conjunction with, but not instead of, reports of Ore (Coal) Reserves. The basis of the predicted yield to achieve Marketable Coal Reserves should be stated.

REPORTING OF DIAMOND EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

40. Clauses 40 to 43 of the Code address matters that relate specifically to the Public Reporting of Exploration Results, Mineral Resources and Ore Reserves for diamonds and other gemstones. Unless otherwise stated, Clauses 1 to 36 of this Code (including Figure 1) apply. Table 1, as part of the guidelines, should be considered persuasive when reporting Exploration Results, Mineral Resources and Ore Reserves for diamonds and other gemstones.

For the purposes of Public Reporting, the requirements for diamonds and other gemstones are generally similar to those for other commodities with the replacement of terms such as 'mineral' by 'diamond' and 'grade' by 'grade and average diamond value'. The term 'quality' should not be substituted for 'grade,' since in diamond deposits these have distinctly separate meanings. Other industry guidelines on the estimation and reporting of diamond resources and reserves may be useful but will not under any circumstances override the provisions and intentions of the JORC Code.

A number of characteristics of diamond deposits are different from those of, for example, typical metalliferous and coal deposits and therefore require special consideration. These include the generally low mineral content and variability of primary and placer deposits, the particulate nature of diamonds, the specialised requirement for diamond valuation and the inherent difficulties and uncertainties in the estimation of diamond resources and reserves.

41. Reports of diamonds recovered from sampling programs must provide material information relating to the basis on which the sample is taken, the method of recovery and the recovery of the diamonds. The weight of diamonds recovered may only be omitted from the report when the diamonds are considered to be too small to be of commercial significance. This lower cut-off size should be stated.

The stone size distribution and price of diamonds and other gemstones are critical components of the resource and reserve estimates. At an early exploration stage, sampling and delineation drilling will not usually provide this information, which relies on large diameter drilling and, in particular, bulk sampling.

In order to demonstrate that a resource has reasonable prospects for economic extraction, some appreciation of the likely stone size distribution and price is necessary, however preliminary. To determine an Inferred Resource in simple, single-facies or single-phase deposits, such information may be obtainable by representative large diameter drilling. More often, some form of bulk sampling, such as pitting and trenching, would be employed to provide larger sample parcels.

In order to progress to an Indicated Resource, and from there to a Probable Reserve, it is likely that much more extensive bulk sampling would be needed to fully determine the stone size distribution and value. Commonly such bulk samples would be obtained by underground development designed to obtain sufficient diamonds to enable a confident estimate of price.

In complex deposits, it may be very difficult to ensure that the bulk samples taken are truly representative of the whole deposit. The lack of direct bulk sampling, and the uncertainty in demonstrating spatial continuity of size and price relationships should be persuasive in determining the appropriate resource category.

42. Where diamond Mineral Resource or Ore Reserve grades (carats per tonne) are based on correlations between the frequency of occurrence of micro-diamonds and of commercial size stones, this must be stated, the reliability of the procedure must be explained and the cut-off sieve size for micro-diamonds reported.

43. For Public Reports dealing with diamond or other gemstone mineralisation, it is a requirement that any reported valuation of a parcel of diamonds or gemstones be accompanied by a statement verifying the independence of the valuation. The valuation must be based on a report from a demonstrably reputable and qualified expert.

If a valuation of a parcel of diamonds is reported, the weight in carats and the lower cut-off size of the contained diamonds must be stated and the value of the diamonds must be given in US dollars per carat. Where the valuation is used in the estimation of diamond Mineral Resources or Ore Reserves, the valuation must be based on a parcel representative of the size, shape

and colour distributions of the diamond population in the deposit.

Diamond valuations should not be reported for samples of diamonds processed using total liberation methods.

Table 1 provides in summary form, a list of the main criteria which should be considered when preparing reports on Exploration Results, Mineral Resources and Ore Reserves for diamonds and other gemstones.

REPORTING OF INDUSTRIAL MINERALS EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

44. Industrial minerals are covered by the JORC Code if they meet the criteria set out in Clauses 5 and 6 of the Code. For the purpose of the JORC Code, industrial minerals can be considered to cover commodities such as kaolin, phosphate, limestone, talc etc.

When reporting information and estimates for industrial minerals, the key principles and purpose of the JORC Code apply and should be borne in mind. Assays may not always be relevant, and other quality criteria may be more applicable. If criteria such as deleterious minerals or physical properties are of more relevance than the composition of the bulk mineral itself, then they should be reported accordingly.

The factors underpinning the estimation of Mineral Resources and Ore Reserves for industrial minerals are the same as those for other deposit types covered by the JORC Code. It may be necessary, prior to the reporting of a Mineral Resource or Ore Reserve, to take particular account of certain key characteristics or qualities such as likely product specifications,

proximity to markets and general product marketability.

For some industrial minerals, it is common practice to report the saleable product rather than the 'as-mined' product, which is traditionally regarded as the Ore Reserve. JORC's preference is that, if the saleable product is reported, it should be in conjunction with, not instead of, reporting of the Ore Reserve. However, it is recognised that commercial sensitivities may not always permit this preferred style of reporting. It is important that, in all situations where the saleable product is reported, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

Some industrial mineral deposits may be capable of yielding products suitable for more than one application and/or specification. If considered material by the reporting company, such multiple products should be quantified either separately or as a percentage of the bulk deposit.

TABLE 1 CHECK LIST OF ASSESSMENT AND REPORTING CRITERIA

Table 1 is a check list and guideline which those preparing reports on Exploration Results, Mineral Resources and Ore Reserves should use as a reference. The check list is not prescriptive and, as always, relevance and materiality are overriding principles that determine what information should be publicly reported. It is, however, important to report any matters that might materially affect a reader's understanding or interpretation of the results or estimates being reported. This is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results or an estimate of Mineral Resources or Ore Reserves.

The order and grouping of criteria in Table 1 reflects the normal systematic approach to exploration and evaluation. Criteria in the first group 'Sampling Techniques and Data' apply to all succeeding groups. In the remainder of the table, criteria listed in preceding groups would often apply to succeeding groups and should be considered when estimating and reporting.

Criteria	Explanation
Sampling Techniques and Data <i>(criteria in this group apply to all succeeding groups)</i>	
<i>Sampling techniques.</i>	<i>• Nature and quality of sampling (eg. cut channels, random chips etc.) and measures taken to ensure sample representivity.</i>
<i>Drilling techniques.</i>	<i>• Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>

Note: Code is in normal typeface, guidelines are in indented italics, definitions are in bold.

Criteria	Explanation
Sampling Techniques and Data (criteria in this group apply to all succeeding groups)	
<i>Drill sample recovery.</i>	<ul style="list-style-type: none"> • Whether core and chip sample recoveries have been properly recorded and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.
<i>Logging.</i>	<ul style="list-style-type: none"> • Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.
<i>Sub-sampling techniques and sample preparation.</i>	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected. • Whether sample sizes are appropriate to the grain size of the material being sampled.
<i>Quality of assay data and laboratory tests.</i>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.
<i>Verification of sampling and assaying.</i>	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes.
<i>Location of data points.</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Quality and adequacy of topographic control.
<i>Data spacing and distribution.</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.
<i>Orientation of data in relation to geological structure.</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.
<i>Audits or reviews.</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data.
Reporting of Exploration Results (criteria listed in the preceding group apply also to this group)	
<i>Mineral tenement and land tenure status.</i>	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.
<i>Exploration done by other parties.</i>	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties.
<i>Geology.</i>	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation.

Criteria	Explanation
<p>Reporting of Exploration Results (criteria listed in the preceding group apply also to this group)</p>	
<i>Data aggregation methods.</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.
<i>Relationship between mineralisation widths and intercept lengths.</i>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (eg. 'downhole length, true width not known').
<i>Diagrams.</i>	<ul style="list-style-type: none"> • Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.
<i>Balanced reporting.</i>	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.
<i>Other substantive exploration data.</i>	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.
<i>Further work.</i>	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).
<p>Estimation and Reporting of Mineral Resources (criteria listed in the first group, and where relevant in the second group, apply also to this group)</p>	
<i>Database integrity.</i>	<ul style="list-style-type: none"> • Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.
<i>Geological interpretation.</i>	<ul style="list-style-type: none"> • Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.
<i>Dimensions.</i>	<ul style="list-style-type: none"> • The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.
<i>Estimation and modelling techniques.</i>	<ul style="list-style-type: none"> • The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).

Note: Code is in normal typeface, guidelines are in indented italics, definitions are in bold.

Criteria	Explanation
	<ul style="list-style-type: none"> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> • <i>Any assumptions behind modelling of selective mining units.</i> • <i>Any assumptions about correlation between variables.</i> • <i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i>
<i>Moisture.</i>	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>
<i>Cut-off parameters.</i>	<ul style="list-style-type: none"> • <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>
<i>Mining factors or assumptions.</i>	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.</i>
<i>Metallurgical factors or assumptions.</i>	<ul style="list-style-type: none"> • <i>The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.</i>
<i>Bulk density.</i>	<ul style="list-style-type: none"> • <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>
<i>Classification.</i>	<ul style="list-style-type: none"> • <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> • <i>Whether appropriate account has been taken of all relevant factors. i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.</i> • <i>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</i>
<i>Audits or reviews.</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Mineral Resource estimates.</i>
<i>Discussion of relative accuracy/confidence.</i>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and/or confidence in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>
<p>Estimation and Reporting of Ore Reserves <i>(criteria listed in the first group, and where relevant in other preceding groups, apply also to this group)</i></p>	
<i>Mineral Resource estimate for conversion to Ore Reserves.</i>	<ul style="list-style-type: none"> • <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> • <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>
<i>Study status.</i>	<ul style="list-style-type: none"> • <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> • <i>The Code does not require that a final feasibility study has been undertaken to convert Mineral Resources to Ore Reserves, but it does require that appropriate studies will have been carried that will have determined a mine plan that is technically achievable and economically viable, and that all Modifying Factors have been considered.</i>
<i>Cut-off parameters.</i>	<ul style="list-style-type: none"> • <i>The basis of the cut-off grade(s) or quality parameters applied.</i>

Criteria	Explanation
<i>Mining factors or assumptions.</i>	<ul style="list-style-type: none"> • <i>The method and assumptions used to convert the Mineral Resource to an Ore Reserve (ie either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> • <i>The choice of, the nature and the appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (eg. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit optimisation (if appropriate).</i> • <i>The mining dilution factors, mining recovery factors, and minimum mining widths used.</i> • <i>The infrastructure requirements of the selected mining methods.</i>
<i>Metallurgical factors or assumptions.</i>	<ul style="list-style-type: none"> • <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical testwork undertaken and the metallurgical recovery factors applied.</i> • <i>Any assumptions or allowances made for deleterious elements.</i> • <i>The existence of any bulk sample or pilot scale testwork and the degree to which such samples are representative of the orebody as a whole.</i>
<i>Cost and revenue factors.</i>	<ul style="list-style-type: none"> • <i>The derivation of, or assumptions made, regarding projected capital and operating costs.</i> • <i>The assumptions made regarding revenue including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, etc.</i> • <i>The allowances made for royalties payable, both Government and private.</i>
<i>Market assessment.</i>	<ul style="list-style-type: none"> • <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> • <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> • <i>Price and volume forecasts and the basis for these forecasts.</i> • <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>
<i>Other.</i>	<ul style="list-style-type: none"> • <i>The effect, if any, of natural risk, infrastructure, environmental, legal, marketing, social or governmental factors on the likely viability of a project and/or on the estimation and classification of the Ore Reserves.</i> • <i>The status of titles and approvals critical to the viability of the project, such as mining leases, discharge permits, government and statutory approvals.</i>
<i>Classification.</i>	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</i> • <i>The proportion of Probable Ore Reserves which have been derived from Measured Mineral Resources (if any).</i>
<i>Audits or reviews.</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i>
<i>Discussion of relative accuracy/confidence.</i>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and/or confidence in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>

Note: Code is in normal typeface, guidelines are in indented italics, definitions are in bold.

Criteria	Explanation
Estimation and Reporting of Diamonds and other Gemstones <i>(criteria listed in other relevant groups also apply to this group; additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)</i>	
<i>Indicator minerals.</i>	<ul style="list-style-type: none"> • Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.
<i>Source of diamonds.</i>	<ul style="list-style-type: none"> • Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.
<i>Sample collection.</i>	<ul style="list-style-type: none"> • Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose, e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution. • Sample size, distribution and representativity.
<i>Sample treatment.</i>	<ul style="list-style-type: none"> • Type of facility, treatment rate, and accreditation. • Sample size reduction. Bottom screen size, top screen size and re-crush. • Processes (dense media separation, grease, X-ray, hand-sorting etc.). • Process efficiency, tailings auditing and granulometry. • Laboratory used, type of process for micro diamonds and accreditation.
<i>Carat.</i>	<ul style="list-style-type: none"> • One fifth (0.2) of a gram (often defined as a metric carat or MC).
<i>Sample grade.</i>	<ul style="list-style-type: none"> • Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume. • The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation. • In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).
<i>Reporting of Exploration Results.</i>	<ul style="list-style-type: none"> • Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry. • Sample density determination. • Percent concentrate and undersize per sample. • Sample grade with change in bottom cut-off screen size. • Adjustments made to size distribution for sample plant performance and performance on a commercial scale. • If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples. • The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.
<i>Grade estimation for reporting Mineral Resources and Ore Reserves.</i>	<ul style="list-style-type: none"> • Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation. • The sample crush size and its relationship to that achievable in a commercial treatment plant. • Total number of diamonds greater than the specified and reported lower cut-off sieve size. • Total weight of diamonds greater than the specified and reported lower cut-off sieve size. • The sample grade above the specified lower cut-off sieve size.
<i>Value estimation.</i>	<ul style="list-style-type: none"> • Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples. • To the extent that such information is not deemed commercially sensitive, Public Reports should include: <ul style="list-style-type: none"> – Diamonds quantities by appropriate screen size per facies or depth. – Details of parcel valued. – Number of stones, carats, lower size cut-off per facies or depth.

Note: Code is in normal typeface, guidelines are in indented italics, definitions are in bold.

Criteria	Explanation
	<ul style="list-style-type: none"> • The average \$/carat and \$/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value. • The basis for the price (e.g. dealer buying price, dealer selling price etc.). • An assessment of diamond breakage.
<i>Security and integrity.</i>	<ul style="list-style-type: none"> • Accredited process audit. • Whether samples were sealed after excavation. • Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones. • Core samples washed prior to treatment for micro diamonds. • Audit samples treated at alternative facility. • Results of tailings checks. • Recovery of tracer monitors used in sampling and treatment. • Geophysical (logged) density and particle density. • Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.
<i>Classification.</i>	<ul style="list-style-type: none"> • In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.

APPENDIX 1 GENERIC TERMS AND EQUIVALENTS

Throughout the Code, certain words are used in a general sense when a more specific meaning might be attached to them by particular commodity groups within the industry. In order to avoid unnecessary duplication, a non-exclusive list of generic terms is tabulated below together with other terms that may be regarded as synonymous for the purposes of this document.

Generic Term	Synonyms and Similar Terms	Intended Generalised Meaning
<i>Tonnage</i>	<i>Quantity, Volume</i>	<i>An expression of the amount of material of interest irrespective of the units of measurement (which should be stated when figures are reported)</i>
<i>Grade</i>	<i>Quality, Assay, Analysis (Value)</i>	<i>Any physical or chemical measurement of the characteristics of the material of interest in samples or product. Note that the term quality has special meaning for diamonds and other gemstones. The units of measurement should be stated when figures are reported.</i>
<i>Metallurgy</i>	<i>Processing, Beneficiation, Preparation, Concentration</i>	<i>Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.</i>
<i>Recovery</i>	<i>Yield</i>	<i>The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.</i>
<i>Mineralisation</i>	<i>Type of deposit, orebody, style of mineralisation.</i>	<i>Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.</i>
<i>Ore Reserves</i>	<i>Mineral Reserves</i>	<i>'Ore Reserves' is preferred under the JORC Code but 'Mineral Reserves' is in common use in other countries and is generally accepted. Other descriptors can be used to clarify the meaning e.g. coal reserves, diamond reserves etc.</i>
<i>Cut off grade</i>	<i>Product specifications</i>	<i>The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.</i>

Note: Code is in normal typeface, guidelines are in indented italics, definitions are in bold.

APPENDIX 13

REQUIREMENT FOR THE LISTING OF EQUITY WARRANTS

(Rule 5.1.11)

1. These requirements govern the issue and trading of warrants on NZX. The requirements governing warrants have been prepared on the premise that a warrant provides the holder with the right, but not an obligation, to purchase an underlying financial instrument which is either issued under NZX requirements or which has been approved by NZX as a suitable underlying instrument. It is important to note that the value of a warrant is largely determined by the value of the underlying financial instrument and the warrants' relationship to it. The ability of the warrant Issuer to deliver the underlying instrument as and when required is also an important feature.

2. Definitions:

Warrant Issuer	means any institution set out in paragraph 3 which is approved, by NZX, to issue a warrant.
Terms of Issue	means the rights, conditions and obligations of the warrant issuer and the warrant holder as documented in the Terms of Issue set out in paragraph 5.
Underlying Financial Instrument	means any equity security, debt security, currency, commodity or other financial instrument, approved by NZX, in accordance with paragraph 4.
Warrant	means- <ol style="list-style-type: none">(a) a financial instrument giving the warrant holder the right to acquire the underlying financial instrument in accordance with the terms of

- Issue; or
- (b) a financial instrument giving the warrant holder the right to require the warrant issuer to acquire the underlying financial instrument in accordance with the terms of issue; or
 - (c) the right to receive a cash sum based on the value of the underlying financial instrument.

Warrant Series means all warrants with the same underlying financial instrument and the same terms of issue.

3. **Warrant Issuer**

A warrant issuer is any organisation approved by NZX. The following organisations are likely to be accepted as approved warrant issuers:

- (a) An organisation subject to the Reserve Bank of New Zealand Act 1989;
- (b) A Government;
- (c) An issuer approved by the ASX to issue warrants
- (d) Any organisation which has an unconditional and irrevocable guarantee from an organisation defined above;
- (e) Any organisation which, for the term of any warrant, deposit on trust under terms and conditions approved by NZX sufficient units of the underlying financial instrument to cover the exercise of all warrants on issue.

4. **Underlying Financial Instrument**

Warrants shall only be issued in respect of an underlying financial instrument for which a value can be readily established and for which there is a reasonable

expectation that the instrument or, where applicable, a cash sum which reflects its value, can be delivered to the warrant holder at the date of exercise. Suitable instruments would normally include those listed on NZX and other recognised stock exchanges.

5. Terms of Issue

The terms of issue are to appear in an Offering Document approved by NZX for circulation to NZX Brokers and prospective warrant holders.

6. Offering Document

- (a) The offering Document shall contain all the information which is reasonably required to describe the warrant, its relationship to the underlying financial instrument and the capacity of the warrant issuer to fulfill its obligations.
- (b) An Offering Document shall include:
 - (i) A description of the warrant including its price, duration, exercise price and other information which would influence its theoretical value; and
 - (ii) A description of the underlying financial instrument which clearly identified the instrument
 - (iii) A description of the relationship between the warrant and the underlying financial instrument including, if applicable, the position of the warrant holder in respect of dividends, rights issues, divisions and consolidations of capital, takeover of the issuer of the underlying financial instrument, listing (delisting) of the underlying financial instrument and other factors which may affect the value of the warrant; and
 - (iv) A description of the warrant issuer (and, if applicable, the guarantor) including the nature of its business, financial status and financial

interests, if any, in the warrant issue; and

- (v) An undertaking that the warrant issuer will provide upon the request of NZX, warrant holders, or prospective warrant holders, the latest published financial statements of the warrant issuer, those of the issuer of the underlying instrument and, if applicable, those of the guarantor.
- (c) The terms of Issue shall only be amended by a simple majority of the warrant holders, excluding the warrant issuer, exercising one vote per warrant.

7. Limitations

- (a) NZX may impose reasonable limitations on the issue of warrants in the interests of an orderly marketplace
- (b) Warrants approved for listing by NZX shall achieve a spread of warrant holders which, in the opinion of NZX, is adequate and reasonable.

8. Dealing Procedures

Warrants listed on NZX shall be subject to the same dealing procedures as the underlying financial instrument in relation to transfers, deliveries and settlement.

APPENDIX 14

RULES NOT APPLICABLE TO EQUITY WARRANTS

(Rule 1.14.3)

Rule 1.6.8

Rule 1.5.2

Rule 2.2.2 except that the acknowledgement required under this rule is to be provided by the issuer instead of its directors

Rule 3.1

Rule 3.3. to Rule 3.5

Section 4

Rule 5.1.4

Rule 6.3.1

Rule 7.1.15

Rule 7.3 to 7.9

Rule 7.12.1 except that the Issuer will be required to comply with Rule 7.12.1 on a weekly basis in respect of any further issues of warrants of an existing series, rather than “forthwith” as required.

Rule 8.1 to 8.4

Section 9

Rule 10.1.2

Rule 10.3

Rule 10.4

Rule 10.5.1 and 10.5.3

Rules 10.5.5 to 10.5.7

APPENDIX 16

CORPORATE GOVERNANCE BEST PRACTISE CODE

Foreward

- A Background:** Pursuant to NZSX Listing Rule 10.5.5(h), Issuers shall disclose in their annual reports the extent to which its corporate governance processes materially differ from the principles set out in the NZX Corporate Governance Best Practice Code (“the Code”).
- B Preamble:** The Code sets out principles to enhance investor confidence through corporate governance and accountability. The Code is composed of flexible principles which recognise differences in corporate size and culture.

1. Code of Ethics

- 1.1 An Issuer should formulate a code of ethics to govern its conduct.
- 1.2 The code of ethics should address ethical issues, establish compliance standards and procedures, provide mechanisms to report unethical behaviour and ensure that disciplinary measures are in place for any violations.
- 1.3 When drafting the code of ethics, the Issuer should consider the following matters:
- (a) conflicts of interest; and
 - (b) receipt and use of corporate information; and
 - (c) receipt and use of corporate assets and property; and
 - (d) Directors giving proper attention to the matters before them; and
 - (e) a general obligation to act honestly and in the best interests of the Issuer as required by law;

and

- (f) compliance with any other applicable laws, regulations and rules.

2. Directors

Separation of Chief Executive and Chairman

- 2.1 A Director should not simultaneously hold the positions of Chief Executive and chairman of the Board of the same Issuer.

Appointments to the Board

- 2.2 Unless constrained by size, an Issuer should establish a nomination committee as recommended below in paragraph 3.10.
- 2.3 Every Issuer should have a formal and transparent methods for the nomination and appointment of Directors to the Board.

Director Training

- 2.4 Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an Issuer.

Director Remuneration

- 2.5 Unless constrained by size, an Issuer should establish a remuneration committee as recommended below in paragraph 3.7.
- 2.6 Every Issuer should have a formal and transparent method to recommend Director remuneration packages to shareholders.
- 2.7 Directors are encouraged to take a portion of their remuneration under a performance-based Equity Security compensation plan. The Equity Security compensation plan should not vest until at least after two years after the grant of plan entitlements to the Director. Alternatively (or in addition), Directors are encouraged to invest a portion of

their cash Directors' remuneration in purchasing the Issuer's Equity Securities.

Information for the Board

- 2.8 Information of sufficient content, quality, and timeliness, as the Board considers necessary to enable the Board to effectively discharge its duties, should be provided to the Board by management.

Board Performance

- 2.9 The Board should establish a formal procedure to regularly assess individual and Board performance.

3. Committees

Audit Committee

- 3.1 Membership on the Audit Committee should comprise solely of non-executive Directors of the Issuer.
- 3.2 The Audit Committee should produce a written charter that outlines the Audit Committee's authority, duties, responsibilities and relationship with the Board.
- 3.3 The Board should regularly review the performance of the Audit Committee in accordance with the Audit Committee's written charter.
- 3.4 Directors who are not members of the Audit Committee and employees should only attend Audit Committee meetings at the invitation of the Audit Committee.
- 3.5 The Audit Committee should also address issues of auditor independence as set out in section 4 below.
- 3.6 Issuers should identify in their annual report the members of the Audit Committee.

Remuneration Committee

- 3.7 The Issuer should establish a remuneration committee to recommend remuneration packages for Directors to the shareholders. Issuers should identify in their annual report the members of the remuneration committee.
- 3.8 The remuneration committee should produce a written charter that outlines the remuneration committee's authority, duties, responsibilities and relationships with the Board.
- 3.9 The Board should regularly review the performance of the remuneration committee in accordance with the remuneration committee's written charter.

Nomination Committee

- 3.10 An Issuer should establish a nomination committee to recommend Director appointments to the Board. At least a majority of the nomination committee should be independent Directors. Issuers should identify in their annual report the member or the nomination committee.
- 3.11 The nomination committee should produce a written charter that outlines the nomination committee's authority, duties, responsibilities and relationship with the Board.
- 3.12 The board should regularly review the performance of the nomination committee in accordance with the nomination committee's written charter.

4. Relationship with the Independent Auditor

- 4.1 The Board should establish a formal and transparent procedure for sustaining communication with the Issuer's independent and internal auditors.
- 4.2 The Board should establish a formal and transparent framework for the Issuer's relationship with its auditors, including:
 - (a) To ensure that the ability and independence of the auditors to carry out their statutory

audit role is not impaired, or could reasonably be perceived to be impaired; and

- (b) To address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the Issuer; and
- (c) To provide for the monitoring and approval by the Issuer's Audit Committee of any service provided by the auditors to the Issuer other than in their statutory audit role.

4.3 In paragraph 4.2, "statutory audit role" means services required by any law to be provided by the auditors, acting as such.

APPENDIX 17

PROVISIONS OF RULES EXCLUDED FOR DUAL LISTED ISSUERS

(Rule 5.1.6)

NZSX Listing Rule	Description	Conduct
2.2.2	Acknowledgement of Compliance with Rules	This Rule does not apply provided that the standard Listing Agreement is signed by the Dual Listed Issuer.
3.1.1(a)	Contents of Constitution: Compulsory Provisions	
3.1.1(b)	Contents of Constitution: Compulsory Provisions	
3.3.1	Residence of Directors	
3.3.5	Nomination of Directors	
3.3.6	Confirmation of Appointment	
3.3.7	Alternate Directors	
3.3.9	Term of Appointment	
3.3.10	Removal of Directors from office	
3.3.11	Rotation	
3.3.12	Exceptions to Rotation	
3.3.13	Appointment of Directors to be Voted on Individually	
3.4.1	Vacancies and	

	reduction of numbers of directors	
3.4.3	Interested Directors	
3.5.2	Payment Upon Cessation of Office	
Section 4	Takeover Provisions for Issuers which are not Code Companies	
5.5.1	New Zealand Domicile	
6.1.3	Independent Solicitor's Opinion	This rule does not apply provided that the solicitor acting for the Dual Listed Issuer provided NZX with written conformation that the Dual Listed Issuer's constitution complies with the Listing Rules (taking into account any waivers granted).
6.1.4	Timing	This Rule does not apply provided that the solicitor acting for the Dual Listed Issuer provides NZX with written confirmation that the Dual Listed Issuer's constitution complies with the Rules (taking into account any waivers granted).

6.2.2	Appraisal Reports	This rules does not apply on the condition that the Dual Listed Issuer is to make full and descriptive disclosure of the transactions entered intop and requiring shareholder approval in the Dual Listed Issuer's Notices of meeting from the time of listing on NZX.
7.1.1	Offering Document and Advertisements	
7.1.7	Statement Relating to the Exchange	Dual Listed Issuers must provide a statement in the Offering Document to the effect that NZX is not responsible for any statements in such Offering Document
7.1.10	Lodgement of Applications	.
7.1.15	Statement as to Substantial Security Holders	
7.1.17	Statements in Offering Documents or Advertisements	Not applicable provided that any statements required by the Rules will be clear and legible.
7.3	Issue of New Equity Securities	

7.4	Entitlement to Third Party Securities	
7.5	Change of Control	
7.6	Buy Backs of Equity Securities, Redemption of Equity Securities and Financial Assistance	
7.10	Rights Issues	Rule does not apply on the condition that the coordination of timetables is reviewed on a case by case basis between NZX and the ASX.
7.11.1	Time of Allotment	Rule does not apply to the extent that the Dual Listed Issuer is permitted to allot securities within a reasonable time of the closing date for applications, in all cases such date to be agreed with NZX.
7.12.2	Notification	
8.1.5	Partly Paid Securities	
8.1.6	Participation of Options in Rights Issues	
8.1.7	Change of Option's Exercise Price or Number of Underlying Securities	
8.1.8	Change of Option on a Bonus Issuer	
8.1.9	Change of Option on consolidation or subdivision or similar proportionate reconstruction	
8.2.1	Lien and Forfeiture	

8.3	Modification of Rights of Security Holders	
8.5	Sale of Minimum Holdings	
9.1	Disposal or Acquisition of Assets	
9.2	Transactions with Related Parties	
10.4	Waiver from the Requirement to Use NZX Forms	
10.5.1	Annual Reports	
10.5.3	Half Yearly Reports	Not applicable on the condition that Dual Listed Issuer issue a half yearly report to shareholders on the basis that the half yearly reports are released to both ASX and NZX.
10.5.5	Disclosures to be Contained in Annual Reports	The Issuer must disclose its annual report that the Listing Rules set out in this Appendix 8 do not apply to the Issuer as in Dual Listed Issuer and any further waivers granted to the Issuer must be included in its annual report on an ongoing basis.
10.6	Financial Statements	
11.1.1	No Restrictions to Transfer	