

# Appendix 4

## Mining Issuer Disclosure

### 1.1 Announcements by Mining issuers

1.1.1 In this Appendix 4, unless the context otherwise requires:

|                        |  |
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| <b>JORC Code</b>       | means the latest edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ( <b>JORC</b> ), available from <a href="http://www.jorc.org">http://www.jorc.org</a> . |
| <b>Mining Issuer</b>   | means an Issuer that is principally engaged in the exploration for, or extraction of, any mineral, oil or natural gas, and includes an Issuer which holds, as a principal part of its business or assets, an interest or interests in any mining tenement.   |
| <b>Mining Tenement</b> | includes an exploration licence and any mineral, oil, or natural gas lease or concession.  |
| <b>Permit</b>          | means a permit in terms of the Crown Minerals Act 1991.  |

1.1.2 Where an unlisted company or entity is the operator of a mining tenement in joint venture with a Mining Issuer, the Mining Issuer must ensure that the contract between the parties creates an obligation on the operator to disclose immediately and fully report to the Mining Issuer any significant discovery. In addition, the Mining Issuer must secure the right to make all or part of such information available to NZX. The objective of these provisions is to avoid the establishment of a false market in the Mining Issuer's Equity Securities and to ensure that any Material Information in relation to the Mining Issuer is disclosed promptly and without delay.

1.1.3 Where a Mining Issuer reports on the progress of any geophysical survey, the report must state:

- (a) the name of the survey
- (b) the nature of the survey
- (c) the Permit in which the survey is being conducted, and
- (d) the status of the survey.

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

## 1.2 Hydrocarbon Reports

1.2.1 Hydrocarbon Definitions: In this Appendix 4, unless the context otherwise requires:

|                                      |   |
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| <b>Hydrocarbon</b>                   | means a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons  |
| <b>Hydrocarbon Reserves</b>          | means proved hydrocarbon reserves, probable hydrocarbon reserves or possible hydrocarbon reserves   |
| <b>Possible Hydrocarbon Reserves</b> | means reserves less well defined by geological and geophysical control than probable hydrocarbon reserves and consist of extensions to the proved and probable hydrocarbon reserves areas where so indicated by geophysical and geological studies.<br><br>The probability generally assigned to these reserves would be 25% but may be higher or lower |
| <b>Probable Hydrocarbon Reserves</b> | means those reserves that may be reasonably assumed to exist because of geophysical or geological indications and which may become capable of commercial extraction at some future time. There is equal risk of there being larger or smaller volumes of reserves resulting   |
| <b>Proved Hydrocarbon Reserves</b>   | means those reserves that, to a high degree of certainty, are recoverable, at commercial rates under presently anticipated production methods, operating conditions, prices and costs. There is relatively little risk associated with these reserves.  |

1.2.2 Probable hydrocarbon reserves may only be reported in conjunction with proved hydrocarbon reserves. Possible hydrocarbon reserves may only be reported in conjunction with proved and probable hydrocarbon reserves.

1.2.3 Any report which relates to a Mining Issuer's hydrocarbon reserves must be based on and state that it is based on, or be accompanied by, a statement of information compiled by a person holding a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had

at least five years' experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

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

1.2.4 Where a report relates to the potential hydrocarbon reserve state (i.e. from the earliest exploratory investigations to the stage preceding that at which proved hydrocarbon reserves can be estimated), the word "reserves" must not be used.

1.2.5 A Mining Issuer must also provide to NZX weekly before 9.00am on a Business Day, the following information on hydrocarbon exploration and assessment during drilling and testing operations:

- (a) the name of the well, the Permit in which it is located, and its position in the Permit with respect to previous wells, known oil or gas fields or towns
- (b) the time of reporting
- (c) the progress for the past week
- (d) current operation
- (e) any results of drill stem tests and other flow tests where hydrocarbons are recovered to surface, in accordance with paragraph 1.2.7, and
- (f) the participating companies and their beneficial percentage interest in the well.

1.2.6 Where exploratory investigations have reached the stage where a hydrocarbon reserve can be estimated, reports must use the categories of hydrocarbon reserves defined in this Appendix 4.

1.2.7 A report must be issued on the day that:

- (a) a decision is made to flow test an interval of the well, advising of the decision and the depth and gross interval to be tested
- (b) flow test operations commence, advising of such, and
- (c) hydrocarbons are flowing to surface.



Within 24 hours of the completion of flow test operations over the test interval, a report must be issued which includes:

- (d) depth and interval tested
- (e) representative sustained flow rate (if achieved)
- (f) choke size and representative surface flowing pressure (if achieved), and
- (g) summary description of fluids recovered.

1.2.8 A report required under paragraph 1.2.7 need not be released if:

- (a) a reasonable person would not expect the information to be disclosed
- (b) the information is confidential and its confidentiality is maintained, and
- (c) the release of the information would be a breach of law.

### 1.3 **Ore and Mineralisation Reports**

1.3.1 Where a report relates to the pre-identified mineral resources stage as described in the JORC Code, the words “ore”, “reserves” or “resources” must not be used and in lieu of such words such a report may refer to “mineralization” or some similar term having no economic connotation.

1.3.2 Reports and statements in the field of mineral exploration and assessment which may be made by a Mining Issuer during the pre-resource mineralisation stage must include relevant basic data such as the type and method of sampling and the distribution, dimensions, assay results and relative location of all relevant samples. If true dimensions, particularly width or mineralisation, are not stated, the report must be qualified accordingly.

1.3.3 References to geophysical or geochemical results must refer only to “anomalies” and not to “mineralization”, “ore”, “reserves”, “resources” or similar terms.

1.3.4 Assay results must be set out in one of the following three forms considered most suitable by the Mining Issuer’s geologist and/or mining engineer:

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

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



- 1.3.5 Where a report relates to exploratory investigations which have reached the stage where an identified mineral resource or ore reserves can be estimated with reasonable assurance, reports must use the expression for categories of identified mineral resources or ore reserves, as defined in the JORC Code.
- 1.3.6 Any report which relates to a Mining Issuer's ore or mineralisation must be based on, and state it is based on, or be accompanied by a signed statement to the same effect, information that has been compiled by a competent person, as defined in the JORC Code.

Where the competent person is:

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

