Listing Rules

of the

Port Moresby Stock Exchange

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Introduction

The listing rules

Port Moresby Stock Exchange Limited ("POMSoX") is a stock exchange approved by the +Commission. POMSoX offers a market for trading in +securities. Trading takes place through member organisations of POMSoX. POMSoX's constitution and business rules govern stockbrokers' relationships with POMSoX, with each other and with clients. POMSoX supervises the market for +securities issued by listed entities. One way it does this is by setting standards for the behaviour of listed entities through its listing rules.

POMSoX's listing rules govern the admission of entities to the +official list, +quotation of +securities, suspension of +securities from +quotation and removal of entities from the +official list. They also govern disclosure and some aspects of a listed entity's conduct. Compliance with the listing rules is a requirement for admission to the +official list. It is also a requirement under the contract that an entity enters into on being admitted.

The listing rules are not just binding contractually. They are enforceable against listed entities and their +associates under the Securities Act 1997. See section 24 of the Securities Act 1997. The listing rules create obligations that are additional, and complementary, to obligations pursuant to the underlying law and statutory obligations.

POMSoX's constitution gives the board of POMSoX the power to make listing rules. Under Section 21 of the Securities Act 1997, listing rule amendments must be lodged with the +Commission. They are subject to disallowance by the +Commission.

Inquiries concerning admission to the +official list are welcome and entities considering applying for admission are invited to consult with POMSoX. Entities may also wish to consult their stockbrokers or other professional advisers.

POMSoX's objectives

The objectives of POMSoX include:

- providing a fair and well-informed market for financial securities; and
- providing an internationally competitive market.

POMSoX's listing rules are a key element in meeting POMSoX's objectives. They deal with listing and +quotation, market information, trading and settlement, and general supervisory matters and have been adopted to meet the requirements of section 20(2)(c) of the Securities Act 1997.

The principles on which the listing rules are based

The principles on which the listing rules are based embrace the interests of listed entities, maintenance of investor protection and the need to protect the reputation of the market.

The principles are as follows.

- Minimum standards of quality, size, operations and disclosure must be satisfied.
- Sufficient investor interest must be demonstrated to warrant an entity's participation in the market by having its +securities quoted.
- +Securities must be issued in circumstances which are fair and reasonable to new and existing +security holders and the company.
- +Securities must have rights and obligations attaching to them that are fair to new and existing +security holders.
- Timely disclosure must be made of information which may affect +security values or influence investment decisions, and information in which +security holders, investors and POMSoX have a legitimate interest.
- Information must be produced according to the highest standards and, where appropriate, enable ready comparison with similar information.
- The highest standards of integrity, accountability and responsibility of entities and their officers must be maintained.
- Practices must be adopted and pursued which protect the interests of +security holders, including ownership interests and the right to vote.
- +Security holders must be consulted on matters of significance.
- Market transactions must be commercially certain.

Application of the listing rules

POMSoX has an absolute discretion concerning the admission of an entity to the +official list (and its removal) and +quotation of its +securities (and their suspension). POMSoX also has discretion whether to require compliance with the listing rules in a particular case (ie, apart from waiving the rules). In exercising its discretion, POMSoX takes into account the principles on which the listing rules are based.

POMSoX may also waive compliance with a listing rule, or part of a rule, unless the rule in question says otherwise. The listing rules necessarily cast a

wide net. However, POMSoX does not want to inhibit legitimate commercial transactions that do not undermine the principles on which the listing rules are based.

If POMSoX decides to grant a waiver, it may do so on conditions. The conditions must be complied with for the waiver to be effective. Waivers are published by POMSoX periodically and are also advised to the +Commission.

The listing rules themselves are to be interpreted:

- in accordance with their spirit, intention and purpose;
- by looking beyond form to substance; and
- in a way that best promotes the principles on which they are based.

If an entity does not comply with the listing rules, its +securities may be suspended from +quotation or it may be removed from the +official list.

SCH Business Rules

In its opening phase all listed entities are required to participate in the Clearing House Electronic Subregister System (+CHESS). The quoted +securities of an entity participating in +CHESS must be +CHESS approved. The listing rules should be read in conjunction with the +SCH Business Rules. Together they regulate listed entities whose +securities are +CHESS approved securities.

Amended: 10 May 1999

How to use this manual

The listing manual is divided into chapters. Related topics have been grouped together as far as possible.

Each chapter begins with a table of the contents of that chapter. It sets out the main headings in the chapter and the rules which come under that heading. Some chapters also have an explanatory note, which helps readers to understand the structure and content of the chapter. At the foot of each page is the date of the last amendment and reprinting of that page.

Defined terms (except 'POMSoX' and 'entity') are marked with a cross (eg, +security). The cross is not used in headings or notes or when the word is used in the definition of the term itself (eg, the word 'acquire' is not marked in the definition of 'acquire'). The definitions are found in chapter 19. The terms 'POMSoX' and 'entity' are used often throughout the manual and, for ease of reading, are not marked.

There are 'end notes' to the rules. These include a cross reference to the equivalent Australian Stock Exchange listing rule and sometimes include other

relevant information, such as an example of the operation of the rule. If there is an example, it does not, of course, affect the operation of the rule.

Chapter 1

Admission

Table of contents

The main headings in this chapter	Rules
General admission to the +official list	1.1 - 1.7
Debt issuer admission to the +official list	1.8 - 1.10
Exempt +foreign entity admission to the +official list	1.11 - 1.15
Rules that apply to all entities	1.16 - 1.20
General admission application and agreement	Appendix 1A
Debt issuer application and agreement	Appendix 1B
Exempt +foreign entity application and agreement	Appendix 1C

Explanatory note

This chapter sets out requirements that must be satisfied for an entity to gain admission to the +official list. They include a requirement that the +main class of +securities is +quoted. +Quotation of +securities is dealt with in chapter 2.

POMSoX takes into account the particular circumstances of each applicant. POMSoX may grant admission even though not all the requirements have been met. POMSoX may refuse admission even though all the requirements have been met.

POMSoX may copy information and documents lodged in support of an application to the +Commission or the +Registrar. Information and documents given to POMSoX in support of an application become POMSoX's property and may be made public.

Entities that are admitted to the +official list will come within one of the following categories:

- General (within this category there are specific rules for +mining exploration entities and +investment entities.
- Debt issuer.
- Exempt +foreign entity.

An exempt +foreign entity is required to comply with the rules of its +overseas home exchange and to release information to POMSoX that is released to its +overseas home exchange. Except to a limited extent, it will not normally be required to comply with POMSoX's listing rules. See rule 1.15.

Foreign entities that are not exempt foreign entities will come within the general or debt issuer categories.

General admission to the official list

Requirements for general admission

1.1 For an entity (except an exempt +foreign entity or a debt issuer) to be admitted to the +official list, the following conditions must be met to POMSoX's satisfaction.

Condition 1 The entity's structure and operations must be appropriate for a listed entity.

Example: When deciding if an entity's structure and operations are appropriate for that entity to be listed, POMSoX may have regard to whether the principles on which the listing rules are based have been and will be complied with. See the Introduction.

Condition 2 The entity's constitution must be consistent with the listing rules. Condition 2 does not apply if the entity's constitution includes the provisions in Appendix 15A.

Condition 3 A prospectus must be issued and lodged with (and if required by the Securities Act 1997, registered by) the +Registrar.

Note: If the entity establishes that it has not raised capital in the past 3 months and does not expect it will need to raise capital in the next 3 months, and has the required spread of security holders, POMSoX may waive this condition.

Condition 4 If the entity is a +foreign entity, it must establish in Papua New Guinea either a Papua New Guinea +securities register (or subregister), or a register of depositary receipts, or other appropriate facilities for the registration of transfers.

Note: A subregister for PDIs is a securities subregister.

Condition 5 If the +securities are +units, no-one must be under an obligation to buy them back.

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Condition 6 The entity must apply for and be granted permission for +quotation of all the +securities in its +main class of +securities.

Note: Condition 6 is satisfied if permission for quotation (ie, not actual quotation) is granted on conditions. If a condition is not satisfied, the entity may be removed from the official list. An entity may also apply for quotation of other classes of securities. See Chapter 2.

Condition 7 There must be at least 300 holders each having a parcel of the +main class of +securities with a value of at least K2,000, excluding +restricted securities and, if the entity has previously been removed from the +official list, excluding +securities not +acquired by those holders under a recent prospectus. If +PDIs are issued over +securities in the +main class, holders of +PDIs will be included. This requirement is not met if the spread is obtained by artificial means.

Note: POMSoX would normally base the value on the issue price to the public.

Example: If an entity wants ordinary shares and preference shares quoted, the ordinary shares must be held by 300 holders each with a parcel of ordinary shares with a value of at least K2,000, based on the issue or sale price of them to the public under the prospectus. The preference shares must meet the conditions for quotation of additional securities. If an entity wants only preference shares quoted, it must have 300 holders of them each with a parcel with a value of at least K2,000, based on the issue or sale price of them to the public under the prospectus.

The following ways of obtaining spread are examples of artificial means.

- Giving shares away.
- Offering non-recourse loans to prospective shareholders to acquire their shares.
- Using combinations of nominee companies and names.

Condition 8 The entity must satisfy either the profit test in rule 1.2 or the applicable net tangible assets test in rules 1.3, 1.4 or 1.5.

Condition 9 If the entity issues +restricted securities before it is admitted to the +official list, it must comply with chapter 9 (except rule 9.3) and give completed restriction agreements to POMSoX.

Cross reference: Chapter 9, Appendix 9A.

Condition 10 If, in the 2 years before the date of the application, the entity +acquired a +classified asset from a +related party of the entity or a +promoter, the consideration must have been +restricted securities unless one of the following applies.

(a) The consideration was reimbursement of expenditure incurred in developing the +classified asset.

(b) Under rule 9.1.3 the entity is not required to apply the restrictions in Appendix 9B.

Note: If restricted securities are issued as consideration for an acquisition or disposal the entity must comply with Chapter 9.

Cross reference: rule 9.1.3, Appendix 9B, clause 3.

The profit test

1.2 To meet the profit test, an entity must satisfy each of the following.

1.2.1 The entity must be a going concern. This rule is satisfied if the entity is the successor of a going concern.

1.2.2 The entity's main business activity at the date it is admitted must be the same as it was during the last 3 full financial years.

1.2.3 The entity must give POMSoX each of the following.

(a) Audited financial statements for the last 3 full financial years. If the entity applies for admission less than 90 days after the end of its last financial year, unless the entity has audited financial statements for its latest full financial year, the financial statements may be for the 3 years to the end of the previous financial year. Audit reports must be given to POMSoX with the financial statements. The audit reports must not have been qualified in a way that goes to whether the entity can continue as a going concern or has satisfied the profit levels required.

(b) If the last full financial year for which financial statements must be given to POMSoX ended more than 8 months before the entity applies for admission, audited or reviewed financial statements for the last half year (or longer period if available) from the end of the last full financial year, together with the audit report or review.

(c) A reviewed pro forma balance sheet together with the review, unless POMSoX agrees the pro forma balance sheet is not needed. The review must be conducted by a +registered company auditor or an independent accountant.

1.2.4 The entity's aggregated +profit from continuing operations for the last 3 full financial years must have been at least K600,000.

1.2.5 The entity must give POMSoX a statement from all directors confirming each of the following.

(a) Consolidated +profit, from continuing operations for the 12 months to a date no more than 2 months before the date the entity applied for admission, exceeded K250,000.

(b) They have made enquiries and nothing has come to their attention to suggest that the economic entity is not continuing to earn +profit from continuing operations up to the date of application.

1.2.6 [Not used]

The net tangible assets test for an entity (except a mining exploration entity or investment entity)

1.3 To meet the net tangible assets test, an entity (except a +mining exploration entity or +investment entity) must satisfy each of the following.

1.3.1 The entity must have net tangible assets at the time of admission of at least K1.5million, after deducting the costs of fund raising.

Note: POMSoX would normally not treat a limited recourse loan as a tangible asset.

1.3.2 Either:

(a) less than half of the entity's total tangible assets (after raising any funds) must be cash or in a form readily convertible to cash; or

(b) half or more of the entity's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash, and there are binding contracts to invest or spend enough money for the proportion to be reduced to less than half. The binding contracts must not be subject to conditions precedent except ones relating to the satisfaction of a minimum subscription condition of the fund raising, and admission to the +official list.

Note: In deciding if an entity's total tangible assets are in a form readily convertible to cash, POMSoX would normally not treat inventories and receivables as readily convertible to cash.

Example: The cost of capital raising is normally taken into account as a binding contract. If a start up company raises K2.3 million, and the cost of its capital raising is K300,000, POMSoX would normally require it to have binding contracts for an additional K850,000 (which, with the K300,000, is half the K2.3 million raised).

1.3.3 The entity must have enough working capital to carry out its stated objectives. If the prospectus does not contain a statement that the

entity has enough working capital, the entity must give POMSoX one from an independent expert.

1.3.4 The entity's business must be developed to the point where it is reasonably likely that the entity will generate revenue from its ordinary activities within 3 years after admission. If POMSoX requires it, the entity must give POMSoX a written statement to that effect from an independent expert. The statement must make clear the basis on which it is made.

1.3.5 The entity must give POMSoX each of the following.

(a) Any financial statements, together with any audit report or review:

- for the last 3 full financial years (or shorter period if POMSoX agrees); and
- if the last full financial year ended more than 8 months before the entity applied for admission, for the last half year (or longer period if available) from the end of the last full financial year.

If the financial statements have not been audited or reviewed, the entity must tell POMSoX.

Note: If the entity does not have financial statements, POMSoX may require additional information under rule 1.17, including financial information. This may mean that the entity has to prepare financial statements.

(b) [Not used]

(c) A reviewed pro forma balance sheet, together with the review, unless POMSoX agrees the pro forma balance sheet is not needed. The review must be conducted by a +registered company auditor or an independent accountant.

Example: If an entity raises capital or acquires or disposes of assets, the pro forma balance sheet will reflect these changes. It will also show any material changes in the financial position of the entity since the date of the last balance sheet. POMSoX may agree that a pro forma balance sheet is not needed if there are no changes of this nature.

Cross reference: rule 19.11A.

The net tangible assets test for a mining exploration entity

1.4 To meet the net tangible assets test, a +mining exploration entity must satisfy each of the following.

1.4.1 The entity must have net tangible assets at the time of admission of at least K1.5 million, after deducting the costs of fund raising.

Note: POMSoX would normally not treat a limited recourse loan as a tangible asset.

1.4.2 The entity must have at least K1 million (excluding loan funds) available to fund its stated objectives or exploration program. The amount must be available after allowing for the next full year's budgeted administration costs and the cost of +acquiring plant, equipment and +mining tenements. The cost of +acquiring +mining tenements includes the cost of +acquiring and exercising an option over them.

1.4.3 The entity must have commitments for at least half of its cash and assets in a form readily convertible to cash. The commitments must be for the +acquisition and exploration of +mining tenements, or the +acquisition of plant and equipment and may include the costs of capital raising. The cost of +acquiring +mining tenements includes the cost of +acquiring and exercising an option over them.

Note: Cash and assets readily convertible to cash includes total funds to be raised. POMSoX would normally not treat inventories and receivables as readily convertible to cash.

1.4.4 The entity must give POMSoX a written statement from an independent expert that the entity has a satisfactory and clearly defined exploration and expenditure program which is reasonable having regard to its stated objectives; and that enough exploration has taken place in the past 2 years to justify the budgeted exploration and expenditure program.

1.4.5 The entity must give POMSoX each of the following.

(a) Any financial statements, together with any audit report or review:

- for the last 3 full financial years (or shorter period if POMSoX agrees); and
- if the last full financial year ended more than 8 months before the entity applied for admission, for the last half year (or longer period if available) from the end of the last full financial year.

If the financial statements have not been audited or reviewed, the entity must tell POMSoX.

Note: If the entity does not have financial statements, POMSoX may require other information under rule 1.16, including financial information. This may mean that the entity has to prepare financial statements.

(b) [Not used]

(c) A reviewed pro forma balance sheet, together with the review, unless POMSoX agrees the pro forma balance sheet is not needed. The review must be conducted by a +registered company auditor or an independent accountant.

Example: If an entity raises capital or acquires or disposes of assets, the pro forma balance sheet will reflect these changes. It will also show any material changes in the financial position of the entity since the date of the last balance sheet. POMSoX may agree that a pro forma balance sheet is not needed if there are no changes of this nature.

Cross reference: rule 19.11A.

The net tangible assets test for an investment entity

1.5 To meet the net tangible assets test, an +investment entity must satisfy each of the following.

1.5.1 The entity must have net tangible assets at the time of admission of at least K1.5 million, after deducting the costs of fund raising.

Note: POMSoX would normally not treat a limited recourse loan as a tangible asset.

1.5.2 Either:

(a) less than half of the entity's total tangible assets (after raising any funds) must be cash or in a form readily convertible to cash; or

Note: POMSoX would not normally treat investments under the entity's investment strategy as readily convertible to cash for the purpose of this rule.

(b) half or more of the entity's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash, and there are binding contracts to invest or spend enough money for the proportion to be reduced to less than half. The binding contracts must not be subject to conditions precedent except ones relating to the satisfaction of a minimum subscription condition of the fund raising, and admission to the +official list; or

Note: In deciding if an entity's total tangible assets are in a form readily convertible to cash, POMSoX would normally not treat inventories and receivables as readily convertible to cash.

Example: The cost of capital raising is normally taken into account as a binding contract. If a start up company raises K2.3 million, and the cost of its capital raising is K300,000, POMSoX would normally require it to have binding contracts for an additional K850,000 (which with the K300,000 is half the K2.3 million raised).

(c) the entity must have net tangible assets of at least K15 million and must agree that it and its +child entities will comply with, and continue to comply with, the investment obligations published by POMSoX that are current at the time it is admitted.

(d) [Not used]

1.5.3 The entity must give POMSoX each of the following.

(a) Any financial statements, together with any audit report or review:

- for the last 3 full financial years (or shorter period if POMSoX agrees); and
- if the last full financial year ended more than 8 months before the entity applied for admission, for the last half year (or longer period if available) from the end of the last full financial year.

If the financial statements have not been audited or reviewed, the entity must tell POMSoX.

Note: If the entity does not have financial statements, POMSoX may require additional information under rule 1.17, including financial information. This may mean that the entity has to prepare financial statements.

(b) [Not used]

(c) A reviewed pro forma balance sheet, together with the review, unless POMSoX agrees the proforma balance sheet is not needed. The review must be conducted by a +registered company auditor or an independent accountant.

Example: If an entity raises capital or acquires or disposes of assets, the pro forma balance sheet will reflect these changes. It will also show any material changes in the financial position of the entity since the date of the last balance sheet. POMSoX may agree that a pro forma balance sheet is not needed if there are no changes of this nature.

Cross reference: rule 19.11A.

1.6 [Not used]

Applying for general admission to the official list

1.7 To apply for admission to the +official list, an entity must complete Appendix 1A and give it to POMSoX.

Cross reference: Chapter 16.

Debt issuer admission to the official list

Requirements for admission as a debt issuer

1.8 For an entity to be admitted to the +official list as a debt issuer, the following conditions must be met to POMSoX's satisfaction.

Condition 1 The entity must be seeking +quotation of +debt securities only.

Condition 2 The entity must be a company, a government borrowing authority, a public authority, or a +person approved by POMSoX.

Condition 3 The entity must have net tangible assets at the time of admission of at least K7 million.

Condition 4 If the entity is a +foreign entity, it must establish in Papua New Guinea either a Papua New Guinea +securities register (or subregister), or a register of depositary receipts, or other appropriate facilities for the registration of transfers.

Note: A subregister for PDIs is a securities subregister.

Cross reference: rule 8.15.

Condition 5 The entity must apply for and be granted +quotation of all the +securities that are in the +class for which it seeks +quotation.

Cross reference: Chapter 2. Note: There must be a deed for debt securities and convertible debt securities. See rule 2.1.

Condition 6 The aggregate face value of the +debt securities must be at least K1 million.

Condition 7 There must be at least 25 holders of the +debt securities.

Applying for admission to the official list

1.9 To apply for admission to the +official list as a debt issuer, an entity must complete Appendix 1B and give it to POMSoX.

Cross reference: Chapter 16.

Continuing obligations of a debt issuer

1.10 After it is admitted, a debt issuer must comply with the following listing rules (and need not comply with the others).

Note: If the debt issuer is a trust, POMSoX may specify other rules to suit the circumstances.

1.10.1 In relation to +debt securities:

rules 2.14, 3.1, 4.11, Appendix 6A paragraphs 2 and 3, Chapter 8, rules 15.1.2, 15.1.7, 15.2 to 15.10, and Chapters 16, 17, 18, 19, and any listing rules that POMSoX specifies either before or after the entity is admitted.

Note: rules 15.2 to 15.10 and Chapters 16, 17, 18 and 19 are more in the nature of procedural rules.

1.10.2 In relation to the entity as a whole:

rule 4.6, and any listing rules that POMSoX specifies either before or after the entity is admitted.

Note: If the debt issuer is a trust, POMSoX may specify other rules to suit the circumstances.

Exempt foreign entity admission to the official list

Requirements for admission as an exempt foreign entity

1.11 For an entity to be admitted to the +official list as an exempt +foreign entity, the following conditions must be met to POMSoX's satisfaction.

Condition 1 The entity must be a +foreign entity and must have as its +overseas home exchange a stock exchange or market which is a member of the Fédération Internationalé des Bourses de Valeurs (FIBV).

Note: In relation to entities incorporated in Papua New Guinea and which were listed on Australia Stock Exchange Limited at the time POMSoX commenced operations, POMSoX will waive the requirement that the entity must be a foreign entity and will permit the entity to apply for listing under this rule.

Cross reference: rule 1.19*Condition 2* The entity must be subject to the listing rules (or their equivalent) of its +overseas home exchange. POMSoX will not waive this rule.

Condition 3 POMSoX must be satisfied that the entity complies with the listing rules (or their equivalent) of its +overseas home exchange.

Example: One way for POMSoX to be satisfied of this is to take into account a statement signed by at least two directors that the entity complies with those listing rules (or their equivalent).

Condition 4 The entity must give POMSoX a copy of its last +annual report and any subsequent interim report; and agree to give POMSoX, after admission to the +official list, additional copies of those documents as specified in Appendix 1C or as required by POMSoX.

Note: Appendix 1C requires 25 copies of the latest annual report and any subsequent interim report to be given to POMSoX.

Condition 5 The entity must establish in Papua New Guinea either a Papua New Guinea +securities register (or subregister), or a register of depositary receipts, or other appropriate facilities for the registration of transfers.

Note: A subregister for PDIs is a securities subregister.

Condition 6 The entity must apply for and be granted permission for +quotation of +securities that are in the +class for which it seeks +quotation. However, if the entity's +overseas home exchange is Australian Stock Exchange or New Zealand Stock Exchange, the entity must apply for and be granted permission for +quotation of all the +securities that are in the +class.

Note: Condition 6 is satisfied if permission for quotation (ie, not actual quotation) is granted on conditions. If a condition is not satisfied, the entity may be removed from the official list.

Cross reference: Chapter 2.

Condition 7 The entity must satisfy either the profit test in rule 1.11 or the net tangible assets test in rule 1.12. Condition 7 does not apply if the entity's +overseas home exchange is Australian Stock Exchange or New Zealand Stock Exchange.

Condition 8 There must be at least 1,000 holders each having a parcel of +securities that are in the +class for which it seeks +quotation with a value of at least K500. Condition 8 does not apply if the entity's +overseas home exchange is Australian Stock Exchange or New Zealand Stock Exchange.

Condition 9 If the entity is an overseas company, it must be registered as an overseas company under the Companies Act 1997.

The profit test for an exempt foreign entity

1.12 To meet the profit test, an exempt +foreign entity must satisfy each of the following.

1.12.1 The entity must be a going concern. This rule is satisfied if the entity is the successor of a going concern.

1.12.2 The entity's +operating profit before income tax for each of the last 3 full financial years must have been at least K10 million.

1.12.3 The entity's +operating profit before income tax must have been, in POMSoX's opinion, derived from the entity's ordinary activities.

1.12.4 The entity must give POMSoX audited financial statements for the last 3 full financial years. The financial statements must not have been qualified in a way that goes to whether the entity can continue as a going concern or has satisfied the profit levels required.

Note: POMSoX will accept, for example, the use of International Accounting Standards.

The net tangible assets test for an exempt foreign entity

1.13 To meet the net tangible assets test, an exempt +foreign entity must have net tangible assets at the time of admission of at least K50 million.

Applying for admission to the official list as an exempt foreign entity

1.14 To apply for admission to the +official list as an exempt +foreign entity, an entity must complete Appendix 1C and give it to POMSoX.

Cross reference: Chapter 16.

Continuing obligations of exempt foreign entities

1.15 After it is admitted, an exempt +foreign entity must comply with the following listing rules (and need not comply with the others).

1.15.1 rules 2.4, 8.10, 8.15, 8.18, Appendix 8A, 15.2 to 15.6, 15.8, 15.9, Chapters 16, 17, 18 and 19 and any listing rules that POMSoX specifies, either before or after it is admitted.

Note: rules 15.2 to 15.6, 15.8, 15.9, and Chapters 16, 17, 18 and 19 are more in the nature of procedural rules.

POMSoX will have regard to the information given in the application about the regulatory regime to which the entity is subject and the entity's circumstances generally when deciding if additional rules should be specified.

Examples: If a significant proportion of an entity's management, business, operations, assets or derivation of revenue is in Papua New Guinea, POMSoX may specify additional listing rules with a view to ensuring that the entity is treated similarly to a Papua New Guinea entity.

If an entity's financial statements are prepared using accounting standards that POMSoX is not prepared to accept in place of Papua New Guinea standards, or the disclosure regime of the overseas home exchange is not broadly similar to POMSoX's, POMSoX may specify additional rules.

1.15.2 An exempt +foreign entity must immediately provide to POMSoX, in English, all the information that it provides to its +overseas home exchange that is, or is to be, made public. POMSoX will not waive this rule.

1.15.3 An exempt +foreign entity must continue to comply with the listing rules (or their equivalent) of its +overseas home exchange.

Rules that apply to all entities

POMSoX satisfied of compliance with the listing rules

1.16 For an entity to be admitted to the +official list, POMSoX must be satisfied that the entity will comply with the listing rules.

Cross reference: rules 8.1, 18.6.

Additional information

1.17 POMSoX may seek additional information from the entity, or any other +person, in relation to the application for admission. POMSoX may submit, or require the entity to submit, any information given to POMSoX to the scrutiny of an expert selected with the approval of POMSoX. The entity must pay for the expert.

Fees

1.18 An entity seeking admission to the +official list must pay fees in accordance with Chapter 16.

POMSoX's discretion concerning admission

1.19 Admission to the +official list, and the category of an entity's admission, is in POMSoX's absolute discretion. POMSoX may admit an entity on any conditions it thinks appropriate. POMSoX may grant or refuse admission without giving any reasons.

Example: An entity may be refused admission if its management does not, in POMSoX's opinion, have the skills and experience to ensure that it will discharge its obligations as a listed entity. In the case of a trust the management of the management company must have the necessary skills and experience.

Cross reference: rule 18.9.

How and when admission to the official list occurs

1.20 An entity is admitted to the +official list in the particular category in which POMSoX resolves to admit it.

1.20.1 If the resolution is conditional, the entity is admitted when the conditions are met or POMSoX accepts undertakings to meet them.

1.20.2 If the resolution is unconditional, the entity is admitted on the date specified in the resolution. If no date is specified, the entity is admitted on the date of the resolution.

Cross reference: rule 18.9.

Chapter 2

Quotation

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+Quotation of +securities after admission	2.4 - 2.8
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Rules that apply in +CHESS	2.14
+Quotation of partly paid shares in an +no liability company	2.15
Application for +quotation of additional +securities and agreement	Appendix 2A

Explanatory note

The first part of this chapter deals with +quotation of +securities on admission to the +official list. In this case, +quotation will be of the +main class of the entity's +securities and any additional +class for which +quotation is sought at the time of admission. If an entity does not meet the tests for +quotation of its +main class of +securities, it will not be admitted to the +official list.

The second part of the chapter deals with +quotation of +securities after admission. In this case, the +securities for which +quotation is sought may be additional +securities in a +class already quoted or a new +class of +securities not previously quoted.

The remainder of the chapter deals with rules that apply to all entities.

POMSoX takes into account the particular circumstances of each applicant. POMSoX may grant +quotation even though not all the requirements have been met. POMSoX may refuse to grant +quotation even though all the requirements have been met.

Quotation of securities on admission

Main class of securities (general admission) and debt securities (debt issuer)

2.1 For +quotation of the +main class of +securities of an entity seeking admission to the +official list in the general category, or of +debt securities of a debt issuer, the following conditions must be met to POMSoX's satisfaction.

Condition 1 The terms of the entity's +securities must comply with Chapter 6.

Note: Chapter 6 deals with securities.

Condition 2 The issue price or sale price of all the +securities for which the entity seeks +quotation (except options) must be at least 20 toea in cash. +Restricted securities may still be quoted (after escrow) even though they are issued or sold at less than 20 toea.

Cross reference: rules 2.12, 6.14.

Condition 3 Any +CHESS requirements relating to the entity's +securities must be satisfied. However, this rule does not apply to an entity which is, in POMSoX's absolute discretion, granted an exemption from this condition.

Note: Listing Rule 2.16 requires an entity established in a jurisdiction whose laws have the effect that the entity's securities cannot be approved under any CHESS requirements to have PDIs issued over quoted securities if a security holder asks for PDIs.

Cross reference: SCH Business Rules.

Condition 4 If the +securities are partly paid +securities, there must be a defined call program setting out the date and amount of each proposed call. The call program for a +mining entity must require payment in full within 2 years after the date of issue.

Condition 5 If the +securities are +debt securities, or +convertible debt securities, a trust deed in relation to them must have been given to POMSoX. The deed must be consistent with the listing rules and be registered in accordance with section 70 of the Securities Act 1997.

Exempt foreign entity category

2.2 For +quotation of +securities of an entity seeking admission to the +official list as an exempt +foreign entity, any +CHESS requirements relating to its +securities must be satisfied. However, this rule does not apply where POMSoX in its absolute discretion so determines.

Quotation of other classes of securities on admission

2.3 For +quotation of a +class of +securities of an entity seeking admission that is in addition to its +main class of +securities, rules 2.4 to 2.12 must be met to POMSoX's satisfaction.

Quotation of securities after admission

Obligation to apply for quotation of additional securities

2.4 An entity must apply for +quotation of all +securities (except +restricted securities) that are in a +class of +securities that is to be quoted, or that is already quoted. This rule does not apply to an exempt +foreign entity except one whose +overseas home exchange is Australian Stock Exchange or New Zealand Stock Exchange.

Requirements for quotation of additional securities

2.5 For an entity's +securities (except its +main class) to be quoted, the following conditions must be met to POMSoX's satisfaction.

Condition 1 The terms of the entity's +securities must comply with Chapter 6.

Note: Chapter 6 deals with securities.

Condition 2 If there are any +restricted securities, the entity must have complied with Chapter 9.

Note: Chapter 9 deals with restricted securities.

Condition 3 The issue price of all the +securities (except options) for which the entity seeks +quotation must be at least 20 toea in cash, or must be credited as paid up to 20 toea.

Note: At least 20 toea must be paid or credited as being paid on partly paid securities.

Cross reference: rule 6.14,.

Condition 4 If the +securities are partly paid +securities, there must be a defined call program setting out the date and amount of each proposed call. The call program for a +mining entity must require payment in full within 2 years after the date of issue. This condition does not apply to a +no liability company.

Condition 5 If the +securities are +debt securities or +convertible debt securities a trust deed in relation to them must have been given to POMSoX. The deed must be consistent with the listing rules and be registered in

accordance with section 70 of the Securities Act 1997. In the case of +debt securities, the amount raised need not have a minimum, and there is no need for a minimum number of holders.

Condition 6 If the +securities are a +class of +equity securities, or other +securities with rights of +conversion to equity, that are not already quoted, there must be at least 100,000 +securities and 50 holders with a +marketable parcel (excluding +restricted securities). This condition does not apply if either of the following requirements is met.

(a) The +securities would be in the same +class as the fully paid +ordinary securities of the entity (ignoring the fact that they do not rank equally for the next dividend - in the case of a trust, distribution - and ignoring any right to participate in a concurrent offer) and there are at least 1 million +securities.

(b) The +securities are a +class of partly paid +securities, there are at least 1 million +securities, they are paid to not less than 40% of their issue price and the uncalled amount is payable on a fixed date which is within 12 months after the date of issue.

Condition 7 [Not used]

Condition 8 [Not used]

Condition 9 If any of the entity's quoted +securities, or its +securities that are to be quoted, are +CHESS approved +securities, a new +class must be +CHESS approved +securities, unless +POMSoX in its absolute discretion decides otherwise.

Cross reference: rule 8.1. SCH Business Rules.

Condition 10 If the +securities are options issued on the exercise of other options, the other options must have expired, or have all been exercised.

Note: These options are sometimes called primary and secondary options. If the primary options do not have an expiry date, in order for this rule to be satisfied, all primary options must have been exercised.

Fees for quotation of additional securities

2.6 An entity seeking +quotation of +securities must pay fees in accordance with chapter 16.

Applying for quotation of additional securities

2.7 To apply for +quotation of +securities, an entity must complete Appendix 2A and give it to POMSoX. However, an entity seeking admission to the +official list need not complete Appendix 2A if it has included the +securities in its Appendix 1A, 1B or 1C.

Time limits for applying

2.8 An entity must apply for +quotation of +securities as follows.

2.8.1 In accordance with Appendix 6A or Appendix 7A.

2.8.2 If the +securities are +restricted securities - within 10 +business days after the end of the escrow period.

2.8.2A If unquoted partly paid +securities become fully paid +securities in the same +class as quoted fully paid +securities - within 10 +business days after the date of final payment.

Cross reference: rule 2.4.

2.8.3 In other cases - within 10 +business days after the date of final allotment.

However, in the case of an +employee incentive scheme that involves frequent issues of +securities, POMSoX may agree that application for +quotation may be made less often.

Note: In relation to securities issued under an employee incentive scheme, the following agreement with POMSoX may be reached.

(a) The entity notifies POMSoX of the number of securities issued under the employee incentive scheme each month, and completes Appendix 2A. It must do so by the 10th business day of the next month. If POMSoX decides not to quote the securities it will notify the entity shortly after receiving the form.

(b) Either the entity is invoiced for the securities quoted every 6 months; or the entity pre-pays the minimum fee for quotation of additional securities and is invoiced for a further pre-payment of the minimum fee once the amount pre-paid is used up.

Rules that apply to all securities

POMSoX's discretion concerning quotation

2.9 +Quotation of an entity's +securities is in POMSoX's absolute discretion. POMSoX may grant +quotation on any conditions it thinks appropriate. POMSoX may grant or refuse +quotation without giving any reasons.

How and when quotation occurs

2.10 POMSoX will quote +securities on the date it decides. POMSoX may quote the +securities on any conditions it thinks appropriate.

Note: In the case of an entity seeking first quotation of securities, quotation will normally be granted 3 business days after holding statements have been sent to holders. POMSoX may quote securities earlier if it is satisfied that the market is fully informed and all participants have an equal opportunity to participate in the market at the time quotation starts.

Re-quotation of forfeited shares

2.11 Forfeited shares cease to be quoted from the time of forfeiture. If they rank equally with a +class of quoted shares, they will be re-quoted when POMSoX has been advised that they have been sold or reissued, or redeemed by the former holder.

Cross reference: rule 16.4.

No quotation of restricted securities during escrow period

2.12 +Restricted securities will not be quoted during the escrow period.

Cross reference: Chapter 9.

2.13 [Not used]

Rules that apply in CHESS

2.14 If any of an entity's quoted +securities, or its +securities that are to be quoted, are +CHESS approved securities, a new +class that is to be quoted must be +CHESS approved, unless POMSoX decides otherwise.

Cross reference: SCH Business Rules

Quotation of partly paid shares in no liability company

2.15 A +no liability company may have only one +class of partly paid shares which are +quoted.

PDIs

2.16 An entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be held in uncertificated form must have +PDIs issued over quoted +securities.

Chapter 3

Continuous disclosure

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Timetable	Appendix 3A
New issue announcement	Appendix 3B

Explanatory note

This chapter sets out the continuous disclosure requirements that an entity must satisfy. Continuous disclosure is the timely advising of information to keep the market informed of events and developments as they occur. Information for release to the market must be given to POMSoX.

Entities should note Chapter 4, which deals with periodic disclosure, and Chapter 5, which deals with additional reporting requirements for +mining entities and others. Chapter 15 sets out where the draft and final documents must be lodged.

Immediate notice of material information

General rule

3.1 Once an entity is or becomes +aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell POMSoX that information. This rule does not apply to particular information while each of the following applies.

3.1.1 A reasonable person would not expect the information to be disclosed.

3.1.2 The information is confidential.

3.1.3 One or more of the following applies.

(a) It would be a breach of a law to disclose the information.

(b) The information concerns an incomplete proposal or negotiation.

(c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure.

(d) The information is generated for the internal management purposes of the entity.

(e) The information is a trade secret.

Examples: The following information would require disclosure if material under this rule:

- a change in the entity's financial forecast or expectation.
- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its child entities.
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
- a change in the control of the management company or the trustee of a trust.
- a proposed change in the general character or nature of a trust.
- a recommendation or declaration of a dividend or distribution.
- a recommendation or decision that a dividend or distribution will not be declared.
- under subscriptions or over subscriptions to an issue.
- a copy of a document containing market sensitive information that the entity lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to POMSoX must be in English.
- an agreement or option to acquire an interest in a mining tenement, including the number of tenements, a summary of previous exploration activity and expenditure, where the tenements are situated, the identity of the vendor and the consideration for the tenements. Cross reference: Appendix 5B, which requires this information quarterly, regardless of disclosure because of its materiality.
- information about the beneficial ownership of shares obtained under Part VIII of the Securities Act 1997.
- giving or receiving a notice of intention to make a takeover.
- an agreement between the entity (or a related party or subsidiary) and a director (or a related party of the director).

Cross reference: Appendix 6A

Notice of specific information

Entity making a takeover

3.2 If an entity, or one of its +child entities, extends the time for acceptances under a +takeover scheme, the entity must immediately tell POMSoX the following information.

3.2.1 The percentage of shares to which the offeror was entitled when the first of the offers was made.

3.2.2 The percentage of shares to which the offeror is entitled at the date of the extension.

3.3 If an entity, or one of its +child entities, is making a takeover offer, the entity must tell POMSoX the following information. It must do so at least half an hour before the commencement of trading on the +business day following the closing date of the takeover offer.

3.3.1 The percentage of shares in the relevant +class to which the offeror is entitled.

3.3.2 Whether compulsory acquisition will proceed.

Cross reference: rules 17.4, 17.11, 17.14.

3.4 Within 10 +business days after the close of a takeover offer, an entity must give POMSoX the following information.

3.4.1 If the entity (or one of its +child entities) made the +takeover and the consideration was +equity securities in the entity, a distribution schedule as set out in rule 4.10.7; and the names of, and percentages held by, the 20 largest holders as set out in rule 4.10.9.

3.4.2 If the entity was subject to the +takeover and compulsory acquisition will not proceed, a distribution schedule as set out in rule 4.10.7; and the names of, and percentages held by, the 20 largest holders as set out in rule 4.10.9.

3.5 [Not used]

3.6 [Not used]

3.7 [Not used]

3.8 [Not used]

3.9 [Not used]

Capital

3.10 An entity must immediately tell POMSoX the following information.

3.10.1 Details of a reorganisation to be made to its capital (in the case of a trust, interests).

3.10.2 Details of a call to be made on its shares (in the case of a trust, an instalment to be made on its +units).

3.10.3 A proposed issue of +securities. The entity must complete Appendix 3B and give it to POMSoX at the same time.

Note: An agreement which, alone or with another agreement, may result in an issue of securities is covered by this rule.

For a pro-rata issue to security holders, see Chapter 7.

3.10.4 The lodging of a prospectus. A copy of the prospectus must be given to POMSoX immediately after it is lodged (if registrable, immediately after it is registered).

Note: Part 1 of Appendix 3B must be completed.

Cross reference: rule 3.1.

3.10.5 An issue of +securities that has been made.

Note: For a pro-rata issue to security holders, see Chapter 7.

3.10.6 Details of the exercise by an underwriter of a right to avoid or change the underwriter's obligations.

Cross reference: rule 3.11.3.

Options

3.11 An entity must tell POMSoX the following information.

3.11.1 [Not used]

3.11.2 A change to the exercise price of an option, or the number of +underlying securities over which the option is exercisable, and the date the change becomes effective. The entity must tell POMSoX at least 5 +business days before the change becomes effective.

Cross reference: Chapter 6 sets out ways in which the exercise price of an option may change.

3.11.3 Immediately after it enters into an underwriting agreement for the exercise of options. The entity must tell POMSoX the name of the underwriter and the fee or commission payable.

Cross reference: rule 3.10.6, 7.2 Exception 12.

Forfeited shares in NL companies

3.12 If shares in a +no liability company are forfeited, the company must immediately tell POMSoX of the forfeiture. It must also tell POMSoX the following information at the times set out in the following rules.

3.12.1 The time and date of the auction of the forfeited shares. It must do this at least 10 +business days before the date of the auction.

Cross reference: rule 7.39.

3.12.2 Until the auction, the number of shares redeemed by former holders each week. It must do this by midday each Monday until the date on which it proposes to sell the remaining forfeited shares by auction.

3.12.3 After the auction, the number of shares offered for sale, the number sold, the number remaining forfeited, the average sale price (or range of prices) and the proceeds of sale. It must do this by midday on the day after the auction.

3.12.4 After the auction, any net amount payable to former holders of shares forfeited for non-payment of calls, and the amount payable per share. It must do this within 5 +business days after the auction.

3.12.5 The number of shares re-issued, the proceeds raised and the number of shares remaining forfeited. It must do this immediately after the close of any offer to shareholders.

3.12.6 The number of shares to be sold, and the way in which this will be done. It must do this on the day before the sale.

Example: If the shares will be placed this must be stated.

3.12.7 The number of shares sold, the number remaining forfeited, the average price (or range of prices) and the proceeds of sale. It must do this at least once each week.

3.12.8 The number of shares cancelled. It must do this by midday on the day after the general meeting held to consider cancellation.

Meetings

3.13 An entity must tell POMSoX the following information.

3.13.1 If directors may be elected at a meeting of +security holders, the entity must tell POMSoX the date of the meeting at least 5 +business days before the closing date for the receipt of nominations.

Cross reference: rule 3.17.

3.13.2 The outcome in respect of each resolution to be put to a meeting of +security holders. The entity must do so immediately after the meeting has been held. If the meeting is adjourned, the entity must immediately tell POMSoX of the adjournment and the outcome in respect of each resolution dealt with before the adjournment.

3.13.3 The contents of any prepared announcement (including any prepared address by the chairperson) that will be delivered at a meeting of +security holders. A copy must be given to POMSoX no later than the start of the meeting.

Note: POMSoX does not recognise embargoes on the release of information. See rule 15.8.

Statements must comply with rule 5.6.

If other material information is released at the meeting, the entity must immediately tell POMSoX. See rule 3.1.

Offices

3.14 An entity must immediately tell POMSoX of a change of its registered office, address for service or principal administrative office.

Registers

3.15 An entity must immediately tell POMSoX the following information.

3.15.1 A change of address of an office at which a register of its +securities is kept.

3.15.2 If the entity is a Papua New Guinea entity, a proposal to cease operating in Papua New Guinea a Papua New Guinea register (or subregister) of its +securities. It must do so at least 20 +business days before the date the register (or subregister) will cease to operate. The entity must also tell POMSoX the address of the register (or subregister) on which +securities will be recorded.

Cross reference: rule 8.2.

3.15.3 If the entity is a +foreign entity, a proposal to cease operating in Papua New Guinea a +securities register (or subregister) or a register of depositary receipts. It must do so at least 20 +business days before the date the register (or subregister) will cease to operate. The entity must also tell POMSoX the address of the register (or subregister) on which +securities will be recorded, or give POMSoX information necessary to facilitate registration of its +securities overseas.

Cross reference: rules 1.1 Condition 4, 8.2 and 8.15.

Change of chairperson, directors, management company, auditors etc

3.16 An entity must immediately tell POMSoX the following information.

Note: When an entity tells POMSoX of a change under this rule, the position of the new person should be given with the name.

3.16.1 A change of chairperson, director, chief executive officer (or equivalent), or company secretary.

3.16.2 If the entity is a trust, a change of the management company (or the chairperson, director, chief executive officer (or equivalent) or secretary of the management company) or trustee.

3.16.3 A change of its auditor.

Documents sent to security holders

3.17 An entity must immediately give POMSoX a copy of a document it sends to holders of +securities in a +class.

Note: In some cases, an entity must give POMSoX a draft document (eg, a notice of meeting) in advance of it being sent out. See Chapter 15.

Example: A company must give POMSoX a copy of a letter sent to shareholders.

Cross reference: Chapter 14 deals with the requirements for meetings. Chapter 4 deals with accounts and related disclosure.

Additional disclosure if loans are an asset

3.18 If POMSoX asks, an entity with loans included in its assets must tell POMSoX the following information.

(a) The amount of each loan.

(b) The identity of the borrower, and any direct or indirect interest which a director of the entity (in the case of a trust, the management company or a director of the management company) has in the borrower.

(c) The +security held.

(d) The interest rate.

(e) The maturity date.

(f) Any other information in relation to the loan that POMSoX asks for.

Ownership limits

3.19 If an entity's constitution with POMSoX's agreement, or a law (except the Companies Act 1997 or the Securities Act 1997), restricts the ownership or control of +securities or control of votes to a specified percentage, and the entity becomes +aware that the percentage held by a class of +persons restricted to owning or controlling that percentage

has come within 5 percentage points of the restriction, or equals or exceeds it, the following rules apply.

3.19.1 If the entity becomes +aware of any changes of more than 1 percentage point in the capital (in the case of a trust, interests) or votes held by +persons in the class the entity must immediately tell POMSoX of the change. It must do so for each change it becomes +aware of until rule 3.19.3 applies.

3.19.2 Each time the entity tells POMSoX of any change, it must state what action it will take to divest the +securities, or to remove or change the voting or other rights attaching to them, if it receives a transfer in registrable form for +securities whose registration would result in the restriction being exceeded.

3.19.3 If the entity becomes +aware that the percentage of capital (interests) or votes held by the class of +persons referred to in rule 3.19.1 has ceased to be within 5 percentage points of the restriction, or to equal or exceed it, the entity must immediately tell POMSoX.

Example: A law requires a company to restrict ownership to a class of persons to no more than 40% of its total ordinary capital. If the entity becomes aware that ownership of its ordinary capital has reached 35% of its total ordinary capital it must tell POMSoX under this rule. It must tell POMSoX under rule 3.19.1 if it becomes aware of changes that reach 36%, 37% of its total ordinary capital etc. It must tell POMSoX under rule 3.19.3 if it becomes aware of changes that take the level of restricted ownership below 35%.

Cross reference: rule 8.11.

Compliance with timetable

3.20 An entity must tell POMSoX of a proposed +record date. The entity must comply with Appendix 3A unless a specific timetable applies.

Cross reference: Timetables are in Appendix 6A and Appendix 7A. For the record date in relation to interest on quoted debt securities and convertible debt securities, see Appendix 6A(2). See also rules 7.13, 7.14 and 7.15

Chapter 4

Periodic Disclosure

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Explanatory note

This chapter sets out the periodic disclosure requirements that an entity must satisfy at its half year and end of year.

Periodic disclosure is made to POMSoX. If the Companies Act 1997 applies, and an entity (in the case of a trust, the management company) lodges financial statements with the +Registrar, the same documents must also be given to POMSoX no later than the time they are lodged with the +Registrar.

POMSoX requires an +annual report to be sent to holders of +ordinary securities and preference +securities.

Note Chapter 3 (dealing with continuous disclosure) and Chapter 5 (dealing with additional reporting on mining and exploration activities). In particular note that statements in the +annual report must comply with rule 5.6.

Half yearly disclosure

Entity to complete Appendix 4B (Half yearly report)

4.1 Following the end of the half year of an entity (except a +mining exploration entity), the entity (in the case of a trust, the management company) must complete Appendix 4B and give it to POMSoX. A management company must complete Appendix 4B with any necessary adaptation. The financial statements on which Appendix 4B is based must be audited or subject to review. This may be completed after Appendix 4B has been given to POMSoX.

Note: Foreign entities may complete the appendix in accordance with Papua New Guinea accounting standards, or other accounting standards acceptable to POMSoX. POMSoX will accept, for example, the use of International Accounting Standards.

Cross reference: rules 5.6, 19.11A.

4.1.1 The entity must give the appendix to POMSoX immediately the information is available, and no later than the time that it lodges any financial statements with the +Registrar. It must do so in any event within 75 days after the end of the accounting period.

Note: There may be information available that is material under rule 3.1. If so, it must be given to POMSoX in accordance with that rule, even though the information may later also be included in Appendix 4B.

If financial statements must be lodged with the Registrar, this rule requires that the appendix be given to POMSoX no later than the time that the financial statements are lodged with the Registrar.

4.2 [Not used]

Annual disclosure

Entity to complete Appendix 4B (Preliminary final report)

4.3 Following the end of the financial year of an entity (except a +mining exploration entity), the entity (in the case of a trust, the management company) must complete Appendix 4B and give it to POMSoX. A management company must complete Appendix 4B with any necessary adaptation. The financial statements on which Appendix 4B is based must be audited. This may be completed after Appendix 4B has been given to POMSoX.

Foreign entities may complete the appendix in accordance with accounting standards acceptable to POMSoX. POMSoX will accept, for example, the use of International Accounting Standards.

Cross reference: rules 5.6 and 19.11A.

4.3.1 The entity must give the appendix to POMSoX immediately the information is available, and no later than the time that it lodges any financial statements with the +Registrar. It must do so in any event within 75 days after the end of the accounting period.

Note: There may be information available that is material under rule 3.1. If so, it must be given to POMSoX in accordance with that rule even though the information may later also be included in Appendix 4B.

If financial statements must be lodged with the Registrar, this rule requires that the appendix be given to POMSoX no later than the time that the financial statements are lodged with the Registrar. See also rule 4.5.

Cross reference: rule 5.6.

Entity to complete Appendix 4B on change of balance date

4.4 If an entity, except a +mining exploration entity, changes its annual balance date so that its next annual financial statements cover a period that is more than l2 months, the entity must complete Appendix 4B covering the l2 months since its previous balance date and give it to POMSoX.

Note: This rule does not require an entity whose balance date varies by up to one week each year to complete the appendix for the changed period.

4.4.1 The entity must give POMSoX the appendix immediately the information is available. It must do so in any event within 75 days after the end of the l2 month period.

Entity to give POMSoX annual financial statements lodged with the Registrar

4.5 If an entity (in the case of a trust, the management company) is required to comply with the Companies Act 1997 in relation to lodgement of annual financial statements, it must give POMSoX a copy of the documents that it lodges with the +Registrar under the Companies Act 1997 no later than the time that it lodges them.

Sending annual report to security holders

4.6 An entity (in the case of a trust, the management company) must send an +annual report to holders of its +ordinary securities and preference +securities. It must do so before the end of 19 weeks (in the case of a trust, before the end of 90 days) after the end of its financial year.

Note: If financial statements containing the information required by rule 4.10 have already been sent to security holders under the Companies Act 1997 (eg, for the annual meeting of shareholders), and to preference security holders and the annual report contains no additional information, this rule is complied with. The entity must still comply with rule 4.7.

Cross reference: rule 5.6.

4.6.1 However, this rule does not apply in relation to a particular +security holder if the entity (in the case of a trust, the management company):

(a) is entitled not to send financial statements to that +security holder; or

(b) is entitled to send, and sends, a +short report to that +security holder.

Note: Sections 210 and 211 of the Companies Act 1997 entitle a company to send a short report to a security holder who requests it.

Entity to give POMSoX annual report

4.7 At the time it sends the documents referred to in rule 4.6 to +security holders, the entity (in the case of a trust, the management company) must give POMSoX a copy of the +annual report and any +short report sent.

Note: rule 15.4 requires 2 hard copies of an annual report to be given to POMSoX.

Cross reference: rules 15.3, 15.4.

4.7.1 However, an entity need not give POMSoX the +annual report if it comprises only the financial statements already given to POMSoX. The entity must tell POMSoX if this is the case.

Securities in an unlisted entity

Disclosure if the securities are main asset

4.8 If +securities in an unlisted entity, or loans or advances to it, are a listed entity's main asset, the listed entity must give POMSoX the latest financial statements of the unlisted entity (including any auditor's report or statement) when the listed entity gives POMSoX the documents required under rule 4.6. The listed entity does not have to do so if the unlisted entity's financial statements are consolidated with the financial statements of the listed entity.

4.8.1 If a listed entity must give POMSoX the accounts of an unlisted entity under this rule, it must give a +security holder, on request, the financial statements of the unlisted entity (including any auditor's report or statement).

Disclosure if POMSoX asks

4.9 If +securities in an unlisted entity, or loans or advances to it, are included in a listed entity's assets, the listed entity must give POMSoX the latest financial statements of the unlisted entity (including any auditor's report or statement) if POMSoX asks.

Additional information to be included in the annual report by all entities

Additional information to be included by all entities

4.10 An entity must include the following information in its +annual report. The information must be current as at a specified date, that is no more than 8 weeks before the report is sent to +security holders.

Cross reference: rule 5.6.

4.10.1 A statement of all material differences between the information in the entity's Appendix 4B and the information in the financial statements in its +annual report, including the amounts of, and reasons for, the differences.

4.10.2 Whether the entity had an audit committee as at the date of the directors' (or trustee's) report. If the entity did not, it must explain why.

Note: If the entity is a trust, its audit committee may also be the management company's audit committee.

4.10.3 A statement of the main corporate governance practices that the entity had in place during the reporting period. If a practice had been in place for only part of the period, the entity must state the period during which it had been in place.

Note: Appendix 4A provides an indicative list of corporate governance matters. If the entity is a trust, the corporate governance practices of the management company may also be the practices of the trust.

4.10.4 The names of +substantial shareholders in the entity, and the number of +equity securities to which each has an entitlement, as disclosed in substantial shareholding notices given to the entity. If a substantial shareholding notice discloses that related bodies corporate have the same entitlement in the same number of +equity securities, the +annual report need only include the name of the holding company.

Note: PDIs are equity securities.

4.10.5 The number of holders of each +class of +equity securities.

Note: PDIs are equity securities.

4.10.6 The voting rights attaching to each +class of +equity securities.

Note: PDIs are equity securities.

4.10.7 A distribution schedule of the number of holders in each +class of +equity securities (in the case of +securities over which +PDIs have been issued, including holders of +PDIs), in the categories:

1 - 1,000

1,001 - 5,000

5,001, - 10,000

10,001 - 100,000

100,001 - and over.

4.10.8 The number of holders holding less than a +marketable parcel of the entity's +main class of +securities (in the case of +securities over which +PDIs have been issued, including holders of +PDIs), based on the +market price at the specified date.

4.10.9 The names of the 20 largest holders of each +class of quoted +equity securities, the number of +equity securities each holds and the percentage of capital (in the case of a trust, interests) each holds.

4.10.10 The name of the entity's secretary if any (in the case of a trust, the name of the management company and its secretary if any).

4.10.11 The address and telephone number of the entity's registered office, address for service and its principal administrative office in Papua New Guinea.

4.10.12 The address and telephone number of each office at which a register of +securities, register of depositary receipts or other facilities for registration of transfers is kept.

Note: PDIs are securities.

4.10.13 A list of other stock exchanges on which any of the entity's +securities are quoted.

4.10.14 The number of +restricted securities that are on issue, and the date from which they cease to be +restricted securities.

4.10.15 If the entity is a +mining exploration entity, a list of its interests in +mining tenements, where the tenements are situated and the percentage interest it holds in each.

4.10.16 For each +class of unquoted +equity securities (except +PDIs), the number of +equity securities that are on issue and the number of holders. In addition, if a +person holds 20% or more of the +equity securities in an unquoted +class, the name of the holder and number of +equity securities held, unless the securities were issued or +acquired under an +employee incentive scheme.

Amount of quoted debt securities

4.11 An entity with +quoted +debt securities must tell POMSoX the aggregate face value of each +class of its +quoted +debt securities on issue as at 30 November. It must do so by 15 December each year.

Investment entity's net tangible asset backing

4.12 Within 14 days after the end of each month, an +investment entity must tell POMSoX the +net tangible asset backing of its +quoted +securities as at the end of that month.

Chapter 5

Additional reporting on mining and exploration activities

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+Mining exploration entity quarterly report	Appendix 5B

Explanatory note

This chapter sets out disclosure requirements additional to those in Chapter 3 (continuous disclosure) and Chapter 4 (periodic disclosure) that +mining entities and others must satisfy. A +mining entity includes a +mining producing entity and a +mining exploration entity.

Where indicated, other entities must comply with requirements in this chapter. Usually the disclosure is required from an entity which has, or whose +child entity has, +acquired an interest in a +mining tenement.

Information for release to the market must be given to POMSoX.

When to report

Mining producing entities and others

5.1 A +mining producing entity, and any other entity that POMSoX asks, must complete a report (consolidated if applicable) concerning each quarter of its financial year and give it to POMSoX. It must do so no later than 1 month after the end of the quarter. The report must include each of the following.

5.1.1 Details of the mining production and development activities of the entity or group relating to mining and related operations, and a

summary of the expenditure incurred on those activities. If there has been no production or development activity, that fact must be stated.

5.1.2 A summary of the exploration activities (including geophysical surveys) of the entity or group, and a summary of the expenditure incurred on those activities. If there has been no exploration activity, that fact must be stated.

Mining exploration entities and others

5.2 A +mining exploration entity, and an entity which has or whose +child entity has +acquired an interest in a +mining tenement, must complete a report (consolidated if applicable) concerning each quarter of its financial year and give it to POMSoX. It must do so no later than 1 month after the end of the quarter. The report must include each of the following.

5.2.1 Details of the exploration activities of the entity or group (including geophysical surveys), and a summary of the expenditure incurred on those activities. If there has been no exploration activity, that fact must be stated.

5.2.2 Details of the mining production and development activities of the entity or group relating to mining, mining exploration and related operations, and a summary of the expenditure incurred on those activities. If there has been no production or development activity, that fact must be stated.

5.2.3 If POMSoX asks, the +mining exploration entity, or entity which has or whose subsidiary has +acquired an interest in a +mining tenement, must include each of the following items in each quarterly report.

(a) The location of +mining tenements held.

(b) The location of +mining tenements +disposed of during the quarter.

(c) Beneficial percentage interests in farm-in or farm-out agreements +acquired or +disposed of during the quarter.

Note: The obligation in this rule will apply to all quarterly reports from the time when POMSoX asks until POMSoX no longer requires it.

Mining exploration entity to complete Appendix 5B (Quarterly report)

5.3 A +mining exploration entity must also complete Appendix 5B and give it to POMSoX. It must do so immediately the information is

available, and in any event within 1 month after the end of each quarter of its financial year.

5.4 [Not used]

5.5 [Not used]

Requirements for reports

Reports to comply with Appendix 5A

5.6 A report prepared by a +mining entity, or an entity which has or whose +child entity has an interest in a +mining tenement, must be prepared in accordance with Appendix 5A if the report includes a statement relating to any of the following.

(a) Exploration results.

(b) +Identified mineral resources or +ore reserves (including diamonds).

(c) Identified coal +resources or +reserves.

Note: This rule also applies to statements in the annual report.

Content of reports

5.7 During the exploration stage, a report in the field of mineral exploration must include the following information.

(a) The type and method of sampling.

(b) The distribution, dimensions, assay results and relative location of all relevant samples.

Cross reference: paragraph 15 of Appendix 5A.

(c) Any other relevant basic data.

Note: This rule applies to an entity which has, or whose child entity has, acquired an interest in a mining tenement.

5.7.2 If true dimensions (particularly width of mineralisation) are not stated in the report, an appropriate qualification must be included.

5.8 Assay results must be reported using one of the following methods. The method used must be the most suitable according to the entity's geologist or mining engineer and must be stated.

Method 1 All assay results, with sample widths or size in the case of bulk samples.

Method 2 The weighted average grade of the mineralised zone, indicating clearly how the grade was calculated. When high values are recorded, they must be given in context, with full supporting data.

Note: This rule applies to an entity which has, or whose child entity has, acquired an interest in a mining tenement.

5.9 During the +pre-hydrocarbon reserve stage, a report, statement or assessment on +hydrocarbon exploration must include the following information.

(a) The depth of the zone tested.

(b) The age and, if appropriate, the rock type and formation name of the zone tested.

(c) Any liquids recovered.

(d) The flow rate.

(e) The choke size used during testing.

(f) Any other relevant basic data.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

Competent persons to compile information about minerals

5.10 A report relating to an entity's +mineral resources or +ore reserves, or coal +resources and +reserves, must be based on information compiled by a person described in Appendix 5A as a competent person.

Note: This rule applies to an entity which has, or whose child entity has, acquired an interest in a mining tenement.

5.10.1 The report must either state that it is based on the information, or be accompanied by a statement to that effect signed in the same manner as the report.

Competent persons to compile information about hydrocarbons

5.11 A report relating to an entity's +hydrocarbon reserves must be based on information compiled by a person who has a degree (or equivalent) in geology, geophysics, petroleum engineering or a related discipline; is practising or teaching geology, geophysics or petroleum engineering; and has practised or taught one of them for at least 5 years.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

5.11.1 The report must either state that it is based on the information, or be accompanied by a statement to that effect signed in the same manner as the report.

Competent persons to be identified

5.12 If the person referred to in rules 5.10 and 5.11 who compiles the information is a full-time employee of the entity, the report or attached statement must say so, name the person and accurately reflect the information compiled by that person.

Note: This rule applies to an entity which has, or whose child entity has, acquired an interest in a mining tenement.

5.13 If the person referred to in rules 5.10 and 5.11 who compiles the information is *not* a full-time employee of the entity, the person must consent in writing to the inclusion in the report of the matters based on the information in the form and context in which it appears. The report or attached statement must contain the name of the person and the person's firm or company, and state that the person consents.

Note: This rule applies to an entity which has, or whose child entity has, acquired an interest in a mining tenement.

Progress report on geophysical survey

5.14 A report on the progress of any geophysical survey must include the name, nature and status of the survey, and the permit under which the survey is being conducted.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

Hydrocarbon reports

5.15 +Probable hydrocarbon reserves must only be reported in conjunction with +proved hydrocarbon reserves. +Possible hydrocarbon reserves must only be reported in conjunction with +proved hydrocarbon reserves and +probable hydrocarbon reserves.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

5.16 A report relating to the +pre-hydrocarbon reserve stage must not use the word "reserves" in isolation.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

5.17 A report relating to the results of exploratory investigations which have reached the stage where a +hydrocarbon reserve can be estimated must use the expressions for categories of +hydrocarbon reserves in the listing rules.

Note: This rule also applies to an entity which has, or whose child entity has, acquired an interest in a well.

Terms of a mining tenement joint venture

5.18 An entity must not enter a joint venture agreement to investigate or explore a +mining tenement, unless the agreement provides that if the entity requires it the operator will give the entity all the information the entity requires to comply with the listing rules; and that the information may be given to POMSoX for release to the market if necessary for the entity to comply with the listing rules.

Cross reference: rule 3.1.

Chapter 6

Securities

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Explanatory note

This chapter deals with the rights and obligations that must be attached to +securities of a listed entity. The requirements in this chapter apply to both +quoted and unquoted +securities unless otherwise stated.

Timetables relating to this chapter are in Appendix 6A.

Appropriate and equitable requirement for all securities

6.1 The terms that apply to each +class of +equity securities must, in POMSoX's opinion, be appropriate and equitable.

Note: POMSoX has regard to the relationship between voting and other rights when it looks at whether the rights and obligations are appropriate and equitable.

Ordinary securities

One class of ordinary securities

6.2 An entity may have only one +class of +ordinary securities unless either of the following applies.

(a) POMSoX approves the terms of an additional +class.

(b) The additional +class is of partly paid +securities which, if fully paid, would be in the same +class as the +ordinary securities.

Note: PDIs issued over an entity's ordinary securities are not an additional class of ordinary securities. An entity may have different classes of preference securities.

Preference securities

Voting rights of preference shares

6.3 The holder of a preference share must be entitled to a right to vote in each of the following circumstances and in no others.

6.3.1 During a period during which a dividend (or part of a dividend) in respect of the share is in arrears.

6.3.2 [Not used]

6.3.2A [Not used]

6.3.3 On a proposal that affects rights attached to the share.

6.3.4 On a proposal to wind up the entity.

6.3.5 On a proposal for the disposal of the whole of the entity's property, business and +undertaking.

6.3.6 During the winding up of the entity.

Cross reference: rules 6.8, 6.10.

Voting rights of preference securities that are not shares

6.4 A preference +security that is not a share must entitle the holder to rights to vote as set out in rule 6.3, with any necessary adaptation.

Example: A trust issuing preference units must comply with this rule.

Cross reference: rules 6.8, 6.10.

Dividend or distribution rights

6.5 The holder of a preference +security must be entitled to a dividend (in the case of a trust, distribution) at a commercial rate in preference to holders of +ordinary securities.

Note: The matters POMSoX may have regard to in deciding if this rule has been met include the rate of return relative to the return on the entity's ordinary securities, and the return available in the money market generally.

Cross reference: rule 6.11, dealing with the rights of partly paid securities to a proportional dividend.

Return of capital

6.6 The holder of a preference +security must be entitled to return of capital (in the case of a trust, funds) in preference to holders of +ordinary securities when the company is wound up or the entity is ended.

Additional rights of preference securities

6.7 A holder of a preference +security must be entitled to the same rights as a holder of an +ordinary security in relation to receiving notices, reports and audited accounts, and attending meetings.

Rules that apply to all equity securities

Voting rights on a show of hands

6.8 On a resolution to be decided on a show of hands, each holder of an +ordinary security, and each holder of a preference +security who has a right to vote, must be entitled to one vote.

Note: An entity's constitution may provide that a proxy is entitled to vote on a show of hands. However, an entity whose constitution does not allow a proxy to vote on a show of hands is not in breach of this rule. The entity must allow a proxy to vote on a poll.

Cross reference: rule 6.10.

Voting rights on a poll

6.9 On a resolution to be decided on a poll, each holder of an +ordinary security, and each holder of a preference +security who has a right to vote, must be entitled to one vote for each fully paid +security and a fraction of a vote for each partly paid +security. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this rule, amounts paid in advance of a call are ignored when calculating the proportion.

Example: A company issues shares for 20 toea each, paid to 1 toea and with a further 18 toea credited, leaving 1 toea to pay. The voting entitlement of the share is one-half of a vote because the 18 toea that is credited is ignored when calculating the amounts paid and payable for this purpose. If the amount actually paid is 19 toea, the voting entitlement is 19/20 of a vote.

A company issues shares for 25 toea each. They are paid to 1 toea with a further 18 toea credited, leaving 6 toea to pay. The voting entitlement of the share is one-seventh of a vote because the 18 toea that is credited is ignored when calculating the amounts paid and payable for this purpose. If the amount actually paid is 19 toea, the voting entitlement is 19/25 of a vote.

Cross reference: rule 6.10.

6.9.1 [Not used]

Removing or changing voting rights and dividend (distribution) rights

6.10 An entity must not remove or change a +security holder's right to vote, or receive dividends (in the case of a trust, distributions), in respect of particular +securities except in any of the following cases.

6.10.1 Calls due and payable on those +securities have not been paid.

6.10.2 In the case of the voting right, the instrument appointing a proxy in respect of those +securities has not been deposited in accordance with the entity's constitution.

6.10.3 In the case of the voting right, the +person became the holder of those +securities after the time determined under the Companies Act 1997 as the time for deciding who held +securities for the purposes of the meeting.

Cross reference: SCH Business Rules

Note: See section 106 of the Companies Act 1997.

6.10.4 The right is removed or changed under Papua New Guinea legislation, or under a provision in the entity's constitution that must be included to comply with Papua New Guinea legislation. Any such provision must cease to operate once it is no longer necessary.

6.10.5 The right is removed or changed under a provision in the entity's constitution that is permitted by the listing rules, or that POMSoX has approved as appropriate and equitable.

Note: POMSoX requires provisions restricting the right to vote restricted securities in some circumstances. See Chapters 9 and 15.

Example: POMSoX may approve provisions needed by an entity to get or maintain a licence, or approval for its business, from a relevant authority in Papua New Guinea. POMSoX will have regard to the mechanism the entity adopts for divesting the securities.

6.10.6 The right is removed or changed under a court order.

Dividends (and distribution rights) and issues of bonus securities

6.11 The holder of a partly paid +security must not be entitled to a greater proportion of either:

(a) a dividend (in the case of a trust, distribution); or

(b) an issue of bonus +securities,

than the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this rule, amounts paid in advance of a call are ignored when calculating the proportion.

Note: The prohibition on the issue of bonus securities covers bonus issues (defined in rule 19.12 by reference to a pro rata issue) and an issue of bonus securities which is not pro rata.

Example: A company issues shares for 20 toea each, paid to 1 toea and with a further 18 toea credited, leaving 1 toea to pay. The dividend entitlement of the share is one-half of that for a fully paid share because the 18 toea that is credited is ignored in calculating the amounts paid and payable for this purpose. If the amount actually paid is 19 toea, the dividend entitlement is 19/20 of a fully paid share.

A company issues shares for 25 toea each. They are paid to 1 toea with a further 18 toea credited, leaving 6 toea to pay. The dividend entitlement of the share is one-seventh of that of a fully paid share because the 18 toea that is credited is ignored when calculating the amounts paid and payable for this purpose. If the amount actually paid is 19 toea, the dividend entitlement is 19/25 of a fully paid share.

6.11.1 The issue of bonus shares must be in the proportion set out in the rule.[Not used]

Divestment of equity securities

6.12 A +security holder must not be divested of any +equity security except in any of the following cases.

6.12.1 The divestment is under Papua New Guinea legislation, and the mechanism the entity adopts for divesting the +security is set out in the legislation, or is approved by POMSoX as appropriate and equitable.

6.12.2 The divestment is under a provision in the entity's constitution that must be included to comply with Papua New Guinea legislation. Any provision must cease to operate once it is no longer necessary.

6.12.3 The divestment is under a provision in the entity's constitution that is permitted by the listing rules, or that POMSoX has approved as appropriate and equitable.

Example: POMSoX may approve provisions needed by an entity to get or maintain a Papua New Guinea licence or approval for its business. POMSoX will have regard to the mechanism the entity adopts for divesting the securities.

Cross reference: rule 15.13.

6.12.4 The divestment is under a court order.

6.12.5 The divestment is under a lien permitted by the listing rules.

Cross reference: rule 6.13

Right to a lien on equity securities

6.13 An entity must not have a lien over particular +securities, or over dividends (in the case of a trust, distributions) it pays on them, except in any of the following cases.

6.13.1 An unpaid call or instalment is due but unpaid on those +securities.

6.13.2 If the +securities were +acquired under an +employee incentive scheme, an amount is owed to the entity for +acquiring them.

6.13.3 An amount that the entity is required by law to pay (and has paid) in respect of the +securities of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

Rights and obligations that apply only to options

General rules

6.14 When an option is issued, the exercise price for each +underlying security must be at least 20 toea in cash.

6.15 All quoted options issued by an entity with the same expiry date must have the same terms. All quoted options with no expiry date must have the same terms.

6.16 An option's terms must allow the rights of an option holder to be changed to comply with the listing rules applying to a reorganisation of capital (in the case of a trust, interests) at the time of the reorganisation.

Note: Just incorporating the provisions for reorganising options in rule 7.22 will not satisfy this rule, as rule 7.22 may change between issue of the options and the reorganisation. One acceptable approach is to include an option term that says that the rights of an option holder will be changed to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.

Cross reference: rule 7.22.

6.17 [Not used]

6.18 An option must not be exercisable over a percentage of the entity's capital.

Participation in new issues of underlying securities

6.19 An option's terms must contain a statement of the rights the option holder has to participate in new issues without exercising the option, or a statement that the option holder cannot participate in new issues without exercising the option.

Note: This rule does not prevent an option holder from exercising an option and participating in a new issue if the option is exercisable at the time of the new issue.

Cross reference: Appendix 7A, paragraphs 2, 3 and 4.

6.20 An option must not confer the right to participate in a new issue without exercising the option except in either of the following cases.

6.20.1 [Not used]

6.20.2 If the option was issued under a +pro rata issue to the holders of +ordinary securities, the option holder can participate in a new issue to the holders of the +underlying securities.

6.20.3 If the option was issued with the approval of holders of +ordinary securities, and is not in a +class of quoted options, the option holder can participate in a new issue to the holders of the +underlying securities at the same time and price as the holders of the +underlying securities in accordance with the terms of the option. The notice of meeting must have contained a report by an independent expert on the effect of the proposed right of participation, and a +voting exclusion statement.

Change of option's exercise price or the number of underlying securities

6.21 An option must not confer the right to a change in exercise price, or a change to the number of +underlying securities over which it can be exercised:

(a) if the option confers a right to participate in new issues without exercising the option, and

(b) unless the right is permitted under rule 6.22.

An option's terms must contain a statement of any rights the option holder has to a change in the exercise price of the option, or a change to the number of +underlying securities over which the option can be exercised.

Note: If there are no rights to change, this rule requires that fact to be stated in the terms of the option.

6.22 An option may confer the right to a change in its exercise price, or a change to the number of +underlying securities over which it can be exercised, in any of the following cases.

6.22.1 [Not used]

6.22.2 If there is a +pro rata issue (except a +bonus issue) to the holders of the +underlying securities, the exercise price of an option may be reduced according to the following formula.

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

O′ = the new exercise price of the option. In the case of an option over a share, the new exercise price may not be reduced below the issue price of the share.

O = the Old exercise price of the option.

E = the number of +underlying securities into which one option is Exercisable.

Note: E is one unless the number has changed because of a bonus issue.

P = the average +market price per share (weighted by reference to volume) of the +underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the Subscription price for a +security under the +pro rata issue.

D = the Dividend (in the case of a trust, Distribution) due but not yet paid on the existing +underlying securities (except those to be issued under the +pro rata issue).

N = the Number of +securities with rights or entitlements that must be held to receive a right to one new +security.

Example: The capital of a company comprises ordinary shares issued for 20 toea each and options over unissued ordinary shares exercisable at K1.00 each. The company announces a 4:7 pro rata issue. There is no dividend payable. The issue price for the shares under the rights issue is K2.00. The average price that ordinary shares trade at over the 5 trading days ending on the day before the ex rights date or ex entitlement date is K3.00 after the announcement. To receive one right a shareholder must hold 1.75 ordinary shares (7 ÷ 4 = 1.75, which is N). The amount by which the exercise price of an option is to be reduced is calculated as follows:

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

$$= 1 - \frac{1[3.00 - (2.00 + 0)]}{1.75 + 1}$$

$$= 63.6364 \text{ toea}$$

The new exercise price of the option is 63.6364 toea and the option holder has gained the benefit of any bonus element in the pro rata issue. This benefit is the same as that conferred on shareholders. There is no change in the number of shares to which the option holder is entitled. At the time when the option is exercised, it may be necessary to round up or round down any fraction of a toea remaining after aggregating the exercise price of each of the options exercised by the holder.

6.22.2A As an alternative to using the formula in rule 6.22.2, if the option was issued with the approval of holders of +ordinary securities, and is not

in a +class of +quoted options, the exercise price or number of +underlying securities may change if there is a +pro rata issue (except a +bonus issue) to the holders of the +underlying securities in accordance with the formula contained in the terms of the option. The notice of meeting must have contained a report by an independent expert on the effect of the proposed change, and a +voting exclusion statement.

6.22.3 If there is a +bonus issue to the holders of the +underlying securities, the number of +securities over which the option is exercisable may be increased by the number of +securities which the holder of the option would have received if the option had been exercised before the +record date for the +bonus issue.

Example: The capital of a company comprises ordinary shares issued for K1.00 each and options over unissued ordinary shares exercisable at K1.00 each. The entity makes a 1:1 bonus issue. An option holder with 1000 options with a total exercise price of K1000 will have an entitlement to 2000 securities for a total exercise price of K1000. Each option is exercisable for K1.00 and entitles the holder to 2 shares. The exercise price per option stays the same (ie K1.00). If the entity has a further 1:1 bonus issue, the option holder would become entitled to 4000 securities for a total exercise price of K1000. Each option is exercisable for K1.00 and entitles the holder to 4 shares. The exercise price per option stays the same (ie K1.00).

Cross reference: rule 3.10.3, 3.11.2.

6.22.4 If the terms of an option on issue before the commencement of these rules provide for adjustment (but not the method) and there is a +pro rata issue to the holders of the +underlying securities, any adjustments must be made as set out in this rule.

6.22.5 This rule does not apply to options issued pro rata on the same terms as options already on issue.

Other changes in terms of options

6.23 The terms of an option can only change if holders of +ordinary securities approve of the change. The notice of meeting must include a +voting exclusion statement. However, the terms of an option cannot be changed to reduce the exercise price, increase the number of +underlying securities or change any period for exercise.

Compliance with timetables

6.24 An entity must comply with Appendix 6A.

Chapter 7

Changes in capital and new issues

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Explanatory note

This chapter deals principally with entities changing their capital, either by issuing +securities or reorganising existing capital (including reconstructions and buy-backs). Because of the complexity that often surrounds issues and reorganisations, entities are encouraged to discuss proposals with POMSoX before finalising them.

This chapter also contains rules that apply to an issue of +securities in a different entity.

Timetables relating to changes in capital are in Appendix 7A.

New issues

Issues exceeding 15% of capital

7.1 Without the approval of holders of +ordinary securities, an entity must not issue or agree to issue more +equity securities than the number calculated according to the following formula.

(A x B) - C

A = The number of fully paid +ordinary securities on issue 12 months before the date of issue or agreement,

- plus the number of fully paid +ordinary securities issued in the 12 months under an exception in rule 7.2,
- plus the number of partly paid +ordinary securities that became fully paid in the 12 months,
- plus the number of fully paid +ordinary securities issued in the 12 months with approval of holders of +ordinary securities under this rule,
- less the number of fully paid +ordinary securities cancelled in the 12 months.

B = 15%

C = The number of +equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue *but not* under an exception in rule 7.2 or with approval under this rule.

7.1.1 [Not used]

7.1.2 [Not used]

7.1.3 [Not used]

7.1.4 In working out the number of +equity securities that an entity may issue or agree to issue, and the number of +equity securities in "C", the following rules apply.

(a) If the +equity securities are fully paid +ordinary securities, each +security is counted as one.

(b) If the +equity securities are +convertible into +ordinary securities or are partly paid securities, each +security is counted as the maximum number of fully paid +ordinary securities into which it can be converted or paid up.

(c) In any other case, each +security is counted as POMSoX decides.

Example: 12 months before the date it intends to issue more securities, a company has the following securities on issue:

10,000,000 ordinary shares;

2,000,000 options expiring 30 September 1999; and

2,000,000 partly paid shares.

In the intervening 12 months, no options have been exercised, no partly paid shares paid up and no securities of any class issued.

The entity may issue the following securities without the approval of shareholders:

- 1,500,000 ordinary securities; or
- if the securities are convertible on the basis of two ordinary securities for every convertible security, 750,000 .

Note: In making decisions under this rule POMSoX will take into account the policy objective of the rule being control over the dilution of security holders and the economic and voting characteristics of the security.

7.1.5 The following rules apply regarding issues of +equity securities or agreements to issue +equity securities.

(a) An agreement to issue +equity securities that is conditional on holders of +ordinary securities approving the issue before the issue is made is not treated as an agreement. If an entity relies on this rule it must not issue the +equity securities without approval.

(b) In working out if there is an issue of +equity securities the sale or reissue of forfeited +equity securities is treated as an issue of +equity securities.

7.1.6 In working out the number of fully paid +ordinary securities on issue 12 months before the date of issue or agreement in "A", if first +quotation of the entity's securities occurred less than 12 months before the date of issue or agreement, the number of +securities is the

number of fully paid +ordinary securities on issue on the date of first +quotation.

Exceptions to rule 7.1

7.2 Rule 7.1 does not apply in any of the following cases.

Exception 1 An issue to holders of +ordinary securities made under a +pro rata issue and to holders of other +equity securities to the extent that the terms of issue of the +equity securities permit participation in the +pro rata issue.

Note: An issue is still treated as a pro rata issue under this rule if offers are not sent to overseas security holders under rule 7.7.

Cross reference: rules 6.19 and 6.20.

Exception 2 An issue under an underwriting agreement to an underwriter of a +pro rata issue to holders of +ordinary securities if the underwriter receives the +securities within 15 +business days after the close of the offer.

Exception 3 An issue to make up the shortfall on a +pro rata issue to holders of +ordinary securities. The entity must make the issue within 3 months after the close of the offer, and the directors (in the case of a trust, the management company) must have stated as part of the offer that they reserve the right to issue the shortfall at their discretion. The issue price must not be less than the price at which the +securities were offered under the +pro rata issue.

Exception 4 An issue on the +conversion of +convertible securities. The entity must have issued the +convertible securities before it was listed or complied with the listing rules when it issued the +convertible securities.

Note: The definition of convertible securities includes options.

Exception 5 An issue under a takeover offer that is required to comply with a takeovers code under Part IX.3 of the Securities Act 1997, under an amalgamation under Part XIV of the Companies Act 1997 or under an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997.

Exception 6 An issue to fund the cash consideration for valid acceptances of a takeover offer that is required to comply with a takeovers code under Part IX.3 of the

Securities Act 1997, an amalgamation under Part XIV of the Companies Act 1997, or under an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997, if the terms of the issue are disclosed in the +takeover, amalgamation, arrangement or compromise documents.

Exception 7 An issue under a +dividend or distribution plan, excluding an issue to the plan's underwriters. Exception 7 is only available in the following cases.

(a) In the case of a plan that was established *before* the entity was listed - a summary of the plan's terms was set out in the prospectus.

(b) In the case of a plan that was established *after* the entity was listed - the plan's terms were approved by holders of +ordinary securities.

Exception 8 An issue under an +employee incentive scheme that was established within 3 years before the date of the issue. Exception 8 is only available in the following cases.

(a) In the case of a scheme established *before* the entity was listed - a summary of the +terms of the scheme were set out in the prospectus.

(b) In the case of a scheme established *after* the entity was listed - the scheme was approved by holders of +ordinary securities under rule 7.37 or 7.39.

Exception 9 An issue under an +employee incentive scheme that was established more than 3 years before the date of the issue. Exception 9 is only available if holders of +ordinary securities have approved the issue of +securities under the scheme as an exception to this rule no more than 3 years before the date of issue. The notice of meeting must have included each of the following.

(a) A summary of the +terms of the scheme.

(b) The number of +securities issued under the scheme since the date of the last approval.

(c) A +voting exclusion statement.

Cross reference rules 7.37, 7.38.

Exception 10 An issue of preference shares which do not have any rights of +conversion into another +class of +equity security. The preference shares must comply with Chapter 6.

Exception 11 The reissue or sale of forfeited shares within 6 weeks after the day on which the call was due and payable.

Exception 12 An issue on the exercise of options to an underwriter of the exercise. Exception 12 is only available if each of the following applies.

(a) The entity complied with the listing rules when it issued the options.

(b) The underwriter receives the +underlying securities within 10 +business days after expiry of the options.

(c) The underwriting agreement was disclosed under rule 3.11.3.

Notice requirements for approval under rule 7.1 and 7.1.5(a)

7.3 For the holders of +ordinary securities to approve an issue or agreement to issue, the notice of meeting must include each of the following.

7.3.1 The maximum number of +securities the entity is to issue.

7.3.2 The date by which the entity will issue the +securities. The date must be no later than 3 months after the date of the meeting.

Cross reference: Chapter 10. If the issue requires approval under Chapter 10, the time limit under that chapter for issue of the securities must be complied with.

7.3.3 The issue price of the +securities, which must be either:

(a) a fixed price; or

(b) a minimum price. The minimum price may be fixed or a stated percentage that is at least 80% of the average +market price for +securities in that +class. The average is calculated over the last 5 days on which sales in the +securities were recorded before the day on which the issue was made or, if there is a prospectus relating to the issue, over the last 5 days

on which sales in the +securities were recorded before the date the prospectus is signed.

7.3.4 The names of the allottees (if known) or the basis upon which allottees will be determined.

7.3.5 The terms of the +securities.

7.3.6 The intended use of the funds raised.

7.3.7 The dates of allotment or a statement that allotment will occur progressively.

7.3.8 A +voting exclusion statement. This does not apply if the issue is part of a public offer of +equity securities and the notice of meeting states each of the following.

(a) The entity will offer +securities to all holders of +ordinary securities in priority to anyone else, and will issue them in a fair and equitable manner.

(b) Apart from an agreement for the allotment of +securities, the entity will limit the number of +securities it issues to a holder of +ordinary securities to the higher of 5% of all the +securities being offered and the number the holder would be entitled to under a +pro rata issue of all those +securities.

7.3.9 In the case of an agreement for the allotment of +securities which is part of a public offer, a +voting exclusion statement in relation to a party to the agreement, and an adequate summary of the agreement.

Subsequent approval of an issue of securities

7.4 An issue of +securities made without approval under rule 7.1 is treated as having been made with approval for the purpose of rule 7.1 if each of the following apply.

7.4.1 The issue did not breach rule 7.1.

7.4.2 Holders of +ordinary securities subsequently approve it.

7.5 For the holders to approve the issue subsequently, the notice of meeting must include each of the following.

7.5.1 The number of +securities allotted.

7.5.2 The price at which the +securities were issued.

7.5.3 The terms of the +securities.

7.5.4 The names of the allottees or the basis on which allottees were determined.

7.5.5 The use (or intended use) of the funds raised.

7.5.6 A +voting exclusion statement.

No issue without approval before a meeting to appoint directors or trust manager

7.6 An entity must not issue any +equity securities without the approval of the holders of its +ordinary securities if the holder or beneficial owner of more than 50% of the +ordinary securities tells the entity in writing that the +person intends to call a meeting of shareholders to appoint or remove directors (if the entity is a trust, to appoint or remove a management company).

7.6.1 This restriction applies for 2 months after the date of the advice, but does not prevent an issue under a written contract entered into before the entity received the advice.

7.6.2 If the +person giving the advice is not a shareholder, the advice must be accompanied by a statutory declaration verifying the +person's beneficial ownership.

Issues to Papua New Guinea and overseas holders

7.7 If an entity proposes a +pro rata issue, it must offer the +securities to all holders with registered addresses in Papua New Guinea.

7.7.1 An entity must also offer the +securities to all holders with registered addresses *outside* Papua New Guinea. However, this rule does not apply in relation to a particular place if each of the following conditions is met.

(a) The entity decides that it is unreasonable to make the offer having regard to each of the following.

- The number of holders in the place where the offer would be made.
- The number and value of +securities the holders would be offered.
- The cost of complying with the legal requirements, and requirements of a regulatory authority, in the place.

(b) The entity sends each holder to whom it will not offer the +securities details of the issue and advice that the entity will not offer +securities to the holder.

(c) In the case of a renounceable +pro rata issue, the entity also does each of the following.

- Appoints a nominee to arrange for the sale of the entitlements that would have been given to those holders and to account to them for the net proceeds of the sale.
- Advises each holder not given the entitlements that a nominee in Papua New Guinea will arrange for sale of the entitlements and, if they are sold, for the net proceeds to be sent to the holder.

Cross reference: rule 15.10.

Issues under a dividend or distribution plan

7.8 An entity may only make an issue under a +dividend or distribution plan if each of the following conditions is met.

7.8.1 The +securities rank equally with a +class of quoted +securities (ignoring the fact that they do not rank equally for the next dividend - in the case of a trust, next distribution - and any right to participate in a concurrent offer).

7.8.2 The plan allows participants to choose whether to participate for part or all of their holdings. However, the plan may limit participation on the following terms:

(a) the limit is a number of +securities, or a sum of money, that is the same for all holders (except a trustee or a nominee); and

(b) if the +securities are held by a trustee or nominee, the trustee or nominee must be allowed to participate for each +person whose +securities are held in that way.

Issues during a takeover offer

7.9 An entity must not issue or agree to issue +equity securities, without the approval of holders of +ordinary securities, for 3 months after it is told in writing that a +person is making, or proposes to make, a +takeover for +securities in it. This rule does not apply to an issue in any of the following cases.

Exception 1 An issue notified to POMSoX before the entity was told.

Exception 2 A +pro rata issue to holders of +ordinary securities.

Exception 3 An issue made on the exercise of rights of +conversion.

Exception 4 An issue made under a takeover offer that is required to comply with a takeovers code under Part IX.3 of the Securities Act 1997, an amalgamation under Part XIV of the Companies Act 1997 or under an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997.

Exception 5 An issue made under a +dividend or distribution plan that is in operation at the time the notice is received.

Cross reference: rule 7.1 allows issues of up to 15%. However this rule stops any issue except as provided in it.

No interference etc with issue of securities

7.10 An entity must not in any way prevent, delay or interfere with an issue of +securities following the exercise, +conversion or paying up of a quoted +security. If the entity would break a Papua New Guinea law by issuing the +securities to the holder of the quoted +securities, it may issue them to a nominee. The nominee must +dispose of the +securities and send the net proceeds to the +person who would have received them.

Rules that apply to all pro rata issues

7.11 A +pro rata issue must also meet each of the following requirements.

7.11.1 The basis for deciding the entitlement must not change during the offer period.

7.11.2 The issue price of each +security must not contain a fraction of a toea, except a half toea fraction up to 10 toea per +security.

7.11.3 The ratio of +securities offered must not be greater than one +security for each +security held. This rule does not apply to a +bonus issue.

Note: If free attaching options are offered, they are not taken into account. However see rule 7.16.

7.11.4 The prospectus or offer may allow offerees to subscribe for a greater number of +securities than their entitlement only if:

(a) subscriptions in excess of entitlements are made out of the shortfall; and

(b) for a renounceable offer, the entity complies with rule 7.12.

7.11.5 The offer must not include alternatives, except to allow full or part payment on acceptance.

7.11.6 If it is an offer of shares and options, the entity must issue separate holding statement or certificates.

Note: POMSoX quotes shares and options separately.

Rules that apply to all entitlements issues

7.12 In the case of an offer that is not pro rata, or an offer to which rules 7.11.4 or 7.17.1 apply, the entity must accept evidence of entitlement constituted by copies of certified contract notes from member organisations of POMSoX. The notes must show that +securities have been +acquired by the member organisation's clients on a "cum" basis. The entity must make application forms available to those member organisations for their clients to complete and return.

7.13 If an entity is undertaking more than 1 +corporate action, it must not have a +record date to identify holders entitled to participate in a subsequent one until it has updated its register in relation to the preceding one.

Example: Following a bonus issue, the entity must have entered the bonus securities into the uncertificated holdings of the holders, before the record date for determining those entitled to a proposed pro rata issue.

7.14 An entity must not have a +record date for any purpose until at least 8 +business days after its last +record date. This rule does not prevent an entity having identical +record dates for different purposes.

7.15 If an entity must get the approval of holders of +ordinary securities to make an offer, or issue +securities, the +record date to decide entitlements must be at least 9 +business days after the date of the meeting.

Rules that apply to issues of options

7.16 An entity must not issue options if it would have more options on issue than +underlying securities, except under an offer of one +ordinary security and one option for each +ordinary security.

Rules that apply to any issue in a different entity

7.17 If an entity offers its +security holders an entitlement to +securities in another entity, the offers must be pro rata, or made in another way that, in POMSoX's opinion, is fair in all the circumstances. There must be no restriction on the number of +securities which a holder must hold before the entitlement accrues. This rule does not apply if the resulting holding would be less than a holding with a value of K500 and no facility to round up is offered.

Cross reference: rule 11.4.

7.17.1 If subscriptions in excess of entitlements are allowed, the entity must comply with rule 7.12.

7.17.2 The +record date to decide entitlements must be at least 9 +business days after the prospectus is given to POMSoX.

Reorganisations of capital

General rule for an orderly market

7.18 If an entity proposes to reorganise its capital (in the case of a trust, interests) in any way, it must consult POMSoX to ensure that an orderly market is maintained in its +securities.

Cross reference: Chapter 8.

Notifying POMSoX

7.19 An entity that has applied to a court for approval of its capital (in the case of a trust, interests) must tell POMSoX of each of the following steps.

7.19.1 Court approval. It must do so immediately after the court has approved the application.

7.19.2 The date when the court order will be lodged with the +Registrar. It must do so at least 24 hours before the court order is lodged.

7.19.3 Lodgement of the court order with the +Registrar. It must do so immediately after it is lodged with the +Registrar. The entity must give POMSoX a copy of the court order at the same time.

Reorganisation of shares and units

7.20 If an entity proposes to reorganise its capital, (in the case of a trust, interests) it must tell +equity security holders in writing each of the following.

7.20.1 The effect of the proposal on the number, (in the case of a trust, net asset value) and paid-up value of the +securities.

7.20.2 The proposed treatment of any fractional entitlements arising from the reorganisation.

7.20.3 The proposed treatment of any +convertible securities on issue.

Note: The definition of convertible securities includes options.

Reorganisation of convertible securities (except options)

7.21 An entity which has +convertible securities (except options) on issue may only reorganise its capital (in the case of a trust, interests) if, in respect of the +convertible securities, the number of +securities or the +conversion price, or both, is reorganised so that the holder of the +convertible securities will not receive a benefit that holders of +ordinary securities do not receive. This rule does not prevent a rounding up of the number of +securities to be received on conversion if the rounding up is approved at the +security holders' meeting which approves the reorganisation.

Reorganisation of options

7.22 An entity with options on issue must comply with the following rules in relation to the way the options are treated under a reorganisation.

7.22.1 *In a consolidation of capital* - the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

Example: Company A consolidates 2 ordinary shares issued for K1.00 each fully paid into 1 ordinary share. Every 2 options exercisable at K1.00 each are consolidated into 1 option exercisable at K2.00 for 1 ordinary share fully paid.

7.22.2 *In a sub-division of capital* - the number of options must be sub-divided in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

Example: Company A splits 1 ordinary share issued at K2.00 each fully paid into 2 ordinary fully paid shares. Every option exercisable at K2.00 each is split into 2 options exercisable at K1.00 each for an ordinary fully paid share.

7.22.3 [Not used]

7.22.4 [Not used]

7.22.5 [Not used]

7.22.6 *In any other case* - the number of options or the exercise price, or both, must be reorganised so that the holder of the option will not receive a benefit that holders of +ordinary securities do not receive. This rule

Amending convertible securities to allow reorganisation

7.23 If in a reorganisation the terms of +convertible securities do not allow them to be treated in accordance with the listing rules, the terms must be amended so that the +convertible securities can be treated in accordance with the listing rules.

Note: If the terms of the convertible securities cannot be amended, this rule prevents the reorganisation being undertaken. This rule also covers options.

Example: The terms may be amended by court order or agreement of the holders of the convertible securities.

Cross reference: rule 6.16.

Reorganisation of partly paid securities

7.24 An entity which has partly paid shares on issue must comply with the following specific rules in relation to the way the partly paid shares are treated under a reorganisation.

7.24.1 The number of partly paid shares must be reorganised in the same proportion as the other +classes of shares.

7.24.2 The reorganisation must not involve cancellation or reduction of the total amount payable and unpaid by the holder.

7.25 [Not used]

Cancelling forfeited shares by a limited liability company

7.26 A limited liability company may only cancel forfeited shares if each of the following conditions is met.

Note: At the date on which these listing rules took effect, the Securities Commission was of the view that a forfeiture of shares results in a cancellation of the shares by virtue of section 56(3) of the Companies Act. On this basis the conditions referred to below would need to be satisfied before the shares were forfeited.

7.26.1 The cancellation is approved by holders of +ordinary securities. The notice of meeting must include each of the following.

(a) Details of the forfeited shares, including their total issue price, the amount of capital on them called but unpaid, and the amount of capital on them that is uncalled.

(b) The outstanding liability of the former holder, and what action the company has taken (and will take) to recover that amount.

(c) A +voting exclusion statement.

7.26.2 Under the company's constitution the former holder must remain liable (in the absence of the approval of holders of ordinary shares) for the called but unpaid capital on the shares despite the fact that they have been forfeited.

7.26.3 Liability for the called but unpaid capital in respect of forfeited shares which have been cancelled is not released or waived without the approval of holders of ordinary shares. This approval may be given at the meeting that approves the cancellation, or at another meeting. If the approval is given at another meeting, the notice of meeting must include each of the following.

(a) Details of the forfeited shares, including their total issue price, the amount of capital on them called but unpaid and the amount of capital on them that is uncalled.

(b) The outstanding liability of the former holder, what action the company has taken to recover those amounts (and what action it will take if the meeting does not release the liability).

(c) A +voting exclusion statement.

7.27 [Not used]

7.28 [Not used]

7.29 [Not used]

7.30 [Not used]

7.31 [Not used]

7.32 [Not used]

7.33 [Not used]

7.34 [Not used]

7.35 [Not used]

Buy-backs

7.36 An entity may buy back its +securities only if it consults POMSoX before the buy-back and complies with any requirements POMSoX sets.

Note: Trusts cannot have buy-back provisions in their trust deeds that operate while they are listed. See rule 1.1 Condition 5. Therefore this rule will apply to a trust that wants to make a buy-back of units.

Employee incentive schemes

Introducing a scheme

7.37 An entity must not, directly or through a +child entity, introduce an +employee incentive scheme unless one of the following applies.

7.37.1 In the case of a scheme that was introduced *before* the entity listed - a summary of the +terms of the scheme was included in the prospectus. The entity must give POMSoX a copy of the +terms of the scheme before +quotation commences.

7.37.2 In the case of a scheme that was introduced *after* the entity listed - the scheme was approved by holders of +ordinary securities by special resolution. The notice of meeting must include each of the following.

(a) A summary of the +terms of the scheme and a statement that a copy of the full terms will be sent free to a +security holder on request.

(b) A +voting exclusion statement.

Cross reference: rule 10.14.

Amendment of a scheme

7.38 An +employee incentive scheme must not be amended without the approval of holders of +ordinary securities by special resolution.

7.38.1 The notice of meeting must include each of the following.

(a) The proposed amendments.

(b) A summary of the existing +terms of the scheme, and a statement that a copy of the full terms will be sent free to a +security holder on request.

(c) A +voting exclusion statement.

Cross reference: rule 10.14.

Forfeited shares

7.39 If forfeited shares are auctioned, the following must be terms of the auction.

7.39.1 Settlement must be effected on the day of the auction or, if the purchaser chooses, the next day on which banks are open for business.

7.39.2 The shares must not be offered in parcels larger than 10% of the total number to be offered.

Cross reference: rule 2.11.

Compliance with timetables

7.40 An entity must comply with Appendix 7A.

Chapter 8

Transfers and registration

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Explanatory note

This chapter sets out the requirements that must be met for satisfactory transfer and registration procedures to operate. The requirements should be read in conjunction with the +SCH Business Rules. The listing rules and the +SCH Business Rules work together to regulate listed entities whose +securities are +CHESS approved securities.

Ameended: 10 May 1999

POMSoX will publish rules to regulate transfer and registration procedures in relation to +securities which are not +CHESS approved securities.

Unless POMSoX in its absolute discretion determines otherwise, +securities are uncertificated. Until POMSoX adopts an electronic transfer system, transfers must be paper-based.

Time limits relating to transfers and registration are also in Appendix 8A.

Obligations in relation to CHESS approved securities

Complying with SCH Business Rules

8.1. Until the approval of POMSoX's electronic transfer and registration system, and unless POMSoX otherwise approves, an entity must only issue +CHESS approved securities.

8.1.1 An entity must comply with the +SCH Business Rules and the POMSoX Business Rules if any of its +securities are +CHESS approved securities.

Cross reference: SCH Business Rules

Registers to be kept

8.2 If an entity's +securities are +CHESS approved securities, in addition to the +CHESS subregister it must provide for an +issuer sponsored subregister, or a +certificated subregister, or both. An entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be held in uncertificated form must provide an issuer sponsored subregister for +PDIs.

Note: An entity may have up to 3 subregisters in the CHESS environment that make up its register:

- a CHESS subregister, which is an uncertificated subregister that SCH maintains on behalf of the entity;
- an issuer sponsored subregister, which is an uncertificated subregister maintained by the entity through its registry; and
- a certificated subregister, which is a certificated subregister maintained by the entity through its registry.

Cross reference: Chapter 9, SCH Business Rules.

8.2.1 If the entity has +restricted securities on issue it must operate a +certificated subregister.

Issuer sponsored subregister and SRNs

8.3 If an entity operates an +issuer sponsored subregister, the following rules apply.

8.3.1 The entity must allow holders of +securities on the subregister to maintain more than one holding on that subregister. Each holding must be identified by a unique +SRN. Each holding must be treated as a separate holding for determining benefits and entitlements.

8.3.2 When an entity creates a new holding on the +issuer sponsored subregister, it must allocate a unique +SRN for that holding.

Certificates and holding statements

8.4 [Not used]

Issuer sponsored holding statements - new holding

8.5 An entity must send a +security holder on the +issuer sponsored subregister a statement for a new holding on that +subregister. It must do so within 5 +business days after the holding is created. The statement must include the opening balance of the holding and the +SRN for the holding. A new holding includes a holding that arises in any of the following ways.

- A transfer.
- A call payment.
- A capital reorganisation.
- A conversion of a holding from a certified holding to +PDIs.
- An allotment of +securities to a new +security holder or issue of +PDIs to a new +PDI holder.
- An allotment to an existing +security holder of +securities in a different +class to any +class of +securities already held, or an issue to an existing +PDI holder of +PDIs over +securities in a different +class to the +underlying securities for +PDIs already held.

Note: PDIs are securities. A security holder may authorise the entity to send a holding statement to a person other than the holder.

Cross reference: rule 8.14.

Issuer sponsored holding statements - changed holding

8.6 An entity must send each +security holder on the +issuer sponsored subregister a +routine transaction statement. The statement must set out the changes to the holding since the last +routine transaction statement (or opening balance statement) and the +SRN for the

holding. A change includes a change that arises in any of the following ways.

- A transfer.
- A call payment.
- A capital reorganisation.
- A conversion of certificated +securities to uncertificated form or conversion of a holding from a certified holding to +PDIs.
- An allotment to an existing +security holder of +securities in the same +class as a +class of +securities already held or issue of +PDIs over +securities in the same +class as the +underlying securities for +PDIs already held.
- +Securities ceasing to be held on the +issuer sponsored subregister.

Note: A request by a security holder for PDIs to be cancelled and replaced by a holding of underlying securities will result in a change to the security holder's holding on the issuer sponsored subregister for PDIs. A security holder may authorise the entity to send a routine transaction statement to a person other than the holder.

8.6.1 The entity must send the statement within 5 +business days after the end of the month in which there is a change. This rule does not apply if either of the following is satisfied.

(a) The entity has already sent a +routine transaction statement to the +security holder and there were no changes to the holding during the month except the changes set out in that +routine transaction statement.

(b) All +securities are moved into another holding and a +routine transaction statement for the other holding sets out the changes to both holdings.

Note: If no change occurs in a particular month, then there is no need to send a routine transaction statement.

Cross reference: rule 8.14. SCH Business Rules.

8.7 If a +security holder on the +issuer sponsored subregister asks, an entity must send the +security holder a +special transaction statement and the +SRN for the holding. The statement must set out any changes to the holding since the last +routine transaction statement.

8.7.1 The entity may require a reasonable payment for a +special transaction statement.

8.7.2 The entity must send the +special transaction statement within 3 +business days after receiving the written request and any payment that is required.

Cross reference: rule 8.14.

8.8 [Not used]

Information to be given to option holders

8.9 An entity must tell a new option holder in writing of the exercise price and expiry date of the option. If the information is not on the holding statement, the entity must give the holder a statement with that information within 5 +business days after the holding statement is sent.

Transfers of securities

No interference etc with transfer of securities

8.10 An entity must not in any way prevent, delay or interfere with the registration of a paper-based transfer in registrable form or the generation of a proper +SCH transfer.

8.10.1 However, the entity may refuse to register a paper-based transfer, or, may ask +SCH to apply a +holding lock to prevent a proper +SCH transfer, in any of the following circumstances.

(a) The entity has a lien on the +securities under rule 6.13.

Cross reference: SCH Business Rules.

(b) The entity is served with a court order that restricts the holder's capacity to transfer the +securities.

Cross reference: SCH Business Rules.

(c) Registration of the transfer may break a Papua New Guinea law, and POMSoX has agreed in writing to the application of a +holding lock or that the entity may refuse to register a transfer. The application of the +holding lock must not breach a +SCH Business Rule.

Cross reference: SCH Business Rules.

(d) During the escrow period of +restricted securities.

(e) If the transfer is paper-based, the entity is allowed to refuse to register it under rule 8.12.

(f) If the transfer is paper-based, a law related to stamp duty prohibits the entity from registering it.

(g) The transfer is made in connection with an +employee incentive scheme and the transfer does not comply with the terms of an +employee incentive scheme.

8.10.2 If the entity refuses to register a paper-based transfer under this rule, it must tell the lodging party in writing of the refusal and the reason for it. The entity must do so within 5 +business days after the date on which the transfer was lodged.

8.10.3 If the entity asks +SCH to apply a +holding lock under this rule, the entity must tell the holder of the +securities in writing of the +holding lock and the reason for it. It must do so within 5 +business days after the date on which it asked for the +holding lock.

Cross reference: SCH Business Rules.

8.11 An entity must not require a statutory declaration or other document in connection with ownership restrictions of its +securities before it will register a paper-based transfer or authorise a proper +SCH transfer.

Cross reference: rule 3.19.

8.11.1 Each entity incorporated in Papua New Guinea acknowledges that:

(a) subject to any other provision of these rules, a duly completed transfer which is in the form prescribed in Appendix 8B is in registrable form; and

(b) as a separate contractual obligation for the benefit of POMSoX and each person dealing in +securities through POMSoX, a duly completed transfer which is in the form prescribed in Appendix 8B shall be deemed to have been duly executed,

- by the transferor, if it bears the stamp of the transferor's broker; and
- by the transferee, if it bears the stamp of the transferee's broker.

Amended: 10 May 1999

Reservation of securities on the issuer sponsored subregister

8.12 An entity must refuse to register a paper-based transfer if some or all of the +securities involved are reserved for an offeror because the offeree has accepted a takeover offer. However, the entity must register the transfer if the takeover offer is not, or is no longer, subject

to a defeating condition; and the transfer is to, or at the direction of, that offeror.

Cross reference: rules 8.10.

8.12.1 If an offer has been accepted in respect of +securities on the +issuer sponsored subregister, the entity must reserve them for the benefit of the offeror if either of the following applies.

(a) The accepting offeree asks the entity to do so.

(b) The offeror asks the entity to do so, and undertakes to tell the entity if the takeover offer has lapsed because of a defeating condition, or if an acceptance is lawfully withdrawn, as soon as practicable after that occurs.

8.12.2 While the reservation remains in place, the entity must treat the holding balance of the +security holder that is available for transfer as reduced by the number of +securities that are reserved. However, that does not apply if the transfer is to, or at the direction of, the offeror. The reservation remains in place until one of the following occurs.

(a) The takeover offer lapses because of a defeating condition.

(b) The acceptance is lawfully withdrawn.

(c) A transfer is registered in favour of the offeror.

(d) A transfer is registered at the offeror's direction.

Note: This applies to securities held in uncertificated form on the issuer sponsored subregister maintained by the entity which is the subject of the takeover offer.

Example: A bids for all the shares in a company. B accepts for her shares on the issuer sponsored subregister. A can, on giving the undertaking in the rule to the company, reserve B's shares so B can't sell them to a third person.

Cross reference: SCH Business Rules. Reserving securities on the issuer sponsored subregister for an offeror under a takeover offer has the same effect as a subposition administered by SCH, except that the entity administers it. When a request for authorisation of a transfer of reserved securities is received, the entity will refuse to authorise it. Therefore a proper SCH transfer will not be created.

Transfer processing

8.13 If an entity receives a paper-based transfer in registrable form the following rules apply.

8.13.1 If the holder has an existing holding, the entity must register the transfer to the same subregister unless the transferee chooses differently.

8.13.2 [Not used]

8.13.3 If the entity maintains an +issuer sponsored subregister but not a +certificated subregister, it must register the transfer as an uncertificated +security holding. It must do so within 5 +business days after the date the transfer is lodged.

8.13.4 If the entity maintains both an +issuer sponsored subregister and a +certificated subregister, it must register the transfer as an uncertificated holding as set out in rule 8.13.3.

Fees for registering transfers etc

8.14 An entity must not charge a fee for any of the following.

- Registering proper +SCH transfers.
- Registering paper-based transfers in registrable form.
- Splitting certificates and renunciations and transfer forms.
- Issuing certificates and transmission receipts.
- Effecting conversions between subregisters.
- Noting transfer forms.
- Issuing a statement showing the opening balance of the holding on the +issuer sponsored subregister.
- Issuing a +routine transaction statement to a +security holder on the +issuer sponsored subregister.
- Sending a +security holder details of a change to the holding which arises from an issue of +securities or an +acquisition of rights.

8.14.1 However, an entity may charge a reasonable fee for any of the following.

- Marking a transfer form, or marking a renunciation and transfer form, within 2 +business days after the form is lodged.
- A +special transaction statement.

Registers

Foreign entity maintaining a register etc

8.15 A +foreign entity must maintain in Papua New Guinea a +securities register (or subregister) or a register of depositary receipts or appropriate facilities for the registration of transfers.

Cross reference: rules 1.1 Condition 4, 3.15.3, SCH Business Rules.

Auditing of the register

8.16 An entity must have its +issuer sponsored subregister audited at least once every 12 months by a +registered company auditor or overseas equivalent (or other +person selected by the auditor). It must also do so whenever POMSoX asks. The audit is to determine from information available to the entity whether each of the following is in accordance with the listing rules and whether the number of issued +securities in each +class is the same as the number stated in the entity's records.

- The processing of transfers.
- The conversion of holdings between subregisters.
- The issue of holding statements.

8.16.1 An entity must rectify any matter in the audit report that requires rectification. If a report is qualified, or identifies a matter to be rectified, the entity must give POMSoX a copy.

Amended: 10 May 1999

Office hours at places where transfers are lodged

8.17 An entity must ensure that every office at which transfers of its +securities may be lodged for registration is open every +business day, except a public holiday in the place in which the office is located.

Cross reference: SCH Business Rules.

Transfer markings

8.18 An entity must accept transfer markings carried out by anyone that POMSoX approves for this purpose.

8.18.1 [Not used]

8.19 [Not used]

8.20 [Not used]

Compliance with Appendix 8A

8.21 An entity must comply with Appendix 8A.

Chapter 9

Restricted securities

Table of contents

The main headings in this chapter	Rules
Requirements for all +restricted securities	9.1 - 9.7
Certificates for +restricted securities	9.14 - 9.16
Treatment of +restricted securities in a takeover offer or arrangement, amalgamation or compromise	9.17 - 9.18
Restriction agreement	Appendix 9A
Restrictions on securities	Appendix 9B

Explanatory note

+Restricted securities may not be dealt with for a specified time (the escrow period). The restriction is enforced by a requirement that the holder of certificates give them to a bank or +recognised trustee to hold in escrow.

Requirements for all restricted securities

Application of restrictions and entry into restriction agreements

9.1 An entity which issues +restricted securities, or has them on issue, must do each of the following.

9.1.1 [Not used]

9.1.2 [Not used]

9.1.3 Apply the restrictions in Appendix 9B or other restrictions as POMSoX, in its discretion, decides. However, unless POMSoX decides otherwise, the restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B do not apply in relation to any of the following entities.

(a) An entity that is admitted under the profit test in rule 1.2.

(b) An entity that has a track record of profitability or revenue acceptable to POMSoX.

(c) An entity that, in the opinion of POMSoX, has a substantial proportion of its assets as tangible assets or assets with a readily ascertainable value.

Note: The definition of restricted securities includes securities POMSoX decides are restricted securities.

Cross reference: rule 19.12.

9.1.4 Enter into a restriction agreement with the holder and each +controller. However, a +controller need not be a party to the agreement if any of the following applies.

(a) The value of the +restricted securities is less than 10% of the total assets of any of the following.

- The holder of the +restricted securities.
- An intermediate entity through which the +controller has its interest.

(b) The holder or an intermediate entity through which the +controller has its interest, is one of the following.

- An entity listed on POMSoX or any other Papua New Guinea stock exchange or a foreign stock exchange.
- A trustee or nominee.

(c) The holder is a +person whose +securities are +restricted securities because of the application of clauses 2, 4 or 6 of Appendix 9B.

Note: The definition of restricted securities includes securities POMSoX decides are restricted securities.

Cross reference: rule 19.12, Appendix 9B.

9.2 A restriction agreement must be in accordance with Appendix 9A, or as POMSoX requires in a particular case.

When restriction agreements must be entered

9.3 An entity must make sure that all completed restriction agreements are given to POMSoX before any +person gets the +restricted securities or any rights in relation to them. This rule does not prevent the +person getting the right to receive +restricted securities on condition that restriction agreements are entered into.

Example: A company may agree to issue restricted securities in exchange for a mining tenement on condition that restriction agreements are entered into. If the agreements are not entered into, the restricted securities must not be issued.

Cross reference: Appendix 9A.

Enforcement of restrictions

9.4 An entity must comply with, and enforce, a restriction agreement, and enforce its constitution, to ensure compliance with the requirements for +restricted securities.

Note: Requirements are in this chapter, Appendix 9A and rule 15.12.

Escrow of restricted securities

9.5 An entity must get a bank's or +recognised trustee's undertaking to hold the certificate of a +restricted security for the escrow period, and not release the certificate without POMSoX's written consent. The entity must give the undertaking to POMSoX within 2 +business days after the issue of the +restricted securities.

9.6 [Not used]

Changes of restrictions during escrow

9.7 During the escrow period, an entity must not do either of the following.

(a) Change an executed restriction agreement.

(b) Ask for, or agree to, release of a certificate by a bank or +recognised trustee. This restriction does not apply if POMSoX has given written consent to the release of the certificate under rule 9.5 or rule 9.17.

9.8 [Not used]

9.9 [Not used]

9.10 [Not used]

9.11 [Not used]

9.12 [Not used]

9.13 [Not used]

Certificates for restricted securities

9.14 An entity must issue certificates for all +restricted securities. The certificate must state that the +securities are +restricted securities, are not +quoted on POMSoX and the date on which they will cease to be +restricted securities.

9.14.1 [Not used]

Deposit of the certificates for additional restricted securities

9.15 An entity must deposit any new certificates for additional +restricted securities with the bank or +recognised trustee which holds the certificates for the initial +restricted securities. The entity must give POMSoX a further undertaking from the bank or +recognised trustee in respect of those +securities within 2 +business days after they are issued.

Noting restricted securities in securities register

9.16 An entity must identify in its +securities register any +securities that are +restricted securities.

Treatment of restricted securities in a takeover offer or arrangement, amalgamation or compromise

POMSoX consent to sale of restricted securities

9.17 To enable the holder of +restricted securities to accept an offer under a takeovers code under Part IX.3 of the Securities Act 1997 or to enable +restricted securities to be transferred or cancelled as part of an amalgamation under Part XIV of the Companies Act 1997 or an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997, POMSoX may consent to the bank or +recognised trustee releasing the certificates.

Conditions for POMSoX's consent

9.18 POMSoX will not consent under rule 9.17 unless, to the extent to which they are applicable, all of the following conditions are met.

9.18.1 In the case of a takeover offer, the offers are for all of the ordinary shares and, if the +restricted securities are not ordinary shares, all the shares are in the same +class as the +restricted securities.

9.18.2 In the case of a takeover offer, holders of at least half of the shares that are not +restricted securities to which the offers relate have accepted.

9.18.3 In the case of a takeover offer, if the offer is conditional, the offeror and the holder agree in writing that the certificates will be returned to the bank or +recognised trustee, for each +restricted security that is not bought by the offeror under the offer.

9.18.4 In the case of an amalgamation under Part XIV of the Companies Act 1997 or an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997, the holder and the entity in which the +restricted securities are held agree in writing that the certificates will be returned to the bank or +recognised trustee, if the arrangement, amalgamation or compromise does not take effect.

Note: If the takeover does not proceed or the arrangement, amalgamation or compromise does not take effect, a new undertaking must be given by the bank or recognised trustee under rule 9.5.

9.19 [Not used]

9.20 [Not used]

9.21 [Not used]

9.22 [Not used]

9.23 [Not used]

Chapter 10

Transactions with persons in a position of influence

Table of contents

The main headings in this chapter	Rules
Acquisition and disposal of assets	10.1 - 10.10
Acquisition of securities in the entity	10.11 - 10.16
Payments to directors	10.17
+Termination benefits	10.18

Explanatory note

This chapter deals with transactions between an entity (including its +child entities) and persons in a position to influence the entity. Transactions covered by this chapter include +acquiring and +disposing of substantial assets by the entity, and +acquiring +securities in the entity.

The chapter also deals with participation by directors (and +persons +associated with directors) in +employee incentive schemes and in underwriting +dividend or distribution plans, payments to directors and +termination benefits.

Acquisition and disposal of assets

Approval required if test met

10.1 An entity (in the case of a trust, the management company and trustee) must ensure that neither it, nor any of its +child entities, +acquires a substantial asset from, or +disposes of a substantial asset to, any of the following +persons without the approval of holders of the entity's +ordinary securities.

10.1.1 A +related party.

10.1.2 A subsidiary.

10.1.3 A +substantial shareholder who is entitled to at least 10% of the voting +securities, or a +person who was a +substantial shareholder entitled to at least 10% of the voting +securities at any time in the 6 months before the transaction.

10.1.4 An +associate of a +person referred to in rules 10.1.1 to 10.1.3.

10.1.5 A +person whose relationship to the entity or a +person referred to in rules 10.1.1 to 10.1.4 is such that, in POMSoX's opinion, the transaction should be approved by +security holders.

If an entity breaks this rule, POMSoX may require it to take the corrective action set out in rule 10.9.

Cross reference: Rule 10.7 deals with classified assets. Rule 10.8 deals with getting POMSoX's opinion about the application of rule 10.1. Rule 10.9 deals with corrective action. This remedy is in addition to any other that POMSoX has for a breach of the listing rules.

What is a substantial asset?

10.2 An asset is substantial if its value, or the value of the consideration for it is, or in POMSoX's opinion is, 5% or more of the +equity interests of the entity as set out in the latest financial statements given to POMSoX under the listing rules.

Note: The entity's equity interests are consolidated equity interests, if applicable.

Cross reference: Chapter 4, which deals with periodic disclosure.

10.2.1 In calculating the value, each of the following rules applies.

(a) Intangibles will be included.

(b) Provisions for depreciation and amortisation will be deducted.

(c) Liabilities +acquired as part of an +acquisition will not be deducted.

(d) Separate transactions will be aggregated if, in POMSoX's opinion, they form part of the same commercial transaction.

Exceptions to rule 10.1

10.3 Rule 10.1 does not apply to any of the following.

(a) A transaction between the entity and a wholly owned subsidiary.

(b) A transaction between wholly owned subsidiaries of the entity.

(c) An issue of +securities by the entity for cash.

(d) In the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the

transaction and is not beneficially held for the trust after the transaction.

Application of rule 10.1 to put and call options

Consideration paid for an option

10.4 In the case of an +acquisition or +disposal by the grant or exercise of an option, the consideration for the +acquisition or +disposal is the total of the issue price of the option and its exercise price.

Approval before getting an option

10.5 An entity must obtain the approval of holders of its +ordinary securities before the option is issued, or the issue must be subject to that approval. If the option is issued subject to approval, that approval must be obtained as soon as practicable after the option is issued.

Approval before exercising an option

10.6 An entity must obtain the approval of holders of its +ordinary securities before the option is exercised. If approval has been given in accordance with rule 10.5, further approval is not required at the time of exercise.

Example: When issued, the issue price and exercise price of the option did not exceed 5% of equity interests. Approval is not required. At the time of exercise, the issue price and exercise price of the option does exceed 5% of equity interests. Approval is then required before the option is exercised.

Classified assets

10.7 If an +acquisition to which rule 10.1 applies is of a +classified asset, the consideration must be +restricted securities. This requirement does not apply if the consideration is reimbursement of expenditure incurred in developing the +classified asset.

Cross reference: Appendix 9B.

Note: If restricted securities are issued as consideration for the acquisition or disposal the entity must comply with Chapter 9.

Entity may consult POMSoX on the application of rule 10.1

10.8 Before +acquiring or +disposing of an asset, an entity may seek the written opinion of POMSoX on whether approval is required under rule 10.1. The entity must give POMSoX complete details of the transaction. POMSoX will only be bound by its written opinion if the details given to it remain materially unchanged at the time of the transaction.

10.8.1 If an entity does not have a written opinion from POMSoX that approval is not required under rule 10.1, POMSoX may require the entity to take the corrective action set out in rule 10.9.

Note: This rule allows an entity to ensure that it does not breach rule 10.1 and will not be required to take the corrective action set out in rule 10.9.

Corrective action

10.9 An entity must take corrective action if POMSoX requires it to. The corrective action, at the option of the entity, is either of the following.

10.9.1 Cancelling the transaction (or arranging for its cancellation).

10.9.2 Seeking the approval of holders of +ordinary securities to the transaction. If approval is not obtained, the entity must cancel the transaction (or arrange for its cancellation).

Requirements for the notice of meeting under rules 10.1 or 10.9

10.10 The notice of meeting under rule 10.1 or 10.9.2 must include each of the following.

10.10.1 A +voting exclusion statement.

10.10.2 A report on the transaction from an independent expert. The report must state whether the transaction is fair and reasonable to holders of the entity's +ordinary securities whose votes are not to be disregarded. Unless the opinion is that the transaction is fair and reasonable, the opinion must be displayed prominently in the notice of meeting and on the covering page of any accompanying documents.

Acquisition of securities in the entity

Approval required for an issue of securities

10.11 Unless one of the exceptions in rule 10.12 applies, an entity must not issue +equity securities to any of the following +persons without the approval of holders of +ordinary securities by special resolution.

10.11.1 A +related party.

10.11.2 A +person whose relationship with the entity or a +related party is, in POMSoX's opinion, such that approval should be obtained.

Exceptions to rule 10.11

10.12 The exceptions referred to in rule 10.11 are as follows.

Exception 1 The +person receives the +securities under a +pro rata issue.

Note: An issue is still treated as a pro rata issue under this rule if offers are not sent to overseas security holders under rule 7.7.

Exception 2 The +person receives the +securities under an underwriting agreement in relation to a +pro rata issue, and the terms of the underwriting were included in offer documents sent to holders of +ordinary securities.

Exception 3 The +person receives the +securities under a +dividend or distribution plan and one of the following applies.

(a) In the case of a plan that was established *before* the entity was listed - a summary of the plan's terms was set out in the prospectus.

(b) In the case of a plan that was established *after* the entity was listed - the plan's terms were approved by holders of +ordinary securities.

However, this exception does not allow the +person to underwrite a +dividend or distribution plan.

Cross reference: rule 10.16.

Exception 4 The +person is a +person referred to in rule 10.14 and receives the +securities under an +employee incentive scheme with approval under that rule.

Exception 5 The +person receives the +securities under a takeover offer that was required to comply with a takeovers code under Part IX.3 of the Securities Act 1997, or receives the +securities as part of an amalgamation under Part XIV of the Companies Act 1997 or as part of an arrangement, amalgamation or compromise under Part XVI of the Companies Act 1997.

Exception 6 [Not used]

Exception 7 The +person receives the +securities on the +conversion of +convertible securities. The entity must have issued the +convertible securities before it was listed or complied with the listing rules when it issued the +convertible securities.

Note: The definition of convertible securities includes options.

Requirements for the notice of meeting under rule 10.11

10.13 The notice of meeting to approve the issue of +securities must include each of the following.

10.13.1 The name of the +person.

10.13.2 The number of +securities to be issued to the +person.

10.13.3 The date by which the entity will issue the +securities, which must not be more than 1 month after the date of the meeting.

10.13.4 If the +person is not a director, a statement of the relationship between the +person and the director that requires the approval to be obtained.

10.13.5 A statement of the terms of the issue.

10.13.6 A +voting exclusion statement.

Approval required to acquire securities under an employee incentive scheme

10.14 An entity must not permit any of the following +persons to +acquire +securities under an +employee incentive scheme without the approval of holders of +ordinary securities by special resolution of the +acquisition. The resolution must be passed at a meeting of shareholders held no earlier than the last annual meeting of shareholders of the entity.

10.14.1 A director of the entity.

10.14.2 An +associate of the director.

10.14.3 A +person whose relationship with the entity or a +person referred to in rules 10.14.1 or 10.14.2 is, in POMSoX's opinion, such that approval should be obtained.

Example: An acquisition of securities by a director's private company is caught by this rule.

Cross reference: rules 7.37 and 7.38.

Requirements for the notice of meeting under rule 10.14

10.15 The notice of meeting to approve the +acquisition of +securities must include each of the following.

10.15.1 If the +person is not a director, a statement of the relationship between the +person and the director that requires the approval to be obtained.

10.15.2 The maximum number of +securities that may be +acquired by all +persons for whom approval is required.

10.15.3 The price (including a statement whether the price will be, or be based on, the +market price), or the formula for calculating the price, for each +security to be +acquired under the scheme.

10.15.4 The names of all +persons referred to in rule 10.14 who received +securities under the scheme since the last approval, the number of the +securities received, and +acquisition price for each +security.

10.15.5 A +voting exclusion statement.

Note: Approval allows acquisitions of securities by a director or directors, and persons connected with them, up to the maximum number specified in the notice of meeting.

10.15.6 The terms of any loan in relation to the +acquisition.

No underwriting by directors and associates

10.16 An entity must not permit any of the following +persons to underwrite a +dividend or distribution plan.

10.16.1 A director of the entity (in the case of a trust, the management company and trustee).

10.16.2 An +associate of a director of the entity (in the case of a trust, of the management company or trustee).

10.16.3 A +person whose relationship with the entity or a +person referred to in rules 10.16.1 or 10.16.2 is, in POMSoX's opinion, such that the +person should not underwrite the plan.

Payments to directors

10.17 An entity must not increase the total amount of directors' fees payable by it or any of its +child entities without the approval of holders of its +ordinary securities. This rule does not apply to the salary of an executive director. However, an executive director's salary or director's fees must not include a commission on, or percentage of, operating revenue.

10.17.1 The notice of meeting must include the amount of the increase, the maximum amount that may be paid to the directors as a whole, and a +voting exclusion statement.

10.17.2 If a non-executive director is paid, he or she must be paid a fixed sum.

Example: The amount must not be calculated as a commission on, or percentage of, profits or operating revenue.

Termination benefits

10.18 An entity must ensure that no officer of the entity or of any of its +child entities will be entitled to +termination benefits (or any increase in them) if a change occurs in the shareholding or control of the listed entity or +child entity.

10.19 Without the approval of holders of +ordinary securities, an entity must ensure that no officer of the entity or any of its +child entities will be, or may be, entitled to +termination benefits if the value of those benefits and the +termination benefits that are or may become payable to all officers together exceed 5% of the +equity interests of the listed entity. The notice of meeting must include a +voting exclusion statement.

Chapter 11

Significant transactions

Table of contents

The main headings in this chapter	Rules
Change to activities	11.1 - 11.3
No disposal of major asset without offer, or approval for no offer	11.4

Explanatory note

This chapter sets out the requirements that an entity must satisfy if it proposes a significant change to its activities or floats significant assets.

Change to activities

Proposed change to nature or scale of activities

11.1 If an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to POMSoX as soon as practicable. It must do so in any event before making the change. The following rules apply in relation to the proposed change.

11.1.1 The entity must give POMSoX information regarding the change and its effect on future potential earnings, and any information that POMSoX asks for.

11.1.2 If POMSoX requires, the entity must get the approval of holders of its +ordinary securities and must comply with any requirements of POMSoX in relation to the notice of meeting. The notice of meeting must include a +voting exclusion statement.

Cross reference: rule 11.2.

11.1.3 If POMSoX requires, the entity must meet the requirements in Chapters 1 and 2 as if the entity were applying for admission to the +official list.

Cross reference: rule 3.1.

Change involving main undertaking

11.2 If the significant change involves the entity entering into a major transaction, the entity must comply with section 110 of the Companies Act and must comply with any requirements of POMSoX in relation to the notice of meeting. The notice of meeting must include a +voting exclusion statement. The entity must not enter into an agreement to +dispose of its main +undertaking unless the agreement is conditional on the entity getting that approval. Rules 11.1.1 and 11.1.3 apply.

Note: This rule substitutes for rule 11.1.2 in the case of an entity disposing of its main undertaking.

Cross reference: rule 12.3.

Suspension

11.3 POMSoX may suspend +quotation of the entity's +securities until the entity has satisfied the requirements of rules 11.1 or 11.2.

Note: If the entity is required to satisfy rule 11.1.2, but not rule 11.1.3, the suspension will normally be lifted after receipt of security holders' approval. If approval is not obtained the suspension will normally be lifted after the entity has confirmed that it will not change its activities. If the entity is required to satisfy rule 11.1.3 the suspension will not normally be lifted until the entity has met the requirements of Chapters 1 and 2.

No disposal of major asset without offer, or approval for no offer

11.4 An entity must not +dispose of a major asset if, at the time of the +disposal, it is +aware that the +person acquiring the asset intends to issue or offer +securities with a view to becoming listed. The entity must do each of the following if one of its +child entities holds the major asset.

- It must not sell +securities in the +child entity with a view to the +child entity becoming listed.
- It must make sure that the +child entity does not issue +securities with a view to becoming listed.

11.4.1 This rule does not apply in either of the following cases.

(a) The +securities, except those to be retained by the entity or +child entity, are offered pro rata to holders of +ordinary securities in the listed entity, or in another way that, in POMSoX's opinion, is fair in all the circumstances.

(b) Holders of +ordinary securities in the listed entity approve of the +disposal without the offer referred to in rule 11.4.1(a) being made. The notice of meeting must include a +voting exclusion statement.

Cross reference: rule 7.17.

Chapter 12

Operations and spread

Table of contents

The main headings in this chapter	Rules
Level of operations	12.1
Financial condition	12.2
Proportion of assets in cash	12.3
Level of spread	12.4
Appropriate structure and operations	12.5

Level of operations

12.1 The level of an entity's operations must, in POMSoX's opinion, be sufficient to warrant the continued +quotation of the entity's +securities and its continued listing.

Financial condition

12.2 An entity's financial condition (including operating results) must, in POMSoX's opinion, be adequate to warrant the continued +quotation of its +securities and its continued listing.

Note: Composition of the balance sheet, relative size of liabilities to assets and access to funds are some of the indicators of an entity's financial condition.

Proportion of assets in cash

12.3 If half or more of an entity's total assets is cash or in a form readily convertible to cash, POMSoX may suspend +quotation of the entity's +securities until it invests those assets or uses them for the entity's business. The entity must give holders of +ordinary securities in writing details of the investment or use. This rule does not apply to a bank or a non-bank financial institution.

Note: Advice to holders must be released to the market. See rule 3.17.

Example: Depositing the cash in a bank is not investing or using it for the entity's business.

Cross reference: The admission rules (eg, rule 1.3.2) prohibit more than half of the entity's total tangible assets being in cash or in a form readily convertible to cash. The rules prevent the listing, or continued quotation, of "cash box" entities.

The entity may also have to comply with rule 11.1.

If the securities are suspended continuously, the entity will be removed on the first anniversary of the date its securities were suspended. See rule 17.13.

Level of spread

12.4 An entity must maintain a spread of +security holdings in its +main class which, in POMSoX's opinion, is sufficient to ensure that there is an orderly and liquid market in its +securities. If +PDIs are issued over +securities in the +main class, holders of +PDIs will be included.

Note: This rule ensures that an entity has enough holders in its main class of securities. If the entity also has another class quoted, and the number of holders in that other class falls below the number needed for quotation of it, POMSoX may end quotation of that class. See rule 17.10.

12.4.1 If POMSoX requires the entity to obtain sufficient spread, the entity must do each of the following.

(a) Obtain the required spread within 3 months after the date POMSoX requires it to do so.

(b) Tell all holders of its quoted +securities in writing that if the required spread is not obtained within 3 months after the date when POMSoX requires the entity to obtain it, POMSoX may suspend +quotation of the entity's +securities. The entity must tell the holders in writing within 10 +business days after the date POMSoX requires it to obtain the spread.

Note: Advice to holders must be released to the market. See rule 3.17.

Cross reference: If the securities are suspended continuously, the entity will be removed on the first anniversary of the date its securities were suspended. See rule 17.13.

12.4.2 POMSoX's requirement is not met if the spread is obtained by artificial means.

Examples: The following ways of obtaining spread are examples of artificial means.

- Giving shares away.
- Offering non-recourse loans to prospective shareholders to acquire their shares.
- Using combinations of nominee companies and names.

Appropriate structure and operations

12.5 An entity's structure and operations must be appropriate for a listed entity.

Example: When deciding if an entity's structure and operations are appropriate for that entity to be listed, one matter that POMSoX may have regard to is the principles on which the listing rules are based.

Chapter 13

Additional requirements for trusts

Table of contents

The main headings in this chapter	Rules
Requirements for all trusts	13.1 - 13.5
Complying with the listing rules	13.6

Explanatory note

The chapter sets out additional requirements that must be satisfied by trusts. Trusts should also note that Appendix 4B requires additional information and Chapter 15 (requirements for documents) includes requirements for an entity's constitution.

Requirements for all trusts

Approved deed

13.1 A trust must have a deed that is approved under the Securities Act 1997.

Note: See Part IV.5 of the Securities Act 1997.

Maximum liabilities of the trust

13.2 The total liabilities of a trust must not exceed 60% of its total tangible assets.

Removal of the manager of a trust

13.3 In addition to any provision in the Securities Act 1997 or the entity's constitution dealing with removal of the management company of a trust, a trust's constitution must allow the management company to be removed in accordance with an ordinary resolution of +unit holders.

Cross reference: rule 14.9.

Removal of the trustee of a trust

13.4 In addition to any provision in the Securities Act 1997 dealing with removal of the trustee of a trust, a trust's constitution must allow the trustee to be removed in accordance with a special resolution of +unit holders.

Meetings

13.5 A proxy of a +unit holder appointed to attend and vote instead of a +unit holder has the same right as the +unit holder to speak at the meeting but, unless the constitution of the trust or the Securities Act 1997 otherwise provides, the proxy is not entitled to vote except on a poll.

Complying with the listing rules

13.6 If a listing rule imposes an obligation on a trust, the management company and trustee of the trust must each make sure that the trust complies with the listing rule.

Cross reference: rule 18.6, section 24 of the Securities Act 1997.

Chapter 14

Meetings

Table of contents

The main headings in this chapter	Rules
Meetings of shareholders	14.1 - 14.9
Directors' meetings	14.10
+Voting exclusion statement	14.11

Explanatory note

The following table gives an overview of rules which require meetings. It also indicates if there are special notice requirements under the rules for those meetings.

Rule	Heading of rule	Particular notice requirements under the listing rules to be in the notice of meeting?
6.20.3	Participation in new issues of +underlying securities	Yes
6.22.2A	Change of option's exercise price or the number of +underlying securities	Yes
6.23	Other changes in terms of options	Yes
7.1	Issues exceeding 10% of capital	Yes
7.2 Exception 7	Exceptions to rule 7.1	No
7.2 Exception 8	Exceptions to rule 7.1	Yes
7.2 Exception 9	Exceptions to rule 7.1	Yes

7.4	Subsequent approval of an issue of securities	Yes
7.6	No issue without approval before a meeting to appoint directors or trust manager	No
7.9	Issues during a takeover offer	No
7.21	Reorganisation of convertible securities (except options)	No
7.22.6	Reorganisation of options	No
7.26	Cancelling forfeited shares by a limited liability company	Yes
7.37	+Employee incentive schemes - introducing a scheme	Yes
7.38	+Employee incentive schemes - amendment of a scheme	Yes
10.1	+Acquisition and disposal of assets	Yes
10.5	Application of rule 10.1 to put and call options	Yes
10.6	Application of rule 10.1 to put and call options	Yes
10.9	Corrective action	Yes
10.11	+Acquisition of securities in the entity	Yes
10.12 Exception 3	Exceptions to rule 10.11	No
10.12 Exception 4	Exceptions to rule 10.11	Yes
10.14	Approval required to +acquire securities under an +employee incentive scheme	Yes
10.17	Payments to directors	Yes
10.19	+Termination benefits	Yes
11.1	Change to activities	If POMSoX specifies
11.2	Change involving main +undertaking	Yes

11.4	No disposal of major asset without offer, or approval for no offer	Yes
13.3	Removal of the manager of a trust	No
13.4	Removal of the trustee of a trust	No
14.4	Election of directors - rotation	No

Meetings of shareholders

Content of notice

14.1 If a listing rule requires a notice of meeting to include information, that information may be in the notice or accompany it.

Requirement for proxy form

14.2 A notice of meeting must include a proxy form which must satisfy the following rules.

14.2.1 The proxy form must provide for the +security holder to vote for or against each resolution.

Note: The form may also provide for the security holder to abstain from voting on each resolution.

14.2.2 The proxy form must provide for the +security holder to appoint proxies of the holder's choice, but may specify who is to be appointed as proxy if the +security holder does not choose.

PDIs

14.2A If an entity has +PDIs issued over its +securities, it must allow +PDI holders to attend any meeting of holders of the +underlying securities unless the laws of the jurisdiction in which the entity is established prevent the +PDI holders attending the meeting.

Election of directors - nominations

14.3 An entity must accept nominations for the election of directors up to 30 +business days before the date of a meeting of shareholders at which directors may be elected. The entity may accept nominations closer to the date of the meeting of shareholders in accordance with its constitution.

Note: This rule applies to meetings convened by the entity of its own accord and to meetings requisitioned under the Companies Act 1997 and convened by the entity.

Cross reference: rule 3.13.

Election of directors - rotation

14.4 A director of an entity must not hold office (without re-election) past the third annual meeting of shareholders following the director's appointment or 3 years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual meeting of shareholders of the entity. This rule does not apply to the managing director (but if there is more than one managing director, only one is entitled not to be subject to re-election).

14.5 An entity which has directors must hold an election of directors each year.

Compliance with listing rule requirements

14.6 The approval of +security holders is not effective for the purpose of the listing rules unless the notice of meeting includes everything that the relevant listing rule requires it to include and the entity complies with rule 14.7.

14.7 If an entity states in a notice of meeting that it will do something that the listing rules require it to do, the entity must do that thing. If the thing is to be done by another +person, the entity must take all reasonable steps to ensure that the other +person does it.

Scrutinising votes

14.8 If POMSoX asks, an entity must appoint its auditor, or another +person selected with the approval of POMSoX, as scrutineer to decide the validity of votes cast at a meeting of shareholders and whether the votes that should have been disregarded were disregarded.

Approval usually means ordinary resolution

14.9 A requirement in the listing rules for approval by +security holders means approval by ordinary resolution at a meeting of the holders of +ordinary securities unless otherwise specified.

Directors' meetings

No casting vote by chairman

14.10 The director chairing a meeting of directors must not exercise a casting vote at any meeting at which only 2 of the directors who are present are entitled to vote.

Voting exclusion statement

14.11 If a listing rule requires a notice of meeting to include a +voting exclusion statement, the notice of meeting must contain a statement to the following effect.

The entity will disregard any votes cast on a resolution by:

- *the (named) +person (or class of +persons) excluded from voting; and*
- *an +associate of that +person (or those +persons).*

However, the entity need not disregard a vote if:

- *it is cast by a +person as proxy for a +person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the +person chairing the meeting as proxy for a +person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

14.11.1 The +person excluded from voting must be named in the notice of meeting. The +persons who must be named are the following.

Rule	Disregard votes cast by:
6.20.3	a +person who may participate in the proposed issue
6.22.2A	a +person who may participate in the proposed issue
6.23	a +person who holds an option that is the subject of the approval
7.1	a +person who may participate in the proposed issue and a +person who might obtain a benefit, except a benefit solely in the capacity of a +security holder, if the resolution is passed.
7.2 Exception 9	a director of the entity - in the case of a trust, the management company - (except one who is ineligible to participate in any +employee incentive scheme in relation to the entity)
7.4	a +person who participated in the issue
7.26	a +person whose shares are to be cancelled or liability released or waived

7.37	a director of the entity - in the case of a trust, the management company - (except one who is ineligible to participate in any +employee incentive scheme in relation to the entity)
7.38	a director of the entity - in the case of a trust, the management company - (except one who is ineligible to participate in any +employee incentive scheme in relation to the entity)

10.1	a party to the transaction
10.5	a party to the transaction
10.9	a party to the transaction
10.11	a +person who is to receive +securities in relation to the entity
10.14	a director of the entity - in the case of a trust, the management company - (except one who is ineligible to participate in any +employee incentive scheme in relation to the entity) and, if POMSoX has expressed an opinion under rule 10.14.3 that approval is required for participation in an +employee incentive scheme by anyone else, that +person.
10.17	a director of the entity - in the case of a trust, the management company.
10.19	an officer of the entity or any of its +child entities who is entitled to participate in a +termination benefit.
11.1	a +person who might obtain a benefit, except a benefit solely in the capacity of a +security holder, if the resolution is passed
11.2	a +person who might obtain a benefit, except a benefit solely in the capacity of a +security holder, if the resolution is passed
11.4	a party to the transaction to +acquire the asset

in all cases	a +person whose votes, in POMSoX's opinion, should be disregarded. Example: POMSoX may require the votes of a +person who might obtain a benefit if the resolution is passed, except a benefit solely in the capacity of a +security holder, to be disregarded. If POMSoX does so before the notice of meeting is sent out, that +person must be named in the notice.

14.11.2 POMSoX may identify a +person whose votes, in its opinion, should be disregarded despite the notice of meeting having been sent out. If so, the votes of that +person must also be disregarded. The provisions of rules 14.6 and 14.7 apply (with necessary adaptation).

Note: This rule does not require a further notice of meeting with the name of the person identified by POMSoX to be sent out.

Chapter 15

Requirements for documents

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Giving draft documents to POMSoX	15.1
Giving final documents to POMSoX	15.2 - 15.9
Sending documents to overseas +security holders	15.10
Rules concerning an entity's constitution	15.11 - 15.15

Giving draft documents to POMSoX

15.1 An entity must give POMSoX a draft of each of the following documents for examination. The entity must not finalise the document until POMSoX tells it that POMSoX does not object to the document. POMSoX will tell the entity within 5 +business days whether it objects, or that it needs more time to examine the document.

Cross reference: rule 15.2.

15.1.1 Proposed amended constitution.

Cross reference: rule 15.11.

Note: The draft must be given to POMSoX in a way that enables the changes to be readily identified. The amended constitution must be given to POMSoX after the amendments have been made.

15.1.2 Proposed amended trust deed in relation to +debt securities or +convertible debt securities.

Note: The draft must be given to POMSoX in a way that enables the changes to be readily identified. The amended deed must be given to POMSoX after the amendments have been made.

Example: POMSoX will check that the payment date for interest as set out in the draft deed complies with the listing rules.

15.1.3 A document to be sent to +persons who are entitled to participate in a new issue under an arrangement or reconstruction.

Cross reference: rule 3.10.1, Appendix 3B.

15.1.4 A notice of meeting which contains a resolution for an issue of +securities.

Cross reference: rules 3.10.3, 7.1, 10.11.

15.1.5 A document to be sent to +persons on whose +securities a call is to be made or an instalment is due.

Cross reference: Appendix 6A.

15.1.6 A document to be sent to +persons whose quoted options are about to expire.

Cross reference: Appendix 6A.

15.1.7 A document to be sent to holders of +securities in connection with seeking an approval under the listing rules.

Cross reference: Chapter 14.

Giving final documents to POMSoX

Place for lodging documents

15.2 To give a document to POMSoX, an entity must give it to POMSoX at the place which POMSoX from time to time directs.

15.2.1 [Not used]

15.2.2 [Not used]

Fax or copy document

15.3 A document for release to the market (except a printed +annual report) may be given to POMSoX by fax.

Note: If an entity is sending its security holders an annual report that comprises only the financial statements it has lodged with the Registrar and previously given to POMSoX, it need not send in an annual report, but should tell POMSoX that that is what it is sending to security holders.

Cross reference: rule 4.7, rule 15.4.

15.4 An entity must give POMSoX copies of documents as follows.

15.4.1 2 hard copies of an +annual report or prospectus.

Note: A prospectus must be faxed, even though 2 hard copies are also required, so that it can be released to the market as soon as possible. See rule 15.3.

15.4.2 One copy of its constitution, or trust deed in relation to +debt securities or +convertible debt securities. The entity must also give POMSoX a copy of the consolidated, amended constitution or trust deed after each amendment has been made.

15.5 A document given to POMSoX must be on the entity's letterhead, unless a form prescribed by the listing rules or a Papua New Guinea law is used. The document or form must be dated and authorised by an identified, authorised officer of the entity. If a document cannot

conveniently be put in letter form, the entity must give POMSoX a covering letter with it.

Example: An annual report or prospectus would be given to POMSoX under cover of a letter.

Documents not for release to the market

15.6 If a document is not for public release, the entity must prominently mark the document to make that clear. Information in a document that is marked in that way may be released to the market.

Note: POMSoX will normally only release information in a document that is given to POMSoX marked not for public release after POMSoX has told the entity that it will do so.

Example: A document marked on the front page "not for public release" meets this requirement.

Cross reference: rule 15.8.

Entity not to release information to others before POMSoX

15.7 An entity must not release information that is for release to the market to any +person until it has given the information to POMSoX and has received an acknowledgment that POMSoX has released the information to the market.

Note: This rule prohibits an entity giving information to the media even on an embargoed basis.

POMSoX sends an acknowledgment by fax after releasing information to the market.

Cross reference: rule 15.8.

15.7.1 However, an entity may release information that is for release to the market, if it becomes available outside the hours of operation of POMSoX, to an overseas stock exchange that requires it. In that case, the entity must fax the information to POMSoX at the same time, together with advice that it has released it.

No embargo

15.8 POMSoX does not recognise an embargo on a document given to it for public release.

Documents the property of POMSoX

15.9 A document given to POMSoX by an entity, or on its behalf, becomes and remains the property of POMSoX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and permitting others to do so. The documents referred to in this rule include a document given to POMSoX in support of a listing application or in compliance with the listing rules.

Sending documents to overseas security holders

General Rule

15.10 A document that is to be sent to an overseas +security holder must be sent by air or by fax, or in another way that ensures it will be received quickly.

Note: This rule is satisfied either by air mail or fax to each holder, or by transport by air of all the documents and surface post to each holder in the country of destination.

Example: A document may be printed and posted in the country of destination at the same time it is printed and posted in Papua New Guinea.

Cross reference: rule 7.7.

Rules concerning an entity's constitution

General rule

15.11 If an entity amends its constitution, the constitution (including the amendments) must be consistent with the listing rules.

Note: If a listing rule has been waived on an on-going basis, the constitution must be consistent with the listing rules as waived. See rule 18.1.

15.11.1 This rule does not apply if the entity's constitution includes the provisions in Appendix 15A.

Restricted securities

15.12 An entity's constitution must provide for each of the following.

15.12.1 +Restricted securities cannot be +disposed of during the escrow period except as permitted by the listing rules or POMSoX.

Note: If the constitution allows the restricted securities to be disposed of as permitted by the listing rules or POMSoX, no amendment is needed to permit the transfer of restricted securities if permission is given for that transfer (eg, in the case of a deceased holder).

15.12.2 The entity will refuse to acknowledge a +disposal (including registering a transfer) of +restricted securities during the escrow period except as permitted by the listing rules or POMSoX.

15.12.3 During a breach of the listing rules relating to +restricted securities, or a breach of a restriction agreement, the holder of the +restricted securities is not entitled to any dividend or distribution, or voting rights, in respect of the +restricted securities.

Note: The definition of dispose includes using an asset as collateral. See Chapter 19.

Cross reference: Chapter 9, Appendix 9A.

Small holdings

15.13 An entity's constitution must not permit it to sell the +securities of a holder who has less than a +marketable parcel of those +securities unless it also provides for each of the following.

15.13.1 The entity may do so only once in any 12 month period.

15.13.2 The entity must notify the +security holder in writing of its intention.

15.13.3 The +security holder must be given at least 6 weeks from the date the notice is sent in which to tell the entity that the holder wishes to retain the holding.

15.13.4 If the +security holder tells the entity under rule 15.13.3 that the holder wishes to retain the holding, the entity will not sell it.

15.13.5 The power to sell lapses following the announcement of a +takeover. However, the procedure may be started again after the close of the offers made under the +takeover.

15.13.6 The entity or the purchaser must pay the costs of the sale.

15.13.7 The proceeds of the sale will not be sent until the entity has received any certificate relating to the +securities (or is satisfied that the certificate has been lost or destroyed).

Trusts

15.14 A trust which has provisions in its constitution relating to the +acquisition of +units above a limit or +substantial shareholdings must not have any sanctions or penalties in the constitution which entitle the management company, the trustee or any other party to enforce the provisions.

Example: A trust has provisions in its constitution prohibiting anyone acquiring more than 20% of the units on issue without making an offer to all unitholders. The constitution must not have provisions allowing enforcement of this prohibition.

A trust has provisions in its constitution saying that a person who acquires more than 90% of the units on issue may compulsorily acquire the outstanding units. The constitution must not have provisions allowing enforcement of this right.

Foreign companies

15.15 An overseas company's constitution must not include provisions relating to +takeovers or +substantial shareholdings.

15.15.1 [Not used]

15.15.2 This rule does not prohibit provisions relating to [+]takeovers or [+]substantial shareholdings required under Australian Stock Exchange or New Zealand Stock Exchange listing rules.

Chapter 16

Fees

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Calculation of fees	16.8 - 16.9

Explanatory note

This chapter sets out the obligation to pay fees, the refunds available and how fees are calculated. The scales of fees and other related matters are published separately.

Fees for admission

Entity to pay fees for admission

16.1 An entity seeking admission to the +official list and +quotation of +securities must pay the fees set and published by POMSoX. It must do so when, and in the manner that, POMSoX specifies.

Refund if entity is not admitted

16.2 If an entity's application for admission to the +official list is not accepted, POMSoX will refund an amount set and published by POMSoX.

Fees under rule 11.1 (change to activities)

16.3 If POMSoX applies rule 11.1 and requires compliance with Chapters 1 and 2, an entity must pay the fees set and published by POMSoX. It must do so when, and in the manner that, POMSoX specifies.

Fees for quotation of additional securities

16.4 An entity must pay the fees for +quotation of additional +securities set and published by POMSoX. It must do so when, and in the manner that, POMSoX specifies. However no fee is payable in any of the following cases, except under rule 16.7.

(a) +Quotation of shares or +units following the +conversion of quoted +securities.

(b) Re-quotation of forfeited shares after they have been sold, or redeemed by the former holder.

Cross reference: rule 2.11

Annual fees

Entity to pay annual fee

16.5 An entity must pay an annual fee as set and published by POMSoX. It must do so when, and in the manner that, POMSoX specifies. Fees paid more than 15 +business days after the due date must be paid by bank cheque.

Cross reference: rule 17.6.

16.5.1 [Not used]

Refund if entity is removed on request or after takeover offer

16.6 If an entity is removed from the +official list before the end of the first half of the year for which the annual fee is payable, POMSoX will, on application, refund half the annual fee paid if one of the following applies.

16.6.1 The removal is at the request of the entity.

16.6.2 The removal is under rule 17.14.

Additional fees

16.7 An entity must pay additional fees as set and published by POMSoX. It must do so when, and in the manner that, POMSoX specifies.

Example: Additional fees are payable for:

- Reviewing draft documents.
- Making inquiries of the entity about compliance with the listing rules.
- Reinstating quotation of securities that have been suspended from quotation.

Calculation of fees

16.8 A fee calculated by reference to the value of +securities is calculated by reference to the value as set and published by POMSoX.

16.9 A fee calculated by reference to quoted +securities is calculated as if quoted +securities include each of the following.

16.9.1 +Securities for which +quotation has been granted, even if +quotation has been deferred, suspended or subject to a +trading halt.

16.9.2 Forfeited shares which have not been cancelled.

Note: At the date on which these listing rules took effect, the Securities Commission was of the view that a forfeiture of shares results in a cancellation of the shares by virtue of section 56(3) of the Companies Act. On this basis the conditions referred to below would need to be satisfied before the shares were forfeited.

Chapter 17

Trading halts, suspension, removal

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Explanatory note

This chapter deals with +trading halts, suspending +quotation of an entity's +securities and removal of an entity from the +official list.

An entity's +securities, or a +class of them, are quoted if they have been granted +quotation under Chapter 2. If POMSoX ends +quotation of the +class, they are no longer a +class of quoted +securities. Application for +quotation would have to be made again in relation to them, and granted, before they could be quoted again. On the other hand, suspension does not amount to a permanent ending of +quotation, and does not mean that the +securities are not quoted +securities.

+Securities are not suspended merely because:

- transactions in them are interrupted (ie, cannot be effected on +PETS because POMSoX has received a market sensitive announcement in relation to the entity); or
- they are subject to a +trading halt.

+Securities that are suspended, or subject to a +trading halt or interruption, may be reinstated to +quotation without a fresh application.

If the entity is removed from the +official list, +quotation of all its +securities ends. Application for admission to the +official list and +quotation of +securities would have to be made again, and granted, before the +securities could be quoted again.

Trading Halts

How and when a trading halt occurs

17.1 POMSoX may grant a +trading halt at the request of an entity. POMSoX may require the request to be in writing. POMSoX is not required to act on the entity's request. The entity must tell POMSoX each of the following.

- Its reasons for the +trading halt.
- How long it wants the +trading halt to last.
- The event it expects to happen that will end the +trading halt.
- That it is not +aware of any reason why the +trading halt should not be granted.
- Any other information necessary to inform the market about the +trading halt, or that POMSoX asks for.

17.1.1 The length of the +trading halt cannot exceed the period permitted under POMSoX's business rules.

17.1.2 POMSoX may suspend +quotation of an entity's +securities, even if the +securities are subject to a +trading halt. However, if the entity requested the +trading halt (without POMSoX's intervention) to prevent trading in its +securities taking place in an uninformed market, POMSoX will not suspend +quotation of the +securities before the expiry of the +trading halt.

Example: POMSoX intervenes by querying a price or volume movement that results in the request for the trading halt.

Suspension of securities from quotation

Suspension at entity's request

17.2 POMSoX may at any time suspend an entity's +securities, or a +class of them, from +quotation at the request of the entity. POMSoX may require the request to be in writing. POMSoX is not required to act on the entity's request. The entity must tell POMSoX each of the following.

(a) Its reasons for the suspension.

(b) How long it expects the suspension to last.

(c) The event it expects to happen that will end the suspension.

(d) That it is not +aware of any reason why its +securities should not be suspended.

(e) Any other information necessary to inform the market about the suspension, or that POMSoX asks for.

Suspension not at entity's request

General rule

17.3 POMSoX may at any time suspend an entity's +securities, or a +class of them, from +quotation if in POMSoX's opinion any of the following applies.

17.3.1 The entity is unable or unwilling to comply with, or breaks, a listing rule.

17.3.2 It is necessary to suspend +quotation to prevent a disorderly or uninformed market.

17.3.3 POMSoX's rules require the suspension.

Note: POMSoX's rules are its listing rules, business rules, and constitution.

17.3.4 It is appropriate for some other reason.

Compulsory acquisition

17.4 In the case of a compulsory acquisition under a takeover offer, POMSoX will suspend +quotation of an entity's +securities 5 +business days after it receives a copy of the notice sent to dissenting offerees that the offeror wants to +acquire the outstanding +securities.

17.4.1 POMSoX may decide not to suspend +quotation of +securities in another +class which was not the subject of the takeover offer.

Cross reference: rule 17.14 deals with removal of the entity.

Failure to lodge documents

17.5 If an entity fails to give POMSoX the documents required under rules 4.1, 4.3, 4.4, 4.7, 5.1, 5.2 or 5.3, POMSoX will suspend its +securities from +quotation on the +business day after the date on which the documents were due. POMSoX will not waive this rule.

Note: The entity's securities are suspended before trading commences.

Failure to pay annual listing fees

17.6 If POMSoX does not receive payment of an entity's annual listing fees within 15 +business days after the due date, POMSoX will suspend

+quotation of the entity's +securities on the next +business day. POMSoX will not waive this rule.

Note: The due date is 31 July (see rule 16.5). The entity's securities are suspended before trading commences.

Cross reference: rule 17.15 deals with removal of the entity.

Reinstatement of securities to quotation

General rule

17.7 POMSoX may at any time reinstate an entity's +securities to +quotation.

Note: Reinstatement does not necessarily mean that POMSoX accepts that the entity is complying with the listing rules.

Reinstatement after lodging documents

17.8 If an entity's +securities are suspended under rule 17.5 for failure to lodge documents, POMSoX will normally reinstate +quotation of the +securities before the commencement of trading on the day after POMSoX receives the documents and any fee payable.

Note: POMSoX may decide not to reinstate quotation if the securities should be suspended for another reason. See rule 17.3.

Cross reference: rule 16.7.

Reinstatement after payment of annual listing fees

17.9 If an entity's +securities are suspended under rule 17.6 for failure to pay the listing fees, POMSoX will normally reinstate +quotation of the +securities before the commencement of trading on the +business day after it receives the listing fees.

Note: POMSoX may decide not to reinstate quotation if the securities should be suspended for another reason. See rule 17.3.

Cross reference: rule 17.15.

Ending quotation

17.10 POMSoX may at any time end +quotation of a +class of an entity's +securities if either of the following applies.

(a) The entity requests it.

(b) The +securities no longer meet the requirements necessary for +quotation.

POMSoX is not required to act on the entity's request.

Note: POMSoX may require the entity to advise security holders before ending quotation.

Example: A class of preference shares may no longer be held by enough holders, because of redemption or conversion of them, and POMSoX may end quotation of the class.

Removal from the official list

Removal at entity's request

17.11 POMSoX may at any time remove an entity from the +official list at the request of the entity. POMSoX may require the entity to establish the authority of the +person making the request. If the entity has a seal, POMSoX may require the request to be under seal. POMSoX is not required to act on the entity's request, or may require conditions to be satisfied before it will act on the request.

Note: Removal is usually effective from the close of business on a date POMSoX chooses.

Removal not at entity's request

General rule

17.12 POMSoX may at any time remove an entity from the +official list if, in POMSoX's opinion, any of the following applies.

(a) The entity is unable or unwilling to comply with, or breaks, a listing rule.

(b) The entity has no quoted +securities.

(c) It is appropriate for some other reason.

Automatic removal after a long suspension

17.13 An entity is automatically removed from the +official list immediately after the close of trading on the first anniversary of the date its +securities were suspended, if they have been suspended continuously for that period. However, POMSoX may decide that this rule is not to apply in a particular case.

17.13.1 [Not used]

17.13.2 This rule does not prevent POMSoX removing an entity earlier.

Removal following compulsory acquisition notices

17.14 If all the quoted +securities of an entity have been suspended under rule 17.4, POMSoX will remove the entity at the close of trading on a date decided by POMSoX.

Note: Normally the removal takes place on the 3rd business day following the date on which the entity's securities were suspended. No request for removal is required.

Removal for non-payment of annual listing fee

17.15 If an entity does not pay an annual listing fee as required under rule 16.5, POMSoX will remove the entity from the +official list at the close of trading on the 20th +business day after the due date. POMSoX will not waive this rule.

Cross reference: rule 17.6.

When removal from the official list occurs

17.16 If POMSoX's decision to remove an entity from the +official list is conditional, the entity is removed when the conditions are met. If the decision is unconditional, the entity is removed on the date specified in the decision. If no date is specified, the entity is removed on the date of the decision.

Note: Removal is usually effective from the close of trading on a date decided on by POMSoX.

Example: POMSoX may require an entity to notify its security holders that it has requested removal and the removal will take place on a set date.

Chapter 18

Application of listing rules

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Waivers

Granting waivers

18.1 POMSoX may at any time waive a listing rule, or part of a rule, unless the rule specifies that POMSoX will not waive it. It may do so on any conditions. It may do so on the application of the entity or of its own accord.

Example: POMSoX may waive a listing rule of its own accord if an entity applies for waivers of a number of listing rules which POMSoX would grant and it becomes apparent that an additional listing rule should also be waived.

18.1.1 If POMSoX waives a listing rule, or part of a listing rule, on a condition, the condition must be complied with for the waiver to be effective.

18.1.2 POMSoX will publish waivers periodically.

Note: POMSoX publishes a waiver register monthly, approximately on the 10th of the month. It normally includes waivers granted in the previous month. The register includes a brief description of the waivers that have been granted and the names of the entities granted the waivers.

18.2 [Not used]

Varying and revoking decisions

18.3 POMSoX may at any time vary a decision in any way, or revoke it. It may do so on the application of the entity or of its own accord. The variation or revocation has effect from the date specified by POMSoX.

18.3.1 POMSoX will only vary or revoke a decision with effect from the date on which it notifies the entity of the variation or revocation, unless materially incorrect or incomplete information was given to POMSoX in support of the decision. In that case, POMSoX may vary or revoke the decision with effect from the date it was made.

Example: This rule applies to waivers.

Transitional arrangements

18.4 POMSoX may publish transitional arrangements in relation to any new listing rule. An entity must comply with the transitional arrangements published by POMSoX.

Discretion applying the rules

18.5 POMSoX may decide to take no action in response to a breach of a listing rule. If POMSoX takes no action, it is not a waiver of the listing rule.

Obligations in relation to the listing rules

Complying with the listing rules

18.6 On admission to the +official list, an entity must comply with the listing rules. This applies even if +quotation of the entity's +securities is deferred, suspended or subject to a +trading halt.

Giving POMSoX information etc

18.7 An entity must give POMSoX any information, document or explanation that POMSoX asks for to enable it to be satisfied that the entity is, and has been, complying with the listing rules. The entity must do so within the time specified by POMSoX.

Complying with POMSoX requirements

18.8 An entity must comply with any requirement POMSoX imposes on it in order to ensure compliance with the listing rules.

Change of admission category

18.9 POMSoX may at any time change an entity's admission category to another category. It may do so on the request of the entity or of its own accord. POMSoX is not required to act on the entity's request, or may require conditions to be satisfied before it will act on the request. Following advice of the change, the entity must comply with the listing rules applicable to an entity in the new category.

Example: POMSoX may require a debt issuer to comply with the requirements of Chapters 1 and 2 for general admission if the entity seeks quotation of equity securities.

Chapter 19

Interpretation and definitions

Table of contents

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Interpretation

Principles on which the listing rules are based

19.1 The listing rules are based on the principles set out in the Introduction.

Entity must comply with spirit, intention and purpose etc of rules

19.2 An entity must comply with the listing rules as interpreted:

(a) in accordance with their spirit, intention and purpose;

(b) by looking beyond form to substance; and

(c) in a way that best promotes the principles on which the listing rules are based.

Note: The principles on which the listing rules are based embody their intention and purpose. See the Introduction.

Expressions used in the Companies Act 1997 and Securities Act 1997

19.3 Expressions that are not specifically defined in the listing rules, but are given a particular meaning in the Companies Act 1997 or Securities Act 1997, have the same meaning in the listing rules.

19.3.1 A reference to a law, POMSoX's constituent documents, POMSoX's business rules or POMSoX's listing rules is a reference to the provision as:

(a) amended;

(b) re-enacted;

(c) modified by administrative act; or

(d) affected by a subordinate instrument.

Conduct

19.4 An act or omission by an entity includes an act or omission caused directly or indirectly by the entity.

Example: A company that causes a subsidiary to take an action is taking the action indirectly.

Calculation of time

19.5 When a listing rule requires something to be done by a day that is not a +business day, the thing must be done by the preceding +business day.

19.6 References to time are to local time, unless another time is specified.

Notice to an entity by POMSoX

19.7 A document is to be treated as being given to an entity if it is left at, or is sent by post or fax to, the address or fax number:

(a) in the entity's application for admission; or

(b) given to POMSoX by the entity or used in correspondence with POMSoX by the entity.

This rule does not prevent a document being given to an entity in any other way permitted by law.

Example: Laws regarding service of documents.

19.7.2 The time that the document is to be treated as being given to an entity is as follows.

(a) If it is delivered, the time of delivery.

(b) If it is posted, on the second +business day after posting.

(c) If it is faxed, when it is received. A successful fax transmission report is sufficient proof of the time of receipt.

Procedural defects

19.8 A procedural defect does not invalidate a decision of POMSoX. If the defect may result in substantial injustice, an entity may ask POMSoX to review its decision.

History, notes etc are not part of the listing rules

19.9 The following are not part of the listing rules.

(a) The Tables of Contents.

(b) The Explanatory notes.

(c) The Introduction (except the principles on which the listing rules are based).

(d) The history, notes, examples and cross references set out beneath particular rules.

(e) The Index.

How an entity tells POMSoX

19.10 If a listing rule requires an entity to tell POMSoX something, the entity must tell POMSoX in writing.

19.11 [Not used]

Financial statements

19.11A If a listing rule requires an entity to give POMSoX financial statements, the following rules apply.

(a) If the entity is a parent entity, or if POMSoX requires, the statements must be consolidated statements.

Example: If the listed entity is a parent entity and the listing rule requires a balance sheet, a consolidated balance sheet is required.

(b) The statements must be prepared in accordance with generally accepted accounting practice as defined in section 172 of the Companies Act 1997. If the entity is a +foreign entity that is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997, the statements may be prepared to accounting standards agreed by POMSoX.

Note: POMSoX will agree, for example, to the use of International Accounting Standards by a foreign entity.

(c) If the listing rule requires audited financial statements, the audit must be conducted in accordance with Papua New Guinea auditing standards by a +registered company auditor. If the entity is a +foreign entity, the audit may be conducted in accordance with other standards agreed by POMSoX and may be conducted by an overseas equivalent of a +registered company auditor.

(d) If the listing rule requires financial statements to be reviewed, the review must be conducted in accordance with Papua New

Guinea auditing standards. If the entity is a +foreign entity, the review may be conducted in accordance with other standards agreed by POMSoX. Unless the listing rule says an independent +registered accountant may conduct the review, it must be conducted by a +registered company auditor (or, if the entity is a +foreign entity, an overseas equivalent of a +registered company auditor).

(e) Where the listing rules refer to Australian Accounting Standards or AASB, if there is an equivalent provision or standard determined by the Accounting Standards Board of Papua New Guinea, those references must be read as references to the equivalent Papua New Guinea provision or standard.

Definitions

19.12 The following expressions have the meanings set out below.

expressions	**meanings**
acquire	to acquire or agree to acquire directly or through another +person by any means, including the following. • Granting or exercising an option. • Enforcing collateral and taking an asset. • Increasing an economic interest. • Acquiring part of an asset.
annual report	(a) In the case of an entity that is subject to Part XII of the Companies Act 1997, includes the documents that it (in the case of a trust, the management company) is required to lodge with the +Registrar under the Companies Act 1997. (b) In the case of an entity that is *not* subject to Part XII of the Companies Act 1997, includes the documents that it (in the case of a trust, the management company) would be required to lodge with the +Registrar if it were subject to those provisions, except that:

expressions	**meanings**
	• if the entity is a +foreign entity that is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997, the financial statements may be prepared in accordance with accounting standards agreed by POMSoX; and • the auditor's report required by the Companies Act 1997 need not be included, provided that an auditor's report prepared by a +registered company auditor (or overseas equivalent of a registered company auditor) in accordance with standards agreed by POMSoX is included. Note: POMSoX will accept, for example, the use of International Accounting Standards.
associate	the same meaning as "associated person" under the Securities Act 1997 and "associated" refers to two or more persons who are associates of each other.
aware	An entity becomes aware of information if a director or executive officer (in the case of a trust, a director or executive officer of the management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity.
bonus issue	a +pro rata issue or distribution of +securities to holders of +ordinary securities for which no consideration is payable by them.
business day	Monday to Friday inclusive, except days declared as public holidays in Papua New Guinea and any other day that POMSoX declares is not a business day.
cash formula	*In the case of +ordinary securities,* N = (CP / IPO) x E N = the number of shares or +units *not* subject to escrow.

expressions	**meanings**
	CP = the total cash paid for the +ordinary securities that would otherwise be subject to escrow, divided by the number of +securities issued to the +person. IPO = the price paid in any initial public offering at the time the entity applies for admission, or if there is no public offering, the price agreed by POMSoX. E = the number of +ordinary securities that would otherwise be subject to escrow. *In the case of options which have the same terms as options offered with +ordinary securities under any initial public offering at the time the entity applies for admission,* O = N x F O = the number of options *not* subject to escrow. N = the number of shares or +units *not* subject to escrow. F = the number of options per +ordinary security offered under the initial public offering.
certificated subregister	that part of an entity's register for a +class of its +securities that is administered by the entity and records certificated holdings of +securities in that +class. Note: The register may be of shares, options or other securities.
CHESS	the meaning in Chapter 21 of the SCH Business Rules
CHESS approved	the meaning in Chapter 21 of the SCH Business Rules
CHESS subregister	that part of an entity's register for a +class of +CHESS approved securities that is administered by +SCH and records uncertificated holdings of +securities in that +class. Note: The register may be of shares, options or other securities that are +CHESS approved.

expressions	**meanings**
child entity	(a) in relation to a body corporate, a subsidiary under section 5(1) of the Companies Act 1997. (b) in relation to a trust, the management company and trustee and their child entities.
class	+Securities are in the same class only if the same rights and obligations attach to them. Differences arising from the requirements of the listing rules relating to +restricted securities are to be ignored. Example: Partly paid securities are in a different class to fully paid securities. Fully paid securities that rank equally except for the next dividend or distribution are in the same class (but may be traded separately until they merge with the other shares in the class). Fully paid ordinary securities classified as restricted securities are in the same class as fully paid ordinary securities that are not classified as restricted securities.
classified asset	(a) an interest in a mining exploration area or similar tenement or interest; (b) an interest in intangible property that is substantially speculative or unproven, or has not been profitably exploited for at least 3 years, and which entitles the entity to develop, manufacture, market or distribute the property; (c) an interest in an asset which, in POMSoX's opinion, cannot readily be valued; (d) an interest in an entity the substantial proportion of whose assets (held directly, or through a controlled entity) is property of the type referred to in paragraphs (a), (b) and (c).
Commission	Securities Commission of Papua New Guinea.
controller	a +person who, in POMSoX's opinion, has a substantial interest in the equity of the holder of, or a substantial economic interest in, +restricted securities; and each intermediate entity through which that interest occurs.
convertible	includes exercisable.

expressions	**meanings**
convertible securities	+securities which are +convertible by the holder, or automatically by their terms of issue, into +equity securities. Note: convertible securities includes options.
convertible debt security	an unsecured note or debenture that is an +equity security because it is a +convertible security.
corporate action	the meaning in chapter 21 of the +SCH Business Rules and includes action taken by a +foreign issuer for the purpose of giving an Entitlement (as defined in the +SCH Business Rules) in respect of +securities held by a +depository nominee to Holders (as defined in the +SCH Business Rules) of +PDIs. Note: In the SCH Business Rules a corporate action is an action taken by an entity which issues securities or makes them available for the purpose of giving an Entitlement to Holders of a class of the entity's securities.
deferred settlement	a settlement in which the obligation to settle on a trade date plus 3 +business days (T+3) basis is deferred until the time following the +despatch date that POMSoX fixes.
debt security	(a) an unsecured note, except one +convertible to a share or +unit; (b) a debenture, except one +convertible to a share or +unit; (c) any +security that POMSoX decides to classify as a debt security; (d) but not a +security POMSoX decides to classify as an +equity security.
depository nominee	the person appointed under the POMSoX Business Rules whose function is to hold +title to +securities issued by a +foreign issuer
despatch date	the date set in accordance with the listing rules or the date set by POMSoX by which entries are made in the holders' +security holdings. Cross reference: Appendix 6A and Appendix 7A. Note: The listing rules set out the last date that an entity can set as a despatch date. If the entity does not set an earlier date, the last date becomes the despatch date.

expressions	meanings
dispose	to dispose or agree to dispose directly or through another +person by any means, including the following. • Granting or exercising an option. • Using an asset as collateral. • Decreasing an economic interest. • Disposing of part of an asset. Example: A listed company holds all the shares in Company A, which holds all the shares in company B. Company B holds restricted securities. If company A sells 51% of the shares in company B the listed company has disposed of the restricted securities.
dividend or distribution plan	any plan which gives holders of +securities the opportunity to accept +securities in place of dividend, distribution or interest payments (either partly or wholly).
employee incentive scheme	(a) a scheme for the issue or +acquisition of +equity securities in the entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a +related entity; or (b) a scheme which, in POMSoX's opinion, is an +employee incentive scheme. Cross reference: Definition of terms of the scheme.
entity	(a) an entity that has applied for admission to, or is admitted to, the +official list. (b) in Appendix 4B the meaning in the Australian Accounting Standards.
equity interests	the sum of paid up capital, reserves, and accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the consolidated financial statements.

expressions	**meanings**
equity security	(a) a share; (b) a +unit; (c) a right to a share or +unit or option; (d) an option over an issued or unissued +security; (e) a +convertible security; (f) any +security that POMSoX decides to classify as an equity security; (g) but not a +security POMSoX decides to classify as a +debt security.
foreign entity	an entity incorporated outside Papua New Guinea.
holding lock	the meaning in chapter 21 of the +SCH Business Rules.
hydrocarbon	a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons.
hydrocarbon reserves	+proved hydrocarbon reserves, +probable hydrocarbon reserves or +possible hydrocarbon reserves.
identified mineral resources	the meaning in Appendix 5A.
issuer sponsored subregister	that part of an entity's register for a +class of +CHESS approved securities that is administered by the entity (and not +SCH) and records uncertificated holdings of +securities. Note: The register may be of shares, options or other securities that are CHESS approved.
investment entity	an entity whose principal immediate activity is, in POMSoX's opinion, to invest its funds wholly or mainly in listed or unlisted +securities or futures contracts.

expressions	**meanings**
main class	+ordinary securities of the entity (if +ordinary securities are not to be quoted, the +class of +securities designated by POMSoX). Note: listing rules relating to main class are not applicable to debt issuers.
market price	the closing price on +PETS, excluding special crossings, overnight sales and exchange traded option exercises.
marketable parcel	the meaning in POMSoX's business rules.
mineral resources	the meaning in Appendix 5A.
mining entity	a +mining exploration entity or a +mining producing entity.
mining exploration entity	an entity whose activities or the principal part of whose activities consist for the purposes of the listing rules, in POMSoX's opinion, of exploration for a mineral, oil or gas.
mining producing entity	an entity whose activities or the principal part of whose activities consist of the extraction of a mineral, oil or gas.
mining tenement	includes an exploration licence and a mineral, oil or natural gas lease or concession.
net tangible asset backing	for the purpose of rule 4.12 in relation to a +class of +securities, $\frac{(A - I - L)}{N}$

expressions	**meanings**
A =	total Assets. In calculating this, the value of investments at the end of the month are calculated at "net market value" (that is, the amount which could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of the disposal). The value of investments, except quoted [+]securities of listed entities, is calculated at cost or valuation. Valuation must not exceed the recoverable amount. Note: The net market value definition is taken from Australian Accounting Standard AASB 1023.
I =	Intangible assets.
L =	total Liabilities ranking ahead of, or equally with, claims of that [+]class of [+]securities. In calculating this, total liabilities include each of the following. • Provisions for tax on realised income and gains. • Provisions for tax on estimated unrealised income and gains. Alternatively, the entity may disclose the net tangible asset backing per [+]security before and after providing for the estimated tax on unrealised income and gains. • Provisions for declared, but unpaid, dividends or distributions if the [+]securities are still quoted on a basis that includes the dividend or distribution on the date on which the net tangible asset backing is reported. • Provisions for unpaid management fees earned. Example: Liabilities ranking ahead of, or equally with, fully paid ordinary shares in a parent entity will include all liabilities, preference share entitlements, and outside equity interests.

expressions	**meanings**
	N = total Number of +securities on issue in that +class. In calculating this, partly paid +securities which are in that +class when paid up are taken into account by assuming that the unpaid amount is paid.
no liability company	the meaning in the Australian Corporations Law or any other equivalent company under any other equivalent law
official list	official list of entities that POMSoX has admitted and not removed.
operating profit (loss)	the profit (loss) for the relevant period resulting from the operations of the entity or group during the period of a kind carried on regularly to achieve the objectives of the entity or group.
ordinary securities	ordinary shares or ordinary +units (if an entity does not have ordinary shares or ordinary +units, the +class of +securities designated by POMSoX).
ore reserves	the meaning in Appendix 5A.
overseas home exchange	the place of an entity's primary listing (if the entity is not required to comply with the rules of that exchange or market as a domestic entity, the exchange or market designated by POMSoX).
PDI	stands for PETS Depository Interest and means a unit of beneficial ownership in a +security issued by a +foreign issuer, registered in the name of a +depository nominee.
person	includes an individual, body corporate, body politic, firm, association, authority or other entity.
PETS	POMSoX Electronic Trading System as provided for in POMSoX's business rules.
POMSoX	Port Moresby Stock Exchange Limited.

expressions	**meanings**
possible hydrocarbon reserves	+reserves less well defined by geological and geophysical control than +probable hydrocarbon reserves and consisting of extensions to the +proved hydrocarbon reserves and +probable hydrocarbon reserves areas where so indicated by geophysical and geological studies. Note: The probability generally assigned to these reserves would be 25% but may be higher or lower.
pre-hydrocarbon reserve stage	from the earliest investigations until +proved hydrocarbon reserves can be estimated.
probable hydrocarbon reserves	+reserves that may reasonably be assumed to exist because of geophysical or geological indications and drilling done in regions which contain +proved hydrocarbon reserves. This category may also include +reserves commercially recoverable as a result of the beneficial effects which may be derived from the future institution of some form of pressure maintenance or other secondary recovery methods, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proved at the present time. There is equal risk of there being larger or smaller volumes of +reserves resulting.
profit from continuing operations	+operating profit: (a) before tax; and (b) including abnormal items that are losses, unless POMSoX is satisfied that they are unlikely to be repeated at that level in later periods; (c) but disregarding abnormal items that are profits, or anything that results from an activity that has been or is to be discontinued, unless POMSoX decides otherwise;

expressions	**meanings**
promoter	(a) A +person (or +associate of a +person) who provides a service to the entity (or to a +related party of the entity) in relation to either of the following or who, in the opinion of POMSoX, is involved in or has had any influence in either of the following. • The entity's promotion or listing; or • The entity's initial public offering. (b) Unless POMSoX decides otherwise, a +substantial shareholder (or +associate of a +substantial shareholder) who is entitled to at least 10% of the voting +securities.
property trust	a trust that has investment of its funds in real estate as its main object.
pro rata issue	an issue which has been offered to all holders of +securities in a +class on a pro rata basis.
proved hydrocarbon reserves	+reserves that, to a high degree of certainty, are clearly recoverable at commercial rates under currently anticipated production methods, operating conditions, prices and costs. Note: There is relatively little risk with these reserves.
quotation	official quotation by POMSoX.
recognised trustee	a trustee approved by POMSoX for the purpose of the listing rules.
record date	5.00 pm (in the case of a proper +SCH transfer, a later time permitted by the +SCH Business Rules) on the date an entity specifies for lodging transfers for the purpose of identifying the +persons who are entitled to dividends, interest, new +securities, rights to priority of applications for issues of +securities, or any other entitlement. Note: See also the SCH Business Rules definition of Record Date, which deals only with transfers to and from a CHESS holding.

expressions	**meanings**
registered company auditor	the meaning in the Accountants Act 1996.
Registrar	The Registrar of Companies appointed in accordance with section 394 of the Companies Act.
related party	(a) *in relation to a body corporate*, the meaning given to "related company" in section 2(3) of the Companies Act 1997. (b) *in relation to a trust*, the management company, trustee and their related parties. (c) *in relation to a +person*: (i) his or her spouse, de facto spouse, parent, son, or daughter, or a spouse or de facto spouse of that +person; (ii) an entity over which one or more of the +persons referred to in paragraph (i) has control; (iii) an entity that he or she controls, or its parent entity or sibling entity; (iv) a +person who acts, or proposes to act, in concert with anyone referred to above; (v) a +person who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in section 2(3) of the Companies Act 1997 (applied with any necessary adaptation).

expressions	**meanings**
relevant agreement	an agreement, arrangement or understanding: (a) whether formal or informal or partly formal and partly informal; (b) whether written or oral or partly written and partly oral; (c) whether or not having legal or equitable force and whether or not based on legal or equitable rights.
reserves	the meaning in Appendix 5A.
resources	the meaning in Appendix 5A.
restricted securities	(a) +securities issued in the circumstances set out in Appendix 9B. (b) +securities that, in POMSoX's opinion, should be treated as restricted securities.
routine transaction statement	a statement of transactions in a +security holder's account issued by the entity.
SCH	The meaning in Chapter 21 of the SCH Business Rules
SCH Business Rules	The business rules published by SCH in Australia
security	(a) a security for the purposes of the Companies Act 1997 or the Securities Act 1997; and (b) any investment product traded under POMSoX's rules, whether quoted or not. Note: PDIs are securities.
short report	The documents referred to in section 211(1) of the Companies Act 1997.

expressions	**meanings**
SRN	the meaning in the +SCH Business Rules. Note: The SCH Business Rules provide that SRN stands for shareholder reference number, which is allocated by an entity to identify a holder on the issuer sponsored or certificated subregisters.
special transaction statement	a statement of transactions in a +security holder's account issued by the entity at the request of the holder.
substantial shareholder	(a) *in relation to a company,* a substantial shareholder under Part VII of the Securities Act 1997. (b) *in relation to a trust,* a +person who would be a substantial shareholder under Part VII of the Securities Act 1997 if references to shares in the Securities Act were references to +units. (c) *in relation to an overseas company,* a +person who would be a substantial shareholder under Part VII of the Securities Act 1997 if references to a company in the Securities Act 1997 were references to an overseas company as defined in the Companies Act 1997. (d) a substantial shareholding in an entity is the shareholding of a substantial shareholder in that entity.
takeover	(a) a takeover offer for the purposes of the Takeovers Code; (b) a similar offer or announcement under a foreign regime.
termination benefits	payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.
terms of the scheme	includes terms, conditions, rules, regulations or guidelines formulated to introduce or administer an +employee incentive scheme.

expressions	**meanings**
title	in relation to +securities, means: (a) legal title where +securities can be owned at law; and (b) equitable or beneficial title where the +securities can be owned only in equity.
trading halt	for the purpose of chapter 17, an interruption to trading at the request of an entity that is not a suspension from +quotation.
underlying securities	(a) in relation to an option over unissued shares, +securities in the same +class as those which will be issued if the option is exercised; (b) in relation to a +convertible debt security, +securities in the same +class as those which will be issued if the +convertible debt security is converted. (c) in relation to +PDIs, +securities over which +PDIs are issued.
unit	a unit in a trust.
undertaking	includes assets or businesses.
voting exclusion statement	a statement referred to in rule 14.11.

Rules 1.1 Cond 3, 1.7

Appendix 1A

General admission application and agreement

This form is for use by an entity seeking admission to the +official list in the general category (for classification as a debt issuer use Appendix 1B, and for classification as an exempt +foreign entity use Appendix 1C). The form is in 3 parts:

1. *Application for admission to the +official list;*

2. *Information to be completed; and*

3. *Agreement to be completed.*

Information and documents (including this appendix) given to POMSoX in support of an application become POMSoX's property and may be made public. This may be prior to admission of the entity and +quotation of its +securities. Publication does not mean that the entity will be admitted or that its +securities will be quoted.

Part 1 - Application for admission to the official list

Name of entity

We (the entity) apply for admission to the +official list of Port Moresby Stock Exchange Limited (POMSoX) and for +quotation of +securities.

Part 2 - Information to be completed

About the entity

You must complete the relevant sections (attach sheets if there is not enough space).

All entities

1	Type of admission *(tick one)*	General ☐ +Investment entity ☐ +Mining exploration entity ☐

2	+Main class of +securities	Number	+Class
3	Additional +classes of +securities (except +PDIs)	Number to be quoted	+Class

Number not to be quoted	+Class

4	Postal address for all correspondence, general fax number, and fax number for to POMSoX to confirm release of information to the market.	
5	Address of principal +security registries for each +class of +security (including +PDIs)	
6	Annual balance date	

Companies only

(Other entities go to 19)

7	Name and title of chief executive officer/managing director	
8	Name and title of chairperson of directors	
9	Names of all directors	

10	Duration of appointment of directors (if not subject to retirement by rotation) and details of any entitlement to participate in profits	
11	Name and title of company secretary	
12	Place of incorporation	
13	Date of incorporation	
14	Legislation under which incorporated	
15	Address of registered office and address for service in Papua New Guinea	
16	Month in which annual meeting is usually held	
17	Months in which dividends are usually paid (or are intended to be paid)	
18	If the entity is an overseas company, the location of Papua New Guinea +security registers, registers of depositary receipts, or other facilities for registration of transfers	

(Companies now go to 31)

All entities except companies

19	Name and title of chief executive officer/managing director of the management company	
20	Name and title of chairperson of directors of management company	
21	Names of all directors of the management company	
22	Duration of appointment of directors of management company (if not subject to retirement by rotation) and details of any entitlement to participate in profits	
23	Name and title of company secretary of management company	
24	Place of registration of the entity	
25	Date of registration of the entity	
26	Legislation under which the entity is registered	
27	Address of administration office in Papua New Guinea of the entity	

28	If an annual meeting is held, month in which it is usually held	
29	Months in which distributions are usually paid (or are intended to be paid)	
30	If the entity is a +foreign entity, the location of Papua New Guinea +security registers, registers of depositary receipts, or other facilities for registration of transfers	

About the entity

All entities

Tick to indicate you are providing the information or documents			Where is the information or document to be found? (eg, prospectus cross reference)
31	☐	Evidence of compliance with minimum issue price and spread requirements	
32	☐	Prospectus relevant to the application (25 copies)	
33	☐	Cheque for fees	
34	☐	Type of registers the entity will operate	
35	☐	Copies of any contracts referred to in the prospectus (including any underwriting agreement)	
36	☐	A certified copy of any restriction agreement entered into in relation to +restricted securities	
37	☐	If there are +restricted securities, undertaking issued by any bank or +recognised trustee	
38	☐	(Companies only) - certificate of incorporation or other evidence of status (including any change of name)	
39	☐	(All entities except companies) - certificate of registration or other evidence of status (including change of name)	
40	☐	Copy of the entity's constitution	
41	☐	Completed checklist that the constitution complies with the listing rules	
42	☐	A brief history of the entity or, if applicable, the group	

About the securities to be quoted

All entities

43	☐	Confirmation that the +securities to be quoted are eligible to be quoted under the listing rules	
44	☐	Voting rights of +securities to be quoted	
45	☐	[Not used]	
46	☐	Terms of the +securities to be quoted	
47	☐	A statement setting out the names of the 20 largest holders in each +class of +securities to be quoted, and the number and percentage of each +class of +securities held by those holders	
48	☐	A distribution schedule of each +class of +equity securities to be quoted, setting out the number of holders in the categories - 1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over	

Tick to indicate you are providing the information or documents			Where is the information or document to be found? (eg, prospectus cross reference)
49	☐	The number of holders of a parcel of +securities with a value of more than K2,000, based on the issue/sale price	
50	☐	Terms of any +debt securities and +convertible debt securities	
51	☐	Trust deed for any +debt securities	
52	☐	Trusts deed for any +convertible securities	

All entities with classified assets

(Other entities go to 62)

All +mining exploration entities and, if POMSoX asks, any other entity that has +acquired, or entered into an agreement to +acquire a +classified asset, must give POMSoX the following information.

53	☐	The name of the vendor and details of any relationship of the vendor with us	
54	☐	If the vendor was not the beneficial owner of the +classified asset at the date of the +acquisition or agreement, the name of the beneficial owner(s) and details of the relationship of the beneficial owner(s) to us	
55	☐	The date that the vendor +acquired the +classified asset	
56	☐	The method by which the vendor +acquired the +classified asset, including whether by agreement, exercise of option or otherwise	
57	☐	The consideration passing directly or indirectly from the vendor (when the vendor +acquired the asset), and whether the consideration has been provided in full	
58	☐	Full details of the +classified asset, including any title particulars	

59	☐	The work done by or on behalf of the vendor in developing the +classified asset. In the case of a +mining tenement, this includes prospecting in relation to the tenement. If money has been spent by the vendor, state the amount (verification of which may be required by POMSoX)	
60	☐	The date that the entity +acquired the +classified asset from the vendor, the consideration passing directly or indirectly to the vendor, and whether that consideration has been provided in full	
61	☐	A breakdown of the consideration, showing how it was calculated, and whether any experts' reports were commissioned or considered (and if so, with copies attached)	

About the entity's capital structure

All entities

62	☐	Evidence that at least 20 toea for each +security to be quoted (except options) is paid in cash	
63	☐	A copy of the register of shareholders, if POMSoX asks	
64	☐	A copy of any court orders in relation to a reorganisation of the entity's capital in the last five years	
65	☐	The terms of any +employee incentive scheme	
66	☐	The terms of any +dividend or distribution plan	
67	☐	The terms of any +securities that will not be quoted	
68		Not used	
69	☐	The entity's issued capital (interests), showing separately each +class of +security (exceot +PDIs), the	

		amount paid up on each +class, the issue price, the dividend (in the case of a trust, distribution) and voting rights attaching to each +class and the conversion terms (if applicable)	
70	☐	The number of the entity's debentures, except to bankers, showing the amount outstanding, issue price, rate of interest, dates of payment of interest, date and terms of redemption of each +class and conversion terms (if applicable) Note: This applies whether the securities are quoted or not.	
71	☐	The number of the entity's unsecured notes, showing the amount outstanding, issue price, rate of interest, dates of payment of interest, date and terms of redemption of each +class and conversion terms (if applicable) Note: This applies whether the securities are quoted or not.	
72	☐	The number of the entity's options to +acquire unissued +securities, showing the number outstanding Note: This applies whether the securities are quoted or not.	
73	☐	Details of any rights granted to any +person, or to any class of +persons, to participate in an issue of the entity's +securities Note: This applies whether the securities are quoted or not.	
74	☐	If the entity has any +child entities, a list of all +child entities stating in each case the name, the nature of its business and the entity's percentage holding in it. Similar details should be provided for every entity in which the entity holds (directly or indirectly) 20% or more of the issued capital (interests).	

About the entity's financial position

(Entities meeting the profit test go to 75. For the NTA test - +mining exploration entities go to 89, +investment entities to 94, and other entities to 82.)

All entities meeting the profit test

75	☐	Evidence that the entity has been in the same main business activity for the last 3 full financial years	

76	☐	Evidence that the entity is a going concern (or successor) and its aggregated profit for the last 3 full financial years	
77	☐	Audited financial statements for the last 3 full financial years and audit reports	
78		Deleted	
79		Deleted	
80	☐	Half yearly financial statements (if required) and audit report or review	
80A	☐	Pro forma balance sheet and review	
80B	☐	Statement from all directors confirming consolidated [+]profit from continuing operations	

All entities meeting the NTA test, except mining exploration entities and investment entities

(only complete one of 82 or 83)

81	☐	Not used	
82	☐	Evidence that at least half of the entity's total tangible assets (after raising any funds) is not cash or in a form readily convertible to cash (if there are no binding contracts)	
83	☐	Evidence that there are binding contracts (if at least half of the entity's total tangible assets (after raising any funds) is cash or in a form readily convertible to cash)	
84	☐	Evidence of working capital to carry out the entity's stated objectives (and statement by independent expert, if required)	

85	☐	Evidence of the expectation that the entity will generate income within 3 years after admission (and statement to that effect from an independent expert, if required)	
86	☐	Not used	
87	☐	Financial statements for the last 3 full financial years and audit report, review or statement that not audited or not reviewed	
87A	☐	Half yearly financial statements (if required) and audit report, review or statement that not audited or not reviewed	
87B	☐	Audited balance sheet (if required) and audit report	
87C	☐	Pro forma balance sheet and review	

(Now go to 106)

Mining exploration entities meeting the NTA test

88	☐	Not used	
89	☐	Evidence that the entity has an amount of at least K1.5 million available to fund its stated objectives or exploration program	
90	☐	Evidence that at least half of the entity's cash or assets readily convertible to cash are committed to the +acquisition and exploration of +mining tenements or for the +acquisition of plant and equipment	
91	☐	A written statement from an independent expert as to the entity's exploration and expenditure program and that enough exploration work has taken place.	

92	☐	Financial statements for the last 3 full financial years and audit report, review or statement that not audited or not reviewed	
92A	☐	Half yearly financial statements (if required) and audit report, review or statement that not audited or not reviewed	
92B	☐	Audited balance sheet (if required) and audit report	
92C	☐	Pro forma balance sheet and review	

(Now go to 106)

Investment entities meeting the NTA test

(only complete one of 94, 95, 96 or 97)

93	☐	Not used	
94	☐	Evidence that less than half of the entity's total tangible assets (after raising any funds) is cash or in a form readily convertible to cash	
95	☐	Evidence that there are binding contracts for at least half of the entity's total tangible assets is cash or in a form readily convertible to cash Note: a copy of the contracts may be required.	
96	☐	Evidence of net tangible assets of at least K15 million and agreement to comply with, and continue to comply with, POMSoX's investment obligations	
97	☐	Not used	
98	☐	Financial statements for the last 3 full financial years and audit report, review or statement that not audited or not reviewed	

98A ☐ Half yearly financial statements (if required) and audit report, review or statement that not audited or not reviewed

98B ☐ Audited balance sheet and audit report (if required)

98C ☐ Pro forma balance sheet and review

(Now go to 106)

99 ☐ Not used

100 ☐ Not used

101 ☐ Not used

102 ☐ Not used

103 ☐ Not used

104 ☐ Not used

105 ☐ Not used

About the entity's business plan and level of operations

All entities

106 ☐ Details of the entity's existing and proposed activities, and level of operations. State the main business

107 ☐ Details of any issues of the entity's +securities (in all +classes) in the last 5 years. Indicate issues for consideration other than cash

Other information

108 ☐ Not used

109	☐	Not used	
110	☐	Not used	
111	☐	Not used	
112	☐	Not used	
113	☐	Not used	
114	☐	Not used	
115	☐	Not used	
116	☐	Not used	
117	☐	Not used	
118	☐	Not used	
119	☐	Not used	
120	☐	Not used	
121	☐	Details of any material contracts entered into between the entity and any of its directors (if a trust, the directors of the management company)	
122	☐	A copy of every prospectus issued in the last 5 years	
123	☐	Information not covered elsewhere and which, in terms of rule 3.1, is likely materially to affect the price or value of the entity's +securities	

123A ☐ The documents which would have been required to be given to POMSoX under rules 4.1, 4.3, 4.5, 5.1, 5.2 and 5.3 had the entity been admitted to the +official list at the date of its application for admission, unless POMSoX agrees otherwise.

Example: POMSoX may agree otherwise if the entity was recently incorporated.

Mining exploration entities

124 ☐ A map or maps of the +mining tenements prepared by a qualified +person. The maps must indicate the geology and other pertinent features of the tenements, including their extent and location in relation to a city or major town, and relative to any nearby properties which have a significant bearing on the potential of the tenements. The maps must be dated and identify the qualified +person and the report to which they relate.

125 Not used

126 ☐ A schedule of +mining tenements prepared by a qualified person. The schedule must state in relation to each +mining tenement:

- the geographical area where the +mining tenement is situated;
- the nature of the title to the +mining tenement;
- whether the title has been formally confirmed or approved and, if not, whether an application for confirmation or approval is pending and whether the application is subject to challenge; and
- the +person in whose name the title to the +mining tenement is currently held.

127 ☐ If the entity has +acquired an interest or entered into an agreement to +acquire an interest in a +mining tenement from any +person, a statement detailing the date of the +acquisition of the interest from the vendor and the purchase price paid and all other consideration (whether legally enforceable or not) passing (directly or indirectly) to the vendor

128	☐	A financial statement by the directors (if a trust, the directors of the management company) setting out a program of expenditure together with a timetable for completion of an exploration program in respect of each +mining tenement or, where appropriate, each group of tenements	
129	☐	A declaration of conformity or otherwise with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves for any reports on +mineral resources and +ore reserves	

Part 3 - Agreement

All entities

You must complete this agreement. If you require a seal to be bound, the agreement must be under seal.

We agree:

1. Our admission to the +official list is in POMSoX's absolute discretion. POMSoX may admit us on any conditions it decides. +Quotation of our +securities is in POMSoX's absolute discretion. POMSoX may quote our +securities on any conditions it decides. Our removal from the +official list or the suspension or ending of +quotation of our +securities is in POMSoX's absolute discretion. POMSoX is entitled immediately to suspend +quotation of our +securities or remove us from the +official list if we break this agreement, but the absolute discretion of POMSoX is not limited.

2. We warrant to POMSoX that the issue of the +securities to be quoted complies with the law, and is not for an illegal purpose; and that there is no reason why the +securities should not be granted +quotation.

3. We will indemnify POMSoX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of the warranties in this agreement.

4. We give POMSoX the information and documents required by this form. If any information or document is not available now, we will give it to POMSoX before +quotation of the +securities begins. We acknowledge that POMSoX is relying on the information and documents. We warrant that they are (will be) true and complete.

5. We will comply with the listing rules that are in force from time to time, even if +quotation of our +securities is deferred, suspended or subject to a +trading halt.

6. The listing rules are to be interpreted:

   - in accordance with their spirit, intention and purpose;
   - by looking beyond form to substance; and
   - in a way that best promotes the principles on which the listing rules are based.

7. POMSoX has discretion to take no action in response to a breach of a listing rule. POMSoX may also waive a listing rule (except one that specifies that POMSoX will not waive it) either on our application or of

its own accord on any conditions. POMSoX may at any time vary or revoke a decision on our application or of its own accord.

8. A document given to POMSoX by an entity, or on its behalf, becomes and remains the property of POMSoX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and permitting others to do so. The documents include a document given to POMSoX in support of the listing application or in compliance with the listing rules.

9. In any proceedings, a copy or extract of any document or information given to POMSoX is of equal validity in evidence as the original.

10. [Not used]

11. [Not used]

12. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be approved under the operating rules of +PETS:

    - +PETS is irrevocably authorised to establish and administer a subregister in respect of +PDIs.
    - We will make sure that +PDIs are issued over +securities if the holder of quoted +securities asks for +PDIs.

13. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be approved under the operating rules of +PETS:

    ☐ we have given a copy of this application to PETS in accordance with the operating rules of +PETS; or

    ☐ we ask POMSoX to forward a copy of this application to +PETS.

Dated:

[Proper execution - ~~if the entity has a seal, execution must be under seal~~]

== == == == ==

Rule 1.9

Appendix 1B

Debt issuer application and agreement

This form is for use by an entity seeking admission to the +official list as a debt issuer (for classification in the general category use Appendix 1A, and for classification as an exempt +foreign entity use Appendix 1C). The form is in 3 parts:

1. *Application for admission to the +official list;*

2. *Information to be completed; and*

3. *Agreement to be completed.*

Information and documents (including this appendix) given to POMSoX in support of an application become POMSoX's property and may be made public. This may be prior to admission of the entity and +quotation of its +securities. Publication does not mean that the entity will be admitted or that its +securities will be quoted.

Part 1 - Application for admission to the official list

Name of entity

We (the entity) apply for admission to the +official list of Port Moresby Stock Exchange Limited (POMSoX) as a debt issuer and for +quotation of the following +securities.

Part 2 - Information to be completed

About the entity

You must complete the relevant sections (attach sheets if there is not enough space).

All entities

1	+Main class of +securities	Number	+Class
2	Additional +classes of +securities	Number to be quoted	+Class
		Number not to be quoted	+Class

3	Postal address for all correspondence, general fax number, and fax number for POMSoX to confirm release of information to the market	
4	Addresses of +security registries	
5	Annual balance date	

Companies only

(Other entities go to 17)

6	Name and title of chief executive officer/managing director	
7	Name and title of chairperson of directors	
8	Names of all directors	
9	Name and title of company secretary	
10	Place of incorporation	

11	Date of incorporation	
12	Legislation under which incorporated	
13	Address of registered office and address for service in Papua New Guinea	
14	Month in which annual meeting is usually held	
15	Months in which interest is usually paid (or is intended to be paid)	
16	If the entity is an overseas company, the location of Papua New Guinea +security registers, registers of depositary receipts or other facilities for registration of transfers	

(Companies now go to 27)

All entities except companies

17	Name and title of chief executive officer of the management company	

18	Name and title of chairperson of directors of management company	
19	Names of all directors of the management company	
20	Name and title of company secretary of management company	
21	Place of registration	
22	Date of registration	
23	Legislation under which registered	
24	Address of administration office in Papua New Guinea	
25	Months in which interest is usually paid (or is intended to be paid)	
26	If the entity is a +*foreign entity*, the location of Papua New Guinea +security registers, registers of depositary receipts or other facilities for registration of transfers	

All entities

		Tick to indicate you are providing the information or documents	Where is the information or document to be found? (eg, prospectus cross reference)
27	☐	Prospectus relevant to the application (25 copies)	
28	☐	Cheque for fees	
29	☐	Type of register the entity will operate	
30	☐	Copies of any contracts referred to in the prospectus (including any underwriting agreement)	
31	☐	(Companies only) certificate of incorporation or other evidence of status (including any change of name)	
32	☐	(All entities except companies) certificate of registration or other evidence of status (including change of name)	
33	☐	A brief history of the entity or, if applicable, the group	
34	☐	Evidence of K1 million of issued +debt securities	
35	☐	Evidence of at least 25 holders of the +debt securities to be quoted	

About the securities to be quoted

All entities

36	☐	Confirmation that the +securities to be quoted are eligible to be quoted under the listing rules	
37	☐	A specimen certificate for each +class of +securities to be quoted	

38	☐	Terms of the +securities to be quoted	
39	☐	Terms of the +debt securities	
40	☐	Trust deed for the +debt securities	

About the entity's capital structure

All entities

41	☐	The number of debentures, except to bankers, showing the amount outstanding, issue price, rate of interest, dates of payment of interest, date and terms of redemption of each +class and conversion terms (if applicable). Note: This applies whether the securities are quoted or not.	
42	☐	The number of unsecured notes, showing the amount outstanding, issue price, rate of interest, dates of payment of interest, date and terms of redemption of each +class and +conversion terms (if applicable)	

About the entity's business plan and level of operations

All entities

43	☐	Details of existing and proposed activities, and level of operations. State the main business.	
44	☐	Information not covered elsewhere and that, in terms of rule 3.1, is likely materially to affect the price or value of the entity's +debt securities.	

Part 3 - Agreement

All entities

You must complete this agreement. If you require a seal to be bound, the agreement must be under seal.

We agree:

1. Our admission to the +official list and classification as a debt issuer is in POMSoX's absolute discretion. POMSoX may admit us on any conditions it decides. +Quotation of our +securities is in POMSoX's absolute discretion. POMSoX may quote our +securities on any conditions it decides. Our removal from the +official list, the suspension or ending of +quotation of our +securities, or a change in the category of our admission is in POMSoX's absolute discretion. POMSoX is entitled immediately to suspend +quotation of our +securities or remove us from the +official list if we break this agreement, but the absolute discretion of POMSoX is not limited.

2. We warrant to POMSoX that the issue of the +securities to be quoted complies with the law, and is not for an illegal purpose; and that there is no reason why the +securities should not be granted +quotation.

3. We will indemnify POMSoX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of the warranties in this agreement.

4. We give POMSoX the information and documents required by this form. If any information or document is not available now, we will give it to POMSoX before +quotation of the +securities begins. We acknowledge that POMSoX is relying on the information and documents. We warrant that they are (will be) true and complete.

5. We will comply with the listing rules that are in force from time to time, even if +quotation of our +securities is deferred, suspended or subject to a +trading halt.

6. The listing rules are to be interpreted:

   - in accordance with their spirit, intention and purpose;
   - by looking beyond form to substance; and
   - in a way that best promotes the principles on which the listing rules are based.

7. POMSoX has discretion to take no action in response to a breach of a listing rule. POMSoX may also waive a listing rule (except one that

specifies that POMSoX will not waive it) either on our application or of its own accord on any conditions. POMSoX may at any time vary or revoke a decision on our application or of its own accord.

8. A document given to POMSoX by an entity, or on its behalf, becomes and remains the property of POMSoX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and permitting others to do so. The documents include a document given to POMSoX in support of the listing application or in compliance with the listing rules.

9. In any proceedings, a copy or extract of any document or information given to POMSoX is of equal validity in evidence as the original.

10. [Not used]

11. [Not used]

Dated:

[Proper execution - if the entity has a seal, execution must be under seal]

== == == == ==

Rule 1.14

Appendix 1C

Exempt foreign entity application and agreement

This form is for use by an entity seeking admission to the +official list as an exempt +foreign entity (for admission in the general category classification use Appendix 1A and for classification as a debt issuer use Appendix 1B). The form is in 3 parts:

1. *Application for admission to the +official list;*

2. *Information to be completed; and*

3. *Agreement to be complete.*

Information and documents (including this appendix) given to POMSoX in support of an application become POMSoX's property and may be made public. This may be prior to admission of the entity and +quotation of its +securities. Publication does not mean that the entity will be admitted or that its +securities will be quoted.

Part 1 - Application for admission to the official list

Name of entity

We (the entity) apply for admission to the +official list of Port Moresby Stock Exchange Limited (POMSoX) as an exempt +foreign entity and for +quotation of the following +securities.

Part 2 - Information to be completed

About the entity

You must complete the relevant sections (attach sheets if there is not enough space).

All entities

1	+Main class of +securities	Number	+Class
2	Additional classes of +securities (except +PDIs)	Number to be quoted	+Class

Number not to be quoted	+Class

3 Postal address for all correspondence, general fax number, and fax number for POMSoX to confirm release of information to the market	
4 Name and address of local agent (if any)	
5 Addresses of +security registries, registers of depositary receipts or other facilities for registration of transfers	
6 Annual balance date	
7 Exchanges that the entity is listed on. If more than one, identify which is the entity's home exchange (or equivalent) or market.	

Companies only

(Other entities go to 18)

8 Name and title of the chief executive officer/managing director	
9 Name and title of chairperson of directors	

10	Names of all directors	
11	Name and title of company secretary	
12	Place of incorporation	
13	Legislation under which incorporated	
14	Address of principal registered office	
15	Address of principal office in Papua New Guinea (if one) and name and address of resident agent in Papua New Guinea	
16	Month in which annual meeting is usually held	
17	Months in which dividends are usually paid	

(Companies now go to 28)

All entities except companies

18	Name and title of chief executive officer of management company	
19	Name and title of chairperson of directors of management company	
20	Names of all directors of the management company	
21	Name and title of company secretary of management company	
22	Place of registration	
23	Legislation under which registered	
24	Address of principal administration office	
25	Address of administration office in Papua New Guinea (if one)	
26	Months in which distributions are usually paid	
27	Number of +securities on issue in the +class to be quoted	

All entities

	Tick to indicate you are providing the information or document		Where is the information or document to be found? (eg, prospectus cross reference)
28	☐	Latest +annual report and any subsequent interim reports (25 copies)	
29	☐	Cheque for fees	
30	☐	Type of registers the entity will operate.	
31	☐	(Companies only) certificate of incorporation or other evidence of status (including any change of name)	
32	☐	(All entities except companies) certificate of registration or other evidence of status (including any change of name)	
33	☐	Copy of the entity's constitution	
34	☐	A brief history of the entity or, if applicable, the group	
35	☐	A description of the regulatory regime(s) to which the entity is subject on its +overseas home exchange and its jurisdiction of incorporation or establishment. (eg • disclosure of material information; • disclosure of periodic financial information and the accounting and auditing standards that apply; • requirements for information to be sent to +security holders; • regulation of changes in control; • regulation of dealings with directors (if a trust, the management company) and controlling holders of +equity securities; and • regulation of changes in the rights attaching to +securities.)	

About the securities to be quoted

All entities

36	☐	Confirmation that the +securities to be quoted are eligible to be quoted under the listing rules	
37	☐	Voting rights of +securities to be quoted	
38	☐	A specimen certificate for each +class of +securities to be quoted and a specimen certificate for +PDIs	
39	☐	Terms of +securities to be quoted	

About the entity's capital structure

All entities

40	☐	A copy of the terms and conditions of any options or warrants (whether to be quoted or not)	
41	☐	Not used	
42	☐	Not used	

About the entity's financial position

All entities meeting the profit test

(Entities meeting the NTA test go to 46)

43	☐	Evidence that the entity is a going concern (or successor) and its operating profit before income tax for each of the last 3 full financial years.	
44	☐	Audited accounts for the last 3 full financial years.	
45	☐	A copy of the auditor's reports.	

(Now go to 47)

All entities meeting the NTA test

46	☐	Evidence of net tangible assets of at least K50 million.	

(Now go to 47)

About the entity's business plan and level of operations

All entities

47	☐	Details of the entity's existing activities and level of operations. State the main business.	

Other information

All entities

48	☐	Information not covered elsewhere and that, in terms of rule 1.14, the entity would be required to provide to its +overseas home exchange.	

Part 3 - Agreement

You must complete this agreement. If you require a seal to be bound, the agreement must be under seal.

We agree:

1. Our admission to the +official list and classification as an exempt +foreign entity is in POMSoX's absolute discretion. POMSoX may admit us on any conditions it decides. +Quotation of our +securities is in POMSoX's absolute discretion. POMSoX may quote our +securities on any conditions it decides. Our removal from the +official list, the suspension or ending of +quotation of our +securities, or a change in the category of our admission is in POMSoX's absolute discretion. POMSoX is entitled immediately to suspend +quotation of our +securities or remove us from the +official list if we break this agreement, but the absolute discretion of POMSoX is not limited.

2. We warrant to POMSoX that the issue of the +securities to be quoted complies with the law applicable to the issue, and was not for an illegal purpose; and that there is no reason why the +securities should not be granted +quotation.

3. We will indemnify POMSoX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of the warranties in this agreement.

4. We give POMSoX the information and documents required by this form. If any information or document is not available now, we will give it to POMSoX before +quotation of the +securities begins. We acknowledge that POMSoX is relying on the information and documents. We warrant that they are (will be) true and complete.

5. We will comply with the listing rules that are in force from time to time, even if +quotation of our +securities is deferred, suspended or subject to a +trading halt.

6. The listing rules are to be interpreted:
   - in accordance with their spirit, intention and purpose;
   - by looking beyond form to substance; and
   - in a way that best promotes the principles on which the listing rules are based.

7. POMSoX has discretion to take no action in response to a breach of a listing rule. POMSoX may also waive a listing rule (except one that specifies that POMSoX will not waive it) either on our application or of its own accord on any conditions. POMSoX may at any time vary or revoke a decision on our application or of its own accord.

8. We will comply with the listing rules (or their equivalent) of our +overseas home exchange.

9. A document given to POMSoX by an entity, or on its behalf, becomes and remains the property of POMSoX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and permitting others to do so. The documents include a document given to POMSoX in support of the listing application or in compliance with the listing rules.

10. In any proceedings, a copy or extract of any document or information given to POMSoX is of equal validity in evidence as the original.

11. [Not used]

12. [Not used]

13. POMSoX may approach our +overseas home exchange to make any inquiries in order to consider this application, or while we remain on the +official list.

14. We will give POMSoX the number of copies of our +annual report which POMSoX requires, and any subsequent interim reports which

POMSoX requires, for distribution before permission for +quotation is granted.

15. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be approved under the operating rules of +PETS:

- +PETS is irrevocably authorised to establish and administer a subregister in respect of +PDIs.
- We will make sure that +PDIs are issued over +securities if the holder of quoted +securities asks for +PDIs.

16. In the case of an entity established in a jurisdiction whose laws have the effect that the entity's +securities cannot be approved under the operating rules of +PETS:

☐ we have given a copy of this application to PETS in accordance with the operating rules of +PETS; or

☐ we ask POMSoX to forward a copy of this application to +PETS.

Dated:

[Proper execution - if the entity has a seal, execution must be under seal]

Rule 2.7

Appendix 2A

Application for quotation of additional securities and agreement

This form is for use by an entity seeking +quotation of additional +securities. The form is in 3 parts:

1. *Application for +quotation of added securities;*

2. *Information to be completed; and*

3. *Agreement to be completed.*

Information and documents given to POMSoX in support of an application become POMSoX's property and may be made public.

Part 1 - Application for quotation of additional securities

Name of entity

We (the entity) apply for +quotation of +securities.

Part 2 - Information to be completed

You must complete the relevant sections (attach sheets if there is not enough space).

All entities

1	Number of +securities for which +quotation is sought	
2	+Class of the +securities for which +quotation is sought	
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	

4	Date of allotment of the additional +securities	
5	Dates of despatch of certificates, or entering of +securities into uncertificated holdings	
6	Number of holders of the additional +securities	
7	Issue price of the additional +securities	
8	Purpose of the issue (If issued upon +conversion of another +security, clearly identify that other +security. If issued as consideration for the +acquisition of assets, clearly identify those assets.)	
9	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do. • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment. • the voting rights of the additional +securities. • the rights of the additional +securities to participate in new issues of +securities.	

	Number	+Class
10 Number and +class of all +securities quoted on POMSoX (*including* the securities in clause 1)		

	Number	+Class
11 Number and +class of all +securities not quoted on POMSoX (*excluding* the securities in clause 1)		

12 Were the +securities issued for cash? (If yes, state the amount of discount in relation to each +security.)	

(tick one of 13 or 14)

13 ☐ Cheque for fees.

14 ☐ Periodic payment as agreed with POMSoX has been arranged.

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents	Where is the information or document to be found? (eg, prospectus cross reference)
15 ☐ A specimen certificate.	
16 ☐ The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders.	
17 ☐ A distribution schedule of the additional +securities setting out the number of holders in the categories 1 - 1,000 1,001 - 5,000 5,001 - 10,000	

10,001 - 100,000

100,001 and over

18 ☐ A copy of any trust deed for the additional [+]securities.

Restricted securities

19 ☐ Executed restriction agreements (refer Appendix 9A).

Cross reference: Chapter 9.

20 ☐ Undertakings from a bank or [+]recognised trustee.

Part 3 - Agreement

1 +Quotation of our additional +securities is in POMSoX's absolute discretion. POMSoX may quote the +securities on any conditions it decides.

2 We warrant to POMSoX that the issue of the +securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those +securities should not be granted +quotation.

3 We will indemnify POMSoX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give POMSoX the information and documents required by this form. If any information or document not available now, will give it to POMSoX before +quotation of the +securities begins. We acknowledge that POMSoX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: .....
(Director/Company secretary)

Print name: .....

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Appendix 3A

Timetable

The days indicated in the "Business day" column reflect completion of the event in the minimum (or maximum) time limit specified for that event.

Record date

1 If POMSoX agrees to quote an entity's securities on a "cum" then "ex" basis after the entity announces a +record date, the entity must follow the time limits set out in this timetable when announcing the +record date.

Event	Time limits	Business day
Entity announces +corporate action and +record date. +Securities quoted on a "cum" basis, unless POMSoX decides otherwise. Note: securities are quoted on an "ex" basis, unless POMSoX decides otherwise, 6 business days before the record date (ie day 3).		**0**
↓ +Record date to identify +security holders entitled to participate in the +corporate action.	at least 9 +business days after announcement of +record date	**9**

Cross reference: Appendix 6A(2) for the record date for interest on quoted debt securities and convertible debt securities. See also rules 7.13, 7.14, 7.15.

Rule 3.10.3, 3.10.4

Appendix 3B

New issue announcement

The information in this form must be given to POMSoX if an entity proposes to issue +securities. Information or documents not available now must be given to POMSoX as soon as available.

Information and documents given to POMSoX become POMSoX's property and may be made public.

Name of entity

We (the entity) give POMSoX the following information.

Part 1 - All issues

1	+Class of +securities to be issued	
2	Number of +securities to be issued	
3	Issue price of the +securities	
4	If the +securities are +convertible, a summary of their main terms	
5	The amount to be raised by the issue	
6	Is there a right to accept or retain over-subscriptions? If so, give details	
7	Purpose of the issue	

8	Will the +securities participate in dividends (in the case of a trust, distributions) or interest? If so, give the date from which they will participate, and the extent to which they will participate.	
9	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests).	

Part 2 - Issue to a class of security holders

10	If the issue is to a +class of +security holders, is it renounceable or non-renounceable?	
11	Ratio in which the +securities will be offered	
12	+Class of +securities to which the offer relates	
13	+Record date to determine entitlements	
14	Will holdings on different registers be aggregated for calculating entitlements?	
15	Policy for deciding entitlements in relation to fractions	
16	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
17	Closing date for receipt of acceptances or renunciations	

18	Places where applications may be lodged	
19	Amount payable on acceptance	
20	If the +securities are partly paid, future call dates and amounts payable Cross reference: rule 2.1 Condition 4.	
21	Names of any underwriters	
22	Amount of any underwriting fee or commission	
23	Are there any clauses in an underwriting agreement that may affect the obligations of an underwriter? If so, give details, and identify those that may be invoked before the issue opens and those that may be invoked after it opens	
24	Names of any brokers to the issue	
25	Fee or commission payable to the broker to the issue	

26	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
27	If the issue is contingent on +security holders' approval, the date of the meeting	
28	Date documents will be sent to +persons entitled	
29	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
30	How will entitlements not taken up by +security holders be dealt with?	
31	Will the securities be quoted? Cross reference: rule 2.8.	
32	Date rights trading will begin (if applicable)	
33	Date rights trading will end (if applicable)	
34	How do +security holders accept their entitlements in full?	
35	How do +security holders sell their entitlements *in full* through a broker?	
36	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	

37	How do +security holders +dispose of their entitlements (except by sale through a broker)?	

Sign here: ..... Date: .....
(Director/Company secretary)

Print name: .....

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Rule 4.10.3

Appendix 4A

List of corporate governance matters

The following is an indicative list of corporate governance matters that an entity may take into account when making the statement in its +annual report under rule 4.10.3.

1. If the entity is a body corporate, whether individual directors, including the Chair, are executive or non-executive directors (in the case of a trust, whether individual directors of the management company, including the Chair, are executive or non-executive directors).

2. The main procedures the entity has in place for:

   - devising criteria for membership of the entity's governing body;
   - reviewing the membership of that body; and
   - nominating representatives to that body.

   If a procedure involves a nomination committee, set out, or summarise, the committee's main responsibilities, the names of committee members and their positions in relation to the entity (eg, director of the company).

   Note: If the entity is a company the governing body is its board of directors. In the case of a trust, the governing body is the management company, rather than its officers.

3. The policies relating to the appointment and retirement of non-executive directors (in the case of a trust, non-executive directors of the management company).

4. The main procedures by which the governing body or individual members of it can seek independent professional advice, at the entity's expense, in carrying out their duties.

5. If the entity is a body corporate, the main procedures for establishing and reviewing the compensation arrangements for:

   - the chief executive officer (or equivalent), and other senior executives of the governing body, and
   - non-executive members of the governing body.

   If a procedure involves a remuneration committee, set out, or summarise, the committee's main responsibilities and rights, and the

names of committee members. If a member of the committee is not a member of the entity's governing body (eg, director of the company), state that +person's position.

6. If the entity is a trust, the main procedures for establishing and reviewing the compensation arrangements for the governing body.

   If a procedure involves a remuneration committee, set out, or summarise, the committee's main responsibilities and rights, and the names of committee members. If a member of the committee is not a member of the entity's governing body (eg, a director of the management company), state that +person's position.

   Note: If the entity is a company the governing body is its board of directors. In the case of a trust, the governing body is the management company, rather than its officers.

7. The main procedures the entity has in place for the nomination of external auditors, and for reviewing the adequacy of existing external audit arrangements (particularly the scope and quality of the audit).

   If a procedure involves an audit committee, set out, or summarise, the committee's main responsibilities and rights, and the names of committee members. If a member of the committee is not a member of the entity's governing body (eg, director of the company), state that +person's position.

   Cross reference: rule 4.10.2.

8. The governing body's approach to identifying areas of significant business risk, and to putting arrangements in place to manage them.

9. The entity's policy on the establishment and maintenance of appropriate ethical standards.

Rules 4.1, 4.3

Appendix 4B (equity accounted)

Half yearly/preliminary final report

Name of entity

COMPANY NO.	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')

Equity accounted results for announcement to the market

Extracts from this report for announcement to the market (see note 1). K'000

Sales (or equivalent operating) revenue *(item 1.1)*	up/down	%	to
Abnormal items after tax attributable to shareholders *(item 2.5)*	gain (loss) of		
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders *(item 1.26)*	up/down	%	to
+Operating profit (loss) after tax attributable to shareholders *(item 1.10)*	up/down	%	to
Extraordinary items after tax attributable to shareholders *(item 1.13)*	gain (loss) of		
+Operating profit (loss) and extraordinary items after tax attributable to shareholders *(item 1.16)*	up/down	%	to

Dividends (distributions)	Amount per +security	
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	K	

Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	K	

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) *(see item 15.2)*	

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Consolidated profit and loss account

		Current period – K"000	Previous corresponding period - K"000
1.1	Sales (or equivalent operating) revenue		
1.2	Share of +associates' "net profit (loss) attributable to shareholders" (equal to item 16.7)		
1.3	Other revenue		
1.4	+Operating profit (loss) before abnormal items and tax		
1.5	Abnormal items before tax (detail in item 2.4)		
1.6	+Operating profit (loss) before tax (items 1.4 + 1.5)		
1.7	Less tax		
1.8	+Operating profit (loss) after tax but before outside +equity interests		
1.9	Less outside +equity interests		
1.10	+Operating profit (loss) after tax attributable to shareholders		
1.11	Extraordinary items after tax (detail in item 2.6)		
1.12	Less outside +equity interests		
1.13	Extraordinary items after tax attributable to shareholders		

1.14	Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)		
1.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)		
1.16	+Operating profit (loss) and extraordinary items after tax attributable to shareholders (items 1.10 + 1.13)		
1.17	Retained profits (accumulated losses) at beginning of financial period		
1.18	If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)		
1.19	Aggregate of amounts transferred from reserves		
1.20	Total available for appropriation *(carried forward)*		

Consolidated profit and loss account continued

1.20	Total profit available for appropriation *(brought forward)*		
1.21	Dividends provided for or paid		
1.22	Aggregate of amounts transferred to reserves		
1.23	Retained profits (accumulated losses) at end of financial period		

Profit restated to exclude amortisation of goodwill		Current period K'000	Previous corresponding period K'000
1.24	+Operating profit (loss) after tax before outside +equity interests (items 1.8) and amortisation of goodwill		
1.25	Less (plus) outside +equity interests		
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders		

Intangible, abnormal and extraordinary items		*Consolidated - current period*			
		Before tax K'000	Related tax K'000	Related outside +equity interests K'000	Amount (after tax) attributable to shareholders K'000
2.1	Amortisation of goodwill				
2.2	Amortisation of other intangibles				
2.3	Total amortisation of intangibles				

2.4	Abnormal items				
2.5	Total abnormal items				
2.6	Extraordinary items				
2.7	Total extraordinary items				

Comparison of half year profits *(Preliminary final report only)*		Current year - K'000	Previous year - K'000
3.1	Consolidated +operating profit (loss) after tax attributable to shareholders reported for the *1st* half year (item 1.10 in the half yearly report)		
3.2	Consolidated +operating profit (loss) after tax attributable to shareholders for the *2nd* half year		

Consolidated balance sheet *(See note 5)*		At end of current period K'000	As shown in last +annual report K'000	As in last half yearly report K'000
	Current assets			
4.1	Cash			
4.2	Receivables			
4.3	Investments			
4.4	Inventories			
4.5	Other (provide details if material)			

4.6	Total current assets			
	Non-current assets			
4.7	Receivables			
4.8	Investments in [+]associates			
4.9	Other investments			
4.10	Inventories			
4.11	Exploration and evaluation expenditure capitalised (see para .71 of *AASB 1022*)			
4.12	Development properties ([+]mining entities)			
4.13	Other property, plant and equipment (net)			
4.14	Intangibles (net)			
4.15	Other (provide details if material)			
4.16	Total non-current assets			
4.17	Total assets			
	Current liabilities			
4.18	Accounts payable			
4.19	Borrowings			
4.20	Provisions			
4.21	Other (provide details if material)			
4.22	Total current liabilities			
	Non-current liabilities			
4.23	Accounts payable			

4.24	Borrowings			
4.25	Provisions			
4.26	Other (provide details if material)			
4.27	Total non-current liabilities			
4.28	Total liabilities			
4.29	Net assets			

Consolidated balance sheet continued

	Equity			
4.30	Capital			
4.31	Reserves			
4.32	Retained profits (accumulated losses)			
4.33	Equity attributable to shareholders of the parent entity			
4.34	Outside +equity interests in controlled entities			
4.35	Total equity			

4.36	Preference capital included as part of 4.33			

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

		Current period K'000	Previous corresponding period - K'000
5.1	Opening balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	+Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to development properties		
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)		

Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period K'000	Previous corresponding period - K'000
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	+Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		

6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)		

Consolidated statement of cash flows

(See note 6)

		Current period K'000	Previous corresponding period - K'000
	Cash flows related to operating activities		
7.1	Receipts from customers		
7.2	Payments to suppliers and employees		
7.3	Dividends received from +associates		
7.4	Other dividends received		
7.5	Interest and other items of similar nature received		
7.6	Interest and other costs of finance paid		
7.7	Income taxes paid		
7.8	Other (provide details if material)		
7.9	Net operating cash flows		
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment		
7.11	Proceeds from sale of property, plant and equipment		
7.12	Payment for purchases of equity investments		
7.13	Proceeds from sale of equity investments		
7.14	Loans to other entities		
7.15	Loans repaid by other entities		
7.16	Other (provide details if material)		

7.17	Net investing cash flows		
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)		
7.19	Proceeds from borrowings		
7.20	Repayment of borrowings		
7.21	Dividends paid		
7.22	Other (provide details if material)		
7.23	Net financing cash flows		
7.24	Net increase (decrease) in cash held		
7.25	Cash at beginning of period *(see Reconciliation of cash)*		
7.26	Exchange rate adjustments to item 7.25.		
7.27	Cash at end of period *(see Reconciliation of cash)*		

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period K'000	Previous corresponding period - K'000
8.1 Cash on hand and at bank		

8.2	Deposits at call		
8.3	Bank overdraft		
8.4	Other (provide details)		
8.5	Total cash at end of period (item 7.26)		

Ratios		Current period	Previous corresponding period
	Profit before abnormals and tax / sales		
9.1	Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)		
	Profit after tax / +equity interests		
9.2	Consolidated +operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)		

Earnings per security (EPS)		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with *AASB 1027: Earnings per Share*		
	(a) Basic EPS		
	(b) Diluted EPS (if materially different from (a))		
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS		

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 +Net tangible asset backing per +ordinary security		

Details of specific receipts/outlays, revenues/ expenses

	Current period - K'000	Previous corresponding period - K'000
12.1 Interest revenue included in determining item 1.4		
12.2 Interest revenue included in item 12.1 but not yet received (if material)		
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)		
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)		
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)		
12.6 Depreciation and amortisation (excluding amortisation of intangibles)		

Control gained over entities having material effect

(See note 8)

13.1 Name of entity (or group of entities)	

13.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	K
13.3	Date from which such profit has been calculated	
13.4	+Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	K

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	

14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	K
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	K
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	K

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 *and indicates which amounts should agree with items included elsewhere in this report.*

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated +operating profit before tax (equal to item 1.6)

Segment assets	)	*Comparative data for segment assets should be as at*
Unallocated assets	)	*the end of the previous corresponding period.*
Total assets (equal to item 4.17)	)	

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm	
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

Amount per security

		Amount per +security	
	(Preliminary final report only)		
15.4	Final dividend: Current year	t	

15.5	Previous year	t	
	(Half yearly and preliminary final reports)		
15.6	Interim dividend: Current year	t	
15.7	Previous year	t	

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	t	t
15.9	Preference +securities	t	t

Half yearly report - interim dividend (distribution) on all securities *or*

Preliminary final report - final dividend (distribution) on all securities

		Current period K'000	Previous corresponding period - K'000
15.10	+Ordinary securities		
15.11	Preference +securities		
15.12	Total		

The +dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans	

Any other disclosures in relation to dividends (distributions)

Details of aggregate share of profits (losses) of associates

	Entity's share of associates'	Current period K'000	Previous corresponding period - K'000
16.1	+Operating profit (loss) before income tax		
16.2	Income tax expense		
16.3	+Operating profit (loss) after income tax		
16.4	Extraordinary items net of tax		
16.5	Net profit (loss)		
16.6	Outside +equity interests		
16.7	Net profit (loss) attributable to shareholders		

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. If the interest was +acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xxxx") or disposal ("to xx/xx/xxxx").

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14)	
17.1 Equity accounted +associated entities	Current period	Previous corresponding period	Current period – K'000	Previous corresponding period – K'000
17.2 Total				
17.3 Other material interests				
17.4 Total				

Issued and quoted securities at end of current period

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

Category of +securities	Number issued	Number quoted	Amount paid per share (toea)
18.1 Preference +securities *(description)*			
18.2 Issued during current period			

18.3	+Ordinary securities				
18.4	Issued during current period				
18.5	+Convertible debt securities (*description and conversion factor)*				
18.6	Issued during current period				
18.7	Options *(description and conversion factor)*			*Exercise price*	*Expiry date (if any)*
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	Debentures *(totals only)*				
18.12	Unsecured notes *(totals only)*				

Comments by directors

Comments on the following matters are required by POMSoX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report (as required by the Companies Act 1997) and may be incorporated into the directors' report. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the

last +*annual report and any announcements to the market made by the entity during the period.* [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic entity for the current period

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Changes in accounting policies since the last +annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

Additional disclosure for trusts

19.1	Number of +units held by the management company or a +related party of it	

19.2	A statement of the fees and commissions payable to the management company. Identify: • initial service charges • management fees • other fees	

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	
Date	
Time	
Approximate date the +annual report will be available	

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to POMSoX (see note 13).

Identify other standards used	

2 This report, and the financial statements prepared under the Companies Act 1997 (if separate), use the same accounting policies.

3 This report does/does not* *(delete one)* give a true and fair view of the matters disclosed (see note 2).

4 This report is based on financial statements to which one of the following applies.

(Tick one)

☐ The financial statements have been audited.

☐ The financial statements have been subject to review.

☐ The financial statements are in the process of being audited or subject to review.

☐ The financial statements have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one)*.

6 The entity has/does not have* *(delete one)* a formally constituted audit committee.

Sign here: ..... Date: .....

(Director/Company secretary)

Print name: .....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

   Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.

   Item 1.2 'Share of +associates' "net profit (loss) attributable to shareholders"' would form part of "other revenue" in *AASB 1004* to the extent that a profit is to be reported. POMSoX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.

   Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

   Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax (if any) but excludes taxes treated as operating expenses.

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

   (a) **Format**

   The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*.

   (b) **Basis of revaluation**

   If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 9.1 - 9.4 of AASB 1010: Accounting for the Revaluation of Non-Current Assets. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of AASB 1029 and paragraph 11 of AASB 1030.

6. **Statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a +net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated +operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest K1,000. However, an entity may report exact figures, if the K'000 headings are amended.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.

11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating "+Operating profit (loss) after tax attributable to shareholders" (item 1.10) and "Investments in +associates" (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the "For announcement to the market" section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.

12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +Registrar under the Companies Act 1997 must also be given to POMSoX. For example, a directors' report and statement, if lodged with the +Registrar, must be given to POMSoX.

13. **Accounting Standards** POMSoX may for foreign entities accept, for example, the use of accounting standards not approved under the Companies Act 1997 if the entity is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997.

14. [Not used]

Rules 4.1, 4.3

Appendix 4B (*not* equity accounted)

Half yearly/preliminary final report

Name of entity

Company No.	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')

For announcement to the market

Extracts from this report for announcement to the market (see note 1). K'000

Sales (or equivalent operating) revenue *(item 1.1)*	up/down	% to
Abnormal items after tax attributable to shareholders *(item 2.5)*	gain (loss) of	
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders *(item 1.26)*	up/down	% to
+Operating profit (loss) after tax attributable to shareholders *(item 1.10)*	up/down	% to
Extraordinary items after tax attributable to shareholders *(item 1.13)*	gain (loss) of	
+Operating profit (loss) and extraordinary items after tax attributable to shareholders *(item 1.16)*	up/down	% to

Dividends (distributions)	Amount per +security	
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	t	

Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	t	

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) *(see item 15.2)*	

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Consolidated profit and loss account

(The figures are not equity accounted)

		Current period - K'000	Previous corresponding period - K'000
1.1	Sales (or equivalent operating) revenue		
1.2	Other revenue		
1.3	Total revenue		
1.4	+Operating profit (loss) before abnormal items and tax		
1.5	Abnormal items before tax (detail in item 2.4)		
1.6	+Operating profit (loss) before tax (items 1.4 + 1.5)		
1.7	Less tax		
1.8	+Operating profit (loss) after tax but before outside +equity interests		
1.9	Less outside +equity interests		
1.10	+Operating profit (loss) after tax attributable to shareholders		
1.11	Extraordinary items after tax (detail in item 2.6)		
1.12	Less outside +equity interests		

1.13	Extraordinary items after tax attributable to shareholders		
1.14	Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)		
1.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)		
1.16	+Operating profit (loss) and extraordinary items after tax attributable to shareholders (items 1.10 + 1.13)		
1.17	Retained profits (accumulated losses) at beginning of financial period		
1.18	If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)		
1.19	Aggregate of amounts transferred from reserves		
1.20	Total available for appropriation *(carried forward)*		

Consolidated profit and loss account continued

1.20	Total profit available for appropriation *(brought forward)*		
1.21	Dividends provided for or paid		
1.22	Aggregate of amounts transferred to reserves		
1.23	Retained profits (accumulated losses) at end of financial period		

Profit restated to exclude amortisation of goodwill

		Current period K'000	Previous corresponding period K'000
1.24	+Operating profit (loss) after tax before outside +equity interests (items 1.8) and amortisation of goodwill		
1.25	Less (plus) outside +equity interests		
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders		

Intangible, abnormal and extraordinary items

		Consolidated - current period			
		Before tax K'000	Related tax K'000	Related outside +equity interests K'000	Amount (after tax) attributable to shareholders K'000
2.1	Amortisation of goodwill				
2.2	Amortisation of other intangibles				
2.3	Total amortisation of intangibles				

2.4	Abnormal items				
2.5	Total abnormal items				
2.6	Extraordinary items				
2.7	Total extraordinary items				

Comparison of half year profits *(Preliminary final report only)*		Current year - K'000	Previous year - K'000
3.1	Consolidated +operating profit (loss) after tax attributable to shareholders reported for the *1st* half year (item 1.10 in the half yearly report)		
3.2	Consolidated +operating profit (loss) after tax attributable to shareholders for the *2nd* half year		

Consolidated balance sheet

(See note 5)

Current assets		At end of current period K'000	As shown in last +annual report K'000	As in last half yearly report K'000
4.1	Cash			
4.2	Receivables			
4.3	Investments			
4.4	Inventories			
4.5	Other (provide details if material)			
4.6	Total current assets			

	Non-current assets			
4.7	Receivables			
4.8	Investments			
4.9	Inventories			
4.10	Exploration and evaluation expenditure capitalised (see para .71 of *AASB 1022)*			
4.11	Development properties (+mining entities)			
4.12	Other property, plant and equipment (net)			
4.13	Intangibles (net)			
4.14	Other (provide details if material)			
4.15	Total non-current assets			
4.16	Total assets			
	Current liabilities			
4.17	Accounts payable			
4.18	Borrowings			
4.19	Provisions			
4.20	Other (provide details if material)			
4.21	Total current liabilities			
	Non-current liabilities			
4.22	Accounts payable			
4.23	Borrowings			

4.24	Provisions			
4.25	Other (provide details if material)			
4.26	Total non-current liabilities			
4.27	Total liabilities			
4.28	Net assets			

Consolidated balance sheet continued

	Equity			
4.29	Capital			
4.30	Reserves			
4.31	Retained profits (accumulated losses)			
4.32	Equity attributable to shareholders of the parent entity			
4.33	Outside +equity interests in controlled entities			
4.34	Total equity			

4.35	Preference capital included as part of 4.32			

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

Current period K'000	Previous corresponding period- K'000

5.1	Opening balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	+Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to development properties		
5.6	Closing balance as shown in the consolidated balance sheet (item 4.10)		

Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period K'000	Previous corresponding period- K'000
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	+Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	Closing balance as shown in the consolidated balance sheet (item 4.11)		

Consolidated statement of cash flows

(See note 6)

		Current period K'000	Previous corresponding period- K'000
	Cash flows related to operating activities		
7.1	Receipts from customers		
7.2	Payments to suppliers and employees		
7.3	Dividends received		
7.4	Interest and other items of similar nature received		
7.5	Interest and other costs of finance paid		
7.6	Income taxes paid		
7.7	Other (provide details if material)		
7.8	Net operating cash flows		
	Cash flows related to investing activities		
7.9	Payment for purchases of property, plant and equipment		
7.10	Proceeds from sale of property, plant and equipment		
7.11	Payment for purchases of equity investments		
7.12	Proceeds from sale of equity investments		
7.13	Loans to other entities		
7.14	Loans repaid by other entities		
7.15	Other (provide details if material)		
7.16	Net investing cash flows		
	Cash flows related to financing activities		
7.17	Proceeds from issues of +securities (shares, options, etc.)		

7.18	Proceeds from borrowings		
7.19	Repayment of borrowings		
7.20	Dividends paid		
7.21	Other (provide details if material)		
7.22	Net financing cash flows		
7.23	Net increase (decrease) in cash held		
7.24	Cash at beginning of period (*see Reconciliation of cash)*		
7.25	Exchange rate adjustments to item 7.24.		
7.26	Cash at end of period (*see Reconciliation of cash)*		

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period K'000	Previous corresponding period- K'000
8.1 Cash on hand and at bank		
8.2 Deposits at call		

8.3	Bank overdraft		
8.4	Other (provide details)		
8.5	Total cash at end of period (item 7.25)		

Ratios		Current period	Previous corresponding period
	Profit before abnormals and tax / sales		
9.1	Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)		
	Profit after tax / +equity interests		
9.2	Consolidated +operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.32)		

Earnings per security (EPS)		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with *AASB 1027: Earnings per Share* (a) Basic EPS (b) Diluted EPS (if materially different from (a)) (c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS		

NTA backing *(see note 7)*		Current period	Previous corresponding period
11.1	+Net tangible asset backing per +ordinary security		

Details of specific receipts/outlays, revenues/ expenses

		Current period K'000	Previous corresponding period - K'000
12.1	Interest revenue included in determining item 1.4		
12.2	Interest revenue included in item 12.1 but not yet received (if material)		
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)		
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)		
12.5	Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)		
12.6	Depreciation and amortisation (excluding amortisation of intangibles)		

Control gained over entities having material effect

(See note 8)

13.1	Name of entity (or group of entities)	
13.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	K

13.3	Date from which such profit has been calculated	
13.4	+Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	K

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	

14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	K
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	K
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	K

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 *and indicates which amounts should agree with items included elsewhere in this report.*

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue (consolidated total equal to item 1.3)

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated +operating profit before tax (before equity accounting) (equal to item 1.6)

Segment assets	)	*Comparative data for segment assets should be as at*
Unallocated assets	)	*the end of the previous corresponding period.*
Total assets (equal to item 4.16)	)	

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm	
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

Amount per security

		Amount per +security	
	(Preliminary final report only)		
15.4	Final dividend: Current year	t	
15.5	Previous year	t	
	(Half yearly and preliminary final reports)		
15.6	Interim dividend: Current year	t	
15.7	Previous year	t	

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	t	t
15.9 Preference +securities	t	t

Half yearly report - interim dividend (distribution) on all securities *or*

Preliminary final report - final dividend (distribution) on all securities

	Current period K'000	Previous corresponding period - K'000
15.10 +Ordinary securities		
15.11 Preference +securities		
15.12 Total		

The +dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans	

Any other disclosures in relation to dividends (distributions)

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in +associated entities must be disclosed in a separate note. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period K'000	Previous corresponding period- K'000
16.1	Statutory carrying value of investments in +associated entities (SCV)		
16.2	Share of +associated entities' retained profits and reserves not included in SCV:		
	Retained profits		
	Reserves		
16.3	Equity carrying value of investments		

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

Name of entity		Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14)	
17.1	Equity accounted +associated entities	Current period	Previous corresponding period	Current period – K'000	Previous corresponding period – K'000
				Equity accounted	

17.2 Other material interests			Not equity accounted (ie part of item 1.14)	

Issued and quoted securities at end of current period

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

Category of +securities	Number issued	Number quoted	Amount paid per share (toea)
18.1 Preference +securities *(description)*			
18.2 Issued during current period			
18.3 +Ordinary securities			
18.4 Issued during current period			
18.5 +Convertible debt securities (*description and conversion factor)*			
18.6 Issued during current period			

18.7	Options *(description and conversion factor)*			*Exercise price*	*Expiry date (if any)*
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	Debentures *(totals only)*				
18.12	Unsecured notes *(totals only)*				

Comments by directors

Comments on the following matters are required by POMSoX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report (as required by the Companies Act 1997) and may be incorporated into the directors' report. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last [+]*annual report and any announcements to the market made by the entity during the period.* [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic entity for the current period

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Changes in accounting policies since the last +annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

Additional disclosure for trusts

19.1	Number of +units held by the management company or a +related party of it	
19.2	A statement of the fees and commissions payable to the management company. Identify: • initial service charges • management fees • other fees	

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	
Date	

Time	
Approximate date the +annual report will be available	

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to POMSoX (see note 12).

Identify other standards used	

2 This report, and the financial statements prepared under the Companies Act 1997 (if separate), use the same accounting policies.

3 This report does/does not* *(delete one)* give a true and fair view of the matters disclosed (see note 2).

4 This report is based on financial statements to which one of the following applies.
(Tick one)

☐ The financial statements have been audited.

☐ The financial statements have been subject to review.

☐ The financial statements are in the process of being audited or subject to review.

☐ The financial statements have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one)*.

6 The entity has/does not have* *(delete one)* a formally constituted audit committee.

Sign here: ..... Date: .....

(Director/Company secretary)

Print name: .....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

   Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.

   Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

   Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax but excludes taxes treated as operating expenses.

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

   (a) **Format**

   The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029 and AASB 1034*.

(b) **Basis of revaluation**

If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 9.1-9.4 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.

6. **Statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a +net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated +operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest K1,000. However, an entity may report exact figures, if the K'000 headings are amended.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +Registrar under the Companies Act 1997 must also be given to POMSoX. For example, a directors' report and statement, if lodged with the +Registrar, must be given to POMSoX.

12. **Accounting Standards** POMSoX may for foreign entities accept, for example, the use of accounting standards not approved under the Companies Act 1997 if the entity is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997.

13. [Not used]

Appendix 5A

Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves

(the JORC Code)

1996 Edition

Report of the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

Foreword

1. The Joint Ore Reserves Committee was established by the Australasian Institute of Mining and Metallurgy and the Australian Mining Industry Council in 1971 to consider and make recommendations on Australian stock exchange listing requirements appropriate to mining companies reporting Ore Reserves. Between 1972 and 1988, a number of reports were issued by the Joint Committee which made recommendations on classification and public reporting of Ore Reserves. The first version of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (the Code) was published in February 1989 and was incorporated into Australian Stock Exchange listing rules in July 1989. In 1990, the Joint Committee issued a set of Guidelines to the Code and, in 1992, published an updated version of the Code and Guidelines in a single document. In 1993, an Appendix (Appendix 2) covering the public reporting of diamond exploration results, Mineral Resources and Ore Reserves, was released.

2. The 1996 updated version of the Code makes no fundamental changes with the exception that all references to 'Pre-Resource Mineralisation' have been changed to 'exploration results' and relevant text modified. This change has been introduced as an improvement in terminology and in order to ensure

that estimates of tonnage/volume and grade are publicly reported only in relation to mineralisation which has been classified as a Mineral Resource or an Ore Reserve.

In addition the document previously referred to as Appendix 2, covering public reporting of diamond mineralisation, has been incorporated into the body of the Code.

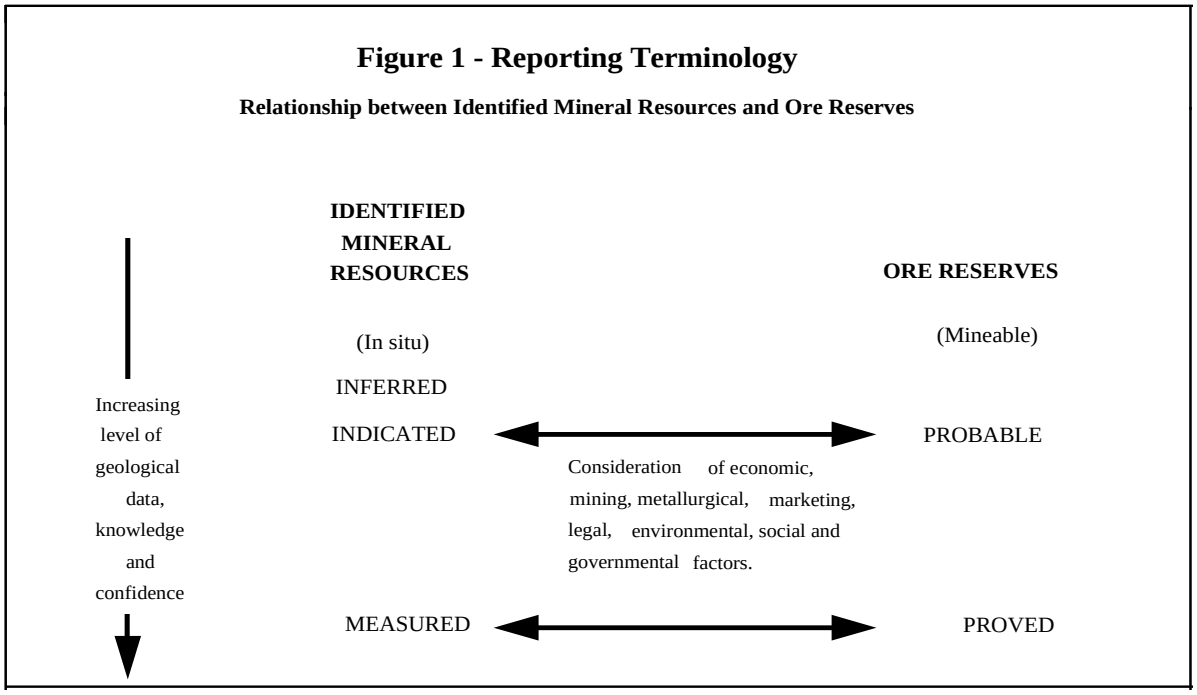
3. The Code has been adopted by The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is therefore binding on members of those organisations. It is supported by the Minerals Council of Australia as a contribution to best practice.

4. By virtue of incorporation of the Code into Australian Stock Exchange listing rules, it is mandatory for companies, when reporting exploration results, Mineral Resources and Ore Reserves to the Australian Stock Exchange, to abide by the Code. As from 1st July 1995, it is an Australian Stock Exchange requirement that such reports should also include the name(s) of the Competent Person(s) who compiled the information upon which public Mineral Resource/Ore Reserve statements are based.

5. The standards outlined in the Code are the minimum to be applied in public reporting. Companies are encouraged to provide as comprehensive information as possible in their reports.

6. The Joint Committee recognises that further review of the Code and Guidelines may be required from time to time.

7. No Clause 7.



An 'IDENTIFIED MINERAL RESOURCE', otherwise referred to as a 'MINERAL RESOURCE', is an in-situ (meaning as it occurs on surface or underground) mineral occurrence quantified on the basis of geological data and an assumed cut-off grade only.

The term 'ORE RESERVE' is only to be used if a study of technical and economic criteria and data relating to a 'Mineral Resource' has been carried out to indicate potential feasibility and it is to be stated in terms of mineable tonnes/volume and grade.

Definitions for the terms 'Mineral Resource' and 'Ore Reserve' are provided later in this document.

Competence and responsibility

8. A Mineral Resource or Ore Reserve report giving technical facts, interpretations or assessments of Mineral Resources or Ore Reserves must be prepared under the direction of, and signed by, a Competent Person or Persons.

9. A 'Competent Person' is defined as a person who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists with a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves which is relevant to the style of mineralisation under consideration.

10. While the public release of information concerning a company's Mineral Resources and/or Ore Reserves remains the responsibility of the company acting through its Board of Directors, any such release must be based on,

and fairly reflect, a Mineral Resource and/or Ore Reserve report prepared by a Competent Person(s).

11. A public release of information concerning a company's Mineral Resources or Ore Reserves should include a description of the style and nature of mineralisation.

12. A company must disclose relevant information concerning the status and characteristics of a mineral deposit which could materially influence the economic value of that deposit.

13. Companies must review and report on Mineral Resources and Ore Reserves annually.

Reporting of exploration results

14. A company may choose, or be required by virtue of Australian Stock Exchange listing rules, to report exploration results in order to keep the share market fully and properly informed. If a company decides to report exploration results in relation to mineralisation not classified as a Mineral Resource or an Ore Reserve, then estimates of tonnage/volume and average grade must not be assigned to the mineralisation.

15. In reporting exploration results which relate to mineralisation not classified as a Mineral Resource or an Ore Reserve, full information on the nature of the sampling, sample intervals, assay data and sample locations must be given (refer Table 1 and, in the case of diamond exploration results, Table 2).

Reporting of Identified Mineral Resources

16. A **'Mineral Resource'** is defined as an identified in-situ mineral occurrence from which valuable or useful minerals may be recovered. Mineral Resources are subdivided into:

    - Inferred Mineral Resources
    - Indicated Mineral Resources
    - Measured Mineral Resources

    In defining a Mineral Resource, the Competent Person will only take into consideration geoscientific data. In reporting a Mineral Resource, there is a clear implication that there are reasonable prospects for eventual economic exploitation.

17. 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/volume and grade figures should reflect the order of

accuracy 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'.

18. The term **'Inferred Mineral Resource'** means a Mineral Resource inferred from geoscientific evidence, drill holes, underground openings or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

19. The term **'Indicated Mineral Resource'** means a Mineral Resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability. An Indicated Mineral Resource estimate will be based on more data, and therefore will be more reliable, than an Inferred Mineral Resource estimate.

20. The term **'Measured Mineral Resource'** means a Mineral Resource intersected and tested by drill holes, underground openings or other sampling procedures at locations which are spaced closely enough to confirm continuity and where geoscientific data are reliably known. A Measured Mineral Resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation of which allows a clear determination to be made of shapes, sizes, densities and grades.

21. The choice of the appropriate category of Mineral Resource depends upon the quantity and quality of data available and the level of confidence that attaches to those data. The appropriate Mineral Resource category must be determined by the Competent Person(s).

22. Mineral Resource reports must specify one or more of the categories of 'Measured', 'Indicated' and 'Inferred'. Reports should not contain Mineral Resource figures combined for two or more of the categories unless figures for individual categories are also provided.

23. Any public release of information in a report concerning a company's Mineral Resources should state the pertinent data and assumptions on which the report is based and contain a qualification drawing attention to any assessment criteria from Table 1 for which inadequate data are available.

24. The words 'ore' and 'reserves' should not be used in stating Mineral Resource estimates as the terms imply technical feasibility and economic viability and are only appropriate when technical and economic factors have been considered. Reports and statements should continue to refer to the appropriate category or categories of Mineral Resources until technical feasibility and viability have been established. If re-evaluation indicates that the Ore Reserves are no longer viable, the Ore Reserves must revert to the 'Mineral Resource' category.

Table 1

Assessment criteria	Explanation
Geological interpretation	Whether based on sufficient data or on postulated assumptions; whether constrained by one model or consideration given to possible alternative interpretations.
Data density	Whether sample density is sufficient to establish continuity as well as to provide an adequate data base for the estimation procedure used.
Accuracy of location of sampling points	How well the locations of sampling positions are known and the effect on the Mineral Resource or Ore Reserve estimate.
Drilling technique	Whether core, rotary, percussion or auger and if non-core, whether open hole or reverse circulation.
Sampling technique	If core, whether cut or chisel broken and whether quarter, half or all core taken. If non-core, whether riffled, section cut, tube sampled or whatever and whether sampled dry or wet. If wet, what precautions taken to maximise recovery and minimise fines loss. If underground chip samples, whether channel cut or chipped linearly or randomly taken from a face.
Drill sample recovery	An estimate, expressed in percentage terms, of the quantity of sample recovered as a proportion of the theoretical quantity which should have been recovered.
Tonnage factor (specific gravity)	Whether assumed or determined and, if determined, by what method and how frequently. If assumed, the basis for those assumptions should be stated.
Quality of assay data	Whether reproducible and whether representative; what quality control procedures undertaken

Quality of data description	Whether core logged in detail; whether all significant, lithologic, structural, mineralogic, alteration or other geological or geotechnical characteristics and properties recorded
Estimation techniques	A clear description of estimation techniques and key assumptions.
Cut-off grades	Assumptions regarding cut-off grade.

Reporting of Ore Reserves

25. An **'Ore Reserve'** is defined as that part of a Measured or Indicated Mineral Resource which could be mined, inclusive of dilution, and from which valuable or useful minerals could be recovered economically under conditions realistically assumed at the time of reporting. Ore Reserves are subdivided into:

    - Probable Ore Reserves and
    - Proved Ore Reserves

    Ore Reserve estimates are derived from estimates of Mineral Resources modified by economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors.

26. Ore Reserve estimates are not precise calculations and tonnage/volume and grade figures in reports should be expressed so as to convey the order of accuracy of the estimates by rounding off to appropriately significant figures.

27. The term **'Probable Ore Reserve'** means an Ore Reserve stated in terms of mineable tonnes/volume and grade where the corresponding Identified Mineral Resource has been defined by drilling, sampling or excavation (including extensions beyond actual openings and drill holes), and where the geological factors that control the ore body are known with sufficient confidence that the Mineral Resource is categorised as 'Indicated'.

28. The term **'Proved Ore Reserve'** means an Ore Reserve stated in terms of mineable tonnes/volume and grade in which the corresponding Identified Mineral Resource has been defined in three dimensions by excavation or drilling (including minor extensions beyond actual openings and drill holes), and where the geological factors that limit the ore body are known with sufficient confidence that the Mineral Resource is categorised as 'Measured'.

29. The choice of the appropriate category of Ore Reserve is determined by the classification of the corresponding Mineral Resource and must be made by the Competent Person(s).

30. Ore Reserve reports must specify one or other of the categories of 'Proved' and 'Probable'. Reports should not contain combined Proved and Probable Ore Reserve figures unless figures for each of the categories are also provided.

31. Any public release concerning a company's Ore Reserve must state the nature of the data on which the report is based and contain a qualification drawing attention to any assessment criteria for which inadequate or uncertain data are available. Economic or political factors alone may be the basis for significant changes in Ore Reserves and should be reported accordingly.

Reporting of coal Resources and Reserves

32. When public statements on coal Resources and Reserves are made, the recommendations outlined in the ***Australasian Code for Reporting Identified Coal Resources and Reserves*** (February 1986) published as Appendix 1 should be followed.

Reporting of diamond exploration results, Identified Mineral Resources and Ore Reserves

33. This section (Clauses 33 to 39) of the Code addresses aspects of the exploration and mining industry which relate specifically to public reporting of diamond exploration results, Identified Mineral Resources and Ore Reserves.

34. The necessity for this section arises from the following characteristics specific to diamond exploration and mining:

- The diamond content of most commercial ore deposits is extremely low, usually in the range 0.05 - 2.0 carats/tonne (equivalent to 0.01 - 0.4 ppm). The highest grade diamond ore deposit in the world, Argyle, has a grade of 6 carats/tonne (1.2 ppm).

- Of equal or greater importance to grade is diamond value which reflects the overall quality, including size distribution, of the contained diamonds in the deposit. This value can range from a few toea to thousands of dollars per carat.

- Diamond valuation is a highly specialised process and is only possible on parcels containing appropriate numbers of Macrodiamonds. Traditionally valuations have only been considered reliable on parcels of at least 2000 carats of diamonds from a single deposit. The reliability of valuations of parcels smaller than 2000 carats decreases as the size of the parcels decrease to the point where valuations placed on a small number of diamonds from exploration samples become meaningless and are likely to be misleading.

- The low diamond content of Ore Reserves and Mineral Resources and the fact that the mineral is of a particulate nature complicates the sampling, assaying and valuation techniques used by the industry and in turn complicates the assessment and interpretation of results. The presence of a few large diamonds can have a more extreme effect on the evaluation of diamond deposits than does the presence of a few coarse gold particles on the evaluation of gold deposits.

- The durability of diamonds in nature has led to residual quantities of this mineral persisting at 'background' levels in surficial deposits and stream sediments throughout Australia. This is an added complication to an objective interpretation of exploration results.

Competence and responsibility

35. The requirements for and definition of Competence and Responsibility as described in Clauses 8 to 13 apply fully to reports dealing with diamond mineralisation with the addition that, if a valuation of a parcel of diamonds is reported, the person(s) or organisations valuing the parcel must be named in the report and their professional valuation experience, competency and independence stated.

Reporting of exploration results

36. The reporting of exploration sampling or geophysical results must not be constructed so as to unreasonably imply that potentially economic mineralisation has been discovered.

37. The requirements for reporting of exploration results as described in Clauses 14 and 15 apply fully to public reports dealing with diamonds with the following additions:

    - Reports of diamonds recovered from sampling programmes must specify the number and total weight (in carats) of diamonds recovered. Details of the type and size of samples which produced the diamonds must also be specified including lower cut-off sieve size used in the recovery.

    - The weight of diamonds recovered may only be omitted from the report when the diamonds are less than 0.4 mm in size (ie. when the diamonds recovered are Microdiamonds).

Reporting of Identified Mineral Resources

38. The requirements for reporting of Identified Mineral Resources as described in Clauses 16 to 24 apply fully when reporting Identified Diamond Mineral Resources with the following additions:

- Any release of information in a report containing a company's Identified Mineral Resources should state the pertinent data and assumptions on which the report is based and contain a qualification drawing attention to any assessment criteria from Tables 1 and 2 for which inadequate data are available.

- Where Resource grade figures are based on the correlation of Macrodiamond grade with the grade of Microdiamonds, this must be stated and its reliability explained.

Reporting of Ore Reserves

39. The requirements for reporting of Ore Reserves as described in Clauses 25 to 31 apply fully when reporting diamond Ore Reserves with the following additions:

- Any release of information in a report containing a company's Ore Reserves should state the pertinent data and assumptions on which the report is based and contain a qualification drawing attention to any assessment criteria from Tables 1 and 2 for which inadequate data are available.

- Where Reserve grade figures have been estimated in part on the basis of the correlation of Macrodiamond grade with the grade of Microdiamonds, this must be stated and its reliability explained.

- If a valuation of a parcel of diamonds is reported, the weight in carats and size range of the contained diamonds must be stated and the value of the diamonds must be given in US dollars per carat.

Table 2

Definitions and assessment criteria

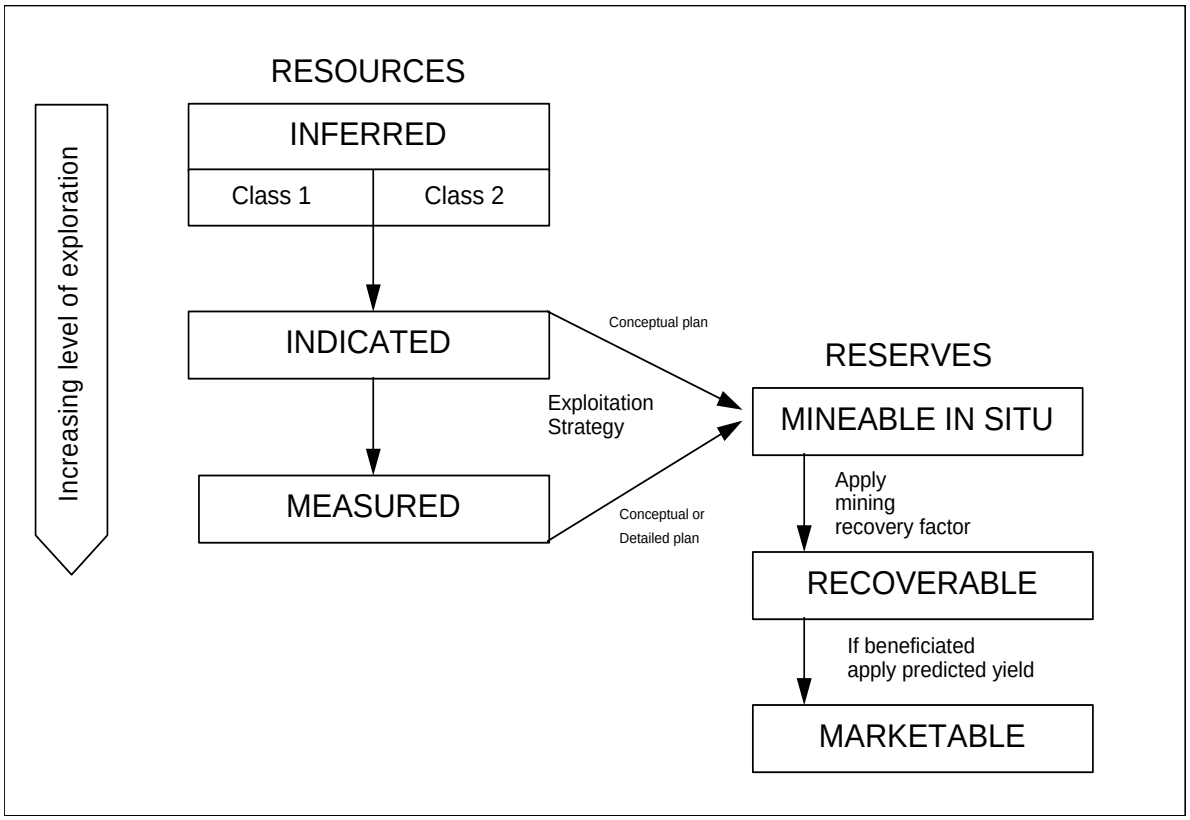
Primary rock source	Primary sources of diamonds in nature are variable and complex. Accordingly, information relating to primary sources should contain details of the nature of the rock type together with its form, shape and size.
Secondary rock source	Secondary sources of diamonds in nature are variable and complex. Accordingly, information relating to secondary sources should contain details of the nature of the rock type together with its form, age and size.
Sampling parameters	Reported discoveries of diamonds or Indicator Minerals from all samples must be accompanied by details of the sampling parameters used. Type of sample (stream sediment, soil, bulk, rock etc.) as well as sample size, sample frequency and screening parameters are required.
Microdiamonds	Current practice in Australia defines Microdiamonds as diamonds which will pass through a screen with 0.4 mm apertures, ie. diamonds weighing less than 0.001 carats. Reports of Microdiamond recoveries should specify both the number of stones recovered and the top and bottom screen or crushing sizes used in the recovery process.
Macrodiamonds	Macrodiamonds are defined as diamonds larger than 0.4 mm in size. Reports of Macrodiamond recoveries should specify both the number of stones and the total carat weight recovered above a specified screen size.
Indicator Minerals	Conventional Indicator Minerals include garnet, ilmenite, chrome spinel and chrome diopsides having the requisite chemical and physical attributes that distinguish them from otherwise similar minerals found in non-diamond $^{+}$associated rock types. Reports of Indicator Minerals should be prepared by a suitably qualified person.
Diamond value	Diamond valuation is a highly specialised process and is only possible on parcels containing appropriate numbers of Macrodiamonds. It is not possible to evaluate diamond quality from Microdiamonds. Classification of diamonds as, for example, gem, near gem and industrial should be made by recognised experts who should be identified in the valuation report and their independence stated. The number of stones, the total carat weight and size range for the parcel valued should be stated.
Previous work	Referrals to previous work by other parties should be adequately referenced in the normal fashion.
Cut-off grades	Assumptions regarding cut-off grades should specify minimum screen size.
Carat	One fifth of a gram (often defined as a metric carat or MC).
Grades	Internationally, diamond grades for primary deposits are stated both in carats per tonne and carats per 100 tonnes. The Joint Ore Reserves Committee recommends the use of carats per tonne. In the case of alluvial deposits, industry practice is to quote grades in carats per tonne or carats per cubic metre.

Appendix 1

Australian Code for Reporting Identified Coal Resources and Reserves (February 1986)

Following a request from the Australian Minerals and Energy Council (AMEC) for the development of a national approach to the reporting of coal resources and reserves, the Government Geologists' Conference in 1984 established a subcommittee to examine the issue and report back to the Conference on its findings. The subcommittee consisted of A G Galligan, Chief Coal Geologist, New South Wales Department of Mineral Resources, and D C Mengel, Director, Fossil Fuels, Geological Survey of Queensland.

The Subcommittee used the 'Code for Calculating Coal Resources and Reserves' (Fifth Edition, June 1984) of the Standing Committee on Coalfield Geology of New South Wales as the base document, and modified this code to meet the requirements of both industry and government in other states, and the Bureau of Mineral Resources. The new code was ratified by the Government Geologists' Conference in April 1986 and has been adopted by the Standing Committee on Coalfield Geology of New South Wales. The Code is published in full on the following pages.



Introduction

This code outlines general concepts for reporting identified Coal Resources and Reserves. It is broad in nature to accommodate the wide range of coal deposits, in terms of rank, quality, and geological environment, that are present in Australia.

In this Code, the term Resources is used to refer to all of the coal in situ which may have potential for use, and the various categories indicate the level of confidence of the assessment. Reserves are those resources which are planned to be mined and for which such planning has been undertaken. The Code sets only minimum guidelines for evaluating Resources and Reserves and the estimator is required to state clearly the criteria used in any assessment.

Additional guidelines and parameters may be required for reporting coal Resources and Reserves from specific basins or regions.

Definitions

Coal Resources

Coal Resources are all of the potentially useable coal in a defined area, and are based on points of observation and extrapolations from those points. Potentially useable coal is defined as coal which has, or could be beneficiated to give a quality acceptable for commercial usage in the foreseeable future and excludes minor coal occurrences. The estimator should state both the quality and thickness limits to define potentially useable coal in any resource evaluation.

Coal Reserves

Coal Reserves are those parts of the Coal Resources for which sufficient information is available to enable detailed or conceptual mine planning and for which such planning has been undertaken.

Points of Observation

A Point of Observation is an intersection. at a known location. of coal-bearing strata, which provides information about the strata by one or more of the following methods:

- Observation, measurement and testing of surface or underground exposures
- Observation, measurement and testing of bore core.
- Observation and testing of cuttings, and use of down-hole geophysical logs of non-cored boreholes.

A point of observation for coal quantity may not be used necessarily for coal quality. The most reliable quality information is provided by testing of surface or underground exposures or by testing of bore

Geophysical techniques such as seismic surveys are not direct points of observation but may increase confidence in the continuity of seams between points of observation, especially in the broader Resource categories.

The distances between points of observation and extrapolations from points of observation quoted for each Resource category are normally the maximum under favourable geological conditions. More closely spaced points of observation will be required in areas where faulting, intrusion, seam splitting and other breaks in seam continuity are known to occur, or where the seam is subject to significant variation in thickness or quality.

Categories of Resources

Measured Resources are those for which the density and quality of points of observation are sufficient to allow a reliable estimate of the coal thickness, quality, depth and in situ tonnage.

Points of observation should provide a level of confidence sufficient to allow detailed planning, costing of extraction and specification of a marketable product.

The points of observation generally should be not more than 1 km apart. Where geological conditions are favourable it may be possible to extrapolate known trends a maximum distance of 0.5 km from points of observation.

Indicated Resources are those for which the density and quality of points of observation are sufficient to allow a realistic estimate of the coal thickness, quality, depth and in situ tonnage and for which there is reasonable expectation that the estimate of resources will not vary significantly with more detailed exploration.

Points of observation should provide a level of confidence sufficient to enable conceptual planning of extraction and to determine the likely quality of the product coal.

Points of observation generally should be not more than 2 km apart. Where geological conditions are favourable, it may be possible to extrapolate known trends a maximum distance of I km from points of observation.

Inferred Resources are those for which the points of observation are widely spaced and as a result, assessment of this type of resource may be unreliable.

Points of observation should allow the presence of coal to be unambiguously determined.

Inferred Resources Class 1 are those resources for which the points of observation allow an estimate of the coal thickness and general coal quality to be made, and the geological conditions indicate continuity of seams between the points of observation.

Points of observation generally should be not more than 4 km apart. Extrapolations of trends should extend not more than 2 km from the points of observation.

Inferred Resources Class 2 are those for which there is limited information and as a result the assessment of this type of resource may be unreliable.

Provided the coal thickness can be determined, the order of magnitude of Inferred Resources Class 2 may be expressed within the following ranges:

1 - 10 million tonnes

10 - 100 million tonnes

100 - 500 million tonnes

500 - 1000 million tonnes

greater than 1000 million tonnes

If a more specific quantitative estimate is made to determine exploration priorities etc, it should not be quoted in public reports or in any prospectus.

Types of Reserves

Mineable In Situ Reserves are the tonnages of in situ coal contained in seams or section of seams for which sufficient information is available to enable detailed or conceptual mine planning and for which such planning has been undertaken.

Mineable In situ Reserves may be calculated only from Measured and Indicated Resources. Measured Resources are required for detailed mine planning, and are the preferred basis for Mineable In situ Reserves. Indicated Resources may be used for conceptual mine planning. In general, further exploration will be required prior to commencement of mining operations.

Mineable In situ Reserves should be quoted separately for surface and underground mines and an outline of the proposed mining method(s) should be provided.

Recoverable Reserves are the tonnages of Mineable In situ Reserves that are expected to be recovered, ie that proportion of the seam(s) which will be extracted. If dilution is added to the Recoverable Reserves tonnage, the total equates to the 'run-of-mine' tonnage. If allowance is made for dilution it should be stated.

In calculating Recoverable Reserves, a Mining Recovery Factor must be applied to the Mineable In situ Reserves. This factor will depend on the mining method to be used. Unless a specific factor has been determined for conceptual studies, the historically proven Mining Recovery Factor should be used. If such information is not available, a Mining Recovery Factor of 50 per cent for underground reserves and 90 per cent for surface reserves may be applied. An outline of the proposed mining method should accompany any statement of Recoverable Reserves.

Marketable Reserves are the tonnages of coal that will be available for sale.

If the coal is to be marketed raw, the Marketable Reserves will be the same as the Recoverable Reserves plus dilution, ie the 'run-of-mine' tonnage. If the coal is to be beneficiated, Marketable Reserves are calculated by applying the predicted yield to the Recoverable Reserves. The basis of the predicted yield should be stated, eg 200 mm cores, slim cores, pretreated cores.

Reporting of Resources and Reserves

All factors used to limit Resources and Reserves and necessary to verify the calculations (including the types of observations, eg cored hole, outcrop) must be stated explicitly. The relative density value adopted in calculating the coal tonnage should be noted, together with the evidence on which it is based. Tonnage estimates always should be rounded, commensurate with the accuracy of estimation.

Resources and Reserves should be stated

- for each seam
- on a depth basis, in regular depth increments if sufficient information is available
- on a seam thickness basis, the minimum thickness used should be stated and separate tonnages should be quoted for seams less than 1.5 m thick and seams equal to or greater than 1.5 m (this limit may be greater for brown coal eg 3 m). The maximum thickness of any included non-coal bands should be stated. Normally where a seam contains a non-coal band thicker than 0.3 m the two coal splits should be considered as separate seams and tonnages should be reported for each (the limit for non-coal bands may be greater for brown coal sequences, eg I m).
- on a quality basis, maximum raw coal ash should be stated and only that coal which can be used or beneficiated at an acceptable yield (to be stated) should be included in the estimate. Other raw coal quality parameters, particularly those which affect utilisation behaviour, should be stated and further sub-division of the resources made if significant variations occur, eg heat affected coal, oxidised coal.

In addition, for reporting of Reserves the following information is required, as a minimum

- an outline of the proposed mining method
- physical criteria limiting mining such as maximum and minimum working section, thickness, minimum separation of seams, maximum dip, geological structure, areas of prohibition.
- quality criteria limiting mining such as ash content, volatile matter, yield, etc
- for Recoverable Reserves, the Mining Recovery Factor used
- for Marketable Reserves, the predicted yield if the coal is to be beneficiated and the quality specification of the product coal
- the overburden ratio expressed as bank cubic metres of overburden to tonnes of coal in situ for reserves amenable to surface mining
- the depth of planned mining

- the percentage of the Resources which are the Mineable In situ Reserves within the area(s) proposed to be mined.

Maps

Any report of Resource and/or Reserves must be substantiated, to the relevant Government authority, by maps at scales appropriate to the accuracy claimed for the Resources and/or Reserves, showing all relevant data including the areas considered for each category of Resources and/or Reserves, the limits imposed (eg cover lines, seam isopachs, isoashes), the areas of prohibition, and seam thickness at points of observation.

A Public Statement

A Public Statement of Resources and/or Reserves claiming the authority of the Code should be in the format described in the section 'Reporting of Resources and Reserves' . The qualifications of the person(s) responsible for this 'Reporting' should be stated.

Reference

For guidance in determining coal quality from bore cores, reference should be made to Australian Standard 2519-1982: Guide to the evaluation of hard coal deposits using borehole techniques.

Attachment to the July 1996 Code

Guidelines to the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves

Prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

Introduction

These Guidelines are aimed at both technical and non-technical persons and are designed to assist in the use and application of the Code and to clarify certain points. The Guidelines are intended to be read in conjunction with the Code, hence repetition of the content of the Code has been avoided.

While every effort has been made both within the Code and within these Guidelines to cover most situations likely to be encountered in the reporting of Mineral Resources and Ore Reserves, there will inevitably be occasions when doubt exists as to the appropriate procedure to follow. In such cases, users of the Code and those compiling reports under the Code should be guided by its **intent**, which is to provide a standard for reporting and to ensure that such reporting contains sufficient relevant information to enable an informed layperson to make a reasoned and balanced judgement regarding the mineralisation reported.

The Code

The ***Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves*** was first released by The AusIMM and AMIC in February 1989 and superseded *Reporting of Ore Reserves* last published in 1985. The 1996 revision of the Code makes no changes of substance with the exception that all references to 'Pre-Resource Mineralisation' have been changed to 'exploration results' and relevant text modified. This change has been introduced as an improvement in terminology and in order to ensure that estimates of tonnage/volume and grade are publicly reported only in relation to mineralisation which has been classified as a Mineral Resource or an Ore Reserve.

The 1989 Code differed from the 1985 Report in that it:

- identified a separate category of Pre-Resource Mineralisation (renamed 'exploration results' in the 1996 revision)
- introduced the concept of Identified Mineral Resources as the precursor to Ore Reserves and described the relationship between the two
- provided definitions for categories of Identified Mineral Resources
- defined Ore Reserves in terms of economically mineable tonnes and grade (defined as 'recoverable Ore Reserves' in the 1985 Report)
- eliminated both the classification 'Possible Ore' and the need for qualification of Ore Reserves as 'in-situ' or 'recoverable' (it should also be noted that the commonly used term 'Geological Reserves' has no meaning under the Code)
- listed and explained Resource Assessment Criteria.

The Code therefore clearly distinguishes between **Mineral Resources**, which can be estimated mainly by a geologist on the basis of geoscientific information and **Ore Reserves**, which are a modified sub-set of the Mineral Resources and which require consideration of those factors affecting practical and economic exploitation, including environmental, social and political factors, with necessary input from a range of disciplines.

In July 1989, the Code was adopted in its entirety by the Australian Stock Exchange Limited and was appended to its listing rules.

It should be emphasised that the Code is not intended as a means of regulating the **methods** by which Mineral Resources and Ore Reserves are estimated or of controlling **in-house** procedures for estimation and accounting. Its purpose is to provide a standard by which important information on Ore Reserves, Mineral Resources and significant mineralisation is **reported** to shareholders, other interested parties (including regulatory bodies) and the general public.

Exploration results

A company may choose to report exploration results for reasons of its own, or be obliged to report them in accordance with Australian Stock Exchange listing rules, particularly those rules relating to continuous disclosure requirements. Where such results relate to mineralisation which is not classified as a Mineral Resource or an Ore Reserve, the Code does not allow estimates of tonnage/volume and grade to be assigned in public reports. A company may, of course, make estimates of tonnage and grade for internal purposes, however public reporting of such estimates in relation to mineralisation insufficiently known to allow classification even as an Inferred Resource could be misleading to shareholders and potential investors.

If the company decides to report exploration results, then it is necessary that sufficient information is provided to enable the informed layperson to make a reasoned judgement about the prospect. The Code provides a list of Assessment Criteria (Table 1 of the Code) which, if relevant, should be disclosed or commented upon when reporting exploration results. When such results relate to mineralisation not reported as a Mineral Resource or Ore Reserve, it is a requirement that **full** information on factors which bear on sampling and assaying of the mineralisation **must** be disclosed.

Identified Mineral Resources

This classification has been introduced as the precursor to Ore Reserves. It covers in-situ mineralisation which has been identified and estimated through exploration and sampling and within which Ore Reserves may be defined by the consideration and application of technical, financial, legal, environmental, social and political factors.

The Code states that an Identified Mineral Resource (otherwise referred to as a Mineral Resource) is quantified on the basis of geological data and an assumed cut-off grade only. The latter term refers to a lower limiting grade applied **before** constraints resulting from mine designs have been taken into account. The Code further states, however, that in reporting a Mineral Resource there is an implication that there are reasonable prospects for eventual economic exploitation. This implies a judgement (albeit preliminary) by the Competent Person of the order of lower limiting grade likely to be required to enable economic exploitation.

If cutting or reduction of high grades is considered to be appropriate to the mineralisation being reported, the technique should be applied to grade estimation at the Mineral Resource stage and not restricted to grade estimation at the Ore Reserve stage.

Identified Mineral Resources are subdivided into three categories which reflect the level of confidence in the estimate. Definitions are provided in the Code. Selection of appropriate categories is a matter for skilled judgement and must be made by a Competent Person.

Inferred Resources

This category is intended to cover situations where mineralisation has been identified and some measurement and sampling completed, but where the data are insufficient to allow the geological framework to be confidently interpreted and continuity of mineralisation to be predicted. It should not necessarily be assumed that all or part of an Inferred Resource will be upgraded to Indicated or Measured Resources by continued exploration. Caution should be exercised if this category is considered in preliminary economic studies.

Indicated Resources

Mineralisation may be classified as an Indicated Resource when the nature and amount of data is such as to allow the Competent Person determining the Mineral Resource to confidently interpret the geological framework and to assume continuity of mineralisation. Confidence in the estimate would be such as to allow the application of technical and financial parameters and to enable an evaluation of economic viability.

Measured Resources

Mineralisation may be classified as a Measured Resource when the nature and amount of data is 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 in situ mineralisation can be estimated to within close limits and that any variation from the estimate would be such as not significantly to affect potential economic viability. This degree of confidence necessarily requires a firm understanding of the geology and controls of mineralisation.

Ore Reserves

The definition of Ore Reserves in the Code differs from that in the 1985 Report in that Ore Reserves are now restricted to what were qualified as 'recoverable reserves' in the former Report, that is, Ore Reserves are inclusive of diluting material which will be mined in conjunction with the Reserves and delivered to the treatment plant.

The Code provides for a direct relationship between Indicated Mineral Resources and Probable Ore Reserves and between Measured Mineral Resources and Proved Ore Reserves. In other words, the level of geoscientific confidence for Probable Reserves is the same as that required for the in situ determination of Indicated Resources and for Proved Reserves is the same as that required for the in situ determination of Measured Resources. In each case the Ore Reserve is that part of the Mineral Resource which, after the application of all mining factors, results in an estimated tonnage and grade which, in the opinion of the Competent Person or Persons making the estimates, can be the basis of a viable project after taking account of all relevant metallurgical, marketing, environmental, legal, social and governmental factors.

The direct relationship between categories of Mineral Resources and Ore Reserves implies that the decision as to whether an Ore Reserve is defined as Proved or Probable is governed solely by whether the corresponding Mineral Resource is defined as Measured or Indicated.

It should be noted that the Code does not necessarily require an economic operation to have Proved Ore Reserves and that situations could arise where Probable Ore Reserves alone are sufficient to justify exploitation, as for example with some alluvial tin or gold deposits.

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

If a change to any of the parameters which affect viability results in some or all of the Ore Reserves becoming non-viable based on assumptions made at the time, then those Reserves should be re-classified as Identified Mineral Resources.

It is not intended, however, that such re-classification 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 a commodity price drop expected to be of short duration, mine flooding of a non-permanent nature, transport strike etc.

Mineralised Stope Fill, Stockpiles, Remnants and Pillars

For the purposes of the Code, mineralised stope fill and stockpiles of mineralised material can be considered to be similar to in situ mineralisation when reporting Identified Mineral Resources and Ore Reserves. Consequently the Competent Person carrying out the assessment of the fill or stockpiles must use the bases of classification outlined in the Code.

If there are not reasonable prospects for the economic exploitation of a particular portion of the fill or stockpile, then this material cannot be classified as either Mineral Resources or Ore Reserves and must be regarded as waste. If some portion is currently sub-economic but there is a reasonable expectation that it will become economic, then this material may be classified as an Identified Mineral Resource. Such stockpile material may include old dumps and tailings dam material.

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 stated accordingly.

Mineralised remnants, shaft pillars and mining pillars which are potentially mineable are in situ mineralisation and consequently are included in the Code definitions of Identified Mineral Resources and Ore Reserves.

Mineralised remnants, shaft pillars and mining pillars which are not potentially mineable are to be regarded as waste and must not be included in Identified Mineral Resource and Ore Reserve statements.

Mineral Resource/Ore Reserve statements

In preparing the Ore Reserve Statement each year, the relevant Mineral Resource Statement on which it is based should first be developed. This can be reconciled with the Mineral Resource Statement estimated the previous year and differences (due, for example, to mine production, exploration etc) identified. The application of appropriate factors to the Mineral Resource can then be made to develop the Ore Reserve Statement which can also be reconciled with the comparable statement for the previous year. Mining companies are encouraged to reconcile estimates whenever possible in their reports.

Assessment criteria

There are critical technical parameters which should be considered when reporting exploration results or making an estimate of a Mineral Resource. These are listed in Table 1 of the Code under the heading Assessment Criteria and each item is accompanied by a brief description. It is presumed that the Competent Person will take full account of these parameters when preparing an estimate and it is not always necessary, when reporting, to comment on each item. The Code does however make two important references to Table 1:

- When reporting exploration results which relate to mineralisation not classified as a Mineral Resource or Ore Reserve, **full** information on factors bearing on sampling of the mineralisation **must** be disclosed. Reporting of isolated assays without placing them in perspective is unacceptable.

- When reporting Mineral Resources or Ore Reserves, reference should be made to Table 1 in stating where inadequate or uncertain data affect the reliability of, or confidence in, an estimate; for example, poor sample recovery, non-repeatability of assay results, limited information on tonnage factors etc. The purpose of this requirement is to assist the reader of the report to make an informed judgement about the prospect or property.

If any of the data on which a Mineral Resource or Ore Reserve estimate is based are adjusted or modified for the purpose of making the estimate, this should be clearly stated in a Mineral Resource or Ore Reserve report and the nature of the adjustment or modification described. Such alterations might include cutting of high grades, the application of factors such as mine or mill 'call factors' and so on.

Precision

Mineral Resource and Ore Reserve estimates are not precise calculations, being dependent on a geological interpretation and on samples which represent only a minute fraction of the mineralised body. Statements of tonnage (or volume) and grade should be rounded so as to reflect this uncertainty. 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 often be the case with Inferred Resources.

In order to reinforce the qualitative nature of a Mineral Resource or Ore Reserve estimate, it is recommended that the final result always be referred to as an estimation not a calculation.

Reporting

The purpose of the Code is to improve and standardise reporting practices in the mining industry.

In providing different categories within the classifications of Mineral Resources and Ore Reserves, the Code encourages reporting which reflects the estimator's confidence in the figures stated. This purpose is undermined if the categories are not reported separately and the practice of reporting only a combined figure for Proved and Probable Ore Reserves or for Measured and Indicated Mineral Resources is strongly discouraged. If a company cannot report in accordance with this standard, the reason for such non-compliance should be clearly explained in the report.

In situations where figures for both Mineral Resources and Ore Reserves are reported, it is consistent with the intent of the Code if the statement of Measured and Indicated Mineral Resources **includes** those Resources which can be modified to produce Ore Reserves, rather than being stated as additional to those Reserves. While the Joint Committee has a preference for the former mode of reporting, it is recommended that, whichever is adopted, a clarifying statement be included in the report. For example:

> '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 Mineral Resources have been specifically excluded from the Ore Reserve estimations, the relevant details should be included in the report.

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

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.

For the same reason, Mineral Resource figures should not be added to Ore Reserve figures. The resulting total can be very misleading in economic terms and is capable of being misunderstood or, more seriously, of being misused to give a false impression of a company's prospects.

A Mineral Resource or Ore Reserve statement should include tonnage/volume figures and grade figures (except for Inferred Resources for which grade estimates may not always be possible). It is considered that the practice of providing **only** contained metal figures deprives the public of vital information on the mine or prospect and that such reporting is not in accordance with the Code. Mineral Resource estimates should not be reported in terms of contained metal figures (with or without tonnage/volume and grade figures) since there is a tendency for such figures to be misinterpreted as representing recoverable metal.

It is recommended that a public report of a company's Mineral Resource or Ore Reserve position should also make reference to figures released for a previous corresponding period. A detailed reconciliation of the two sets of figures is not essential, but sufficient comment should be made to enable significant differences to be understood by the reader.

In compiling Mineral Resource and/or Ore Reserve information for inclusion in a public report, a company may need to edit the report prepared by the Competent Person. Where such editorial license is taken, the Competent Person should approve the modified version as fairly representing his or her report.

Competent Person

The key qualifier in the definition of a Competent Person is the word 'relevant'. Determination of what constitutes relevant experience is a difficult area and a degree of common sense has to be exercised.

For example, in estimating vein gold mineralisation, experience in any high-nugget, vein-type mineralisation such as tin, uranium etc is relevant whereas experience in (say) massive-type deposits is not.

As a second example, five years experience in beach sand deposits does not make a person 'competent' to evaluate and report on a river system of gold alluvials, since there is an order of magnitude difference in grades as well as considerable difference in the mechanism of transport and deposition.

In addition to experience in the style of mineralisation, a Competent Person must have sufficient experience in the sampling and assaying techniques relevant to the deposit under consideration to be [+]aware of problems which could affect the evaluation. Some appreciation of extraction and processing techniques applicable to that deposit type would also be important.

As a general guide, persons being called upon to sign as a Competent Person should be clearly satisfied in their own minds that they could face their peers and demonstrate competence in the type of deposit under consideration. If doubt exists,

the person should either seek opinions from other colleagues or should decline to sign as a Competent Person.

Estimation of Ore Reserves is a team effort involving a number of disciplines and more than one member of the team may qualify as a Competent Person. The Competent Person (or Persons) who signs the report is responsible and accountable for all aspects of the report under the Code. If the Competent Person is a Corporate Member of The AusIMM, he or she is answerable to The AusIMM Ethics Committee should that Committee become involved. If the Competent Person is a Corporate Member of the Australian Institute of Geoscientists (AIG) then he or she is answerable to the AIG Ethics and Standards Committee should that Committee become involved.

A difficulty may arise when a company with overseas interests wishes to report an overseas Mineral Resource or Ore Reserve estimate prepared by a person who may not be a resident of Australasia and who may therefore not be a member of The AusIMM or of the AIG. In such situations the company must nominate a Competent Person or Persons to sign off the Mineral Resource or Ore Reserve estimate.

POMSoX listing rules

Port Moresby Stock Exchange Limited (POMSoX) appended the Code to its listing rules with effect from their inception. Public reports relating to a period after that date must comply with the Code. The Code is the same as that forming part of the ASX listing rules and where the context so requires references to the ASX should be read as such or read as references to POMSoX.

The Code is designed to provide for disclosure of sufficient information so that an informed layperson is able to make a reasoned and balanced assessment of the mineralisation being reported. It requires that releases by entities which make statements about Mineral Resources or Ore Reserves must be based on information compiled by a Competent Person as defined in the Code.

The listing rules require that a report must either state that the report is based on the information compiled by the Competent Person or be accompanied by a statement to that effect signed in the same manner as the report. The name of the Competent Person(s) and of the Competent Person's firm or company must be included in the report.

An appropriate form of a statement may be as follows:

> "The following statements apply in respect of the information in this report that relates to Ore Reserves or Identified Mineral Resources:
>
> - The information is based on, and accurately reflects, information compiled by (insert name of Competent Person(s)), who is(are) a Corporate Member(s) of The Australasian Institute of Mining and Metallurgy/the Australian Institute of Geoscientists (select as appropriate): or

- A statement signed in the same manner as the report accompanies the information and says that the information is based on, and accurately reflects, information compiled by (insert name of Competent Person(s)). who is(are) a Corporate Member(s) of The Australasian Institute of Mining and Metallurgy/the Australian Institute of Geoscientists (select as appropriate)

[Delete the first or second bullet point as required]

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

- (Insert name of Competent Person) has relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the *Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves*."

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Company No.

Quarter ended ("current quarter")

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter K'000	Year to date (.....months) K'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation		
	(b) development		
	(c) production		
	(d) administration		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows		

	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects		
		(b)equity investments		
		(c) other fixed assets		
1.9	Proceeds from sale of:	(a)prospects		
		(b)equity investments		
		(c)other fixed assets		
1.10	Loans to other entities			
1.11	Loans repaid by other entities			
1.12	Other (provide details if material)			
	Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)			

1.13	Total operating and investing cash flows (brought forward)		
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		

	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date		
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter		

Payments to directors of the entity and +associates of the directors

Payments to related entities of the entity and +associates of the related entities

		Current quarter K"000
1.23	Aggregate amount of payments to the parties included in item 1.2	
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available K'000	Amount used K'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		K'000
4.1	Exploration and evaluation	
4.2	Development	
	Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter K'000	Previous quarter K'000
5.1	Cash on hand and at bank		
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)		

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in +mining tenements relinquished, reduced or lapsed				
6.2	Interests in +mining tenements +acquired or increased				

Issued and quoted securities at end of current quarter

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

		Number issued	Number quoted	Amount paid per share (toea)
7.1	Preference +securities *(description)*			
7.2	Issued during quarter			
7.3	+Ordinary securities			
7.4	Issued during quarter			
7.5	+Convertible debt securities (*description and conversion factor)*			

7.6	Issued during quarter				
7.7	Options *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures *(totals only)*				
7.12	Unsecured notes *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to POMSoX (see note 4).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: .....
(Director/Company secretary)

Print name: .....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in +mining tenements +acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a +mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

4 **Accounting Standards** POMSoX may for foreign entities accept, for example, the use of accounting standards not approved under the Companies Act 1997 if the entity is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997.

== == == == ==

Appendix 6A

Timetables

The days indicated in the "day" column reflect completion of the event in the minimum (or maximum) time limit specified for that event.

Dividends or distributions

1 An entity must follow the time limits set out in this timetable when paying a dividend or distribution. The timetable does not apply to interest payments on quoted +debt securities and +convertible debt securities.

Event	Time limits	Business day
Entity announces dividend (in the case of a trust, distribution) and +record date. +Securities quoted on a "cum" basis. Note: securities are quoted on an "ex" basis 6 business days before the record date (ie day 3). Status note: XD tag on. Cross reference: Appendix 4B. If a dividend or distribution will be paid for a half year or full year, the dividend announcement must be included in the half yearly report or preliminary final report. Notification of a bonus share plan or dividend reinvestment plan that operates on the dividend or distribution must be given at the same time as the announcement.		**0**
↓		

+Record date to identify +security holders entitled to the dividend (distribution).	at least 9 +business days after announcement of +record date	**9**
↓ Date of dividend (distribution) payment. Status note: XD tag off.	any time after the +record date	
↓ +Despatch date. If a +dividend or distribution plan operates, entity issues +securities.	no later than 10 +business days after the date of payment of dividend/distribution	

Interest payments on quoted debt securities

2 The +record date to identify the +persons entitled to receive interest payments on quoted +debt securities and +convertible debt securities must be 11 +business days before the date of payment.

However, where the date of payment falls on a day on which trading banks in Port Moresby are closed, the date of the payment must be the next day on which those banks are open.

Note: Status note XI tag is placed against the securities on the "ex" date and is removed on the date on which the interest is payable. However, if the securities are debt securities of the State, XI tag is placed against the securities on the date when interest is payable.

3 [Not used]

4 [Not used]

Calls and instalments - entities except no liability companies

5 An entity must follow the time limits set out in this timetable when making a call or instalment on +quoted partly paid +securities.

Event	**Time limits**	**Business day**

Entity announces call (instalment) date and amount. Note: The entity must also announce the last date on which the registry will accept transfers without call money attached. The date must be 5 business days before the call due date.	before day 0	
↓ Entity gives draft documents to POMSoX.	at least 5 +business days before sending	
↓ Entity sends notices to all holders on whom the call is made or from whom the instalment is due who are on the register when the call or instalment is announced ("first notice"). Note: The last day of partly paid "call unpaid" trading is 12 business days before the due date for payment (ie day 18). Cross reference: Appendix 6A paragraph 5.1.	at least 30 +business days before the due date for payment	**0**
↓ Entity applies for +quotation (Appendix 2A), if the +securities will become fully paid.	at least 2 +business days before trading on a +deferred settlement basis	**17**
↓ First day of "call paid" trading on a +deferred settlement basis. If partly paid securities have become fully paid, the market in partly paid +securities ceases. Status note: CP tag on. (CP tag is normally removed the following day.)	the next +business day after partly paid "call unpaid" trading ends	**19**
↓ Last day for settlement of partly paid "call unpaid" trades.	T+5	**23**
↓		

Last day for lodgement with the entity for registration of partly paid without call (instalment) money attached.	5 +business days before the due date for payment	**25**
↓		

Calls and instalments - entities except no liability companies - continued

Event	Time limits	Business day
Entity sends notices to new +security holders and those holders whose holdings have changed since it sent first notices ("second notice"). Cross reference: Appendix 6A paragraph 5.2.	at least 4 +business days before the due date for payment	**26**
↓ Call (instalment) due and payable.		**30**
↓ +Despatch date. Last day to enter the call (instalment) paid on the +securities into the entity's register. Note: normal (T+5) trading begins on the next business day after the despatch date (ie day 36). Settlement date of on-market "Call Paid" trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occurs 5 business days after T+5 trading begins (ie day 41).	no more than 5 +business days after the due date for payment	**35**

Note: For protection procedures see POMSoX Business Rule 4.5.

5.1 A Call notice must be sent to +persons on whom a call is made or from whom an instalment is due (the 'first notice'). It must include each of the following.

(a) The name of the shareholder.

(b) The number of shares held.

(c) The amount of the call (instalment).

(d) The due date for payment.

(e) The consequences of non-payment.

(f) The last day for trading partly paid "call unpaid" shares.

(g) The last day for the company's registry to accept transfers of partly paid "call unpaid" shares.

(h) The latest available +market price of the shares on which the call is being made (or instalment is due) before the date of issue of the first notice.

(i) The highest and lowest +market price of the shares on which the call is being made (or instalment is due) during the 3 months immediately before the first notice is issued, and the dates of those sales.

(j) The latest available +market price of the shares on which the call is being made (or instalment is due) immediately before the entity announced to POMSoX that it intended to make a call (or the instalment was due).

(k) If the entity has quoted shares of a higher paid-up value than the paid-up value of the shares on which the call is being made (or instalment is due), the information required by (h), (i) and (j) in respect of those shares.

5.2 A notice (the 'second notice') must be sent to new +security holders, and those +security holders whose holdings have changed since the first notice was sent. It must include any changes that have occurred in the information given in the first notice because of a change in the holding.

Expiry of options

6 An entity must follow the time limits set out in this timetable when quoted options are due to expire.

Event	**Time limits**	**Business day**
Entity sends notice to option holders.	at least 20 +business days before expiry date	**0**
↓		

Entity applies for +quotation (Appendix 2A).	at least 2 +business days before trading on a +deferred settlement basis	**12**
↓ +Quotation of options withdrawn at close of trading.	7 +business days before expiry	**13**
↓		

Expiry of options – continued

Event	**Time limits**	**Business day**
+Quotation of the +underlying securities quoted on a +deferred settlement basis, if the options are "in the money".	6 +business days before expiry	**14**
↓ Options expire.	not more than 15 +business days after expiry	**20**
↓ +Despatch date. +Deferred settlement trading ends. Entity issues +securities. If +securities are certificated, last day for the entity to issue them and send the certificates to holders. If the +securities are uncertificated, last day for them to be entered into the holders' +security holdings. Last day for entity to confirm to POMSoX all information required by Appendix 2A Note: normal trading (T+5) starts in the underlying securities on the next business day after despatch (ie day 36). Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occurs 5 business days after T+5 trading starts (ie day 41).		**35**

6.1 An entity must send a notice to each holder of quoted options at least 20 +business days before the expiry date of the option. The notice must include each of the following.

(a) The name of the option holder.

(b) The number of options held, and the number of +securities to be issued on their exercise.

(c) The exercise price.

(d) The due date for payment.

(e) The consequences of non-payment.

(f) The date that +quotation of the options will cease (which is 7 +business days before the options expire).

(g) The latest available +market price of the +underlying securities.

(h) The highest and lowest +market price of the +underlying securities during the 3 months immediately before the notice is issued, and the dates of those sales.

(i) If the entity has quoted +securities of a higher paid-up value than the paid-up value of the +underlying securities, the information required by (g) and (h) in respect of those +securities.

(j) The details of any underwriting agreement notified under rule 3.11.3.

Despatch date

6.2 +Securities issued on the exercise of the options may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before day 14, an entity announces to the market that it will issue and send certificated securities and enter uncertificated securities into holdings on a date before the +despatch date identified in the timetable (day 35), the announced date becomes the +despatch date. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Conversion date of convertible debt securities

7 An entity must follow the time limits set out in this timetable before the final conversion date for quoted +convertible debt securities.

This timetable does not apply if the +convertible debt securities automatically convert.

Event	Time limits	Business day
Entity sends notice to holders of +convertible debt securities.	at least 20 +business days before final conversion date	**0**
↓ Entity applies for +quotation (Appendix 2A).	at least 2 +business days before trading on a +deferred settlement basis	**12**
↓ +Quotation of +convertible debt securities ends at close of trading, unless there is a later maturity date.	7 +business days before final conversion date	**13**

Conversion date of convertible debt securities - continued

Event	Time limits	Business day
↓ +Quotation of the +underlying securities quoted on a +deferred settlement basis, if the +convertible debt securities are "in the money".	6 +business days before final conversion date	**14**
↓ Final conversion date.		**20**
↓		

+Despatch date. +Deferred settlement trading ends. Entity issues +underlying securities. If +securities are certificated, last day for the entity to issue them and send the certificates to holders. If the +securities are uncertificated, last day for them to be entered into the holders' +security holdings. Last day for entity to confirm to POMSoX all information required by Appendix 2A. Note: normal trading (T+5) starts on the next business day after despatch (ie day 36). Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occurs 5 business days after T+5 trading starts (ie day (41).	not more than 15 +business days after final conversion date	**35**

Despatch date

7.1 +Securities issued on the +conversion of +convertible debt securities may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before day 14, an entity announces to the market that it will issue and send certificated +securities and enter uncertificated +securities into holdings on a date before the +despatch date identified in the timetable (day 35), the announced date becomes the +despatch date. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Notice

7.2 An entity must send a notice to each holder of quoted +convertible debt securities at least 20 +business days before the final conversion date of the +convertible debt security. The notice must include each of the following.

(a) The name of the holder of the +convertible debt security.

(b) The number of +convertible debt securities held, and the number of +securities to be issued on their conversion.

(c) The consequences of not exercising the right of conversion.

(d) The date that +quotation of the +convertible debt security will cease (which is 7 +business days before the final conversion date, unless there is a later maturity date).

(e) The latest available +market price of the +underlying securities.

(f) The highest and lowest +market price of the +underlying securities during the 3 months immediately before the notice is issued, and the dates of those sales.

Appendix 7A

Timetables

The days indicated in the "Business day" column reflect completion of the event in the minimum (or maximum) time limit specified for that event.

Applications opening date

1 The opening date of an issue of +securities to existing +security holders which is not a +pro rata issue must be at least 10 +business days after the prospectus is sent to them.

Bonus issues

2 An entity must follow the time limits set out in this timetable when making a +bonus issue.

Event	Time limits	Business day
Entity announces +bonus issue to POMSoX. Securities quoted on a "cum" basis.	before day 0	
↓ The latest of: • entity telling POMSoX of the +record date (if a +security holders' meeting to approve the issue is not required); • entity lodging a prospectus with the +Commission (if required) and giving copies to POMSoX; • entity confirming registration of a prospectus by the +Registrar (if required) and giving copies to POMSoX; • +security holders' approval (if required). If option holders cannot participate in the issue without first exercising their options, the entity must tell the option holders of the issue by this date.	at least 9 +business days before the +record date	**0**

↓ Entity applies for +quotation (Appendix 2A). Note: securities are quoted on an "ex" basis and bonus securities quoted on a deferred settlement basis 6 business days before the record date (ie day 3). Status note Day 3: XB tag on. If option holders cannot participate in the issue without first exercising their options, status note PU tag on.	at least 8 +business days before +record date	**1**
↓ +Record date to identify +security holders entitled to participate in the issue. Cross reference: rules 7.13, 7.14 and 7.15.	at least 9 +business days after day 0	**9**
↓ +Despatch date. +Deferred settlement trading ends. If securities are certificated, last day for the entity to issue them and send the certificates to the holders. If the +securities are uncertificated, last day for them to be entered into the holders' +security holdings. Last day for entity to confirm to POMSoX all information required by Appendix 2A Note: normal (T+5) trading starts on the next business day after despatch (ie day 20). Status note: XB tag off. PU tag off. Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occurs 5 business days after T+5 trading starts (ie day 25).	no more than 10 +business days after +record date	**19**

Despatch date

2.1 An entity's securities may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before +securities are +quoted on a +deferred settlement basis, an entity announces to the market that it will issue and send certificated securities on a date before the +despatch date identified in the timetable (day 19), the announced date becomes the +despatch date. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Pro rata issues (non renounceable)

3 An entity must follow the time limits set out in this timetable when making a non-renounceable +pro rata issue (except a +bonus issue).

Event	Time limits	Business day
Entity announces +pro rata issue. Securities quoted on a "cum" basis.	before day 0	
↓ The latest of: • entity notifying POMSoX of the +record date (if a +security holders' meeting is not required); • entity lodging a prospectus with the +Registrar (if required) and giving copies to POMSoX; • entity confirming registration of a prospectus by the +Registrar (if required) and giving copies to POMSoX; • +security holders' approval (if required). If option holders cannot participate in the issue without first exercising their options, the entity must tell the option holders of the issue by this date .	at least 9 +business days before the +record date	**0**
↓ Entity applies for +quotation (Appendix 2A). Note: securities are quoted on an "ex" basis 6 business days before the record date (ie day 3). Status note Day 3: XE tag on. If options are required to be exercised in order to participate, status note PU tag on.	at least 8 +business days before +record date	**1**
↓ +Record date to identify +security holders entitled to participate in the issue. Cross reference: rules 7.13, 7.14 and 7.15.	at least 9 +business days after day 0	**9**
↓		

Entity sends prospectus and serially numbered entitlement and acceptance forms to +persons entitled.	no more than 3 +business days after +record date	**12**
↓ Acceptances close at 5 pm (except for member organisations). Note: If extending the date, at least 5 business days notice must be given. Status note XE tag off. PU tag off.	at least 15 +business days after +record date	**24**
↓ +Securities quoted on a +deferred settlement basis.	the next +business day after acceptances close	**25**

Pro rata issues (non renounceable) - continued

Event	Time limits	Business day
↓ Acceptances from member organisations close.	at least 3 +business days after acceptances close	**27**
↓ Entity notifies POMSoX of under subscriptions.	no more than 8 +business days after acceptances close	**32**
↓		

+Despatch date. +Deferred settlement trading ends. Last day for securities to be entered into the holders' +security holdings. Last day for entity to confirm to POMSoX all information required by Appendix 2A Note: normal (T+5) trading starts on the next business day after despatch (ie day 40). Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occur 5 business days after T+5 trading starts (ie day 45).	no more than 15 +business days after acceptances close	**39**

Despatch date

3.1 An entity's +securities may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before +securities are +quoted on a +deferred settlement basis, an entity announces to the market that it will issue and send certificated securities on a date before the +despatch date identified in the timetable (day 39), the announced date becomes the +despatch date. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Specific entitlement

3.2 If an entity offers a specific entitlement to holders of +securities, the offer must be pro rata without restriction on the number of +securities to be held before entitlements accrue.

Pro rata issues (renounceable)

4 An entity must follow the time limits set out in this timetable when making a renounceable +pro rata issue (except a +bonus issue).

Event	Time limits	Business day
Entity announces +pro rata issue (except +bonus issue) (eg, +renounceable rights issue). +Securities quoted on a "cum" basis.	before day 0	
↓ The latest of: • entity telling POMSoX of the +record date (if a +security holders' meeting is not required); • entity lodging prospectus with the +Registrar (if required) and giving copies to POMSoX; • entity confirming registration of a prospectus by the +Registrar (if required) and giving copies to POMSoX; • +security holders' approval (if required). If option holders cannot participate in the issue without first exercising their options, the entity must tell the option holders of the issue by this date.	at least 9 +business days before the +record date	**0**
↓ Entity applies for +quotation (Appendix 2A).	at least 8 +business days before +record date	**1**
↓ Entity sends notice to +security holders containing information required by Appendix 3B. Note: securities quoted on an "ex" basis and rights trading starts 6 business days before the record date (ie day 3). Status note Day 3: XR tag on. If option holders cannot participate in the issue without first exercising their options, status note PU tag on.	at least 7 +business days before +record date	**2**
↓		

+Record date to identify +security holders entitled to participate in the issue. Cross reference: rules 7.13, 7.14 and 7.15.	at least 9 +business days after day 0	**9**
↓ Entity sends prospectus and either serially numbered entitlement and acceptance forms or serially numbered provisional letters of allotment on a "nil paid" basis to +persons entitled.	no more than 3 +business days after +record date	**12**
↓ Rights trading ends. Note: securities are quoted on a deferred settlement basis on the next business day after rights trading finishes (ie day 23). Acceptances and renunciations close at 5pm on the date at least 20 business days after the record date (ie day 29). Status note: XR tag off. PU tag off.	7 +business days before applications closing date	**22**
↓ Acceptances and renunciations close at 5pm. Note: If extending the date, at least 12 business days notice must be given. Status note: XR tag off. PU tag off.	at least 20 +business days after +record date	**29**
↓ Entity notifies POMSoX of under subscriptions if the issue is not underwritten.	no more than 5 +business days after applications closing date	**34**
↓		

+Despatch date. +Deferred settlement trading ends. Last day for securities to be entered into the holders' +security holdings. Last day for entity to confirm to POMSoX all information required by Appendix 2A Note: normal trading (T+5) starts on the next business day after despatch (ie day 45). Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+5 basis occurs 5 business days after T+5 trading starts (ie day 50).	no more than 15 +business days after applications closing date	**44**

Despatch date

4.1 An entity's +securities may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before +securities are +quoted on a +deferred settlement basis, an entity announces to the market that it will issue and send certificated securities on a date before the +despatch date identified in the timetable (day 44), the announced date becomes the +despatch date. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Reorganisation of capital - no court approval

5 An entity must follow the time limits set out in this timetable when reorganising its issued +securities, if the reorganisation needs to be approved by +security holders but does not need court approval.

Event	Time limits	Business day
Entity announces reorganisation. Entity sends out notices for +security holders' meeting.	before day 0	
↓ +Security holders approve reorganisation. Entity notifies POMSoX of +security holders' decision. Last day for trading in pre-reorganised +securities.		**0**
↓ Trading in the reorganised +securities on a +deferred settlement basis starts.	the next +business day after +security holder approval	**1**
↓ Last day for entity to accept transfers referable to capital issued before the reorganisation.	6 +business days after trading in the reorganised +securities on a +deferred settlement basis starts	**7**
↓ From now on, the entity rejects transfers referable to capital issued before the reorganisation. First day for the issue of uncertificated +security holding statements. First day for entity to send notice to each +security holder. Note: The notice tells the security holder of the number of securities held before and after the reorganisation. See rule 8.4.2.	7 +business days after trading in the reorganised +securities on a +deferred settlement basis starts	**8** (Continued)
↓		

Event	Time limits	Business day
+Despatch date. +Deferred settlement market ends. Last day for securities to be entered into the holders' +security holdings. Last day for entity to send notice to each +security holder. Note: normal (T+5) trading starts on the next business day after despatch (ie day 13). Settlement of trades conducted on a T+5 basis and the first settlement of on-market trades conducted on a deferred settlement basis occurs 5 business days after T+5 trading starts (ie day 18).	11 +business days after trading in the reorganised +securities on a +deferred settlement basis starts	**12**

Despatch date

5.1 An entity's +securities may, at POMSoX's discretion, be traded on a +deferred settlement basis. +Deferred settlement trading will end on the +despatch date. The following rules apply.

(a) If, before +securities are +quoted on a +deferred settlement basis, an entity announces to the market that it will issue and send certificated +securities on a date before the +despatch date identified in the timetable (day 12), the announced date becomes the +despatch date. The announced date must not be before day 7. If no announcement is made, the date identified in the timetable is the +despatch date.

(b) If the entity has announced a +despatch date and later becomes +aware that it will not be able to meet that date, the entity must immediately announce a new +despatch date. The new +despatch date cannot be later than the date identified in the timetable.

Reorganisation of capital - court approval

6 An entity must follow the time limits prescribed by POMSoX when reorganising its issued +securities, if the reorganisation needs to be approved by +security holders and needs court approval. This timetable does not apply to a return of capital.

7 [Not used]

8 [Not used]

9 [Not used]

Appendix 8A

Time limits

An entity must complete the event set out in column 1 in the time limit set out in column 2.

Event	**Time**
Mark transfer forms with each of the following. • Name and address of the marking body. • Certificate number or other identification where the holding is uncertificated. • Date of original marking, • Number of +units. • Reference number. • A statement that covering documents are forwarded to (or held by) the company's office. • A statement that the transfer must be completed and returned to the company's office within 1 month after the date of marking.	within 2 +business days after the documents are lodged.

Mark renunciation and transfer forms with each of the following. • Name and address of the marking body. • Entitlement & acceptance form number. • Date of original marking, • Number of +units. • Reference number. • A statement that covering documents are forwarded to (or held by) the company's office. • A statement that the transfer must be completed and returned to the company's office within 1 month after the date of marking.	within 2 +business days after the documents are lodged.
Split non-renounceable entitlement and acceptance forms.	within 5 +business days after the forms are lodged.
Endorse certificates for +securities "call paid" and return to the lodging agent.	within 5 +business days after the certificate is lodged with the call money.
Forward a serially numbered transmission receipt to the lodging agent in respect of +securities transferred between a register in Papua New Guinea and a register maintained outside Papua New Guinea. The receipt must include each of the following. • Date of issue. • Name and address of the holder. • Number of +securities. • A description of the +securities. • Location of the register to which +securities have been transferred. • Date of transfer. • Any inter-register reference number. • Name of lodging agent. • Date and any reference number of the lodging agent's registration or transfer instruction.	within 5 +business days after receiving the transfer.

Convert +securities from the certificated subregister to the +issuer sponsored subregister	Within 2 +business days after receiving the request and the certificates
Convert +securities from the +issuer sponsored subregister to the certificated subregister.	Within 2 +business days after receiving the request
Send certificates after conversion from the +issuer sponsored subregister to the certificated subregister.	Within 5 +business days after receiving the request
Send confirmation of a change of address to a +security holder at the holder's old address.	Within 5 +business days after receiving the written request
Issue +securities on exercise of option.	Within 15 +business days after the date on which the holder exercised the option. Amended: 10 May 1999

Appendix 8B

Added: 10 May 1999

Forms of Transfer of marketable securities and marketable rights

Note: These forms are the same as those prescribed in Appendix 4.1 of the POMSoX Business Rules

FORM 1

SECURITY TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of securities	Class:	If not fully paid, paid to:	Register:

Quantity: [Words] [Figures]

Transfer identification number:

Full name(s) of transferor(s):

Transferor's SRN:

The transferor(s) hereby transfer(s) the above securities to the transferee(s) named in Part 2 hereof or to the several transferees named in Part 2 of the Broker's Transfer Form(s), Split Transfer Form(s) or Consolidated Transfer Form(s) relating to the above securities.

This transfer is executed on the transferor's behalf by the transferor's broker, who certifies as to the validity of the documents.
[Transferor's broker's stamp]

Affixed at

on

(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in this Part; and hereby requests that such entries be made in the register as are necessary to give effect to this transfer. [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in the Consolidated Transfer Form relating to the securities and hereby requests that such entries be made in the register as are necessary to give effect to this transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 2

BROKER'S TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of securities	Class:	If not fully paid, paid to:	Register:

Quantity: [Words] [Figures]

Transfer identification number:

Full name(s) of transferor(s):

Transferor's SRN:

Transferor's broker hereby certifies that the Security Transfer Form relating to the securities set out above has been or will be lodged at the company's office:

[Transferor's broker's stamp]

Affixed at

on

(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in this Part; and hereby requests that such entries be made in the register as are necessary to give effect to this transfer. [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in the Consolidated Transfer Form relating to the securities and hereby requests that such entries be made in the register as are necessary to give effect to this transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 3

SPLIT TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of securities	Class:	If not fully paid, paid to:	Register:

Quantity: [Words] [Figures]

Transfer identification number:

Full name(s) of transferor(s):

Transferor's broker hereby certifies that the Security Transfer Form or the Broker's Transfer Form relating to the securities set out above has been or will be lodged at the company's office:

[Transferor's broker's stamp]

Affixed at

on

(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in this Part; and hereby requests that such entries be made in the register as are necessary to give effect to this transfer. [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in the Consolidated Transfer Form relating to the securities and hereby requests that such entries be made in the register as are necessary to give effect to this transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 4

CONSOLIDATED TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of securities	Class:	If not fully paid, paid to:	

Quantity: [Words] [Figures]

Transfer identification number:

Transfer Consolidation Number(s)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that the securities set out in Part 1 of the Form(s) whose Transfer Consolidation Number(s) is (or are) set out in Part 1 above, having been purchased in the ordinary course of business, are to be registered in the name(s) of the transferee(s) named in this Part; and hereby requests that such entries be made in the register as are necessary to give effect to this transfer(s). [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

FORM 5

SECURITY RENUNCIATION AND TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of rights		Register:
Quantity:	[Words]	[Figures]

Transfer identification number:

Full name(s) of transferor(s):

The transferor(s) hereby renounce(s) and transfer(s) the above rights in favour of the transferee(s) named in Part 2 hereof or to the several transferees named in Part 2 of the Broker's Renunciation and Transfer Form(s), Renunciation and Split Transfer Form(s) or Renunciation and Consolidated Transfer Form(s) relating to the above rights.

This transfer and renunciation is executed on the transferor's behalf by the transferor's broker, who certifies as to the validity of the documents.

[Transferor's broker's stamp]

Affixed at

on
(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that the securities set out in Part 1 above, having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in this Part and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer. [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that, the rights set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in the Renunciation and Consolidated Transfer Form relating to the rights; and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 6

BROKER'S RENUNCIATION AND TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:

Description of rights	Register:

Quantity: [Words] [Figures]

Transfer identification number:

Full name(s) of transferor(s):

The transferor(s) hereby certifies that the Security Renunciation and Transfer Form relating to the rights set out above has been or will be lodged at the company's office.

[Transferor's broker's stamp]

Affixed at

on

(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that, the rights set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in the this Part and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer. [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that, the rights set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in the Renunciation and Consolidated Transfer Form relating to the rights; and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 7

RENUNCIATION AND SPLIT TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:		
Description of rights		Register:
Quantity:	[Words]	[Figures]
Transfer identification number:		
Full name(s) of transferor(s):		
Transferor's SRN:		

The transferor(s) hereby certifies that the Security Renunciation and Transfer or the Broker's Renunciation and Transfer relating to the rights set out above has been or will be lodged at the company's office.

[Transferor's broker's stamp]

Affixed at

on

(place and date of affixing stamp)

PART 2

Full name(s) and address(es) of transferee(s): Transferor's SRN: Transferee's SRN (if any):	Transferee's broker hereby certifies that, the rights set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in this Part; and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer. [Transferee's broker's stamp] Date of affixing stamp:

PART 3

Transferee's broker hereby certifies that, the rights set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in the Renunciation and Consolidated Transfer Form relating to the rights and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to this renunciation and transfer.

[Transferee's broker's stamp]

Date of affixing stamp:

FORM 8

RENUNCIATION AND CONSOLIDATED TRANSFER FORM	MARKING STAMP

PART 1

Full name of company:		
Description of rights		
Quantity:	[Words]	[Figures]
Transfer identification number:		
Transfer Consolidation Number(s)		

PART 2

Full name(s) and address(es) of transferee(s):	Transferee's broker hereby certifies that, the rights set out in Part 1 of the Form(s) whose Transfer Consolidation Number(s) is (or are) set out in Part 1 above having been purchased in the ordinary course of business, the marketable securities to which the rights relate are to be allotted to the transferee(s) named in this Part; and hereby requests that the marketable securities be allotted by the company to the transferee(s) and such entries be made in the register as are necessary to give effect to the renunciation(s) and transfer(s). [Transferee's broker's stamp]
Transferee's SRN (if any):	Date of affixing stamp:

Appendix 9A

Restriction agreement

We, the persons in:

- Item 1 of the schedule ("entity");
- Item 2 of the schedule ("holder");
- Item 3 of the schedule ("controller"),

agree as follows.

Introduction

*A. The entity intends to issue restricted securities to the holder. The holder will hold the restricted securities as set out in this agreement. It is a condition of the issue of the +restricted securities that we will comply with this agreement.

*A. The entity wants to be listed and has issued +restricted securities. The holder will hold the +restricted securities as set out in this agreement on the basis that the entity will take the steps necessary to be admitted to the +official list of POMSoX.

B. We have provided POMSoX with all the information necessary to properly form an opinion about who is a +controller of the holder and who is required to execute this agreement.

C. We enter this agreement for the purpose of complying with chapter 9 of the listing rules.

(* delete as applicable)

Agreement

Escrow restrictions

1. During the escrow period, the holder will not do any of the following.

   (a) +Dispose of, or agree or offer to +dispose of, the +restricted securities.

   (b) Create, or agree or offer to create, any security interest in the +restricted securities.

(c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the +restricted securities.

2. During the escrow period, a +controller will not do any of the following.

(a) +Dispose of, or agree or offer to +dispose of, the controller interests.

(b) Create, or agree or offer to create, any security interest in the controller interests.

(c) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the controller interests.

3. We will comply with chapter 9 of the listing rules. If any of us is not a listed entity, we will comply as if we were a listed entity. Each of us will take any steps we are able to take that are necessary to enable any of the others to comply.

4. The holder will deposit the certificates for the +restricted securities with a bank or +recognised trustee for the escrow period.

Warranties

5. If only the holder and the entity are parties to this agreement, one of the following applies.

(a) The holder is an individual.

(b) The holder has no +controller.

(c) The holder has the +controllers set out in item 3 with the interests identified in item 6, and each +controller comes within an exception set out in rule 9.1.4.

The holder gives this warranty.

6. If the holder, the entity and any +controller are parties to this agreement, the holder has the +controllers set out in item 3 with the controller interests identified in item 6, and any +controller who is not a party to this agreement comes within an exception set out in rule 9.1.4. The holder and each +controller give this warranty.

7. If item 7 of the schedule is completed, the full particulars of security interests which have been created, or are agreed or offered to be created, in the +restricted securities are set out. A release of the security interests is attached. Apart from this, before the escrow period begins, the holder has not done, or omitted to do, any act which would breach clause 1 if done or omitted during the escrow period. The holder gives this warranty.

8. If item 8 of the schedule is completed, the full particulars of security interests which have been created, or are agreed or offered to be created, in the controller interests are set out. A release of the security interests is attached. Apart from this, before the escrow period begins, the +controller has not done, or omitted to do, any act which would breach clause 2 if done or omitted during the escrow period. Each +controller gives this warranty.

9. A breach of any of these warranties is a breach of this agreement.

Consequences of breaching this agreement

10. If it appears to the entity that the holder or a +controller may breach this agreement, the entity must take the steps necessary to prevent the breach, or to enforce the agreement.

11. If the holder or a +controller breach this agreement, each of the following applies.

    (a) The entity must take the steps necessary to enforce the agreement, or to rectify the breach.

    (b) The entity must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or +conversion of any of the +restricted securities. This is in addition to other rights and remedies of the entity.

    (c) The holder of the +restricted securities ceases to be entitled to any dividends, distributions or voting rights while the breach continues.

Amendment

12. This agreement will not be changed or waived without POMSoX's written consent.

Jurisdiction

13. The laws of the Papua New Guinea apply to this agreement. We submit to the jurisdiction of the courts of Papua New Guinea.

Definitions and interpretation

In this agreement:

controller interests means the +securities, substantial economic interest or other interests in the +restricted securities and each intermediate entity through which that interest occurs, full particulars of which are set out in item 6 of the schedule.

escrow period means the period set out in item 4 of the schedule.

POMSoX means Port Moresby Stock Exchange Limited.

restricted securities means the +securities set out in item 5 of the schedule and any +securities attaching to or arising out of those +securities that are +restricted securities because of the definition of +restricted securities in the listing rules.

The singular includes the plural and vice versa.

A reference to a party includes its successors, personal representatives and transferees.

Words and expressions defined in the listing rules of POMSoX, and not in this agreement, have the meanings given to them in the listing rules.

Every warranty or agreement (expressed or implied) in which more than one +person joins, binds them individually and any combination of them as a group.

Schedule

1. Entity's name and address:

2. Holder's name and address:

3. Each +controllers' name and address:

4. Escrow period (the date from which the initial +restricted securities are escrowed):

5. Particulars of +restricted securities:

6. Particulars of controller interests:

7. Particulars of security interests over +restricted securities:

8. Particulars of security interests over controller interests:

Dated:

[Proper execution as a deed]

Rule 9.1

Appendix 9B

Restrictions on securities

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
Seed capitalist					
1.	Seed capitalist who is one of the following at the time the entity applies for admission. • A +related party of the entity. • A +promoter. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	• Cash. • Conversion of debt to equity.	Before admission.	• *+Securities to which the +cash formula applies,* the number of +securities remaining after the application of the +cash formula, unless POMSoX decides all. • *Other +securities,* all.	24 months commencing on the date on which +quotation of +securities commences.

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
2.	Seed capitalist who is *not* one of the following at the time the entity applies for admission. • A +related party of the entity. • A +promoter. Example: A company issues shares to a seed capitalist who is not a related party of the entity or a promoter. The issue price under the IPO is K1.00 per share. If the issue price for the seed capitalist was 90 toea per share, no shares would be restricted because the consideration was more than 80% of the IPO price. If the issue price for the seed capitalist was 70 toea per share, shares would be restricted because the consideration was only 70% of the IPO price. The cash formula would apply to work out the number of shares restricted, unless POMSoX decided all should be restricted. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	• Cash. • Conversion of debt to equity.	Before admission.	• *+Securities which are fully paid shares or +units, for which the consideration per +security was at least 80% of the price paid in any initial public offering at the time the entity applies for admission,* none. • *+Securities to which the +cash formula applies,* the number of +securities remaining after the application of the +cash formula, unless POMSoX decides all. • *Other +securities,* all.	12 months commencing on the date on which the +restricted securities are issued.

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
Vendor					
3.	Vendor who is one of the following at the time of the +acquisition of the +classified asset. • A +related party of the entity. • A +promoter. Cross reference: rule 9.1.3, which sets out when this rule might not apply, and rule 1.1 condition 10.	+Classified assets.	Before admission.	All.	24 months commencing on the date on which +quotation of +securities commences.
4.	• Vendor who is *not* one of the following at the time of the +acquisition of the +classified asset. • A +related party of the entity. • A +promoter. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	• +Classified assets. • Subscription for +securities under a +relevant agreement to use cash paid for +classified assets.	Before admission.	All.	12 months commencing on the date on which +restricted securities are issued.

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
5.	Vendor who is a +person referred to in rule 10.1 at the time of the +acquisition of the +classified asset.	• +Classified assets. • Subscription for +securities using cash paid for +classified assets.	After admission.	All.	12 months or, if the entity is required to comply with rule 11.1, 24 months, commencing on the date on which the last of the following events occurs. • The +restricted securities are issued. • All restriction agreements are entered into. • If the entity's +securities are suspended, they are re-quoted.

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
6.	A vendor who is *not* a +person referred to in rule 10.1 at the time of the +acquisition of the +classified asset.	• +Classified assets. • Subscription for +securities under a +relevant agreement to use cash paid for +classified assets. Note: The calculation is made after the transaction. POMSoX may aggregate more than one transaction.	After admission.	• *If the vendor will have at least 20% of the capital of the entity,* all. • *In any other case,* none.	12 months or, if the entity is required to comply with rule 11.1, 24 months, commencing on the date on which the last of the following events occurs. • The +restricted securities are issued. • All restriction agreements are entered into. • If the entity's +securities are suspended, they are re-quoted.
+Promoter					
7.	+Promoter. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	• Services. • Subscription for +securities using cash paid for services.	Before admission.	All.	24 months commencing on the date on which +quotation of +securities commences.

Professional, consultant					
8.	A professional or consultant to the entity. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	• Services. • Subscription for +securities under +relevant agreement to use cash paid for services.	Before admission.	All.	24 months commencing on the date on which +quotation of +securities commences.
A +person under an +employee incentive scheme					
9.	A +person who is one of the following. • A +related party of the entity. • A +promoter. Cross reference: rule 9.1.3, which sets out when this rule might not apply.	+Employee incentive scheme.	Before admission.	• *+Securities to which the +cash formula applies,* the number of +securities remaining after the application of the +cash formula, unless POMSoX decides all. • *Other +securities*, all.	24 months commencing on the date on which +quotation of +securities commences.
Any +person					
10.	Any +person to whom +restricted securities are transferred.	Not applicable.	Before admission.	All.	For the balance of the escrow period that applies to the +restricted securities.

	+Person	Circumstances		Restrictions	
		Consideration for issue	**Time of issue**	**Number of +securities restricted**	**Escrow period (unless POMSoX fixes a different period)**
11.	Any +person.	• Substitution for +restricted securities on a reorganisation. • A +bonus issue in relation to +restricted securities. • The conversion of +restricted securities. • Payment of any outstanding amount on a partly paid +restricted security.	Before or after admission.	All.	For the balance of the escrow period that applies to the initial +restricted securities.

Note: POMSoX may decide other securities are restricted securities.

Cross reference: rule 19.12 (definition of restricted securities).

Appendix 15A

Provisions required by rule 15.11

"If the entity* is admitted to the Official List of POMSoX, the following clauses apply:

1. Notwithstanding anything contained in this constitution, if the listing rules prohibit an act being done, the act shall not be done.

2. Nothing contained in this constitution* prevents an act being done that the listing rules require to be done.

3. If the listing rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

4. If the listing rules require this constitution* to contain a provision and it does not contain such a provision, this constitution* is deemed to contain that provision.

5. If the listing rules require this constitution* not to contain a provision and it contains such a provision, this constitution* is deemed not to contain that provision.

6. If any provision of this constitution* is or becomes inconsistent with the listing rules, this constitution* is deemed not to contain that provision to the extent of the inconsistency.

"listing rules" means the listing rules of POMSoX and any other rules of POMSoX which are applicable while the entity* is admitted to the Official List of POMSoX, each as amended or replaced from time to time, except to the extent of any express written waiver by POMSoX.

"POMSoX" means Port Moresby Stock Exchange Limited.

* *Substitute with the term used in your constitution (eg, 'the Company' 'the Trust', 'these Articles', 'this Deed' etc)*

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