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MINERAL COMPANY BUILDING BLOCK FOR INCLUSION IN THE REGISTRATION DOCUMENT

Definitions

a “mineral company” is a company or group of which a principal activity is, or is planned to be, the extraction of mineral resources (which may or may not include exploration for mineral resources)

“extraction” includes mining, production, quarrying or similar activities and the reworking of mine tailings or waste dumps;

“mineral resources” include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels, including coal

“proven reserves” mean:

- (i) in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which on the available evidence and taking into account current technical and current economic conditions have a better than 90% chance of being produced; and
- (ii) in respect of mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured mineral resources (see below) of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination and under specified economic conditions.

“probable reserves” mean:

- (i) in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which are not yet “proven” but which on the available evidence and taking into account current technical and current economic conditions have a better than 50% chance of being produced; and
- (ii) in respect of mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured and/or indicated mineral resources (see below), which are not yet “proven” but of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination and under specified economic conditions.

“measured mineral resource” is that portion of a mineral resource for which tonnage or volume can be calculated from outcrops, pits, trenches, drill-holes or mine workings, supported where appropriate by other exploration techniques. The sites used for inspection, sampling and measurement must be so spaced that the geological character, continuity, grades and nature of the material are so well defined that the physical character, size, shape, quality and mineral content will be

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established with a high degree of certainty.

“indicated mineral resource” is that portion of a mineral resource for which quantity and quality can only be estimated with a lower degree of certainty than for a measured mineral resource because the sites used for inspection, sampling and measurement are too widely or inappropriately spaced to enable the material or its continuity to be defined or its grade throughout to be established.

Details of reserves

- (a) a description of the company’s principal mineral interests together with a statement in respect of the company’s reserves giving an estimate of the volume, tonnage in place and grades, as appropriate, each split between proven and probable reserves;
- (b) the expected period of working of those reserves;
- (c) an indication of the periods and main terms of any licences or concessions and the economic conditions for working those licences or concessions;
- (d) indications of the progress of actual working; and
- (e) an explanation of any exceptional factors that have influenced (a) to (d) above.

Additional disclosures

A company that has not been trading as a mineral company for at least the three preceding years must make the following additional disclosures:

Where the company does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested, confirmation that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.