Section 12  
Minerals and Oil/Gas

**Scope of Section**

***[Definitions moved to Definitions]***

This section applies to applicant issuers undertaking mining and/or oil/gas activities. Certain provisions apply equally to applicant issuers with substantial mineral or oil/gas assets.

**General**

12.1 The JSE has adopted the SAMREC, SAMVAL and SAMOG codes and these codes must be applied by applicant issuers undertaking mining, exploration and oil/gas activities, and to a certain extent by applicant issuers with substantial mineral or oil/gas assets, in terms of this Section.

*[moved to New Listings]*12.2 The applicant issuers must evidence legal title to undertake:

(a) exploration;

(b) mining; and/or

(c) oil/gas activities.

Contents of PLS and category 1 circulars

12.3 In addition to the provisions for a PLS and circulars in Section 7, the following information must be included:

(a) a CPR or QRE report on all mining, exploration and oil/gas assets of the applicant issuer or the subject of a category 1 transaction. In respect of minerals, an executive summary of the CPR can be included in terms of (b) below provided the CPR is incorporated by reference;

(b) the executive summary must cover the following:[[1]](#footnote-2)

(i) purpose;

(ii) project outline;

(iii) location map indicating area of interest;

(iv) legal aspects and tenure, including any disputes or impediments;

(v) geological setting description;

(vi) exploration programme and budget;

(viii) key environmental issues;

(ix) mineral resource and mineral reserve statement;

(x) reference to the risk disclosure in the CPR;

(xi) statement by the CP that the summary is a true reflection of the CPR; and

(xii) summary valuation table. Where the cash flow approach has been applied, the valuation summary must include the discount rate(s) applied to calculate the net present value(s)) per share with reference to the CPR. If inferred mineral resource are used, show the summary valuation with and without inclusion of such inferred resource;

(c) details of any direct or indirect beneficial interest, which each director (and associates), CP, CV, QRE and related party, has or, within two years of the date of the PLS had in any mining, exploration and/or oil/gas assets and share capital of the applicant issuer;

(d) details of any legal proceedings that may have an influence on the rights to undertake exploration, mining or oil/gas activities or a negative statement;

(e) details of legal title to undertake exploration, mining and/or oil/gas activities; and

(f) a statement by the board that the CP/CV/QRE is independent in terms of the independence indicators in terms of 12.13.

CPR and QRE Reports

General

12.4 The CP, CV or QRE must be independent from the applicant issuer. Independence is assessed in terms of 12.13 below.

12.5 A CPR and QRE report must include:[[2]](#footnote-3)

(a) an effective date less than six months prior to the date of publication of the PLS or category 1 circular. If new material data becomes available after the effective date but prior to publication, the report must be updated; and

(b) a statement that all the provisions of this Section and of the applicable code have been complied with, and if any provision in the code was not applied, an explanatory statement must be made.

12.6 A CPR must also include:

(a) a valuation section in terms of the SAMVAL code;[[3]](#footnote-4)

(b) details regarding expenditure incurred by the applicant issuer up to the date of the CPR:

(i) current exploration expenditure incurred;

(ii) committed planned exploration expenditure, not yet incurred; and

(iii) projected future exploration expenditure, if determinable.

RLP and CPR

12.7 If RLP are required, a CPR is not required provided the issuer’s annual report meets the disclosure in terms of 12.10.

**Confirmation by CP or QRE**

12.8 If the PLS or circular contains mineral resource and mineral reserve information, the CP or QRE must confirm to the JSE that the PLS or circular contains no contradictions with the CP or QRE report, prior to the JSE granting approval.[[4]](#footnote-5)

Announcements

12.9 Any announcements by an issuer and issuers with substantial mineral or oil/gas assets, dealing with exploration results, mineral resources, mineral reserves or oil/gas activities must comply with the relevant codes in 12.1 and must include:[[5]](#footnote-6)  [[6]](#footnote-7)

(a) the name of the CP, CV or QRE, and that such person has approved the information; and

(b) if the CP, CV or QRE is not independent of the issuer, clearly disclose the nature of the relationship or interest.[[7]](#footnote-8)

**Contents of annual report: Mining and exploration**

12.10 In addition to complying with Section 8, the following additional information must be included in the annual report for the period under review:[[8]](#footnote-9)

(a) Basis of disclosure:

(i) The disclosure required below must be on an attributable beneficial interest basis.

(ii) Disclosure may be made on an aggregated attributable beneficial interest basis (“total basis”) where the required disclosure below has previously been disclosed by another issuer in compliance with Requirements. If disclosure is made on a total basis, then the attributable beneficial interest percentage must also be clearly stated.

(iii) Disclosure must comply with the SAMREC code and this Section.

(iv) Details of the CP (not required to be independent from the issuer), including the name, address, professional qualifications and relevant experience (including the name and address of the body recognised by SAMREC code of which the CP is a member) of the lead CP authorising release of the information disclosed below.[[9]](#footnote-10)

(v) Include a statement that they have written confirmation from the CP or lead CP, that the information disclosed is compliant with the SAMREC code and this Section and that it may be published in the form and context in which it was intended.

(b) Where individual operations, projects or exploration activities are material, the following applies to:

(i) Mining issuers: 12.10(c) and 12.10(d)

(ii) Exploration issuers: 12.10(d)

If any paragraph is not applicable, an explanatory statement must be made.[[10]](#footnote-11) [[11]](#footnote-12)

(c) Mining: Disclosure of the following, where applicable:

(i) a brief description of the geological setting and geological model

(ii) a brief description of the type of mining activities, including a brief history of the workings or operations;[[12]](#footnote-13)

(iii) production figures, including a comparison with the previous financial year/period;

(iv) a statement on the legal entitlement to the minerals being reported upon together with any known impediments;[[13]](#footnote-14)

(v) the estimated mineral resources and mineral reserves;[[14]](#footnote-15)

(vi) a description of the methods and the key assumptions and parameters by which the mineral resources and mineral reserves were estimated and classified;[[15]](#footnote-16)

(vii) a comparison of the mineral reserve and mineral resource estimates with the previous financial year/period’s estimates together with explanations of material differences;

(viii) whether or not the inferred mineral resource category has been included in feasibility studies and, if so, the impact of such inclusion;[[16]](#footnote-17)

(ix) any material risk factors that could impact on the mineral resource and reserve statement;[[17]](#footnote-18)

(x) a statement by the directors on any legal proceedings or other material conditions that may impact on the company’s ability to continue mining or exploration activities, or an appropriate negative statement;[[18]](#footnote-19)

(xi) appropriate locality maps and plans;[[19]](#footnote-20)

(xii) a summary of environmental management and funding; and[[20]](#footnote-21)

(xiii) a summary of the governance arrangements and internal controls that the issuer has put in place with respect to its estimates of mineral resources and mineral reserves and the estimation process.

(d) Exploration: Disclosure of the following, where applicable:

(i) a brief description of any exploration activities, exploration expenditures, exploration results and technical studies undertaken;

(ii) summary information of previous exploration work done by other parties on the property;[[21]](#footnote-22)

(iii) summary information on the data density and distribution;[[22]](#footnote-23)

(iv) exploration results not incorporated in the mineral resource and mineral reserve statement including the following, where applicable, or a qualified negative statement:

(aa) the relationship between mineralisation true widths and intercept lengths;[[23]](#footnote-24)

(bb) data and grade compositing methods and the basis for mineral equivalent calculations;[[24]](#footnote-25)

(cc) for poly-metallic mineralisation or multi-commodity projects, separate identification of the individual components;

(dd) the representivity of reported results;[[25]](#footnote-26)

(ee) other substantive exploration data and results;[[26]](#footnote-27)

(ff) comment on future exploration work;[[27]](#footnote-28)

(gg) the basic tonnage/volume, grade/quality and economic parameters for the exploration target; and[[28]](#footnote-29)

(hh) sample and assay laboratory quality assurance and quality control procedures.[[29]](#footnote-30)

**Applicant issuers with substantial mineral or oil/gas assets**

12.11 The following provisions apply equally to the applicant issuers with substantial mineral or oil/gas assets:

(a) the applicant issuers must evidence legal title to undertake mineral or oil/gas activities;

(b) contents of PLS and category 1 circulars in terms of 12.3; and

(c) announcements in terms of 12.9.

12.12 If undertaking mining or exploration activities, the contents of the annual report in terms of 12.10.

**Independence of CP, CV and QRE**

12.13 A CP, CV or QRE will not be regarded as independent, if the CP, CV or QRE:

(a) is the applicant issuer, its subsidiary, associate or division of the applicant issuer;[[30]](#footnote-31)

(b) controls the applicant issuer;[[31]](#footnote-32)

(c) is an employee of the applicant issuer

(d) has an investment or interest in the applicant issuer which is material to the CP/QRE; and/or

(e) receives a fee that is material in relation to the last 12 months.

**JSE Readers Panel**

12.14 The JSE, in consultation with the SSC, have formed a panel known as the JSE Readers Panel to advise the JSE in relation to compliance by applicant issuers with the codes and this Section, as well as deal with any complaints.

12.15 In the vent of non-compliance, the JSE may, in its sole discretion:

(a) censure the applicant issuer in terms of Section 1;

(b) instruct the applicant issuer to publish or re-issue any information the JSE deems appropriate; and/or

(c) refer any such non-compliance to the relevant professional body of the CP/QRE that signed-off on such information.

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