

Listing an Overseas Mining Company on the London Stock Exchange

Introduction

The London Stock Exchange (the “LSE”) has long provided an attractive forum for companies with mining operations outside of the United Kingdom to seek and obtain access to foreign capital markets through a public quotation. These quotations are driven by a number of compelling business considerations including:

- access to significant capital pools at a lower effective cost;
- the ability to raise equity capital quickly;
- the creation of acquisition currency in an industry that is consolidating;
- the development of a liquid and efficient market for the quoted company’s shares; and
- the ability of major shareholders to develop an appropriate exit strategy or “liquidity event”.

Issues for mining companies

Mining companies with exploration and/or mineral-producing properties face a number of significant challenges in achieving a London listing. These need to be considered carefully and at an early stage in order to ensure a smooth, efficient and successful process. Some of the challenges faced by overseas mining companies include:

- addressing potential due diligence concerns of advisers and regulators in respect of exploration and/or mining licences that are often subject to technical breaches by the company or its affiliates;
- determining whether the company will be treated for listing purposes as a “mineral company” or “resource company” (to which supplemental listing requirements apply);
- if relevant, adapting mineral reserve and resource information prepared under local mineral classification systems to comply with applicable UK listing requirements;
- in the case of certain minerals (such as diamonds), reconciling domestic secrecy laws with the applicable UK disclosure rules; and
- commissioning and preparing a Competent Person’s Report (“CPR”) that complies with applicable UK regulatory requirements, including the European Securities and Markets Authority (“ESMA”) recommendations, and satisfies the needs of investors.

Other considerations

In addition to the foregoing, there are a number of general issues to be considered in connection with any London listing, including:

- the market on which the securities will be traded (the main market of the LSE, the professional securities market of the LSE or the LSE's junior market, AIM), and the type of security that will be listed and traded;
- the applicable admission requirements, which depend upon the market that is chosen, the type of security being admitted and the nature of the company's activities (a comparison of such requirements is set out below);
- the timetable and costs associated with a public quotation and any related securities offering;
- changes to the company's corporate governance systems that may be required under the applicable regulations;
- the amount of management time that will be required in order to complete the admission process and any related share offering; and
- the costs and administrative burden that will be borne by the company following its listing in London.

Obtaining a quotation on the main market of the London Stock Exchange

In order to become admitted to the main market of the LSE (whether in the form of equity shares or global depositary receipts representing equity shares ("GDRs")), a company needs to be admitted to the Official List of the UK Listing Authority ("UKLA") (this requires approval from the UK Financial Conduct Authority ("FCA") in its capacity as UKLA), as well as being admitted to trading on the London Stock Exchange (regulated by the LSE). The principal rules governing such admission are the listing rules (the "**Listing Rules**") and the prospectus rules (the "**Prospectus Rules**") both published by the FCA, together with the admission and disclosure standards of the LSE.

The Official List is separated into two listing segments, Premium and Standard. A Premium listing is only available to issuers who comply with the "super-equivalent" requirements of the FCA for listings of equity shares; these are additional requirements that apply above and beyond the minimum standards applicable and harmonised throughout EU Member States. A Premium listing is open to both UK and overseas companies. All other issuers (including issuers who list equity securities meeting the EU minimum listing requirements and issuers of GDRs) will have a Standard listing and will be subject to lower ongoing compliance obligations.

In March 2013, the LSE introduced the High Growth Segment ("**HGS**") which is an EU regulated market but not part of the Official List. UK and European trading companies can list equity shares on the HGS if they, *inter alia*, demonstrate growth in revenue (on a compound annual growth rate basis) of 20 per cent over the three years prior to admission. The HGS may possibly be of interest to high-growth resource companies; however, resource companies at the exploration stage are expressly excluded. Rather than providing a list of trading businesses that are eligible, the LSE asks to be contacted at an early stage to discuss the potential eligibility of an applicant. While the Listing Rules do not apply, HGS companies must comply with the HGS Rulebook and the admission and disclosure standards of the LSE. EU directive standards, including the Prospectus Rules, also apply. The HGS has not, to date, attracted companies to list on it.

Obtaining a quotation on AIM

AIM is the junior market of the LSE that is designed for smaller or growth companies that would generally not be eligible (or suitable) for admission to the main market of the LSE. Obtaining a public quotation on AIM involves an application for admission to the AIM team of the LSE. The rules governing admission to AIM (the "**AIM Rules for Companies**") are similar to the Listing Rules, but with no minimum requirements regarding duration of trading record or public distribution of shares and some relaxation of disclosure requirements and continuing obligations following admission.

The admission document published in connection with such admission also has lower disclosure standards, being based on a modified form of the Prospectus Rules (“**AIM-PD**”). Although the disclosure requirements of AIM-PD are not as stringent as those in the Prospectus Rules, the listing adviser (known as the nominated adviser or “**Nomad**”) to a company seeking admission to AIM has a discretion to require the company to comply with the more onerous disclosure requirements of the Prospectus Rules.

Mineral companies and resource companies

Supplemental disclosure requirements apply to “mineral companies” in connection with admission to the main market of the LSE as set out in the ESMA recommendations. A “mineral company” is defined as a company with material mineral projects. Mineral projects are exploration, development, planning or production activities (including royalty interests) in respect of minerals (which include metallic ore, non-metallic minerals, gemstones and solid fuels such as coal and peat). The materiality of mineral projects should be assessed from an investor point of view, having regard to all the company’s mineral projects relative to the company and its group taken as a whole. The evaluation of mineral projects is presumed necessary for an informed assessment of the prospects of a company

- where the projects seek to extract minerals for their re-sale value as commodities and there exists uncertainty as to the quantities of economically recoverable resources or the technical feasibility of their recovery; or
- where the minerals are extracted to supply (without re-sale to third parties) an input into an industrial production process and there exists uncertainty as to either the existence of the resources in the quantities required or the technical feasibility of their recovery.

Exploration only companies are now caught by the definition of “mineral companies”.

For AIM, additional rules for “resource companies” (being companies operating in the mining and oil and gas sectors which are admitted or are seeking an admission to AIM) are set out in the LSE’s Note for Mining, Oil and Gas Companies (the “**MOG Note**”). The LSE requires all resource companies and nominated advisers to comply with the MOG Note. The MOG Note applies to resource companies, such as exploration, development and production companies but it does not apply to companies which purely invest in or provide consultancy, advice or other such services to resource companies.

As a general matter, pure exploration companies will be more suitable for admission to AIM, whereas companies with operating mines, as well as downstream metal producers (e.g. steel and aluminium producers), will (subject to meeting the relevant requirements) be suitable for listing on either the main market of the LSE or on AIM, depending upon their size, level of development and other considerations.

Comparison of admission requirements

The table in this document provides a comparative guide to certain admission requirements and procedures involved in:

- a holding company (whether incorporated in the UK or elsewhere) with mining assets located outside the UK seeking a Premium listing of equity shares on the main market of the LSE;
- an overseas-incorporated company with mining assets located outside the UK seeking a Standard listing of equity shares or a Standard listing of GDRs on the main market of the LSE; and
- a holding company (which could be incorporated in the UK or elsewhere) with non-UK mining assets seeking admission to AIM, which is part of the LSE.

It should be noted that the comparative table only considers the admission and disclosure requirements imposed by the FCA and/or the LSE. It does not consider other requirements that may be imposed under relevant companies or other applicable laws relating to such listings, whether in London or in the jurisdiction in which the relevant mining assets are situated. Nor does it include an overview of the relatively new and untested HGS. **In addition, the comparative table in this document is intended to be a guide only and is not an exhaustive analysis of all possible requirements and issues.**

Contacts



Philip Broke
Partner, London

Phone +44 20 7532 2110
Email pbroke@whitecase.com



Melissa Butler
Partner, London

Phone +44 20 7532 1502
Email mbutler@whitecase.com



Rebecca Campbell
Partner, London

Phone +44 20 7532 2315
Email rebecca.campbell@whitecase.com



Joshua Kiernan
Partner, London

Phone +44 20 7532 1408
Email jkiernan@whitecase.com



Doron Loewinger
Partner, London

Phone +44 20 7532 1551
Email dloewinger@whitecase.com



Allan Taylor
Partner, London

Phone +44 20 7532 2126
Email ataylor@whitecase.com



Robin Bolivar
Professional Support Lawyer, London

Phone +44 20 7532 2184
Email robin.bolivar@whitecase.com

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Basic requirements for the listing/offering				
<i>Listing/offering document</i>	A company seeking listing must produce a prospectus in accordance with Annexes I-III of the Prospectus Rules and comply with any relevant Listing Rules requirements.	A company seeking listing must produce a prospectus in accordance with Annex X of the Prospectus Rules and comply with any relevant Listing Rules requirements.	A company seeking listing must produce an admission document in accordance with the AIM Rules for Companies and AIM-PD.	
<i>Underwriting agreement</i>	Underwriting agreement between company, any selling shareholders, directors of the company and lead manager(s).	Underwriting agreement between the company, any selling shareholders and lead manager(s).	Placing agreement between the company, any selling shareholders, directors of the company and the Nomad/lead manager. Company and directors will normally enter into a separate Nominated Adviser’s agreement with the Nomad governing the ongoing relationship between company and Nomad.	
<i>Deposit agreement and Depositary</i>	Not applicable.	The company and depositary will enter into a deposit agreement governing the terms of the GDRs. The GDRs must be issued by authorised and regulated financial institution acting as depositary.	If an overseas company, the company and its UK registrar (acting as depositary) may enter into a deposit agreement governing the terms of the depositary interests.	
<i>Due diligence and verification</i>	The company will normally undertake an extensive due diligence exercise (including preparation by the company’s accountants of a “long form report” into the business of the company and 10b-5 style due diligence (if there is an offer into the US)). The factual contents of the prospectus will normally be subject to a verification exercise.	The company will normally undertake an extensive due diligence exercise (including 10b-5 style due diligence (if there is an offer into the US)). The factual contents of the prospectus will normally be subject to a verification exercise.	The company will normally undertake an extensive due diligence exercise (including preparation by the company’s accountants of a “long form report” into the business of the company). The factual contents of the admission document will normally be subject to a verification exercise.	

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Review of listing document	Formal review by UKLA to ensure compliance with relevant requirements of the Prospectus Rules and Listing Rules.			Nomad determines that contents satisfy requirements of AIM-PD. Not reviewed by LSE or UKLA.
Responsibility for the listing document	The company and directors of the company.		The company only.	The company and directors of the company.
Listing adviser	Sponsor must be appointed for application for admission.	No sponsor required for the application for admission.		A Nomad and broker are required at all times.
Minimum Listing Requirements				
Eligibility requirements for mineral companies	<p>A mineral company is subject to all the eligibility requirements for a premium listing other than the requirements that:</p> <ul style="list-style-type: none"> ○ historical financial information must represent at least 75% of its business for 3 years; ○ it controls the majority of its assets and has done so for at least the last 3 years; and ○ it carries on an independent business as its main activity. <p>If the mineral company does not hold controlling interests in a majority (by value) of its properties/mines, it must demonstrate a reasonable spread of direct interests in mineral resources and rights to participate in their extraction.</p>	A company must comply with the general eligibility requirements for admission of any security, but not the specific eligibility requirements applicable to a Premium listing of equity securities other than the requirement for a 25% free float.	A company must comply with the general eligibility requirements for admission of any security, but not the specific eligibility requirements applicable to a Premium listing of equity securities. It must also comply with certain specific eligibility requirements relating GDRs including a requirement for a 25% free float of the GDRs listed (but not the underlying shares).	No formal requirements but the Nomad must determine that it is suitable for listing.

	Main market of the London Stock Exchange			AIM
	Premium listing of shares	Standard listing of shares	Listing of GDRs	
Financial record	<p>Historical financial information must:</p> <ul style="list-style-type: none"> ○ cover 3 years (or since the inception of its business if operating for a shorter period); and for that period ○ have a latest balance sheet ending not more than 6 months before the date of the prospectus and not more than 9 months before admission; ○ include consolidated accounts; ○ be independently audited or reported on; and ○ not be subject to a modified report. 	<p>3 years' audited historical financial information (or such shorter period as the company has been in operation), ending not more than 18 months (if audited interim accounts included) or 15 months (if unaudited interim accounts included) from the date of the prospectus.</p>		<p>3 years' audited historical financial information (or such shorter period as the company has been in operation), ending not more than 18 months (if audited interim accounts included) or 15 months (if unaudited interim accounts included) from the date of the admission document.</p>
Accounting standards	IAS or equivalent accounting standards (e.g. US GAAP).			
Minimum market capitalisation	£700,000.			No minimum required.
Minimum shares in public hands	25% of class of shares to be listed. The shares must be freely transferable.		25% of GDRs listed (no minimum on underlying class of shares). The GDRs must be freely transferable.	No minimum free float required but best practice is to float not less than 25% of the class of shares (all of which must be freely transferable).

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Working capital statement	Sufficient working capital for at least 12 months from publication of the prospectus. As best practice, the sponsor will normally require working capital for at least 18 months from publication of the prospectus.	Sufficient working capital for present requirements (i.e. at least 12 months from the date of the prospectus) or to explain how additional working capital will be provided.	No working capital statement required.	Sufficient working capital for at least 12 months from date of admission.
Additional listing or legal requirements	The company is required to comply with the Listing Principles set out in the Listing Rules. New issues of shares for cash must be made on a pre-emptive basis to existing shareholders (unless disapplied by shareholders). A company incorporated in a non-EEA state will not be able to admit its shares if they are not listed either in its country of incorporation or the country where the majority of its shares are held unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors.	A company incorporated in a non-EEA state will not be able to admit its shares if they are not listed either in its country of incorporation or the country where the majority of its shares are held unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors.	Underlying security must conform with the company's national law, be duly authorised by the company's constitution and have any necessary statutory or other consents.	Where business is not independently operated and earning revenue for more than 2 years, applicable employees and related parties are subject to a 1-year lock-up from admission to AIM.

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Listing Document Disclosure Requirements				
<i>Contents of the listing/offering document</i>	<p>The prospectus must disclose <i>inter alia</i> the following information:</p> <ul style="list-style-type: none"> ○ information about the company and business description; ○ operating and financial review (“OFR”); ○ audited financial statements (see below); ○ profit forecasts and estimates (if relevant); ○ information on the shares; ○ capital resources; ○ directors, senior management and employees; ○ major shareholders; ○ related party transactions; ○ risk factors; and ○ reasons for the offer and use of proceeds. <p>For GDR listings, the prospectus must also include information on the depositary and the terms of the GDRs (including description, terms and conditions, currency, legislation under which created and whether in bearer or registered form).</p> <p>If the company is a mineral company, the prospectus must also include a CPR describing the company’s mineral resources and reserves (see below).</p> <p>The prospectus of a mineral company should include:</p> <ul style="list-style-type: none"> ○ mineral resources and, where applicable, reserves and exploration results/prospects in accordance with one of the acceptable reporting standards; ○ anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves; ○ an indication of duration and main terms of licences or concessions and legal, economic and environmental conditions for exploring and developing those licences or concessions; ○ indications of the current and anticipated progress of mineral exploration and extraction and processing including a discussion of the accessibility of the deposit; and ○ an explanation of any exceptional factors that have influenced these items. 			<p>The admission document must disclose <i>inter alia</i> the following information:</p> <ul style="list-style-type: none"> ○ information about the company and business description; ○ audited financial statements; ○ profit forecasts and estimates (if relevant); ○ information on the shares; ○ directors and major shareholders; ○ related party transactions; ○ risk factors; and ○ reasons for the offer and use of proceeds. <p>The Nomad may also require disclosure on OFR, senior management and capital resources.</p> <p>If the company is a resource company, the admission document must also include a CPR on the company’s mineral and ore reserves and resources.</p>

	Main market of the London Stock Exchange			AIM
	Premium listing of shares	Standard listing of shares	Listing of GDRs	
Contents of the CPR	Agree definitions and content of CPR with the FCA and comply with ESMA recommendations. The CPR should: <ul style="list-style-type: none"> ○ report on mineral resources and, where applicable, reserves and exploration results/prospects in accordance with one of the acceptable reporting standards; and ○ contain information on the company’s mineral projects, in the case of a mining project having regard to ESMA recommendations at Appendix II (Mining CPR – recommended content) attached. The CPR should be dated no more than 6 months from the date of the prospectus. The company must affirm in the prospectus that no material changes since the date of the CPR would make the CPR misleading by their omission.			Scope of the CPR will be agreed with the Nomad and must comply with the provisions of the MOG Note . The CPR should include a summary of assets and liabilities, an estimate of net present value of reserves (at a discount rate of 10%) and a statement of reserves and resources. The CPR should be prepared no more than 6 months before the date of the admission document.
Acceptable mineral classification systems	The FCA will accept leading internationally recognised reserve and resources categories (e.g. JORC and SAMREC). Any proposal to use a reporting basis other than a basis which has been accepted previously by the FCA must be discussed and agreed with the FCA in advance.			The MOG Note specifies acceptable leading internationally recognised reserve and resources categories (e.g. JORC and SAMREC).
Competent person requirements	Competent person (“CP”) must prepare the CPR. The CP must be a suitably qualified and experienced expert. CP must be independent of the company, its directors, management and advisers and not have an interest in the company or its assets.			
Historical financial information	3 years’ (or such shorter period that the company has been in operation) profit and loss, balance sheets and cash flow statements, plus accounting policies and notes to annual accounts. Independently audited and audit report to be included.			
Latest accounts	Must include recent interims if published or more than 9 months since last year end, which may be unaudited and must cover at least the first 6 months of the financial year. The interim financial information must include comparative statements for the same period in the prior financial year.			
Capital resources	Information concerning the company’s capital resources (both short and long term) and information on the borrowing requirements and funding structure of the company.			The Nomad may require information concerning the company’s capital resources, borrowing requirements and funding structure.
Capitalisation and indebtedness	Statement of capitalisation and indebtedness as of a date no earlier than 90 days prior to date of prospectus.		No statement required.	

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
<i>Profit forecasts and estimates</i>	Not mandatory but if included, detailed requirements as to assumptions and basis on which produced and must be reported on by accountants.			
<i>Disclosure of directors' remuneration and contracts</i>	Amount of remuneration paid and benefits in kind for administrative, management or supervisory bodies. Such information must be provided on an individual basis (unless individual disclosure is not required by the company's home country and is not otherwise publicly disclosed). Details of service contracts (including term and benefits payable on termination).			The Nomad will normally require amount of remuneration paid and benefits in kind for directors, together with details of service contracts (including term and benefits payable on termination).
<i>Other information on directors</i>	Disclosure of potential conflicts of interest of directors and their private interests/other duties or appropriate negative disclosure. Information regarding board practices, such as terms of office, termination of employment provisions, terms of reference of audit and remuneration committees.			Information regarding terms of office and termination of employment provisions for directors. The Nomad normally requires main market equivalent information on board practices and committees.
<i>Information on controlling shareholders</i>	Details of whether the company is owned or controlled (e.g. 30%+ shareholder), including the nature of such control and measures in place to ensure that such control is not abused.			
<i>Information on major shareholders</i>	Insofar as is known to the company, the name and relevant interest of any persons who, directly or indirectly, has an interest notifiable under the company's national law in the company's capital or voting rights.			
<i>Material contracts</i>	A summary of each material contract (entered into in the 2 years prior to listing or which was otherwise entered into other than in the ordinary course of business) to which the company or any member of the group is a party.			
<i>Related party transactions</i>	Details of the nature and extent of any transactions (whether single or in their entirety) material to the company regarding related party transactions that the company has entered into during the period covered by the historical financial information and up to the date of the listing document. Where such transactions were not at an arms' length basis, an explanation must be provided. Information regarding outstanding loans and guarantees must also be given, indicating the amount outstanding.			

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Continuing Obligations				
Annual report	Must publish annual financial report within 4 months of the end of the period to which it relates and must remain publicly available for at least 5 years. IAS or equivalent (e.g. US GAAP) permitted.			Must publish annual audited accounts within 6 months of the end of the financial year to which they relate. A company incorporated in an EEA state must use IAS unless the company is not a parent company when it has the option of using IAS or the accounting standards applicable in the country of incorporation. A company incorporated in a non-EEA state has the option of using IAS, US GAAP, Canadian GAAP, Australian GAAP or Japanese GAAP.
Half yearly report	Must publish as soon as possible but not later than 2 months of the end of the period to which they relate. Must comply with IAS 34.	No requirement to publish half yearly accounts, but best practice requires such publication.		Must publish within 3 months of the end of the period to which they relate. Accounting standards must be consistent with those to be used in the annual accounts.
Quarterly reports	Must publish interim management statement in each six month period.		Not required.	
Disclosure of price-sensitive information	Immediate announcement of any inside information that directly concerns the company (being information of a precise nature which is not generally available, relates to the company and would be likely to have a significant impact on the price of the company's listed securities) unless still confidential and in the course of negotiation. The company must maintain a list of all persons who have access to inside information relating directly or indirectly to the company.			The company must announce any new developments which are not public knowledge concerning a change in its financial condition, sphere of activity, performance of its business or expectation of its performance that would be likely to lead to a substantial movement in the price of the company's shares.
Disclosure of changes in mineral reserves and resources	No specific requirement to disclose and/or report on changes in reserves and resources, but note that such changes may amount to "inside information" (see above) or be related to a significant transaction (see below).			No specific requirement to disclose and/or report on changes in reserves, but note that such changes may be price sensitive information (see above) or be related to a substantial transaction (see below).

	Main market of the London Stock Exchange			AIM
	Premium listing of shares	Standard listing of shares	Listing of GDRs	
<i>Disclosure of shareholdings of significant shareholders by the issuer</i>	<p>A shareholder must notify the company of any change in his direct or indirect holding which would result in him reaching, exceeding or falling below 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% (NB if above or below 3% for any UK issuer with a Premium listing of shares).</p> <p>The company must announce any notification it receives from a shareholder under the above rules by not later than the end of the third trading day following receipt of the notification.</p> <p>To assist shareholder notification, the company must announce an increase or a decrease in the total number of voting rights and capital at the end of each calendar month and by the end of the business day following a material increase or decrease that results from a transaction.</p>		<p>If the company also has its shares admitted to another EU regulated market, the company must announce any relevant change of which it is aware in any shareholdings or voting rights that exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%.</p>	<p>The company must announce, as soon as it becomes aware, any relevant changes to any significant shareholding (holdings over 3% and any whole percentage change in holdings over 3%).</p>
<i>Disclosure of shareholdings of directors</i>	<p>The company must announce any dealings by any person discharging managerial responsibilities and/or his connected persons in any shares of the company.</p>		<p>No requirement to disclose directors' dealings.</p>	<p>The company must announce any dealings by director and/or his family or interests of director and/or his family in any transactions exceeding 5% in any class test with the company.</p>
<i>Sponsor/Nomad</i>	<p>The company must appoint a sponsor for certain key transactions including the production of circulars relating to a class 1 transaction, reconstruction/refinancing, the purchase of its own shares or a related party transaction, as well as in relation to a reverse takeover. The company must seek the guidance of a sponsor where it is proposing to enter a transaction that could amount to a class 1 transaction, a reverse takeover or a related party transaction.</p>	<p>Sponsor is only required if applying for a transfer to a Premium listing.</p>	<p>Nomad and broker are required at all times.</p>	

	Main market of the London Stock Exchange			AIM
	Premium listing of shares	Standard listing of shares	Listing of GDRs	
<i>Disclosure/ approval of corporate transactions</i>	Any class 1 transaction (where the consideration, gross assets, profits, reserves or gross capital of the target is or exceeds 25% of the equivalent measure in the company - a “class test”), reverse takeover or break fee that exceeds 1% of the company’s value requires prior shareholder approval by a simple majority. Any class 2 transaction (where the relevant ratio above exceeds 5% but is less than 25%) must be announced.	No specific Listing Rule requirement to disclose or have approved significant corporate transactions (but note obligations in respect of disclosure of “inside information” above).		Any reverse takeover requires prior shareholder approval. The company must announce substantial transactions (a transaction that exceeds 10% of the company’s gross assets, profit, turnover, consideration or capital) and transactions with related parties (where such transaction exceeds 5% of the company’s gross assets, profit, turnover, consideration or capital), excluding any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in fixed assets.
<i>Related party transactions</i>	Subject to very limited exemptions, any related party transaction (with a director, 10%+ shareholder, a person exercising significant influence or an associate of a related party) that exceeds 5% in any class test (see above) requires prior shareholder approval. Before entering a smaller related party transaction (0.25% to 5%), the company must inform the FCA and provide a “fair and reasonable” confirmation from its sponsor.	No Listing Rule requirement to announce or approve transactions with a related party.		Any related party transaction which exceeds 5% in any class test must be announced, with details of the particulars of the transaction, the parties, the profits and value attributable to such assets, the effect of the transaction on the company and any other information necessary for the investors to evaluate the effect of the transaction. The company must confirm that its directors consider, having consulted with the Nomad, that the terms and conditions of the transaction are “fair and reasonable” in so far as shareholders are concerned.
<i>Notifications relating to capital</i>	Required to announce any changes to the company’s capital structure (including any redemptions of shares).			The company must announce admission or cancellation from trading of any securities.

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Website disclosure	<p>A prospectus is deemed to be made available to the public when published on the company’s website.</p> <p>Inside information which is announced must be available on the company’s website (if the company has a website) not later than the close of the business day following the day of the announcement.</p> <p>All inside information which the company is required to announce must remain on the company’s website for a period of one year following the announcement.</p>			<p>The company must maintain a website which includes a description of the business, the names and brief biographies of the directors, a description of the responsibilities of the directors and details of any board committees, the country of incorporation, a statement that the rights of the company’s shareholders may be different from the rights of shareholders in a UK incorporated company, the current constitutional documents, details of any other exchanges the company has applied or agreed to have any of its securities admitted or traded, the number of the company’s AIM-listed securities in issue, details of any restrictions on the transfer of the company’s AIM-listed securities, the company’s most recent annual and half yearly reports, all announcements made in the past 12 months, its most recent admission document, circular or similar publication sent to shareholders within the past 12 months, and details of the Nomad and other key advisers.</p>
Corporate Governance				
Compliance with Model Code	<p>The company, members of its group and all persons discharging managerial responsibilities must comply with Model Code.</p>	<p>No requirement to comply with Model Code.</p>		<p>Directors and applicable employees must not deal in the company’s securities during a close period (but no formal requirements to adopt Model Code).</p>

	Main market of the London Stock Exchange			
	Premium listing of shares	Standard listing of shares	Listing of GDRs	AIM
Corporate Governance	<p>The company must state it has complied with the UK Corporate Governance Code or explain any non-compliance in its annual financial report.</p> <p>The company must include a corporate governance statement in its directors' report.</p>	<p>The company is not required to comply with the UK Corporate Governance Code but is required to include a corporate governance statement in its directors' report setting out with which corporate governance regime it complies (which must be either the UK or an equivalent European standard) and where it departs from such regime.</p>		<p>Although not formally required, the Nomad normally requires, as best practice, compliance with either the UK Corporate Governance Code (or an explanation of non-compliance) insofar as is appropriate or practicable or the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies.</p>
Listing Fees				
Admission and Annual fees	<p>Based on market capitalisation and reference to fee table. See London Stock Exchange website and FCA website for current fee levels.</p>			<p>Based on market capitalisation and reference to fee table. See London Stock Exchange website for current fee levels.</p>

ESMA Recommendations Appendix II

Mining Competent Person's Report – recommended content

ESMA recommends that competent persons should provide competent person's reports structured in accordance with either the model content recommended under the code, statute or regulation the company is reporting under (see Appendix I) or, where there no such model content is set out in the code, ESMA recommends the competent person should address the information set out in this appendix. The competent person may, with the agreement of the relevant member state's competent authority, adapt these contents where appropriate for the circumstances of the issuer.

i) Legal and Geological Overview – a description of:

- (1) the nature and extent of the company's rights of exploration and extraction and a description of the properties to which the rights attach, with details of the duration and other principal terms and conditions of these rights including environmental obligations, and any necessary licences and consents including planning permission;
- (2) any other material terms and conditions of exploration and extraction including host government rights and arrangements with partner companies;

ii) Geological Overview – a description of the geological characteristics of the properties, the type of deposit, its physical characteristics, style of mineralisation, including a discussion of any material geotechnical, hydro-geological/hydrological and geotechnical engineering issues;

iii) Resources and reserves

- (1) a table providing data on (to the extent applicable): exploration results inclusive of commentary on the quantity and quality of this, inferred, indicated/measured resources, and proved/probable reserves and a statement regarding the internationally recognised reporting standard used;
- (2) a description of the process followed by the competent person in arriving at the published statements and a statement indicating whether the competent person has audited and reproduced the statements, what additional modifications have been included, or whether the authors have reverted to a fundamental re-calculation;
- (3) a statement as to whether mineral resources are reported inclusive or exclusive of reserves;
- (4) supporting assumptions used in ensuring that mineral resource statements are deemed to be 'potentially economically mineable';
- (5) supporting assumptions including commodity prices, operating cost assumptions and other modifying factors used to derive reserve statements;
- (6) reconciliations between the proposed and last historic statement;
- (7) a statement of when and for how long a competent person last visited the properties (or a statement that no visit has been made if that is the case);
- (8) for proved and probable reserves (if any) a discussion of the assumed:
 - (a) mining method, metallurgical processes and production forecast;
 - (b) markets for the company's production and commodity price forecasts;
 - (c) mine life;
 - (d) capital and operating cost estimates;

iv) Valuation of reserves – taking consideration of internationally recognised valuation codes as set out in Appendix I a valuation of reserves comprising:

- (1) an estimate of net present value (or a valuation arrived at on an alternative basis, with an explanation of the basis and of the reasons for adopting it) of reserves;
- (2) the principal assumptions on which the valuation of proved and probable reserves is based including those relating to discount factors, commodity prices, exchange rates, realised prices, local fiscal terms and other key economic parameters;

- (3) information to demonstrate the sensitivity to changes in the principal assumptions;
(or a statement that the valuation of reserves is omitted).
- v) Environmental, Social and Facilities – an assessment of
- (1) environmental closure liabilities inclusive of biophysical and social aspects, including (if appropriate) specific assumptions regarding sale of equipment and/or recovery of commodities on closure, separately identified;
 - (2) environmental permits and their status including where areas of material non-compliance occur;
 - (3) commentary on facilities which are of material significance;
- vi) Historic Production/Expenditures – an appropriate selection of historic production statistics and operating expenditures over a minimum of a three year period;
- vii) Infrastructure – a discussion of location and accessibility of the properties, availability of power, water, tailings storage facilities, human resources, occupational health and safety;
- viii) Maps etc. – maps, plans and diagrams showing material details featured in the text; and
- ix) Special factors – if applicable a statement setting out any additional information required for a proper appraisal of any special factors affecting the exploration or extraction businesses of the company (for example in the polar regions where seasonality is a special factor).

Worldwide. For Our Clients.

[whitecase.com](https://www.whitecase.com)

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law and all other affiliated partnerships, companies and entities.
LON4532024