

Executing a successful listing Markets for miners

*A PwC IPO Centre
publication – helping
mining companies assess
their choices*

May 2013

Second edition





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Introduction

Miners need capital

Mining companies require capital to fund exploration efforts and mine development, and historically equity markets have been the main source of mining finance. 2012 was, however, a tough year for miners, on the back of global economic uncertainty affecting the overall equity raising activity and mining investors becoming more demanding and risk averse. Last year, miners raised only \$25 billion on the equity capital markets, half of 2011 levels. Overall mining finance was dominated by debt, including high yield bonds, as well as non-traditional sources of finance which continued growing in importance.

We believe, however, that the equity markets will be back, with improving general market sentiment and slowly rebuilding investor trust. There have been positive trends in the capital markets recently, with the pick up in funds raised by miners in Q4 2012, lower volatility and successful recent transactions in the broader market. Continuation of dual and cross-border listings, as well as spin-offs dictated by capital discipline calls from shareholders, should also generate deal activity in 2013.

Companies need to focus on maximising the value of their assets and be prepared to take advantage of favourable market conditions when they arise.

How does your equity story influence your choice of market?

The starting point in any capital raising is the equity story. Have you thought about your story and who will buy it? How are you going to maximise the value of your mineral resource portfolio, carry out your development programme, achieve cost efficient production levels, get access to the best transportation routes, secure off-take agreements or other supply arrangements and achieve commodity synergies?

You should think about these questions from the start.

We can help you wherever you decide to raise capital

The PwC network of capital markets and mining experts across the globe has extensive practical experience floating mining companies from all over the world on the leading exchanges. If you are considering a capital raising or just beginning to explore your options, it is definitely the right time to talk to us. We can help you examine where you are in the fundraising cycle, determine if an IPO, bond issue, private placement or a secondary listing suits you best, which markets are worth considering and connect you to the right market players.

This publication has been designed to provide an overview of different financial markets and how they serve the mining sector – the fact sheets cover some key features of the London, Toronto, Australian and Hong Kong stock exchanges and include a high level summary of the listing requirements for mining companies in each market.

We wish you every success in achieving your company's growth

Clifford Tompsett

Head of IPO Centre

Tim Goldsmith

Global Mining Leader

Overview of international mining finance centres

Over the past five years, just four exchanges accounted for 90% of the mining IPOs: the London Stock Exchange (LSE), the Toronto Stock Exchange (TSX), the Australian Stock Exchange (ASX) and the Hong Kong Stock Exchange (HKSE).

Historically, the New York Stock Exchange and the LSE have been the main finance centres for diversified mining majors, with TSX, ASX and, to a lesser degree, the LSE's AIM funding junior exploration and development companies.

Over the past five-ten years, post Sarbanes-Oxley, we have seen a relative decline in popularity of the US markets as a cross-border listing destination and more recently the rise of Asian capital markets and Hong Kong in particular.

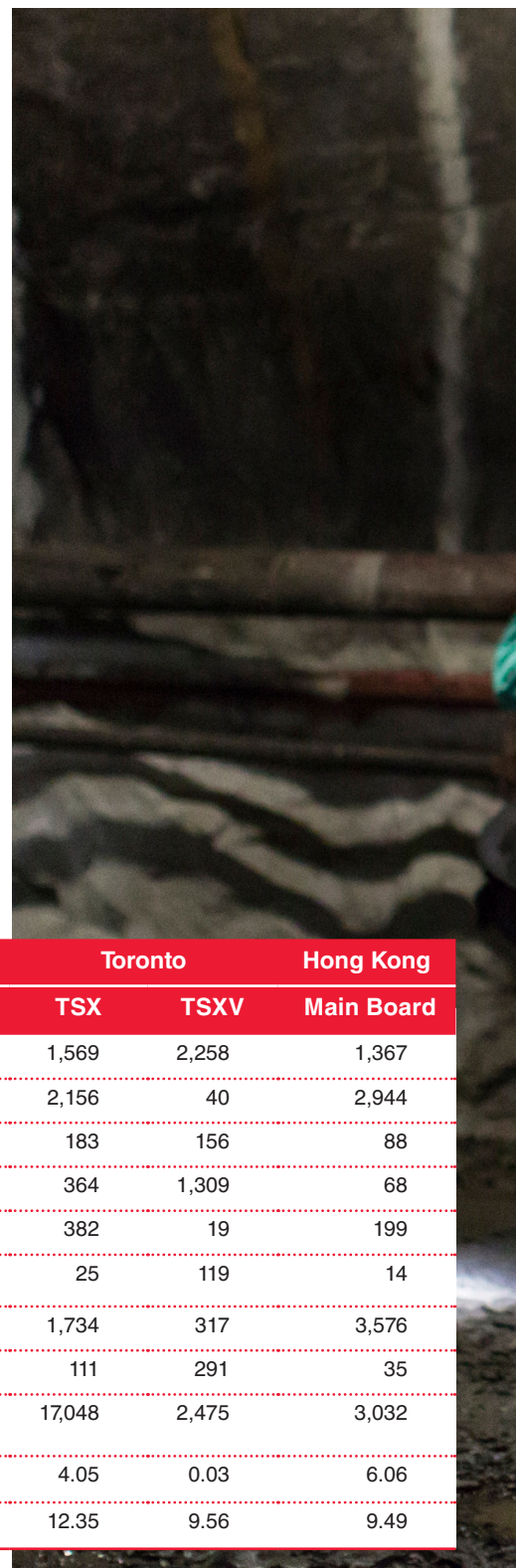
We are also seeing a continuing trend in cross border international listings and dual, or even triple listings of miners on the AIM, TSX and ASX, with a number of recent announcements.

London Stock Exchange

LSE is one of the global mining finance hubs, with nearly a quarter of global equity financing value for the mining sector raised there over the last five years. The LSE is the listing venue for the world's largest diversified mining groups (Rio Tinto, BHP Billiton, Anglo American, Glencore, Xstrata), which offers mining majors significant liquidity and access to capital. AIM, the LSE's growth market, provides financing opportunities for smaller exploration and development companies.

London is home to over 500 international companies from all parts of the world, including over 100 for each of Russia/CIS and Africa region. London is also the leading stock exchange for miners listing outside of their country of incorporation, with almost half of the mining cross-border IPOs taking place in London in 2008-2012.

In terms of commodity focus, London now has a strong presence of precious metals stocks, but all commodities are represented.



	London		Australia	Toronto		Hong Kong
At 31 Dec 2012	Main Market	AIM	ASX	TSX	TSXV	Main Board
Total no. of issuers	1,307	1,096	2,056	1,569	2,258	1,367
Total market cap (\$bn)	6,097	96	1,387	2,156	40	2,944
No. of international issuers	304	225	97	183	156	88
No. of mining issuers	40	145	685	364	1,309	68
Mining market cap (\$bn)	420	11	391	382	19	199
Mining IPOs 2010-2012	5	25	117	25	119	14
Mining IPOs 2010-2012 proceeds (\$m)	12,455	327	1,626	1,734	317	3,576
Mining further issues 2010-2012 ¹	16	400	1,003	111	291	35
Mining further issues 2010-2012 proceeds (\$m)	1,787	4,756	16,224	17,048	2,475	3,032
Average Daily Traded Value (6mth \$m)	35.55	0.25	1.27	4.05	0.03	6.06
Average P/E Next Year	10.74	15.77	11.78	12.35	9.56	9.49

Sources: World Federation of Exchanges, stock exchanges, Dealogic, Bloomberg, PwC analysis

¹ Further issues include secondary listings

Toronto Stock Exchange

TSX and TSXV are perhaps the most important markets for junior mining companies, with 40% of the global equity fundraisings by miners in the last five years taking place on the exchange (27% of the total proceeds raised over the period).

The Canadian market is characterised by a high concentration of small cap companies and an investor community willing to evaluate riskier exploration assets, including many international projects. A flexible two-tier system for each market, for more established and less established issuers, provides alternative listing requirements depending on the stage of the company's development, and offers access to capital for early stage exploration companies.

A feature specific TSXV is also the widespread use of Capital Pool Companies (CPC), allowing to list cash shells which then have 24 months to invest in a project. At the end of 2012, 20% of Canadian-listed miners were former CPCs, with a combined market capitalisation of over \$25bn.

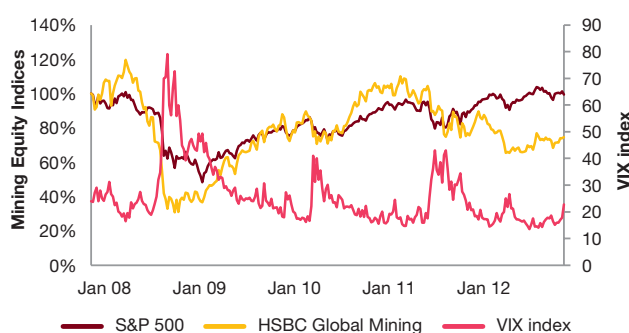
A third of the mining companies listed on TSX have a market capitalisation of less than CAD 50m, and the average market cap of companies listed on TSXV is CAD 19m.

The exchange is the listing venue of choice for North and South American projects, representing 60% of the international projects on the exchange, followed by 15% located in Africa, the remainder being in Australasia and Europe.

60% of Canadian-listed miners have gold, silver or copper projects.

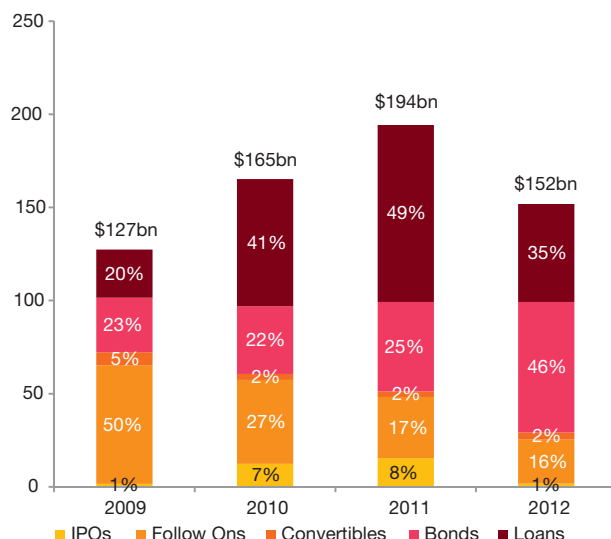
2012 in review

Global capital markets vs miners



Source: Bloomberg

Mining – Money raised (US\$ bn)



Source: Thomson One

Although global equity markets were troubled in 2012 by macro-economic factors and uncertainty, in the second part of the year volatility levels declined and stock indices registered a positive performance.

For miners, however, it was a different picture, with their equity financing declining to almost half 2011 levels, with juniors hit the hardest by dearth of capital and low valuations.

In this subdued market, companies turned to debt, which in 2012, represented approximately 80% of all mining finance. Bond issues reached record level for the industry, increasing 46% compared to 2011. While the biggest share related to majors, proceeds raised by investment grade emerging market players tripled. As mining M&A activity was also low, miners looked for alternative funding, with private equity and sovereign wealth funds hunting for bargains, and non-dilutive royalty and stream financing becoming popular with close-to-production miners.

Australian Securities Exchange

A large proportion of ASX listed companies, similar to TSX, have historically been junior miners – 64% of all ASX listed companies have market capitalisation of less than USD 50m. Average mining market capitalisation is, however, higher than Toronto at USD 598m, compared to USD 240m for combined TSX/TSXV, due to the presence of dual-listed mining giants such as Rio Tinto and BHP Billiton. ASX is the only exchange with one board, although proposals to set up a junior market akin to TSXV and AIM have been debated. Last year lower eligibility thresholds have been put in place for listing and fundraising for smaller companies.

Gold companies lead by number, while diversified metals and mining groups represent a balanced mix across all commodities, the most prominent being iron ore, coal and copper.

Its geographical reach is also widely international and balanced between the Americas and Asia. African assets represent the largest geographic group with around 200 companies operating on the continent. This compares with a similar number of African companies on the Canadian markets but is double the number listed in London. Australian companies with African assets have in average 3.2 properties, compared to 3.8 in Canada and 6.5 in London.

ASX and TSX are head-to-head in the race for attracting junior African assets

Hong Kong Stock Exchange

The biggest change in the global capital markets map in more recent years has been the rise of the East, with 36% of global IPO proceeds raised in Hong Kong and China in the past three years (27% of all IPOs). Unlike other aforementioned markets, Hong Kong does not have a long standing tradition as a mining finance centre. It has fewer mining companies and they are predominantly large Chinese state-owned corporations. Companies with only inferred or prospective resources are also not eligible for listing. In the past three years however, mining companies going public raised more in Hong Kong than in Australia and Canada, including the first listing of African assets on the exchange with China Nonferrous Metal Corp. in 2012.

Since 2008, the exchange has attracted some high-profile listings of non-Chinese miners, such as SouthGobi, Glencore and Mongolian Mining Corporation. Success, however, has been mixed for those who raised little or no money: Vale's Depository Receipts (HDRs) and Kazakhmys have so far seen very thin trading, and Glencore only trades less than 5% of its stock in Hong Kong. On the other hand, TSX listed South Gobi achieved higher liquidity through its Hong Kong listing.

This may be because market participants do not yet have the same experience with international mining projects as on the other exchanges. We believe this will happen over time, however in the short term, earlier stage miners will find it difficult to sell their stories in Hong Kong and achieve sufficient analyst coverage post-listing.



So, what will the future bring?

We believe London, New York and in the medium-term, Hong Kong will be the main global finance hubs for major resource companies.

TSX and ASX will continue attracting the bulk of junior and mid-tier exploration and development companies.

TSX, ASX and LSE will keep fighting for their share of African projects, although activity will be impacted by political developments and investor risk appetite.

Singapore will attract mid-size regional miners – as an alternative to Hong Kong, on the back of a more flexible listing process, attractive tax regime and access to other Asian pools of capital.

Domestic capital markets in resource rich countries will continue to grow and deepen. Having a listing in your country of operations will become increasingly common, whether required by law or by choice.

Top 10 miners by market cap

Rank	Company name	Market cap (\$bn)	Listing venues and trading volumes split*										
			ASX	JSE ¹	HKSE	LSE	NYSE ²	BSE ³	BM&F ⁴	SSE ⁵	SIX ⁶	ME ⁷	LIMA
1	BHP Billiton	187	46%	12%		24%	18%						
2	Rio Tinto	105	30%			40%	30%						
3	Vale	97					47%		53%				
4	China Shenhua Energy Co.	71			49%					51%			
5	Xstrata Plc	52				97%					3%		
6	Glencore International plc	42			3%	97%							
7	Anglo American Plc	41		53%		47%							
8	Coal India Ltd.	37						100%					
9	MMC Norilsk Nickel JSC	34				97%						3%	
10	Southern Copper Corp.	32					99%						1%

Sources: Factiva 27/02/13, Bloomberg

*average trading volumes in the past two years

¹ Johannesburg Stock Exchange

² New York Stock Exchange

³ Bombay Stock Exchange

⁴ Sao Paulo Stock Exchange

⁵ Shanghai Stock Exchange

⁶ Swiss Stock Exchange

⁷ Moscow Exchange

Considering a listing?

How do the listing requirements and process in the key markets compare?

In recognition of the nature and risks of resource project financing, these exchanges have established special listing requirements for mining/mineral companies. Some of them are summarised below:

- All mining exchanges except London require shareholder spread – a minimum number of shareholders (typically 200-500).
- All markets generally require audited track record – with IFRS being universally accepted – since the beginning of operations, and typically for a 3-year period if available.
- All exchanges except AIM have some form of financial eligibility thresholds, which may relate to profits, assets, market capitalisation, revenue or cash flow tests.
- London, TSX and Hong Kong have some requirements regarding assets, which ranges from control on sufficient spread of interests in London, minimising 50% ownership for TSX explorers to type of reserves (three years proven and probable for TSX producers, ineligibility for listing in Hong Kong with only inferred or prospective resources).
- All markets require a mineral expert's report or equivalent to be included in an offering document, with Canadian NI 43-101 being the most prescriptive standard and London and Hong Kong allowing issuers to choose from a selection of codes.
- All markets have some form of forward looking working capital, cash or profit forecasts (typically for 12-18 months), although the degree of diligence required from accountants in relation to those statements varies, with TSX being least onerous. Forecasts are typically included in prospectuses in Australia, while working capital is required to cover at least 125% of the

next 12 month requirements in Hong Kong.

- HKSE requires the listing entity to be incorporated in an approved jurisdiction. While there are no specific requirements on other exchanges, regulators and institutional investors will look for certain shareholder protection measures and will consider the local regulatory environment of the country of incorporation.
- In London and Hong Kong, a new issuer is required to make a declaration about adequacy of its financial reporting procedures to fulfil continuing obligations as a listed company. This is supported by an accountant due diligence exercise, which is more onerous in Hong Kong, including testing of internal controls.
- Ongoing requirements differ for all exchanges, but all include audited annual financial statements and half yearly reviewed financial statements

(except Canada), as well as quarterly financial statements in Canada and quarterly mining/exploration activities report in Australia. Requirements are less onerous for TSXV and AIM and most onerous for HKSE, including stricter rules for related party transactions approval and notification. It is to be noted that Canada requires an internal controls certification (C-SOX) by the CEO and CFO.

- ASX and TSX-listed companies can benefit from a more streamlined process when applying for an AIM listing if they have been listed for more than 18 months on their respective exchange. ASX also has a foreign exempt regime for large companies already listed on a recognised exchange which waives some initial and ongoing requirements. Hong Kong is currently discussing some waivers for already listed companies, which should lead to a more standardised

Where do junior miners raise further capital?

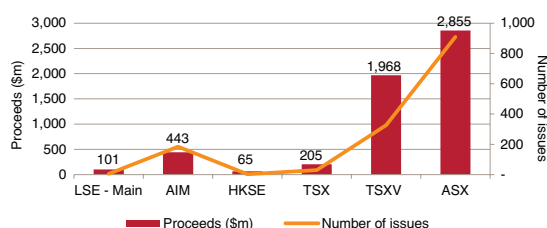
The smallest miners (less than \$25m market cap) represent 79% of the further issues, reflecting their need for cash to fund exploration and feasibility studies, as opposed to established players which go to market less often but raised on average \$406m.

The funds raised by juniors represent just over 5% of the total proceeds.

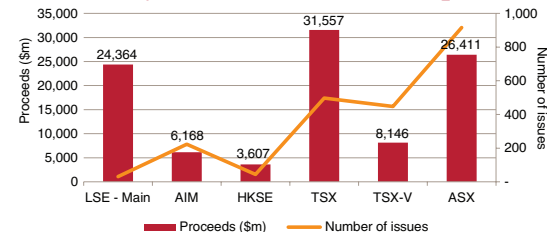
ASX clearly leads in terms of overall volume and proceeds raised by the companies with the smallest market cap.

AIM companies go to market most often: 2.4 further offers per company over 5 years, compared to 1.2 on TSXV and 1.9 on ASX.

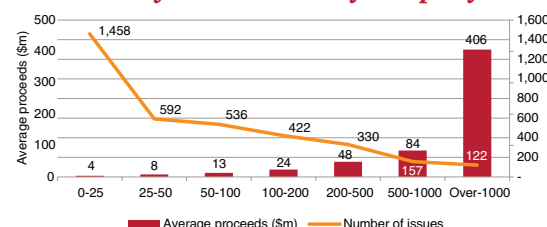
2008 - 2012 further issues (market cap <\$25m)



2008 - 2012 further issues (market cap >\$25m)



2008 - 2012 further issues by company size



approach to approving issues from recognised jurisdictions.

- Some of the unique market features include the two-tier system in Canada for each market providing rules for mining companies at different stages of development, the role of the Due Diligence Committee in the ASX listing process, and Australian use of 'proforma' statements in the offering document, allowing for the normalisation of earnings adjustments.

Overall, while London and Hong Kong have higher regulatory requirements than TSX and ASX, the technical differences in the regulations are unlikely to be a deciding factor. It is more the cost and the speed of the process that differ – further supporting TSX and ASX positions as the preferred destinations for smaller companies – and, crucially,

the likely investor base that will buy a particular stock.

Who will buy your story?

This is the single most important question to ask – do you already have long standing relationships with particular investors who know the owners/management and their track record? If this is the case, your choice of market decision is easier.

Other considerations to address when choosing your market include:

- Geographic proximity – location of management, location of mines and proximity to key customers and shareholders, particularly emerging markets and China.
- Commodity fit – and/or degree of diversification.
- Location of listing peers – in terms of commodity and regional focus.

- Expectations of stakeholders – be they owners, government or cornerstone investors.
- Quality, risks and stage of development of assets – investor risk appetite and understanding of particular classes of assets in a particular region at a particular stage of development differ from exchange to exchange.
- Size of capital raising – not all markets may be able to provide sufficient depth and liquidity.
- Ease of further fund raising – this will depend on market liquidity and regulatory requirements.
- Potential need for domestic listing in the country of operations – particularly, with growing resource nationalism in many resource rich countries and need to offer share incentives to management.
- Eligibility and continuing obligations as a listed company – can you meet the criteria for your market of choice?



What are the first steps and key decisions on the road to a listing?

Some of the key questions that need to be addressed very early in the process:

- Are you clear about your strategy?
- Are your licence rights secure?
- Is an IPO the right route for you – or perhaps royalty/streaming finance or venture capital investment would be more appropriate?
- Do you need pre-IPO or bridge financing?
- Have you decided which market suits you best?
- Have you commissioned a mineral expert's report? Have you appointed other advisors?
- Have you got audited IFRS accounts?
- Have you addressed tax and legal structuring considerations and potentially change of holding company location?
- Have you addressed environmental, health & safety and corruption risks in the locations where you operate?
- Have you got the right people and resources to successfully execute a transaction and continue running your day-to-day business?

Top 10 IPOs in the mining industry (2008 – 2012)

The money raised by the top 10 IPOs in the mining industry amounted to \$23.8bn and represented 65% of the total money raised on equity capital markets by the mining industry in 2008-2012. Out of these, Glencore's jumbo IPO raised 27% of total proceeds, mostly in London (\$0.3bn were raised in Hong Kong).

London's Main Market hosted four IPOs out of the top 10 in the past five years. Hong Kong emerged as its nearest competitor amongst global stock exchanges, participating in two of the top 10 mining IPOs in the past five years.

Another feature of the global finance landscape is the growth of emerging equity markets, their deepening liquidity pools and developing infrastructure. This is evident with six out of the top 10 mining IPOs taking place on their national exchange.

Issuer	Exchange	Main operations	Deal value (\$m)	Market value post-deal (\$m)
Glencore	London/HK	Global	10,046	59,519
Coal India	India	India	3,408	34,408
New World Resources	London/Prague/Warsaw	Czech Republic	2,515	6,949
JSW	Warsaw	Poland	1,923	5,612
Fresnillo	London	Mexico	1,784	7,774
PT Adaro Energy	Indonesia	Indonesia	1,316	3,779
African Barrick Gold	London	Tanzania	940	3,609
Mongolian Mining Corp	Hong Kong	Mongolia	749	3,353
PT Borneo Lumbung Energy & Metal	Indonesia	Indonesia	581	2,400
PT Bayan Resources	Indonesia	Indonesia	528	2,110
Total			36,167	175,076

Source: Dealogic, PwC analysis

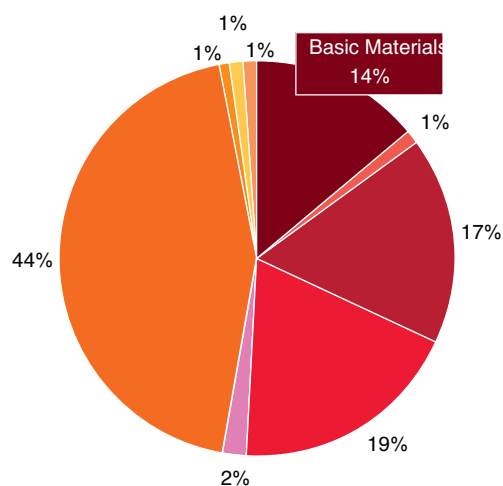
Companies that consider a listing, whether initial or secondary, should start preparing now to give themselves the best possible chances of success when market conditions are optimal



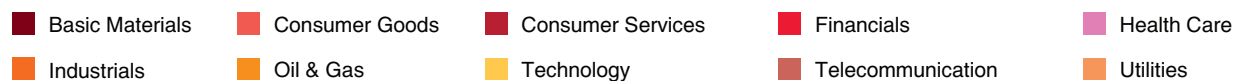
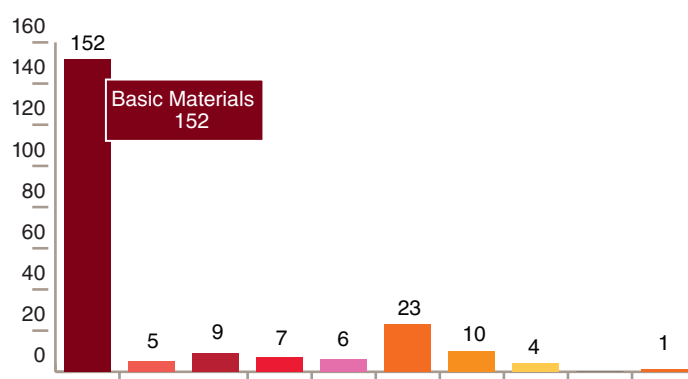
Fact sheets

Australia (ASX)

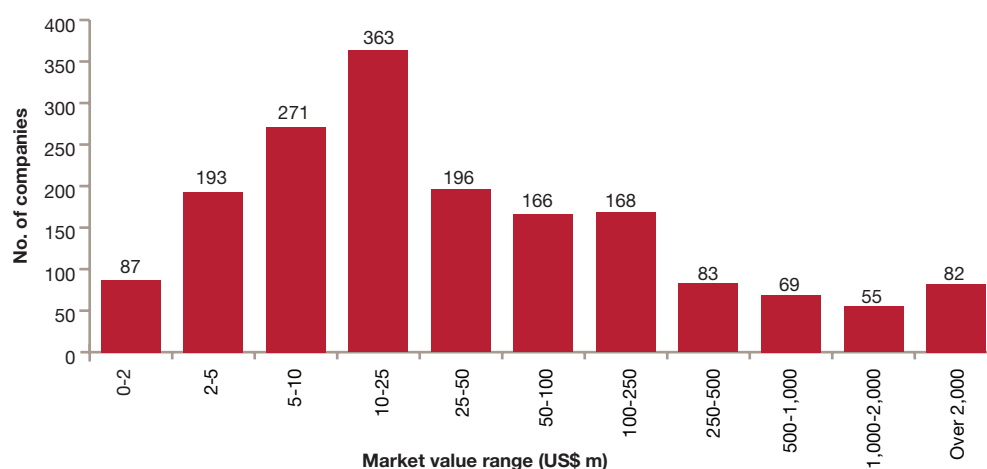
**Proceeds raised by IPOs, split by sector
(2008 – 2012): ASX**



**Number of IPOs, split by sector
(2008 – 2012): ASX**



Spread of companies by market capitalisation as at 31 December 2012



Source: Australian Stock Exchange (ASX), Dealogic and Bloomberg

Eligibility conditions

Appointment of a sponsor	Not required
Financial eligibility test	<ul style="list-style-type: none"> Profit test: Operating profit (from continuing operations) > AUD 1m over the past 3 years in total and > AUD 400k over the past 12 months, OR Assets test: <ul style="list-style-type: none"> Net tangible assets of at least AUD 3m after deducting cost of fundraising or Market Cap of AUD 10m Less than 50% of tangible assets to be in cash or if more than 50% of tangible assets in cash, must show an expenditure programme See working capital below
Property test	n/a
Competent person's report	Typically included
Audited history	<ul style="list-style-type: none"> Clean three year track record (profit test only) Reviewed pro forma balance sheet
Applicable GAAP	Australian IFRS, IFRS, EU IFRS, HK IFRS, US or Singapore GAAP
Public distribution	<ul style="list-style-type: none"> 400 holders of securities, each holding at least AUD 2,000, OR 350 holders of securities, each holding at least AUD 2,000, and 25% held by non-related parties, OR 300 holders of securities, each holding at least AUD 2,000, and 50% held by non-related parties
Working Capital adequate to carry on business	<ul style="list-style-type: none"> Only required if applying under the assets test. If so, the prospectus must state that the entity 'has enough working capital to carry out its objectives' Working Capital must be at least AUD 1.5m, which may include budgeted revenue for the first full financial year after listing (but must be after costs of acquiring mining tenements)
Management continuity and experience	Not required
Foreign companies exemptions and fast track	ASX Foreign Exempt Listing may apply and reduce the listing process
Lock-up requirements	No requirement
Accountant diligence	<ul style="list-style-type: none"> Investigating accountant's report Review of profit forecasts, if applicable Review of pro forma balance sheet Accounting and tax diligence
Periodic disclosure requirements	<ul style="list-style-type: none"> Annual financial report Half-year financial report Quarterly report on mining activities within a month
Major transaction pre-approval by the shareholders	May be triggered in certain circumstances

Mining specific listing requirements

Initial requirements include (reported on by a competent person) disclosure of:

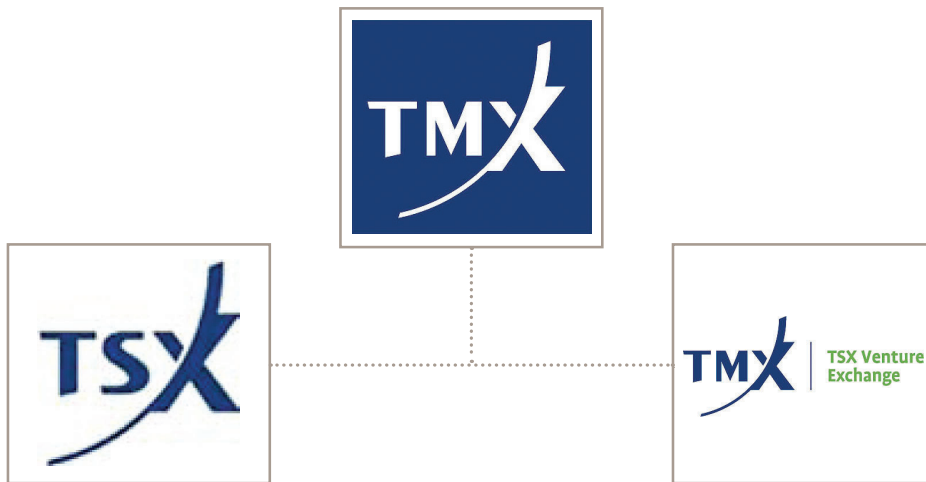
- Ownership of interests in exploration areas
- Development work, maps and schedules of mining tenements
- Program of expenditure
- Exploration timetable.

Once listed, quarterly reporting, reviewed by competent person, of:

- Production and development activities, including expenditures incurred
- Summary of exploration activities
- Mineral results and ore results.

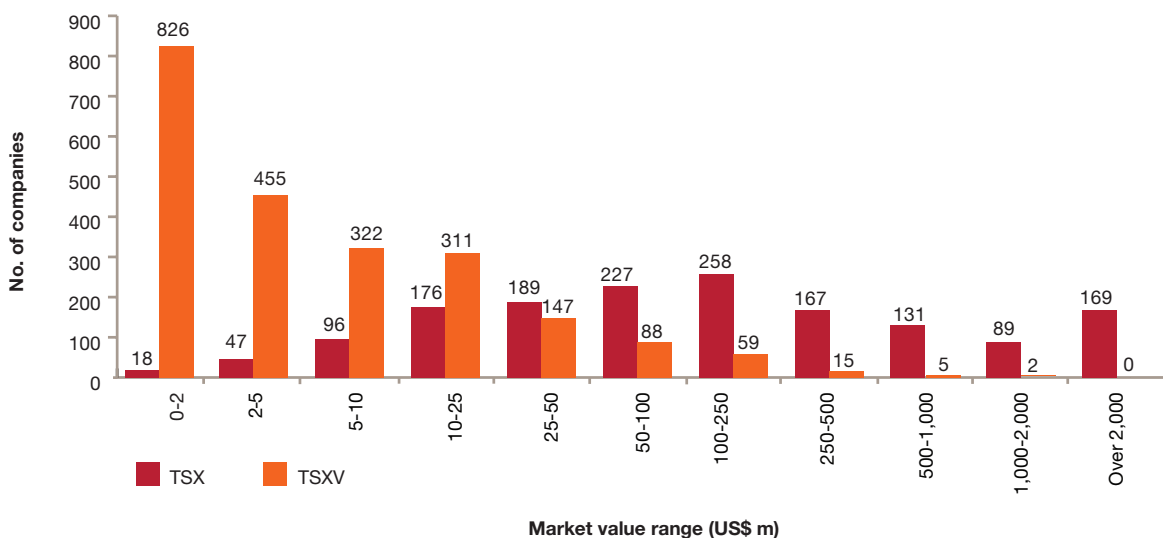
Mineral reporting standard: the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)

Canada (TSX & TSXV)



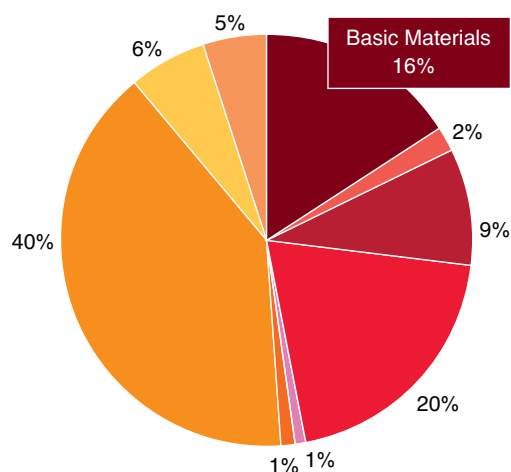
The TMX has a secondary board, the TSX Venture Exchange (TSXV), to support smaller, growing companies seeking access to a public market

Spread of companies by market capitalisation as at 31 December 2012

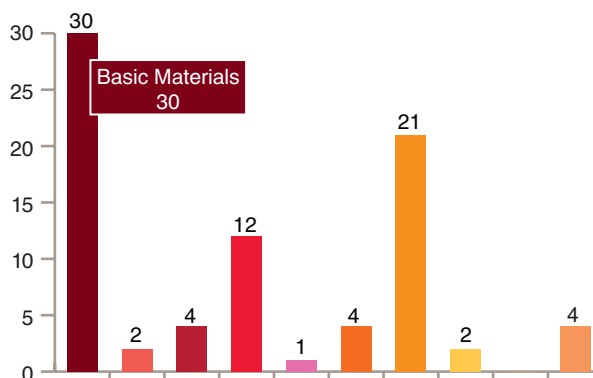


Source: Toronto Stock Exchange (TSX), Dealogic and Bloomberg

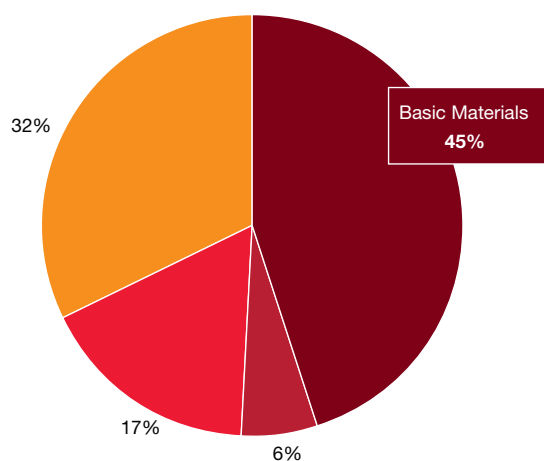
**Proceeds raised by IPOs, split by sector
(2008 – 2012): TSX**



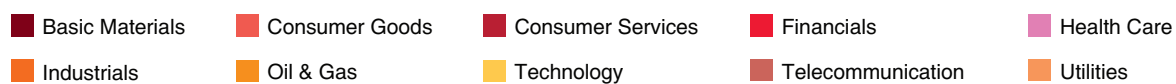
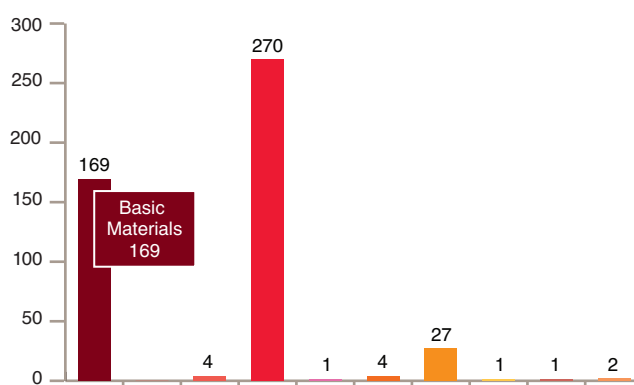
**Number of IPOs, split by sector
(2008 – 2012): TSX**



**Proceeds raised by IPOs, split by sector
(2008 – 2012): TSXV**



**Number of IPOs, split by sector
(2008 – 2012): TSXV**



Canada (TSX & TSXV) continued

Eligibility conditions

	TSX	TSXV
		Tier 1
Appointment of a sponsor	Required for non-exempt companies	May be required for certain transactions
Financial eligibility test	<ul style="list-style-type: none"> • TSX Exempt: CAD 7.5m net tangible assets; pre-tax profitability from ongoing operations in last fiscal year; pre-tax cash flow of CAD 700,000 in last fiscal year and average of CAD 500,000 for past two fiscal years • TSX Non-exempt producer: CAD 4m net tangible assets; reasonable likelihood of future profitability • TSX Non-exempt exploration and development stage: CAD 3m net tangible assets 	CAD 2m net tangible assets
Property test	<ul style="list-style-type: none"> • Producers: Three years proven and probable reserves as estimated by an independent qualified person • Exploration and Development: min. 50% ownership in the property 	Material interest in a Tier 1 property
Competent person's report	Required	Required
Audited history	Three years audited and most recent reviewed quarterly financial statements, if applicable	Three years audited and most recent reviewed quarterly financial statements, if applicable
Applicable GAAP	IFRS, as applicable in Canada	IFRS, as applicable in Canada
Public distribution	min. CAD 4m, 1m shares, 300 public holders of 100 shares	Min. 20% of all shares, 1m shares, 250 public holders
Working Capital adequate to carry on business	Management-prepared 18-month projection of sources and uses of funds	Management-prepared 18-month projection of sources and uses of funds, CAD 200,000 in unallocated funds
Management continuity and experience	Adequate experience and technical expertise of management relevant to the company's business and industry as well as adequate public company experience	Adequate experience and technical expertise of management relevant to the company's business and industry as well as adequate public company experience
Foreign companies exemptions and fast track	No specific regime	No specific regime
Accountant diligence	Comfort letters	Comfort letters
Periodic disclosure requirements	<ul style="list-style-type: none"> • Annual financial report • Quarterly financial statements within 45 days 	<ul style="list-style-type: none"> • Annual financial report • Quarterly financial statements within 60 days
Major transaction pre-approval by the shareholders	Minority shareholder approval and/or valuation may be required for certain transactions, depending on their nature and materiality	Minority shareholder approval and/or valuation may be required for certain transactions, depending on their nature and materiality

TSXV

Tier 2

May be required for certain transactions

For mining companies: no requirement

For mining companies: significant interest in a qualifying property; No less than CAD 1m of exploration expenditures on the qualifying property in the past 3 years

Required

3 years audited and most recent reviewed quarterly financial statements, if applicable

IFRS, as applicable in Canada

Min. 20% of all shares, 0.5m shares, 200 public holders

Management-prepared 12-month projection of sources and uses of funds, CAD 100,000 in unallocated funds

Adequate experience and technical expertise of management relevant to the company's business and industry as well as adequate public company experience

No specific regime

Comfort letters

- Annual financial report
- Quarterly financial statements within 60 days

Minority shareholder approval and/or valuation may be required for certain transactions, depending on their nature and materiality

Mining specific listing requirements

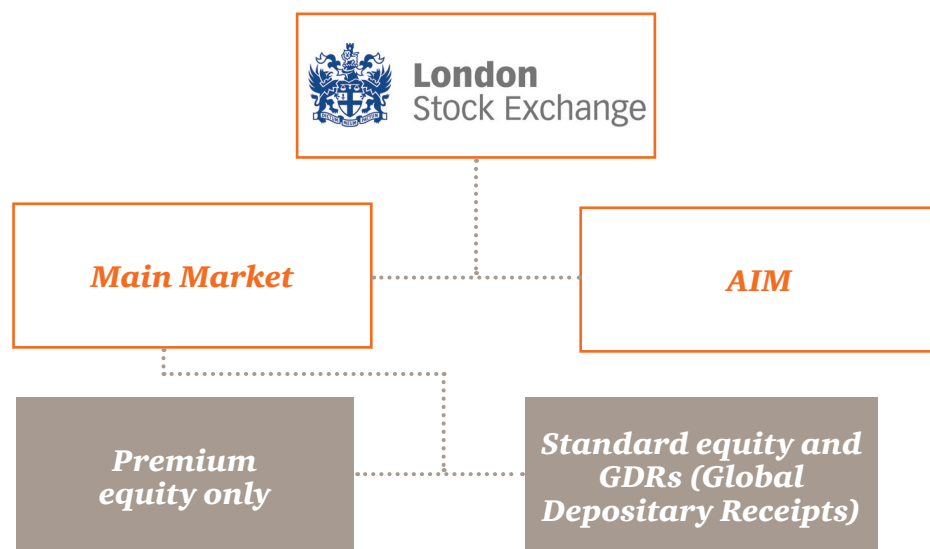
On TSX and TSXV, choice of listing standard according to the applicant's stage of development and industry

- Initial requirements include (reported on by a competent person) disclosure of:
 - work program
 - geological report
 - statements of uses and sources of funds.
- Once listed, no requirements specific to mining companies
- Mineral reporting standard:
 - NI 43-101/CIM

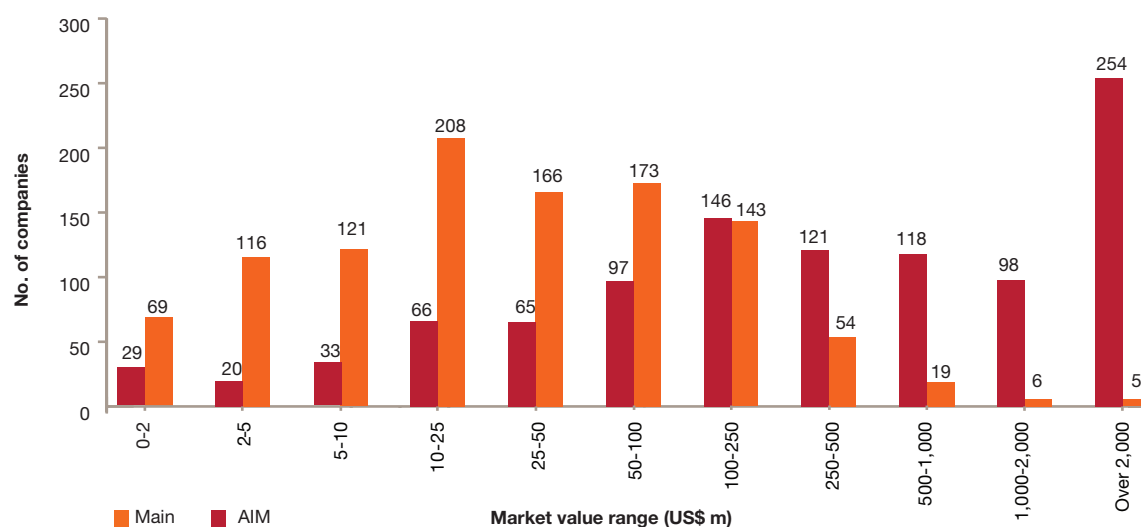


London (Main Market & AIM)

The LSE has a secondary board, AIM to support smaller, growing companies seeking access to a public market

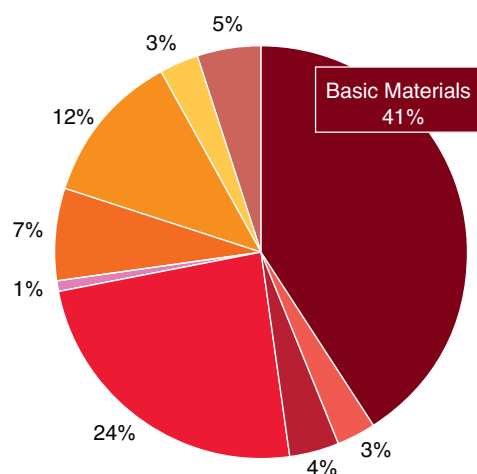


Spread of companies by market capitalisation as at 31 December 2012

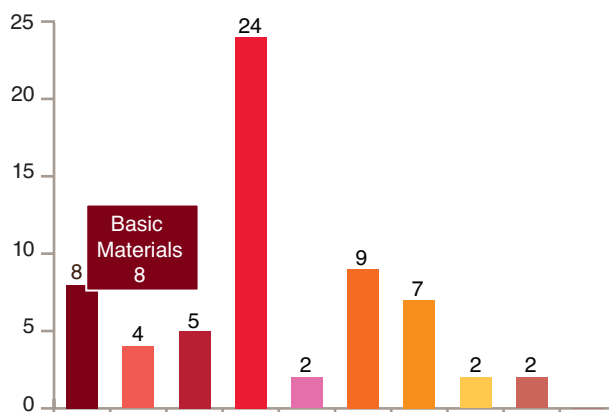


Source: London Stock Exchange (LSE), Dealogic and Bloomberg

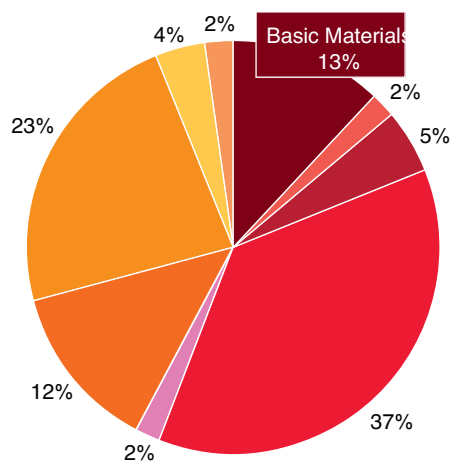
**Proceeds raised by IPOs, split by sector
(2008 – 2012): Main Market**



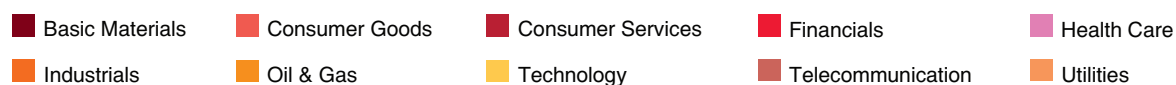
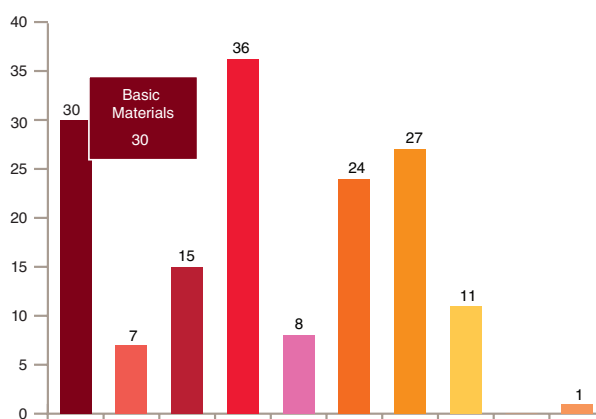
**Number of IPOs, split by sector
(2008 – 2012): Main Market**



**Proceeds raised by IPOs, split by sector
(2008 – 2012): AIM**



**Number of IPOs, split by sector
(2008 – 2012): AIM**



London (Main Market & AIM) continued

Eligibility conditions

	Premium listing	Standard listing
Appointment of a sponsor	Required	Not required
Financial eligibility test	Exemptions available for mineral companies	Not required
Property test	Control of the majority of assets over the last three years	Not required
Competent person's report	Required	Required
Audited history	<ul style="list-style-type: none"> Clean three year track record Audited financial statements no more than six months old 	<ul style="list-style-type: none"> Three years audited, if available Interims reviewed if document dated > nine months after the end of last audited year
Applicable GAAP	IFRS, US GAAP, Australian or Canadian IFRS, Japanese or Chinese GAAP	IFRS, US GAAP, Australian or Canadian IFRS, Japanese
Public distribution	min. 25% of all shares	min. 25% of all shares/GDRs
Working Capital adequate to carry on business	Sufficient working capital for at least 12 months from date of prospectus	Not required for mining companies
Management continuity and experience	No specific requirement	No specific requirement
Foreign companies exemptions and fast track	No specific regime	No specific regime
Accountant diligence	<ul style="list-style-type: none"> Comfort letters Long Form report Financial reporting procedures report Review of pro forma and profit forecasts, if included 	<ul style="list-style-type: none"> Comfort letters Review of pro forma and profit forecasts, if included (not applicable for GDRs)
Periodic disclosure requirements	<ul style="list-style-type: none"> Annual financial report Half-year financial report Interim management statement 	<ul style="list-style-type: none"> Annual financial report Half-year financial report Interim management statement (not applicable for GDRs)
Major transaction pre-approval by the shareholders	As part of continuing obligations, approval is required for significant (25% ratio) acquisitions and disposals and material (5% ratio) related party transactions	Not required

Mining specific listing requirements

AIM

NOMAD (retained at all times once listed)

Not required

Not required

Required

- Three years audited, if available
- Interims reviewed if document dated > nine months after the end of last audited year

IFRS, US GAAP, Australian or Canadian IFRS, Japanese

Not required

Sufficient working capital for at least 12 months from date of prospectus

No specific requirement

Fast Track may be available depending on the home exchange

- Comfort letters
- Review of pro forma and profit forecasts, if included

- Annual financial report
- Half-year financial report

Only for reverse takeover

Initial requirements include disclosure of:

- On Main Market: geological report and historic production/ expenditures reported on by a competent person.
- On AIM: material assets and liabilities & related contracts as well as reserves & maps, reported on by a competent person, due diligence and site visits by the Nomad, payments over GBP 10,000 made to governments or regulatory authorities with regards to the assets, specific risks.

Once listed:

- On Main Market: no requirements specific to mining companies.
- On AIM: resource updates prepared by a competent person, review by the Nomad of all notifications.

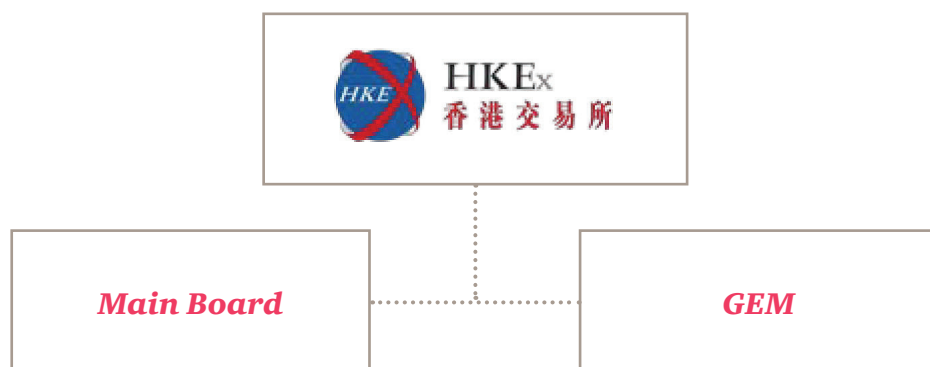
Mineral reporting standard:

- Australian (JORC Code)
- Canadian (NI43-101/CIM)
- South Africa (SAMREC Code)
- US (Industry guide 7)
- Other selected codes.

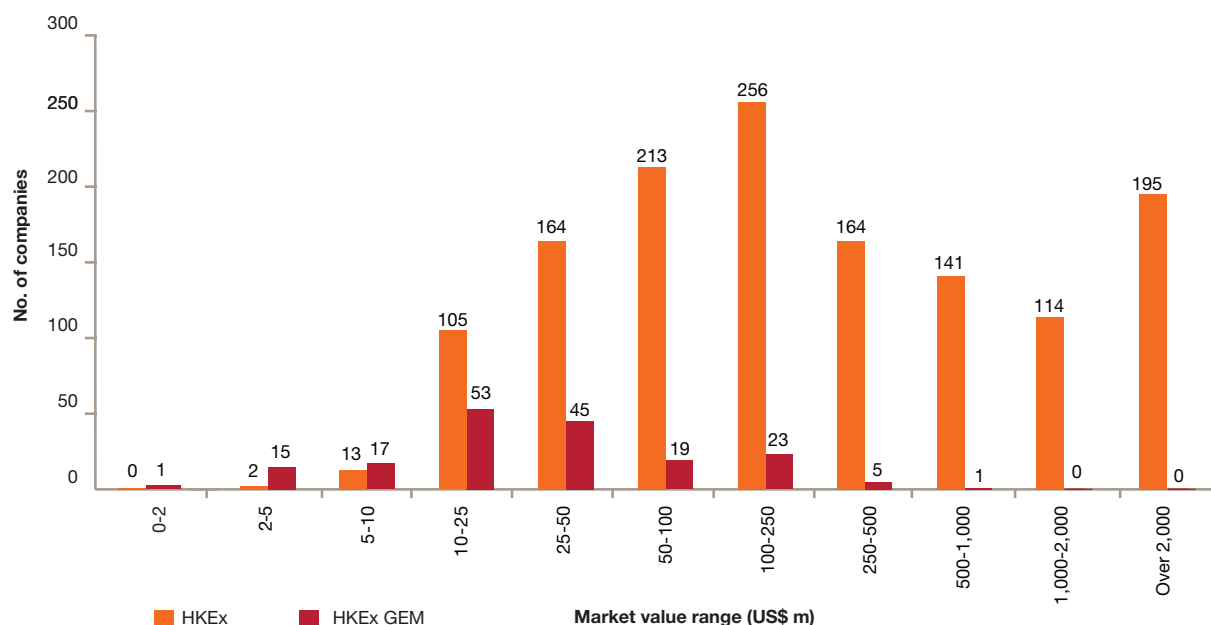


Hong Kong (HKEx & GEM)

The HKEx has a secondary board, the Growth Enterprise Market (GEM), to support smaller, growing companies seeking access to a public market

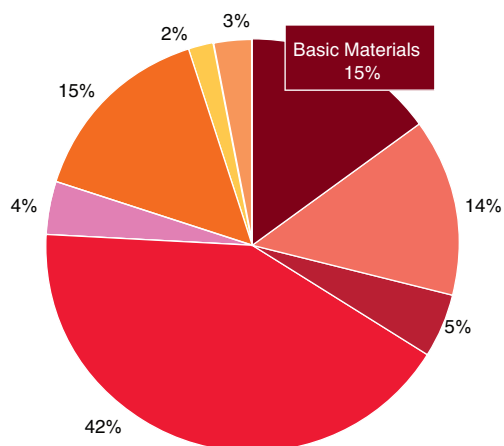


Spread of companies by market capitalisation as at 31 December 2012

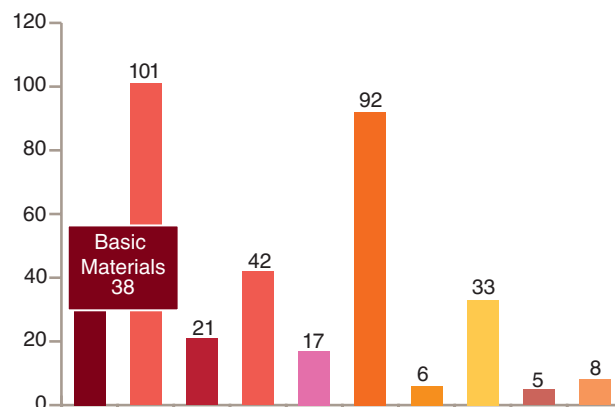


Source: Hong Kong Stock Exchange (HKEx), Dealogic and Bloomberg

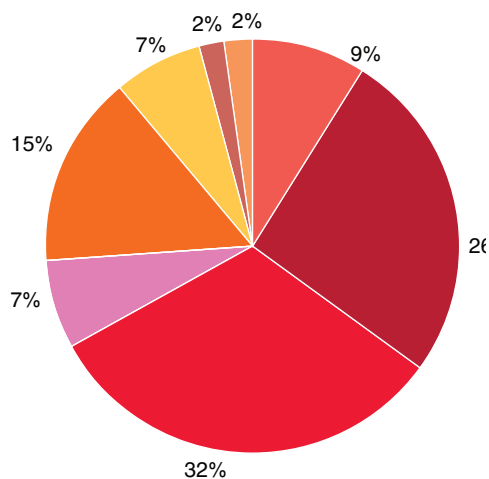
**Proceeds raised by IPOs, split by sector
(2008 – 2012): Main Board**



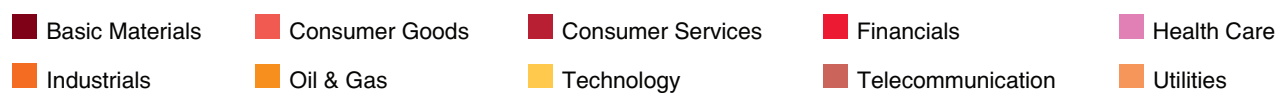
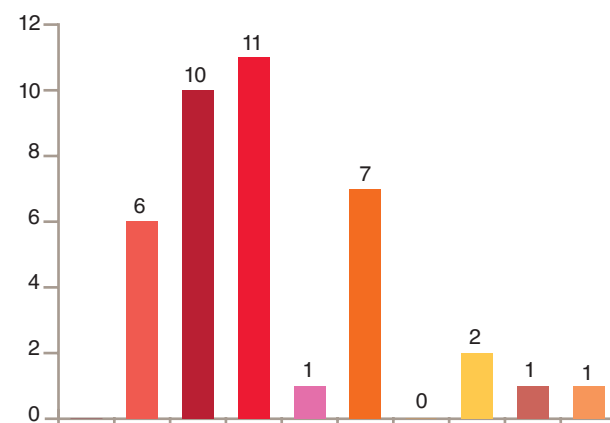
**Number of IPOs, split by sector
(2008 – 2012): Main Board**



**Proceeds raised by IPOs, split by sector
(2008 – 2012): GEM**



**Number of IPOs, split by sector
(2008 – 2012): GEM**



Hong Kong (HKEx & GEM) continued

Eligibility conditions

	Main Board
Appointment of a sponsor	Required
Financial eligibility test	Not required for mineral companies
Property test	Property valuation not older than 3 months and at least indicated resources. Early stage exploration assets are not eligible for listing
Competent person's report	Required
Audited history	<ul style="list-style-type: none"> Clean three year track record Audited financial statements no more than 6 months old
Applicable GAAP	HKFS, IFRS, CASBE (for PRC issuers only) US GAAP or other accounting standards may be accepted in certain circumstances
Public distribution	Min. 25% shares, 300 public shareholders, min of HKD 50m – may be between 15% and 25% if market cap over HKD10bn
Working Capital adequate to carry on business	<ul style="list-style-type: none"> Sufficient working capital for 125% of present requirement for at least the next 12 months, estimate of cash operating costs or if not yet in production Companies not yet producing: plan to proceed to production
Management continuity and experience	Management continuity for the last three years, ownership and control continuity for previous year
Foreign companies exemptions and fast track	No specific regime
Lock-up requirements	Six months then a further six months where the controlling shareholders are expected to remain the controlling shareholder
Accountant diligence	<ul style="list-style-type: none"> Comfort letters Report on pro forma and profit forecasts, if included in the prospectus Financial reporting procedures report
Periodic disclosure requirements	<ul style="list-style-type: none"> Annual financial report Half-year financial report Quarterly financial results recommended
Major transaction pre-approval by the shareholders	<ul style="list-style-type: none"> Any spin-off after three years of the company's original listing

Mining specific listing requirements (Main Board)

Initial requirements include (reported on by a competent person) disclosure of:

- Mineral resources, reserves and terms of rights
- Specific risks
- Payments made to host country governments
- Operating cash costs or plans to proceed to production

Once listed:

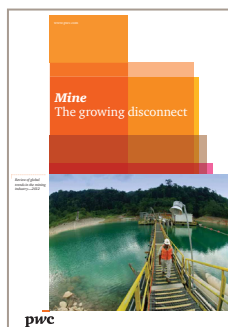
- Half-yearly updates

Mineral reporting standard:

- Australian (JORC code)
- Canadian (NI 43-101/CIM)
- South African (SAMREC code)



PwC publications



Mine 2012 – the growing disconnect

The ninth annual survey of the Top 40 global mining companies by market capitalisation. Our report provides a comprehensive analysis of the financial performance and position of these companies and also discusses current trends in the global mining industry.



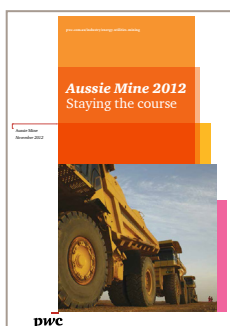
South Africa Mine

Aggregates the financial results of mining companies with a primary listing on the Johannesburg Stock Exchange (JSE) and mining companies with a secondary listing on the JSE whose main operations are in Africa.



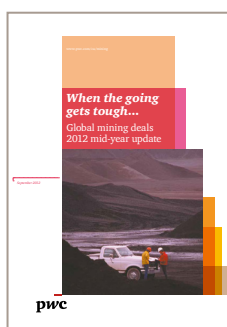
Junior Mine

Each year PwC analyses the Top 100 mining companies listed on the TSX Venture Exchange (TSXV), based on market capitalisation as at June 30.



Aussie Mine

Each year PwC analyses the largest 50 mining companies listed on the ASX with a market capitalisation of less than AUD 5 billion at end June.



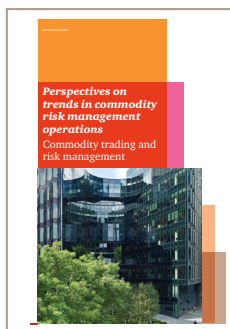
Mining Deals

A bi-annual comprehensive analysis of M&A activity in the mining industry. Examining both the rationale behind the overall trends, looking at the key individual deals under review and ahead to the future direction of deal-making in the sector.



Financial reporting in the mining industry

Describes the financial reporting implications of IFRS across a number of areas selected for their particular relevance to the mining industry.



Commodity trading and risk management – Applying a successful approach to manage commodity risk in a volatile market

Many leading companies have established Commodity Trading and Risk Management (CTRM) ‘functions’ which are delivering significant performance and control improvements. The leaders are some way down the path and are setting clear CTRM standards, others still have a way to go.



2013 Global Gold Price Report: Responsibly optimistic

PwC’s 2013 Gold Price Report assesses gold companies globally, with companies surveyed representing 35 million ounces of gold mined in 2012, and 35 million ounces to be mined in 2013.



Corporate income taxes, mining royalties and other mining taxes – A summary of rates and rules in selected countries

This summary of income taxes, mining taxes and mining royalties should allow the reader to roughly compare the various governmental costs of investing in a mining operation in a particular country.



Golden opportunity – Building an industry commitment to conflict-free gold production

In the report we evaluate the World Gold Council’s approach in the context of its objective to develop an industry-led standard to increase customer and investors confidence in buying gold and compare it to the Gold Supplement.

PwC support

Whatever the motivations driving the process, taking your company public can be a richly rewarding experience. The PwC reach extends across the globe; the network of PwC firms has ample experience supporting global mining companies.

PwC have in excess of
1,500 mining
professionals across the globe
located in all significant
mining territories.



We're a network of firms in
158 countries with close to
169,000 people who are
committed to delivering quality in
assurance, tax and advisory services

