



23 June 2016

Ms Diane Lewis  
Senior Manager, Regulatory & Public Policy  
Office of General Counsel  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**RE: Updating ASX's admission requirements for listed entities**

Dear Ms Lewis

The South Australian Chamber of Mines and Energy (SACOME) is pleased to have this opportunity to make a submission on the *proposed updates to the ASX's admission requirements for listed entities*.

SACOME is the peak industry association for all companies with business interests in the resources industry in South Australia, including those with business, vocational or professional interests in minerals exploration, mining and processing, oil & gas exploration, extraction and processing, power generation, transmission and distribution, logistics, transport, infrastructure, and those with clients in these sectors. SACOME represents over 230 members, a significant proportion ASX listed mining and junior exploration companies.

SACOME members have expressed concern with the changes proposed for admission requirements. While the intent of the ASX can be seen to address issues with the listings of new entrants, such as early-start up technology companies, these changes would adversely affect the junior exploration sector at a critical time.

The resources industry in South Australia is prominently characterised as a greenfields jurisdiction and largely reliant on the junior exploration sector to deliver a long-term and sustainable pipeline of projects for development. South Australia is in the midst of a ten-year low in exploration expenditure; only \$10 million spent in the March quarter of 2016. SACOME members have expressed concern that under the current commodity price slump and low levels of investment that the timing of these broad changes could be damaging.

Under these conditions in addition to the existing difficulty in attracting investment in early exploration projects the proposed changes would stop companies listing, and would likely lead to initial public offerings (IPO) being taken offshore to other stock exchanges such as Chi-X.

Furthermore, established junior exploration members indicated that if these changes had occurred at the time they listed their company under an IPO, the spread of shareholdings and the market capitalisation rules, particularly on greenfield assets, may have prevented them from listing on the ASX.

South Australian Chamber of Mines and Energy Incorporated

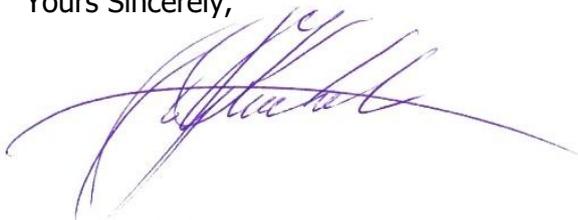
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JORC code requirements on exploration companies listing on the ASX ensures transparency and reduces risk for both the market and shareholders. The JORC code addresses the issues the proposed changes intend to address with respect to risk and integrity of exploration companies listed on the ASX.

SACOME members are concerned with these changes and urge the ASX to specifically consult with the sectors it is wishing to address rather than implementing a broad change to the admission requirements that will have a detrimental effect on junior explorer listings.

If you wish to discuss this further please contact Nigel Long, Director of Policy and Communities on (08) 8202 9999 or [nlong@sacome.org.au](mailto:nlong@sacome.org.au).

Yours Sincerely,



Jason Kuchel  
Chief Executive