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Technical Memorandum

To:	Securities and Exchange Commission	**Date:**	August 19, 2016
Copy to:	SRK Internal Files	**From:**	SRK Consulting U.S. QP Staff
Subject:	File Number S7-10-16 Comments on Modernization of Property Disclosures for Mining Registrants	**SRK Project #:**	SECRPT.000

Introduction

SRK Consulting (U.S.), Inc. (SRK) is pleased to submit the following specific responses to solicited inquires and general comments in reference to the Securities and Exchange Commission 17 CFR Parts 229,239 and 249, RIN 3235-AL81, Modernization of Property Disclosures for Mining Registrants. To introduce ourselves, SRK is a global leader in Mining Consulting operating in 45 offices on 6 continents with 1,440 professionals. SRK's North American group was originally formed in 1978 and currently employs nearly 300 professionals in 11 offices across Canada and the United States. The following responses represent a cumulative opinion of SRK's Qualified Personnel (QP) staff located within the various U.S. offices. In short, we are the QP's who currently provide disclosure support for a wide range of exploration through mining companies reporting under Australasian Joint Ore Reserves Committee (JORC) and Canada's National Instrument 43-101 (NI 43-101) guidelines. Our QP expertise covers all aspects of the mining industry including but not limited to; exploration, sampling, analytical methods, QA/QC, geologic mapping and interpretation, geo-statistics, resource estimation, reserve estimation, mine planning and scheduling, metallurgy and process design, Capex and Opex estimations, infrastructure requirements, social/environmental assessment, cash flow modeling and risk assessment. The majority of SRK's QP's opining below represents an average of 20 years' experience in the industry. Most of us have been closely involved with the modern revisions of disclosure requirements in foreign jurisdictions, such as JORC and NI 43-101, and have participated in the past ten years increase of mining related reporting.

Response

Our first response is to the "General Request for Comments" in Section III on page 173 of the document.

SRK is of the opinion that it is imprudent to try to design "new" standards of disclosure specific to SEC registrants in light of the fact that industry standards in foreign jurisdictions are well established, time tested and widely accepted by the global mining industry and financial industries. Specifically, SRK encourages the

SEC to simply adopt the Canadian NI 43-101 disclosure standards as they are currently written. SRK believes this will strengthen a unified North American mining industry and will also serve to demonstrate to the world, the benefits of a unified North American disclosure system.

Canada is already the leading destination for public mining companies with 57% of publicly listed companies listed in Canada (either Toronto or Venture stock exchanges) and 62% of global mining equity capital raised in Canada (2013 statistics[1]). In addition, from SRK's experience, a significant portion of equity capital that finances mining companies in the Canadian equity markets is sourced from US based institutions and many US listed mining companies are dual listed in Canada. This means that US investors are already largely familiar with NI 43-101. The combined US and Canadian support of NI 43-101 will further establish it as the global standard of disclosure.

Devising, new Technical Report terminology, QP responsibility, resource and reserve reporting guidelines and economic analysis guidelines will only serve to confuse investors and, as written, will likely not encourage significant additional mining registrants to list on the SEC. SRK believes there is still room for improvement with NI 43-101. However, it has been tested and revised over time and in its current state serves the mining industry extremely well and after adoption, the SEC could work jointly with Canadian Securities Commissions to continue to improve it. Starting from scratch with new regulatory standards will likely require multiple iterations and significant time to reach the current level of NI 43-101, let alone improve upon it.

Numerous, recent mining projects have successfully moved through the NI 43-101 disclosure process to become world class operations. Additionally, many, less viable assets have been culled from the investment community due to the disclosure requirements of NI 43-101. With the SEC's increased enforcement capacity, versus the Canadian Securities Commissions', it would be even more successful in weeding out companies and projects that do not have real projects.

The following responses are specific to questions 1-129 located between document pages 13-221.

1. The Commission's current mining disclosure regime consists of disclosure requirements located in Item 102 of Regulation S-K and disclosure policies located in Guide 7. Has this disclosure regime caused uncertainty for mining registrants? *Yes, Industry Guide 7 has long been a stigma to mining registrants in the U.S. by not adapting necessary updates to industry accepted reporting standards.*

    a. If so, would establishing a sole regulatory source for mining disclosure by rescinding Guide 7 and including the disclosure requirements for mining registrants in a new Regulation S-K subpart, as proposed, reduce this uncertainty? *No, S-K 1300, as it is currently proposed, will introduce additional uncertainty by confusing both registrants and*

[1] Marshall, Brendan. The Mining Association of Canada; Facts and Figures of the Canadian Mining Industry, F&F 2015. 2015.

investors with new Technical Report terminology, QP responsibility, resource and reserve reporting guidelines and economic analysis guidelines.

2. Should we amend Item 102 of Regulation S-K by eliminating the instruction that refers mining registrants to the information called for in Guide 7 and instead instruct them to refer to, and if required, provide the disclosure under new Regulation S-K subpart 1300, as proposed? *No, S-K subpart 1300 should be rewritten to follow the guidelines and requirements of Canadian NI 43-101.*

   a. Should we instead retain Guide 7 and Item 102 of Regulation S-K as separate sources for mining disclosures? *No, Guide 7 should be rescinded and replaced by adoption of Canadian NI 43-101.* If so, how should they apply to registrants? *N/A*

3. Should the disclosure standard under the revised mining disclosure rules be whether a registrant's mining operations are material to its business or financial condition, as proposed? *Yes, the 10% materiality threshold is a widely accepted industry standard although it is not a strict rule.* Why or why not?

   a. If not, what standard should we adopt for determining whether a registrant must provide the mining disclosure under the revised rules? *N/A*

4. Are the quantitative and qualitative factors described in this section relevant to the determination of the materiality of a registrant's mining operations? *We believe that the actual and projected expenditures, revenues and income as well as the amount of capital raised or planned to be raised, do have direct impact on materiality. If either of these amount to 10% or more of a registrant's value, they should be considered material. The importance of a mineral to the registrant's operations could also directly impact a registrant's value, but only if that mineral is not readily available from other sources. We believe that a similar properties impact on registrant's value, creation of a competitive advantage and the unique or rare nature of an asset will be extremely difficult to quantify or even qualify and will only create confusion/disagreement, not help to establish materiality.* Why or why not?

   a. Are there other factors, such as those identified in Canada's Companion Policy 43-101CP to National Instrument 43-101, General Guidance, that a registrant should consider for the materiality determination instead of or in addition to the factors described in this section? *Yes, NI 43-101 has been revised to address these aspects of materiality.* Should we include these or other factors as part of the rule provision governing the materiality determination? *Yes.* If so, which factors should we include in the rule? *All of them.*

5. Should we adopt the proposed presumption that a registrant's mining operations are material if they consist of 10% or more of its total assets? *Yes*. Would a percentage higher or lower than

10% be better than the proposed threshold? _No, the 10% materiality threshold is a widely accepted industry standard although it is not a strict rule._ Why or why not?

a. Should it be a presumption, as proposed, or should it be a bright line requirement? _A presumption will serve the industry best because a bright line requirement could create variance of materiality from year to year based simply on the current market price of commodities, orebody variations over time, short term changes in operating methods, etc._

b. If the former, how might the presumption be rebutted? _With respect to a registrants rebuttal, Industry standard ethics and QP responsibility should be sufficient to monitor the declaration of materiality, with respect to the SEC, a panel or individual should be established which will conduct random checks of registrants declaration of materiality as well as the compliance of their disclosure documents._

c. Is there another quantitative factor, such as revenues, that a registrant should consider instead of or in addition to the proposed asset test? _Many registrants will have no revenue on exploration and development projects._ However, _Yes, percentage contribution to total reserves and resources, percentage contribution to total production volumes or a revenue (or preferably EBITDA or similar) factor could also be considered in addition to the proposed asset test for operating properties. Book value of an asset is reflective of a number of factors including sunk capital/investment that are set, but also of limited importance to true value. For the book value, the forward looking factors that are most reflective of true value include a number that provide room for significant interpretation of underlying assumptions (e.g. mine plans and commodity prices). Therefore, book value can be highly variable, depending upon a company's methodology/outlook, and is not always reflective of true value. Note that in the mining industry, from a market valuation perspective, price to book value is rarely used as a benchmark for comparison whereas reserves, production volumes, earnings, revenue, cash flow and EBITDA ratios are much more heavily relied upon to establish appropriate value. Revenue and EBITDA do not allow for interpretation, but are also highly volatile in the mining industry as well as backward looking. Production volume contribution and reserve contribution are generally reflective of current and future value, but also leave room for interpretation and do not take into account profitability. Therefore, a combination of book value, EBITDA, and production/reserve contribution type tests can strike a reasonable balance. For projects that are development or exploration stage, revenue or similar is not appropriate, but resource and reserve contribution still is. In addition, project expenditure (including forecast capital expenditure) is also of critical importance for materiality. Therefore, for exploration and development stage projects,_

project expenditure (including forecast capital expenditure), reserve/resource contribution and book value can be used in conjunction to establish materiality.

6. When assessing the materiality of its mining operations, should we require a registrant to aggregate all of its mining properties, regardless of size or type of commodity produced, including coal, metalliferous minerals, industrial materials, geothermal energy, and mineral brines,[45] as proposed? *Yes, aggregation of the mining properties represents the actual composition of the registrant's value and therefore should be required.* Why or why not?

   a. Should we exclude any of the specified commodities from the proposed aggregation requirement? *The commodity list is acceptable as is.* If so, which commodities and why?

7. When assessing the materiality of its mining operations, should we require a registrant to include, for each property, as applicable, all related activities from exploration through extraction to the first point of material external sale, including processing, transportation, and warehousing, as proposed? *Yes, this needs to be specifically defined as it currently is. This will serve to clarify precisely what is considered as a mining operation.* Why or why not?

   a. Is "the first point of material external sale" the appropriate cut-off or should we use some other measure? *Yes, the first point of material external (arm's length) sale is the appropriate cut off since this is generally where a registrant loses control of the product for companies that are focused on mining. However, for companies that have significant downstream processing, there should be a requirement to calculate the materiality based on the point in the supply chain where that raw material would be purchased if the company did not own the mining assets. The calculation should be based on market prices, where available.*

   b. Are there certain activities that we should exclude from the materiality determination, even if they occur before the first point of material external sale? *No.* If so, which activities, for which minerals or companies, and why? *N/A.*

   c. Are there certain activities after the point of first material external sale that we should include? *No*. If so, which activities, for which minerals or companies, and why? *N/A*

8. Are there specific qualitative or quantitative factors relating to the environmental or social impacts of a registrant's properties or operations that a registrant should consider in making its materiality determination? *'Yes' (generally speaking). Provided that the registrant has the appropriate knowledge and qualification to determine materiality of environmental and social impacts. However, these factors tend to be very site specific and dependent upon the environmental and social conditions on and around the property. For example, water rights and*

availability for a project located in a desert environment may be a material consideration, but probably not for a project in a tropical setting. Biodiversity in arctic conditions will differ dramatically, and possibly materially, from those in tropical and temperate biomes. However, we also believe environmental and social impacts should already be taken into account in a book value calculation (as well as reserve estimation if that test is added). Further explicit inclusion would provide companies with an avenue to push properties below the materiality threshold by an almost exclusively qualified opinion that could result in significant disagreement with regulators for no benefit other than avoiding disclosure requirements. that .

9. Should we require vertically-integrated companies, such as manufacturers, to provide the disclosure required under new Regulation S-K subpart 1300, as proposed? *Yes, as long as they meet materiality thresholds discussed above. Any company that has a material interest in a mining operation or an aggregated material interest in mining properties should be required to follow all disclosure requirements.* Why or why not?

10. Should we require a registrant with multiple properties to provide the disclosure required by proposed Regulation S-K subpart 1300, as proposed? *No, we believe the specific requirements being proposed for registrants with multiple properties is out of line with current industry standards. There is very little value in the proposed summary disclosure that will benefit registrants or investors. All significant types of disclosure should be accompanied with a complete and comprehensive description and disclosure of the modifying factors used to support such.* Why or why not?

    a. Should we require a registrant with multiple properties, none of which is individually material, but which in the aggregate constitute material mining operations, to provide only summary disclosure concerning its combined mining activities, as proposed? *No, the summary disclosures do a very poor job of reporting actual conditions of a mining property due to their lack of supporting detail.* Why or why not?

11. Are there difficulties that a registrant with multiple properties could face when determining if disclosure is required under the proposed rules? *No, the registrant should be able to apply a simple test of materiality to establish this and if there is uncertainty, the default should be disclosure..* If so, how should our mining disclosure rules address such difficulties? *N/A*

12. Should we require more detailed disclosure about individual properties that are material to a registrant's mining operations, as proposed? *Yes, however this can be accomplished by the filing of a current Technical Report alone. This should not require annual disclosure providing there are no material changes to the mining operation during that year.* Why or why not?

13. Should we require a royalty company, or a company holding a similar economic interest in another company's mining operations, to provide all applicable mining disclosure if the

underlying mining operations are material to its operations as a whole, as proposed? *As long as the project for which the royalty (or production stream) is sourced has compliant technical disclosure by the sponsor company, additional, independent reporting by the royalty company should not be required as it would be redundant to those required by the project sponsor and will not benefit the royalty company nor its investors or potential investors. Royalty (and streaming) companies should still be required to certify that they are in agreement with the third party disclosure. In addition, royalty (and streaming) companies should be required to disclose the nature of the detail of the economic interest they have in specific mining operations.* Why or why not?

a. Should disclosure for such companies be required under other circumstances? *Yes. If the owner of the mining operation has not filed a current Technical Report or if the royalty (or streaming) company does not agree with and is not willing to certify the third party technical disclosure.*

14. Should we permit a royalty company, or other similar company holding an economic interest in another company's mining operations, to provide only the required disclosure for the reserves and production that generated its royalty payments, or other similar payments, in the reporting period, as proposed? *No. This will create significant confusion to all involved and would not provide useful information as the value in the royalty company is significantly dependent upon future production, not just current.* Why or why not?

a. If not, what additional disclosure should be required by such registrants? *See response to Item 13 above.*

15. Should we require a royalty company, or other similar company holding an economic interest in another company's mining operations, to describe its material properties and file a technical report summary for each such property, as proposed? *No.*

a. Should we allow a royalty or other similar company to satisfy the technical report summary requirement by incorporating by reference a current technical report summary filed by the producing mining registrant for the underlying property, as proposed? *No. Although the royalty (and streaming) companies should be allowed to rely upon the Technical Reports disclosed by the producing mining registrant. They should still be required to file those reports and certify that they are in agreement with the reports. There is always a question of additional liability to the QP and mine-operator registrant by relying on someone else's disclosure.*

b. Are there circumstances (e.g. when a royalty company purchases a royalty agreement and is not reasonably able to gain access to such information) in which a royalty or similar company should not be required to file a technical report summary concerning the

underlying property? *The royalty (and streaming) companies will likely state that they do not have data access for a significant percentage of their agreements to avoid disclosure requirements. However, it is highly likely that for the vast majority of royalties (or production streams) that meet the materiality threshold, there will either be a sponsor technical report available or the royalty (or streaming) company will be able to access appropriate data. For exceptional instances where the royalty (or streaming) company can prove that this is not the case, a limited waiver could be made, but it should only be allowed for royalties (or metal streams) that pre-date the proposed rule change*

16. Should we define "exploration stage property," "development stage property" and "production stage property," as proposed? *These terms are currently, widely used in the existing reporting and disclosure standards. Defining them is fine, but not really required since the proposed definitions are identical to current, industry accepted definitions.* Why or why not?

    a. Would these definitions facilitate compliance by registrants with properties in more than one stage of operation? *No, because they are already widely accepted and applied in disclosures.*

17. Should we also revise the definitions of "exploration stage issuer," "development stage issuer" and "production stage issuer," as proposed? *No. Technical disclosure should be dictated by property stage and materiality. A company's production status should not impact disclosure as there are many mining companies with immaterial small scale production or reserves that would classify them as production stage or development stage, but most of their value is in an exploration stage project.* Why or why not?

    a. Should the definition of "development stage issuer" and "production stage issuer" depend on having "at least one material property", as proposed? *No, all tests of materiality should apply and issuer stage should not matter.*

    b. Should we instead base the definitions on consideration of the characteristics of all mining properties? For example, if a registrant has a single development-stage material property that constitutes 10% of its mining assets, with the remainder of the mining assets all constituting exploration stage properties, should the registrant be able to identify itself as a development stage issuer? *If the SEC maintains the classification of an issuer as either exploration, development or production, then the classification should be based on which type of property that provides the largest contribution to its value. However, SRK recommends that registrants not be classified as it does not see significant benefit to investors or registrants and these classifications could change regularly dependent upon progress of exploration activities, development studies and changes in operations. Classification of projects is more appropriate..*

18. Would the two proposed sets of definitions appropriately classify the particular stage of a registrant's mining operations? *Yes, if required.*

    a. Should the definitions be property-based and dependent on whether mineral resources or reserves have been disclosed, are being prepared for extraction, or are being extracted, as applicable, on one or more material properties? *Issuers should not be classified, only properties. Aspects of mining properties and values are dynamic and can change very quickly. Requiring specific determinations for the issuer and declarations will likely create noncompliance by a registrant, possibly without them even realizing it*

    b. Would having two proposed sets of definitions create unnecessary complexity or investor confusion? *Yes.*

19. Should the proposed rules specify that a registrant that does not have mineral reserves on any of its properties, even if it has mineral resources or exploration results, or even if it is engaged in extraction without first disclosing mineral reserves, cannot characterize itself as a development or production stage company, as proposed? *No, issuers should not be classified. In addition to the points discussed above, many small mining operations have been developed and become successful producers without ever declaring reserves.* Why or why not?

20. Should we require, as proposed, that the determination of mineral resources, mineral reserves and material exploration results, as reported in a registrant's filed registration statements and reports, be based on and accurately reflect information and supporting documentation prepared by a qualified person? *Yes. The requirement of a QP endorsement has served the mining industry disclosure system well since it was instituted by foreign jurisdictions many years ago. A QP is required to ensure that all aspects of industry standards are being assessed and implemented*. Additionally, the QP will apply cautionary language as appropriate to provide an indication of the level of certainty in any disclosure. Why or why not?

    a. Would imposing a qualified person requirement help mitigate the risks associated with including disclosure about a registrant's mineral resources and exploration results in SEC filings, given that mineral resources and exploration results reflect a lower level of certainty about the economic value of mining properties? *Disclosure of exploration results or resource estimation results do not add further risk or lower the level of certainty in the economic value of mining properties. In fact, these sources of information are critical to properly understanding the value of a mineral property and should be fully disclosed. These two items are already recognized throughout the mining industry and its investment community and must be interpreted for their respective merit, but this is no different than any other contributing value factors. All prudent participants realize that exploration results do not make a mine nor does a resource estimation determine*

economic success. A QP requirement will serve the investment community to increase confidence in the disclosure document, but does not change the nature of the information. Why or why not?

21. Should the registrant be responsible for determining that the qualified person meets the qualifications specified under the new subpart's definition of "qualified person" as proposed? *No, it will be difficult and burdensome for registrants to independently verify a QP's qualifications since most of this information is personal and not readily available to the public. Additionally, it would be burdensome for registrants to require such information from all relevant QP's and to maintain these records as current so that registrants remain in compliance for all QP'd documents*. Why or why not?

    a. If not the registrant, who should be responsible for this determination? *It should be required that the QP honestly and fairly represents themselves as such and they individually should be responsible for their own qualifications. It is imperative that all QPs sign a statement in the Technical Reports that defines their qualifications as is currently required in foreign jurisdictions.*

22. Should we, as proposed, require a registrant to obtain a technical report summary from the qualified person, which identifies and summarizes the information reviewed and conclusions reached by the qualified person about the registrant's exploration results, mineral resources or mineral reserves, before it can disclose those results, resources or reserves in SEC filings? *No. Material results can be disclosed prior to filing the Technical Report. However, as in NI 43-101, there should be a limited time frame (i.e. 45 days in NI 43-101) between the disclosure of material results and when the supporting Technical Report is filed. A QP approval should be required for any disclosure of material results related to: exploration, mineral resource estimates and reserve estimates. This works toward ensuring that all aspects of these disclosures respect industry standards, follow disclosure guidelines and fairly address the mining property and the QP's conclusions.* Why or why not?

    a. Should we instead require a registrant to obtain an unabridged technical report, rather than a technical report summary, before it can disclose exploration results, mineral resources or mineral reserves in SEC filings? *SRK believes that the existing Technical Report framework and guidelines as defined by NI 43-101 should be required for disclosure of exploration results, mineral resources and mineral reserves. These standards have become widely successful in mining disclosure standards and well understood by the registrant and investment groups. Changing the requirements or terminology will only serve to confuse all involved and result in reporting delinquencies.*

b. Should we require the technical report summary to be dated and signed, as proposed? *Yes, this establishes legitimacy and establishes an effective or reference date of the Technical Report.* Why or why not?

23. If we require, as proposed, that a registrant obtain a technical report summary from the qualified person, should we also, as proposed, require that the registrant file the technical report summary as an exhibit to the relevant registrant statement or other Commission filing when one is required? *Yes, all technical reports should be filed on the SEC's EDGAR domain. Canada's "System for Electronic Document Analysis and Retrieval" (SEDAR) web site has been extremely successful. It constitutes a widely used platform employed by all mining participants ranging from investors to geoscientists. SRK highly recommends that the SEC follow this precedent on its "Electronic Data Gathering, Analysis, and Retrieval" (EDGAR) system for the hosting of all SEC mining disclosure documents and these should be fully accessible and retrievable by the general public.* Why or why not?

a. Should we require, as proposed, a registrant to file the technical report summary when the registrant is disclosing mineral reserves, mineral resources or material exploration results for the first time or when there is a material change in the mineral reserves, mineral resources or exploration results from the last technical report filed for the property? *Yes, initial disclosure and material changes in the exploration results, mineral resources and mineral reserves should be supported by a Technical Report. It is important for a mining participant to have full access to the complete set of data and information which includes all material aspects supporting the material change and the modifying factors determining such.* Why or why not?

b. Should we instead require a registrant to file the technical report summary more frequently, such as with every Commission filing, or less frequently? *No, initial disclosure and material changes are the only circumstances dictating the requirement to file or update a Technical Report. More frequent reporting would be unnecessarily burdensome and costly.*

24. Should we require, as proposed, a registrant to obtain the written consent of the qualified person to the use of the qualified person's name and any quotation or other use of the technical report summary in the registration statement or report prior to filing the document publicly with the Commission? *Yes, this is very important to ensure that a QP's descriptions, summaries, results, conclusions and recommendations are construed accurately and appropriately by a registrant. It also provides the QP with an additional opportunity to access the quality control and quality assurance of a registrant's disclosure as they pertain to the QP.* Why or why not?

25. Should we require that a registrant identify the qualified person that prepared the technical report

summary and disclose whether the qualified person is an employee, as proposed? *Yes, this provides useful information for a mining participant to access potential internal conflict of interest or whether the QP is truly an outsider to the registrant.* Why or why not?

a. Should we also require a registrant to name the qualified person's employer if other than the registrant, and disclose whether the qualified person or the qualified person's employer is an affiliate of the registrant or another issuer that has an ownership, royalty or other interest in the property that is the subject of the technical report summary, as proposed? *Yes, similar to above, this is useful information to assess independence of the QP's work*. Why or why not?

26. Should we require a registrant to state whether the qualified person is independent of the registrant? *Yes, this is common industry best practice, it is required by foreign jurisdiction of disclosure and most certainly should be utilized by the SEC.* Why or why not?

a. If we were to require the registrant to state whether the qualified person is independent of the registrant, should we define "independent" for purposes of that requirement? *Yes, the test of independence should follow Canada's NI 43-101 requirements precisely. These have been time tested and are well understood by registrants, QP's and the investment community.* If so, how?

b. For example, should we base the definition of independence on comparable provisions under Canada's NI 43-101? *Yes, use these specifically.*

c. Similar to the Canadian provisions, should we provide examples of when a qualified person would not be considered to be independent? *Yes.*

d. If so, what examples should we provide? *Use the same criteria as Canada as it has become the North American standard.*

e. Alternatively, similar to the Commission's rule regarding when an accountant is not independent, should we provide that a qualified person is not independent if the qualified person is not capable of, or a reasonable investor with knowledge of all relevant facts and circumstances would conclude that the qualified person is not capable of, exercising objective and impartial judgment on all issues encompassed within the qualified person's engagement? *Yes, this could be added but we do not see it occurring in the mining industry very often.*

f. Are there any other alternative standards on which we should base a definition of independence for the purpose of the qualified person requirement? The "Committee for Mineral Reserves International Reporting Standards" *(CRIRSCO) has guidance to this matter.*

27. Should we require that a registrant's disclosure of exploration results, mineral resources or mineral reserves in a SEC filing be based on the determination of a qualified person that is independent of the registrant? *Under some circumstances, yes. NI 43-101 provides excellent guidance around where an independent QP is required and SRK recommends adoption of this rule. This balances the protection of investors from potential fraud while still providing appropriate flexibility to registrants. Exceptions noted below in 28a.*

    a. If so, should we impose such a requirement only under certain circumstances, such as when the filing discloses resources or reserves by the registrant for the first time; a material change in previously disclosed resources or reserves that has occurred or is likely to occur; or a 100% or greater change in the total mineral resources or reserves on a material property, when compared to the last disclosure? *Yes, in the case of the first time disclosure to ensure total impartiality the QP should be independent. This will establish a baseline disclosure that should provide a high level of confidence to investors.* In each case, why or why not?

28. Alternatively, rather than requiring the qualified person to be independent, should we require, when the qualified person is affiliated with the registrant or another entity having an ownership or similar interest in the property, that a person independent of the registrant and qualified person review the qualified person's work? *No*.

    a. If so, what qualifications should the independent reviewer possess? *N/A*

    b. If we require an independent review when the qualified person is affiliated with the registrant, should the review be for all disclosures of mineral resources, mineral reserves and material exploration results, or only those that are related to material properties? *N/A*

    c. Should this review be required only in certain circumstances, such as when the filing discloses resources or reserves by the registrant for the first time; a material change in previously disclosed resources or reserves that has occurred or is likely to occur; or a 100% or greater change in the total mineral resources or reserves on a material property, when compared to the last disclosure? *N/A*

    d. Should we instead adopt an independent review requirement for the work of an affiliated qualified person in all circumstances? *N/A* In each case, why or why not?

29. Should we require the registrant to disclose any material conflicts of interest that could reasonably affect the judgment or decision making of the qualified person, such as material ongoing business relationships between the registrant and the qualified person or the qualified person's employer? *Yes, this is very important to establish judgment of impartiality.*

30. Would the proposed technical report summary filing requirement impose a significant burden on registrants? *No, a large portion of the world's mining industry currently files or prepares internal Technical Reports generally authored by qualified individuals.*

    a. If so, which registrants and why? *None*.

    b. Are there changes that we could make to this proposed requirement to alleviate any such burden? *No.*

31. Should we define a qualified person in part to be a mineral industry professional with at least five years of relevant experience in the type of mineralization, as described here and in the proposed rule, and type of deposit under consideration and in the specific type of activity that person is undertaking on behalf of the registrant, as proposed? *Yes. The five year minimum is an industry accepted standard. The relevant experience should be within the same style of mineral deposit or within similar or related styles of mineralization.* Why or why not?

    a. Should we specify the particular type of professional, such as a geologist, geoscientist or engineer, required under the definition? *No. It is common to find cross trained professionals and defining a specific type of professional will lead to additional and unnecessary complexity for compliance.*

    b. The years' of experience required under the proposed definition is consistent with the CRIRSCO-based codes. Is five years the appropriate number of years to constitute the minimum amount of relevant experience required under the definition in our rules? *Yes.*

    c. Should we require a lesser or greater number of years of relevant experience (e.g., 3, 7, or 10 years)? *No.*

32. Should we define a qualified person to be an individual, as proposed? *Yes, this is important to engage full responsibility to a specific individual whom must assume direct ownership of their work.*

    a. Or should we expand the definition, in cases where the registrant engages an outside expert, to include legal entities, such as an engineering firm licensed by a board authorized by U.S. federal, state or foreign statute to regulate professionals in mining, geosciences or related fields? *No, this will likely create additional and unnecessary complexity in defining QP's and will likely result in no direct responsibility.* Why or why not?

    b. If we expand the definition in this manner, should the firm or the responsible individual sign the technical report summary and provide the required written consent? *An individual signature should be required.*

c. Similarly, what professional experience should be required and how would a firm satisfy the professional experience requirement? *This should not be allowed.*

d. Should we adopt qualified person requirements for firms that are different than the proposed requirements for individual qualified persons? *No.*

e. If so, what should these requirements be? *N/A*

33. Do the proposed instructions provide the appropriate guidance for what may constitute the requisite relevant experience in the particular activity involved and in the particular type of mineralization and deposit under consideration? *Yes, the defined responsibility is well conceived and does allow some flexibility for cross over among similar deposit types or styles of mineralization.*

 a. Is there different or additional guidance that we should provide in this regard? *No.*

34. Should we define a qualified person in part to be an eligible member or licensee in good standing of a recognized professional organization at the time the technical report is prepared, as proposed? ***No, this is a significant flaw in the proposed revisions****. All QPs should be a* ***member*** *in good standing with an* **approved** *professional regulation. This is extremely important as not all professional organizations vet or monitor and discipline their members to equal standards or to what may be considered as acceptable North American standards.* Why or why not?

 a. Should we require an organization to meet the six criteria specified in the proposed definition in order to be a recognized professional organization, as proposed? *Yes, but a panel needs to be established to assess to what extent the stated six criteria are applied and enforced among each professional organization. This will result in a group of SEC* ***Approved*** *Professional Registrations.*

 b. Should the definition of a qualified person take into account whether, and the extent to which, a person has been disciplined by their professional organization? *Yes, this is very important. If a QP has been disciplined, it is very likely they committed a significant error in judgement or flat out fraud. In this case they should not be considered a QP, for a given period of time regardless. This time period should be in the range of five to ten years or permanent in the case of fraud. The period of time should be determined by an SEC panel made up of industry professionals..* If so, how?

 c. Should the definition specify that the organization must require, rather than require or encourage, continuing professional development? *No to an explicit requirement of continuing professional development but it should be encouraged, especially if the QP is a full time practitioner.*

d. Are there different or additional criteria that we should require for an organization to be a recognized professional organization? *Yes, they should be approved by the SEC or under the policies of NI 43-101.*

35. What factors should we consider in determining whether a professional association is recognized as reputable with regards to the definition of a recognized professional organization? *The additional criteria of "actively monitors its members' professional work" could be added.*

a. Are the examples we provided appropriate factors for determining whether a professional association is recognized as reputable or are other factors more appropriate? *No, the professional organization needs to be reviewed and approved by the SEC.*

b. Should any of these factors be incorporated into the final rules? *No. They are too lax.*

36. Instead of the proposed flexible approach, should we require that a qualified person be a member of an approved organization listed in an appendix to the mining disclosure rules or in a document posted on the Commission's website? *Yes, this is very important.*

a. If so, how should the Commission determine which organizations to approve and how frequently should the Commission update the approved organization list? *A common sense approach to minimum standards for a professional organization can be utilized to review and approve a professional organization. This review should take place every ten years. Professional organizations are not dynamic entities. In general, most have been established for a significant period of time and any new organizations will require a significant time period to demonstrate that they are capable of following the SEC's guidelines for an approved professional organization. SRK again recommends following NI 43-101.*

37. Should we, as proposed, require a registrant to disclose the recognized professional organization(s) that the qualified person is a member of, and confirm that the qualified person is a member in good standing of the organization(s)? *Yes, absolutely with no exceptions*.

38. Are there different or additional conditions that a person should have to satisfy in order to meet the definition of qualified person? *Yes, the education requirement is very important however most professional organizations would also require this and it could be established when vetting "approved" professional organizations.*

a. For example, should we require that a person have attained a particular level of formal education (bachelor's degree, master's degree, or doctorate) in order to be a qualified person? *Yes, bachelor's degree should be a minimum.* If so, what level of education would be appropriate?

b. Would such a minimum education requirement disqualify a significant percentage of

persons from being considered as qualified persons who otherwise possess the requisite relevant experience? _No._

39. Is the definition of qualified person too restrictive, thus increasing the cost and difficulty associated with finding a qualified person? _No._

    a. Alternatively, should the definition be more restrictive, to help ensure a qualified person has an appropriate level of training and expertise? _As stated above._ In either case, why?

40. Instead of prescribing qualifications for the qualified person, should we instead require a registrant to provide detailed disclosure regarding the qualifications of the individual who prepared the technical report summary? _All technical Reports should require a QP statement of qualifications similar, if not identical to what is required in NI 43-101. The completion of this statement should be the responsibility of the QP not the registrant since it is up to the QP to ensure all information is correct and current._ Why or why not?

41. Should we require a registrant to disclose material exploration results for each of its material properties, as proposed? _We do not believe that a registrant should be "required" to report material exploration results because we believe exploration results are a widely defined entity and their "materiality" can be widely interpreted. We do believe that a registrant should be "allowed" to report exploration results if they so elect. In this case, as specified, it should be required that the QP demonstrate precisely why they are material to the registrant._ Additionally, if the registrant does chose to disclose exploration results, it should be required to disclose all results, not just those showing positive results. Why or why not?

    a. Alternatively, should we permit registrants to provide exploration results in a summary form? _A summary disclosure of exploration results should be allowed if elected by the registrant._

42. Should we define exploration results as data and information generated by mineral exploration programs (i.e., programs consisting of sampling, drilling, trenching, analytical testing, assaying, and other similar activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit) that do not form part of a disclosure of mineral resources or reserves, as proposed? _We do not believe that limiting exploration results to the defined items listed above is appropriate. Specifically because it does not include all aspects/techniques typically employed by exploration geologists. In many cases, basic mapping, geophysics, remote sensing and the items listed, all intertwine to define material exploration results. This is one factor that creates difficulty in establishing materiality in the opinion of the QP._ Why or why not?

    a. Are there other characteristics that we should include in the definition of exploration results? _All industry standard characteristics of geologic exploration should be included_

in the definition. This can be achieved with a simple statement to that effect. Additionally, it should be stressed that all exploration results should be disclosed/described within the context of their materiality.

b. Are there other activities that we should include as examples of mineral exploration programs? *All industry standard activities of geologic exploration should be included in the definition.*

c. Are there activities that we should exclude as examples of mineral exploration programs? *All non-industry standard analytical methods of determining quality or grade, divining or witching and inference or projection of mineralization should not be allowed.*

43. What are the risks that could result from requiring disclosure of material exploration results? *Registrants will struggle to decide what threshold of materiality their exploration results represent or worse will selectively pick the best results as "Material" and mislead investors as to the quality of the project.*

a. Should we prohibit the use of exploration results to derive estimates of tonnage, grade, and production rates, or in an assessment of economic viability, as proposed? *No, this is another flaw in the proposed revisions. It should be the responsibility of the QP to make specific judgements pertaining to the range of potential tonnage and grades that may be expected based on specific exploration sampling results and their respective distributions. This will provide a better framework, more meaningful to registrants and investors which will characterize the potentially complex description of specific, holes, intervals and results. This is intended to provide transparency to the materiality of the results.* Why or why not?

b. Would prohibiting the use of exploration results for these purposes, as proposed, adequately protect investors from the increased risk associated with including information having a lower level of certainty about the economic value of mining properties? *No, this would be a big mistake. Risk will be reduced by requiring a QP statement of potential range of tonnage and grade since these quantities and qualities can easily be evaluated for potential economic value. The QP's statement should be required to include cautionary language as per NI 43-101.*

44. When determining whether exploration results are material, should a registrant consider their importance in assessing the value of a material property or in deciding whether to develop the property, as proposed? *No. As discussed above, materiality is highly subjective and actual materiality will not be known until resources and reserves estimates are updated and appropriate economic evaluations have been run. Further, development of a project. Further, development of a project is a very complex decision that is not always dependent on the direct exploration results form a particular property or prospect. In many cases, a registrant's*

decision to develop the property may depend on where that property ranks in their portfolio of projects and the capital currently available for further exploration or development. . Why or why not?

a. Are there other circumstances that would better define when exploration results are material? *If a materiality threshold is kept in place, this should be a judgement call made by the QP which can be defended to a group of their peers. However, as discussed above, SRK believes that materiality of results should not be a factor in disclosure. Only the materiality of the property and its stage.* If so, what are those circumstances?

45. We are proposing to require the disclosure of material exploration results for each material property. Should we also require disclosure of material exploration results when the registrant has determined that it has in the aggregate material mining operations but no individual properties are material? *No.*

a. Would disclosure of material exploration results for its properties in the aggregate (when none is individually material) provide additional meaningful disclosure for investors? *No.*

b. If so, how should a registrant disclose such exploration results? *N/A*

c. Should it provide such results in summary form? *N/A*

d. Or should it provide detailed disclosure about all material exploration results for all of its properties? *See item 44a*.

46. Should we require a registrant with material mining operations to disclose mineral resources in addition to mineral reserves, as proposed? *Yes. Disclosed Mineral Resources signed by a QP are an industry standard evaluation of a potential or actual mining property. These are commonly used by registrants and investors alike to evaluate and compare specific properties as to their potential economic value.* Why or why not?

47. What are the risks that could result from requiring a registrant with material mining operations to disclose its mineral resources? *There are no elevated risks derived from reporting Mineral Resources. In fact, it is an additional critical data point for appropriate evaluation of the value of a project. They should however, be clearly stated as Mineral Resources which have not yet demonstrated economic extraction and recovery.* How could the Commission mitigate those risks?

48. Under the proposed rules, a registrant with material mining operations could choose not to engage a qualified person to determine whether a mineral deposit is a mineral resource, with the result that the registrant would not be required to disclose mineral resources that may exist. Should the rules, as proposed, preclude a registrant from disclosing mineral resources in an SEC filing if it has elected not to engage a qualified person to make the resource determination?

Yes, only QP signed Mineral Resources should be allowed for disclosure.

a. Alternatively, should the rules permit a registrant to disclose mineral resources in an SEC filing, despite not having engaged a qualified person to make the resource determination, in certain instances? *No, under no circumstances.* If so, in what instances would it be appropriate to permit such disclosure?

49. Should we define the term "mineral resource," as proposed? Why or why not? In order for material to be classified as a mineral resource, should there be reasonable prospects for its economic extraction, as proposed? *No. A QP will not be able to assure that all modifying factors can be accommodated for eventual economic extractions.* We do agree that mineral resources must have "reasonable prospects for economic extraction" in all other aspects proposed by the SEC revisions. We also propose additional criteria to test the "reasonable prospects" aspect of the resource definition in question 70b, below. The CRIRSCO definition should be followed verbatim. Why or why not?

50. Should the definition of mineral resource include mineralization, including dumps and tailings, as proposed? Yes, the CRIRSCO definition should be followed verbatim.

a. Should the definition of mineral resource also include geothermal fields and mineral brines, as proposed? *No. Each of these are unique commodities with specific concerns very different to typical solution mining. We believe that geothermal should be in its own category because it is non extractive. Additionally, we would like brines regulated as a locatable mineral but they should be regulated like oil and gas. This would allow several companies to operate in a brine basin, rather than just the one who holds groundwater extraction rights as is the current regulation.* Why or why not?

b. Is there any other material that should be explicitly included in the definition of mineral resource? *No.*

51. Should the definition of mineral resource exclude oil and gas resources as defined in Regulation S-X, gases (e.g., helium and carbon dioxide), and water, as proposed? *Yes, these are not traditional nor industry standard commodities considered as "Mining Operations"*. Why or why not?

a. Is there any other material that should be explicitly excluded from the definition of mineral resource? *No. See above.*

52. Should the definition of mineral resource include the requirement that a qualified person estimate or interpret the location, quantity, grade or quality continuity, and other geological characteristics of the mineral resource from specific geological evidence and knowledge, including sampling, as proposed? *Yes, this is current industry standard and should be included*

in any SEC requirements. Why or why not?

a. Are there other geological characteristics that we should explicitly require a qualified person to estimate or interpret when determining the existence of mineral resources? *No*

53. Should we require a registrant to classify its mineral resources into inferred, indicated and measured mineral resources, as proposed? *Yes, these are industry standard classification categories which are well understood by registrants and investors.* Why or why not?

a. If not, what classifications would be preferable and why? *N/A*

54. Should we define "inferred mineral resource" as proposed? *No. A QP is incapable of assuring that any amount of an inferred mineral resource will be upgraded to measured or indicated mineral resource. This is controlled by natural and economic factors of which the QP does not have direct insight.* Why or why not?

a. Should we require the disclosure of inferred mineral resources although quantity and grade or quality with respect to those mineral resources can be estimated only on the basis of limited geological evidence and sampling, as proposed? *Yes, inferred mineral resources are an important, industry standard aspect of mineral resources.*

b. Should we require a qualified person to describe the level of risk associated with an inferred mineral resource based on the minimum percentage that he or she estimates would convert to indicated or measured mineral resources with further exploration, as proposed? *No, this will be impossible to predict with any realistic level of accuracy and could likely result in erroneous disclosure. The definition of an inferred mineral resource should already provide adequate qualification as to the level of risk associated with inferred resources.*

c. Should we permit rather than require a registrant to disclose inferred mineral resources because of the high level of geologic uncertainty associated with that class of mineral resource? *No.*

d. Should we prohibit the disclosure of inferred mineral resources for that reason? *No.*

55. Should we prohibit the use of inferred mineral resources to make a determination about the economic viability of extraction, and preclude the conversion of an inferred mineral resource into a mineral reserve, as proposed? *The inferred resources should be considered for economic viability at a Preliminary Economic Assessment or Scoping level of study only where the percentage of measured, indicated, and inferred material in the study is noted. Additionally, suitable cautionary language should be required to highlight the uncertainty associated with this class of resources. Inferred resources should not be considered for conversion to mineral reserves*.

a. Would these proposed prohibitions be sufficient to mitigate the added uncertainty that could result from the requirement to disclose inferred mineral resources? *Yes.*

b. Are there circumstances that would justify a qualified person's use of inferred mineral resources to make a determination about the economic viability of extraction, or that would allow the conversion of an inferred mineral resource into a mineral reserve? *See 56 above*.

c. Should we permit the use of inferred mineral resources to make a determination about the economic viability of extraction as long as the qualified person and registrant disclose the high level of risk associated with such mineral resources? *Yes, see 56 above.*

d. If so, what would be the potential effects on registrants and investors? *There would not likely be any potential effects since this is already an industry standard practice.*

56. Should the definition of "inferred mineral resource" provide that such mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, as proposed? *No. The definition of an inferred mineral resource should match the CRIRSCO definition, which is the industry standard.*

a. Should we require a registrant, when disclosing inferred resources, to provide a legend or cautionary statement about the geological uncertainty associated with inferred resources? *Yes. This is industry standard and follows disclosure standards of foreign jurisdictions.*

b. If so, what should such legend or cautionary statement say and where in the SEC filing should it be disclosed? *This should be utilized when an inferred resource is included in any economic assessment. The statement should follow current industry standards along the lines of "The PEA is preliminary in nature, it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability," and it should be included with all disclosures/descriptions of the economic results.*

57. Should we define "indicated mineral resource," as proposed? *No. The definition of an indicated mineral resource should match the CRIRSCO definition, which is the industry standard.*

a. In particular, should the definition depend on a qualified person's ability to estimate quantity and grade or quality using adequate geological evidence and sampling, as proposed? *Yes.*

b. Should the definition of "adequate geologic evidence" be based on a qualified person's

ability to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit, as proposed? *No. A QP will not be able to assure that all modifying factors can be accommodated for eventual economic extractions.*

c. Should we require a qualified person to describe the level of risk associated with indicated mineral resources based on the confidence limits of relative accuracy at a particular confidence level for production estimates for one-year periods, as proposed? *No. Although some large companies have adequate personnel and prescribed conditions to assess confidence limits, in general most QP's of mineral resources will not have the experience or data support to generate meaningful quantifications.*

d. Should we, instead, allow the qualified person to provide a qualitative discussion of the uncertainties in place of confidence limits if he or she so chooses? *Yes, as is commonly done in Technical Reporting. This allows the QP to disclose which specific factors are most influential in determining the resource classification.* Why or why not?

58. Should the definition of "indicated mineral resource" include that such mineral resource has a lower level of confidence than what applies to a measured mineral resource and may only be converted to a probable mineral reserve, as proposed? *Yes.*

59. Should we define "measured mineral resource," as proposed? *No. The definition of a measured mineral resource should match the CRIRSCO definition, which is the industry standard.*

a. In particular, should the definition depend on a qualified person's ability to estimate quantity and grade or quality on the basis of conclusive geological evidence? *No. There is very little "conclusive" evidence in geology and exploration as they relate to mineral resource "estimation". Rather, terms such as "high level of confidence" should be utilized to describe measured resource estimation.*

b. Should we base the definition of "conclusive geologic evidence" on a qualified person's ability to apply modifying factors in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit, as proposed? *No. A QP will not be able to assure that all modifying factors can be accommodated for eventual economic extractions.*

c. Should we require a qualified person to describe the level of risk associated with measured mineral resources based on the confidence limits of relative accuracy at a particular confidence level for production estimates for periods of less than one year, as proposed? *No. This is a very subjective quantification and will not provide realistic results.*

d. Should we, instead, allow the qualified person to provide a qualitative discussion of the uncertainties in place of confidence limits if he or she so chooses? *Yes, as is commonly*

done in Technical Reporting. This allows the QP to disclose which specific factors are most influential in determining the resource classification. Why or why not?

e. Are there particular challenges to complying with the proposed requirement to disclose numerical estimates of the level of confidence for each class of mineral resource? *Yes, see item 58c above.*

60. Should the definition of "measured mineral resource" include that such mineral resource has a higher level of confidence than what applies to either an indicated mineral resource or an inferred mineral resource and may be converted to a proven mineral reserve or to a probable mineral reserve, as proposed? *Yes.*

61. Should we require the disclosure of numerical estimates of the level of confidence associated with each class of mineral resource, as proposed? *No, see item 58c above.* Why or why not?

a. Should we instead follow the practice in the CRIRSCO-based codes and require only the disclosure of all material assumptions and the factors considered in classifying mineral resources? *Yes, this is industry standard and is well understood by registrants and investors.* Why or why not?

62. Should we require that a registrant's disclosure of mineral resources be based upon a qualified person's initial assessment, which supports the determination of mineral resources, as proposed? *No. We feel the term "Initial Assessment" is out of line with current industry understanding of reporting guidelines. It will most likely be confused with an NI 43-101, Preliminary Economic Analysis.* There is no need to define a new term. Why or why not?

a. Is there another form of analysis or means of disclosure that would be more appropriate for the determination and disclosure of mineral resources? *Yes. We do support that any disclosure of mineral resources be accompanied by a Technical Report on Resources.*

b. Would disclosure of the material risks associated with mineral resource determination be an adequate substitute for the initial assessment requirement? *No.*

63. If we require an initial assessment to support the determination of mineral resources, should we define "initial assessment," as proposed, to require the consideration of applicable modifying factors and relevant operational factors for the purpose of determining (at the resource evaluation stage) whether there are reasonable prospects for economic extraction? *Yes, certain modifying factors must be included to assess reasonable prospects for economic extraction.*

a. Should we instead only require consideration of modifying and operational factors at the reserve determination stage? *No.*

64. Should we require an initial assessment to include cut-off grade estimation, as proposed? *A cut-off grade is absolutely required to disclose mineral resources as is the current industry standard.*

However, the SEC is completely out of line with current industry practice in its guidance for determination of the cut-off grade. In many mineral deposits the processing cost can be several orders of magnitude above the mining cost and absolutely must be considered when establishing a cut-off grade. In addition, there are very few mining operations which realize 100% metallurgical recovery therefore excluding recovery from the determination of cut-off grade is simply reckless. Mineral resource QPs rely on benchmarking their experience and understanding of the deposit type to make reasonable assumptions of metallurgical recovery (as well as mining costs and processing costs) or they seek out metallurgical QP's to assist with this. Furthermore, no mining operation runs without general and administrative costs and they too can be reasonably assumed by the QP and should be included in the cut-off grade. NSR royalties are also common to many mining properties and should also be required. All of the above described requirements are current industry standards in determining cut-off grade. Why or why not?

65. Should we require a qualified person to base cut-off grade estimation on assumed unit costs for surface or underground operations, as proposed? Yes

    a. Is it appropriate to allow the qualified person to make an assumption about unit costs, as proposed, or should we require a more detailed estimate of unit costs at the resource determination stage? *No. However, a QP should be required to justify their assumptions as to the source or basis of the specific assumption.*

    b. Is it appropriate to require the qualified person to disclose whether the unit cost estimates are for surface or underground operations, as proposed? *Yes, this is fundamental as these costs can be substantially different and is also industry standard.*

66. Should we also require a qualified person to base cut-off grade estimation on estimated mineral prices, as proposed? *Yes, this is fundamental and is also industry standard.*

    a. In this regard, should we require the qualified person to use a commodity price that is no higher than the average spot price during the 24-month period prior to the end of the last fiscal year, determined as an unweighted arithmetic average of the daily closing price for each trading day within such period, unless prices are defined by contractual arrangements, as proposed? *No. We feel this is too restrictive for a resource defined as having "reasonable" expectations for "eventual" economic recovery. Rather the more optimistic of the two year trailing average or current spot price should be used as guidance by the QP. The final determination of metal price should be at the discretion of the QP Metal price(s) should also be rounded to sensible thresholds. We also feel strongly that metal price sensitivities should be allowed provided the base case is clearly defined. We recommend that price sensitivities should be allowed in a standalone table describing*

mineral resource sensitivities. This provides an assessment of risk for investors to changes in the commodity prices, or costs if presented in terms of tons and grade above a given cut-off. We propose that price upsides and downsides ranging from 5%-20% be utilized at the discretion of the registrant. This allows a registrant or an investor to quickly assess the economic merits of a project under varied commodity conditions.

b. Does a ceiling model based on historical prices best meet the goals of transparency, cost efficiency and comparability? *No, this is too restrictive for mineral resources.* Why or why not?

c. Is there another model that would better meet these goals? *No, most other pricing models are private or at subscribed sites not necessarily available to most registrants or QPs.*

d. If another price model better meets these goals, what should be the basis of estimated mineral prices for purposes of the initial assessment? *N/A*

e. Whatever price model we adopt, should it be used to determine the commodity price itself? *No. As described in 67a above, the QP should determine the appropriate commodity price(s).*

f. Or should it be used, as proposed, to determine the ceiling of the commodity prices? *Neither, it can be used as guidance.*

67. Is the proposed 24-month period the most appropriate period for the estimated price requirement? *Yes.*

a. Would a 12, 18, 30, or 36-month period, or some other duration, be more appropriate? *36 months is also reasonable and often used in the industry, but no better than 24 months.*

b. Should the 24-month period, or other period be fixed and apply to all registrants, or should the period vary depending upon the type of commodity being mined and other factors? *See comment 67a above.*

68. Should we require, as proposed, the same ceiling price for mineral resource and reserve estimation? *No. It is common industry practice to use a resource commodity price higher than a reserve commodity price in order to express the potential resource material.*

a. If not, how should the prices used for mineral resource and reserve estimation differ? *Typically, resource reporting commodity prices are in the order of 5-10% higher than reserve reporting commodity prices, on the premise that reserve pricing is meant to define material that could be mined as ore in near-term production. The selection of the resource and reserve pricing should be at the discretion of the QP.*

b. Would such criteria meet the goals of transparency, cost efficiency and comparability?

Requiring the same resource and reserve price is not realistic with mine planning methodology. Different prices should be allowed (and disclosed), as is current practice in foreign jurisdictions.

69. Should we require that for purposes of the initial assessment a qualified person must provide at least a qualitative assessment of all relevant modifying factors to establish economic potential and justify why he or she believes that all issues can be resolved with further exploration and analysis, as proposed? *No. A QP will not be able to assure that all modifying factors can be accommodated for eventual economic extractions.*

    a. Are the modifying factors provided as examples in the proposed instruction and table the most appropriate factors to be included? *No. At a resource level it is highly unlikely that there will be any meaningful data available to sensibly quantify hydrologic and geotechnical aspects of the property. These investigations are generally initiated at a higher level of study.*

    b. Are there other factors that should be specified in the instruction and table in lieu of or in addition to the mentioned factors? *Yes. It is critical that mineral resource likely to be extracted by open pit mining should be constrained within an optimistic pit shell and resources likely to be mined by underground should be constrained within optimistic stope shells with a reasonable development access cost. These two factors are critical in defining "reasonable prospects" for economic extractions. The pit or stope shells should be constructed using the same criteria and costs utilized in determining the cut-off grade. All costs and criteria utilized in the pit or stope shapes development should be disclosed.*

    c. Would presentation of the modifying factors in a table benefit investors, registrants and qualified persons? *The JORC style tables can be a useful quick reference, but as long as all modifying factors are being disclosed in a Technical Report, it should not be necessary.*

70. Should we permit the qualified person to make assumptions about the modifying factors set forth in the proposed table at the resource determination stage, as proposed? *Yes. This is the current industry standard and is part of the professional responsibility of the QP.* Why or why not?

    a. Are there other assumptions that we should specify in lieu of or in addition to those already mentioned in the proposed table? *Yes. See 70b.*

71. Should we permit a qualified person to include cash flow analysis in an initial assessment to demonstrate economic potential, as proposed? *No. Cash flow analysis should only be allowed at higher levels of study (minimum preliminary economic assessment or scoping study) which is the rule in NI 43-101. According to the currently proposed guidelines, global resources will be reported using a cut-off grade based only on commodity price and mining cost. It would be reckless and contrary to industry best practice to construct a cash flow model based on such a*

loosely defined resource. Generally, a resource level study does not entail enough detail of study to generate a meaningful cash flow model. At a resource level, there will be too many assumptions and estimations to provide an appropriate, first principles cash flow model. Why or why not?

a. If we should permit cash flow analysis in an initial assessment, should we require that operating and capital cost estimates in the analysis have an accuracy level of at least ±50% and a contingency level of ±25%, as proposed? *This level of detail is appropriate for a PEA or Scoping Study, the minimum level of study appropriate for disclosure of cash flow.*

b. If not, what should the accuracy and contingency levels be? *N/A*

c. Should we require the qualified person to state the accuracy and contingency levels in the initial assessment? *Yes.*

72. If we permit cash flow analysis in the initial assessment, should we prohibit the qualified person from using inferred mineral resources in the cash flow analysis, as proposed? *No. The proposed accuracy level utilized for the economic model is equivalent to the confidence level typically supporting inferred mineral resources.* Why or why not?

a. Would there be disadvantages to registrants or investors if the use of inferred mineral resources in an initial assessment's cash flow analysis is prohibited? *Yes, this would be out of line with NI 43-101 which does allow inferred mineral resources for PEA or Scoping Studies. JORC has a more restrictive requirement on inferred resources which prohibits disclosure of cash flow assessments based on certain levels of inferred resources. However, this has presented a significant challenge for early stage companies to disclose cash flow estimates that are heavily relied upon for internal decision making (e.g. should the project be advanced) without significant additional expenditure to achieve indicated resources, for which funds are often not available without the cash flow that is being prohibited from being disclosed.*

b. Would there be advantages to prohibiting the use of inferred resources in an initial assessment's cash flow analysis in the initial assessment? *No*

73. Should we prohibit the use of an initial assessment to support a determination of mineral reserves, as proposed? *Yes. The level of study is insufficient to support reserves and this would not align with currently accepted industry standards.* Why or why not?

74. Are we correct in thinking that use of Circulars 831 and 891 to classify mineral resources would not be appropriate under the proposed rules? *Yes. Circulars 831 and 891 are completely out of date and do not address many modern aspects of exploration, sampling, chain of custody,*

QA/QC, resource estimation methods, validation and reconciliation. Why or why not?

75. Should we establish a framework for mineral reserves determination and disclosure, as proposed? *Yes. The framework proposed by the SEC is generally in line with current industry standards in most aspects but does require some modification.* Why or why not?

    a. Is there another framework that would be preferable to the proposed framework? *NI 43-101 has an excellent framework.*

    b. If so, what would be the advantages and disadvantages of the alternative framework? *N/A*

76. Should we define "mineral reserve," as proposed? *No. The definition of a mineral reserve should match the CRIRSCO definition, which is the industry standard.*

    a. Are there conditions that we should include in the definition of mineral reserves instead of, or in addition to, those proposed to be included in the definition? *No.*

    b. Are there any conditions that we should exclude from the definition of mineral reserves? *No.*

    c. For example, should we modify the condition that mineral reserves be based on a pre-feasibility or feasibility study to only permit a feasibility study? *No.*

    d. Should we exclude in its entirety the condition that mineral reserves be based on a feasibility or pre-feasibility study? *No.*

    e. Are there terms that we should define differently? *Yes.*

    f. For example, should we define a mineral reserve as an estimate of tonnage and grade or quality that includes diluting materials and allowances for losses, instead of a net estimate, as proposed? *Yes, this is extremely important to align the SEC revisions to current industry standards which does apply dilution and losses to a reserves statement.* Why or why not?

77. Should we explicitly include a life of mine plan disclosure requirement in the technical studies required to support a determination of mineral reserves, as proposed? *Yes. This is very important to demonstrate a level of study detail required to support a reserve and to align with current industry standards.* Why or why not?

78. Should we require the use of a discounted cash flow analysis or other similar analysis to establish the economic viability of a mineral reserve's extraction, as proposed? ? *Yes. This is very important to demonstrate a level of study detail required to support a reserve and to align with current industry standards. However, the requirement should be for both a non-discounted cash flow analysis in addition to the industry standard discounted cash flow analysis. While discounted cash flow is mainly an evaluation tool companies and investors use to evaluate whether an investment*

should be made, many companies do incorporate discounting into their mine planning methodology as a risk adjustment for the reserve calculation. Since reserves should only be dependent upon net positive cash flow and that discount rates introduce significant interpretation and are different for every company or investor, sensitivities to discount rates should be required. On the other hand, disclosure of full undiscounted cash flow will allow potential investors to draw their own conclusions regarding if or how the cash flow should be discounted. In addition, a cash flow analysis of the economic potential of a mining project should require both pre-tax and after-tax analysis. The Commission should also encourage the reporting of an industry standard cash cost methodology per payable unit sold such as the World Gold Council's All-in Sustaining Cost (AISC) metric in use for precious metal mines and projects. Why or why not?

a. If so, should we require the use of a price that is no higher than a trailing 24 month average spot price in the discounted cash flow analysis, except in cases where sales prices are determined by contractual agreements, as proposed? *Yes.*

b. Is there some other period (e.g., 12 or 36 months) or measure that should determine the price used in the discounted cash flow analysis? *No.*

79. Should we allow registrants to use an alternate price in addition to a price that is no higher than a trailing 24 month average spot price, as long as they disclose the alternate price and their justification? *Yes. We believe that metal price sensitivities should be allowed provided the base case is clearly defined. We recommend that price sensitivities should be allowed in standalone tables describing mineral reserve and cash flow sensitivities. We propose that price downside should be required in addition to allowing upside. A range of 5%-30% is reasonable, but the actual sensitivity range should be at the discretion of the QP. This allows a registrant or an investor to quickly assess the reserves and potential profits or losses of a project under varied commodity conditions.*

a. Alternatively, should we require every registrant to use a fixed 24 month trailing average price with the option to use an alternate price(s) that is reasonably achieved? *No.*

b. Are there other pricing methods (e.g., management's long term view or using spot, forward or futures prices at the end of the last fiscal year to determine the ceiling price allowed) that we should require or permit registrants to use in discounted cash flow analysis? *Yes. For non-exchange traded commodities, there often is not a public price that can be relied upon to set the trailing 24 month average. In these instances, where a contractual price is also not available, the registrant should be allowed to use a price selected by an appropriately qualified QP, with adequate supporting discussion to allow investors to understand the price utilized relative to the market for that commodity*

c. Would such pricing methods be transparent, easy for registrants to apply and investors to

understand, and to the extent practicable, provide some degree of comparability? *Yes.*

80. Should we define the terms “probable mineral reserve” and “proven mineral resource,” as proposed? *Yes. These definitions are in agreement with current industry standards.* (Note, we assume the term “proven mineral resource” is a typo which should actually read “proven mineral reserve”. Why or why not?

    a. If not, how should we modify these definitions? *N/A*

81. Should we define “modifying factors,” as proposed? *Yes, with slight modification. An additional qualification should be that not all modifying factors can be defined in advance.*

    a. Are there any factors that we should include in the definition of modifying factors instead of or in addition to those already included in the definition? *Yes, although it is described in other sections of the proposed revisions, the modifying factors should specifically cite: decommissioning costs, reclamation costs and long term monitoring costs*. Costs associated with community and government relations (infrastructure, sponsorships, training, health care, etc.) should also be included.

    b. Are there any factors that we should exclude from the definition? *No.*

82. Should we adopt the above discussed instructions, as proposed? *No. Cited modifications are required to bring the above instructions in alignment with current industry standards.* Why or why not?

83. Should we define “preliminary feasibility study” and “feasibility study,” as proposed? *Yes.*

    a. Are there any terms and conditions that we should include instead of or in addition to those included in the proposed definitions? *No.*

    b. Are there any terms or conditions under each definition that we should exclude? *No.*

84. Should we permit the use of either a pre-feasibility study or a feasibility study to support the determination and disclosure of mineral reserves, as proposed? *Yes. This is industry standard and is well understood by registrants and investors.* Why or why not?

85. Should we require qualified persons to use a feasibility study in situations where the risk is high, as proposed? *No. We believe that with a high risk project, it is even more important to complete a Prefeasibility Study prior to a Feasibility Study to help identify and mitigate the risks before proceeding to a Feasibility Study. If a project gets to Feasibility stage and the high risks have not been mitigated it is essentially too late and the project will likely not be financed. QP’s should be allowed to use their discretion as to whether the risk associated with a prefeasibility study is too high to support a reserve. If this is the case, a reserve is not reported with the PFS. This is the global industry standard.* Why or why not?

a. Are there other conditions, in addition to or in lieu of high risk situations, where we should require a feasibility study in support of mineral reserve disclosure? _No._ _QP's should be allowed discretion as to whether a reserve is supported or not._

86. Should we adopt the proposed instructions about the use of a pre-feasibility study to support the determination and disclosure of mineral reserves? _Yes._

a. Are there any instructions that we should provide instead of or in addition to the proposed instructions for such use of a pre-feasibility study? _No._

b. Are there any instructions that we should exclude? _No._

c. Would the proposed instructions mitigate the risk of less certain disclosure that could result from the use of a pre-feasibility study to support the determination and disclosure of mineral reserves? _Yes. Prefeasibility reserves are widely utilized, well understood and generally accepted by both registrants and investors alike._ If not, why not?

87. Should we adopt the proposed instructions for the use of a feasibility study to support the determination and disclosure of mineral reserves? _Yes._

a. Are there any instructions that we should provide instead of or in addition to the proposed instructions for such use of a feasibility study? _No._

b. Are there any instructions that we should exclude? _No._

88. As part of the instructions for pre-feasibility and feasibility studies, should we define preliminary and final market studies as proposed? _Yes._

89. Should we require summary disclosure, as proposed, for all registrants with material mining operations? _Yes. These may help investors and potential investors quickly compare registrant merit._ These provide very Why or why not?

a. Should such summary disclosure require maps showing the locations of all mining properties, a presentation of the proposed information about the 20 properties with the largest asset values, and a summary of all mineral resources and reserves at the end of the most recently completed fiscal year, as proposed? _We do not believe that maps are required for Summary Disclosure. We also do not believe that reporting salable product alone is sufficient information describing the Mineral Reserves. Rather, a full Mineral Reserve statement should be included citing cut-off grade, modifying factors etc._

90. Should we permit registrants to treat multiple mines with interrelated mining operations as one mining property, as proposed? _Yes. This is in line with other foreign jurisdictions and is industry standard._

a. Should we instead require registrants to treat such mines as separate properties? _No._

This would add no value and would contradict current industry standards. Why or why not?

91. Should we exclude registrants with only one mining property from the summary disclosure requirements, as proposed? *Yes. There is no value in reporting a single property in a Summary Disclosure.* Why or why not?

    a. Alternatively, should we use a different threshold than the proposed "only one" threshold for excluding a registrant from the summary disclosure requirements? *No.*

    b. If so, what threshold should we use and why would this threshold be more appropriate? *N/A*

92. Regarding the proposed summary disclosure requirement for the 20 largest properties, should we require other information, in addition to or in lieu of the proposed items? *Yes, See 90a above.* Why or why not?

    a. For example, should we require the registrant to disclose the asset value of each property included in its summary disclosure? *No.*

    b. Should we revise the proposed form and content of Table 2? *Yes. See 90a above.*

    c. If so, how should we revise the table's form or content? *See 90a above.*

93. Should the presentation of information about the mining properties with the largest asset values include the 20 largest properties, as proposed? *Yes. This is a reasonable number which will not be overly burdensome to the registrant.*

    a. Should this number be higher or lower? *No.*

    b. If so, what number is appropriate? *N/A* Why?

    c. Should the summary disclosure include only those properties that represent 5% or more in asset value? *No.*

    d. Should we permit the summary disclosure to omit any property that represents 1% or less in asset value? *No.*

    e. Alternatively, should we require the specified information based on some criteria (e.g. revenues) other than asset value? *No. Revenues can vary widely from year to year and will create confusion when trying to compare annual disclosures.*

94. Should we require summary disclosure to include information on mineral resources and reserves, as proposed? *No. We believe that Table 3 should be merged with Table 2 for a more concise and easily read statement which summarizes all relevant information describing the asset in a single listing.* Why or why not?

a. If mineral resources and reserves are required in summary disclosure, should we require their disclosure by class of mineral reserves (probable and proven) and resources (inferred, indicated and measured), together with total mineral reserves and total measured and indicated mineral resources, as proposed? *We do not support the proposed format of the Summary tables. However, if resource and reserves were to be disclosed, they should be reported by the classes as proposed. Additionally, any way that mineral resources are reported, should require a statement clearly identifying whether they are inclusive or exclusive of mineral reserves.*

b. Should we require the summary disclosure by commodity and geographic area or property containing 10% or more of mineral reserves or sum of measured and indicated mineral resources, as proposed? *No. This is information is should be redistributed. The reserve reporting should be moved to Table 2 and the resource reporting should be limited to the Individual Property Disclosure.* Why or why not?

c. In particular, is the proposed instruction to Table 3 regarding the scope of geographic area to be disclosed sufficiently clear, and if not, how should it be clarified? *Reporting by geographic area does not provide information of any significant value or insight.*

d. Should we require disclosure of mineral reserves and resources by some other attribute (e.g., segments), in addition to or in lieu of commodity and geographic area? *No.*

e. If so, which attributes should we use and why? *N/A*

f. Should we revise the proposed form and content of Table 3? *Yes. Abandon it all together.*

g. If so, how should we revise the table's form or content? *See 95b above.*

95. Should we require the disclosure in Tables 2 and 3 to be made available in the eXtensible Business Reporting Language (XBRL) format? *Yes. This will likely benefit investors and potential investors as well as align SEC reporting requirements with potential industry standards in the near future.* However, there should be consideration made to the costs versus benefits of this reporting. If it adds significant cost to a registrant is should not be required. Why or why not?

96. If we require the disclosure in Tables 2 and 3 to be made available in XBRL, are the current requirements for the format and elements of the tables suitable for tagging? *Yes.*

a. If not, how should they be revised? *N/A*

b. In particular, are the proposed instructions for Tables 2 and 3 sufficiently specific to make the data reported in the tables suitable for direct comparative analysis? *We recommend a tabulation of common industry terms describing the various inputs for Table 2. This would be beneficial to unify these descriptors for direct comparison. For example, an Excel*

spreadsheet could be made available with dropdown menus in each column.

c. If not, how should the instructions be revised to increase the usefulness of having the data made available in XBRL, including the comparability and quality of XBRL data? *See 97b above.*

97. If we require Tables 2 and 3 to be made available in XBRL, is there a particular existing taxonomy that should be used? *No*

a. Alternatively, what features should a suitable taxonomy have in this case? *Simple, industry recognized terms as proposed will be fine.*

98. Should we require disclosure on individually material properties, as proposed? *No. Certain aspects of the reporting are cumbersome and overly burdensome to the registrant and provide little useful information to an Investor.* Why or why not?

a. Should such disclosure require a description of the property, a history of previous operations, a description of the condition and status of the property, a description of any significant encumbrances to the property, a summary of the exploration activity for the most recently completed fiscal year, a summary of material exploration results for the most recently completed fiscal year, and a summary of all mineral resources and reserves, if mineral resources or reserves have been determined, as proposed*? No. Information describing the property, history, conditions and status and encumbrances do not generally change from year to year and should be limited to the Technical Reports. Material exploration results should not be included. If they constitute a material change, this will be reflected in an updated Technical Report. Detailing every sample or drillhole on an annual basis will not provide useful information to an investor and will be overly burdensome to a registrant. Information describing Mineral Resources and Mineral Reserve will be useful and relevant.*

99. Should we require that a registrant provide the property's location, including in maps, accurate within one mile? *No. This information is hosted in the Technical Report.* Why or why not?

a. If not, should we use a standard for degree of accuracy similar to that used in the CRIRSCO-based codes, such as PERC or SAMREC? Why or why not? If not, what level of accuracy should we require? *UTM coordinates describing the center of operations to within ± 25m are easily obtainable from public domain geographic software (e.g. Google Earth).*

100. Should we require that a registrant provide in tabular format each of the summaries required for its exploration activity, material explorations results, and mineral resources and reserves, as proposed? *No. See 99a above.* Why or why not?

a. Should we require all of the information specified in Tables 4-8 to be in tabular form? *Yes. Tabulation will be the best way to make this information readily usable and comparable.* Why or why not?

b. Should we revise the proposed form and content of these tables? *Yes. See 99a above.* If so, how should we revise the tables' form or content? *Table 5 should be removed; Table 6 reserves and resources should be reported in line with Technical Report reserve statement guidelines, Table 6 cut-off grade should be in the first column. Reserves should be reported inclusive of dilution and mining recovery. Plant/ Mill feed should be excluded. Tables 7 and 8 are fine as is. However, they may create more confusion and questions versus clarity and answers for many investors.*

101. Should we permit registrants to disclose estimates of mineral resources and reserves based on different price criteria, which may reasonably be achieved, in lieu of, or in addition to, the price which is no higher than the 24-month trailing average? *No, not in Individual Property Disclosures. We do believe this is very important information however its disclosure should be limited to the Technical Reports*. See 67a and 80 above. Why or why not?

a. What factors should we use to determine what may reasonably be achieved? *N/A*

b. Should we require all registrants to use the 24-month average spot price (or average over a different period) as the commodity price instead of as a ceiling? *No. See 67a and 79*a. Why or why not?

102. Should we require the registrant to provide a comparison of the mineral resources and reserves as of the end of the last fiscal year against the mineral resources and reserves as of the end of the preceding fiscal year, with an explanation of any material change between the two, as proposed? *Tables 7 and 8 may provide useful information to a technically knowledgeable reader. However, they may create more confusion and questions versus clarity and answers for many investors.* Why or why not?

a. Are there items of information that we should include in the comparison instead of or in addition to the proposed items of information? *No.*

b. Are there any proposed items of information that we should exclude from the comparison? *No.*

103. If the registrant has not previously disclosed material exploration results, mineral reserve or resource estimates in a filing with the Commission or is disclosing material changes to its previously disclosed exploration results, mineral reserve or mineral resource estimates, should we require it to provide a brief discussion of the material assumptions and criteria in the disclosure and cite to any sections of the technical report summary, as proposed? *A brief*

discussion will be insufficient. Disclosure of these aspects should be limited to the Updated Technical Report which should be cited in the disclosure

a. Should we require registrants to file updated summary technical reports to support disclosure of material exploration results, mineral resources or mineral reserves when the registrant is relying on a previously filed technical report summary that is no longer current with respect to all material scientific and technical information, as proposed? *Yes. This is critical for full disclosure and follows industry standard.* Why or why not?

104. Regarding the proposed requirement to disclose a material change in mineral resources or reserves, should we adopt an instruction that an annual change in total resources or reserves of 10% or more, or a cumulative change in total resources or reserves of 30% or more in absolute terms, excluding production as reported in Tables 7 and 8, is presumed to be material, as proposed? *No. These thresholds can easily be exceeded simply by a change in commodity prices which should not require a Technical Report update. This is precisely why we are proposing to include price sensitivities in resource and reserve reporting. As prices vary up or down their impact on the resources and reserves are already available in the Technical Report on file.* Why or why not?

a. If not, should we remove the materiality presumptions altogether or use different quantitative thresholds from those proposed? *Use different quantitative thresholds.*

b. If the latter, what alternative thresholds or measure(s) should replace the proposed presumptions of materiality? *The materiality test should be directed toward additional exploration, development, mining reconciliation results or any modifying factor excluding commodity price. If any of these factors results in a 25% change in a contained resource or reserves commodity mass, the Technical Report should be considered out of date, requiring revision.*

105. Should we require the disclosure in Tables 4 through 8 to be made available in the XBRL format? *Yes. This will likely benefit investors and potential investors as well as align SEC reporting requirements with potential Industry Standards in the near future.* Why or why not?

106. If we require the disclosure in Tables 4 through 8 to be made available in XBRL, are the current requirements regarding for the format and elements of the tables suitable for tagging? Yes

a. If not, how should they be revised? *N/A.*

b. In particular, are the proposed instructions for Tables 4 through 8 sufficiently specific to make the data reported in the tables suitable for direct comparative analysis? *We recommend a tabulation of common industry terms describing the various inputs for Table 4 through 8. This would be beneficial to unify these descriptors for direct comparison. For*

example, an Excel spreadsheet could be made available with dropdown menus in each column.

c. If not, how should the instructions be revised to increase the usefulness of having the data made available in XBRL, including the comparability and quality of XBRL data? *See 109b above.*

107. If we require Tables 4 through 8 to be made available in XBRL, is there a particular existing taxonomy that should be used? *No*

a. Alternatively, what features should a suitable taxonomy have in this case? *N/A*

108. Should we require the qualified person to include in a technical report summary the 26 items, as proposed? *Yes, with some modifications.*

a. Are there any items of information that we should include instead of or in addition to the proposed 26 sections of the technical report summary? *No.*

b. Are there any items of information that we should exclude from the proposed technical report summary? *Yes. Hydrology and Geotechnical should be removed from a resource level Technical Report because this information is generally not available at this stage of resource development.*

109. As previously noted, the qualified person would have to apply and evaluate relevant modifying factors to assess prospects of economic extraction or to convert measured and indicated mineral resources to proven or probable mineral reserves. These would include a variety of factors such as economic, legal, and environmental as discussed more fully above. For example, to apply and evaluate legal factors the qualified person must examine the regulatory regime of the host jurisdiction to establish that the registrant can comply (fully and economically) with all laws and regulations (e.g., mining; environmental, including regulations governing water use and impacts, waste management, and biodiversity impacts; reclamation; and permitting regulations) that are relevant to operating a mineral project using existing technology. Should we expand proposed Item 601(b)(96)(iv)(B)(19)(vi) to provide additional specific examples, in addition to those set forth in Items 601(b)(96)(iv)(B)(19)(i)-(iv), of “issues related to environmental, permitting and social or community factors” that the qualified person must include in the technical report summary? *No.* This should be at the discretion of the QP to determine which environmental, social or permitting items are relevant.

a. For example, should we expressly require that the qualified person include a discussion of other sustainability issues such as how he or she considered issues related to managing greenhouse gas emissions or workforce health, safety and well-being? *No.*

b. Are there other items for which it would be appropriate to require the qualified person to include a discussion in the technical report summary? No.

c. If so, please provide examples and explain why. N/A.

110. Should we require, as proposed, a qualified person who prepares a technical report summary that reports the results of a preliminary or final feasibility study to provide information for all 26 items? *Yes.*

a. If not, which items should not be required? *N/A.*

b. Should we require, as proposed, a qualified person who prepares a technical report summary that reports the results of an initial assessment to provide, at a minimum, the information specified in paragraphs (iv)(B)(1) through (13) and (iv)(B)(22) through (26) of proposed Item 601(b)(96)? No. *Hydrology and Geotechnical should be removed from an exploration or resource level Technical Report because this information is generally not available at this stage of resource development.*

111. The proposed rules would permit a qualified person who prepares a technical report summary that reports the results of an initial assessment to use mineral resources in economic analysis (and provide the information specified in paragraph (iv)(B)(21) of proposed Item 601(b)(96)). Should we permit a qualified person to do so if he or she wishes? *No. SRK also recommends the use of the term "Preliminary Economic Assessment" (PEA) instead of Initial Assessment whenever economic parameters are applied, as is consistent with NI 43-101.*

112. Should we require a qualified person who prepares a technical report summary that reports material exploration results to provide, at least, the information specified in paragraphs (iv)(B)(1) through (11) and (iv)(B)(22) through (26) of proposed Item 601(b)(96), as proposed? *No. Hydrology and Geotechnical should be removed from an exploration or resource level Technical Report because this information is generally not available at this stage of resource development.*

113. Should we preclude a qualified person from disclaiming responsibility if he or she relies on a report, opinion, or statement of another expert who is not a qualified person in preparing the technical report summary, as proposed? *No. This is a flaw in the proposed SEC revision. QPs rarely have full access to work completed by other professionals and it is unreasonable to expect they would be able to fully validate it. Furthermore, work completed by another expert should be taken at face value based on the other expert's qualifications. This is especially common when utilizing outside laboratory studies or consultants reports.* Why or why not?

114. Should we require that the technical report summary not include large amounts of technical or other project data, either in the report or as appendices to the report, as proposed? *Yes. The Technical Report should be a description of the project, procedures utilized in the technical study*

and a summary of the results. It should not be a data repository. There should however, be incentive to include sufficient data to provide full transparency for all disclosures. . Why or why not?

a. Should we require a qualified person to draft the technical report summary to conform, to the extent practicable, with plain English principles under the Securities Act and Exchange Act, as proposed? *Yes.*

115. Should we require registrants to describe the internal controls that they use to help ensure the reliability of their disclosure of exploration results and estimates of mineral resources and mineral reserves, as proposed? *No.*

a. Should we require that such internal controls disclosure address quality control and quality assurance programs, verification of analytical procedures, and comprehensive risk inherent in the estimation, as proposed? *No, these items are addressed internally within all Technical Reports and should not be required to be reported additionally or redundantly.*

b. Are there other items, in addition to or in lieu of those proposed items that should be included in such disclosure? *No*

c. Are there items that should be excluded from the proposed internal controls disclosure requirement? *N/A* In each case, why or why not?

116. Should we require registrants to describe the internal controls that they use to help ensure the reliability of their disclosure of exploration results and estimates of mineral resources and mineral reserves, as proposed? *See 116 above.*

a. Should we require that such internal controls disclosure address quality control and quality assurance programs, verification of analytical procedures, and comprehensive risk inherent in the estimation, as proposed? *No.*

b. Are there other items, in addition to or in lieu of those proposed items that should be included in such disclosure? Are there items that should be excluded from the proposed internal controls disclosure requirement? *N/A.* In each case, why or why not?

117. Should we amend Form 20-F to conform it to the disclosure requirements of subpart 1300 of Regulation S-K and Item 601(b)(96), as proposed? *Yes.*

118. Should foreign private issuers that use or refer to Form 20-F for their SEC filings be subject to the same mining disclosure requirements as domestic mining registrants, as proposed? *Yes. This establishes an equal disclosure setting for all issuers.* Why or why not?

119. Should we continue to permit Canadian issuers to provide disclosure under NI 43-101, as they

are currently allowed to do pursuant to the foreign or state law exception, as an alternative to providing disclosure under the proposed rules? *Yes. SRK recommends adoption of NI 43-101 which would inherently make the foreign disclosure match the SEC requirements.*

a. If so, what would be the justification for such differential treatment? *NI 43-101 is an excellent guideline which has been successfully implemented, tested and revised to accommodate and establish industry standard disclosures for mining operations.*

120. Should we amend Form 1-A to require Regulation A issuers engaged in mining operations to refer to, and if required, provide the disclosure under subpart 1300 of Regulation S-K, in addition to any disclosure required by Item 8 of that Form, as proposed*? Yes. This is a material aspect of their business and therefore should be subject to identical disclosure.* Why or why not?

a. Alternatively, should the disclosure requirements in proposed subpart 1300 apply to only some Regulation A issuers (e.g., Regulation A issuers in Tier 2 offerings)? *No.*

b. Should we instead exempt all Regulation A issuers from the proposed subpart 1300 disclosure requirements? *No.*

121. In lieu of imposing full subpart 1300 disclosure requirements on Regulation A issuers, should we limit, in whole or in part, the proposed subpart 1300 disclosure requirements for issuers in Regulation A offerings? *No*

a. If so, should these requirements be limited only for issuers in Tier 1 offerings? *N/A* Why or why not?

b. Further, which provisions of proposed subpart 1300 should, and should not apply to issuers in Regulation A offerings? *N/A*

c. For example, should we require compliance with Item 1302's requirement to file the technical report summary as an exhibit only in Tier 2 offerings? *N/A.*

122. Would limiting disclosure of the information required under proposed subpart 1300 for issuers in Regulation A offerings increase the risk of inaccurate disclosure in such offerings or otherwise increase risks to investors? *Yes, full disclosure is required.*

123. We seek comment and data on the magnitude of the costs and benefits identified as well as any other costs and benefits that may result from the adoption of the proposed rules. In addition, we are interested in views regarding these costs and benefits for particular types of covered registrants, such as smaller registrants or registrants currently reporting according to CRIRSCO-based disclosure codes. *We believe that the cost to the majority of the registrants, both large and small, will be acceptable and in line with industry standards. . This is due to the fact that most prudent registrants already compile internal Technical Reports, which host the majority of the proposed disclosure information. These reports have become an industry standard paper*

trail documenting the procedures and parameters used to support the mining operations. There will undoubtedly be some additional cost to all registrants and this will be more burdensome to those whom have not yet chosen to generate these industry standard documents.

124. We seek information that would help us quantify compliance costs. In particular, we invite comment from registrants or other mining companies that have had experience reporting under any of the CRIRSCO-based disclosure codes. For example, what are the costs associated with the qualified person requirement? *We interpreted this question to ask "what does it cost to have a QP sign a Technical Report?" This cost is not significantly larger than the cost to have a non QP compile a proper Technical Report. A professionals QP status will generally command a slightly higher salary over a non QP, likely in the range of 15-25%. Further, if an individual is capable of generating a proper technical report, they likely meet the standards of being a QP and the process is not onerous to become a QP, if appropriately qualified. Almost all industry consultants at this point have staff members that are qualified as QPs, and almost all mining companies that utilize internal reporting also have QPs; given the requirement to utilize QPs in all other material jurisdictions.*

   a. If reporting in Canada or Australia, what are the costs associated with producing and filing the technical report summaries? The cost of the technical study obviously varies according to the level of study. *A generalized range of costs by report level are presented below. These costs assume that the majority of the input to the Technical Report would be prepared by an independent QP, working for a consulting firm similar to SRK.*

   - *Technical Report on Exploration US$20,000 - US$40,000*
   - *Technical Report on Resources US$40,000 - US$80,000*
   - *Preliminary Economic Assessment US$60,000 - US$120,000*
   - *Prefeasibility Technical Report US$200,000 - US$500,000*
   - *Feasibility Technical Report US$500,000 - US$1,500,000*

125. We invite comment on the structure of compliance costs. In particular, to what extent are the compliance costs fixed versus variable? *The costs are highly variable depending on the status of the projects. For example, the costs presented above in 125a represent the initial cost to produce the Technical Reports. Once these initial reports are completed the cost to revise and update them is drastically reduced. These costs are highly variable depending on the magnitude of the revision. They would likely range between 10% - 50% of the initial cost of the Technical Report.*

   a. Are there scale advantages or disadvantages in the compliance costs, both in terms of project size or company size? *Certainly, the size of the registrant company will have a large impact on how much of the work is completed by in house QP's versus that done*

by outside consultant QP's. Thus out of pocket expenses would appear to be larger for a smaller registrant. However, the cost of employing any QP, in house or as an outside consultant, will be similar by the time all salary and benefits are tabulated.

126. Are our estimates of the difference in costs of a pre-feasibility study relative to a feasibility study reasonable? *The SEC has estimated that a prefeasibility study will cost about 33-40% less than a feasibility study. We believe that this number is likely a bit low. Our experience has shown that prefeasibility studies generally will cost 50-65% less than feasibility studies.*

    a. If not, what would be more reasonable estimates of the difference in costs? *See 127 above.*

127. We also seek comment on the alternatives to the proposed rules discussed in this section, and to the costs and benefits of each alternative. Are there any other alternatives that we should consider in lieu of the proposed rules? If so, what are those alternatives and what are their expected costs and benefits?

    a. *One alternative would be not to require or define the professional requirements of the expert producing information and supporting documents for the disclosures, but to require that registrants disclose the relevant qualifications and professional background of the expert as well as any affiliation with the registrant. We believe this would be a big mistake and is out of alignment with current industry standards.*

    b. *Another alternative would be not to require the filing of a technical report summary to reduce expected compliance costs and be consistent with the majority of CRIRSCO-based codes. We believe this would be a big mistake and is out of alignment with current industry standards. We assert that JORC standards of technical reporting are inadequate. NI 43-101 Form F1 provides an excellent industry standard on which to base SEC Technical Reports.*

    c. *One alternative to the proposed requirement would be also to require disclosure of material exploration results when the registrant has determined that the aggregate mining operations are material but no individual property is material. We do not believe that this alternative would add any value for the registrant or investors.*

    d. *One alternative to the proposed disclosure requirement for mineral resources is not to require the qualified person to provide an assurance that all issues relating to the relevant modifying factors can be resolved with further exploration and analysis. We believe this is an extremely important alternative that should most definitely be included in the final disclosure requirements. It will be impossible for QPs to make such broad determinations and assurances. Even in doing so, they will likely be opinions that could vary widely among QPs and will add little real value to the Technical Report or resource material.*

e. *Another alternative we considered is not to require the preparation of a technical report summary, as in most CRIRSCO jurisdictions. We believe this would be a big mistake and is out of alignment with current industry standards. We assert that JORC standards of technical reporting are inadequate. NI 43-101 Form F1 provides an excellent industry standard on which to base SEC Technical Reports.*

f. *One reasonable alternative to the proposed rules would be to require feasibility studies by a qualified person and not allow pre-feasibility studies. Pre-feasibility studies are a critical step in the project evaluation and development process. Encouraging companies to skip the pre-feasibility stage analysis would result in major long-term cost impacts to companies and investors and is therefore a terrible idea. Skipping the PFS stage, in SRK's experience, adds significant cost to the completion of a feasibility study as trade off evaluations being undertaken in parallel with engineering design cause multiple iterations in engineering and significant inefficiency. If trade-off and optimization work that is typical to the PFS is skipped altogether, final project designs can be highly inefficient leading to poor operating performance and other issues such as significant capital overrun during development as problems that should have been identified during the PFS are fixed instead during construction.*

g. *One alternative would be the approach followed by several foreign jurisdictions with CRIRSCO-based codes, where the qualified person is allowed to use any reasonable and justifiable price based on that qualified person's or management's view of long-term market trends. We believe this is a good alternative that should be adopted in the final disclosure requirements. Our experience is that nearly all QPs generally apply good judgement when determining prices. Additionally, investors can quickly assess the reasonableness of the disclosed commodity prices based on their internal guidance and observation of industry and pricing trends. This also highlights the importance of including price sensitivities in all Technical Reports as discussed in 67a above. In some cases, QP may choose to use the lower of a trailing 24 month price or spot as it presents a lower risk profile to the registrant.*

h. *A modified version of this alternative would be to require registrants also to provide a sensitivity analysis of the estimates of mineral resources and reserves with respect to the commodity price used, where the price points used in the sensitivity analysis surrounding the base price would be selected by the registrant. We believe this is an excellent alternative that should be adopted in the final disclosure requirements. See 67a above.*

i. *A second alternative would be to calculate the ceiling price differently, for example, as spot, forward, or futures price as of the end of the last fiscal year to incorporate more quickly shifts in price trends. We believe this will be extremely difficult to get correct and will create significant issues with reporting compliance as prices vary outside of those*

calculated.

j. *A third alternative would be to require registrants to estimate mineral resources and reserves using a price no higher than the 24-month trailing average price and allow registrants to also disclose mineral resources and reserves based on a higher price of their own choosing, to the extent that they include a description of the model and assumptions used to select the price. This could be a reasonable alternative; however, it would be mitigated by simply allowing price sensitivities.*

k. *One alternative to the proposed summary disclosure would be to limit the disclosure required by proposed Item 1303(b)(3) to only the mineral resources and reserves for the 20 largest properties, rather than for all mining operations. This alternative would likely serve the majority of the registrants and investors quite well. However, registrants must be required to disclose the total summation of all material properties' resources and reserves.*

l. *Another alternative would be to require summary information about the mining operations in aggregate but not for any individual property. We do not believe that this alternative will provide any useful information to investors.*

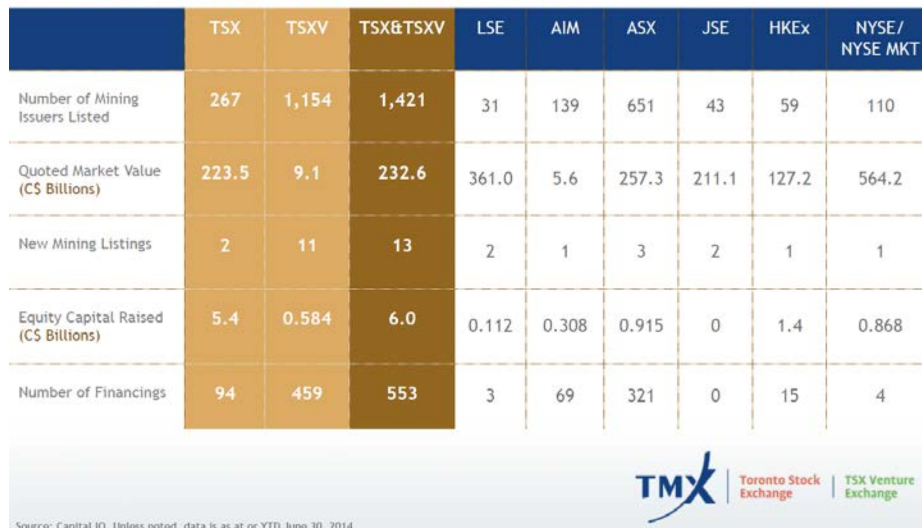
m. *One alternative to the proposed conforming changes to Form 1-A would be to require the proposed mining disclosures for Tier 2 offerings only. We do not believe this alternative has merit, Tier 1 offerings comprise significant and material investments and should also be subject to full disclosure requirements.*

n. *Another alternative we considered would be to require disclosure only of the information in the proposed summary disclosure requirement discussed in Section II.F, including for issuers that only own one material mining property. We do not believe that this alternative will provide any useful information to investors.*

128. We are interested in comments and data related to any potential competitive effects from the proposed rules. In particular, we are interested in evidence and views on the current global competitive situation of U.S. mining registrants as well as the attractiveness of U.S. securities markets for foreign mining companies. To what extent does the current mining disclosure regime affect this competitive situation, if at all?

a. *The current SEC disclosure regime is well behind and not in compliance with global industry standards rendering US exchanges completely uncompetitive to foreign jurisdictions. The current exclusion of mineral resource reporting, by itself, is enough incentive to push most junior mining companies to avoid a primary listing on a US exchange. In fact, when PWC did a sector report on successfully listing a public mining*

company[2], it did not even mention US exchanges as an option and the figure below, sourced from a Toronto Stock Exchange Presentation (http://www.global-mining-finance.com/gmf-autumn/presentations2015/TSX-Global-Mining-Finance-2015.pdf), highlights how few mining companies actually list on US exchanges and how little money is raised on US exchanges. This table does not differentiate by primary versus secondary listings and when taking out secondary US listings for major minors such as BHP, Rio Tinto, Glencore and Vale, the market value for companies with primary listings in the US would be a fraction of those on other global exchanges and if ignoring all secondary US listings, the number of companies listed on US exchanges would be even a smaller fraction of what is displayed below.



The Leading Exchange

H1 2015 Mining Markets at a Glance

	TSX	TSXV	TSX&TSXV	LSE	AIM	ASX	JSE	HKEx	NYSE/ NYSE MKT
Number of Mining Issuers Listed	267	1,154	1,421	31	139	651	43	59	110
Quoted Market Value (C$ Billions)	223.5	9.1	232.6	361.0	5.6	257.3	211.1	127.2	564.2
New Mining Listings	2	11	13	2	1	3	2	1	1
Equity Capital Raised (C$ Billions)	5.4	0.584	6.0	0.112	0.308	0.915	0	1.4	0.868
Number of Financings	94	459	553	3	69	321	0	15	4

Source: Capital IQ. Unless noted, data is as at or YTD June 30, 2014.

TMX | Toronto Stock Exchange | TSX Venture Exchange

b. Would the proposed rules improve the global competitiveness of U.S. mining registrants and securities markets? *Yes. From SRK's experience, most mining companies would prefer to list in the U.S. given the magnitude of capital available in the U.S. markets (which is currently largely accessed through Canadian exchanges) and the prestige of a U.S. listing. However, the archaic standards of Guide 7 have driven companies to avoid primary listings in the U.S. Aligning the U.S. disclosure system with current industry best practices, such as NI 43-101 would greatly improve the incentive for mining companies, both foreign and local, to list in the U.S. as a primary exchange as it would remove the*

[2] PWC. *Executing a successful listing, Market for miners.* February 2012

current Guide 7 barriers and make the choice of listing destination about the advantages of the exchanges, not the limitations on disclosure. If so, how?

Comments on paperwork items in order to evaluate:

(1) whether the proposed collections of information are necessary for the proper performance of the functions of the agency, including whether the information would have practical utility; *Yes. The requirement for a QP endorsement accompanying a Technical Report disclosure of material mining operations are absolutely necessary and indeed do provide extremely valuable information with practical utility.*

(2) the accuracy of our estimate of the burden of each proposed collection of information; *We believe that the SEC estimated burdens may be in line for most larger registrants and registrants that already follow industry standards internally. We do point out that for registrants who are not currently in compliance with industry standards, the SEC estimations of burden are low and will likely be in the order of two to four times the SEC estimated burdens.*

(3) whether there are ways to enhance the quality, utility, and clarity of the information to be collected; *We believe that the best ways to enhance the quality, utility and clarity of the information are to strictly follow the established Canadian NI 43-101 guidelines. These are well established as North American industry standards which most registrants and nearly all investors are very familiar with.*

(4) whether there are ways to minimize the burden of the collections of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology; *One enhancement we can suggest would be to define certain Item tables within the Technical Report to align with the XBRL formatting. We see this as the way of the future and now would be a great time to institute its usage.*

(5) whether the proposed rules would have any effects on any other collections of information not previously identified in this section. *We do not know of any*.

Comments with respect to any aspect of this Initial Regulatory Flexibility Analysis. In particular, comments regarding:

- how the proposed rule amendments can achieve their objective while lowering the burden on small entities; *We believe this would be counterproductive. Small entities typically operate solely by the investment capital raised to fund them. Reducing or streamlining the disclosure requirements for a small entity that is funded entirely by outside investment would be a disservice to the investors.*
- the number of small entity companies that may be affected by the proposed amendments; *There are very few legitimate small mining companies that use U.S. exchanges for their primary listing so there will be limited impact to the current industry from the proposed amendments and the actual impact will vary according to the final disclosure requirements. We believe that if S-K 1300 is adapted as proposed, there will be very little new interest in listing on U.S. exchanges by small companies. The foreign jurisdictions will remain more attractive due to the better understood and well thought out nature of the current disclosure requirements under NI 43-101 or JORC and the fact that these disclosure requirements have already had a number of adjustments to improve disclosure to benefit both registrants and investors, which new SEC rules would still have to suffer through. If the SEC were to adopt disclosure requirements in complete alignment with NI 43-101, we believe there would be a significant number of small companies that would choose to list in the U.S. with very limited impact to existing companies as most are already in compliance with NI 43-101.*
- the existence or nature of the potential impact of the proposed amendments on small entity companies discussed in the analysis; *See the previous reply.*
- how to quantify the impact of the proposed amendments. *See the previous reply.*

Comment and empirical data on whether the SEC proposal would be a "major rule" for purposes of the Small Business Regulatory Enforcement Fairness Act.

- *We do not believe that proposed S-K 1300 would be considered to be a major rule. We do not see that more than $100 million will be spent annually by "small entities". Additionally, there will be no cost or price impacts to consumers or industry and there will not be any adverse effects on competition, investment or innovation.*