

19 August 2016

Via EMAIL ([rule-comments@sec.gov](mailto:rule-comments@sec.gov))

Mr. Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street N.E.  
Washington D.C. 20549-1090

RE: Proposed Rule Changes, Modernization of Property Disclosures for Mining Registrants (File Number S7-10-16)

Mr. Fields,

Thank you for the opportunity to comment on the proposed changes for Mining Registrant disclosure rules.

I am a consulting geologist based in the U.S. with approximately 40 years' experience in mineral exploration and mine development world-wide. I have worked with numerous mining companies and consultancies in a variety of positions. I am currently a consulting geologist with an engineering firm. My responsibilities include preparation of NI 43-101 Technical Reports, JORC reports, and other Technical Reports for a variety of clients world-wide, construction and review of geological models, evaluation of data quality, and database integrity. I also perform audits of geological models, databases, and data collection procedures. I have been responsible for Mineral Resource estimates, but that is not my primary function now. I have been a Qualified Person (QP) for geology, data collection, and Mineral Resource estimates for numerous exploration and development projects as well as mines since 2003. I am commenting on the proposed rules as a private citizen and my opinions are not necessarily those of my employer or clients.

I appreciate the opportunity to comment on the proposed rules and welcome the opportunity to discuss my comments with the Commission. I can be contacted at: [REDACTED] or

**Comments:**

Changes to Industry Guide 7 (IG7) and Item 102 are long overdue. These two rules have caused significant uncertainty, confusion and frustration on the part of mining companies registered in the United States, and, I think, prevented registration of mining companies in the U.S. The international mining community has worked under a general set of rules codified in the CRIRSCO Code since the 1990s and those general rules and subsequent updates have worked well. Industry understands what is required for disclosure and investors enjoy a reasonably level playing field with well-defined and understood nomenclature describing Mineral Resources and Mineral Reserves. Some jurisdictions have minor variations on the CRIRSCO Code, but definitions and general requirements are the same in all jurisdictions.

The proposed rules are intended to reduce uncertainty with disclosures and align U.S. requirements with well-known and understood international standards.

While I appreciate the work that has gone into the proposed rules, the proposed rules fall significantly short of the goal in several critical respects. I would, quite honestly, prefer retaining IG7 to the proposed rules as they stand now.

Inclusion of newly minted nomenclature such as “technical report summary” and “initial assessment” that are sufficiently similar to accepted international nomenclature that they immediately cause significant confusion, no matter how they are described and disclaimed in the proposed rules. The international scientific and engineering communities have gone to great lengths to standardize nomenclature so that all users know and understand the meaning of various words and phrases. Inclusion of these new terms in the proposed rules is a significant disservice to both the mining industry and investors who will be similarly confused. Please use the internationally accepted definitions to avoid uncertainty and minimize confusion.

Mineral Resource and Mineral Reserve reporting will not align with international standards. Requiring the use of largely undefined terms like “in situ”, “Plant/Mill feed”, and “Saleable product” only adds to the confusion and uncertainty and provide an avenue for misleading disclosure. Per international standards, Mineral Resources and Mineral Reserves should be reported as grade (quality) and tons above a stated cutoff by resource and reserve classification. The cutoff should account for mining and processing costs, dilution, ore loss, and recovery, at a minimum, for all commodities of interest. This will roughly correspond to the proposed “Saleable Product” category, but it is not the same. This format is well known and understood by the mining industry and the investment community. Reporting of “Plant/Mill feed” and “Saleable product” require manipulation of the basic data that are subject to numerous factors that can, in turn be manipulated to produce misleading results. “In situ” has been the basis for numerous misleading disclosures in the past. I strongly recommend use of the CRIRSCO standards for Mineral Resource and Mineral Reserve reporting and scrapping of this new, poorly defined, nomenclature.

I fully support disclosure of reconciliation results, but the proposed format is not consistent with current industry practice and leads to reporting of largely meaningless numbers. Current best practices in the industry include reconciliation of the Mineral Resource/Mineral Reserve to the mined tons and grade (F1), mined tons and grade to processed tons and grade (F2), and processed tons and grade to Mineral Reserve tons and grade (F3). These cannot be reduced to a single number. Current best practices are well known and well understood by both the mining industry and investment community. Many companies do not do significant reconciliation for their mines. Some, sand and gravel operations for example, have no real need for reconciliation. I recommend encouraging, but not requiring, disclosure of reconciliation using modern reconciliation procedures and reporting formats.

As proposed, the rules require disclosure of several largely meaningless numbers that add significant and unnecessary liability for QPs. Those include:

- ) The estimated percentage of the Inferred Mineral Resource that is expected to be converted to higher classifications. By definition, that should be 100%. Inferred Mineral Resources must demonstrate reasonable prospects for eventual economic extraction. In reality, 100% conversion of all Inferred Mineral Resources is rarely attained but the continuing exploration that eliminates some Inferred identifies additional Inferred Mineral Resources that are converted to higher classifications.
- ) Use of confidence levels to describe uncertainty of a Mineral Resource or Mineral Reserve without disclosing the mining rate used to determine confidence levels. Confidence levels are absolutely dependent on the assumed mining rate. Change that

rate and the confidence intervals change. Reporting the confidence interval without the assumed mining rate makes the reported confidence entirely meaningless. Similarly, basing the confidence level on a “similar” deposit is largely meaningless unless the mining method and mining rate are assumed to be the same. Otherwise, it is simply a guess and possibly, not a very good one.

- ) Reducing reconciliation to a single percentage number, based on “saleable product” provides no useful information to investors. Reconciliation is a process that involves grade and tons that is not readily condensed to a single number without significant assumptions that may or may not be correct and that are subject to misuse.
- ) Is the asset value the NPV at a fixed discount rate or the possible impairment value? Both numbers can legitimately be used to assign an asset value. Those typically differ by significant amounts, potentially an order of magnitude. As the rules stand now asset value is a meaningless number that can be manipulated multiple ways to mislead investors.

I read through the proposed rules to *Section G.3. Requirements for Technical Report Summaries* (page 149) before I realized that the “technical report summary” was, in fact, what other codes refer to as a Technical Report and not some sort of executive summary of a Technical Report. Please align this nomenclature with international standards and remove unnecessary confusion.

Throughout the proposed rules, there is an implication that Technical Reports will be the product of a single QP who will be responsible for all sections. That is rarely the case. Only in the case where only exploration results disclosed is it likely that a single QP will be responsible for the entire report. The rules must recognize that multiple QPs will be the norm.

Please align the “initial assessment” with international standards for Scoping Studies and Preliminary Economic Assessments. This nomenclature and requirement add nothing but confusion to Mineral Resource estimation and reporting and is doing the industry and its investors a huge disservice. It is effectively equivalent to a Scoping Study/Preliminary Economic Assessment in other jurisdictions and no amount of disclaimers will change that and cannot be properly completed without a financial evaluation of the project. It should not be required for initial Mineral Resource disclosures, but be part of the normal progression of a project from exploration to preliminary economic assessment to prefeasibility study to feasibility study. As the proposed rule now reads, the initial assessment must be done only on Indicated and Measured Mineral Resources. But, if we must do an initial assessment to classify Mineral Resources we have a significant Catch-22 - we cannot do a financial evaluation of the project based on unclassified Mineral Resources which is required to define a cutoff grade in an initial assessment and we cannot classify Mineral Resources without an initial assessment. Please remove this from consideration and align the initial assessment with the Preliminary Economic Assessment / Scoping Study requirements in CRIRSCO-based rules. It only adds confusion and uncertainty.

Exploration targets, as defined by CRIRSCO, are omitted from the proposed rules. CRIRSCO requires that exploration targets be released as ranges of tons and grade (or quality), if they are released, which is well understood in the industry and by investors. Many issuers do not disclose exploration targets; however, many do if those targets are significant and, in the opinion of the issuer, may significantly impact an operation in the near future with additional exploration. For small issuers, these may include a significant portion of the value of the company and to be consistent with other jurisdictions and provide a level playing field for the investor, I strongly recommend that CRIRSCO's rules be adopted.

The proposed rules do not permit a QP to include a disclaimer of responsibility for reliance on a report, opinion, or statement of another expert in preparing the Technical Report. This is unacceptable for several reasons:

- ) This rule essentially requires geologists and engineers to practice law without any training, or license. Technical expertise does not equate to legal expertise and most geologists and engineers have no basis in training or experience to evaluate mineral tenure, licensing, or marketing, for example, and are not, in any way, qualified to take "... the necessary steps to verify any information provided by other experts that are included in the report." or to provide an opinion on those matters. In fact, some jurisdictions and some codes of ethics, engineers are expressly forbidden from such activities outside their expertise.
- ) Some aspects of mineral exploration and development are the realm of a very small group of specialists. Diamond valuation as well as diamond value and diamond size distribution modeling are examples. An estimate of diamond value and the diamond size distribution is required to complete a Mineral Resource estimate for diamonds. There is presently one consultancy that performs that service for the entire industry. Their methods and procedures are entirely proprietary and not disclosed to anyone for any reason. It is quite impossible for any QP to verify the information.
- ) This rule, as written, will severely limit, if not eliminate, the pool of potential QPs. The liability accepted by a QP for his/her area of expertise is significant as it is. This takes liability to an entirely new, unprecedented, and unacceptable level for most QPs. I will not act as a QP for any Technical Report to be filed in the U.S. under this proposed rule and I think that will be, and rightly should be, the position of all responsible QPs.
- ) This topic has been the focus of thousands of man hours of discussion in Canada and elsewhere. The latest NI 43-101 version is basically a consensus reached between legal and technical experts in the international mining and investment industries and has been found to be very workable. I most strongly recommend that the NI 43-101 rule be accepted.

Materiality (p. 15) - Unfortunately, this term is somewhat ambiguous in all reporting codes and is left to the interpretation of the registrant. The proposed rules do little to improve the situation. I have no easy answer for this.

I must argue that your proposed rules in the first paragraph on pages 22 and 23 (9. ii.) are completely ambiguous and not at all clear. It appears that you want a registrant, Newmont Mining, for example, to treat its hundreds of exploration properties the same as its 10 or so largest, material mines where all of the revenue is generated. This is an onerous task that provides little, if any, material information to investors. Some of their mines are likely to not be material to the operation of the company when viewed with a 10% filter, but may be material for other reasons. Some development properties may be material if the anticipated expenditures to develop the mine are a significant portion of annual earnings, but the myriad exploration properties are unlikely to be material in the foreseeable future. On the other hand, a small company with two or three exploration properties that have quantified Mineral Resources but no Mineral Reserves must be allowed to disclose the Mineral Resources on those properties and very junior companies with no identified Mineral Resources must be allowed to disclose exploration results. Those Mineral Resources and exploration results are the basis for valuation of the company. That is currently not allowed.

On p. 52, "The proposed rules would preclude the use of exploration results, by themselves, to derive estimates of tonnage, grade, and production rate, ..." – I must ask – what results/data

can we use? *Sensu stricto*, this comment effectively kills mining in the US. There are no other data that can be used to derive estimates of tonnage, grade etc. Exploration results are the basis for every interpretation, estimate, and conclusion reached in a mining venture. Precluding their use kills the industry. Possibly I completely misunderstand the statement.

The comment on p. 53, “Exploration results, by themselves, are inherently speculative in that they do not include an assessment of geologic and grade or quality continuity and overall geological uncertainty.” demonstrates a significant lack of knowledge of mineral exploration on the part of the author of this section or total confusion on my part. Exploration results, including assays of drill holes and trenches, geological logs, and location surveys are the only non-speculative information that an exploration program has. These hard, quality controlled data are used to interpret the geology and grade (quality) continuity and geologic uncertainty which is, in all cases, an interpretation of the underlying data and is thus as speculative, or not, as the underlying data. These interpretations are subject to change when new data (exploration results) are added. No interpretation is more precise or accurate (less speculative) than the exploration results used to support those interpretations; indeed, interpretation frequently adds another level of uncertainty to the assessment of geologic uncertainty, i.e., bias of the interpreter which can be greater than the uncertainty surrounding the exploration results.

The comment on p. 53, “A company engaged in mining activities frequently uses exploration results, prior to a determination of mineral resources, to assess the economic potential of its property as part of its decision to develop a property.” – Obviously, the author of this statement knows little, if anything, about the mining industry, or, again, I am totally confused. Exploration results are the absolute basis for assessment of mining properties and their economic potential, not just extraneous data that are “frequently used”. Interpretation of those results is the entire basis for assessment of geologic and grade quality and continuity. “Frequently used” implies that other data exist that can be used for evaluations. This is never the case.

On p. 58, the proposed rules note that “... as most mining companies already assess mineral resources in order to determine reserves.” – All serious mining companies assess Mineral Resources as a necessary step to identify Mineral Reserves. Mineral Reserves are a subset of Mineral Resources with demonstrated economic viability. Mineral Reserves cannot be estimated in the absence of estimated Mineral Resources.

“Reasonable prospects for economic extraction” – Please align this with international codes. It should read “reasonable prospects for eventual economic extraction”. As written, there is an implication in the proposed rules that Mineral Resources should have reasonable prospects for extraction at the time the estimate is concluded. That is overly restrictive and inconsistent with international codes and accepted international industry practice. Please include guidance similar to that in the CIM Definition Standards. This will eliminate investor and issuer confusion and provide a level playing field for all issuers and investors.

Following are responses to the specific questions asked in the proposed rules.

Comment Request Number	Comment	Response
1	<p>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?</p> <p>If so, would establishing a sole regulatory source for mining disclosure by rescinding Guide 7 and including</p>	<p>Certainly, disclosure requirements using Guide 7 (IG7) are a moving target dependent on who is preparing and reviewing the disclosure with no real guidance for preparation of the disclosure. Adopting CRIRSCO-based rules will significantly reduce the uncertainty and provide a reasonable basis for preparation of disclosures and a level playing field for investors. This, of course, assumes that CRIRSCO is accepted as is. The proposed rules have</p>

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	the disclosure requirements for mining registrants in a new Regulation S-K subpart, as proposed, reduce this uncertainty?	made some significant and unacceptable changes to the CRIRSCO rules that make the proposed rules at least as uncertain, and possibly more so, than IG7.
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? Should we instead retain Guide 7 and Item 102 of Regulation S-K as separate sources for mining disclosures? If so, how should they apply to registrants?	<p>Rescinding IG7 and including disclosure requirements in new regulations will certainly reduce uncertainty as long as the new rules are unambiguous and not subject to multiple interpretations by either the industry or regulators. CRIRSCO-based rules are in place in Canada, Australia, and elsewhere and have largely eliminated ambiguity.</p> <p>These rules, as proposed, do not meet that objective and I would prefer to retain IG7 rather than implement these rules, as proposed.</p> <p>All references in Item 102 and elsewhere, to IG7, should be eliminated and replaced by references to requirements in Regulation S-K subpart 1300. IG7 is an ambiguous and incomplete set of guidelines that are subject to misinterpretation and abuse by both industry and regulators. The requirements are significantly out of alignment with the international mining industry which has adopted CRIRSCO-based rules across the board.</p>
3	<p>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?</p> <p>Why or why not?</p> <p>If not, what standard should we adopt for determining whether a registrant must provide the mining disclosure under the revised rules?</p> <p>Why?</p>	The proposed materiality test is reasonable but subject to significant interpretation by both issuers and regulators.
4	<p>Are the quantitative and qualitative factors described in this section relevant to the determination of the materiality of a registrant's mining operations?</p> <p>Why or why not?</p> <p>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?</p> <p>Should we include these or other factors as part of the rule provision governing the materiality determination? If so, which factors should we include in the rule?</p>	<p>The proposed factors are generally reasonable, but rarity of a mineral or other mined commodity is not justified. "... evidence that disclosure of a similar property or properties has had a significant impact on the price of a registrant's securities; ..." is, assuming that the property is not &gt;50% of the income to the registrant, largely due to whims of the market that are extremely difficult to assess and predict and should not be the basis for a materiality test.</p> <p>Canada's Companion Policy provides significant insight into "materiality" and something similar should be included in these rules.</p>
5	<p>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?</p> <p>Would a percentage higher or lower than 10% be better than the proposed threshold?</p> <p>Why or why not?</p> <p>Should it be a presumption, as proposed, or should it be a bright line requirement?</p> <p>If the former, how might the presumption be rebutted?</p> <p>Is there another quantitative factor, such as revenues, that a registrant should consider instead of or in addition to the proposed asset test?</p>	If mining is >10% of a company's assets mining is material to the company and should be disclosed. It should not be a line in the sand. Revenue from the asset is more important than the asset value. Mining properties change value daily because of price fluctuations and the method used to value the property. If the new rules must include an "asset value" determination, significant guidance must be provided to estimate the asset value. Otherwise, confusion reigns and transparency suffers.

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6	<p>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, as proposed?</p> <p>Why or why not?</p> <p>Should we exclude any of the specified commodities from the proposed aggregation requirement?</p> <p>If so, which commodities and why?</p>	<p>No commodity should be excluded, but there must be a materiality test here as well. Consider a mining company whose revenues are 100% from mining. If the company has five mines, three of which contribute 90% of the revenue and two that contribute a combined 10%. Are the two small operations really material and subject to disclosure? I think not, but the issuer may not agree.</p> <p>No commodities should be excluded; however, some commodities such as diamonds and brines would require additional guidance similar to that in NI 43-101 for disclosure.</p>
7	<p>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?</p> <p>Why or why not?</p> <p>Is “the first point of material external sale” the appropriate cut-off or should we use some other measure?</p> <p>Are there certain activities that we should exclude from the materiality determination, even if they occur before the first point of material external sale?</p> <p>If so, which activities, for which minerals or companies, and why?</p> <p>Are there certain activities after the point of first material external sale that we should include?</p> <p>If so, which activities, for which minerals or companies, and why?</p>	<p>Exploration through first point of sale is appropriate, but not all properties will include all activities. An exploration property that is explored to a level of Measured Mineral Resources, but not mined, may be a material property to a junior registrant. Under the CRIRSCO rules, the Mineral Resources must have “reasonable prospects for eventual economic extraction” in the opinion of the QP. Allowances must be made for the stage of the property in the rules. One size does not fit all.</p>
8	<p>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?</p>	<p>Environmental and social impacts should not, in general, be considered beyond their contribution to determination of reasonable prospects for eventual economic extraction.</p>
9	<p>Should we require vertically-integrated companies, such as manufacturers, to provide the disclosure required under new Regulation S-K subpart 1300, as proposed?</p> <p>Why or why not?</p>	<p>If the mine is material, as defined above, yes, but simply because it a mine provides a competitive advantage should not be a criteria for disclosure. Many of this type of operation are actually higher cost than purchasing raw material from a second party. They are maintained because the mine provides raw material source security not because the mine provides a significant competitive advantage.</p>
10	<p>Should we require a registrant with multiple properties to provide the disclosure required by proposed Regulation S-K subpart 1300, as proposed?</p> <p>Why or why not?</p> <p>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?</p> <p>Why or why not?</p>	<p>No. Materiality of each property must be tested and if it the property is material, it should be disclosed individually. As noted above, the proposed rules are not all clear. A few registrants with multiple mines, none of which meet the 10% test for materiality, exist, but most mining companies have some material operations. Non-material mines could be aggregated for annual disclosures, but not for Technical Report purposes. If Technical Reports are required for non-material properties, those Technical Reports should be issued for each mining property individually.</p>
11	<p>Are there difficulties that a registrant with multiple properties could face when determining if disclosure is required under the proposed rules?</p>	<p>Materiality is the greatest difficulty.</p>

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	If so, how should our mining disclosure rules address such difficulties?	
12	Should we require more detailed disclosure about individual properties that are material to a registrant's mining operations, as proposed? Why or why not?	CRIRSCO rules for reporting should be followed for all material properties. This question really makes no sense because so far in this document, no actual disclosure requirements have been cited.
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? Why or why not? Should disclosure for such companies be required under other circumstances?	Royalty companies should file summaries of current technical reports by the operating company only for material properties. If no single property meets the 10% test, the aggregate should be reported in annual filings, but no Technical Report should be required. Otherwise, the proposed rules make lots of work for consultants preparing independent Technical Reports and tens of thousands of wasted hours.  It must also be acknowledged that a royalty company will not necessarily have access to all of the information required to complete a Technical Report to the level of detail required of the owner of a project and allow preparation of an abbreviated report by royalty companies.
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? Why or why not? If not, what additional disclosure should be required by such registrants?	See #13
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?  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?  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?	See #13
16	Should we define "exploration stage property," "development stage property" and "production stage property," as proposed? Why or why not? Would these definitions facilitate compliance by registrants with properties in more than one stage of operation?	The proposed definitions are acceptable, but of no value to issuers and limited value to investors. Most issuers have properties in various stages and these definitions would assist determining what stage a property is at, but the real question is – Is it important to identify these stages and will this provide useful information for investors? The value is limited, I think.
17	Should we also revise the definitions of "exploration stage issuer," "development stage issuer" and "production stage issuer," as proposed? Why or why not?	The definitions are acceptable, but is there value to issuers or investors for this requirement? I think that the value is limited at best.  Assuming that the definitions have some value, then each class should have at least one material property in the

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	<p>Should the definition of “development stage issuer” and “production stage issuer” depend on having “at least one material property”, as proposed?</p> <p>Should we instead base the definitions on consideration of the characteristics of all mining properties?</p> <p>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?</p>	<p>proper stage.</p> <p>As for the example, it is extremely unlikely that a development-stage project, as defined, will comprise only 10% of an exploration stage company’s portfolio, but if it is being developed, it should be identified as such and the company similarly identified.</p>
18	<p>Would the two proposed sets of definitions appropriately classify the particular stage of a registrant’s mining operations?</p> <p>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?</p> <p>Would having two proposed sets of definitions create unnecessary complexity or investor confusion?</p>	<p>The two sets of definitions would likely classify a company, but it is obvious from #16, #17, and this question that considerable ambiguity exists and that there is concern about the value of these classifications. Is there a reason to classify properties and issuers and will these definitions reduce complexity and investor confusion? I think that these classifications of deposits and issuers are unnecessary and that these definitions add complexity and confusion.</p>
19	<p>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?</p> <p>Why or why not?</p>	<p>If an issuer has a mine in operation it would be a production stage company per the definitions whether or not formal Mineral Reserves have been reported.</p> <p>I fail to see any value in this classification or this discussion.</p>
20	<p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>Why or why not?</p>	<p>Yes. Requiring a QP to prepare the report, and be responsible for it, is a reasonable way to minimize the likelihood of errors, omissions, and misrepresentations. It will not eliminate errors, omissions, or misrepresentations, but will provide investors with significant assurance that errors, omissions, and misrepresentations are minimized. This is a requirement in more or less every jurisdiction except the U.S.</p>
21	<p>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?</p> <p>Why or why not?</p> <p>If not the registrant, who should be responsible for this determination?</p>	<p>Yes, the registrant should assure themselves that a QP is indeed qualified; however, ultimately it is the responsibility of the QP to be properly qualified and certified and to provide those qualifications to the issuer. He/she will be responsible for the technical report content in their area of expertise.</p>
22	<p>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,</p>	<p>I read 149 pages before I realized that your “technical report summary” absolutely equaled a “Technical Report” in the rest of the world. Please call a Technical Report a Technical Report and not add a new level of confusion with new names.</p>

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	<p>mineral resources or mineral reserves, before it can disclose those results, resources or reserves in SEC filings?</p> <p>Why or why not?</p> <p>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?</p> <p>Should we require the technical report summary to be dated and signed, as proposed?</p> <p>Why or why not?</p>	<p>The Technical Report should be prepared, dated, and signed and sealed by QPs responsible for each section of the report and filed appropriately. This will limit, but not eliminate, possibilities of misrepresentations of exploration data, Mineral Resources and Mineral Reserves. These reports should summarize the myriad data involved with exploration, development, and mining properties and make those data understandable to investors in a reasonable format.</p> <p>Unabridged reports should not be required for a number of reasons:</p> <ul style="list-style-type: none"> <li>) Unabridged reports for Mineral Resource estimates, for example, may contain many hundreds of pages of data and analysis that have no value to anyone except specialists who generate and use those data. Feasibility Studies typically run thousands of pages and must be summarized before they are understandable by anyone but specialists.</li> <li>) All unabridged reports contain confidential information that is not intended for public release and if released, may cause harm to the issuer.</li> <li>) The formats for unabridged reports is typically significantly different than the format for Technical Reports.</li> </ul>
23	<p>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?</p> <p>Why or why not?</p>	<p>The Technical Report for each material property should be filed and included, by reference, in all filings related to those properties including but not limited to press releases and websites. Technical Reports should, in all cases, be immediately available to the public via a system similar to SEDAR in Canada or EDGAR in the U.S. In some instances, IPO's for example, the executive summary of the Technical Report can be used for brief summaries of the data relating to a property. These filings add a level of transparency that does not exist without the filings.</p>
24	<p>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?</p> <p>Why or why not?</p> <p>Should we instead require a registrant to file the technical report summary more frequently, such as with every Commission filing, or less frequently?</p>	<p>A Technical Report should be filed for first-time disclosure of mineral exploration results, Mineral Resource estimates, and Mineral Reserve estimates and any time a material change to any of the above occurs. Depletion of a Mineral Reserve by mining should not constitute a material change.</p> <p>A properly prepared Technical Report provides the data and justification for the disclosure of mineral exploration results, Mineral Resource estimates, and Mineral Reserve estimates, which in turn, provides a level of transparency not achievable without a Technical Report.</p> <p>The Technical Report should remain current until a material change occurs so there is no need to refile except for material changes. A current Technical Report can be included, by reference, in all subsequent filings.</p>
25	<p>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?</p>	<p>Absolutely with no exception. QPs are responsible for content of the Technical Report and for excerpts from it. QPs must be required to review every required filing or public disclosure, including press releases, and provide consent for that filing or disclosure. This will limit, but not eliminate, misrepresentations of the QP's opinions and estimates.</p>

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	Why or why not?	
26	<p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>Why or why not?</p>	<p>The QP should be identified and his/her relationship to the issuer be disclosed. This is a transparency issue and although there is no reason to believe that a QP with ties to the issuer will be less rigorous, or honest, than an independent QP, the tie should be disclosed. The QP's employer and ties to the issuer should also be disclosed as a matter of transparency.</p>
27	<p>Should we require a registrant to state whether the qualified person is independent of the registrant?</p> <p>Why or why not?</p> <p>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?</p> <p>If so, how?</p> <p>For example, should we base the definition of independence on comparable provisions under Canada's NI 43-101?</p> <p>Similar to the Canadian provisions, should we provide examples of when a qualified person would not be considered to be independent?</p> <p>If so, what examples should we provide?</p> <p>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?</p> <p>Are there any other alternative standards on which we should base a definition of independence for the purpose of the qualified person requirement?</p>	<p>More or less all other jurisdictions require that the QP disclose any ties to the issuer. This is a transparency issue. "Independent" must be defined. The NI 43-101 definition is reasonable and widely used. I recommend that it be included in these rules.</p> <p>The NI 43-101 examples are useful and should be included.</p> <p>The alternate is not necessary and Rule 2.01(b) of Regulation S-X (17 CFR 210.2-01(b)) not really applicable to Mineral Resource/Mineral Reserve reporting in the mining industry.</p>
28	<p>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?</p> <p>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?</p> <p>In each case, why or why not?</p>	<p>An issuer should have the option of using their internal QPs or independent QPs. Large issuers should be allowed to use their internal QPs for all disclosures. There is no need or justification for independent QPs.</p> <p>Exploration and development companies with no production will typically need to use independent QPs because they do not have QPs with specific experience on their staff. Independent QPs may be required in these cases.</p> <p>I see no instances where independent QPs should be required for disclosures by producing issuers. Their internal QPs will typically produce the estimates and update them as material information is acquired. Independent QPs would then need to essentially duplicate the work in order to accept responsibility for the Mineral</p>

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		Resource or Mineral Reserve estimates which is a needless waste of time and resources. Exploration issuers should possibly be required to utilize independent QPs both because they typically do not have sufficient experience internally and as a transparency issue.
29	<p>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?</p> <p>If so, what qualifications should the independent reviewer possess?</p> <p>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?</p> <p>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?</p> <p>Should we instead adopt an independent review requirement for the work of an affiliated qualified person in all circumstances? In each case, why or why not?</p>	<p>No, there is an underlying implication in this alternative that QPs affiliated with the issuer are somehow not honest. That is simply not the case. Most QPs affiliated with issuers are highly qualified professionals that produce high-quality estimates and whose integrity is not in question. An properly done, independent, review of a single property with Mineral Resources and Mineral Reserves will take a team of five independent QPs three to five weeks to complete which is largely a waste of time. Most, if not all, producing companies have internal quality control checks aimed at ensuring the quality of their estimates. Those checks include extensive peer reviews at all stages of the estimates and final reviews by senior specialists.</p> <p>Most mining companies also have independent audits of Mineral Resources and Reserves on all material properties every two to three years which is adequate to verify Mineral Resources and Reserves and provide the appropriate controls on internal QPs.</p> <p>This type of review implies that a QP affiliated with the issuer is guilty of some malfeasance until proven innocent by an "independent" reviewer. That is not acceptable. There are no circumstances where an "independent" review of a disclosure should be required.</p>
30	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?	Material conflicts of interest should be disclosed.
31	<p>Would the proposed technical report summary filing requirement impose a significant burden on registrants?</p> <p>If so, which registrants and why?</p> <p>Are there changes that we could make to this proposed requirement to alleviate any such burden?</p>	The Technical Report filing requirements are a significant burden, no doubt. Some small issuers in the U.S. will view them as such and be reluctant to do the reports, but Technical Reports are prepared as a matter of routine by mining related companies in the rest of the world and by more or less all major mining companies in the U.S. because they are listed on multiple international exchanges. Technical Reports have proven to be a useful method of providing transparency to the industry and they have minimized, but unfortunately not eliminated, fraud and misrepresentation of mining properties. Confidence on the part of investors has been significantly enhanced.
32	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? Why or why not?	<p>The QP definition is consistent with CRIRSCO codes and should be included in the new rules. I much prefer simply "relevant experience" rather than "relevant experience in the type of mineralization" because the latter can be very narrowly interpreted and exclude well qualified QPs although it is consistent with other codes.</p> <p>Specifying geologist, engineer, etc., is not necessary. Most Technical Reports are prepared by a team of QPs,</p>

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	<p>Should we specify the particular type of professional, such as a geologist, geoscientist or engineer, required under the definition?</p> <p>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?</p> <p>Should we require a lesser or greater number of years of relevant experience (e.g., 3, 7, or 10 years)?</p>	<p>each taking responsibility for the sections of the Technical Report that corresponds to their area of expertise. Specifying a particular type of professional will not change that and may, in fact, cause uncertainty and possibly force a non-qualified QP to take responsibility for a Technical Report..</p> <p>Five years is an appropriate minimum.</p>
33	<p>Should we define a qualified person to be an individual, as proposed?</p> <p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>Similarly, what professional experience should be required and how would a firm satisfy the professional experience requirement?</p> <p>Should we adopt qualified person requirements for firms that are different than the proposed requirements for individual qualified persons?</p> <p>If so, what should these requirements be?</p>	<p>The QP should be an individual (real person) with proper qualifications and affiliations with professional organizations.</p> <p>The only exception is when a consent for a disclosure that includes a Technical Report, by reference, is required from a QP that is no longer employed by the issuer or consultancy responsible for the Technical Report or is otherwise not available, and it is not reasonably possible to obtain the consent from the QP. There must be an allowance for the company (employer) to provide the consent in that very limited case.</p> <p>The definition should not be expanded to include firms as QPs.</p>
34	<p>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?</p> <p>Is there different or additional guidance that we should provide in this regard?</p>	<p>The proposed instructions are adequate.</p>
35	<p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>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?</p> <p>If so, how?</p> <p>Should the definition specify that the organization must require, rather than require or encourage, continuing professional development?</p> <p>Are there different or additional criteria that we should require for an organization to be a recognized professional organization?</p>	<p>Requiring a QP to be a member in good standing of a recognized professional organization or licensee in any of the States in the US or Canadian provinces is a reasonable requirement and should be included. This will provide a level of assurance to investors that the QPs are indeed "qualified".</p> <p>The requirements for an organization to meet the various criteria are reasonable and generally accepted in the mining industry.</p> <p>QPs disciplined by their organizations are, by definition, typically not in "good standing" and are excluded from being a QP.</p> <p>There should be no requirement for continuing professional development.</p>

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36	<p>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?</p> <p>Are the examples we provided appropriate factors for determining whether a professional association is recognized as reputable or are other factors more appropriate?</p> <p>Should any of these factors be incorporated into the final rules?</p>	<p>All US state and Canadian provincial licensing boards should be recognized as reputable. SME is reputable and SME Registered Members are recognized by all jurisdictions as QPs (or CPs). Other organizations may be included if they are primarily mining related; the Canadian Institute of Mining, Metallurgy and Petroleum (CIM); the Australian Institute of Mining and Metallurgy (AusIMM); Institute of Geologists of Ireland, European Federation of Geologists, Comisión Calificadora de Competencias en Recursos y Reservas Mineras de Chile (Chilean Mining Resource and Reserve Competence Qualifying Commission), and the Engineering Council of South Africa are likely candidates. On the other hand, membership in the Geological Society of America for example, which a very reputable geological professional organization, should not be included because as a learned society, it is only very remotely related to mining. Similarly, membership in the Society of Economic Geologists or Society for Geology Applied to Mineral Deposits should not be considered. Both are highly regarded, reputable, learned groups dealing primarily with the origin of mineral deposits.</p> <p>Canada and Australia have produced lists of recognized professional organizations that are acceptable to them. Those lists are a very good place to start, but those do not, in general, accept State licensure in the US. I consider State licensure to be consistent with the goals of the SEC in this matter.</p>
37	<p>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?</p> <p>If so, how should the Commission determine which organizations to approve and how frequently should the Commission update the approved organization list?</p>	<p>The proposed flexible approach will lead to abuse and confusion. A list of approved organizations is very useful and unambiguous. The list can initially be taken from NI 43-101 and JORC listings. While these may somewhat ephemeral, most of the organizations and licensing jurisdictions have remained unchanged for more than 10 years. The list should be reviewed annually. See #36 above for more discussion.</p>
38	<p>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)?</p>	<p>The QP should disclose his/her membership and status.</p>
39	<p>Are there different or additional conditions that a person should have to satisfy in order to meet the definition of qualified person?</p> <p>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?</p> <p>If so, what level of education would be appropriate?</p> <p>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?</p>	<p>In the rest of the world, the bachelor's degree is an accepted minimum and should be the same in the U.S. That minimum would exclude few, if any, people from being a QP. A bachelor's degree is the minimum accepted for more or less all professional positions in the mining industry.</p>
40	<p>Is the definition of qualified person too restrictive, thus increasing the cost and difficulty associated with finding a qualified person?</p> <p>Alternatively, should the definition be more restrictive,</p>	<p>Any QP of a Technical Report is accepting significant responsibility and liability as is the issuer. The minimum requirements proposed are appropriate and should be maintained. Confidence in the system will be lost if QPs</p>

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	to help ensure a qualified person has an appropriate level of training and expertise? In either case, why?	have lesser minimum requirements.
41	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? Why or why not?	The prescribed qualifications are a minimum. The procedure for membership in approved professional organizations and/or licensure in states or provinces provide evidence that a QP's peers agree that the education and experience of the QP is sufficient to meet minimum requirements. Most international jurisdictions require QPs to file a dated and signed and sealed certificate summarizing their employer, education, professional affiliations, general experience, independence (or not), etc. This requirement is reasonable and provides investors with a degree of assurance that the QP is indeed qualified. This type of certificate should be required along with the consent of the QP for all disclosures.
42	Should we require a registrant to disclose material exploration results for each of its material properties, as proposed? Why or why not? Alternatively, should we permit registrants to provide exploration results in a summary form?	Yes. Exploration results on material properties are the basis for the valuation of the property. These should be disclosed in a Technical Report specific to the property in question. The data for exploration properties should be included in the report. Exploration data for producing mines, for example, should be summarized because it will likely involve many hundreds or thousands of drill holes and tens of thousands of assays and other analyses.
43	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? Why or why not? Are there other characteristics that we should include in the definition of exploration results? Are there other activities that we should include as examples of mineral exploration programs? Are there activities that we should exclude as examples of mineral exploration programs?	No. Exploration results are indeed data and information generated by mineral exploration programs and the definition, to that point, is acceptable, but exploration results are the entire basis for disclosure of Mineral Resources and Mineral Reserves and should be required as part of any Mineral Resource or Mineral Reserve disclosure. For material properties without identified Mineral Resources, exploration results are the entire basis for value of the property. Exploration results are, ultimately, the basis for valuation of any mining property whether it is early stage exploration or a mine. No other characteristic, activities, or examples are required. The industry and most investors fully understand what exploration results are and how they are obtained.
44	What are the risks that could result from requiring disclosure of material exploration results? 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? Why or why not? 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?	There are no risks from requiring disclosure of material mineral exploration results. As noted elsewhere, exploration results are the absolute basis for all estimates of tonnage, grade, etc. Prohibiting their use will instantly kill the industry. There are no other data that can be used to derive estimates of grade and tonnage. Obviously I do not understand the point of the second question. I do not understand how prohibiting the use of exploration results as proposed will in any way protect investors. Actually, not true, if we cannot use exploration results to estimate Mineral Resources and Mineral Reserves, we have no mining industry and with no mining industry, there is no risk in the mining industry.
45	When determining whether exploration results are material, should a registrant consider their importance	All exploration results on all material properties are material and should be disclosed. There are no instances

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	<p>in assessing the value of a material property or in deciding whether to develop the property, as proposed?</p> <p>Why or why not?</p> <p>Are there other circumstances that would better define when exploration results are material?</p> <p>If so, what are those circumstances?</p>	<p>where exploration results are not material to a material property. Indeed, they are the only truly material aspect of a project. Everything else is an interpretation, subject to change, with the addition of new exploration results.</p>
46	<p>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?</p> <p>Would disclosure of material exploration results for its properties in the aggregate (when none is individually material) provide additional meaningful disclosure for investors?</p> <p>If so, how should a registrant disclose such exploration results?</p> <p>Should it provide such results in summary form?</p> <p>Or should it provide detailed disclosure about all material exploration results for all of its properties?</p>	<p>Disclosure of aggregate exploration results in addition to results for each individual property is an onerous task for major mining companies and provides little information of use to investors. It is also not clear how this would be accomplished. The aggregate results would not be part of individual Technical Reports for material properties so presumably, another summary report would need to be prepared and filed. For currently required annual filings, total exploration expenditures would provide some value to investors, but the thousands of pages of exploration results would not.</p> <p>Exploration results should be disclosed for all material properties, but requiring disclosure of material exploration results for all properties requires preparation of Technical Reports for all properties, material or not, which is not warranted when the property is not material to the issuer.</p>
47	<p>Should we require a registrant with material mining operations to disclose mineral resources in addition to mineral reserves, as proposed? Why or why not?</p>	<p>Mineral Resources form the basis for Mineral Reserves and must be disclosed. For properties with only Mineral Resources but no Mineral Reserves, the Mineral Resources form the basis for valuation of the property and must be disclosed. Otherwise, we are saying that the property has no value which is obviously not the case if Mineral Resources can legitimately be estimated.</p>
48	<p>What are the risks that could result from requiring a registrant with material mining operations to disclose its mineral resources?</p> <p>How could the Commission mitigate those risks?</p>	<p>I see no risk at all from requiring a registrant to disclose Mineral Resources, only opportunities for the registrants and investors.</p>
49	<p>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?</p> <p>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?</p> <p>If so, in what instances would it be appropriate to permit such disclosure?</p>	<p>To disclose, or not, Mineral Resources should be left to the registrant. If, however, the registrant elects to disclose Mineral Resources, those Mineral Resources must be estimated by a QP or under the supervision of a QP that will take responsibility for the estimate. If Mineral Reserves are disclosed, Mineral Resources must also be disclosed.</p> <p>There are no instances where Mineral Resources should be estimated and disclosed without a responsible QP.</p>
50	<p>Should we define the term "mineral resource," as proposed?</p> <p>Why or why not?</p> <p>In order for material to be classified as a mineral resource, should there be reasonable prospects for its economic extraction, as proposed?</p> <p>Why or why not?</p>	<p>Please change the definition to state "... reasonable prospects for eventual economic extraction" to be consistent with CRIRSCO and other codes, and eliminate confusion and investor uncertainty. As stated now, there is an implication that a Mineral Resource has reasonable prospects for economic extraction today. In many cases, Mineral Resources are identified that may not have</p>

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		<p>reasonable prospects today, but with improved prices, technology, may be economic tomorrow. All international codes recognize this and allow for "eventual" economic extraction. Otherwise, the definition is consistent with international standards and should not change.</p> <p>A Mineral Resource must have reasonable prospects for eventual economic extraction. Otherwise any anomalous concentration of a potentially economic commodity can be disclosed as a Mineral Resource which will lead to significantly misleading statements, investor confusion, and fraud.</p>
51	<p>Should the definition of mineral resource include mineralization, including dumps and tailings, as proposed?</p> <p>Should the definition of mineral resource also include geothermal fields and mineral brines, as proposed?</p> <p>Why or why not?</p> <p>Is there any other material that should be explicitly included in the definition of mineral resource?</p>	<p>Mine dumps and tailings are a significant source of metals and, in some cases, are the only identified Mineral Resource on a property so yes they should be included.</p> <p>Mineral brines are a significant source of lithium, boron, potassium, sodium, and iodine which are important industrial materials that typically are sold in mineral (solid) form. Mineral brines should be included in the list, but, as with NI 43-101 significant additional guidance should be included because of the complexity of estimating Mineral Resources and Mineral Reserves in brines.</p> <p>Geothermal fields are not really a Mineral Resource, but possibly do fit better with mineral resources than with oil and gas. It would be best to provide separate rules for geothermal fields. If included here, significant additional guidance should be included for estimation and disclosure of geothermal resources and reserves.</p> <p>Coal and diamonds should be explicitly included and additional guidance, similar to NI 43-101, provided for disclosures. Mineral Resource and Mineral Reserve estimation for these materials is more complex than for metals.</p>
52	<p>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?</p> <p>Why or why not?</p> <p>Is there any other material that should be explicitly excluded from the definition of mineral resource?</p>	<p>Oil and gas, etc., are covered by other regulations. They should not be considered minerals for the purposes of these regulations.</p>
53	<p>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?</p> <p>Why or why not?</p> <p>Are there other geological characteristics that we should explicitly require a qualified person to estimate or interpret when determining the existence of mineral resources?</p>	<p>The definition is adequate and should be included. It is consistent with international standards.</p>
54	<p>Should we require a registrant to classify its mineral resources into inferred, indicated and measured mineral resources, as proposed?</p> <p>Why or why not?</p> <p>If not, what classifications would be preferable and why?</p>	<p>Classification of Mineral Resources is an integral part of Mineral Resource estimation and reflects the confidence that the issuer has in the estimate, so yes, the registrant must be required to classify the Mineral Resources. This is done by all mining companies and will add nothing to the internal workload.</p>

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		<p>Inferred, Indicated, and Measured Mineral Resources are defined in all international codes and well understood by both the industry and investors.</p> <p>Any other classification will add unnecessary confusion and must be avoided.</p>
55	<p>Should we define “inferred mineral resource” as proposed? Why or why not?</p> <p>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?</p> <p>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?</p> <p>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?</p> <p>Should we prohibit the disclosure of inferred mineral resources for that reason?</p>	<p>The definition of Inferred Mineral Resource is consistent with international standards and should remain unchanged.</p> <p>Disclosure of Inferred Mineral Resources should be permitted, not required. Some mining companies prefer not to disclose Inferred Mineral Resources. Some companies have only Inferred Mineral Resources and must be allowed to disclose those as they are basis for valuation of the company.</p> <p>There is no realistic way to estimate, with any confidence, what part of an Inferred Mineral Resource will be converted to higher confidence classes with continued exploration. That said, Inferred Mineral Resources must meet the minimum requirements for reasonable prospects for eventual economic extraction and it is reasonable to anticipate that most, if not all of the Inferred Mineral Resource will be converted to higher confidence classes with continuing exploration, otherwise, it should not be in a classified Mineral Resource. Reporting an estimated percentage which is, at best, a guess, opens the QP(s) to significant and unnecessary liability and provides no useful information to either the issuer or investor.</p>
56	<p>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?</p> <p>Would these proposed prohibitions be sufficient to mitigate the added uncertainty that could result from the requirement to disclose inferred mineral resources?</p> <p>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?</p> <p>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?</p> <p>If so, what would be the potential effects on registrants and investors?</p>	<p>The use of Inferred Mineral Resources in economic evaluations at the prefeasibility and feasibility levels of study is prohibited by all codes and the language here is consistent with international codes and industry standard practices. In some codes, very limited use of Inferred Mineral Resources is accepted. How much and why it was used must be disclosed. In some cases, this is quite reasonable, but the exception may allow abuse. At the Preliminary Economic Assessment (PEA) level of study (aka scoping study), there are differences between codes. Some allow use of Inferred at this level. Most mining companies will include Inferred Mineral Resources in the evaluation as, at a minimum, a sensitivity study. I consider it appropriate to include Inferred Mineral Resources at the PEA level as “what if” scenario. At higher levels of study, inclusion of Inferred Mineral Resources for economic evaluations is generally avoided as industry best practice. Very limited use of Inferred Mineral Resources sometimes is reasonable, for example, when a block of Inferred material is isolated within a larger block of higher classification with similar quality characteristics. Use of the material should be well documented in a technical report.</p> <p>General use of Inferred in economic valuations at the prefeasibility and feasibility levels of study should be prohibited.</p>
57	<p>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</p>	<p>The proposed definition is adequate without the modifiers that it is the lowest level of confidence. That is obvious. Limited use of Inferred Mineral Resources are permitted in some codes as long as that limited use is well explained, and limited. General use is prohibited in all codes. The</p>

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	<p>proposed?</p> <p>Should we require a registrant, when disclosing inferred resources, to provide a legend or cautionary statement about the geological uncertainty associated with inferred resources?</p> <p>If so, what should such legend or cautionary statement say and where in the SEC filing should it be disclosed?</p>	<p>limited use is necessary at times to realistically evaluate the economics of a deposit. To prevent all use of Inferred is too restrictive and will do nothing to protect investors.</p> <p>A cautionary statement should be required for all Mineral Resource and Mineral Reserve releases. In all cases, they are estimates based on various assumptions that may or may not be met at a particular time. So, yes, the cautionary statement should be included but for all Mineral Resource and Mineral Reserve statements. The cautionary statement should be a footnote to the Mineral Resource table.</p>
58	<p>Should we define "indicated mineral resource," as proposed?</p> <p>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?</p> <p>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?</p> <p>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?</p> <p>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? Why or why not?</p>	<p>The definition of Indicated Mineral Resources is consistent with international codes and should remain so.</p> <p>Replace "adequate geological evidence" which is, to me, misleading and ambiguous, with "geological evidence sufficient to establish geological and grade or quality continuity with reasonable certainty". Although "reasonable" is still subjective, it is much less so in this case than "adequate".</p> <p>Describing the level of risk associated with Indicated Mineral Resources based on confidence limits will do nothing but confuse most investors. The concept of confidence limits is, unfortunately, confusing to many in the industry. It is also unnecessarily restrictive and precludes the use of estimation methods such as polygonal methods that are in common use in some mining situations. Requiring a risk number equates to the SEC allowing only geostatistical mineral resource estimates which will negatively impact some operations.</p> <p>A qualitative discussion of risks is acceptable and consistent with international codes while not restricting estimates to geostatistical methods.</p>
59	<p>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?</p>	yes
60	<p>Should we define "measured mineral resource," as proposed?</p> <p>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?</p> <p>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?</p> <p>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?</p> <p>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? Why or why not?</p>	<p>No, there is absolutely no such thing as "conclusive geological evidence" and requiring that for Measured Mineral Resources precludes ever reporting Measured Mineral Resources. Even after a deposit is mined, questions about continuity and other details of the geological interpretation remain. Rather, simply state that "geological evidence is sufficient to confirm geological grade or quality continuity". The QP is responsible for determining what is sufficient, or not and whether, or not, continuity is confirmed. Also, "sufficient" for one QP may not be so for another QP with different experience. There is no way to quantify what is "sufficient". It is an interpretation based on experience and generally accepted industry practices.</p> <p>Again, requiring a discussion of risk associated with Measured Mineral Resources based on confidence intervals for yearly production will add little to the discussion, will likely confuse investors and preclude many accepted estimation methods. Rather, a general discussion of the risks and opportunities is acceptable,</p>

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	<p>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?</p>	<p>and is alignment with international standards.</p> <p>Many Mineral Resource classification systems are based on confidence intervals, but those require geostatistical estimates to determine the parameters required for the risk estimate. Traditional estimation methods, polygonal methods for example, are acceptable for many estimation situations and do not produce the parameters required for the risk estimate. When done properly, these methods are as reliable as geostatistical methods, but carry the same risks as geostatistical methods.</p>
61	<p>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?</p>	<p>yes</p>
62	<p>Should we require the disclosure of numerical estimates of the level of confidence associated with each class of mineral resource, as proposed?</p> <p>Why or why not?</p> <p>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?</p> <p>Why or why not?</p>	<p>As noted twice above, numerical estimates of the level of confidence, add nothing to a disclosure except confusion at best, and fraud at worst. Most investors will not have the statistical background to interpret the meaning of the number(s). What method will be used? Various QPs use various methods to estimate confidence. All in all, all this requirement will add is confusion.</p> <p>In footnote 169, it is stated that “We are not, however, proposing to require the qualified person to disclose the exact production quantity per period that is the base for the uncertainty disclosure ...”. The uncertainty disclosure, a single number based entirely on the assumed production rate, is meaningless without the production rate so you are proposing to require a meaningless number to be disclosed. If the mining rate changes, the confidence changes, so, if a confidence interval must be disclosed, the mining rate must be disclosed.</p> <p>Various publications indeed suggest that using confidence limits to classify Mineral Resources <b>should</b> be a best practice, but that methodology <b>is not</b> a generally accepted best practice and many other systems are in general use and are adequate for Mineral Resource classification. Many mining companies use this approach for Mineral Resource classification and should be encouraged to provide the results of the analysis, but many do not. Requiring numerical estimates of confidence will add unnecessary and meaningless work for them.</p> <p>CRIRSCO requires disclosure of material assumptions and factors and some codes require discussion of the risks involved. These provide tangible information to the investor that can be interpreted in light of their life experience and are much more important than a single number describing confidence. In general, none of the procedures for estimating confidence levels or results are interpretable by anyone except specialists in the mining industry.</p> <p>“Regardless of the method used to develop resource estimates, however, the qualified person would be required to estimate and disclose, in the prescribed format, the uncertainty associated with each class of mineral resource.” and “We are proposing that qualified persons report the level of uncertainty for indicated and</p>

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		<p>measured mineral resources using this approach with the condition that the stated production period must be monthly, quarterly, or annually.” - these statements require numerical estimates of confidence, but footnote 172 says that “... it is not always possible to estimate mathematically ...”. How can we provide a confidence interval if not mathematically? If this requirement is retained, very specific guidance will be required.</p> <p>“If the qualified person can conclude, based on his or her experience in similar deposits with similar facts and circumstances, that annual production estimates generated from these resources will deviate <math>\pm 15\%</math>, nine out of ten times, he or she could then disclose his or her confidence in the measured mineral resources of “<math>\pm 15\%</math> relative accuracy at 90% confidence level for annual production quantities.” – so when all else fails, guess. A very good way to inform the investor and build confidence.</p> <p>In summary, you are proposing to disclose a meaningless number (no production rate is required) that in many cases will have no basis in statistics or mathematics (a guess based on “similar deposits”) to investors that, in general, could not interpret anyway.</p>
63	<p>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?</p> <p>Why or why not?</p> <p>Is there another form of analysis or means of disclosure that would be more appropriate for the determination and disclosure of mineral resources?</p> <p>Would disclosure of the material risks associated with mineral resource determination be an adequate substitute for the initial assessment requirement?</p>	<p>No. As proposed, the initial assessment is essentially a Preliminary Economic Assessment that includes only Indicated and Measured Mineral Resources and is unnecessary to demonstrate “reasonable prospects for eventual economic extraction”. Although it is stated that it is not intended to be a scoping or conceptual study as defined by CRIRSCO, the definition is much the same. It is so poorly defined that one QP’s initial assessment will take one day and another QP’s initial assessment will take weeks and include QPs from metallurgy, mining, environment, etc. as well as an economic evaluation of the deposit.</p> <p>This is one place where the QPs experience is paramount. Identification, estimation, and disclosure of Mineral Resources should be left to the QP to determine the methodology. Additional QPs in specific areas, engineering, metallurgy, etc., will normally be consulted and the determination of whether, or not, the deposits has reasonable prospects for eventual economic extraction can be made. There is no “one size fits all” solution or analysis that will work every time for every deposit.</p> <p>There is no single form of analysis for Mineral Resource estimation and classification that works for every deposit all the time. Leave it to the QP. He/she should have the experience to deal with it.</p> <p>No matter what is decided about the initial assessment, disclosure of assumptions used for the estimates as well as material risks and opportunities, should be required. These will provide significantly more information to the investor than will discussion of an initial assessment.</p>
64	<p>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</p>	<p>An initial assessment should not be required to support determination of Mineral Resources.</p> <p>Specific consideration of modifying factors is best left to prefeasibility and feasibility studies where they can be properly applied after due consideration of all engineering and economic factors.</p>

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	<p>there are reasonable prospects for economic extraction?</p> <p>Should we instead only require consideration of modifying and operational factors at the reserve determination stage?</p>	
65	<p>Should we require an initial assessment to include cut-off grade estimation, as proposed? Why or why not?</p>	<p>There should be no initial assessment requirement. The QP must identify a cutoff grade that, based on his/her experience, assuming mining, processing, and other costs as well as recoveries, is appropriate for the type of mineralization and deposit. Costs and recovery will typically be benchmarked against similar deposits. A study is not required at this point.</p>
66	<p>Should we require a qualified person to base cut-off grade estimation on assumed unit costs for surface or underground operations, as proposed?</p> <p>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?</p> <p>Is it appropriate to require the qualified person to disclose whether the unit cost estimates are for surface or underground operations, as proposed?</p>	<p>Yes. See above.</p> <p>It is appropriate for the QP to assume costs based on experience and benchmarked costs at similar operations. Recovery must also be benchmarked and included in the cutoff grade calculation.</p> <p>The assumed costs and the basis for those costs must be disclosed for any type of anticipated operation and the type of operation discussed.</p>
67	<p>Should we also require a qualified person to base cut-off grade estimation on estimated mineral prices, as proposed?</p> <p>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?</p> <p>Does a ceiling model based on historical prices best meet the goals of transparency, cost efficiency and comparability?</p> <p>Why or why not?</p> <p>Is there another model that would better meet these goals?</p> <p>If another price model better meets these goals, what should be the basis of estimated mineral prices for purposes of the initial assessment?</p> <p>Whatever price model we adopt, should it be used to determine the commodity price itself?</p> <p>Or should it be used, as proposed, to determine the ceiling of the commodity prices?</p>	<p>Mineral Resources are not Mineral Reserves and must be treated differently. Consistency between the two is not an issue and the assumed sales price for Mineral Resources must be more flexible than for Mineral Reserves. The 24-month average is too restrictive and inconsistent with international standards and current practices at more or less all mining companies. Most major mining companies and consultancies have financial analysts on their roster whose primary function is to maintain their forward-looking price estimates three to five years into the future. Those estimates are sometimes higher and sometimes lower than the 3-year average. In all cases, the industry uses a two-tier pricing system where the typical Mineral Resource price used for the Mineral Resource cutoff will be the Mineral Reserve price plus 15% which accounts for the longer term required to convert metal into money as well as ensure that all of the potential Mineral Reserve is included within the Mineral Resource. Also, price volatility affecting Mineral Reserves over the short term is not as important for material (Mineral Resources) that will be mined 5 to 15 years in the future. This is typical practice in the mining industry and is well understood by both issuers and investors with no detriment to either.</p> <p>A ceiling price equivalent to the 24-month average is too restrictive. I would prefer the 36-month average plus 15% in the absence of reasonable estimates by qualified financial analysts.</p> <p>The average price is a workable concept, but for those issuers that spend significant amounts of time and money on this matter, it is too restrictive. Their efforts should not be wasted and they should be encouraged to use their internal models, with justification, for their price position. In the absence of a financial analyst, the fallback position should be the 36-month average plus 15%.</p>
68	<p>Is the proposed 24-month period the most appropriate</p>	<p>A 36-month period is preferred. Reporting using the 36-</p>

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	<p>period for the estimated price requirement?  Would a 12, 18, 30, or 36-month period, or some other duration, be more appropriate?  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?</p>	<p>month average should be a fallback position for those issuers that do not do their own internal forward-looking analysis of the price. Commodity should not play a role in the decision.</p>
69	<p>Should we require, as proposed, the same ceiling price for mineral resource and reserve estimation?  If not, how should the prices used for mineral resource and reserve estimation differ?  Would such criteria meet the goals of transparency, cost efficiency and comparability?</p>	<p>The ceiling price for Mineral Resources must be higher than the ceiling price for Mineral Reserves for reasons noted in #67 above. Resource prices are typically 15% higher than Reserve prices which is quite reasonable. This type of pricing is widely used in the mining industry and understood by both issuers and investors.  This criteria has met the goals of transparency, cost efficiency, and comparability in the rest of the world for 15 years or more so the industry and investment community are well aware of the differences between Mineral Resources and Mineral Reserves. Mineral Resources are not Mineral Reserves and to suggest that they should be comparable and estimated in a comparable manner is misleading to the investor and a detriment to the industry.  The text states that a single price model for Mineral Resources and Mineral Reserves will "... promote comparability between mineral resources and reserves of different registrants." How can this be? The average price changes daily so what is estimated today is not necessarily comparable to what is estimated six months from now. Transparency in the pricing method is the goal and a well-documented forward-looking pricing system is much preferred to an average.  The Mineral Reserve is a subset of the larger Mineral Resource. While one hopes that the entire Mineral Resource will be converted to Mineral Reserve, that frequently does not happen, but frequently as well, the Mineral Reserve is ultimately much larger than an initial Mineral Resource because continuing exploration expands the Mineral Resource base. They must be treated differently.  Imposing the same ceiling price for Mineral Resources and Mineral Reserves is, at best, misleading, and a detriment to the industry. By requiring the same cutoff models for both, there is an implication that they are the same which is also misleading.</p>
70	<p>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?  Are the modifying factors provided as examples in the proposed instruction and table the most appropriate factors to be included?  Are there other factors that should be specified in the instruction and table in lieu of or in addition to the mentioned factors?  Would presentation of the modifying factors in a table benefit investors, registrants and qualified persons?</p>	<p>I very much dislike the term "initial assessment". Although the text goes to great length to state that it is not the same as similarly named studies in CRIRSCO based codes, the name, "initial assessment" is so similar to study types defined by CRIRSCO and other codes that confusion will ensue. The name alone indicates that these studies are to be similar to PEA's or scoping studies. Any reasonably experienced person in the mining industry or investment industry reading this document will immediately form a similar opinion before the qualifiers are read. Then, in Table 1, the requirements for this work are essentially the same as those for CRIRSCO studies of similar names. This is misleading to investors and a detriment to the industry.  Modifying factors should only apply to Mineral Reserves.</p>

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		<p>Mineral Resources are not Mineral Reserves and should not be treated the same. Thus you should not require a qualitative assessment of all modifying factors. Many are not relevant to Mineral Resources, infrastructure location, plant area required, type of power supply, and camp/town site, are examples. The mining method is very important, but largely self-evident based on the geometry of the Mineral Resource. The mining method and rate must be assumed in order to provide a basis for assuming and/or benchmarking mining costs. Processing options must be evaluated. In some cases, processing options, rates, and costs are easily assumed/benchmarked based on similar deposits. Typically, preliminary metallurgical testwork has been completed which allows general conclusions about processing options and provides a basis for cost assumptions/benchmarks. Mineral tenure (the right to mine) is not in the list but is a very important aspect of reasonable prospects for eventual economic extraction. Does the issuer have secure tenure? Environmental compliance and permitting are important aspects of reasonable prospects, but should be limited to determining if there is a legal path forward for permitting, not whether, in the opinion of the QP there are obstacles. There are always obstacles and it is not possible to even guess which of the myriad obstacles will arise. Assumptions about post-mining land uses, tailings disposal, reclamation, and mitigation plans are largely irrelevant to Mineral Resources. Allowances in operating costs for these are assumed/benchmarked.</p> <p>A table of modifying factors is useful if the "Initial Assessment" column is eliminated.</p>
71	<p>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?</p> <p>Why or why not?</p> <p>Are there other assumptions that we should specify in lieu of or in addition to those already mentioned in the proposed table?</p>	<p>Yes, most of the information relating to modifying factors can be assumed and or benchmarked sufficiently well to support reasonable prospects for eventual economic extraction. Not allowing assumptions/benchmarks will require at least a preliminary economic assessment or prefeasibility study to adequately address the factors. In order to address reasonable prospects for eventual economic extraction, we really need answers to a few questions:</p> <ul style="list-style-type: none"> <li>J Does the issuer have secure title (the right to mine)?</li> <li>J What mining method and production rate is reasonable for the Mineral Resource?</li> <li>J What is a reasonable mining cost for the assumed mining method and production rate?</li> <li>J What is the likely processing option and what are the costs associated with that option?</li> <li>J What are the current environmental liabilities and assumed cost of mitigation?</li> <li>J Is there a legal path forward for permitting?</li> </ul> <p>Each of these questions can be answered by QPs in consultation with other QPs or specialists with experience in the specific disciplines without extensive studies and additional work.</p>
72	<p>Should we permit a qualified person to include cash flow analysis in an initial assessment to demonstrate economic potential, as proposed?</p>	<p>A cash flow analysis should not be required and disclosure of a cash flow analysis should not be permitted for declaration of Mineral Resources. A positive cash flow</p>

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	<p>Why or why not?</p> <p>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 <math>\pm 50\%</math> and a contingency level of 25%, as proposed?</p> <p>If not, what should the accuracy and contingency levels be?</p> <p>Should we require the qualified person to state the accuracy and contingency levels in the initial assessment?</p>	<p>analysis essentially implies Mineral Reserves where there are none. No matter how strongly the cash flow analysis is disclaimed, it will mislead investors. Again, Mineral Resources are not Mineral Reserves and should not be treated the same. Doing so is misleading to investors.</p>
73	<p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>Would there be advantages to prohibiting the use of inferred resources in an initial assessment's cash flow analysis in the initial assessment?</p>	<p>Disclosure of cash flow analyses should not be permitted at this stage of a project. Issuers will typically perform such an analysis as a forward looking guide for additional work on the property, but those should not be disclosed as part of a Mineral Resource only disclosure. If a preliminary economic assessment is required, it should be done after the initial Mineral Resource estimate is completed and classified. It should be a stand-alone study that is not related to estimation or declaration of Mineral Resources. A cash flow analysis as part of a preliminary economic assessment (PEA) should permit Inferred Mineral Resources if the issuer desires. The Technical Report documenting the PEA should specifically discuss the procedures and results with and without inclusion of Inferred Mineral Resources. PEAs are largely "what if" studies aimed at identifying the areas of study required to move the project forward and, as such, require inclusion of all materials in the mineral inventory. Inferred Mineral Resources must have reasonable prospects for eventual economic extraction so inclusion in a PEA is reasonable. There are no advantages to excluding Inferred Mineral Resources from a PEA, only disadvantages.</p>
74	<p>Should we prohibit the use of an initial assessment to support a determination of mineral reserves, as proposed? Why or why not?</p>	<p>Yes, the initial assessment, as defined here, cannot support determination of Mineral Reserves because modifying factors can not properly be accounted for. Mineral Reserve declaration requires at least some detailed engineering, processing, and environmental inputs that are generally not available for initial assessments.</p>
75	<p>Are we correct in thinking that use of Circulars 831 and 891 to classify mineral resources would not be appropriate under the proposed rules? Why or why not?</p>	<p>Use of Circulars 831 and 891 is not appropriate under any conditions. Although some of the definitions are consistent with international usage, most are not permitted under any international reporting code. CRIRSCO definitions must be used throughout or significant confusion will result.</p>
76	<p>Should we establish a framework for mineral reserves determination and disclosure, as proposed?</p> <p>Why or why not?</p> <p>Is there another framework that would be preferable to the proposed framework?</p> <p>If so, what would be the advantages and disadvantages of the alternative framework?</p>	<p>Yes. When a project is sufficiently advanced that Mineral Reserves can be identified and disclosed, those Mineral Reserves become the dominant factor in valuation of the property. Mineral (Ore in Australia) Reserves are widely understood by the investment community and mining companies. Use of any other framework will only add unnecessary confusion and additional work by issuers. Currently all mining companies have an internal Mineral Reserve framework that is the basis for their mine planning.</p>

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77	<p>Should we define “mineral reserve,” as proposed?</p> <p>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?</p> <p>Are there any conditions that we should exclude from the definition of mineral reserves?</p> <p>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?</p> <p>Should we exclude in its entirety the condition that mineral reserves be based on a feasibility or pre-feasibility study?</p> <p>Are there terms that we should define differently?</p> <p>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?</p> <p>Why or why not?</p>	<p>The definition is acceptable, but the definition in the CIM Definition Standards is substantially better and consistent with international usage. It is widely used in the industry and well understood by both issuers and investors. The proposed definition simply adds confusion.</p> <p>CRIRSCO standards require a prefeasibility study, at a minimum, for initial declaration of Mineral Reserves. This is appropriate because a formal study at a prefeasibility level is the only way of assuring proper treatment of modifying factors. Expansion of Mineral Reserves in an operating mine typically does not require a prefeasibility or feasibility study to support those changes; however, those changes are supported by production experience and the initial feasibility study. Significant changes (&gt;25% possibly is a good limit) in Mineral Reserves in a single year or Mineral Reserves in new, undeveloped, areas of the mine must be supported by a feasibility study based on actual production.</p> <p>Please remove the “net of allowances” concept. Why must we confuse the issue when there are widely accepted and well understood definitions used in the international mining community?</p>
78	<p>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?</p> <p>Why or why not?</p>	<p>Yes, a LOM plan is fundamental to determining whether, or not, the mine will be economically viable at the time of reporting.</p>
79	<p>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?</p> <p>Why or why not?</p> <p>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?</p> <p>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?</p>	<p>A discounted cash flow analysis (or similar) is the only method widely available to determine if a project is indeed viable. They are not perfect, but the best we have. The discount rate must be reasonable and discussed in the technical report supporting the declaration of Mineral Reserves.</p> <p>The 24-month trailing average is too short. 36 months is widely used in the mineral industry and well understood by issuers and investors. Changing that will add unnecessary confusion with no obvious advantages. In all cases, these are forward looking analyses that are imprecise at best.</p> <p>Many mining companies and consultancies have financial analysts on their rosters whose primary function is to evaluate forward looking prices. Those companies invest significant time and money in those analyses and must be allowed to use those results even if they differ from the 36-month average. The basis for those results should be explained whether they differ from the average or not. For those issuers with no financial analysis capability, a 36-month trailing average should be encouraged.</p> <p>There is no advantage to either the issuer or investor by requiring a ceiling price equivalent to the trailing average price. That average changes daily and none of the forward looking methods have been proven to work better than others. So, emphatically no, a ceiling price based on a 24-month trailing average should not be required.</p>
80	<p>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</p>	<p>The registrant should be allowed use their internally estimated prices, with justification, in lieu of a 36-month trailing average. In the absence of internal estimates, a</p>

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	<p>alternate price and their justification?</p> <p>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?</p> <p>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?</p> <p>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?</p>	<p>36-month trailing average should be encouraged.</p> <p>Registrants should not be required to use a 24-month or 36-month trailing average. Any reasonable method should be allowed, with justification.</p> <p>Any reasonable method should be allowed as long as the long term prices are reasonable. None of the methods have proven effective in the past 10 years and the trailing average may have performed nearly the worst.</p> <p>Transparency comes from disclosure, not regulation. Disclosing the basis for the price estimate is the only way to provide transparency. Any method used by an issuer that is well explained will be transparent and understandable to investors. Proscribing a ceiling price does not add transparency or clarity.</p>
81	<p>Should we define the terms "probable mineral reserve" and "proven mineral resource," as proposed? Why or why not? If not, how should we modify these definitions?</p>	<p>Yes. These definitions are consistent with international usage and are widely used and understood by issuers and investors.</p>
82	<p>Should we define "modifying factors," as proposed?</p> <p>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?</p> <p>Are there any factors that we should exclude from the definition?</p>	<p>Please remove reference to Mineral Resources from the definition. This implies that Mineral Resources are evaluated to the same level as Mineral Reserves. That should not be the case. Otherwise the definition is consistent with international codes and industry practices.</p>
83	<p>Should we adopt the above discussed instructions, as proposed? Why or why not?</p>	<p>No. There is no such thing as "conclusive geological evidence". This implies that we have absolute knowledge of, and confidence in, the geological interpretations which is misleading at best and totally wrong at worst. We never have "conclusive geological evidence". Uncertainty is inherent in all mineral exploration and mining activities. The only thing about mining that is "conclusive" is the amount of metal ultimately sold. Please align these definitions with CIM Definition Standards.</p>
84	<p>Should we define "preliminary feasibility study" and "feasibility study," as proposed?</p> <p>Are there any terms and conditions that we should include instead of or in addition to those included in the proposed definitions?</p> <p>Are there any terms or conditions under each definition that we should exclude?</p>	<p>Yes. Please remove all references to "final", "bankable", etc. when discussing feasibility studies. A feasibility study is either completed to a level of detail that supports investment decisions and/or project financing or it is not a feasibility study. The adjectives used to describe feasibility studies imply that there are different levels of feasibility studies. There should be no levels and your use of those modifiers only compounds the confusion by indicating to investors that there are indeed different levels of feasibility studies when no levels should exist</p>
85	<p>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? Why or why not?</p>	<p>Yes. This aligns with international standards and industry best practices. Investors largely understand the differences between the study levels so no confusion should result.</p>
86	<p>Should we require qualified persons to use a feasibility study in situations where the risk is high, as proposed? Why or why not?</p> <p>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?</p>	<p>Who will determine if the risk is "high"? Simply because a project is in a new district, remote, or uses a unique recovery method is not reason to require a feasibility study rather than prefeasibility study for Mineral Reserve declaration. This requirement adds significant uncertainty for the issuer, confusion for the issuer, and may unfairly penalize a project because someone determines that it is "high risk" thus requiring a feasibility study for declaration of Mineral Reserves. As long as all modifying factors are</p>

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		known to the levels prescribed in Table 1, a prefeasibility study should always be adequate for declaration of Mineral Reserves. This should be left to the QPs on the project to determine if Mineral Reserve declaration is possible. In most cases, the QPs will identify deficiencies that will be remedied before Mineral Reserves are disclosed.
87	<p>Should we adopt the proposed instructions about the use of a pre-feasibility study to support the determination and disclosure of mineral reserves?</p> <p>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?</p> <p>Are there any instructions that we should exclude?</p> <p>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?</p> <p>If not, why not?</p>	<p>The QP cannot determine nor state that there are "... no obstacles to obtaining a permit ...". QPs are not God and cannot predict the future with the type of certainty required for such a statement. There are always obstacles and many come from very unexpected and unanticipated places. All the QP, in concert with properly qualified legal counsel, can confidently determine, is whether, or not, at the time of the disclosure, there is a legal path forward for permitting and what possibly the best case time frame for permitting may be.</p> <p>Otherwise the instructions are largely consistent with international standards and industry practices.</p>
88	<p>Should we adopt the proposed instructions for the use of a feasibility study to support the determination and disclosure of mineral reserves?</p> <p>Are there any instructions that we should provide instead of or in addition to the proposed instructions for such use of a feasibility study?</p> <p>Are there any instructions that we should exclude?</p>	Yes.
89	As part of the instructions for pre-feasibility and feasibility studies, should we define preliminary and final market studies as proposed?	"Final" implies that no additional studies are required. For some commodities, the studies continue on for the life of the mine. Possibly "comprehensive" is a better descriptor.
90	<p>Should we require summary disclosure, as proposed, for all registrants with material mining operations? Why or why not?</p> <p>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?</p>	<p>More confusion. Are summary disclosures to be in lieu of Technical Reports on material properties for companies with more than 20 properties? Or, are they in addition to Technical Reports? If material properties are covered by current Technical Reports, summary disclosures will not add any value and should not be required. Summary disclosure for the sake of summary disclosure is largely a waste of time and resources and will provide no information to investors that is not covered by current Technical Reports. Summary disclosure in support of an annual report, for example, has value.</p> <p>If summary disclosure is required for some legitimate reason, those disclosures should summarize all operating mines and properties with identified Mineral Resources regardless of the number. 20 is entirely arbitrary. How will the "asset values" be assigned? Is asset value the NPV with an 8% discount or is it the possible impairment value? Guidance relating to the estimation of "asset values" is completely lacking from this discussion. A summary of all Mineral Resources and Mineral Reserves is not an onerous task. All companies have those at their fingertips.</p> <p>Maps showing the locations are largely unnecessary in annual filings but are critical in Technical Reports. In annual filings, a description of the location should be adequate. A description will convey all of the required information about location which will allow investors to evaluate political risk if they desire. In a summary</p>

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		disclosure, maps simply add more pages with no benefits.
91	<p>Should we permit registrants to treat multiple mines with interrelated mining operations as one mining property, as proposed?</p> <p>Should we instead require registrants to treat such mines as separate properties? Why or why not?</p>	<p>Multiple mines sharing significant common infrastructure, management, etc., should be treated as one mine. It is not realistic to separate them and somehow partition the processing and management costs between the separate mining operations.</p>
92	<p>Should we exclude registrants with only one mining property from the summary disclosure requirements, as proposed?</p> <p>Why or why not?</p> <p>Alternatively, should we use a different threshold than the proposed "only one" threshold for excluding a registrant from the summary disclosure requirements?</p> <p>If so, what threshold should we use and why would this threshold be more appropriate?</p>	<p>Why would any operation be excluded from this requirement? Simply asking the questions in #92 indicates to me that summary disclosures are poorly understood and likely to cause more confusion than clarity. So none should be required.</p>
93	<p>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?</p> <p>Why or why not?</p> <p>For example, should we require the registrant to disclose the asset value of each property included in its summary disclosure?</p> <p>Should we revise the proposed form and content of Table 2?</p> <p>If so, how should we revise the table's form or content?</p>	<p>The current columns adequately describe the project, but some items such as Mineral rights, etc., will require many pages in this format. The previous three years' production are largely irrelevant.</p> <p>Is the asset value the NPV or the possible impairment value? Those are typically very different numbers that can differ by an order of magnitude, or more. No value should be assigned to the property. Any number except possibly the NPV will be misleading to investors and the NPV can be manipulated by varying the discount rate to mislead investors.</p>
94	<p>Should the presentation of information about the mining properties with the largest asset values include the 20 largest properties, as proposed?</p> <p>Should this number be higher or lower?</p> <p>If so, what number is appropriate?</p> <p>Why?</p> <p>Should the summary disclosure include only those properties that represent 5% or more in asset value?</p> <p>Should we permit the summary disclosure to omit any property that represents 1% or less in asset value?</p> <p>Alternatively, should we require the specified information based on some criteria (e.g. revenues) other than asset value?</p>	<p>No. 20 is an entirely arbitrary and capricious number. If we must produce a summary disclosure, all properties with identified Mineral Resources and Mineral Reserves should be disclosed. This is only way an investor can get any idea of the value of the company. Without significant specific guidance "asset value" is an arbitrary, essentially meaningless, number subject significant abuse. Revenues are more important and relevant to the materiality of the property.</p> <p>Exploration properties with no identified Mineral Resources or Mineral Reserves can be excluded.</p> <p>There is no requirements or guidance for these summary disclosures. Are they to be in addition to Technical Reports to be filed annually? Are they to be in lieu of Technical reports?</p>
95	<p>Should we require summary disclosure to include information on mineral resources and reserves, as proposed?</p> <p>Why or why not?</p> <p>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?</p> <p>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?</p>	<p>Assuming that summary disclosure is required, all Mineral Resources and Mineral Reserves should be summarized and reported by class as suggested in the proposed rules, but the form of the disclosure is not described. If this is for required annual filings, then definitely yes. All Mineral Resources and Mineral Reserves must be summarized and reported by deposit and resource and reserve classification. Not including Mineral Resources and Mineral Reserves is, quite simply, no including the value of the property.</p> <p>Disclosure by commodity is acceptable and consistent with international standards and industry general practices. Some properties that produce multiple commodities will show in multiple sections, but that is reasonable. Summary by geographic area is unnecessary</p>

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	<p>Why or why not?</p> <p>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?</p> <p>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?</p> <p>If so, which attributes should we use and why?</p> <p>Should we revise the proposed form and content of Table 3?</p> <p>If so, how should we revise the table's form or content?</p>	<p>as the summary descriptions of the properties indicate the location; however, most issuers will identify properties by general geographic locations internally so this would not be an onerous or unreasonable requirement.</p> <p>Estimates of "saleable product" for Mineral Resources and Mineral Reserves are inconsistent with international reporting standards and will cause significant confusion in the reporting process and uncertainty to valuation of the properties. This will be an onerous task for most mining companies that report Mineral Resources and Mineral Reserves as tons and grade (quality) above a stated cutoff. "Saleable product" estimates for Mineral Resources are inconsistent with the definition of Mineral Resources and will lead to confusion for the investor because of the implication that the Mineral Resources are, in fact, some sort of Mineral Reserve because we are disclosing the "saleable product" portion of that Mineral Resource.</p> <p>Conversion of Mineral Reserves to "saleable product" will add significant confusion because nowhere else in the world are Mineral Reserves reported in that fashion so it will not be possible for investors to compare Mineral Reserves for US issuers and Canadian issuers, for example. "Saleable product" estimates must, of necessity, require a second set of modifying factors that are nowhere in the proposed rules. The concept of "saleable product" should be eliminated from any reporting requirements. It is, at best, misleading, and at worst, fraudulent, depending on the modifying factors used to convert Mineral Reserves to "saleable product".</p> <p>Table 3 is fatally flawed because actual Mineral Resources and Mineral Reserves are nowhere to be seen in the table, only "Saleable Product" which is largely meaningless. Mineral Resources and Mineral Reserves are properly reported as tons and grade (quality) by resource or reserve class above a stated cutoff. Anything else is a manipulation of the data that can be, and frequently is, misleading.</p>
96	<p>Should we require the disclosure in Tables 2 and 3 to be made available in the eXtensible Business Reporting Language (XBRL) format?</p> <p>Why or why not?</p>	<p>No. There is no benefit to issuers or investors for this type of disclosure.</p>
97	<p>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?</p> <p>If not, how should they be revised?</p> <p>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?</p> <p>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?</p>	<p>See #96.</p>
98	<p>If we require Tables 2 and 3 to be made available in XBRL, is there a particular existing taxonomy that should be used?</p>	<p>See #96.</p>

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	Alternatively, what features should a suitable taxonomy have in this case?	
99	<p>Should we require disclosure on individually material properties, as proposed? Why or why not?</p> <p>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?</p>	<p>Disclosure of material properties with the associated requirements is consistent with international standards and industry practices.</p> <p>The requirements for disclosure in a Technical Report are generally consistent with international standards and industry standard practices. This type of disclosure is well understood in the mining industry and investment community.</p>
100	<p>Should we require that a registrant provide the property's location, including in maps, accurate within one mile? Why or why not?</p> <p>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?</p> <p>If not, what level of accuracy should we require?</p>	<p>Location maps should be in the Technical Reports that support disclosures. Requiring the accuracy to be within one mile is a rather silly requirement. For most property location maps, the symbol showing the location of a property is larger than the 1-mile accuracy requirement rendering it largely meaningless. Most other maps in technical reports will be to scale with accuracy consistent with the map scale which, in all cases, is considerably better than 1 mile, typically on the order of feet.</p> <p>CRIRSCO requirements are standards in the industry and should be adopted.</p>
101	<p>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? Why or why not?</p> <p>Should we require all of the information specified in Tables 4-8 to be in tabular form? Why or why not?</p> <p>Should we revise the proposed form and content of these tables? If so, how should we revise the tables' form or content?</p>	<p>Tables 4-8 require significant revision.</p> <p>Table 4 is not appropriate for geophysical survey summary which should be summarized in a separate table. Table 4 should summarize drilling by year for the history of the project, including the current year by project. Drilling should be summarized by type (core, RC, trenching) with total drilling for each type by year. The total number of assays is generally redundant because the number of samples will equal the number of assays. If this is an exploration stage project, significant drill intercepts should be summarized in another table like what appears to be envisioned as Table 5. Each property should be summarized separately as separate tables or as continuous tables. The current format is confusing. Assays are generally more important than lithology or Geological Properties and should be explicitly included in this table.</p> <p>Table 6 should be completed individually for each material property with a single table at the end summarizing all of the results for the combined operations. This can be, and frequently is, a single long table divided by property. Tons and grade (quality) should be reported by resource or reserve class above a specified cutoff grade. Plant/mill feed and Saleable Product convey no useable information to anyone and are not used by international codes for that reason. They should be removed from the requirement and from the proposed rules.</p> <p>Because Mineral Resource and Mineral Reserve estimates are typically only updated if material additional information is acquired, they may not have been estimated using the current year's price. Requiring them to be re-</p>

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		<p>estimated each year simply to update the cutoff grade fluctuations due to metal price fluctuations is an onerous task that has little, if any, practical value so the metal price used for each Mineral Resource and Mineral Reserve estimate on each property should be stated in a footnote to the table along with other assumptions used for both Mineral Resource and Mineral Reserve estimation. This is required by CRIRSCO-based codes and has served the industry well for 15 or more years. The format is well known and understood by both issuers and investors.</p> <p>Table 7 adds little to the information provided to investors and requires significant additional work on the part of issuers for the limited value it provides to investors. I recommend not requiring Table 7. If it is required, the format must change to include tons and grade (quality) above a cutoff for each year and the depletion. As it stands now, the information required is quite useless and entirely inconsistent with international reporting codes and mining industry standard practices.</p> <p>Table 8 is useful on a property by property basis and should be used in that manner. The format is not compatible with modern reconciliation practices. I assume that the single column for each year is referring to "saleable product" which is a largely irrelevant, and meaningless term. In all international codes and industry best practices, Mineral Reserves are measured in terms of grade (quality) and tons so columns should be included for both years' grade (quality) and tons as well as the grade (quality) and tons depleted and the amount of metal produced. Modern reconciliation uses F1 (model to mine), F2 (mine to mill or plant), and F3 (mill or plant to model) factors to describe reconciliation and to recast modern reconciliation to fit in Table 8 is an impossible task. Meaningful reconciliation cannot be reduced to a single percentage change number and if presented as a single number with no frame of reference as is the case in the current Table 8, it is a truly meaningless number. Both tons and grade must be reconciled to convey any useful information to investors or to reach any meaningful conclusions. This format and factors are well understood by the mining industry, investors, and analysts.</p>
102	<p>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? Why or why not?</p> <p>What factors should we use to determine what may reasonably be achieved?</p> <p>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? Why or why not?</p>	<p>Registrants must be permitted to disclose estimates of Mineral Resources and Mineral Reserves based on different price criteria in lieu of the 24-month trailing average. The proposed 24-month trailing average is not consistent with current international standards or industry practice. It would mean re-estimating every Mineral Resource and Mineral Reserve estimate reported to the SEC immediately after adoption of the rule. This is a massive waste of time and resources and provides nothing more for the investor than the currently used 3-year trailing average provides.</p> <p>Each registrant should have the option of using their internally derived long-term prices or a 3-year trailing average. Use of their internally derived prices will require explanation.</p>
103	<p>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</p>	<p>Requiring registrants to provide a comparison of current Mineral Reserves to the previous year's Mineral Reserves is useful, assuming that the registrant does rigorous</p>

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	<p>resources and reserves as of the end of the preceding fiscal year, with an explanation of any material change between the two, as proposed?</p> <p>Why or why not?</p> <p>Are there items of information that we should include in the comparison instead of or in addition to the proposed items of information?</p> <p>Are there any proposed items of information that we should exclude from the comparison?</p>	<p>reconciliation, but a meaningful comparison between years cannot be obtained using Table 8. That table must be completely reformatted to accommodate grade (quality) and tons for each year and depletion as well as F1, F2, and F3 factors with percentage changes for each factor. If the registrant uses some other system for reconciliation, the format for Table 8 must be sufficiently flexible to accommodate other systems. The current format conveys no useable information. Unfortunately, many mining operations perform no meaningful reconciliation and requiring them to produce Table 8 would be an impossible task for them. Possibly by requiring it, more companies can be pushed to produce meaningful reconciliation, but that is doubtful. It is probably best to encourage registrants to provide tables similar to Table 8 for material properties, but not require them to do that.</p> <p>Reconciliation of Mineral Resources is not as simple. Mineral Resources are reported as either inclusive of Mineral Reserves or exclusive of Mineral Reserves. Both systems are in wide use in the mining industry. No matter which system is used, it must be explicitly stated which is used in the Mineral Resource and Mineral Reserve tables. If Mineral Resources are inclusive of Mineral Reserves, depletions due to production are equal for both and there is little reason to produce a table essentially providing duplicate data. If the Mineral Resources are exclusive of Mineral Reserves, there should be little depletion of Mineral Resources except around the peripheries of the Mineral Reserve. In some cases, Mineral Resources will be mined and sent for processing because those resources were on the periphery and grade control indicated that the quality of the material was sufficient to be mined. Proper reconciliation will identify those areas and allow them to be accounted for in the reconciliation. Many times, these small changes are typically not material and reporting them conveys no material information to the investor.</p>
104	<p>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?</p> <p>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?</p> <p>Why or why not?</p>	<p>Full details of the material assumptions and criteria should be discussed in a Technical Report filed with the SEC and available to the public for all material changes to a deposit. Current international practice is to include, at a minimum, a summary of the criteria in a footnote to any Mineral Resource or Mineral Reserve table and inclusion of the Technical Report by reference where an investor can acquire a complete description of assumptions and criteria. Too frequently, important assumptions and criteria are missed in too-brief summaries. Summary disclosures such as annual filings should contain summaries of the material assumptions and criteria as footnotes to Mineral Resource and Mineral Reserve tables.</p> <p>Under NI 43-101, updated Technical Reports must be prepared and filed when any material change occurs on a property. This has become industry standard practice. Once material changes are accomplished, the previous Technical Report is no longer current and all scientific and technical information must be reviewed and updated as necessary. The Technical Report must then be filed to support disclosure of the material change(s).</p>

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105	<p>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?</p> <p>Why or why not?</p> <p>If not, should we remove the materiality presumptions altogether or use different quantitative thresholds from those proposed?</p> <p>If the latter, what alternative thresholds or measure(s) should replace the proposed presumptions of materiality?</p>	<p>An increase of Mineral Resources or Mineral Reserves of more than 10% or a decrease of Mineral Resources or Mineral Reserves by more than 10% that is not explained by depletion is a reasonable minimum for a trigger for a new Technical Report for an individual property; however, 25% might be better. As discussed in 104 above, a material change on a property should trigger a new technical report and render any previous Technical Reports not current. This is consistent with international codes and current industry standard practices.</p> <p>It is very unlikely that a company will have a total change of 30% or more without that change being material to one or more properties. It is used as a trigger, then Technical Reports for all of the affected properties would be triggered which is not the goal of this proposed rule, as I see it. This requirement should be property-by-property not some sort of aggregate.</p>
106	<p>Should we require the disclosure in Tables 4 through 8 to be made available in the XBRL format? Why or why not?</p>	<p>I see no value to this.</p>
107	<p>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? If not, how should they be revised? 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? 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?</p>	<p>See 106.</p>
108	<p>If we require Tables 4 through 8 to be made available in XBRL, is there a particular existing taxonomy that should be used? Alternatively, what features should a suitable taxonomy have in this case?</p>	<p>See 106.</p>
109	<p>Should we require the qualified person to include in a technical report summary the 26 items, as proposed?</p> <p>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?</p> <p>Are there any items of information that we should exclude from the proposed technical report summary?</p>	<p>Can we please refer to the technical report as a Technical Report to be consistent with international rules and industry standard practices and refer to the required Executive Summary (Section 1) as the technical report summary, again to be consistent with international reporting codes and not mislead investors? These terms are deeply ingrained in the industry and to arbitrarily change their meaning is a disservice to the industry and its investors.</p> <p>The 26 items are indeed generally consistent with Canadian and other international codes. The problem that arises is the format is different than the prescribed format for NI 43-101 Technical Reports. NI 43-101 format is widely used and well understood by both industry and investors. I most strongly recommend that the prescribed NI 43-101 format be used verbatim. It contains all of the information required under these proposed rules and some additional information, just in a slightly different format. Essentially everyone in the industry and most investors know, for example, that Section 14 deals with Mineral Resources. This will eliminate confusion as well as eliminate the need to reformat and re-arrange NI 43-</p>

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		<p>101 reports to match the proposed format.</p> <p>I anticipate that many would object to a prescribed NI 43-101 format, but the prescribed format has worked well for NI 43-101 and provides a consistent format for both Technical Report preparers and users.</p> <p>Sections not appropriate for a particular property, Section 15 Mining in a disclosure of exploration results for example, should be included in the Technical Report but indicated as "Not Applicable for this deposit." so that all sections appear in all reports. For mining properties, all sections would be required.</p> <p>Few, if any, exploration or mining QPs are experts in legal matters such as land tenure and permitting, or marketing. Very few of those that are experts in those disciplines are qualified QPs. We must have a section that discusses reliance on other experts and the QPs must be allowed to rely on legal, permitting, and marketing experts that are not QPs for opinions relating to mineral tenure, permitting, and marketing. We must also be allowed to disclaim responsibility for those opinions because few, if any, QPs have a basis for verifying the veracity of those opinions.</p> <p>Item 7 (hydrogeology) should be included in Item 6 (geology)</p> <p>Item 8 (geotechnical data) should be included with Item 15 (mining method)</p> <p>Item 9 should be split into two items, one dealing with exploration, i.e., exploration geochemistry, geophysics, and other methods used to find and delimit possible mineral deposits as well as how samples were located (surveying and grids). A second item should deal exclusively with drilling (and trenching if done) which is both an exploration and development activity that is handled separately from exploration. This section should require discussion of collar and downhole survey procedures and quality control measures which are critical to determining sample locations.</p> <p>Item 10, "... a description of sample preparation ..." should include a statement requiring disclosure of analytical methods and quality control measures employed for sample analysis. That is not mentioned in the item and is, in most cases, much more important than sample splitting and reduction methods for example. These are mentioned in footnote 368, but should be in the item per se.</p> <p>Item 13. Instruction 3. Uncertainty estimates based on confidence levels are a common, but not universally accepted method for quantifying uncertainty. Many mining companies do not use this methodology because they consider it unnecessary for their deposit and estimation method which is largely correct. It requires significant geostatistical input to produce reliable and supportable estimates. Many operations do not use such methods for Mineral Resource estimation and thus have no basis for such an estimate. It is not possible to estimate reliable and supportable confidence levels without those geostatistical inputs. The proposed rules suggest that uncertainty from similar projects elsewhere might be used. This relegates the uncertainty estimate to a guess, at best,</p>

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		<p>which is unsupportable and totally unreliable. Issuers should be urged to cite uncertainty based on confidence limits if they estimate those limits, but not required to do so. In all cases, issuers should qualitatively discuss risks and opportunities to the Mineral Resource estimates.</p> <p>Item 13, Instruction 7. The concepts of “in situ”, “plant or mill feed” and “saleable product” are essentially useless and potentially misleading terms that are in no way consistent with international standards. To require them for Mineral Resources is to imply that all modifying factors have been evaluated and applied which may not be the case for many exploration projects, in other words, these concepts imply that Mineral Resources are some sort of Mineral Reserves. No amount of disclaimers will prevent that perception which is misleading to investors.</p> <p>Item 13, Instruction 9. Net smelter returns are not in any way equivalent to cutoff grades and are never used to indicate cutoff grades. A particular value of net smelter return may be used as a cutoff grade, but they are not otherwise equivalent.</p> <p>Item 14 iv. The normal progression of a project is Preliminary Economic Evaluation (PEA) that evaluates all of the “what ifs” of a project followed by Prefeasibility Study (PFS) that significantly limits mining and processing options and provides a path forward for data acquisition for a Feasibility Study (FS) which selects final process and procedures and provides a detailed engineering basis for the project. This progression is sometimes shortcut, generally to the detriment of the project. This section implies that a somehow these steps should be shortcut and that not going directly to a FS from initial exploration needs justification. Please remove this section. It adds needless confusion. If justification is needed, require justification of not declaring Mineral Reserves at the PFS stage. When Mineral Reserves are not declared in the PFS, there is generally something wrong with the data supporting the study and it is likely not a true PFS and should not be construed as such.</p> <p>Item 14, Instruction 4. “Plant or mill feed” and “saleable product” are newly coined terms with no meaning in the modern mining industry. Please remove them from the requirement and from these rules.</p> <p>Item 15, Instruction 5. As discussed elsewhere, the 24-month trailing average is too short and not at all consistent with international standards and current industry practices. Requiring an issuer to use that limit will require all Mineral Resource and Mineral Reserve estimates filed with the SEC to be re-estimated which is an onerous task that provides no clarity for investors nor does it in any way provide a level field for comparison of Mineral Resources or Mineral Reserves. Current practices based on 36-month averages have been found to be very workable within the industry and should not be changed. Issuers that spend significant resources estimating long term metal prices should be allowed to use those estimates. Those company’s Mineral Resources, Mineral Reserves, and life of mine plans are all based on their long-term price estimates and would need to be re-estimated to meet these requirements.</p>

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		<p>Item 16, Instruction 2. Prohibiting Mineral Resources when a new processing method is proposed is too restrictive. Mineral Resources should be limited to Inferred Mineral Resources if the resource otherwise has met requirements for reasonable prospects for eventual economic extraction.</p> <p>Item 21, Instruction 1. "Initial assessment" is a needless confusion. It should be aligned with international standards as a Preliminary Economic Assessment (PEA)/Scoping Study. Inferred Mineral Resources should be allowed to be used in the PEA. It is largely a "what if?" study that is used to identify the best path forward for the project. The concept is well understood in the industry and by investors.</p>
110	<p>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?</p> <p>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?</p> <p>Are there other items for which it would be appropriate to require the qualified person to include a discussion in the technical report summary?</p> <p>If so, please provide examples and explain why.</p>	<p>The proposed rule is sufficient as it is. Expressly requiring some items will likely lead to missing other items that are important as well as opening the door for frivolous, flavor of the month requirements in the future.</p> <p>The QPs responsible for the Technical Report are qualified to determine what is important and what is not.</p>
111	<p>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?</p> <p>If not, which items should not be required?</p> <p>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)?</p>	<p>Please remove the reference to "final feasibility" study. A study is a feasibility study or it is not and the adjectives used to describe such a study add nothing but confusion.</p> <p>Requirements for the Technical Report for prefeasibility and feasibility studies is consistent with international standards.</p> <p>Please align the "initial assessment" with international standards for Preliminary Economic Assessments/Scoping Studies. This nomenclature and requirement adds nothing but confusion to Mineral Resource estimation and reporting and is doing the industry and its investors a huge disservice. It is effectively equivalent to a Preliminary</p>

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		Economic Assessment or Scoping Study in other jurisdictions and no amount of disclaimers will change that. That said, with alignment of nomenclature, the items to be included in the Technical Report are adequate.
112	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?	The initial assessment, if it is aligned with international standards, must be allowed to use Mineral Resources, including Inferred Mineral Resources, as the basis for the preliminary economic assessment. These are “what if” studies intended only to provide guidance for the path forward for the property. It is widely understood by the industry and investors that these studies are preliminary in nature and are subject to change as new data are added. The process must be well documented in the Technical Report and all assumptions used clearly described.
113	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?	Items 7 (hydrogeology) and Item 8 (geotechnical data) should not be required for disclosure of exploration results. These data are not typically acquired during early stage exploration.
114	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? Why or why not?	<p>As discussed in 109 above, most QPs are not experts in legal and some other matters and must rely on experts in those matters that are typically not QPs. As QPs we must be allowed to disclaim responsibility. As a QP, and author of numerous NI 43-101 Technical Reports, JORC Technical Reports, as well as Technical Reports for other jurisdictions, I take that responsibility quite seriously and I will not author a Technical Report where I must take responsibility for matters that are completely outside my area of expertise or the expertise of the other QPs on the technical team and that we cannot reasonably verify; mineral tenure, surface tenure, permitting, marketing and diamond pricing are examples. I believe that most QPs will share that opinion. A QP accepts significant responsibility and liability within his/her own areas of expertise; that is part of the job but, I am not willing to bet my home, my livelihood, and my retirement on those portions of a Technical Report that I have no reasonable way of verifying. Accepting responsibility for matters that we have no expertise in is not only unfair to the QPs but will cause significant hardships on companies attempting to obtain QPs that are willing to take on those extraordinary liabilities. I will not accept those liabilities and I expect that no responsible QP will either.</p> <p>The proposed rules state that “This would help ensure that the qualified person has taken the necessary steps to verify any information provided by other experts that are included in the report.” This is not the case at all. As a technical QP, I have no basis in training or experience for evaluation of legal matters just like a typical attorney has no basis in training or experience for evaluation of geological matters. Neither of us have the specific knowledge nor experience to “... take the necessary steps to verify any information provided by other experts ...”. Although we may have some general knowledge, our opinions have no standing because we are in no way qualified to evaluate those matters. The proposed rules, in effect, require QPs to practice law without a license and</p>

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		<p>without training.</p> <p>Similarly, there are other very specific areas, such as diamond grading, pricing, and price modeling, that are the realm of only a hand full of specialists whose contributions to Technical Reports are critical, but outside any normal QP's expertise. The results provided by those specialists cannot, in any way, be verified by a typical QP. We in the industry must be allowed to rely on those specialists.</p> <p>So, a QP or more typically a team of QPs will rely on one to several outside experts that will contribute very important information to the Technical Report. We must be allowed to rely on those experts and disclaim responsibility. A typical QP has neither the training nor experience to evaluate the veracity of the work by those experts.</p> <p>Thousands of man hours have been expended with this question and regulators in all other jurisdictions and, the mining industry in general, including the investment community, have recognized that technical QPs must be allowed to disclaim responsibility for certain, specific aspects of Technical Reports for which they have no basis for evaluation. Why must you reinvent the wheel?</p> <p>So, I must argue that this standard is not at all reasonable nor appropriate and that it will place a significant, possibly insurmountable, burden on the mining industry because many, possibly most, current QPs will not be willing to accept this liability. I will not.</p>
115	<p>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?</p> <p>Why or why not?</p> <p>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?</p>	<p>"large amounts" must be defined. Technical Reports must include sufficient data to demonstrate the viability of Mineral Resources and Mineral Reserves and, most importantly, not mislead investors. In most cases, those are summary data, but specific data are frequently required. At what point does the number of data become "large". Better is to require "summary data as much as practicable".</p> <p>By their nature, Technical Reports will contain technical terms and language from geology, assaying, engineering, metallurgy, etc. that are not part of the everyday language of the public at large. Those terms generally have very specific meanings and must be included in the report or the report will be misleading. As much as possible, QPs indeed use plain English, but technical terms must be allowed or meaning will be lost and confusion will ensue. A glossary is always useful, but serious investors must learn something of the technical language of mining to understand the field. This responsibility flows both ways.</p>
116	<p>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?</p> <p>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?</p> <p>Are there other items, in addition to or in lieu of those proposed items that should be included in such disclosure?</p>	<p>Internal controls must be described and the results discussed.</p> <p>QA-QC is part of every modern exploration, development and mining program and the procedures and results should be discussed. Verification of analytical procedures is inherent in the QA-QC program.</p> <p>Each Mineral Resource and Mineral Reserve estimate should have a discussion of risks and opportunities associated with that estimate. For the most part, these estimates will have the same general risks and opportunities, but some estimates will have specific risks that must be disclosed.</p>

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	<p>Are there items that should be excluded from the proposed internal controls disclosure requirement? In each case, why or why not?</p>	
117	<p>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? 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?</p> <p>Are there other items, in addition to or in lieu of those proposed items that should be included in such disclosure?</p> <p>Are there items that should be excluded from the proposed internal controls disclosure requirement? In each case, why or why not?</p>	This appears to be the same request as #116
118	<p>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?</p>	Yes
119	<p>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? Why or why not?</p>	Yes
120	<p>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? If so, what would be the justification for such differential treatment?</p>	<p>Yes, assuming that the current proposed rules are adopted in their current form. These proposed rules are significantly different than disclosure requirements under NI 43-101 or CRIRSCO and will subject Canadian issuers to significant burdens converting their disclosures to fit the proposed rules. If the proposed rules are modified and truly aligned with international standards, disclosure under the new rules would not be a burden and the requirement is reasonable.</p>
121	<p>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? Why or why not?</p> <p>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)?</p> <p>Should we instead exempt all Regulation A issuers from the proposed subpart 1300 disclosure requirements?</p>	No comment.
122	<p>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? If so, should these requirements be limited only for issuers in Tier 1 offerings?</p>	No comment.

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	<p>Why or why not?</p> <p>Further, which provisions of proposed subpart 1300 should, and should not, apply to issuers in Regulation A offerings?</p> <p>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?</p>	
123	<p>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?</p>	No comment.
Part D	<p>We request comment on the costs and benefits described throughout this release.</p> <p>We seek estimates of these costs and benefits, as well as any costs and benefits not already identified, that may result from the adoption of the proposed rules.</p> <p>We also request qualitative feedback on the nature of the economic effects, including the benefits and costs, we have identified and any benefits and costs we may have overlooked.</p> <p>We request comment from the point of view of registrants, investors, mining professionals such as geologists and engineers, and other market participants.</p> <p>We further seek information that would help us quantify or otherwise qualitatively assess the impact of the proposed rules on efficiency, competition, and capital formation.</p> <p>In addition, we seek information on how any impact on efficiency, competition, and capital formation would vary with company size.</p>	No comment.
Part E	<p>We request comments in order to evaluate:</p> <p>(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;</p> <p>(2) the accuracy of our estimate of the burden of each proposed collection of information;</p> <p>(3) whether there are ways to enhance the quality, utility, and clarity of the information to be collected;</p> <p>(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; and</p> <p>(5) whether the proposed rules would have any effects on any other collections of information not previously identified in this section</p>	
Part G	<p>We encourage the submission of comments with respect to any aspect of this Initial Regulatory Flexibility Analysis. In particular, we request comments regarding:</p> <ul style="list-style-type: none"> <li>• how the proposed rule amendments can achieve their objective while lowering the burden on small entities;</li> </ul>	

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	<ul style="list-style-type: none"> <li>• the number of small entity companies that may be affected by the proposed amendments;</li> <li>• the existence or nature of the potential impact of the proposed amendments on small entity companies discussed in the analysis; and</li> <li>• how to quantify the impact of the proposed amendments.</li> </ul> <p>Respondents are asked to describe the nature of any impact and provide empirical data supporting the extent of the impact. We will consider such comments in the preparation of the Final Regulatory Flexibility Analysis, if the proposed rule amendments are adopted, and will place those comments in the same public file as comments on the proposed amendments themselves</p>	

Respectfully,

***Signed: Ted Eggleston***

Dr. Ted Eggleston, Ph.D., RM SME, PGeo.

