CPM Group

24 August 2016

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

Re: File Number S7-10-16 - Request for Extension of Time to Submit Comments in Response to SEC Proposed Rule for Modernization of Property Disclosure Requirements for Mining Registrants

Dear Mr. Fields:

CPM Group produces research and provides financially oriented consulting services to companies engaged in the mining, processing, trading, investing, fabrication, and use of metals, as well as companies involved in other commodities. A portion of our work relates to analyzing and providing representative historical and prospective prices for use in valuing properties and companies.

CPM is pleased to provide comments to the Securities and Exchange Commission on its proposed amendments relating to property disclosures for mining registrants, SEC File No S7-10-16 in the Federal Register dated 26 June 2016.

The SEC's proposal to use the average price of the most recent two fiscal years prices for exchange traded metals as the price basis for valuing mineral resources is interesting. It would be interesting to know the rationale behind it, as it is quite distinct from both other national directives and industry practices.

The proposed approach appears to vary from methodologies used by other securities market regulatory bodies in other countries, as well as to the methodologies used by market practitioners, valuation experts, auditors, and others. For example, a 2013 survey of valuation methodologies by KPMG revealed that 50% of valuation professionals use either a single-practitioner price projections or a consensus of market projections; 43% of the others used spot or forward prices. Few if any used average historical prices, much less only of two years duration.

The charts on the following page illustrate the variance between such two-year average prices and the prices of the subsequent year. This variance may be no greater than that which occurs using other methodologies. We do not know, having not undertaken such a comparative study for the SEC. But the variance across the four metals shown here is significant enough to suggest that the SEC's proposed price methodology will not produce price bases that represent actual future prices as they materialize

The methodology appears arbitrary, however. It would appear to be far better in CPM Group's view if the SEC sought to synchronize whatever price practices it settles upon with those of other jurisdictions so as to advance the harmonization and standardization of international methodologies as much as possible. Such a goal is to be commended. The proposal at hand may not conform to such aspirations and should be reconsidered.

Sincerely,

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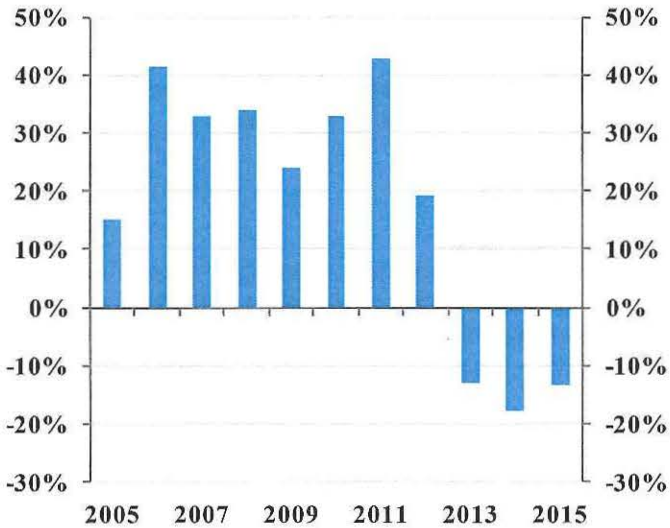
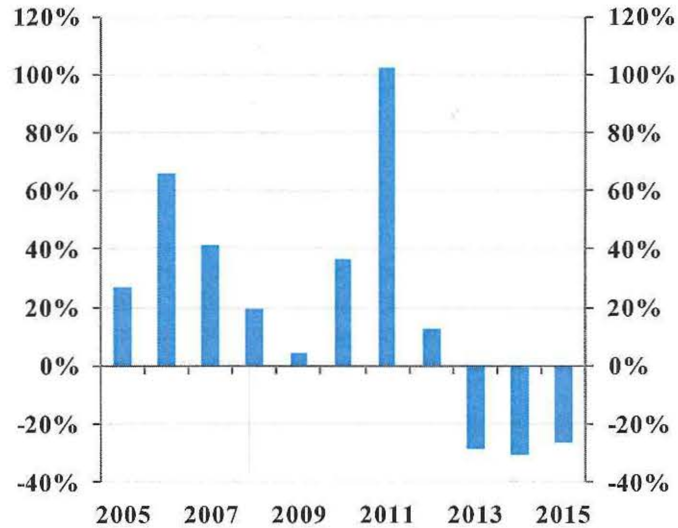
Percent Difference of Average Annual Gold Prices from Prior 2-Year Rolling Average Gold Prices



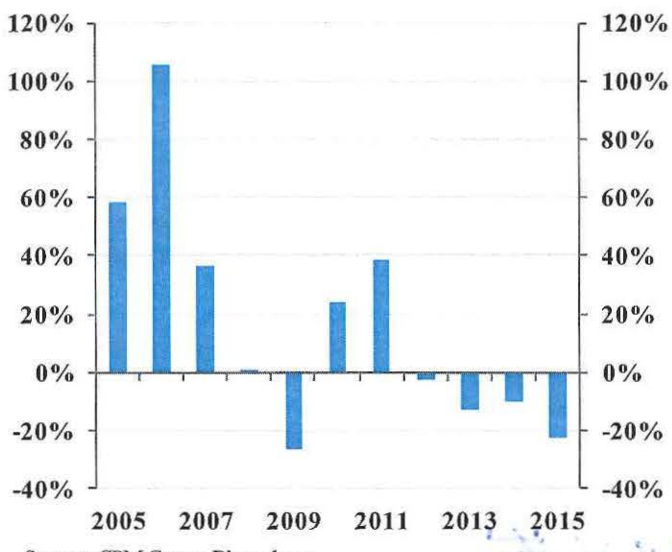
Source: CPM Group, Bloomberg

Percent Difference of Average Annual Silver Prices from Prior 2-Year Rolling Average Silver Prices



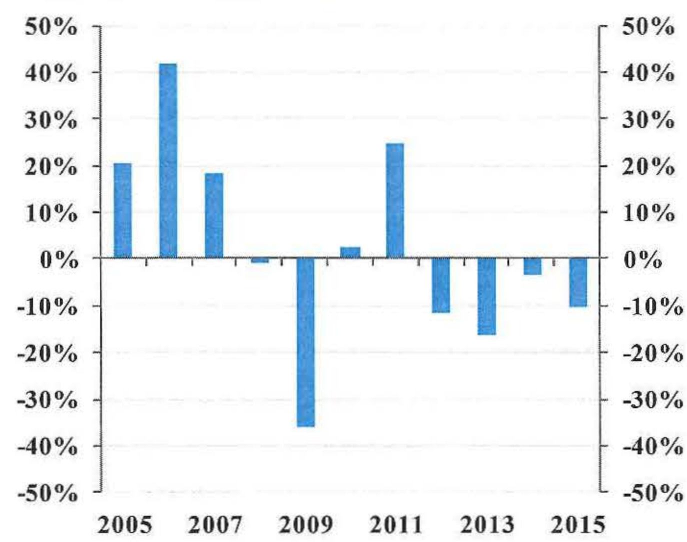
Source: CPM Group, Bloomberg

Percent Difference of Average Annual Copper Prices from Prior 2-Year Rolling Average Copper Prices



Source: CPM Group, Bloomberg

Percent Difference of Average Annual Aluminum Prices from Prior 2-Year Rolling Average Aluminum Prices



Source: CPM Group, Bloomberg