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VIA EMAIL (rule-comments@sec.gov)

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

**Re: File Number
Release Number 33-10098; File No. S7-10-16 (the "Release")
Modernization of Property Disclosures for Mining Registrants**

Dear Mr. Fields:

The South African Mineral Codes (SAMCODES) of which the South African Mineral Resource Committee (SAMREC) is a founding member, in conjunction with representatives of mining companies which are or have been listed in the USA, hereafter referred to as SA Mining, submit the following comments on the Securities and Exchange Commission's (the "Commission") proposed rules (the "Proposed Rules") to revise the property disclosure requirements for mining registrants and related guidance currently set forth in Item 2 of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Industry Guide 7 ("Guide 7").

Modernization of Property Disclosures for Mining Registrants

SA Mining would first like to acknowledge its appreciation for the Commission's approach on the Proposed Rules. SA Mining supports all efforts to eliminate the existing Guide 7 disclosure guidelines, related precedent and informal guidance and to replace such standards with disclosure and technical standards that are consistent with the CRIRSCO Template. SA Mining believes the proposed rules indicate a willingness to move toward alignment and we commend you for initiating such a daunting task.

South African Perspective

South African mining companies have been compliant with the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) based standards since the inception of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) Code in 2000. To this end they have adopted the principles of the CRIRSCO based standards and in particular that any public report on Exploration Results, Mineral Resources and Mineral Reserves (Public Report) must be based on and fairly reflect the work of a Competent Person (CP), as defined in the CRIRSCO International Reporting Template for the public reporting of Exploration Results, Mineral Resources and Mineral Reserves (July 2006) (the CRIRSCO Template).

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These codes have been periodically updated to keep abreast of changing operating and reporting environments and the SAMREC Code released its latest version early in 2016. Whilst supporting the modernization of property disclosures for SEC registrant mining companies, we are of the opinion that the modernization should not place further burden or duplication of effort on companies who have been compliant with the widely accepted CRIRSCO based standards for many years.

We believe that there should be a global alignment of minimum reporting requirements for all registrants, which has been the objective of CRIRSCO [and numerous jurisdictions are aligned in this respect]. We see no reason to require greater disclosure between registrants disclosing under a CRIRSCO aligned code, such as JORC or SAMREC, and those disclosing under NI 43-101.

1. Principles of CRIRSCO

The main principles governing the operation and application of the CRIRSCO Template are transparency, materiality and competence. Transparency requires that a Public Report provide sufficient information, the presentation of which is clear and unambiguous, so as to be understandable and not misleading. Materiality requires that a Public Report contains all the relevant information, which investors and their professional advisers would reasonably require, and reasonably expect to find in a Public Report, for the purpose of making a reasoned and balanced judgement regarding the Exploration Results, Mineral Resources and Mineral Reserves being reported. Competence requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics and rules of conduct.

These principles do not appear to be echoed in the draft SEC proposals and we strongly support these as the fundamental basis of the CRIRSCO based codes. Instead, the draft SEC proposal contains, a highly prescriptive level of technical reporting and individual property disclosures. Such requirements would be a very significant burden in terms of staffing, time and cost to the companies already complying with the CRIRSCO based standards.

2. NI43-101

In Canada the standards for reporting on Exploration Results, Mineral Resources and Mineral Reserves are contained in the statute NI43-101, with reference to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards for relevant definitions. The statute is by definition prescriptive in nature and can lead to a potentially superficial “tick box” approach, whereas the CRIRSCO based standards are principle based and rely on the competence and the judgement of the CP and in this case the relevant securities and market administrators make reference to the CRIRSCO based standards in their legislation. NI43-101 takes a more legalistic approach, moving away from the professional competence approach founded on technical and economic assurance of the CRIRSCO based standards, as followed in many other jurisdictions.

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3. Requirement for a Technical Report

NI43-101 contains a requirement for a Technical Report or a summary, which is triggered by specific criteria related to Mineral Resources.

The CRIRSCO based standards are less prescriptive and apply without exception to Public Reports, which are prepared for the purpose of informing investors or potential investors and their advisers on Exploration Results, Mineral Resources and Mineral Reserves.¹ CRIRSCO based standards oblige a company to report the relevant information concerning a mineral deposit that could materially influence the economic value of that deposit to the company². The company must review and publicly report on their Exploration Results, Mineral Resources and Reserves at least annually and state the effective date of each statement.³ Material exploration results for each material property should be disclosed where the information is critical to the investor or potential investor. We therefore do not support the prescriptive approach associated with the submission of a Technical Report or a summary of the Technical Report.

In certain circumstances, controlled by the "If Not Why Not" clause in the case of the Australian Joint Ore Reserves Committee (JORC) and SAMREC 2016, companies may be required to provide summary reports to the public. These are defined in terms of a Table 1 disclosure. We would support the SEC adopting similar requirements.

4. Definition of material

You are referred to the U.S. GAAP measure of materiality which is defined in ASC 280/FASB Statement No. 131. Paragraph 18 FASB 131 mirrors paragraph 13 of International Financial Reporting Standard (IFRS) 8 and reads as follows:

18. An enterprise shall report separately information about an operating segment that meets any of the following quantitative thresholds:

a. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all reported operating segments.

b. The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (1) the combined reported profit of all operating segments that did not report a loss or (2) the combined reported loss of all operating segments that did report a loss.

c. Its assets are 10 percent or more of the combined assets of all operating segments.

¹ Clause 4 CRIRSCO Template

² Clause 14 CRIRSCO Template

³ Clause 15 CRIRSCO Template

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Information about operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the company believes that information about the segment would be useful to readers of the financial statements.”

We believe that the Generally Accepted Accounting Principles (GAAP) provide a more suitable and equitable definition of what is material.

5. Use of the term “Qualified Person” (QP)

The term qualified person (QP) is only used in Canada; the more common term of CP is used by 9 of the 10 current CRIRSCO members. The definition of the two terms is identical. Although we believe that the adoption of commonly understood terminology and standards would be better served by the SEC’s use, of the term CP, an alternative would be to accept both terms as inter-changeable. As a general rule, Reports on Exploration Results, Mineral Resources and Mineral Reserves must be prepared by, or under the direction of and signed by a CP/QP.

6. Qualifications of CP/QP

We believe that the educational requirements for a CP/QP are adequately catered for in the membership criteria of the respective Recognised Professional Organisation (RPO) and it is not required to repeat in the proposed rules.

With regards to the experience required by a CP/QP we believe that the definition in the SAMREC Code⁴ and the CRIRSCO Template⁵ is adequate and requires a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking. The CP/QP must be clearly satisfied in their own minds that they are able to face their peers and demonstrate competence in the commodity, type of deposit and situation under consideration

7. Recognised Professional Organisation (RPO)

We are in agreement with the proposal that a CP / QP must be a member of an RPO or a board authorized by US federal, state or foreign statute to regulate professionals in the mining, geoscience or related field. The system applied to CRIRSCO members is that a professional body applies to a National Reporting Organisation (NRO), which in turn makes a recommendation to the local securities exchange, as to whether it allows CPs/QPs from the applying professional body to submit reports into that securities exchange. The involvement of the NRO is considered important as it is well placed to make judgement on the membership criteria applied by RPOs. The list of RPOs for a particular exchange is maintained on a NRO website and updated annually.

⁴ Clause 10 SAMREC 2016

⁵ Clause 11 CRIRSCO Template

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8. Liability for CP/QP

The proposal is specific in placing legal liability with the CP/QP. However, it is our view that a Public Report concerning a company's Exploration Results, Mineral Resources and or Mineral Reserves is the responsibility of the company acting through its board of directors (the Board). Any such report must be based on, and fairly reflect the information and supporting documentation prepared by a CP/QP or CPs/QPs. ⁶ The liability of the Board does not relieve the CP/QP of his obligations to the professional body to which he belongs and which has an enforceable disciplinary process.

9. SEC rules to apply to brines and geothermal

The CRIRSCO Template is applicable to solid minerals only. It is applicable to Mineral Resources, which are in solid form, yet subsequently dissolved and recovered as a liquid. We suggest, therefore, that brines and geothermal be excluded from the disclosures required from Mining Registrants.

10. Exploration Target

We note that Exploration Target as defined in CRIRSCO based standards⁷ is omitted from the proposed rules. Exploration Targets give an indication of the exploration potential of a deposit and are therefore important to the potential investor in understanding a company's strategy and ultimate potential. Depriving US listed companies the opportunity to express their exploration potential may put them at a disadvantage to companies listed elsewhere.

11. Exclusion of Inferred Resources from initial economic analysis

We submit that the exclusion of Inferred Resources from initial economic analysis is detrimental to the understanding of the value of a property. Inferred Resources have the potential to add significant value in the future once upgraded to Indicated and/or Measured Resources and this potential value should be considered by investors and potential investors. The CRIRSCO Template allows for the consideration of all categories of Mineral Resources in a Scoping Study, which is a technical and economic study of the potential of Mineral Resources⁸. Consideration of Inferred Resources is also allowed in a Preliminary Economic Assessment (PEA) provided that the impact of the PEA and the included Inferred Resources, on results of a pre-feasibility or feasibility study are stated.⁹

In terms of ongoing life of mine planning at an existing operation the Inferred Mineral Resource cannot be excluded from the mine optimisation process. The CP/QP should be able to decide if the

⁶ CRIRSCO Template Clause 8

⁷ CRIRSCO Template Clause 17

⁸ CRIRSCO Template Clause 37

⁹ Preliminary economic Assessments for Mining Projects – New Guidance from the Canadian Securities Administrators. Authors Douglas Bryce, James R Brown, Jeremy Fraiberg. September 2012

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amount of Inferred Resources in the mine plan is material and in that case to comply with the transparency principle and disclose the amount of Inferred Resources included in the optimisation and estimation of the Mineral Reserve. Naturally, this material cannot be published as a Mineral Reserve due to its inherent uncertainty.

12. Requirement of initial assessment for declaration of a Mineral Resource

We believe the requirement of a Technical Report for the initial assessment of a Mineral Resource is an additional burden to companies already complying with the CRIRSCO based standards, which require that Public Report containing an estimate of Mineral Resources comply with the relevant standard on an “if not why not basis”

13. Confidence Limits of relative accuracy

The Commission is correct in noting that the use of confidence limits of relative accuracy is considered best practice in the industry. This is a numerical assessment of confidence interval, and should be declared where the analysis is available. However it should be recognized that such analysis may frequently not be available or in the case of coal and industrial minerals, where the geological setting is simple, may not be required. Thus quantitative assessment can be impractical for the above mentioned reasons.

The Commission suggests use of a combined quantitative estimation of confidence intervals and qualitative measures to assess confidence levels for other risk factors such as reliability of drilling, sampling, or assaying techniques, and validity of modelling assumptions such as assumptions about geologic structures and domains. This is more complex than using just quantitative or, qualitative measures, and such a “scorecard” approach is being tested by some major mining companies, but it is not in common use.

In this regard, the Mineral Resource classification is a function of the confidence of the whole process from drilling, sampling, geological understanding/continuity, and geostatistical relationships (including grade continuity).

The following aspects or parameters are included during Mineral Resource classification:

- Sampling – quality assurance and quality control (QA/QC);
- Geological confidence;
- Grade continuity/variance;
- Drill hole (sample) spacing; and
- Quantitative geostatistical parameters including; Kriging efficiency, slope of regression and confidence limit estimates.

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Though these provide useful guidelines for Mineral Resource classification within a company, importantly, Mineral Resource classification varies in its application to different ore bodies. The ore body dictates the methodology applied.

For the present, at a minimum the CP/QP should disclose the basis of the classification and by applying the definitions for Inferred, Indicated and Measured Resources. Persuasive in this regard are the CRIRSCO Template definitions:

Inferred Mineral Resources¹⁰: “Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.”

Indicated Mineral Resources¹¹: “Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve

Measured Mineral Resources¹²: “Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Mineral Reserve or to a Probable Mineral reserve

14. Definition of Mineral Reserve

We support the use of the CRIRSCO framework for classification of Mineral Reserves as depicted in Figure 1¹³. However, we do not support the disclosure of reserves at 3 separate reference points and in particular an in-situ Reserve, which in our opinion would be the same as a Mineral Resource. The CRIRSCO Template¹⁴ requires that the reference point at which Reserves are defined is clearly stated and the reader fully informed.

¹⁰ CRIRSCO Template Clause 22

¹¹ CRIRSCO Template Clause 23

¹² CRIRSCO Template Clause 24

¹³ CRIRSCO Template Clause 7

¹⁴ CRIRSCO Template Clause 30

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The option to report Mineral Resources inclusive or exclusive of Mineral Reserves is supported by SAMREC, provided that it is clearly stated which option is adopted.

15. Use of prescribed commodity prices

We feel strongly that a company's long term view on commodities should be considered when looking at price. Provided the pricing logic is reasonable and clearly articulated, there should be no confusion or lack of transparency.

To ensure comparability a range of price sensitives can be presented to enable the reader of the report to assess the sensitivity of Mineral Resources / Mineral Reserves to commodity price fluctuations.

We are strongly of the opinion that there should be a differential in the commodity price used for Mineral Resources and Mineral Reserves. It has become an accepted practice in mining companies complying with the CRIRSCO based standards. The markets make use of the upside indicated by the higher price used for Mineral Resources to understand the potential upside value of assets.

16. Separate rules for environmental and social

We recognise that environmental and social matters have become extremely important in estimation of Mineral Resources and Mineral Reserves. These matters are part of the Modifying Factors defined in Figure 1 of the CRIRSCO Template¹⁵ which are considered when declaring a Mineral Resource and considered in more detail when converting a Mineral Resource to a Mineral Reserve.

The SAMREC Code 2016¹⁶ in Table 1 gives guidance on the environmental and social aspects that have to be addressed on an if not why not basis in technical studies undertaken to declare a Mineral Resource or Mineral Reserve

17. Conforming Changes to Certain Forms not subject to Regulations S-K

As stated earlier, we believe that there should be an alignment of reporting requirements for all registrants. We see no reason to differentiate/require greater disclosure between registrants disclosing under a CRIRSCO aligned code such as JORC or SAMREC, and those disclosing under NI 43-101.

¹⁵ Clause 7 Figure 1 CRIRSCO Template

¹⁶ SAMREC Table 1 Section 5.5

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18. Prescriptive reporting formats

We note that the Proposed Rules cover a wide range of mining companies, including companies mining precious and base metals, coal, industrial minerals, sand and gravel, aggregates, crushed rock and dimension stone, brines and geothermal energy

Mining operations range from local sand and gravel pits to huge open pit mines and deep underground mines producing an extremely wide of mineral products. There is little comparability in the details within the broad range of these mining operations.

It is our view that the proposed disclosure formats and tables are in many cases overly prescriptive and will not serve the purpose for which they are intended; furthermore they may discourage new entrants into the US exchanges.

3 August 2016

Contributors to this submission:

The SAMCODES STANDARDS Committee through its patrons The Southern African Institute of Mining and Metallurgy (SAIMM) and The Geological Society of South Africa (GSSA)

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