



26 September 2016

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

Dear Mr. Fields

**RELEASE NUMBER 33-10098; FILE NO. S7-10-16 (THE "RELEASE")
MODERNIZATION OF PROPERTY DISCLOSURES FOR MINING REGISTRANTS**

The JOINT ORE RESERVES COMMITTEE (JORC) of Australasia submits 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").

The JORC committee was established in 1971 and is sponsored by the Australian mining industry and its professional organisations. It comprises representatives of each of the three parent bodies: The Minerals Council of Australia (MCA), The Australasian Institute of Mining and Metallurgy (The AusIMM), and the Australian Institute of Geoscientists (AIG); as well as representatives of the Australian Securities Exchange (ASX), the Financial Services Institute of Australasia (FinSIA), the Association of Mining and Exploration Companies (AMEC), and the accounting profession.

The JORC Committee is responsible for the development and ongoing update of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'), which is a professional code of practice that sets minimum standards for Public Reporting Exploration Results, Mineral Resources and Ore Reserves for minerals

The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves for minerals according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.

Public Reports prepared in accordance with the JORC Code are reports prepared for the purpose of informing investors or potential investors and their advisors. They include, but are not limited to, annual and quarterly company reports, press releases, information memoranda, technical papers, website postings and public presentations of Exploration Results, Mineral Resources and Ore Reserves estimates.

JORC Parent Bodies

The JORC Code was first published in 1989, with the most recent revision being published late in 2012. Since 1989 and 1992 respectively, it has been incorporated in the Listing Rules of the Australian and New Zealand Stock Exchanges, making compliance mandatory for listing public companies in Australia, New Zealand and Papua New Guinea. The Committee also works closely with CRIRSCO, the Committee for Mineral Reserves International Reporting Standards to ensure international consistency in the development of reporting standards and the promotion of best practice in implementation of the relevant standards and codes thought out the world. The SME in the United States is also a member of CRIRSCO.

Modernization of Property Disclosures for Mining Registrants

JORC congratulates the Commission's decision to upgrade the Property Disclosure system to bring it more into alignment with other approaches in place internationally and in particular with CRIRSCO family of Codes, Standards and Guidance. Most of the CRIRSCO Standard definitions have been incorporated as they were in the 2014 SME Guide.

However, the overarching issue for JORC is that there are significant differences between the Proposed Rules and the CRIRSCO Template and the CRIRSCO family of Codes and Standards as incorporated into the listing requirements of Securities exchanges in Australia, Canada, Chile, Europe, and South Africa. These differences will cause significant variations in both the tonnages and grades of the Mineral Resources and Mineral Reserves being reported and the manner in which they are reported in the USA and the rest of the world. Hence the adoption of Proposed Rules in their present form may result in potential confusion on the part of the investors and may well frustrate the laudable purpose of the effort which has gone into preparing the Proposed Rules. It will also require duplication of effort of those companies reporting in the USA as well as other jurisdictions.

Proposed Rules of greatest concern to JORC (and to the investing public) are:

- The two-year pricing model for determination of Mineral Resources and Mineral Reserves will create volatility in declarations of Mineral Resources and Mineral Reserves, and duplication of work undertaken for reporting in other jurisdictions.
- A number of the technical reporting requirements, especially relating to the prescriptive format for material properties, are considered onerous and contain areas of duplication of information. The universal requirement for information is in many cases inappropriate.
- Several areas relating to the application of CRIRSCO-based definitions are questioned because they have been modified from its original form or intent, particularly in relation to liability of Qualified Persons and reporting of Mineral Resources and Mineral Reserves. The definition of materiality requires additional clarification.

Australasian Perspective

The JORC committee was established in 1971 and is sponsored by the Australian mining industry and its professional organisations. It comprises representatives of each of the three parent bodies: The Minerals Council of Australia (MCA), The Australasian Institute of Mining and Metallurgy (The AusIMM), and the Australian Institute of Geoscientists (AIG); as well as representatives of the Australian Securities Exchange (ASX), the Financial Services Institute of Australasia (FinSIA), the Association of Mining and Exploration Companies (AMEC), and the accounting profession.

The JORC Committee is responsible for the development and ongoing update of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ('the JORC Code'), which is a code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.

Public Reports prepared in accordance with the JORC Code are reports prepared for the purpose of informing investors or potential investors and their advisors. They include, but are not limited to, annual and quarterly company reports, press releases, information memoranda, technical papers, website postings and public presentations of Exploration Results, Mineral Resources and Ore Reserves estimates.

The Joint Ore Reserves Committee (JORC) was established in 1971 and published several reports containing recommendations on the classification and Public Reporting of Ore Reserves prior to the release of the first edition of the JORC Code in 1989. Revised and updated editions of the Code were issued in 1992, 1996, 1999, 2004 and 2012.

The Code has been adopted by The Australasian Institute of Mining and Metallurgy (The AusIMM) and the Australian Institute of Geoscientists (AIG) and is binding on members of those organisations. The Code is endorsed by the Minerals Council of Australia and the Financial Services Institute of Australasia as a contribution to good practice. Of more relevance, The JORC Code has also been adopted by and included in the listing rules of the Australian Securities Exchange (ASX) and the New Zealand Stock Exchange (NZX). The Australian Securities and Investment Commission (ASIC) recognizes the JORC Code as the industry standard and expects Public Reporting of on Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves to comply with it.

JORC has been a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) since its inception, effectively 1994, to ensure international consistency in the development of reporting standards and the promotion of best practice in implementation of the relevant standards and codes thought out the world. The SME in the United States is also a member of CRIRSCO. The JORC Code is compatible with the CRIRSCO International Reporting Template. It enshrines the three principles of Transparency, Materiality and Competence and the role of the Competent Person in Public Reporting is fundamental.

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.

Principles of CRIRSCO

The main principles governing the operation and application of the CRIRSCO Template for the public reporting of Exploration Results, Mineral Resources and Mineral Reserves 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 additional burden in terms of staffing, time and cost to the companies already complying with the CRIRSCO based standards, and being prescriptive can lead to a potentially superficial “tick box” approach, whereas the CRIRSCO based standards are principles based and rely on the competence and the judgement of the Competent Person and in this case the relevant securities and market administrators make reference to the CRIRSCO based standards in their legislation. More specifically certain prescribed elements and modifications of key definitions and concepts away from CRIRSCO definitions and guidance will create a situation where common reporting cannot be achieved, and where the SEC filings, while adopting common terminology and qualified person (“QP”) sign-off, would report different underlying tonnages and grades in a wide variety of cases, further resulting in potential confusion on the part of the investors and may well frustrate the laudable purpose of the effort which has gone into preparing the Proposed Rules. On the other hand, JORC is of the opinion that having common standards that are well-understood by global institutional and individual investors promotes transparency, the ability to ascertain market value, and efficiency in market pricing.

Requirement for Reporting of Technical Information

The CRIRSCO based standards are less prescriptive than the SEC Proposed Rules 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 Reserves¹. 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. The Australian regime of continuous disclosure means that many reports are made (5 to 10 per day). We therefore do not support the prescriptive approach associated with the submission of a Technical Report or a summary of the Technical Report and then only in annual filings.

The JORC Code requires, in certain circumstances, which include initial or materially changed estimates for significant projects, that all the items in Table 1 are reported on an “If Not, Why Not” basis. That is, information on a particular item must be described and if it is not, then it must be explained why this is not done. We would support the SEC adopting similar requirements. This information must be provided with the public announcement not after a period of time following the public announcement.

¹ Clause 4 CRIRSCO Template

² Clause 14 CRIRSCO Template

³ Clause 15 CRIRSCO Template

Definition of material

While Materiality is one of CRIRSCO's fundamental principles that requires that a Public Report contains all the relevant information, which investors and their professional advisors 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, JORC recognises that it is also important to determine what material properties (significant projects in the JORC Code) to include in a public report.

There are many ways to specify the measurement of materiality of what information to include, in any jurisdiction it might be related to accounting principles; it could be linked to the likely effect of the announcement on the company's share price; or it could be to do with initial reports on a project or a major change. In the CRIRSCO family, it is left to the Competent Person to make this judgement. However, based on the Commission's proposed metric to measure materiality of a property - 10% of assets - it is possible that many of the mines at the larger mining companies would not meet the percentage of assets test. Specifically, the largest producing mine for an international mining company may not meet the materiality test for disclosure under proposed the proposed Commission guidelines, which is contrary to the Commission's objective of disclosures for mining operations that "are material to its business or financial condition".

JORC believes the definition of materiality in the Proposed Rules may lead to inadequate reporting by mineral companies concerning its Exploration Results, Mineral Resources, and Mineral Reserves. We believe that the Generally Accepted Accounting Principles (GAAP) provide a more suitable and equitable definition of what is material.

Use of the term "Qualified Person" (QP)

The term qualified person (QP) is only used in Canada; the more common term of Competent Person is used by 9 of the 10 current CRIRSCO members. The definition of the two terms is practically 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 Competent Person, an alternative would be to accept both terms as interchangeable. 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 Competent Person/Qualified Person.

Qualifications of Competent Person/Qualified Person

We believe that the educational requirements for a Competent Person/Qualified Person are adequately catered for in the membership criteria of the respective Recognised Professional Organisations (RPOs) and it is not required to repeat these in the Proposed Rules. The membership of a recognised professional organisation with effective disciplinary provisions is crucial for the investing public to have confidence in the Competent Person and their report.

With regards to the experience required by a Competent Person/Qualified Person we believe that the definition in the JORC 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.

⁴ Clause 11 JORC Code 2012

⁵ Clause 11 CRIRSCO Template

The Competent Person/Qualified Person 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.

While the proposed rules do not directly require independence of Qualified Persons, Questions 27 and 28 address the possibility of imposing independence criteria on QPs. This additional element is a departure from the CRIRSCO template and could result in significant disqualification of existing and long practicing employee Competent Persons from reporting under the proposed rules. This would be a material burden for multi jurisdiction mining companies. JORC submits that a Competent Person/Qualified Person meeting professional membership and experience criteria under a CRIRSCO aligned code should not additionally be required to be independent of the reporting company.

Recognised Professional Organisation (RPO)

We are in agreement with the proposal that a Competent Person/Qualified Person 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 Competent Persons/Qualified Persons from the foreign 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 generally maintained on a NRO website (or the associated securities exchange) and updated annually. In this regard it would seem logical for the SEC to reference APPENDIX A “List of Recognized Professional Organizations (RPOs)” in the SME Guide for Reporting Exploration Results, Mineral Resources, and Mineral Reserves (The 2014 SME Guide) prepared by: The Resources and Reserves Committee of the Society for Mining, Metallurgy, and Exploration, Inc.

Liability for Competent Person/Qualified Person

The proposal is specific in placing legal liability with the Competent Person/Qualified Person. However, it is the Australian view that a Public Report concerning a company’s Exploration Results, Mineral Resources and or Mineral Reserves is primarily the responsibility of the company and its officers, 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 Competent Person/Qualified Person or Persons⁶. The liability of the Board and officers does not relieve the Competent Person/Qualified Person of his obligations to the professional body to which he belongs and which has an enforceable disciplinary process. Further, in Australia, ASIC and ASX do have the right to take action against company officers in certain cases and so there is legal liability attached to the company for the report as well.

SEC Proposed Rules – Prescriptive 24 month trailing pricing

JORC notes that the proposed change from 36 month trailing average pricing to the Proposed Rules 24 month trailing average pricing will introduce more volatility in companies Mineral Reserves reported to securities exchanges under the SEC proposed Rules. This greater volatility will potentially create more exaggerated differences between

⁶ CRIRSCO Template Clause 8

Reserves reported in the USA and elsewhere where they are based on company's reasonable forward looking prices, generally over a long time frame.

JORC suggests the SEC to consider full alignment to the CRIRSCO approach in allowing the registrant to determine, based on appropriate market research, a reasonable forward looking price basis for generation of Mineral Resources and Mineral Reserves. Failure to do so will result in companies being required to produce separate estimates of Mineral Reserves solely for reporting under the SEC proposed rules. This will be both potentially misleading and inefficient. Even for companies solely listed in the USA, their inability to provide Mineral Reserves statements on a comparable basis with their foreign peers will place them at a disadvantage in the market.

JORC is also strongly of the opinion that there should be a differential in the commodity prices 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 over the longer time frames and range of commodity price cycles involved. Transparent reporting of the manner in which these prices differentials are applied ensures the investors are informed and not misled.

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.

Reporting confidence in Inferred Mineral Resources

In discussing the Proposed Rules, it is stated "We are, therefore, proposing to require qualified persons to state the minimum percentage of inferred mineral resources they believe will be converted to indicated and measured mineral resources with further exploration¹⁸⁰", and in the footnote ;

"180 See Instruction 3 to proposed Item 601(b)(96)(iv)(B)(13) of Regulation S-K. Uncertainty estimates for inferred mineral resources must be stated in the form "the qualified person expects at least z% of inferred mineral resources to convert to indicated or measured mineral resources with further exploration and analysis."

This seems to indicate a failure to understand the lack of confidence in Inferred Resources. How can a Competent Person/ Qualified Person be expected to classify mineralisation as an Inferred Mineral Resource and then predict the minimum percentage that will convert with further exploration? Given the uncertainty inherent in an Inferred Resource, any firm estimate of conversion percentage could be in itself potentially misleading.

The CRIRSCO definition of an Inferred Mineral Resource already has a requirement that it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

⁷ CRIRSCO Template Clause 17

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 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.

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” The Competent Person must be confident that there are reasonable chance of eventual economic extraction.

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.

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. The estimation of confidence is more complex than using just quantitative or, qualitative measures, and JORC submits that the approach of requiring the Competent Person / Qualified Person to assess and decide, is more appropriate than attempting to prescribe fixed estimation inputs, confidence ranges and methodologies. 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).

Though consideration of these matters provides useful guidance 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 to be applied.

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

For the present, at a minimum the Competent Person / Qualified Person should disclose the basis of the classification and by applying the definitions for Inferred, Indicated and Measured Resources. Persuasive in this regard are both the JORC Code and 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

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 (in-situ, plant feed, product). In particular, an in-situ Reserve, which in our opinion fails to meet the definition of a Mineral Reserve as it does not account for dilution and ore loss. It appears to be based on the concept of Reserve Base from USGS Circular 831 published in 1980, a concept which has been replaced entirely by Mineral Reserves for market related reporting. The CRIRSCO Template¹⁴ requires that the reference point at which Reserves are defined is clearly stated and the reader fully informed. JORC does not accept the category of In Situ Reserves and suggests that this concept is not introduced in the SEC Proposed Rules. Mineral Reserves must take into account the effects of mining, so that the published figures show what is expected to be able to be extracted from the mine.

In the same vein the proposed treatment of Mineral Resources as saleable product is inconsistent with industry practice as this essentially describes Mineral Reserves and should not be required as it is misleading, given full feasibility studies have not been undertaken on the reported Mineral Resources. Mineral Resources should be reported in-situ as described in CRIRSCO-based codes.

JORC does not support the mandating Mineral Resources to be reported exclusive of Mineral Reserves only. The option to report Mineral Resources inclusive or exclusive of

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

Mineral Reserves is supported by JORC, provided that it is clearly stated which option is adopted. Mandating exclusive reporting will raise operational estimation issues for many companies.

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. In Australasia, a separate parallel Code for Geothermal reporting has been developed and accepted by regulators.

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 JORC Code 2012¹⁶ 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.

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.

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.

JORC is also concerned that the Proposed Rules relating to technical reporting differ substantially from technical reports that are prepared for other jurisdictions that adhere to CRIRSCO-based Codes. JORC considers that the requirements in the technical report summary are overly prescriptive, especially for multi-jurisdiction foreign registrants. As noted in section 2.7 the requirement for disclosure of a technical report summary predominantly aligned to the format of NI 43-101 F1 Technical Report would add new sections to disclose and impose a significant burden on the Qualified Person(s) for the reporting of Mineral Resources and Mineral Reserves for any non NI 43-101 reporting companies. JORC is concerned that this would not provide additional benefit to guide investors, but would be onerous for companies and Competent Persons / Qualified

¹⁵ Clause 7 Figure 1 CRIRSCO Template

¹⁶ JORC Code 2012 Table 1 Section 3 Section 3 Estimation and Reporting of Mineral Resources, and Section 4 Estimation and Reporting of Ore Reserves, under "Environmental factors or assumptions".

Persons to comply with if already complying with JORC or SAMREC reporting requirements. The Commission should standardise the format of the technical report summary balancing the amount of perceived or assessed burden imposed on registrants, particularly if they report according to the CRIRSCO Template Table 1 in other jurisdictions.

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 and may confuse investors by requiring irrelevant information for certain deposits. Furthermore, the proposed disclosure formats may discourage new entrants into the US exchanges.

Conclusions

The Commission's decision to upgrade the Property Disclosure system to bring it more into alignment with other approaches in place internationally and in particular with CRIRSCO family of Codes, Standards and Guidance is endorsed. Most of the CRIRSCO Standard definitions have been incorporated as they were in the 2014 SME Guide.

However, the overarching issue is that there are significant differences between the Proposed Rules and the CRIRSCO Template and the CRIRSCO family of Codes and Standards as incorporated into the listing requirements of Securities exchanges in Australia, Canada, Chile, Europe, and South Africa. These differences will cause significant variations in both the tonnages and grades of the Mineral Resources and Mineral Reserves being reported and the manner in which they are reported in the USA and the rest of the world. Hence the adoption of Proposed Rules in their present form may result in potential confusion on the part of the investors and may well frustrate the laudable purpose of the effort which has gone into preparing the Proposed Rules.

Proposed Rules of greatest concern to JORC (and to the investing public) are:

- The two-year pricing model for determination of Mineral Resources and Mineral Reserves because this will create volatility in declarations of Mineral Resources and Mineral Reserves, duplication of work undertaken for reporting in other jurisdictions.
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- Several areas relating to the application of CRIRSCO-based definitions are questioned because they have been modified from its original form or intent, particularly in relation to liability of Qualified Persons and reporting of Mineral Resources and Mineral Reserves. The definition of materiality requires additional clarification.

If JORC can provide any further input, please feel free to contact the undersigned.

Yours sincerely



Steve Hunt
Chair, JORC Committee