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September 26, 2016

Via email: rule-comments@sec.gov
The Honorable Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Comments in Response to SEC Proposed Rules for Modernization of Property Disclosure Requirements for Mining Registrants

Dear Mr. Fields:

We thank you for the opportunity to comment on the referenced proposed rules to modernize disclosure requirements of mining registrants (the Proposed Rules) contained in SEC Release Nos. 33-10098; 34-78086; File No. S7-10-16 (Federal Register June 26, 2016)(the Release).

We are a uranium mining company continued under the Canada Business Corporations Act, with an operating *in situ* recovery (ISR) mine in Wyoming, as well as exploration and other, advanced projects in Wyoming. We are a US reporting issuer, and also trade on the Toronto Stock Exchange (TSX). We therefore have followed with great interest the Commission's proposed rulemaking. We commend the efforts of the Commission thus far in this significant undertaking to modernize an outdated disclosure regime. We also encourage the Commission to heed many of the considered comments received from industry and professional organizations, mining companies, and mining and legal professionals.[1]

Our company began as many international mining companies do: in Canada, as an exploration mining company. We were organized as an Ontario corporation, later continued under the Canada Business Corporations Act. We completed our initial public offering in November 2005 on the TSX. In July 2008, we began to trade on the NYSE MKT (then-AMEX). We retained our foreign private issuer status until January 1, 2014. Since that time, although a US reporting registrant, we have utilized the legal exemption which permits us to report mineral resources in technical reports under Canadian National Instrument 43-101 (NI 43-101). We chose this disclosure practice for continuity with our earlier reports, but also because NI 43-101 is the most-recognized international standard for disclosure of mineral properties and is a methodology and format with which investors, regulators and analysts are well familiar.

Finally, by way of background, we began production operations at our ISR uranium facility in Wyoming in 2013 on the basis of a Preliminary Economic Assessment (PEA) containing a mineral

[1]In particular, we echo many of the comments provided in the following comment letters: August 4, 2016 and August 25, 2016 Comment Letters of Society for Mining, Metallurgy & Exploration (together, *SME Comments* (internal references here are to the August 4 Comment Letter)); August 22, 2016 Comment Letter of American Institute of Professional Geologists (*AIPG Comments*); August 26, 2016 Comment Letter of Canadian Institute of Mining, Metallurgy and Petroleum (*CIM Comments*); and September 23, 2016 Comment Letter of National Mining Association (*NMA Comments*).

resource estimate, only (*i.e.,* no mineral reserves). Although we have updated that PEA since production commenced, the technical report continues to report only mineral resources.

We begin with this explanation because it informs our first comment: the rules, as proposed, would require that our company – and other similarly-situated issuers – comply with the new Reg. S-K subpart 1300 and also to be compliant with NI 43-101. And, while the Proposed Rules would greatly advance US disclosure standards from Industry Guide 7, they do not yet succeed in accomplishing the Commission's stated goal of aligning US disclosure obligations with other well-established international standards and practices. Because of the many ways in which the Proposed Rules are "similar-but-not-identical," dual-listed issuers that are unable to utilize the Proposed Rules' contemplated MJDS exception, will need to prepare two seemingly similar – but, decidedly not identical – reports of mineral resource or mineral reserves estimates. Our situation would be even more cumbersome, as we would need to prepare two different mineral resource estimates, and a report of preliminary economic analysis under NI 43-101, as no such analysis is permitted under the Proposed Rules. This runs a significant risk of confusing, not informing, investors.

These requirements impose much greater burden and expense on dual-listed companies – not a decreasing or lesser burden as suggested by the Release. We respectfully suggest the Economic Analysis included in the Release (at 173-221; *see especially* 174-177) be reconsidered in this light and based upon other commenter submissions which enumerate the ways in which the Proposed Rules do not yet adequately align with international standards. More than 20% of the affected parties identified in the Release with mining-primary SIC codes (at 175-177) are Canadian registrants. As have others, we strongly urge the Commission to retain the Item 102 exemption for filers who are legally bound to report under another federal or state law.

In addition to this jurisdictional issue, we are concerned about many issues which have received much attention from other commenters. While we limit our comments below to issues of greatest concern, we share concerns with the ways in which the Proposed Rules suggest significant expansion of disclosure obligations, and related burden and expense, including (1) expanded filing requirements; (2) voluminous "summary" disclosure obligations including up to 20 projects which are not limited by materiality; (3) requirements to aggregate non-material projects for disclosure reports; (4) disclosure of exploration results which may also endanger proprietary information and competitive advantage; and (5) extensive and detailed social, EHS and related disclosure which is redundant of our permitting processes and/or is publicly-available in other filings or documents.

We highlight below certain of the issues of greatest concern to our Company:

Mineral Resources / Preliminary Economic Studies

Definitions and Requirements to Formulating Mineral Resources Which Do Not Align with International Standards Do Not Further the Objectives of the Proposed Rules

It is important for the rulemaking to conform its definitions to international standards.[2] The recognized international standards bodies (CRIRSCO members) have continued to address this need for many years, including CIM redefining terms to conform to CRIRSCO definitions as recently as 2014. In this

[2]Additionally, the Proposed Rules introduce superfluous new terms, about which comment letters already demonstrate confusion (*e.g.,* is an initial assessment a process or a form of report – if a report, is it intended to be similar to a scoping study; is a technical report summary a summary of a technical report, or the same report recognized worldwide by the two-word title). These and other new terms – and processes – seem unnecessary if the effort is to align with established practices and standards.

regard, it is noteworthy that the Release and Proposed Rules may have been formulated at least in part with reference to the 2010 CIM Definitions and Standards, not the current, 2014, CIM Definitions and Standards. *See* Release n. 109 (at 48). The CIM Comments, among others, are instructive as to the importance of this most fundamental matter. *See also* SME Comments (Section 10.4). Examples include many of the definitions developed in the Proposed Rules for the disclosure of mineral resources: mineral resource, inferred mineral resource, and indicated mineral resource.

In addition to this concern, we recommend that the ways in which the formulation of mineral resource estimates differ from international standards also be better aligned. For example, requiring statements of accuracy in confidence levels is unnecessary. Requiring a statement of what percentage of inferred resources would be expected to upgrade with further exploration is also unnecessary – the requirement that a majority of inferred resources may reasonably be expected to be upgraded is sufficient and in conformity with existing standards. Finally, the rigorous application of economics to establish mineral resources as suggested by the "initial assessment" process, appears to be a second, not initial, step akin to a scoping study or preliminary economic assessment.

Scoping Studies or Preliminary Economic Assessments Should Be Permitted, and Should Be Permitted to Include Inferred Mineral Resources

The prohibition against scoping studies (CRIRSCO standards) or preliminary economic assessments (NI 43-101) will disadvantage US registrants from their Canadian and other international competitors. Use of these studies is commonplace for exploration and smaller mining companies in their efforts to raise capital to advance promising projects. These economic analyses occur prior to the ability to legitimately establish mineral reserves, and yet at a time when funding is critical to the advancement of a project – in turn, to establish a mineral reserve or develop the project to production. The Commission should not sanction a system which leaves US mining companies at a disadvantage in the capital markets.

For the foregoing reasons, the use of such preliminary economic analyses should also permit inclusion of inferred mineral resources. Again, this places the US mining registrants on competitive footing with their international peers. Whether the Commission determines to retain the prescriptive economic tests to establish a mineral resource at all or amends the rule in this regard to, again, seek better alignment with international standards, the Proposed Rules require the application of economics to state an inferred mineral resource. To then preclude such resources from being included in an economic analysis of the entire resource estimate is inconsistent. If economics can be applied to determine the inferred resource, then we believe it is logical that inferred mineral resources should be permitted as a part of an economic analysis about the mineral deposit as a whole (recalling that a majority must be reasonably anticipated to be upgraded with further work). We believe that such an economic analysis of mineral resources, including inferred mineral resources, should be 'preliminary' in nature and carry appropriate disclaimers.

Commodity Pricing Should Align with Established International Standards and Practices

Most other commenters have included prominently their concerns about the proposed commodity pricing standards, advising against them for a variety of reasons. We concur. Both a trailing-average pricing standard and common pricing for both resources and reserves are contrary to well-established practices. Using the more-volatile, trailing pricing risks material changes in registrants' filings both at the outset of compliance and on a time-to-time basis as such pricing may require frequent changes to reported mineral resources or mineral reserves. Requiring the use of the mineral reserve pricing in estimating mineral resources is contrary to established practice. Because of the many years required to

advance a mineral resource to mineral reserve, through permitting and into production, it is reasonable to use different pricing for mineral resources than mineral reserves. These departures from recognized disclosure standards will not favor US registrants being competitive in the international marketplace. With appropriate related disclosure, use of forward-looking "consensus" pricing should be permitted in mineral resource and reserve reporting.

Qualified Persons

Education, Experience and Professional Membership Certifications

A Qualified Person (QP) should be defined as an individual with specialized knowledge and qualifications with respect to geoscience or engineering fields relating to mineral exploration, project development or mining operations. We urge the requirements for this central figure of mineral property disclosure should be similar or identical to those imposed by NI 43-101: minimum educational requirements to provide not only the expertise but credibility which should be inherent in the disclosure; membership in a statutorily-authorized or recognized professional association which has disciplinary authority over its members and which requires or encourages continuing professional education and development; and relevant experience specific to the mineral deposit type. Additionally, we would favor a requirement of independence from the registrant at certain milestone events. We do not see value in the suggested layering of reviews to satisfy an independence requirement; to the contrary, this would be another instance of the costs and burden of disclosure expanding.

Responsibilities and Limitations of Qualified Persons – Permit More than One QP to Contribute to a Report and Permit Reliance on Other Non-QP Experts

Many reports of mineral resource and reserve estimates and likely most mineral property economic studies require the expertise of more than one Qualified Person (*e.g.,* geologist, geophysicist, hydrogeologist, engineer). We encourage a final form of rules which allows more than one QP to author a technical report, provided that a qualified professional should assume responsibility of preparation, or oversight of preparation, for each section of a technical report. *Compare* NI 43-101, Sections 5.1 and 8.1 (2)(e); *see also* NI 43-101CP, Section 5.1 (4), (5). We believe this is a reformed (and better) approach, resulting from Canadian experience.

Further, the rules should permit reliance by the QP(s) on the expertise of other professionals who may be required to complete all prescribed disclosure. Again, this limited disclaimer and reliance is tested and accepted: Form NI 43-101F1, Item 3. *See also* SME Comments at 13-14; AIPG Comments at 15-16; NMA Comments at 4-6; CIM Comments at 2-3. It is untenable that one or even multiple QPs would be required to also be expert in such varied subjects as legal compliance, mineral title, permitting, environmental issues, and market pricing and trends.

QPs Should Not be Expertised and Exposed to Section 11 Liabilities

The Proposed Rules suggest that technical report QPs would be expertised and exposed to liability under Section 11 of the Securities Act. This is unnecessary, exceeds all other international standards, will add greatly to the expense of such technical reports and may further limit the already-limited number of qualified professionals willing and able to prepare such disclosure documents for registrants. Such a limitation risks not obtaining the best, most professional disclosure. Others have commented extensively and articulately opposing this requirement: SME Comments at 9-14 and 49-50; NMA Comments at 4-6; August 26, 2016 Comment Letter of Davis Polk at 4-6; August 15, 2106 Comment

Letter of Sullivan & Cromwell. We agree that this provision should not be included in the final form of Reg. S-K subpart 1300.

Conclusion

We echo others in our appreciation of the Commission's efforts thus far reflected in the Proposed Rules and encourage further, thoughtful consideration of measures to ensure the goal of aligning US requirements with international standards and practices is fully accomplished.

Finally, we urge the Commission to implement the compliance period of any final form of Reg. S-K subpart 1300 over an ample window with early, voluntary compliance permitted. A three-year or other extended period (or, rolling periods of time based upon required updating of existing technical reports or when new material disclosure is required) will avoid a tactical rush on the available qualified professionals to conduct the work, as well as spread the cost and burden over more than a short period around year-end filings.

Again, we thank you for the opportunity to provide these comments. We would be pleased to discuss any of these comments and other aspects of the Proposed Rules with the Commission or its staff. Any questions regarding these comments may be directed to me [redacted]), or to either of James A. Bonner (PGeo), Vice President Geology [redacted]), or Penne A. Goplerud, General Counsel ([redacted]).

Sincerely,
Ur-Energy Inc.

By: _____
Jeffrey T. Klenda, Chair