

JORC and SEC Filings

Property Disclosure Rules for Mining Registrants

Outline

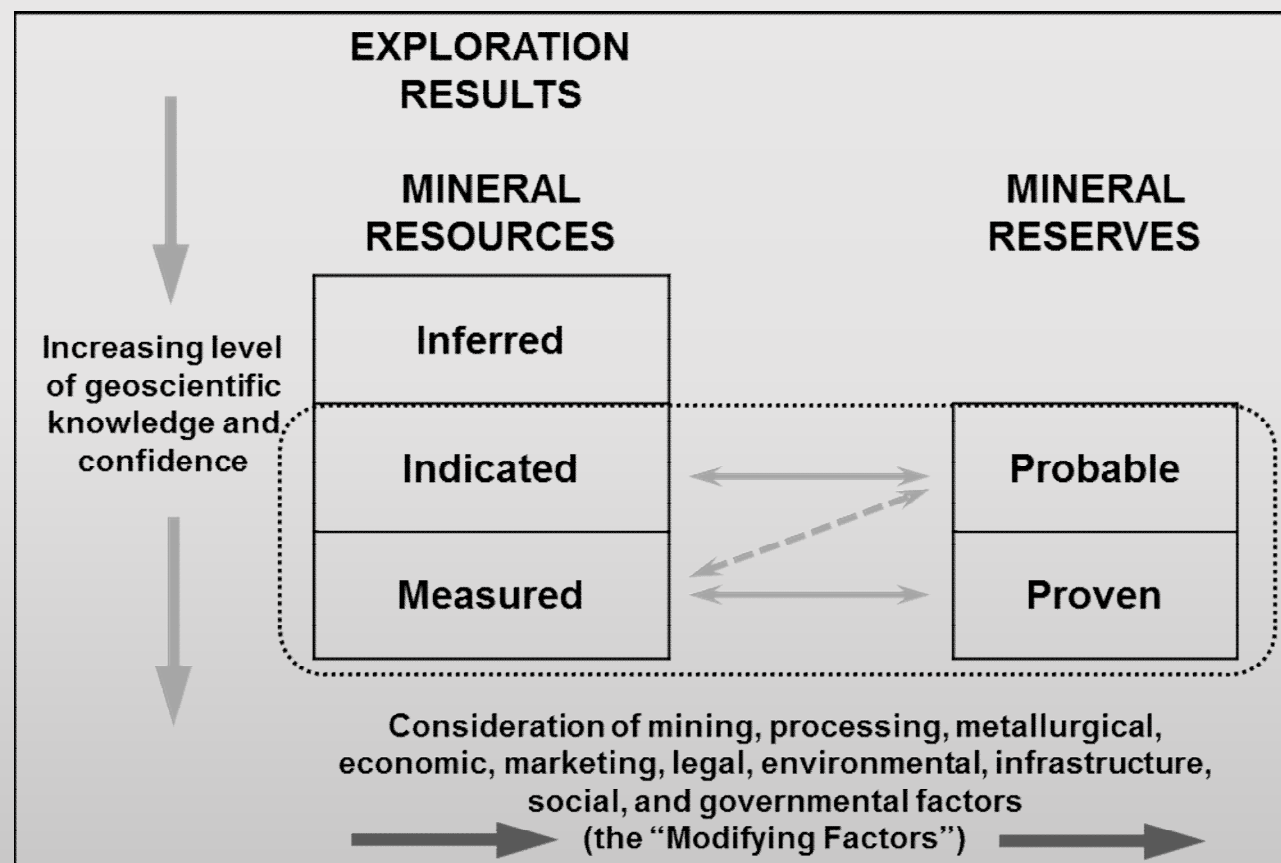
20 minutes

- Brief overview of key changes (7 minutes)
 - <http://pem.engineering.uky.edu/> <- 2017 Presentation
- Primary concerns expressed from industry (3 minutes)
- Questions and answers (10 minutes)

U.S. Securities & Exchange Commission

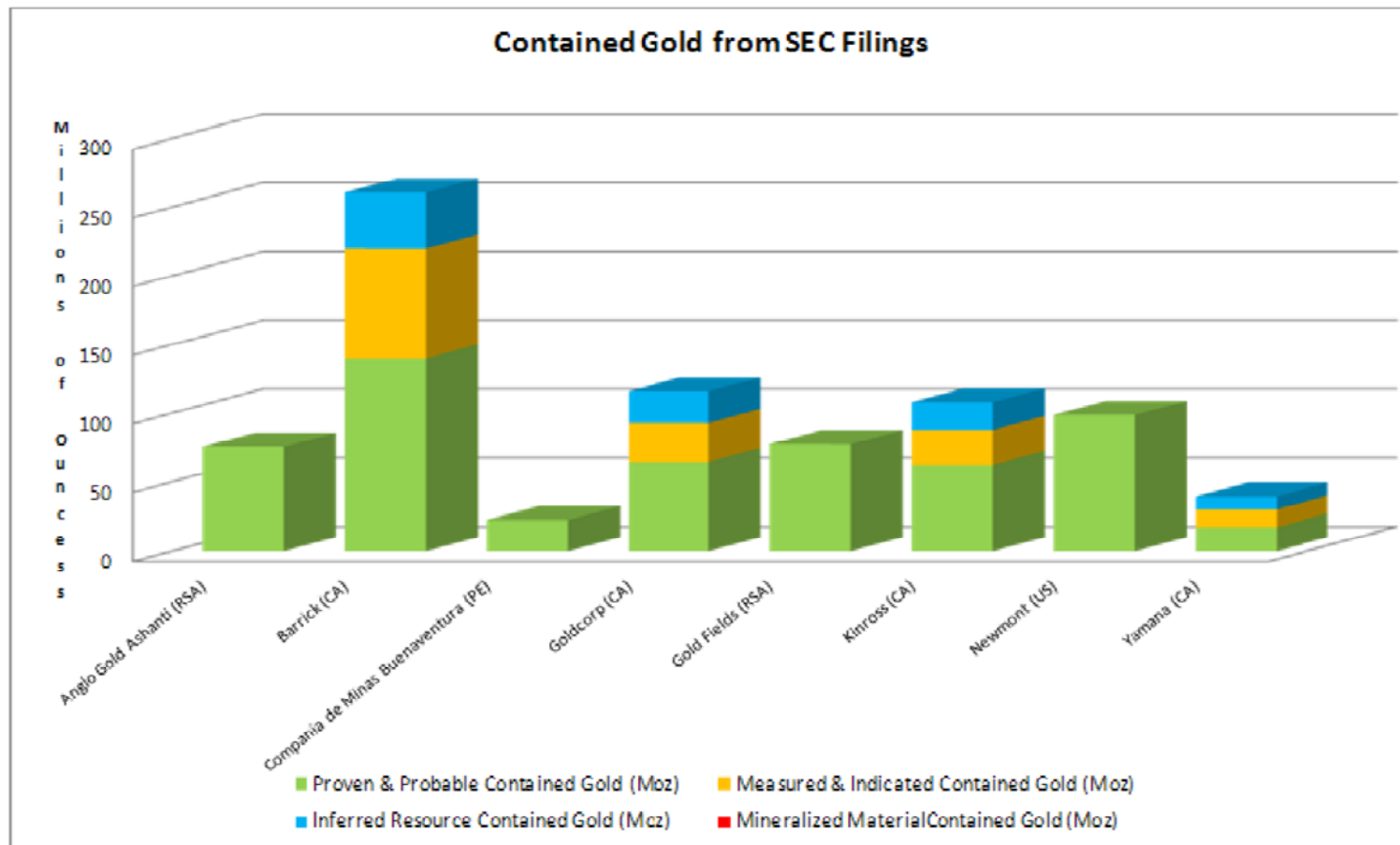
- 1976/1980 – USGS Bulletins and Circulars, respectively.
- 1981 – Industry Guide 7 is written and Public mining registrants must disclose property information (i.e. reserves) in their annual filings (e.g. 10-K). Cannot report resources.
- 1989 - The CRIRSCO template was developed by the Australians (JORC). SME adopted this shortly thereafter.
- Efforts to change IG7 have been underway for 30 years.
- 2011 – Obama executive order 13579 to do a retrospective analysis of existing rules.
- 2012 – SME files a legal petition to the SEC to revise IG7.
<https://www.sec.gov/rules/petitions/2012/petn4-654.pdf>

Today: CRIRSCO Classification



In existence since early 1991 when Working Party #79 of the SME Planning Committee delivered its report to the SME Board of Directors. Ref. Mining Engineering magazine, April 1991.

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Key point is that Canadian companies can report mineral resources (yellow and blue).

CA = Canada, PE = Peru; RSA = Republic of South Africa; US = United States.

Company	Market Capitalization Millions USD	Proven & Probable Reserves Contained Gold (Moz)	Measured, Indicated, & Inferred Resources Contained Gold (Moz)	Reserves + Resources Contained Gold (Moz)	Market Value per Reserves Contained Ounce	Market Value per Resources and Reserves Contained Ounce
Anglo Gold Ashanti (RSA)	13,090	75.6	137.4	213.1	173	61
Gold Fields (RSA)	9,680	77.6	77.6	155.2	125	62
Kinross (CA)	10,510	62.6	45.5	108.0	168	97
Newcrest (AU)	21,050	78.3	135.1	213.4	269	99
Barrick (CA)	38,260	139.9	120.6	260.5	273	147
Newmont (US)	24,470	98.8	42.2	140.9	248	174
Goldcorp (CA)	33,100	64.7	51.3	116.0	512	285
Yamana (CA)	12,550	16.6	21.9	38.5	757	326
Randgold Resources Ltd. (RSA)	9,970	16.3	28.3	44.5	612	224
Agnico Eagle Mines Ltd. (CA)	8,250	18.8	19.3	38.1	440	217
IAMGOLD (CA)	5,060	13.3	10.7	24.0	380	211
Harmony Gold Mining (RSA)	3,670	41.6	122.3	163.9	88	22
Eldorado Gold (CA)	9,770	19.1	12.4	31.5	513	311
Compania de Minas Buenaventura (PE)	8,680	10.2	11.2	21.4	848	406
Canadian Companies	117,500	334.8	281.7	616.5	351	191
Non Canadian Companies	90,610	398.4	554.0	952.4	227	95

All ounces are attributable; Harmony Gold resources assumed to be inclusive of reserves
AU = Australia; CA = Canada; PE = Peru; RSA = Republic of South Africa; US = United States

Canadian company market value per contained ounce is much higher than that for non-Canadian companies; relates to NI 43-101 disclosure of mineral resources (accepted by SEC)

351 191
227 95

U.S. Securities & Exchange Commission

- 2015 – Academic Fellow Dr. Kwame Awuah-Offei joins the SEC to write a new rule.
- 2016 – A draft rule was published by the SEC to solicit comments from industry (SEC File S7-10-16)
- 2018 – October 31st the SEC published its Final Rule (Regulation S-K, subpart 1300). The final rule appeared in the Federal Register on December 26th, 2018. It became effective on February 25th, 2019. Compliance required after January 1st, 2021.

Effectively, the Final Rule Adopts CRIRSCO
Exploration Results & Resources must now be disclosed
Summary Disclosure and/or Individual Disclosure
Individual Disclosure requires a Technical Report Summary
Competent Persons are liable under Section 11

- 2019 – March 29th, SEC published the FAST Act which allows for confidential information to be omitted from filings. <https://www.sec.gov/news/press-release/2019-38>.

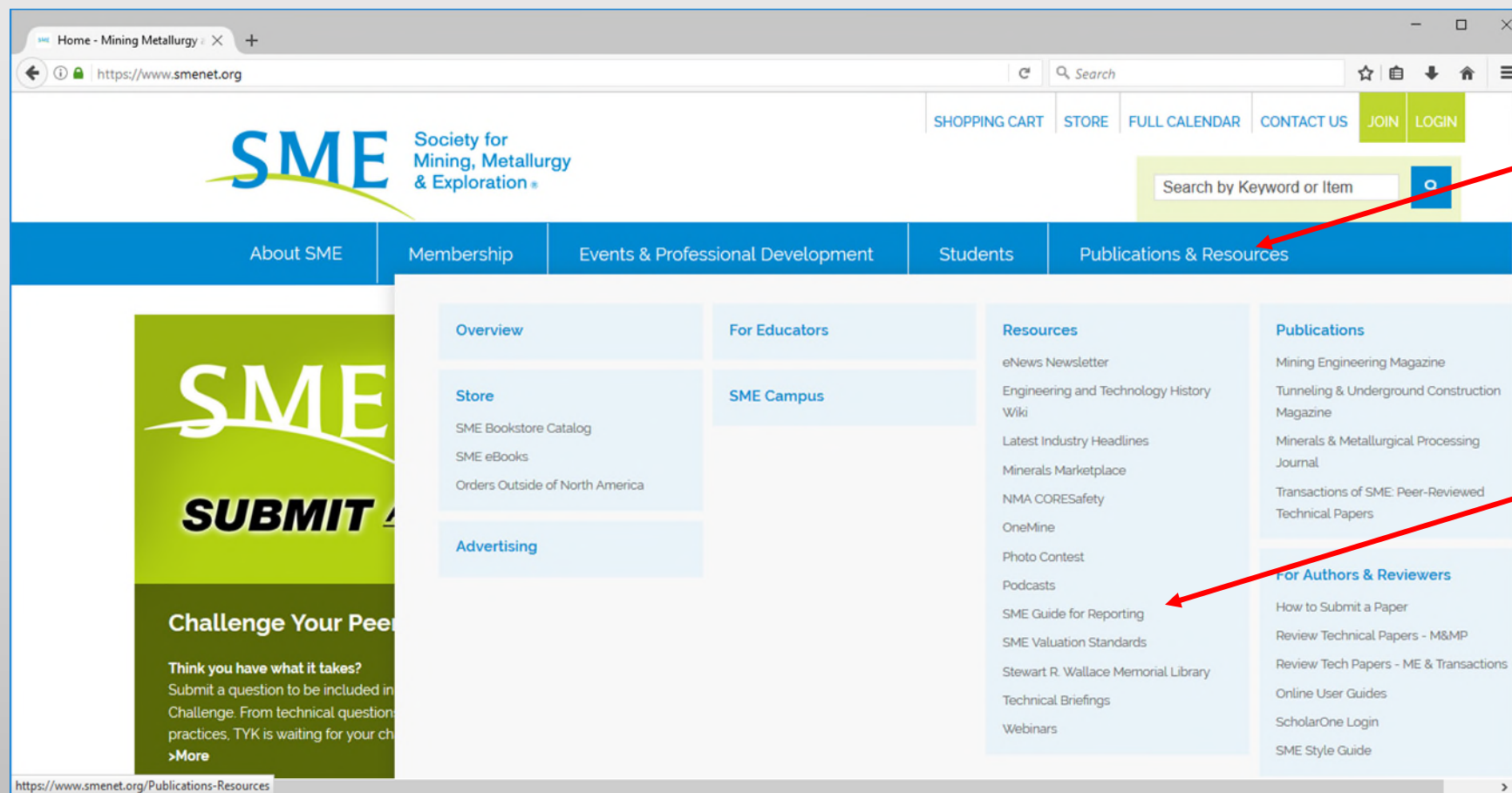
Top Concerns

- Materiality
 - Technical Report Summaries (TRS) are similar to NI 43-101 Form F-1 technical reports. Must a TRS be filed for every property?
- Confidentiality
 - Protection of sensitive information, such as contract pricing, lease agreements, cash flow statements, and so forth.
- Liability of Competent Persons
 - Risk and liability associated with certifying disclosure statements. Must an independent CP/QP be retained to certify reserves statements to the SEC?

Questions & Answers

Where to find the SME Guide and the SEC Rule

<http://www.smenet.org/>



The screenshot shows the SME website interface. The top navigation bar includes links for SHOPPING CART, STORE, FULL CALENDAR, CONTACT US, JOIN, and LOGIN. The main navigation bar has tabs for About SME, Membership, Events & Professional Development, Students, and Publications & Resources. The Publications & Resources tab is selected, and its dropdown menu is visible. The menu includes sections for Overview, For Educators, Resources, and Publications. The Resources section lists various items, including the SME Guide for Reporting, which is highlighted by a red arrow. Another red arrow points to the Publications section of the dropdown menu.

SME Society for Mining, Metallurgy & Exploration

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A vertical photograph on the left side of the slide shows a geological rock formation with distinct horizontal layering. A geological hammer is placed on the rock surface for scale. The rock is dark grey to black, with some lighter, yellowish-brown mineral staining or weathering. The lighting creates strong shadows, highlighting the texture and structure of the rock.

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