

AN ALERT FROM THE BDO NATIONAL ASSURANCE PRACTICE

BDO FLASH REPORT

SEC MATTERS



SUBJECT

SEC PROPOSES TO MODERNIZE DISCLOSURES FOR MINING REGISTRANTS

DETAILS

On June 16, the SEC proposed rules to modernize property disclosures for mining registrants. The proposal is part of the SEC's broader disclosure effectiveness initiative. The revisions would amend Item 102 of Regulation S-K, rescind Industry Guide 7 and include mining property disclosure requirements in a new subpart of Regulation S-K.

The proposed rules would:

- ▶ Provide one standard requiring registrants to disclose mining operations that are material to the company's business or financial condition
- ▶ Require a registrant to disclose mineral resources and material exploration results in addition to its mineral reserves
- ▶ Permit disclosure of mineral reserves to be based on a preliminary feasibility study or a final feasibility study
- ▶ Provide updated definitions of mineral reserves and mineral resources
- ▶ Require, in tabular format, summary disclosure for a registrant's mining operations as a whole as well as more detailed disclosure for material individual properties
- ▶ Require that every disclosure of mineral resources, mineral reserves and material exploration results reported in a registrant's filed registration statements and reports be based on, and accurately reflect information and supporting documentation prepared by, a "qualified person"
- ▶ Require a registrant to obtain a technical report summary from the qualified person, which identifies and summarizes for each material property the information reviewed and conclusions reached by the qualified person about the registrant's exploration results, mineral resources or mineral reserves

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The proposal can be found [here](#) on the SEC's website. Comments should be provided within 60 days following publication of the release in the Federal Register.

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