

IMPROVING AMERICAN MINING'S COMPETITIVENESS

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EXECUTIVE SUMMARY

BENEFITS FOR MINING COMPANIES TRADING PUBLICLY ON AMERICAN MARKETS

Jason Brenkert: Dorsey & Whitney LLP

1. SEC has adopted a hardline interpretation of SEC Guide 7 (IG7) for U.S. issuers.
2. Foreign issuers are treated leniently and benefit from several exemptions unavailable to U.S. issuers.

MINERAL RESOURCE & RESERVE REPORTING - PERSPECTIVE FROM THE FIELD

Borden Putnam: Society for Economic Geologists

1. The market proves able to see through disparate mineral resource reporting standards for large stocks, but does not have the same visibility on juniors.
2. Investors in U.S. mining stocks are prejudiced by the lack of a NI 43-101 equivalent.
3. The SEC suffers from schizophrenia in respect of its refusal to recognize mineral resources vs the demand for resources to be included in impairment accounting (VBPP – Value Beyond Proven & Probable).

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Fred McMahon: VP, Int'l Research, Fraser Institute

1. The U.S. generally and Colorado specifically are trending negatively in surveys among mining executives to judge certainty in regulations and policy.

MINERAL RESOURCE & RESERVE REPORTING - GLOBAL DEVELOPMENTS

Ian Douglas: Newmont Mining & SME USA (CRIRSCO)

1. SEC Guide 7 was pioneering, but has become severely outdated.
2. CRIRSCO anchors its mineral reserve and resource reporting to the pillars of materiality, transparency, and competency.
3. The SEC has called for a meeting with CRIRSCO on 16 December 2011 to discuss a potential revision of IG7.
4. The SEC's hand may be forced by [Executive Order 13576](#) which mandates modernization and performance improvements from the bureaucracy.

SEC GUIDE 7 - HANDICAPPING PUBLICLY TRADED AMERICAN MINING COMPANIES

Chris Herald, Chairman, Denver Gold Group & Solitario Exploration & Royalty

1. U.S. mining capital markets are in decline, and mining's jobs and wealth multipliers are at risk.
2. IG7 makes it difficult to create asset value for junior mining and exploration companies.

UPDATING INDUSTRY GUIDE 7: TOUGH DECISIONS REQUIRED

David Abbot: Consulting Geologist

1. The SEC is wary of adopting changes to IG7 that will result in frequent updates.
2. The SEC has a very elegant definition of reserves that should be retained.
3. The SEC's definition of exploration, development and production entities should be retained.
4. CRIRSCO's reporting standard is still being updated too often to be used by the SEC.

THE OPPORTUNITY TO REFORM AND IMPROVE SEC GUIDE 7

Michelle Shepston: Partner, Davis Graham & Stubbs LLP

1. Some negative factors may impact reform attempts including current economic conditions and the Dodd-Frank Act which has a heavy impact on non-financial companies.
2. December 2008 reform of SEC Guide 2 for oil and gas companies has some bearing.
3. Industry must maintain pressure on SEC to pursue reform.