

**SUPPORTING STATEMENT FOR FINAL RULES  
UNDER THE SECURITIES ACT OF 1933 AND  
THE SECURITIES EXCHANGE ACT OF 1934**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, *et seq.*

**A. JUSTIFICATION**

**1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY**

On October 31, 2018, the Securities and Exchange Commission (the “Commission”) adopted rule and form amendments to modernize the property disclosure requirements for mining registrants. Currently, these disclosure requirements are set forth in Item 102 of Regulation S-K and in Industry Guide 7. This disclosure regime involves overlapping disclosure requirements and policies in different locations (Regulation S-K and Industry Guide 7), as well as a significant amount of staff interpretive guidance through the staff comment process. To help address any regulatory uncertainty among mining registrants, especially new registrants, the Commission created new Regulation S-K subpart 1300 that will govern disclosure for registrants with mining operations. Industry Guide 7 will be rescinded once all mining registrants are required to comply with the new rules.<sup>1</sup> In addition to consolidating the disclosure requirements in one location, the Commission adopted amendments to the disclosure requirements for mining properties that will modernize them by more closely aligning them with global mining disclosure standards developed by the Committee for Mineral Reserves International Reporting Standards (“CRIRSCO”) and the various CRIRSCO-based disclosure codes adopted in several foreign jurisdictions.

The Commission also amended Item 102 of Regulation S-K to replace an instruction that directed mining registrants to Industry Guide 7, and replaced it with an instruction to direct these issuers to new subpart 1300 of Regulation S-K. Foreign private issuers that use Form 20-F to file their Securities Exchange Act of 1934 (“Exchange Act”) registration statements and annual reports, or that refer to Form 20-F when filing their Securities Act of 1933 (“Securities Act”) registration statements on Forms F-1 and Forms F-4, are generally not subject to Regulation S-K. Because the Commission believes that the same property disclosure requirements should apply to both domestic and foreign mining registrant, the final rules amended Form 20-F to instruct registrants to refer to, and if required, provide the disclosure under subpart 1300 of Regulation S-K. This adopted treatment is consistent with current staff practice whereby foreign registrants are subject to the same Industry Guide 7 and other disclosures as domestic mining registrants.

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<sup>1</sup> Registrants engaged in mining operations must comply with the final rule amendments for the first fiscal year beginning on or after January 1, 2021. Because mining registrants may have different fiscal years (*e.g.*, some fiscal years may begin on January 1, and others on July 1), not all affected registrants will be required to comply with the new rules at the same time.

The final rules require a registrant with material mining operations to disclose its determined mineral resources, mineral reserves and material exploration results in Securities Act registration statements on Forms S-1, S-4, F-1 and F-4; in Exchange Act registration statements on Forms 10 and Form 20-F; in Exchange Act annual reports on Form 10-K and Form 20-F; and in Regulation A offerings statements filed on Form 1-A. A copy of Commission Release No. 33-10570, which contains the final rules, is attached.

The final rules contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995.<sup>2</sup> The titles of the collections of information are:

- (1) “Regulation S-K” (OMB Control No. 3235-0071);<sup>3</sup>
- (2) “Form S-1” (OMB Control No. 3235-0065);
- (3) “Form S-4” (OMB Control No. 3235-0324);
- (4) “Form F-1” (OMB Control No. 3235-0258);
- (5) “Form F-4” (OMB Control No. 3235-0325);
- (6) “Form 10” (OMB Control No. 3235-0064);
- (7) “Form 10-K” (OMB Control No. 3235-0063);
- (8) “Form 20-F” (OMB Control No. 3235-0288);
- (9) “Regulation A (Form 1-A)” (OMB Control No. 3235-0286); and
- (10) “Industry Guides” (3235-0069).<sup>4</sup>

## **2. PURPOSE OF THE INFORMATION COLLECTION**

The purpose of the final rules is to provide investors with a more comprehensive understanding of the registrant’s mining properties, which should help investors make more informed voting and investment decisions, by more closely aligning the Commission’s mining property disclosure requirements with current industry practice and global industry standards (*i.e.*, the CRIRSCO standards). In addition, the Commission’s current mining disclosure regime involves overlapping disclosure requirements and policies in different locations (Regulation S-K

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<sup>2</sup> 44 USC 3501 *et seq.*

<sup>3</sup> The paperwork burden from Regulation S-K is imposed through the forms that are subject to the requirements in that regulation and is reflected in the analysis of those forms. To avoid a Paperwork Reduction Act inventory reflecting duplicative burdens and for administrative convenience, we assign a one hour burden to Regulation S-K.

<sup>4</sup> We assign a one hour burden to the Industry Guides for administrative convenience because the Guides set forth disclosure that appears in other filings under the federal securities laws.

and Industry Guide 7), with an instruction (Instruction 7 to Item 102) that registrants engaged in significant mining operations should “direct their attention” to Industry Guide 7. The combination of the overlapping structure of the disclosure regime for mining registrants and the brevity of Industry Guide 7 (which has led to a significant amount of staff interpretive guidance through the comment process) may have created some regulatory uncertainty among mining registrants, particularly new registrants. The Commission believes that having one source for mining disclosure obligations should facilitate mining registrants’ compliance with their disclosure requirements by eliminating the complexity resulting from the existing structure of the Commission disclosure obligations in Regulation S-K and staff disclosure guidance in Industry Guide 7. Moreover, consolidating the disclosure requirements from Industry Guide 7 into Regulation S-K would eliminate any uncertainty about their authority.

### **3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY**

The collection of information requirements of the final rules are set forth in amended rules and forms. All of the affected forms are filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system.

### **4. DUPLICATION OF INFORMATION**

The final rules do not duplicate, overlap, or conflict with other federal rules.

### **5. REDUCING THE BURDEN ON SMALL ENTITIES**

The final amendments will affect all mining registrants that file registration statements and periodic and current reports. However, the final amendments will eliminate complexity and uncertainty resulting from the current disclosure regime and will consolidate all of the Commission’s mining disclosure requirements. Additionally, by more closely aligning the Commission’s disclosure rules with the CRIRSCO-based mining codes, the final rules should help place U.S. mining registrants on a more level playing field with non-U.S. mining companies that are subject to one or more of the CRIRSCO-based codes. We believe that this consolidation and alignment will help a mining registrant, including a small entity, comply with its disclosure obligations under the Securities Act and Exchange Act, which could mitigate its reporting burden.

### **6. CONSEQUENCES OF NOT CONDUCTING COLLECTION**

The regulations and forms set forth the disclosure requirements for registration statements, and periodic and current reports filed by companies to help investors make informed investment decisions. Not conducting this collection would deprive investors of access to information that is important to their voting and investment decisions.

### **7. SPECIAL CIRCUMSTANCES**

There are no special circumstances in connection with these amendments.

## **8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY**

The Commission issued a proposing release (Commission Release No. 33-10098) on June 16, 2016 soliciting comment on the new “collection of information” requirements and the associated paperwork burdens. A copy of the proposing release is available at <https://www.sec.gov/rules/proposed/2016/33-10098.pdf>. In response to the solicitation for comment in the proposing release, registrants, investors, and other market participants typically provide comments. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, roundtables and meetings. All comments received on the proposal are available at <https://www.sec.gov/comments/s7-10-16/s71016.htm>. The Commission considered all comments received prior to publishing the final rules as required by 5 CFR 1320.11(f). Among the comments considered was one comment specifically on the paperwork burdens and costs that the Commission estimated registrants would incur when complying with the proposed rules.<sup>5</sup>

## **9. PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

## **10. CONFIDENTIALITY**

All documents submitted to the Commission are available to the public.

## **11. SENSITIVE QUESTIONS**

No information of a sensitive nature will be required under the following collections of information in connection with these rulemaking amendments: Regulation S-K and Industry Guides. The information collections do not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

No information of a sensitive nature will be required under the following collections of information in connection with the rulemaking amendments: Form S-1, Form S-4, Form F-1, Form F-4, Form 10, Form 10-K, Form 20-F, and Form 1-A. The information collections collect basic Personal Identifiable Information (PII) that may include signature of the official signing on behalf of the entity. However, the agency has determined that the information collections do not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection

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<sup>5</sup> See the letter from SRK Consulting (U.S.), Inc. (August 19, 2016), which is available at <https://www.sec.gov/comments/s7-10-16/s71016-17.pdf>. We discuss the Commission’s consideration of this comment when estimating the paperwork burdens and costs of the final rules in Sections 12 and 13 below.

with this collection of information. The EDGAR PIA, published on January 29, 2016, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

## **12. and 13. ESTIMATES OF HOUR AND COST BURDENS**

The final rules will require a registrant with material mining operations to disclose its determined mineral resources, mineral reserves and material exploration results in Securities Act registration statements filed on Forms S-1, S-4, F-1 and F-4; in Exchange Act registration statements on Forms 10 and 20-F; in Exchange Act annual reports on Forms 10-K and 20-F;<sup>6</sup> and in Regulation A offering statements filed on Form 1-A. The final rules will further require that such a registrant base its disclosure regarding mineral resources, mineral reserves and material exploration results in SEC filings on information and supporting documentation by a qualified person. In addition, the final rules will require a registrant with material mining operations to file as an exhibit to its Securities Act registration statement, Exchange Act registration statement or report, or its Form 1-A offering statement, a technical report summary prepared by the qualified person for each material property that summarizes the information and supporting documentation forming the basis of the registrant's disclosure in the SEC filing. The final rules will require the filing of the technical report summary when the registrant first reports mineral resources, mineral reserves or material exploration results or when it reports a material change in a prior disclosure of resources, reserves or exploration results.

The Commission's existing disclosure regime for mining registrants precludes the disclosure of non-reserves, such as mineral resources, except in certain limited circumstances, *e.g.*, when such disclosure is required by foreign or state law.<sup>7</sup> In addition, the existing regime permits, but does not require, the disclosure of material exploration results. The existing regime also does not currently require a registrant to base its mining disclosure on information and supporting documentation of a qualified person.

Accordingly, we expect the final rules will cause an increase in the reporting and cost burdens for each collection of information. The additional requirements imposed by the final rules will, however, be similar to requirements under foreign (CRIRSCO-based) mining codes. As such, we expect the increase in reporting and cost burdens to be less for those registrants that are already subject to the CRIRSCO standards. Nevertheless, because there are differences between the final rules' requirements and those under the CRIRSCO-based codes, we expect

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<sup>6</sup> Form 20-F is the form used by a foreign private issuer to file either a registration statement or annual report under the Exchange Act. Because the final rule amendments will impose the same substantive requirements for a registration statement and annual report filed under Form 20-F, we have not separately allocated the estimated reporting and cost burdens for a Form 20-F registration statement and Form 20-F annual report.

<sup>7</sup> Because only Canada has adopted its mining code as a matter of law, the disclosure of non-reserves in SEC filings has been limited to Canadian registrants.

there will be some increase in reporting and cost burdens even for those registrants already subject to foreign mining code requirements.<sup>8</sup>

### **Estimate of Potentially Affected Registrants**

We estimate the number of registrants potentially affected by the final rules to be 267.<sup>9</sup> Of these registrants, we estimate that 107 are already subject to the disclosure requirements under one or more CRIRSCO-based codes and, therefore, likely would incur a lesser increase in reporting and cost burdens to comply with the final rules' requirements.<sup>10</sup> Accordingly, we estimate that 160 registrants would bear the full paperwork burden of the final rules. The following table summarizes the number of potentially affected registrants by the particular information collection expected to be filed and whether the registrant is subject to CRIRSCO-based code requirements in addition to the final rules.

**Table 1. Estimated Number of Affected Registrants Per Information Collection**

<b>Information Collection (IC) Title</b>	<b>S-1</b>	<b>S-4</b>	<b>F-1</b>	<b>F-4</b>	<b>10</b>	<b>10-K</b>	<b>20-F</b>	<b>1-A</b>	<b>All ICs</b>
<b># Affected Registrants Subject to CRIRSCO Requirements</b>	4	2	1	1	0	40	58	1	107
<b># Affected Registrants Not Subject to CRIRSCO Requirements</b>	14	3	1	0	4	129	9	0	160
<b>Total # Affected Registrants</b>	18	5	2	1	4	169	67	1	267

### **Estimate of Reporting Cost Burdens**

We have estimated the reporting (time burden) and cost burdens of the final rules by estimating the average number of hours it would take a registrant to prepare, review and file the disclosure required by the final rules for each collection of information. In deriving our estimates, we recognize that the burdens would likely vary among individual registrants based on

<sup>8</sup> For example, unlike most of the CRIRSCO-based codes, the final rules will require a particular type of technical study, an "initial assessment," to support the disclosure of mineral resources in SEC filings.

<sup>9</sup> This estimate is based on the number of registrants with mining properties as of December 2017 that filed annual reports or relevant registration statements at least once from January 2016 through December 2017. See Section IV. of Release No. 33-10570. This estimate of 267 registrants is lower than the estimate of 345 registrants that we believed would be potentially affected by the proposed rules because the earlier estimate was based on a different sample of registrants. The earlier estimate was based on the number of registrants with mining properties as of December 2015 that filed annual reports or relevant registration statements at least once from January 2014 through December 2015. See Section IV. of Release No. 33-10098. Between December 2015 and December 2017, the number of mining companies with active Securities Act or Exchange Act registration statements decreased for reasons unrelated to the proposed or final rules.

<sup>10</sup> Most of these registrants are subject to the disclosure requirements in Canada's National Instrument 43-101 ("NI 43-101"), which is based on the CRIRSCO standards.

a number of factors, including the size and complexity of their mining operations. The estimates represent the average burden for all registrants, both large and small.

We believe that the resulting increase in reporting and cost burdens would be substantially the same for each collection of information since the final rules would require substantially the same disclosure for a Securities Act registration statement or Regulation A offering statement as they would for an Exchange Act registration statement or report. The sole difference between the final rules' effect on Securities Act registrants and Form 1-A issuers, on the one hand, and Exchange Act registrants, on the other, is that a Securities Act registrant and a Regulation A issuer would be required to obtain and file as an exhibit the written consent of each qualified person whose information and supporting documentation as an expert provide the basis for the disclosure required under the amendments.<sup>11</sup> To account for this difference, we have allocated one extra hour to the reporting burdens estimated for the Securities Act registration statement forms and Regulation A's Form 1-A.

We have based our estimated burden hours and costs under the final rules on an assessment by the Commission's staff mining engineers of the work required to prepare the required information for disclosure. In particular, our estimates have been based on the staff engineers' assessment of similar reporting requirements under the CRIRSCO standards. In addition, we have considered the view of one commenter that addressed our PRA estimates for the proposed rules.<sup>12</sup> That commenter is a global mining consulting firm that provides disclosure support for a wide range of mining companies reporting under the CRIRSCO standards. That commenter indicated that, while our PRA estimates may be appropriate for larger registrants and those registrants that already follow the CRIRSCO standards, they are likely to be low for registrants that do not follow the CRIRSCO standards. The commenter estimated that the latter group of registrants would likely incur a compliance burden that is at least twice the PRA burden estimated for the proposed rules.

In light of this comment, and based on the Commission's staff mining engineers' assessment, we estimate that the final rules would cause a registrant that is not already subject to CRIRSCO requirements to incur an increase of 191 hours in the reporting burden for each Securities Act registration statement (Forms S-1, S-4, F-1, and F-4), and an increase of 190 hours in the reporting burden for each Exchange Act registration statement or annual report (Forms 10, 10-K and 20-F.)<sup>13</sup> For a registrant that is subject to the CRIRSCO requirements, we estimate that

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<sup>11</sup> A Securities Act registrant must file the written consent of an expert upon which it has relied pursuant to Securities Act Rule 436 (17 CFR 230.436). A Regulation A issuer's obligation to file the written consent of an expert is based on Item 17(11)(a) of Form 1-A.

<sup>12</sup> See the letter from SRK Consulting.

<sup>13</sup> We previously estimated that registrants not subject to the CRIRSCO standards would incur an increase of 96 hours in the reporting burden for each Securities Act registration statement, and an increase of 95 hours in the reporting burden for each Exchange Act registration statement or annual report. See the Commission's Supporting Statement for Proposed Rules under the Securities Act of 1933 and the Securities Exchange Act of 1934 pertaining to SEC Release No. 33-10098 ("Supporting Statement for Proposed Rules"). We have increased the estimated incremental reporting burden for both Securities Act and Exchange Act registrants based on the recommendation of one of the commenters on the proposed

the final rules would cause an increase of 41 hours in the reporting burden for Securities Act registration statements and Form 1-A offering statements, and an increase of 40 hours in the reporting burden for Exchange Act registration statements and annual reports.<sup>14</sup>

The following tables summarize, respectively, the estimated incremental and total reporting costs and burdens resulting from the final rules. When determining these estimates, for all forms other than Form 10-K and Form 1-A, we have assumed that 25% of the burden of preparation is carried by the registrant internally and 75% of the burden of preparation is carried by outside professionals retained by the registrant at an average cost of \$400 per hour.<sup>15</sup> For Form 10-K and Form 1-A, we have assumed that 75% of the burden of preparation is carried by the registrant internally and 25% of the burden of preparation is carried by outside professionals at an average cost of \$400 per hour. The portion of the burden carried by outside professionals is reflected as a cost in dollars, while the portion of the burden carried by the registrant internally is reflected in hours.

We have determined the estimated total incremental annual time burden (in hours) for each information collection under the final rules by first determining the burden hour per registrant response estimated as a weighted average of the burden hours of registrants subject to and those not subject to the CRIRSCO requirements.<sup>16</sup> We then multiplied this average burden

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rules. See *infra* Section 15 of this Supporting Statement for the Final Rules.

<sup>14</sup> These estimates are the same as the estimates for Exchange Act registration statements and annual reports in the Supporting Statement for Proposed Rules.

<sup>15</sup> We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis we estimate that such costs would be an average of \$400 per hour. This estimate is based on consultations with several registrants, law firms and other persons who regularly assist registrants in preparing and filing reports with the Commission.

<sup>16</sup> For example, we determined the estimated incremental burden hours for Form S-1 as follows: 41 hours  $\times$  0.25 = 10.25 internal burden hours for each CRIRSCO filer; 10.25 hours  $\times$  4 = 41 total incremental burden hours for all CRIRSCO filers. 191 hours  $\times$  0.25 = 47.75 internal burden hours for each non-CRIRSCO filer; 47.75 hours  $\times$  14 = 668.5 total incremental burden hours for all non-CRIRSCO filers. 41 hours + 668.5 hours = 709.5 total incremental hours. 709.5 hours/18 = 39.42 avg. incremental burden hours per response.

We similarly determined the estimated incremental burden hours for each of the other affected collections of information (IC) as follows:

Form S-4: 41 hours  $\times$  0.25 = 10.25 internal burden hours for each CRIRSCO filer; 10.25 hours  $\times$  2 = 20.5 total incremental hours for all CRIRSCO filers. 191 hours  $\times$  0.25 = 47.75 internal burden hours for each non-CRIRSCO filer; 47.75 hours  $\times$  3 = 143.25 total incremental burden hours for all non-CRIRSCO filers. 20.5 burden hours + 143.25 burden hours = 163.75 total incremental burden hours. 163.75 hours/5 = 32.75 avg. incremental burden hours per response.

Form F-1: 41 hours  $\times$  0.25 = 10.25 internal burden hours for each CRIRSCO filer; 10.25 hours  $\times$  1 = 10.25 total incremental burden hours for all CRIRSCO filers; 191 hours  $\times$  0.25 = 47.75 internal burden hours for each non-CRIRSCO filer; 47.75  $\times$  1 = 47.75 total incremental burden hours for all non-CRIRSCO filers. 10.25 hours + 47.75 hours = 58 total incremental burden hours. 58 hours/2 = 29 avg. incremental burden hours per response.



hour per response by the total number of responses for each form estimated to occur annually. We similarly estimated the incremental professional costs (or cost burden) for each collection of information under the final rules by first estimating the incremental professional costs as a weighted average of the incremental professional costs estimated to be incurred by registrants subject and not subject to the CRIRSCO requirements. We then multiplied the average incremental professional costs by the total number of annual responses estimated to occur for each form.<sup>17</sup>

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Form F-4:  $41 \text{ hours} \times 0.25 = 10.25$  internal burden hours for each CRIRSCO filer;  $10.25 \text{ hours} \times 1 = 10.25$  total incremental burden hours for all CRIRSCO filers; there were 0 non-CRIRSCO filers; 10.25 total incremental burden hours.  $10 \text{ hours}/1 = 10$  avg. incremental burden hours per response.

Form 10: There were 0 CRIRSCO filers;  $190 \text{ hours} \times 0.25 = 47.5$  internal burden hours for each non-CRIRSCO filer;  $47.5 \text{ hours} \times 4 = 190$  total incremental burden hours for all non-CRIRSCO filers.  $190 \text{ hours}/4 = 47.5$  avg. incremental burden hours per response.

Form 10-K:  $40 \text{ hours} \times 0.75 = 30$  internal burden hours for each CRIRSCO filer;  $30 \text{ hours} \times 40 = 1200$  total incremental burden hours for all CRIRSCO filers.  $190 \text{ hours} \times 0.75 = 142.5$  internal burden hours for each non-CRIRSCO filer;  $142.5 \text{ hours} \times 129 = 18382.5$  total incremental burden hours for all non-CRIRSCO filers;  $1200 \text{ hours} + 18382.5 \text{ hours} = 19582.5$  total incremental burden hours;  $19,582.5 \text{ hours}/169 = 115.87$  avg. incremental burden hours per response.

Form 20-F:  $40 \text{ hours} \times 0.25 = 10$  internal burden hours for each CRIRSCO filer;  $10 \text{ hours} \times 58 = 580$  total incremental burden hours for all CRIRSCO filers.  $190 \text{ hours} \times 0.25 = 47.5$  internal burden hours for each non-CRIRSCO filer;  $47.5 \text{ hours} \times 9 = 427.5$  total incremental burden hours for all non-CRIRSCO filers;  $580 \text{ hours} + 427.5 \text{ hours} = 1007.5$  total incremental hours.  $1007.5 \text{ hours}/67 = 15.04$  avg. incremental burden hours per response.

Form 1-A:  $41 \text{ hours} \times 0.75 = 30.75$  internal burden hours for each CRIRSCO filer;  $30.75 \text{ hours} \times 1 = 30.75$  total incremental burden hours for all CRIRSCO filers; there were 0 non-CRIRSCO filers; 30.75 total incremental burden hours.  $30.75 \text{ hours}/1 = 30.75$  avg. incremental burden hour per response.

<sup>17</sup> For example, we determined the estimated incremental professional (burden hour) costs for Form S-1 as follows:  $41 \text{ hours} \times 0.75 = 30.75$  outside hours for each CRIRSCO filer;  $30.75 \text{ hours} \times 4 = 123$  total outside hours for all CRIRSCO filers.  $191 \text{ hours} \times 0.75 = 143.25$  outside hours for each non-CRIRSCO filer;  $143.25 \text{ hours} \times 14 = 2005.5$  total outside hours for all non-CRIRSCO filers.  $123 \text{ hours} + 2005.5 \text{ hours} = 2128.5$  total outside hours.  $2128.5 \text{ hours} \times \$400 = \$851,400$  total incremental professional costs.

We similarly determined the estimated incremental professional (burden hour) costs for each of the other affected collections of information (IC) as follows:

Form S-4:  $41 \text{ hours} \times 0.75 = 30.75$  outside hours for each CRIRSCO filer;  $30.75 \text{ hours} \times 2 = 61.5$  total outside hours for all CRIRSCO filers.  $191 \text{ hours} \times 0.75 = 143.25$  outside hours for each non-CRIRSCO filer;  $143.25 \text{ hours} \times 3 = 429.75$  total outside hours for all non-CRIRSCO filers;  $61.5 \text{ hours} + 429.75 \text{ hours} = 491.25$  total outside hours;  $491.25 \text{ hours} \times \$400 = \$196,500$  total incremental professional costs.

Form F-1:  $41 \text{ hours} \times 0.75 = 30.75$  outside hours for each CRIRSCO filer;  $30.75 \text{ hours} \times 1 = 30.75$  total outside hours for all CRIRSCO filers;  $191 \text{ hours} \times 0.75 = 143.25$  outside hours for each non-CRIRSCO filer;  $143.25 \text{ hours} \times 1 = 143.25$  total outside hours for all non-CRIRSCO filers;  $30.75 \text{ hours} + 143.25 \text{ hours} = 174$  total outside hours;  $174 \times \$400 = \$69,600$  total incremental professional costs.

Based on these calculations, as set forth below, we estimate that the total number of incremental burden hours (time burden) for all collections of information resulting from complying with the final rules is 21,753 burden hours. We further estimate that the resulting total incremental professional costs (cost burden) for all forms under the final rules is \$5,181,900.<sup>18</sup> We have determined the estimated total burden of complying with the final rules for each information collection by adding the above described estimated incremental company burden hours to the current burden hours estimated for each collection of information. We have similarly determined the estimated total professional costs (total cost burden) under the final rules for each form by adding the estimated total incremental professional costs to the current professional costs estimated for each information collection. Based on these calculations, as summarized below, we estimate that, as a result of the final rules, the estimated annual time burden for all forms would increase to 15,551,483 hours, compared to the current annual estimate of 15,529,730 hours. We further estimate that the final rules would result in estimated annual professional costs (cost burden) for all forms of \$3,409,023,661, compared to the current annual estimate of \$3,403,841,761.

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Form F-4:  $41 \text{ hours} \times 0.75 = 30.75$  outside hours for each CRIRSCO filer;  $30.75 \text{ hours} \times 1 = 30.75$  total outside hours for all CRIRSCO filers; there were 0 non-CRIRSCO filers;  $30.75 \text{ hours} \times \$400 = \$12,300$  total incremental professional costs.

Form 10: There were 0 CRIRSCO filers;  $190 \text{ hours} \times 0.75 = 142.5$  outside hours for each non-CRIRSCO filer;  $142.5 \times 4 = 570$  total outside hours for all non-CRIRSCO filers;  $570 \text{ hours} \times \$400 = \$228,000$  total incremental professional costs.

Form 10-K:  $40 \text{ hours} \times 0.25 = 10$  outside hours for each CRIRSCO filer;  $10 \text{ hours} \times 40 = 400$  total outside hours for all CRIRSCO filers.  $190 \text{ hours} \times 0.25 = 47.5$  outside hours for each non-CRIRSCO filer;  $47.5 \text{ hours} \times 129 = 6127.5$  total outside hours for all non-CRIRSCO filers;  $400 \text{ hours} + 6127.5 \text{ hours} = 6527.5$  total outside hours;  $6527.5 \times \$400 = \$2,611,000$  total incremental professional costs.

Form 20-F:  $40 \text{ hours} \times 0.75 = 30$  outside hours for each CRIRSCO filer;  $30 \text{ hours} \times 58 = 1740$  total outside hours for all CRIRSCO filers.  $190 \text{ hours} \times 0.75 = 142.5$  outside hours for each non-CRIRSCO filer;  $142.5 \text{ hours} \times 9 = 1282.5$  total outside hours for all non-CRIRSCO filers;  $1740 \text{ hours} + 1282.5 \text{ hours} = 3022.5$  total outside hours;  $3022.5 \text{ hours} \times \$400 = \$1,209,000$  total incremental professional costs.

Form 1-A:  $41 \text{ hours} \times 0.25 = 10.25$  outside hours for each CRIRSCO filer;  $10.25 \times 1 = 10.25$  total outside hours for all CRIRSCO filers; there were 0 non-CRIRSCO filers;  $10.25 \text{ hours} \times \$400 = \$4,100$  total incremental professional costs.

<sup>18</sup> The total incremental burden hours and total incremental professional costs are rounded to the nearest whole number.

**Table 2. Estimated Incremental Burden Hours and Burden Hour Costs under the Final Rules**

Information Collection (IC) Title	Number of Annual Responses (A)	Burden Hours per Response (B)	Total Incremental Registrant Burden Hours (C)=(A)*(B)	Incremental Burden Hour Costs (D)	Total Incremental Burden Hour Costs (E) = (A)*(D)
Form S-1	18	39.42	710	\$47,300	\$851,400
Form S-4	5	32.75	164	\$39,300	\$196,500
Form F-1	2	29.00	58	\$34,800	\$69,600
Form F-4	1	10.25	10	\$12,300	\$12,300
Form 10	4	47.5	190	\$57,000	\$228,000
Form 10-K	169	115.87	19,582	\$15,449.70	\$2,611,000
Form 20-F	67	15.04	1,008	\$18,044.78	\$1,209,000
Regulation A (Form 1-A)	1	30.75	31	\$4,100	\$4,100
<b>Total ICs</b>	267	.....	21,753	.....	\$5,181,900

**Table 3: Summary of Revised Annual Responses, Burden Hours, and Burden Hour Cost Estimates for Each Information Collection**<sup>19</sup>

IC Title	Annual No. of Responses			Annual Time Burden (Hours)			Annual Burden Cost Burden (\$)		
	Previously Approved	Requested	Change	Previously Approved	Requested	Change	Previously Approved	Requested	Change
Form S-1	901	901	0	147,846	148,556	710	\$181,197,300	\$182,048,700	\$851,400
Form S-4	551	551	0	563,052	563,216	164	\$678,094,704	\$678,291,204	\$196,500
Form F-1	63	63	0	26,757	26,815	58	\$32,375,700	\$32,445,300	\$69,600
Form F-4	39	39	0	14,066	14,076	10	\$17,093,700	\$17,106,000	\$12,300
Form 10	216	216	0	11,882	12,072	190	\$14,128,888	\$14,356,888	\$228,000
Form 10-K	8,137	8,137	0	14,201,070	14,220,652	19,582	\$1,896,280,869	\$1,898,891,869	\$2,611,000
Form 20-F	725	725	0	478,776	479,784	1,008	\$576,270,600	\$577,479,600	\$1,209,000
Reg. A (Form 1-	179	179	0	98,365	98,396	31	\$13,107,812	\$13,111,912	\$4,100

<sup>19</sup> Figures in Table 3 have been rounded to the nearest whole number.

A)	Annual No. of Responses			Annual Time Burden (Hours)			Annual Burden Cost Burden (\$)		
<b>Total</b>	10,811	10,811	0	15,541,814	15,563,567	21,753	\$3,408,549,573	\$3,413,731,473	\$5,181,900

#### **14. COSTS TO FEDERAL GOVERNMENT**

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to approximately \$102 million in fiscal year 2018, based on the Commission’s computation of the value of staff time devoted to this activity and related overhead.

The paperwork burden from Regulation S-K is imposed through the forms that are subject to the requirements in that regulation and is reflected in the analysis of those forms. To avoid a Paperwork Reduction Act inventory reflecting duplicative burdens and for administrative convenience, we assign a one hour burden to Regulation S-K. For this reason, we do not assign any cost to the SEC for reviewing or processing Regulation S-K.

We assign a one hour burden to the Industry Guides for administrative convenience because the Guides set forth disclosure that appears in other filings under the federal securities laws. For this reason, we do not assign any cost to the SEC for reviewing or processing the Industry Guides.

#### **15. REASON FOR CHANGES IN BURDEN**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission’s mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant’s mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant’s mining properties, as specified in Table 3 above. These estimated burden and cost increases are expected to result from the adopted changes to the Commission’s disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to all of the

affected collections of information will result in a net increase of 21,753 burden hours and a net increase in the cost burden of \$5,181,900 for the services of outside professionals.<sup>20</sup>

These net increases in burden hours and cost burdens estimated to result from the final rules are larger than the net increases in burden hours and cost burdens that we estimated would result from the proposed rules. For the proposed rules, we estimated a net increase of 15,400 burden hours and a net increase in professional costs of \$4,131,200 for all of the affected collection of information. This change in the estimates for the final rules is primarily due to the significant increase in burden hours that we estimate would occur for registrants that are not subject to the CRIRSCO standards. Although the number of non-CRIRSCO registrants estimated to be affected by the final rules decreased to 160 registrants from the 216 registrants estimated under the proposed rules,<sup>21</sup> the estimated burden hours for non-CRIRSCO registrants increased by a factor of two under the final rules. We have doubled the incremental burden hours estimated to result from the final rules for non-CRIRSCO registrants, relative to the incremental burden hours estimated under the proposed rules for those registrants, in response to a comment that our estimated incremental burden for those registrants was low, and should be increased by at least a factor of two.<sup>22</sup>

#### **16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES**

The information collections do not employ statistical methods.

#### **17. APPROVAL TO OMIT OMB EXPIRATION DATE**

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

#### **18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS**

There are no exceptions to certification for the Paperwork Reduction Act submissions.

#### **B. STATISTICAL METHODS**

The information collections do not employ statistical methods.

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<sup>20</sup> For the net increase in burdens and costs expected to result for each of the individual collections of information, *see* the attached Short Statements.

<sup>21</sup> This decrease in the number of non-CRIRSCO registrants was the result of an overall decrease in mining companies with active Securities Act or Exchange Act registration statements that occurred between December 2015 and December 2017. *See supra* note 8.

<sup>22</sup> *See* letter from SRK Consulting at p. 47.

## **Form S-1 Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form S-1 would result in a net increase of 710 burden hours and a net increase in the cost burden of \$851,400 for the services of outside professionals.

## **Form S-4 Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form S-4 would result in a net increase of 164 burden hours and a net increase in the cost burden of \$196,500 for the services of outside professionals.

## **Form F-1 Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form F-1 would result in a net increase of 58 burden hours and a net increase in the cost burden of \$69,600 for the services of outside professionals.



## **Form F-4 Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form F-4 would result in a net increase of 10 burden hours and a net increase in the cost burden of \$12,300 for the services of outside professionals.

## **Form 10 Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form 10 would result in a net increase of 190 burden hours and a net increase in the cost burden of \$228,000 for the services of outside professionals.

## **Form 10-K Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form 10-K would result in a net increase of 19,582 burden hours and a net increase in the cost burden of \$2,611,000 for the services of outside professionals.

## **Form 20-F Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Form 20-F would result in a net increase of 1,008 burden hours and a net increase in the cost burden of \$1,209,000 for the services of outside professionals.

## **Regulation A (Form 1-A) Short Statement**

The final amendments in Release No. 33-10570 will modernize the property disclosure requirements for mining registrants by more closely aligning the Commission's mining property disclosure requirements with global industry standards and practice, and by providing investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed voting and investment decisions. However, we anticipate that the amendments will increase the burdens and costs for registrants to prepare and review the collections of information that require disclosure of a registrant's mining properties. These estimated burden and cost increases are expected to result from the adopted changes to the Commission's disclosure requirements for mining registrants, such as the amendments that will, for the first time, require a registrant with material mining operations to disclose information about its mineral resources, in addition to its mineral reserves; and require a registrant to obtain and attach a technical report summary prepared by a qualified person as an exhibit to its Commission filing when first disclosing mineral resource or mineral reserve estimates, or when disclosing a material change in previously disclosed mineral resource or reserve estimates. For purposes of the PRA, we estimate that the final amendments to Regulation A (Form 1-A) would result in a net increase of 31 burden hours and a net increase in the cost burden of \$4,100 for the services of outside professionals.