

## Be 'Mineful' of What You Say... A Quick Review on Disclosure Best Practice

April 2013

# BULLETIN

### Key findings on disclosure

The OSC released the document "Mineral Disclosure Best Practices" during PDAC. Inside this document are updated guidelines to technical disclosure for mining companies. We draw your attention to the following, where deficiencies are possible:

#### Written disclosure of exploration information:

- Write the higher grade intervals within lower grade intersections

#### Restricted disclosure.... do not:

- Provide economics on exploration targets or historical estimates
- Provide gross metal values on in-situ metal values
- Provide metal equivalents with individual grades

#### Disclosure of estimates:

- Only use CIM categories for mineral resources or reserves disclosure
- Never add inferred resources to other categories

#### Disclosing results of an internal analysis can trigger a technical report:

These can trigger a report requirement so be cautious

- IRR between 25% - 30%
- \$11 cost per ounce of silver production

#### Recall that all your communication methods are subject to a technical review by regulators, which include:

- Website
- News releases
- MD&A
- Technical reports
- Social media sites
- Bullboards and chat rooms

#### Disclosure red flags: (not an exhaustive list)

- No QP named
- Overly promotional language
- Lacking information regarding true width
- Using non-compliant resource/reserve modifiers (ie. mineable, global, possible)

- Lack of information on assay lab, QA/QC disclosure
- Lacking required cautionary language
- Lacking details on assumptions, parameters and methods (ie. date of estimate, cut-off grade, metal price)
- Reporting estimates as contained metals - provide category, tonnage, and grade

### Social media and material disclosure

Earlier this month the Securities and Exchange Commission published guidance on the use of social media channels such as Facebook and Twitter in disclosing material information. The report concluded that items like earnings releases can now be disseminated through these communication channels as long as investors were alerted prior as to which social media tools will be used. A few key points:

- Full disclosure can only be achieved if the information dissemination of material information is deemed widespread: it must "achieve effective broad and non-exclusionary distribution to the public." Therefore a press release is still the most recognized and accepted way to achieve this.
- If an issuer chooses to disclose via other channels of communication such as Facebook or Twitter – it must ensure everyone is aware of that channel of communication being used to disclose information. In the same way you announce a conference call, for example. You MUST provide the public with information on how to access your social media channels if you intend to use them to disclose information. This does not preclude you from "tweeting" your press release as this is a passive form of communication.

With the SEC acknowledging and now fully embracing the 'newer' ways to connect with investors, this was the critical push forward needed in reducing the hesitancy of adoption from issuers. Conventional means like a press release are still the most effective form of widespread dissemination and full disclosure, but in a generation filled with new gadgets and channels, it should not be the only one. [See the full report here.](#)

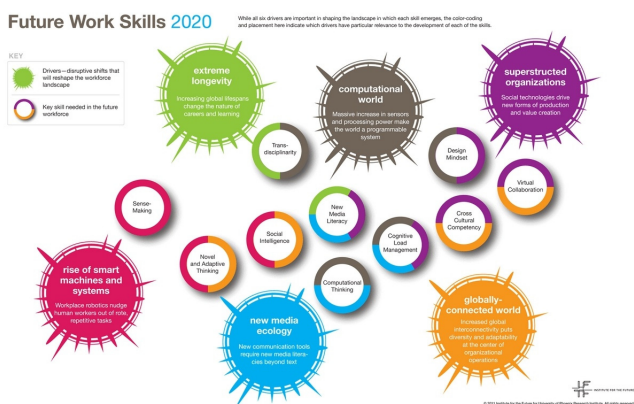


## Skills that every worker needs

Read today: Rotman Magazine Winter 2013 Edition, "10 new skills that every worker needs." A brilliant synopsis of the skills and talents to hire into your team and to embed into the next generation.

1. Computational thinking
2. Design mindset
3. Cognitive load management
4. New media literacy
5. Transdisciplinarity
6. Sense making
7. Social intelligence
8. Novel and adaptive thinking
9. Cross-cultural competency
10. Virtual collaboration

This article is a wonderful reminder that as times change so must our personal toolkit of skills. In the above list, what is clearly evident is the need to think across multiple dimensions - at once. The concept of multi-tasking is not sufficient, we are to become multi-thinkers. For a full size of the infographic, [please click on the image below](#).



## Update with Plan Canada and The Capital Lab Partnership in Bolivia

### Program details

The project seeks to strengthen the capacity of rural municipalities to address child and maternal health and development in Bolivia. The project covers 24 municipalities and 1,751 communities, with a total coverage of 481,525 people. For every dollar raised, CIDA will match funds 9:1!



The Capital Lab : strategic investor relations and business development. [www.thecapitallab.com](http://www.thecapitallab.com).  
Contact: **Belinda Labatte** at [belinda@thecapitallab.com](mailto:belinda@thecapitallab.com) for more information | Phone 647.436.2152 or **visit us** at 76 Richmond Street East, Suite 330 Toronto, Ontario, corner of Richmond and Church.

We are very happy to work with an internationally recognized NGO on this initiative. Plan Canada has been instrumental in lobbying for the "Because I am a girl" campaign globally. For more information, please visit: [becauseiamagirl.ca](http://becauseiamagirl.ca)

### Our Sponsor Child

Jessica-Fernanda Cruz Subia, 13 years-old, from Tarija, Bolivia.

### What am I?

- I am taken from a mine
- I am used by everyone
- You would find me on the NYSE floor
- I am usually encased in wood
- Billions of me are produced annually, and when placed end-to-end I would circle the globe 60 times!

## We will tweet and blog the answer

Twitter: [@thecapitallab](https://twitter.com/thecapitallab)  
Blog: [thecapitallab.tumblr.com](http://thecapitallab.tumblr.com)

## Next Special Edition!

### Reinvent - a Collection of Ideas on Branding

We are presently working on a *special edition* of *The Capital Lab Bulletin* to discuss the merits, alternatives and possible roadblocks of branding a company in the extractive sector. In an effort to better understand current perceptions and attitudes, and use of social media channels, please be on the lookout for our survey in your mailbox soon. All answered surveys will be placed in a draw for a chance to win a gift certificate for Le Select Bistro for \$50.00... and more TCL friendship points. So watch out for our social media friendly Special Edition in the summer of 2013.

### International Day of Pink April 10, 2013

On April 10, 2013 I wore pink to support the end of bullying, discrimination, homophobia and transphobia in schools and communities across Canada. Please visit the following websites:

- [Jer's Vision](#); and
- [Day of Pink](#)

