

## Mining and Natural Resources Law

January 26, 2012

### New Developments in Disclosure Rules for Mining Companies

Effective as of the end of this month the U.S. Securities and Exchange Commission's new disclosure requirements relating to mine safety will take effect. The new rules apply to all SEC-reporting companies, including Canadian companies with securities listed on a U.S. stock exchange.

The SEC has also delayed adopting, until sometime later this year, proposed rules relating to "conflict minerals" and government payments by resource extraction issuers.

#### Mine Safety Disclosure

The new mine safety disclosure rules, which were mandated by the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, will take effect on January 27, 2012 and apply to all SEC-reporting companies that directly or indirectly operate a mine located in the United States that is subject to the U.S. *Federal Mines and Safety Act*.

Issuers who are subject to the new rules must disclose, on a mine-by-mine basis, a variety of information relating to health and safety violations, orders and citations, assessments, legal actions and fatalities at or relating to

their U.S. mines. This disclosure must be provided in all annual reports filed with the SEC and, for U.S. issuers, in all quarterly reports filed with the SEC. U.S. issuers must also provide timely disclosure with respect to the receipt of certain orders or written notices relating to mine health or safety issues.

#### Conflict Mineral and Resource Extraction Issuer Disclosure

The SEC has delayed implementation of the *Dodd-Frank* conflict mineral and resource extraction issuer disclosure rules. Originally scheduled for implementation in 2011, the rules are now expected to be adopted sometime between January and June 2012.

Once adopted, these rules will require:

- all SEC-reporting issuers to disclose whether they use any "conflict minerals" (including gold, cassiterite, coltan, tin, tantalum and tungsten) in their products or any other minerals or derivatives determined by the U.S. Secretary of State to be financing conflict in the Democratic Republic of the Congo or adjoining countries; and
- all SEC-reporting issuers engaged in the commercial development of oil, natural gas or minerals to disclose payments by the issuer, a subsidiary or other entity controlled by the issuer to a non-U.S. government or to the U.S. federal government for the purpose of the commercial development of oil, natural gas or minerals.

Please contact any member of the Goodmans Mining and Natural Resources Group to discuss these new rules.