

**Society for Mining, Metallurgy, and Exploration, Inc.
2010 Registered Members Admissions Committee**

Report to the SME Board of Directors

Submitted by

Harry M. Parker

Chair, 2010 SME Registered Members Admissions Committee

July 14, 2010

The 2010 Registered Members Admissions Committee is composed of Harry Parker (Chair), Mark Davic, Ian Douglas, Jessica Kogel, and Herb Welhener.

March 3, 2010 Meeting

On March 3, 2010 the Committee held a meeting at the SME Annual Meeting in Phoenix, Arizona. Attending the meeting were Committee members Parker, Douglas, Kogel and Welhener. Also in attendance were Registered Members David Armstrong, Fred Heivelin (outgoing Committee member), and Abani Samal. Kendra Elrod, attended representing the SME headquarters.

The need for three referees for new applicants was discussed. Jessica Kogel said that this followed SME requirements for nomination of Distinguished Members. It was also pointed out that in addition to three referees, the Committee vetted each applicant, and the Committee was specifically constituted to represent a broad spectrum of experience so as to be able to review applications with thoughtfulness and care.

The Committee requested that the application form be amended to provide a short personal statement as to the reasons registration is being sought.

The Committee discussed experience requirements and voted to keep them unchanged. In evaluating applications, the Committee re-affirmed that experience should be related to front-end mining, metallurgy and exploration as opposed to manufacturing.

The Committee requested that the SME Headquarters provide the following to new Registered Members:

- A letter of congratulations on becoming a Registered Member
- The ethics code

The Committee requested that forms used for renewal of Registered Membership include a member's certification that:

- They had reread the ethics code
- They had not been subject to a finding by any court, governmental body or agency, including stock exchanges and other similar quasi-governmental or self-

regulatory organizations, of facts which, if proven, would establish a violation of the Code of Ethics.

The certification of continuing professional development was discussed. Jessica Kogel brought up the website certification used by AIPG. It was agreed the SME headquarters would study the matter.

In anticipation of certification of Registered Members as Qualified Persons under an amended Canadian NI43-101, the Committee requested that a course be given on the subject at the 2011 annual meeting. This has been subsequently arranged.

March 3, 2010 Meeting of the Board of Directors

Harry Parker, attended on another matter. One of the directors, Marc LeVier, brought up the issue that a non-Registered Member should be allowed to sponsor (referee) an applicant. Mr. Le Vier argued that this would allow a person “who knew the applicant’s work best” to be a sponsor. On behalf of the Committee, Harry Parker stated the following:

- Sponsoring an application for Registered Membership required knowledge of educational, experience and ethics code requirements. There would be no guarantee that a non Registered Member sponsor would have such knowledge, nor that the sponsor himself would be bound by the SME Registered Members’ code of ethics.
- With 400+ Registered Members, the Committee was unaware of any applicants that could not find the requisite three Registered Member sponsors. In several cases the Committee had assisted applicants in finding sponsors, or acting as sponsors.

Revised Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects

In April 2010, the Canadian Securities Administrators released the long-awaited revisions to NI 43-101 and companion policy for comment. SME Registered Members have been accepted as a Recognized Foreign Association. Assuming no changes are made during the comment period and subsequent revisions, SME Registered Members can serve as Qualified Persons when the revised instrument is adopted, likely mid 2011. Qualified Persons will also have to meet project-specific experience and responsibility requirements for Technical Reports and other disclosure.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Harry M. Parker", with a long horizontal flourish extending to the right.

Harry M. Parker, Chair