

Exploration Target Section

the exploration target passage of a mining registrant's Commission filing, checked against the qualified person's own record | Marked-up specimen

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A passage moved into its own captioned section, given the four statements the rule prescribes, and stripped of two words the subpart defines differently.

ORIGINAL, WITH EDITS MARKED

SPECIMEN, PREPARED BY EDITFAST FOR ILLUSTRATION. NOT A REAL FILING.

Prepared for Cairn Ridge Minerals (fictitious), draft annual report passage

EXTRACT FROM THE QUALIFIED PERSON'S RECORD (reproduced unchanged in both panels)

QP-1 Classification determined for the Sundown prospect: exploration target. No mineral resource has been estimated.

QP-2 Ranges determined for the target: 4 million to 7 million tonnes, at 1.1 to 1.6 grams per tonne gold.

QP-3 Basis: a conceptual geological model, with 14 drill holes completed on a 400 metre grid.

QP-4 Proposed program to test the target: 9,000 metres of infill drilling, expected to be completed within 18 months.

QP-5 The qualified person confirms that no initial assessment, preliminary feasibility study or feasibility study has been prepared for the prospect.

PROPERTIES

Sundown Prospect. Drilling to date supports an estimated resource of 4,000,000 to 7,000,000 tonnes grading 1.1 to 1.6 g/t gold.¹ The company expects to convert this to reserves following further drilling of 9,000 metres over the next 18 months.⁴

WHAT CHANGED, AND WHY

#	Was	Now	Reason
1	Sundown Prospect. Drilling to date supports an estimated resource of 4,000,000 to 7,000,000 tonnes grading 1.1 to 1.6 g/t gold.	Discussion of an Exploration Target: Sundown Prospect / The exploration target for the Sundown prospect is approximately 4 million to 7 million tonnes, at approximately 1.1 to 1.6 grams per tonne gold.	QP-1 records the classification as an exploration target, and 17 CFR 229.1302(c)(2) requires the disclosure to appear in a section clearly captioned as a discussion of an exploration target. The words estimated resource name a different category, which the subpart defines separately. Paragraph (c)(3)(ii) requires the ranges to be expressed as approximations.

#	Was	Now	Reason
2	(nothing carries the prescribed statement)	The ranges of potential tonnage and grade are conceptual in nature. There has been insufficient exploration of the property to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource. The exploration target therefore does not represent, and should not be construed to be, an estimate of a mineral resource or mineral reserve.	Paragraph (c)(2) requires a clear and prominent statement in four parts, and gives the substance of each. The draft carried none of them.
3	(nothing states the basis or the proposed program)	The target is based on a conceptual geological model supported by 14 drill holes on a 400 metre grid. / The company has proposed 9,000 metres of infill drilling to test the validity of the target, expected to be completed within 18 months. / The ranges of tonnage and grade could change as those activities are completed.	Paragraph (c)(3) requires a detailed explanation of the basis, a statement of whether the target rests on actual results or a proposed program, and a statement that the ranges could change. QP-3 and QP-4 supply the facts.
4	The company expects to convert this to reserves following further drilling of 9,000 metres over the next 18 months.	[Query to the qualified person: the draft said the company expects to convert the target to reserves. QP-5 records that no initial assessment, preliminary feasibility study or feasibility study has been prepared, and 17 CFR 229.1300 defines a mineral reserve by reference to indicated and measured resources. The sentence has been left out rather than reworded.]	Whether a target will convert is a determination for the qualified person, and nothing in the record supports the sentence. The drilling figures it carried are preserved above, where the rule asks for the proposed program.