

Mineral property valuation

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One specialty for geologists to pursue is that of “Valuer”, which is defined by the International Mineral Valuation Committee (IMVAL) as one who: (1) is a professional with demonstrated experience and Competence in the Valuation of Mineral Properties; (2) has experience relevant to the subject Mineral Property or has relied on an “Expert” with experience relevant to the subject Mineral Property, and; (3) is regulated by or is a member in good standing of a Professional Organization. The July, 2016 IMVAL Template which was issued by the Committee provides standards and guidelines for the harmonization of international mineral valuation codes and standards. It defines “Valuation” as the estimation of the Value of a Mineral Property in money or monetary equivalent. The reasons for conducting a Valuation can include determination of the sale or purchase price of a Mineral Property, comparison of alternative investment opportunities, fulfillment of a requirement under securities legislation, determination of the base for value-related imposts or taxes, quantification of assets in company balance sheets, determination of entry or participation levels in joint ventures, and assessment of the potential for adding value by exploration or development. Among other things specified in the applicable national code (Canada’s CIMVAL, Australia’s VALMIN, South Africa’s SAMVAL or the USA’s SME Valuation Standards), it is the responsibility of the Valuer to select and reconcile results from two or more Valuation Approaches, of which the three generally accepted are based on sourcing market evidence of Valuation for similar properties, estimation of income generating potential, and cost of incurred exploration and development. The IMVAL Template stresses that each Valuation is time and circumstance specific. Fundamental principles to be respected by Valuers are: Competence, Materiality, and Transparency plus Objectivity, Independence, and Reasonableness if applicable under the national code or standard and all as defined.