

# Philosophy and Application of the International Valuation Standards for Minerals and Petroleum

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## Abstract

The Task Force for the International Valuation Standards Committee has developed an Extractive Industries section for inclusion in the International Valuation Standards (IVS). The Extractive Industries Guidance Note provides comprehensive standards for valuation of all minerals and petroleum industry property types for all valuation/appraisal purposes. This paper discusses the content and philosophy of the Extractive Industries Guidance Note within the context of the framework of the IVS. It also discusses the international implications and implementation of this IVS addition.

## Introduction<sup>1</sup>

The International Valuation Standards Committee (IVSC), at its Annual Meeting in Brussels in mid-September 2002, approved the proposed approach of its Extractive Industries Task Force regarding the rapid development of an Extractive Industries addition to the International Valuation Standards (Ellis, 2003; IVSC, 2003). The IVSC's Management Board recognized the importance of haste to provide a high quality set of standards for market (fair) value valuation of minerals and petroleum industry assets, that can be incorporated by reference in the concurrent fast development of the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) (Ellis, 2002a-c, 2001).<sup>2,3</sup>

In March 2003, the Task Force submitted a draft framework of the Extractive Industries Guidance Note (GN) to the Standards Board of the IVSC in Cape Town, South Africa. In October 2003, the Task Force submitted a complete draft of the GN document and an addendum document containing supplemental standards, to the Standards Board and Management Board of the IVSC at the IVSC's annual meeting in Hong Kong. The meeting approved the philosophy of the GN and most of its text without substantial change. The Standards Board instructed the Task Force to consolidate the main components of the draft addendum into the GN, providing a simplified structure and stronger GN. Some

remaining material from the addendum is being incorporated into an IVSC Technical Paper on best practice for extractive industries valuation that the Task Force is also drafting.

The IVSC retains its fast track development policy for the GN. The Exposure Draft of the GN is scheduled for release for public comment at the end of November 2003. It will be posted on the IVSC website ([www.ivsc.org](http://www.ivsc.org)). The finalized GN is scheduled for publication in June 2004 in the next edition of the IVS.

## Background

The IVSC was founded in Melbourne, Australia in 1981, and is now based in London. The objectives of the IVSC are stated as being twofold:

- "To formulate and publish, in the public interest, valuation Standards for property valuation and to promote their worldwide acceptance; and
- "To harmonize Standards among the world's States, and to identify and make disclosure of differences in statements and/or applications of Standards as they occur." (IVSC, 2003).

Institutes from 36 countries maintain full IVSC membership, and another 12 countries maintain Observer status. IVSC is a Non-Governmental Organization member of the United Nations, and has cooperative relationships with many international bodies, including the World Bank, the Organisation of Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and the World Trade Organisation (WTO). It works closely with standard setting bodies, such as the IASB, the International Federation of Accountants (IFAC), and the International Organization of Security Commissions (IOSCO).

The IVSC published the first edition of the IVS in 1985. The 2003 edition is a well-structured book that this author finds relatively easy reading and more comprehensive than the USA's equivalent set of appraisal standards, "Uniform Standards of Professional Appraisal Practice" (USPAP, 2003). The IVS is now recognized throughout the world, and it has been incorporated into the domestic standards of many nations. Each edition is generally translated into a number of

1. The International Valuation Standards Committee has reviewed this paper for factual correctness. However, the opinions and recommendations expressed are those of the author. They should not be taken as necessarily representing those of the International Valuation Standards Committee nor its Extractive Industries Task Force
2. The IASB's application of the accounting term *fair value* in its standards is generally moving towards being nearly synonymous with IVSC's meaning of the valuation term *market value*, particularly when real property is involved.
3. In the USA, the term *appraisal* is used for what internationally is a *valuation* assignment and a formal *valuation* report. A *valuation* under U.S. usage is typically a less stringent undertaking than an *appraisal*, especially when Real Property is involved. Similarly, a professional *valuer* or *valuator* is called an *appraiser* in the USA. In this paper, due to its international standards topic, *valuation* and *valuer* are generally substituted for their USA equivalents.

## NEW STANDARDS (continued)

languages. The IVSC has strong support in policy statements of the leading real property appraisal societies of North America, and this support is supplemented by their direct assistance. The USA's Appraisal Foundation has adopted a policy to coordinate USPAP with the IVS.

From the perspective of the International Financial Reporting Standards and their preceding International Accounting Standards (IASs), the IVSC can be viewed as an important, small sister body to the IASB. The IVSC is developing the standards for valuation of assets that are reported at fair value under the IFRSs (and IASs). In this context, the IVS can be viewed as a sister volume to the IFRSs.

However, valuation for financial reporting is only one application of the standards contained in the IVS, albeit an important one. The IVS provides standards applicable to the broad spectrum of uses for formal valuations, such as sale, mortgage lending, and taxation. It contains standards for appraising the value of the four property (assets) types. These are Real Property, Personal Property, Businesses, and Financial Interests. Standards are also provided for market and non-market valuation bases. Guidance Notes provide standards for specific aspects and niches of valuation, and they will soon include the Extractive Industries GN. The IVS also includes a Code of Conduct and competency provisions for the valuer. A 108 page glossary is included in the current edition.

The IVSC's Extractive Industries Task Force was originally convened in early 2001 by the author. The goal of the Task Force was to work with the IVSC in responding to an Extractive Industries Issues Paper, released in November 2000 by the International Accounting Standards Committee, the predecessor of the IASB (IASB, 2000). The all-volunteer Task Force consisted of five leading minerals valuers from around the world. The Issues Paper expressed tentative opinions and alternatives for the principles on which to base the drafting of a financial reporting standard for the minerals and petroleum industries. The Task Force concluded that many of the tentative opinions expressed in the Issues Paper were based on a lack of understanding of Reserve and Resource reporting principles and Codes. There was also a poor understanding of best practice of valuation for determining fair value of mineral and petroleum properties. The Task Force concluded that a financial reporting standard based on those tentative opinions would financially disadvantage the minerals and petroleum industries relative to other industries (Ellis, 2002a-c, 2001).

In June 2001, the IVSC submitted its response to the IASB. This consisted of 34 pages of comprehensive comments and recommendations written by the Task Force, supplemented by an addendum (IVSC, 2001a). The Task Force hoped to influence the IASB to modify the outcome to an appropriate current value accounting standard for the extractive industries, based on an international minerals and petroleum valuation standard yet to be written.

In 2002, the IVSC Management Board requested the Extractive Industries Task Force to submit a proposal for rapid development of an Extractive Industries Valuation Standard, to be included in the IVS as a GN. On IVSC Board approval of the proposed plan in September 2002, the author reconvened the Task Force, with all but one of the original members returning.

The members of the Task Force that drafted the Extractive Industries standard were: Trevor Ellis as leader, immediate Past-President, American Institute of Minerals Appraisers (AIMA); Michael Lawrence, who was instrumental in the development of the Australian VALMIN Code; William Roscoe, Co-Chair of the Canadian CIMVal Committee; Alastair Macfarlane, who is leading the drafting of the South African mineral valuation code (SAMVAL Code) for the South African Institute of Mining and Metallurgy (SAIMM); and Donald Warnken, a retired U.S. petroleum appraiser. Raymond Westwood, retired Valuer-General, Tasmania, Australia, continued in the very important role of IVSC Coordinator and Technical Editor for the Task Force. In June 2003, Michael Lawrence resigned from the Task Force due to work and family commitments.

There are now strong signs that the IASB is moving away from the concept of developing an Extractive Industries IFRS. Existing standards are being modified to incorporate instructions pertaining to the extractive industries. This is a positive step in helping to put the minerals and petroleum industries on an equal footing to other industries. The Australian Accounting Standards Board (AASB) is harmonizing its existing historic cost-based Extractive Industry Standard to work with the IFRSs. The IASB, with assistance of AASB personnel, is then modifying relevant sections of the Australian standard for incorporation into its various standards. The goal is to have a working set of standards for extractive industries reporting in place by early 2004. As of January 1, 2005, most countries of the world will require financial reporting by public companies to conform to the International Financial Reporting Standards.

Extractive industries companies will be excluded, at least in the short term, from reporting the fair value of their primary assets, their mineral or petroleum reserves, under the current value accounting provisions of the IFRSs. In 2005, representatives from the accounting standards boards of Australia, South Africa, Canada and Norway will begin the second phase of development of the extractive industries provisions of the IFRSs. This phase of development is expected to last for about two years. During this time, the use of fair value disclosure for minerals and petroleum reserves and resources will be considered for the primary accounts, or supporting and supplemental statements. The presence of the Extractive Industries GN in the IVS should help in achieving a decision for a higher level of fair value disclosure within the extractive industries than would otherwise be achieved.

The USA and Canada are conspicuous in their absence from the 2005 conversion to IAS/IFRS-based reporting. The author has discussed the situation in these two countries in previous papers, including the "convergence" of the US GAAP accounting system with the IFRSs now being undertaken by the USA's Financial Accounting Standards Board (FASB) and the IASB (Ellis, 2003, 2002a). The positive implications include the USA's likely eventual adoption of internationally compatible current value accounting with market (fair) value disclosure for assets and liabilities. During 2003, FASB accelerated the convergence process and pressure has built for the conversion to fair value disclosure. The major appraisal societies of the USA have held discussions with FASB to prepare for this conversion.

# NEW STANDARDS (continued)

## Structure of the International Valuation Standards

The Extractive Industries GN will only be a small part of the IVS book, probably less than 5%. The GN cannot stand alone in its application. It is designed so that all parts of the IVS can be drawn upon for guidance in developing extractive industries valuations as needed, without any conflict of standards. The GN provides supplementary standards pertaining to the specialized needs and complexities of valuations of minerals and petroleum industry assets, particularly those involving minerals and petroleum deposits. It is mandatory that a valuation prepared under the IVS abide by all parts of the IVS. No instructions within the IVS are considered optional.

The IVS provides definitions and standards for valuations, forming a framework containing principles that must be applied. It does not provide instructions on individual valuation methods. Providing such instructions is considered the role of valuation education and is outside the scope of standards.

No enforcement mechanism exists in the IVS for its standards. The IVSC is not a regulatory body and it has no ability to sanction any entity or valuer for breach of its standards. Any enforcement of standards by sanctioning of valuers must be done by regulatory bodies of individual States, or by self-regulating professional organizations.

The IVS 2003, can be viewed as consisting of a number of layers of definitions and standards. The Guidance Notes, which will include the Extractive Industries GN, are in one of the lower layers. Concepts, principles and standards applicable to all valuation assignments, are in the highest layers.

1. The section, "General Valuation Concepts and Principles," is the highest layer. This section presents the fundamental concepts and principles that underpin the valuation/appraisal discipline internationally. These include the concepts of land and property; the ownership of interest in such; the concepts of real property and personal property; market principles and the concept of market value; the concept that highest and best use is a fundamental and integral part of market value estimates; and the concept of the three market-based valuation approaches and their weighting and reconciliation into a final value estimate.
2. The second-highest layer is the section, "Code of Conduct." This section provides standards for ethics, competence, disclosure, and specifies the minimum content requirements of a valuation report.
3. The third-highest layer is the section, "Property Types." In this section, the concepts and principles specific to each of the four fundamental property types are presented. The four types are:
  - Real Property
  - Personal Property
  - Businesses
  - Financial Interests

Primary definitions and rules for the valuation of each property type are provided.

4. In the fourth layer are the International Valuation Standards 1, 2, and 3. Most sections in this layer and

below contain instructions regarding the relationship of the content of the section to accounting standards, particularly those involving public financial reporting.

- An Introduction section provides concepts and primary standards defining the applications or domains of the three IVS.
  - IVS 1, "Market Value Basis of Valuation," provides definitions and standards specific to the conduct and reporting of market value-based valuations.
  - IVS 2, "Valuation Bases Other Than Market Value," provides definitions and standards specific to the conduct and reporting of non-market value-based valuations.
  - IVS 3, "Valuation Reporting," provides instructions on the content items and other communication requirements of the valuation report.
5. The fifth layer contains sections called International Valuation Applications. These provide guidance pertaining to two major uses of valuation reports.
    - International Valuation Application 1 (IVA 1), "Valuation for Financial Reporting," provides definitions and explanations of principles pertaining to valuations prepared for use in financial statements and related accounts of business entities. It then provides standards that apply when developing such valuations. Much of the material in this section is drawn from the IASB's International Accounting Standards (IASs), the predecessors of the new, higher quality IFRSs now being developed. Three addenda provide supporting accounting-related information.
    - International Valuation Application 2 (IVA 2), "Valuation for Lending Purposes," provides guidance for valuers in preparing valuations for loan security, mortgages, and debentures.

A third International Valuation Application, "Valuation of Public Sector Assets for Financial Reporting" is under development.
  6. In the sixth layer there are eleven Guidance Note sections. This layer should soon include the Extractive Industries GN. The IVS states, "The Guidance Notes provide guidance on specific Valuation issues and how Standards are to be applied in more specific business and service-providing situations. The Guidance Notes complement and expand on the Standards and Applications (layers 4 and 5), with which they have equal importance. Compliance with the Guidance Notes as with the Standards and Applications is, therefore, mandatory for all Valuers preparing assignments under the International Valuation Standards." The Guidance Notes in IVS 2003 are the following:
    - Real Property Valuation
    - Valuation of Lease Interests
    - Valuation of Plant and Equipment
    - Valuation of Intangible Assets
    - Valuation of Personal Property
    - Business Valuation
    - Concentration of Hazardous and Toxic Substances in Valuation

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- Depreciated Replacement Cost (DRC)
  - Discounted Cash Flow Analysis for Market and Non-Market Based Valuations
  - Valuation of Agricultural Properties
  - Reviewing Valuations
7. The final layer is provided by a White Paper. White Papers are published by IVSC on issues involving the performance of valuations. One such White Paper entitled, "Valuation in Emerging Markets," is included in the IVS to provide specific guidance to valuers in emerging markets. Particular problems are posed for valuers by the special economic, legal, and institutional characteristics of emerging-markets.

## The Extractive Industries Guidance Note

At this time, the Extractive Industries GN is undergoing final restructuring and editing, based on instructions from the IVSC Standards Board. This is in preparation for its pending release in late November 2003 as an Exposure Draft for public comment. Additional Standards Board review may cause small changes in content described here, even before the GN's Exposure Draft release. Other changes will doubtless occur due to review of public comment submissions, prior to publication in the next edition of the IVS in June 2004.

### Philosophy

The author expects that comments submitted by outside reviewers of the Exposure Draft will be wide-ranging, from constructive to angrily destructive. This seems inevitable given the uniqueness of this document within the minerals and petroleum industries. The great majority of minerals and petroleum industry professionals who conduct valuations, even in developed countries of world, do not apply the Generally Accepted Valuation Principles (GAVP), and they have little knowledge of those principles.

A primary philosophy held by our present Task Force members in deciding to participate in the writing of this GN for inclusion in the IVS, is that valuations for our minerals and petroleum industries should not be considered unique in their applicable valuation concepts and principles. Valuations for our industries belong under the same enormous tent of the Generally Accepted Valuation Principles along with valuations for all other assets, entities, industries and uses. Based on arguments our Task Force members have already heard during meetings and conferences, many influential minerals and petroleum industry professionals will view this GN document as an unjustified attempt by real estate valuers to force their "inappropriate" valuation standards onto the extractive industries.

Submissions that do not provide constructive criticism or advice for improvements to the GN should be rejected, even if they are strongly worded. The concepts and principles expressed in the GN's standards are relatively simple in their application of the GAVP and international Reserve-Resource reporting requirements. There is some ability to strengthen or weaken certain aspects of the GN's Standards, as may be needed. However, any greater change would likely place the GN in conflict with other portions of the IVS.

### Structure and Concepts

The Extractive Industries GN is a very brief, simple document, when compared to the only two national mineral valuation standards, the Australian VALMIN Code and the Canadian CIMVal Standard (AusIMM, 1998; CIMVal, 2003). VALMIN and CIMVal are designed to operate as standalone documents, whereas the GN is dependent on the entire standards content of the IVS book.

VALMIN and CIMVal are limited in their application compared to the GN. VALMIN is designed to govern technical assessments and valuations of mineral and petroleum assets from a Business perspective for corporate reporting purposes to securities regulators. Therefore, it is difficult to apply to other valuation types and purposes (Ellis, 2000). The CIMVal Standard is designed only for Real Property valuation of mineral properties, with the intended use of the valuation primarily being financial reporting. The Extractive Industries GN is designed for valuation of minerals and petroleum assets of all four property types and for development of valuation reports for all possible intended uses.

The Extractive Industries GN is divided into the same six sections as the other Guidance Notes. These sections are: 1. Introduction; 2. Scope; 3. Definitions; 4. Relationship to Accounting Standards; 5. Guidance; and 6. Effective Date.

**Introduction:** This section starts out with the purpose for the GN's existence being stated:

"The purpose of this Guidance Note (GN) is to provide clarification and guidance on the valuation of interests held by entities involved in *Extractive Industries*. It discusses concepts that should be understood by financial reporting and regulatory authorities, financiers, investors, participants in resource transactions, and other users of Extractive Industries valuation services."

The Extractive Industries are then defined, distinguishing aspects described, and key characteristics listed. Aspects of the minerals and petroleum industries and their various phases of property exploration, development and production are described and contrasted. The high risk aspect of exploration is introduced.

The concept is introduced that the main basis of value for mineral and petroleum properties is Reserves/Resources or the expectations of finding such. For example, for exploration properties, statements such as the following are made:

"*Exploration Properties* have asset value derived from their potential for the existence and discovery of economically viable Mineral or Petroleum deposits contained within. Exploration Property interests are bought and sold in the market. Many of these transactions involve partial interest arrangements, such as farm-in, option or joint venture arrangements."

**Scope:** This section provides statements that specify what is covered in this GN, and which direct the reader to appropriate other sections of the IVS for topics not covered in this GN. For example, one clause states:

"This Guidance Note provides specific guidance for valuation of assets and interests of the Extractive Industries. It provides supplemental guidance for application of the International Valuation Standards (IVS 1, 2 and 3), International Applications (IVA 1 and 2) and Guidance Notes."

## NEW STANDARDS (continued)

**Definitions:** Important terms of the extractive industries that are used in the GN are defined in this section. For example, a *Mineral Reserve* and a *Mineral Resource* are defined by quoting the definitions of the Combined Reserves International Reporting Standard Committee (CRIRSCO). *Petroleum Reserves* and *Petroleum Resources* are defined by using the definitions of the Society of Petroleum Engineers (SPE) and the World Petroleum Congress (WPC).

**Relationship to Accounting Standards:** Some brief information on the present status of reporting the value of minerals and petroleum industry assets in public financial reports is provided.

**Guidance:** This section contains the main standards of the GN. It begins by specifying that the GAVP are to be applied and give some instruction on how they are to be applied:

“The provisions of this GN are designed to assure application of Generally Accepted Valuation Principles (GAVP) to Extractive Industries valuations, in accordance with the valuation fundamentals expressed in the IVS General Valuation Concepts and Principles.”

“A Market Valuation of an Extractive Industries property as Real Property must be based on the Highest and Best Use (HBU) of the property. This may require consideration of a non-Minerals or non-Petroleum use for the property. Consideration must also be given to a change in exploration, development or operating strategy, or potential for leasing the property, in order to maximise its economic benefit.”

Standards on competence are provided. These supplement standards in the Code of Conduct by requiring that “the Valuer have competence relevant to the subject asset or interest, or retain the assistance of (an) appropriately skilled Technical Expert(s).”

Some instructions provide direction (not methods) regarding appropriate application of valuation analysis to extractive industries properties. These also warn the valuer of potentially inappropriate methods. Other instructions address such issues as the unique nature of data verification requirements when drilling and sampling data are involved, and what to do if there is more than one estimate of the quantity and quality of Resources and Reserves for the subject property.

The instructions contained in other IVS standards pertaining to the content of valuation reports are supplemented in this section with some specific disclosure requirements for extractive industries valuation reports, such as:

“The Valuation Report should be supported by disclosure of relevant Extractive Industries Codes, Standards or Rules of Practice applicable to the Valuation and supporting Technical Assessment.”

### Conclusions and Recommendations

The International Valuation Standards, Sixth Edition, 2003, is a comprehensive, rigorous, well structured set of standards. The standards address the valuation of all property types for all purposes and uses, and are designed for use anywhere in the world. At the time of this writing, the Extractive Industries Guidance Note, drafted by the IVSC Task Force of leading international minerals and petroleum valuers, is about to be released as an Exposure Draft to obtain submission of public comments from interested parties. As drafted, the

Extractive Industries GN will provide a comprehensive and rigorous set of supplemental standards to the IVS for valuation of minerals and petroleum industry assets.

This timely addition of the Extractive Industries Guidance Note, will support the development of financial reporting standards by the IASB that provide disclosure of the fair value of mineral and petroleum reserves and resources. However, the IASB will likely restrict fair value disclosure to Proved and Probable Mineral Reserves, and Proved Petroleum Reserves, until confidence is developed that the quality of valuation reports submitted is adequate to support more extensive disclosure.

The USA's Financial Accounting Standards Board and the IASB have begun working closely together on a convergence project designed to rapidly eliminate major differences between the US GAAP accounting system and the IASB's International Accounting Standards. The IASB has a larger, long-term convergence project begun in 2001, driven partially by pressure and heavy financial support from the USA. Its ultimate goal is to develop a truly global set of very high quality International Financial Reporting Standards (IFRSs), by drawing on the best of its own standards, US GAAP and the other major national accounting standards of the world.

The USA will adopt the IFRSs as it finds them to be of high enough quality to meet its reporting requirements, which should occur during this decade. The IFRSs draw on the International Valuation Standards for determination of fair value of real property, plant and equipment. This interdependent relationship of the two sister sets of standards will be a driving force for the introduction of the IVS into the USA and Canada.

The author predicts that during this decade, the USA's Uniform Standards of Professional Appraisal Practice (USPAP) will become essentially the IVS, with supplemental instructions specific to applications within the USA, and having a USPAP cover. The IVS is generally recognized as being a superior document to USPAP. The Appraisal Foundation is already under pressure from its major sponsors to go further than its current project of compatibility between IVS and USPAP.

Financiers, securities regulators, and financial markets of the world need to develop a high level of confidence in market-based fair value estimates for minerals and petroleum industry natural resource assets. To meet this goal, it will be necessary for mineral and petroleum valuers globally to adopt usage of the IVS, with its Extractive Industries Guidance Note. Minerals and petroleum industry institutes should make abidance by the standards of the IVS a binding requirement on their members when performing valuations. This should be enforced by a sanctioning mechanism that provides for dismissal of a member who severely breaches the standards. Securities industry regulators and major lending organizations must also enforce a requirement that minerals and petroleum industry valuations fully conform with the IVS. They should also encourage, and eventually require, that the valuations they receive be written by valuers subject to sanctioning for breach of the IVS standards.

The IVSC's Extractive Industries Task Force has begun drafting an IVSC Technical Paper for posting on the IVSC website. This paper will contain additional instructions and educational material for valuers performing valuations within the minerals and petroleum industries. Minerals and

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petroleum industry institutes and securities regulators should seriously consider adopting those additional instructions. They may also wish to develop supplemental instructions appropriate to the needs of their jurisdiction.

Globally there is a near total lack of educational materials and courses teaching the conduct of market-based valuations for the minerals and petroleum industries in accordance with the Generally Accepted Valuation Principles. It is urgent that minerals and petroleum industry institutes and mining and petroleum colleges worldwide, actively undertake or support the development of such educational materials and courses.

Certifications should be developed for valuers working in the extractive industries, similar to the Certified Minerals Appraiser designation provided by the American Institute of Minerals Appraisers. There should also be a continuing education requirement to maintain such a certification.

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### AIPG Corporate Membership Program

AIPG has initiated a new membership program to better strengthen its association with companies practicing in the geosciences. The benefits of this program are:

- The corporate member may advertise its Corporate Member Status.
- The company will be listed on the AIPG website and in "The Professional Geologist" as a Corporate Member.
- Annual Corporate Membership dues include the annual dues of one Certified Professional Geologist and up to six regular AIPG memberships.
- Corporate Members receive discounts on publications and other AIPG items.
- Corporate Members may utilize AIPG's job search/placement system at Member rates.
- Corporate Members may participate in any AIPG benefit programs.
- Corporate Membership supports AIPG advocacy on behalf of the geologic profession.

#### Corporate Membership Requirements

- The Corporation must be engaged in the practice of geology and geoscience and submit documentation of the Corporation's professional qualifications.
- The Corporation must have a Certified Professional Geologist (CPG) in a position of senior responsibility who is designated as the Corporation's representative and who is responsible for the Corporation's compliance with AIPG Corporate Membership Requirements
- The Corporation's practice of geology and geoscience at all locations must be conducted under the supervision and review of CPG's.
- The Corporation will uphold the Code of Ethics and the Bylaws of the Institute.
- Cost: Application Fee: \$100.00
- Annual Dues: Upon acceptance as an AIPG Corporate Member, the Corporation will submit annual dues based upon its annual revenue derived from the practice of geology and geoscience. The annual Corporate Membership fee will include Corporate dues, annual dues of the CPG designated as the Corporation's representative and up to six regular memberships depending on corporate membership level.

Corporate Membership level	Dues	Memberships
Annual Revenue— less than \$500,000	\$450/yr	2
Annual Revenue—\$500,000 to 1,000,000	\$750/yr	4
Annual Revenue—\$1,000,000 plus	\$1,000/yr	6

#### For more information contact AIPG National Headquarters

(303) 412-6205 or [aipg@aipg.org](mailto:aipg@aipg.org). Application forms and details are also available on the AIPG National Web site at [www.aipg.org](http://www.aipg.org).