

INTERNATIONAL INSTITUTE OF MINERALS APPRAISERS

NEWSLETTER

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Continuation Education Requirement

In early 2011 the AIMA membership was informed that we, your Executive Committee Management, had no authority to state that you must not designate yourself as a Certified Minerals Appraiser for reason of non-compliance with CE requirements. Likewise, we had no authority to prevent you from voting for the same reason. The reason was that the Bylaws did not formally impart that authority to AIMA management.

To remedy that flaw formal ballots were sent to all members with a due date of 31 May 2011. The ballots called for voting on the addition in Article 2.5.2 of the requirement “for Certified Members, only, to comply with the continuing education requirements to be established by vote of the Certified Membership from time to time.” All ballots, which were returned, voted in favor of that change of Bylaws and the Bylaws were accordingly changed.

In addition, the ballots queried the members as follows: “Shall the continuing education requirement be 5, 10 or 20 hours per year over a 3-year average, commencing in 2011 with allowance for inclusion in

the 2011-2013 period of any claimed 2010 CE Credits?” The members vote fell by large majority on 10 hours per year over a 3-year average.

The current CE requirement is therefore 10 hours per year over a 3-year average, commencing in 2011 with allowance for inclusion in the 2011-2013 period of any claimed 2010 CE Credits. Therefore, from 1 January 2013 through 31 December 2016 you should have accumulated 30 CE Credits in order to stay in compliance. As a part of the 30 hours, note the 7-Hour National USPAP Update Course is required every two years.

The Institute applies the calendar year to the terms of its Officers (Bylaws 5.1.2 *Duration of Terms* ...Officers shall assume office on the first day of January...). In parallel, the “year” for purposes of accumulation of CE Credits also runs from 1 January through 31 December.

Each member has the opportunity to claim and to keep record of his/her claimed CE Credits on the “Member Login” web site. Initial usernames and passwords have been provided to members in 2010.

To review your current CE standing, log in to your private CE Record Keeping at

<http://www.mineralsappraisers.org/members/MemberProfileCEC.aspx> under Member LogIn)

If you are a new Certified Member or if you have mislaid your username/password, please contact the Webmaster John Manes john@minvalspec.com for an updated version. If you have further questions please contact the education chair.

John B. Gustavson,
Past President

IIMA 2017 Annual Meeting RSVP

The Annual Meeting will be held on 21 February 2017 from 12:00 Noon until 1:50 PM upstairs at **Bubba Gump**, 437 California Street, Denver, CO 80202, Ph: (303) 623-4867. It is two minutes from the *Denver Convention Center*, where we are presenting our Valuation papers in the morning and in the afternoon.



Gustavson Associates has offered to serve as Arrangements Chair and now asks you to fill out the attached reservation form and mail that and your check for \$35.00 to IIMA:

Gustavson Associates
5757 Central Avenue, Suite D,
Boulder, CO 80301
before 31 January 2017

As usual, unlimited sodas, coffee, and iced tea will be provided as part of the Fixed Price (incl. service) of \$35 per person. Reservation, menu selection and

payment are necessary in advance per the attached form:

- All-American Cheeseburger with fries and onions
- Mama Blue's Southern Charmed Fried Shrimp
- Accidental Fish
- Captain's Fish & Chips
- Chicken Scampi Pasta
- Other delicacies from the attached Menu

Beer and wine are available from **Bubba Gump's** cash bar. We hope to see you there! Agenda for the Annual Meeting will follow later.

Attention Mentors/Mentees

Make sure to arrive early for this year's conference in order to attend the Mentor/Mentee Clinic.

Where: Hyatt Regency (across from convention center)

When: Monday February 20, 2017 3-5 pm

RSVP: rachelvasspg@gmail.com

More information about the clinic will be published in the next newsletter. We still have multiple Associate members who still need mentors.

Please contact Rachel Vass at rachelvasspg@gmail.com if you are interested.

Invitation to Co-Sponsor Welcome Suite

The IIMA will again this year host an informal social gathering, Monday Evening, 20 February, 2017 starting at 6PM. The venue will be in the IIMA Suite at the Hyatt Hotel across from the Convention Center. Spouses and potential members are of course heartily Welcome!

We will have a bartender for a couple of hours and maybe a few snacks, so we are again inviting IIMA members and their companies to co-host this event.

In return, you will receive our Thanks and also be prominently mentioned in a future Newsletter!

Donations (or promises) of \$100, \$200 or maybe \$500 are gratefully received by the IIMA, c/o John Manes, President, john@minvalspec.com at the Suite or by mail to the IIMA, 5757 Central Avenue, Suite D, Boulder, CO 80301.

Thank You in advance for your thoughtful consideration to make this a good mixer for all!

SME 2017 Conference Valuation Session Preview Denver Colorado February 2017

First off on behalf of IIMA, we all want to give a special thank you to the Valuation Session Chairs and other Volunteers as well as Presenters who have dedicated their time and efforts to making the Valuation Sessions a valuable learning opportunity to the greater organization. Thank you all for your efforts.

The following abstracts and presenters for the SME Valuation Sessions are as follows. Note this is a list of the presentations and speakers and is subject to change as well as the order of presentations.

Mineral Valuation I & II: Case Studies and Methodologies Lessons Learned and Fundamental Issues

No. 1 - The SME Valuation Standards – Present Implementation and Future Role: Trevor Ellis

No. 2 - The Market Capitalization Approach to Valuation: Graham Davis

No. 3 - Sensitivity Analysis: Tools for Litigation in Rapidly Changing Markets: Zach Smith

No. 4 - Thoughts on valuing deep sea manganese nodule deposits in the CCZ: Chris Wyatt

No. 5 Gold Property Transaction Trends 2014-16 Using a Common Comparison Metric: William Roscoe

No. 6 The Impact on Mineral Property Valuations of the Proposed SEC Reporting Requirements for Mining Properties from Technical Perspective: Barney Guarnera, John Fogani

No. 7 The Impact on Mineral Property Valuations of the Proposed SEC Reporting Requirements for Mining Properties from Legal Perspective: John Fogani, Barney Guarnera,

No. 8 - Influence of Market Factors and Freight Logistics on the Valuation of Silica Sand Deposits Utilized for Frac Sand: Evan Mudd and Marc Springer

No. 9 - The Implications of the Use of a Single Financial Model in the Income Approach to Value: Alan K Stagg

No. 10 - Simplified Comparison of the Major Ore Reserve and Mineral Resource Classification Systems for Mineral Appraisers – Robert Cameron

No. 11 – Valuation (waiting on abstract and title) - Rachel Vass

No. 12 - PANEL DISCUSSION - Sales Comparison Approach to Energy Minerals under Fluctuating Commodity Prices

The Panelists are: Coal, Richard L. Bate, John T. Boyd Company, SME; Oil, Robert N. Hart, HartPetro Global LLC; Uranium, Scott Melbye, Uranium Energy Corp., and Natural Gas, Rachel L. Vass, Gauley River Minerals, LLC. John Gustavson is the Moderator.

The valuation sessions and Annual IIMA meeting are great opportunities for all members and associates.

Marc Springer Featured at Next Short Course

The IIMA features its Continuing Education event in Denver on 22 February 2017. The course is titled *Elements of Mineral Property Appraisal and Avoiding Valuation Pitfalls*. The outline of the course is shown as follows.

The venue is the Downtown conference room of *Gustavson Associates* to whom we are grateful for this courtesy. Space is limited to 10-12 attendees, so sign up as fast as possible. You may wonder: "Why so few?" Well, a next step up would be to make this CE activity an official Workshop of the SME, but that may lose us the intimacy of a short course especially designed for just minerals appraisers.

The course will run on Wednesday, 22 February, the day after our Valuation Sessions and our IIMA Annual Meeting. Venue will be from 9:00 to Noon with time out for lunch on your own and continue from 1:00 PM to about 4:15 PM. Handout briefing books will be provided by Marc Springer, and refreshments by Gustavson Associates. The outline of the course is shown on the following pages.

The Gustavson Associates Conference room is associated with **Suite 1624, 216 16th Street Mall, Denver**. It is 2 blocks from the Convention Center (one block from the Hyatt Hotel) to the free Mall Shuttle and then four blocks (or walk) to the corner of Cleveland.

The IIMA is *focused upon education*, so the special prices are as follows:

- Certified Minerals Appraiser \$295
- Associate Member \$295 less \$100 Rebate from IIMA upon completion
- Affiliate Member \$295
- Emeritus Member \$295 less \$50 Rebate from IIMA upon completion

The Short Course space is limited, so early registration is a Must. Mark your \$295-check for "Appraisal Short Course". Make it out to "IIMA" and mail it to: International Institute of Minerals

Appraisers, 5757 Central Avenue, Suite D, Boulder, CO 80301. If your check does not carry your name, please drop a note in the envelope.

This will be an excellent opportunity for our Associate Members to gather ammunition for their Certification and are offered a rebate.

See you there!

John Gustavson, Chair
Continuing Education Committee

Associates may apply this Short Course toward certification requirements, while *Certified Minerals Appraisers* may claim 6 hours of CE credit. *Affiliate Members* and Emeritus members are of course very welcome.

Next Newsletter

This was an abbreviated newsletter which contains dated information for 2017 IIMA attendees. Please note that the organizers have put a lot of time and energy into putting on wonderful events to make the SME conference as beneficial to our association as possible. Please return the favor and help them by letting them know as soon as possible your attendance. The next newsletter will provide more details about the upcoming conference. Thank you!

Matt Chapman
Newsletter Editor

The NEWSLETTER is published by the International Institute of Minerals Appraisers, 5757 Central Avenue, Suite D, Boulder, CO 80301

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Special thanks to the contributions made. The strength of the IIMA organization is through the commitment, education, and contributions of its members. We are always looking for articles to enhance our profession and welcome any material that members may provide. Thanks!

E-mail: matt@hapmanappraisers.com;

What a participant may learn in the seminar:

- Federal Mineral Interests, Rights & Authorities

Federal Minerals Classification

The General Mining Law of 10 May 1872, as Amended

Federal Unpatented Mining Claims & Sites (and Patented Mining Claims)

Types of Mining Claims and Sites

What is a Mining Claim and what is its Value?

The Equal Access to Justice Act (EAJA)

Where to Get Data Regarding Mining Claims

- Federal, State & Local Mine Permitting Regulations and Reclamation Effect on Value

Regulations and Standards for Permitting Mining Operations

Federal Lands

Private, State, & Federal Lands

Local Ordinances- County, City & Municipalities

Plans of Operation, Reclamation Plans & Bonding Standards

Permitting Phase- Legal, Political, and Social Risks

- Mineral & Surface Rights – Split Estates Effect on Value

Mineral Estate Severance

History

How Estates are Split

Dominant Estate is the Mineral Estate in the Western U.S.

Reunification with the Surface Estate

- Mineral Property Highest & Best Use Assessment

The Mineral Property Type

- Exploration
- Development
- Production
- None of the Above

Pre-Feasibility and Feasibility: Elements Considered

- Environmental Issues
- Beneficiation
- Community Concerns
- Market Contracts
- Market Value

- Approaches to Valuing Mineral Rights

Report Types: Opinion Letters, Commercial Development Reports, Appraisal Reports

Mineral Rights Appraisals- Different Approaches for Different Mineral Property Types

Sales Comparison Approach: Appropriate Applications

The Search for Comparable Sales

Adjusting Comparable Sales

Income Approach: Discounted Cash Flow Analysis

Three positions of mineral interests

Sensitivity Analysis & Tweaking DCFs

You Can't Multiply Contained Commodity by Commodity Price

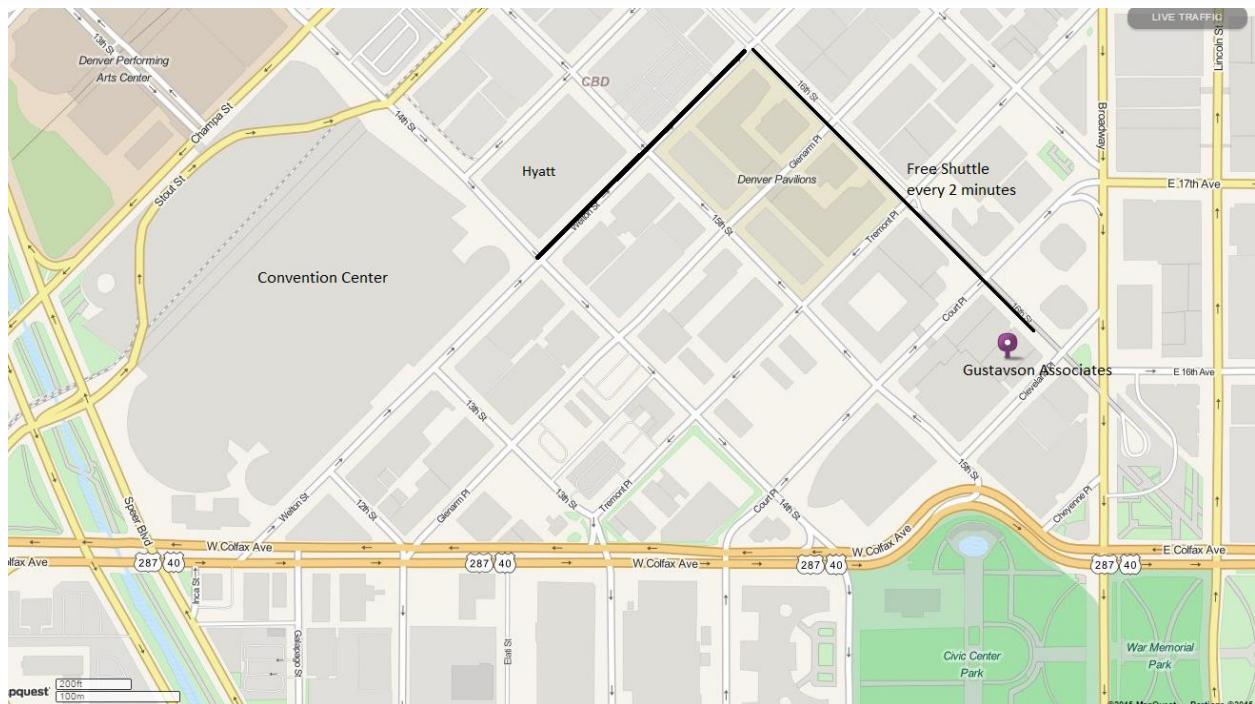
- USPAP & UASFLA for Mineral Rights Market Valuation

How USPAP & UASFLA Address the Mineral Estate

What Parts of USPAP & UASFLA Can be Applied

UASFLA Unit Value

The Larger Parcel



Reservation for 2017 Annual Meeting Luncheon

21 February 2017 from 12:00 Noon until 1:50 PM upstairs at **Bubba Gump**, 437 California Street, Denver

Name: _____

Number of Reservations: _____

Check for \$_____ (@ \$35.00 per person) enclosed.

Menu item(s) selected (please mark):

- ☐ All-American Cheeseburger with fries and onions
- ☐ Mama Blue's Southern Charmed Fried Shrimp
- ☐ Accidental Fish
- ☐ Captain's Fish & Chips
- ☐ Chicken Scampi Pasta
- ☐ Other delicacies from the attached Menu Additional Items (please write in:)

Additional Menu Items

MAMA BLUE'S SOUTHERN CHARMED FRIED SHRIMP

With hot and crispy Fries and Cocktail Sauce for
dippin'. 16.89

"...OF COURSE WE HAVE SCAMPI!"

Tender Shrimp sautéed with Capers in Lemon Garlic
Butter, served over a bed of Linguine. 17.99



DUMB LUCK COCONUT SHRIMP

Bubba always loved this one! Served with Cajun
Marmalade and Fries. 18.39

SHRIMP NEW ORLEANS

An authentic spicy recipe from our staff in the French
Quarter! Lots of tender Shrimp broiled with Butter, Garlic
and Spices, and served with Jasmine Rice. 17.99

ACCIDENTAL FISH & SHRIMP

Broiled Mahi Mahi over a bed of Jasmine Rice, topped with
Grilled Shrimp, a Lemon Butter Sauce and Roma Tomatoes.
18.29

STEAMED SHELLFISH

A delicious mix of Steamed Mussels, Clams, Snow Crab,
Lobster Claw and Shrimp. Served with Jasmine Rice and a
side of Mama's best Garlic Bread. Market

If you are looking for more, try our even bigger portion. Market

LT. DAN'S DRUNKEN SHRIMP

Large Chargrilled Shrimp and Andouille Sausage with
Mashed Potatoes and Bourbon Sauce! 17.89

SHRIMP & VEGGIE SKEWERS

Large Shrimp, skewered with fresh Red Bell Peppers, Red
Onion, Yellow Squash and Zucchini, chargrilled and served
with Jasmine Rice and a Lemon Garlic Cream Sauce. 17.59

JENNY'S CATCH WITH LOBSTER BUTTER SAUCE

Pan Seared Tilapia laid over Mashed Potatoes with
Sautéed Spinach and a creamy Lobster Butter Sauce
made from scratch. 17.99

SALMON & VEGGIE SKILLET

This delicious light dish of Grilled Salmon and
fresh Vegetables has a bit of Garlic Herb Butter
and Capers, served over Jasmine Rice. 18.39

BOURBON STREET MAHI MAHI

Charbroiled Cajun spiced Mahi Mahi with Bourbon Sauce
and Grilled Shrimp, served over Mashed Potatoes. 18.29



GRILLED SEAFOOD TRIO

A trio of our most popular grilled seafood... Shrimp & Veggie
Skewer, Shrimp New Orleans and our Bourbon Street
Mahi Mahi. 22.99

NET CATCH ENTRÉE

Our twist on a Bubba's Classic! Beer steamed Peel 'n' Eat
Shrimp, along with Carrots, Celery, Corn, Potatoes and
Andouille Sausage all steamed and tossed with Garlic Spice
or our Secret Cajun Spice recipe. 20.79

DIXIE STYLE BABY BACK RIBS

Our award-winning Ribs are brushed with our own
homemade BBQ Sauce, slow roasted to perfection
and served with Fries. 20.99

LT. DAN'S SURF & TURF

Our award-winning Dixie Style Baby Back Ribs,
slow roasted to perfection along with succulent
Grilled Shrimp and Fries. 23.99

*CERTIFIED ANGUS TOP SIRLOIN

A tender 9 oz. USDA Certified Angus Top Sirloin served
with Mashed Potatoes, Frizzled Onions and juicy sliced
Tomato. 21.99