

INTERNATIONAL INSTITUTE OF MINERALS APPRAISERS

NEWSLETTER

February 2017

Vol. 21, No. 2

IN THIS ISSUE

In Memory of Paul Fly
IIMA Annual Meeting 2017
Mentor/Mentee Clinic
2017 SME Valuation Conference, Denver, CO
Marc Springer Featured at Next Short Course
Continuing Education
DVD & Stamp Sale Information

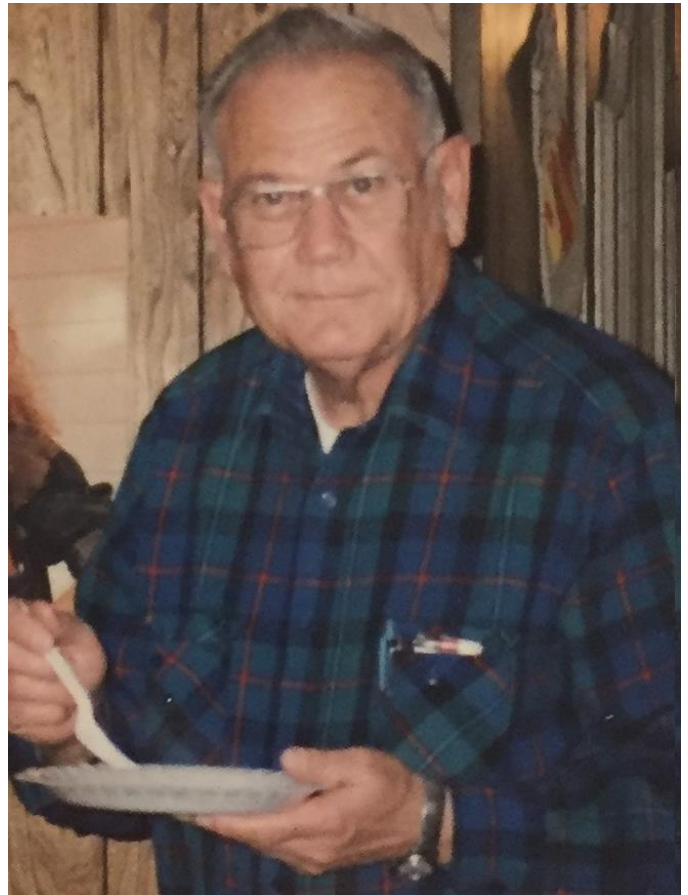
In Memory of Paul Fly (1927-2017)

By John Gustavson, Paul's Mentee

Paul was one of the Founding Members of the IIMA (AIMA back then). He taught me most of what I have ever learned about valuation of minerals (valuation being in contrast to evaluation). Paul died on 19 January, just shy of reaching 90. Paul's involvement with the IIMA is a long story of, but here it is.

Prior to his education years Paul served in the U.S. Navy. Thereafter, he graduated in 1951 from the University of Texas in Austin with a BS in Petroleum Engineering. Later, he added a law degree with highest honors from St. Mary's University.

Paul was thus both a resource engineer and educated in legal matters. Certainly, a double-edged sword, which served him well. When I met him, he was with the Bureau of Reclamation, in the Amarillo Office. In 1988 his office solicited the services of a "minerals appraiser" and I recall that Paul's *Invitation for Bids* required knowledge of *Highest & Best Use* and of the "Yellow Book". Somehow, my company made the short-list, although I knew that we barely met the requirements. The Yellow Book? Yes, we knew that it was a Government publication with a lot of good guidance. But KNOWLEDGE? Well, Paul, as a thorough Government employee, interviewed me thoroughly on the phone, and Yes, we "clicked" when it came to *Highest & Best Use*.



This led to a number of appraisal contracts for me with the Bureau, and Paul and I visited a couple of times in Boulder and in Amarillo. From a personal standpoint, I learned of Paul's interactions with his family and his references to his favorite author, John Bradshaw, whose works in the 80's were important for Paul in his own life.

Paul was sick and tired of the Government's always being told in court by landowners' petroleum engineers that production was the *Highest & Best Use*, even for their undeveloped goat pasture. The Bureau of Reclamation had the task of damming up undeveloped land for reservoirs along the Pecos River and there were many Takings cases.

Landowners sought compensation under the Fifth Amendment for the value of their mineral property, which the Government had taken by flooding. Fair enough, but the courts awarded astronomical compensation amounts.

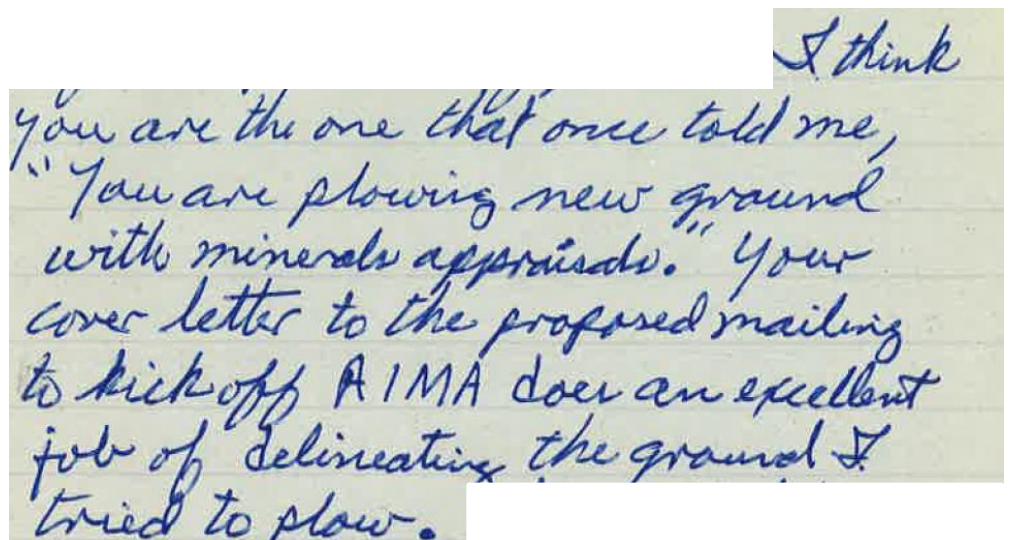
Paul taught me about the *Olson case* (1934), which specified that the *Highest & Best Use* must be as of the Effective Date and not at the time of some speculative use in the far future. Key to it all was Paul's taking me paragraph by paragraph through the Yellow Book.

Having a law degree made it easy for Paul to introduce me to the many important court decisions and how they came to influence the work of a minerals appraiser. It was a give-and-take, Paul told me. A good expert educates the court, and the court rules. Another appraiser learns from that court ruling and considers his next appraisal on material therefrom.

The final push towards forming the IIMA came with what Paul termed "the overreach of the *Financial Institutions Reform, Recovery, and Enforcement Act of 1989* (FIRREA)". It stated that surface real estate appraisers should now sign off on minerals appraisals!

Paul was very upset. I recall a *National Park Service* solicitation, which offered extra selection points for bidders who were members of "Appraisal Societies". Well, minerals in the ground are real estate, so, By George, we could form our own "appraisal society"! And we did!

Paul was great at striking new ground for the appraisal of minerals. He retired from Government service in June, 1990, but we stayed in contact about the appraisal of mineral property. He continued to support our efforts and agreed to be a Founding Member in 1991. I just dug out a handwritten letter from Paul, who stated his support of our launching of the IIMA (back then the AIMA):



I think
you are the one that once told me,
"You are plowing new ground
with minerals appraisals." Your
cover letter to the proposed mailing
to kick off AIMA does an excellent
job of delineating the ground I
tried to plow.

So, Paul Fly, now deceased, was instrumental in the founding of our Institute and was one of the four Charter Members. And I will never forget his mentoring of my own mineral appraisal efforts.

In Paul's memory, please join our efforts towards getting experienced members together with our Associates! We will all benefit and so will the public.

Thank you, Paul

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. **If you have not RSVP and submitted payment, please contact our treasurer Charles Howard or John Gustavson:**

Charles G. Howard, P.E.
Howard Engineering, Inc.
304.877.6665
304.288.3253 cell
MiningEngineerWV@aol.com

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!

Mentor-Mentee Clinic: "Moving towards Membership"

Where: Hyatt Regency (across from convention center)

When: Monday February 20, 2017 3-5 pm

Agenda

1. Welcome and introductions by Rachel Vass
2. Small icebreaker to get to know everyone
3. Why is it important to get your CMA by guest speaker (I have invited someone, but don't have confirmation that they will speak yet)
4. Question and Answer session with speaker about topic
5. What do you need to do before you can apply and what are the requirements in the application by RLV
6. Question and Answer session with Marc Springer --- Kick out all CMAs besides myself ---
7. Informal discussion with Associates and Mentorship Chair about being an associate and transitioning to CMA

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.

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 Sessions 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.

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

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.

The SME Valuation Standards – Present Implementation and Future Role: Trevor Ellis

In January 2016, SME published its "SME Standards and Guidelines for Valuation of Mineral Properties, First Edition, 2016" (SME Valuation Standards). The standards closely align with the "International Mineral Valuation Template," under development by the International Mineral Valuation Committee (IMVAL) since 2012. The author, who chairs the SME Valuation Standards Committee, will address the purpose and application of the standards within the global setting of standards and financial

regulations. He will then provide his expectations for continuing enhancements to the SME Valuation Standards and improved harmonization with the other major mineral valuation standards, such as the Canadian CIMVal Standards.

The Market Capitalization Approach to Valuation: Graham Davis

There is considerable distrust of the market capitalization approach to valuing mineral assets. CIMVal lists the approach as a secondary valuation method, and the SME Valuation Committee's comments to the IVSC indicate disagreement within that committee as to the approach's validity. This paper provides the theory and practice of the capitalization approach, showing where it may be useful and where it may not be useful. It certainly should be considered a primary approach in single asset companies or in companies where a single asset dominates its portfolio. Worries that the capitalization approach does not take into account acquisition premia are easily addressed.

Sensitivity Analysis: Tools for Litigation in Rapidly Changing Markets: Zach Smith

Since Fall 2014, oil & gas markets have experienced unprecedented volatility with prices fluctuating, in some instances, by over 40% in six weeks. Volatility also results in fluctuating discount rates as risk increases or decreases and may drive financially distressed firms to alter expense deduction practices. This can result in dramatic differences in value over short periods of time rendering direct comparison of "expert" reports submitted for litigation difficult and confuse clients, attorneys, and judges. Sensitivity Analysis can be used to bridge the gap between reports, provide a "test of reasonableness" for opposing reports, and give the stakeholders a framework through which to reconcile differences. This is especially important in localities with relatively few competent oil & gas appraisers where values are frequently dramatically overstated, either through application of incorrect methodology or appraisal of the wrong ownership interest.

Thoughts on valuing deep sea manganese nodule deposits in the CCZ: Chris Wyatt

The existence of deep sea manganese nodules in the Pacific Ocean has been known for some time. Manganese nodules deposits in the Clarion Clipperton Zone (CCZ) have underwent two periods of active exploration and development. The first period lasted more than a decade and ended in the 1980's, with millions of dollars spent but without sustained commercial production. The second period is less than a decade old and is ongoing. Countries and companies are again spending millions of dollars on exploration and development. The level of expenditure indicates there should be substantial value in the development of this resource. This paper looks at how applying standard mineral valuations techniques to a hypothetical manganese nodule deposit located in the CCZ and how the resulting values compare to the level of expenditure.

Gold Property Transaction Trends 2014-16 Using a Common Comparison Metric: William Roscoe

We have reviewed transactions over the past three years on more than 100 gold properties containing mineral resources and mineral reserves. The property values derived from the transactions have been normalized in terms of \$/oz contained gold or gold equivalent where gold is the dominant component. Another useful metric for comparing resource properties is the Metal Transaction Ratio (MTR) which is the \$/oz value divided by the gold price at the transaction date, or its mathematical equivalent, the property value divided by the in situ dollar content of the mineral resources/reserves. Trends in \$/oz value and MTR are examined over the three year period for the properties, in different stages of development, in different political jurisdictions, and with different resource/reserve sizes.

The Impact on Mineral Property Valuations of the Proposed SEC Reporting Requirements for Mining Properties from Technical Perspective: Barney Guarnera, John Fogani

The SEC has proposed new requirements for Registrants with mining properties or operations. The purpose of the new requirements is to bring the

SEC standards into accord with other geographies regarding the reporting for Mineral Resources and Mineral Reserves as well as for exploration properties. These new requirements will have an impact on valuations performed on mining properties and other mineral assets. Mr. Fognani will review the legal implications of the changes on valuations and Mr. Guarnera will review the technical implications on valuations.

The Impact on Mineral Property Valuations of the Proposed SEC Reporting Requirements for Mining Properties from Legal Perspective: John Fogani, Barney Guarnera,

The SEC has proposed new requirements for Registrants with mining properties or operations. The purpose of the new requirements is to bring the SEC standards into accord with other geographies regarding the reporting for Mineral Resources and Mineral Reserves as well as for exploration properties. These new requirements will have an impact on valuations performed on mining properties and other mineral assets. Mr. Fognani will review the legal implications of the changes on valuations and Mr. Guarnera will review the technical implications on valuations.

Influence of Market Factors and Freight Logistics on the Valuation of Silica Sand Deposits Utilized for Frac Sand: Evan Mudd and Marc Springer

With end markets often more than 1,000 miles from the mine site, silica sand deposits may appear to have comparable valuations when they are located in geographic proximity and are of similar geologic character. However, sand deposits which share physical attributes and are only several miles apart may support very different value conclusions. Significant departures in value for two similar sites may often be attributed to seemingly micro-scale differences in end-user requirements, deposit size, logistics capability and the local regulatory landscape.

Silica sand that is used to hydraulically fracture oil and gas wells (frac sand) is typically shipped via truck or rail to the well site. Industrial sand may also be extracted from silica sand deposits to serve

markets such as foundry or glassmaking where the quality, transportation and grain size distribution are entirely different from frac sand applications. Some facilities have the logistical capability to serve oil, gas and industrial markets. This paper describes seemingly small differences in logistics and market fundamentals that may have significant value implications for silica sand deposits serving frac sand markets.

The Implications of the Use of a Single Financial Model in the Income Approach to Value:

Alan K Stagg

It is common in conducting mineral appraisals in which the standard of value is market value for the appraiser to develop a single discounted cash flow model as the basis for the opinion of value. Implicit in this technique is the assumption that there is a one hundred percent probability that the input used in constructing the model will occur. Upon even the most modest reflection, it should be evident that this is not going to be the case. The author's experience in working with those involved in mergers and acquisitions affirms the general use of multiple financial models in establishing a proposed purchase price, with various iterations of the financial model addressing uncertainty (or, risk) and the sensitivity of value to variations in the input. By definition, one would expect an opinion of market value to reflect the practices of market participants, and that the opinion thus would have addressed these issues. In this presentation, the author addresses the probabilistic technique in developing an opinion of market value using the income approach to value and provides examples of its use.

Simplified Comparison of the Major Ore Reserve and Mineral Resource Classification Systems for Mineral Appraisers – Robert Cameron

When conducting an appraisal or issuing an opinion of value, it is important to understand the resource or reserve classification used in technical reports and how they relate to the the framework of the valuation code being utilized. This paper will present a simple guide that can be used to help an appraiser to properly understand and evaluate the reported resource or reserve classification assumptions.

Although the various resource and reserve reporting standards around the world are constantly changing, an understanding of the broad principles discussed will help the appraiser to better set a value on the mineralization being reviewed.

PANEL DISCUSSION - Sales Comparison Approach to Energy Minerals under Fluctuating Commodity Prices

Gustavson, John B.¹; Bate, Richard L.²; Moritz, Ed.³; Melbye, Scott E.⁴; Vass, Rachel L.⁵

Recent history shows drastic changes in energy mineral prices, making valuation adjustments from mineral sales at earlier sale dates to the present date problematic. The Panel covers valuation of the energy minerals of coal, oil, uranium and natural gas. Each Panelist will briefly cover 1) Price history of each commodity with reasons for price changes, 2) The Panelist's personal view of near term and long-term price trends, 3) Recent mineral asset (or company sales) with data, which are relevant for valuation, 4) Comparison units (acreage, resources, reserves, other), which are found useful for the Sales Comparison Approach, 5) His/her personal guidance for adjusting for commodity price from Date of Sale to Effective Date of valuation.

The Panelists are: Coal, Richard L. Bate, John T. Boyd Company, SME; Oil, Filling in for Robert N. Hart is Ed Moritz, Gustavson Associates; 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 Associates and Members to reconnect, learn from one another, and help advance our organization as a whole forward. If you can make it, this is a great opportunity.

If you are unable to attend, please inquire about DVD recordings of this year's session as well as prior years. Even if you learn just a single concept or tool, it will likely be worth significantly more in your professional practice. This is a great opportunity for all.

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.

**IF YOU HAVE NOT ALREADY REGISTERED
PLEASE CONTACT MARC SPRINGER ASAP
AS SPACE IS LIMITED**

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

Note: there have been some website issues and John Manes has been working diligently to upgrade our system. More details will surely be discussed at the annual meeting.

IMPORTANT DVD NEWS

DVD's with speakers' ACTUAL WORDS and SYNCHRONIZED SLIDES from the LATEST two

Valuation Sessions at the recent 2016 SME Annual Meeting are already available!

Also, while supplies last, the 2015 DVD sessions are still available for purchase.

Price of DVDs (when shipping within North America. Added postage may apply when shipping overseas):

- New Twin-set from 2016 \$95
- Last year's Twin-set from 2015 \$95

Please, mail your check made out to the "IIMA" with your name and address and allow 2 weeks for delivery.

Continuing Education. Members of the *International Institute of Minerals Appraisers* may claim up to 6 Hours of Continuing Education Credits when personally having attended the Valuation Sessions. Subsequent hours recorded by our CMA's for your own serious desk study of the DVD material may also be claimed as contact hours toward CE credits.

Older DVD's. Older DVD sets are still available at the following prices:

2-set from 2014	\$95
2-set from 2013	\$90
2-set from 2012	\$90
3-set from 2011	\$120

But WAIT! As a NEW alternative to buying the old DVD sets from years earlier than 2015, the IIMA membership voted at the recent 2016 Annual Meeting to make such earlier papers available to Members for FREE when uploading from the IIMA web site!

This is in the works and the procedure will be announced as soon as it is ready. In the meantime, the older DVD's may still be purchased.

This approach will move forward year by year on a rolling basis, so the two most recent annual sets will be available at a price, while older papers may be uploaded for free by Members.

Please, address any questions to the *IIMA Chair*,
Continuing Education at johnngustavson1@aol.com

International Chapters Being Formed

Two groups of international IIMA members are in varying stages of forming local chapters. Our Hong Kong members are discussing whether they prefer a Hong Kong chapter or a broader China chapter. So far, all our members there are domiciled in Hong Kong. George Tsang (#2016-02) has offered his office as headquarters for the new chapter. The group is also considering the type of its non-profit registration.

The IIMA Executive Committee is providing US\$1,000 to each new international chapter to assist with start-up expenses. A brief guide is also available upon request. The primary intent with the formation of chapters is to encourage local participation and certification, and will not in any way reduce the overall purposes or operation of the IIMA.

In the meantime, we have not yet heard about progress from the Canadian group, which was represented at the IIMA Annual Meeting by Ross Lawrence (#1999-04). We are available to assist as needed.

John Gustavson, Chair
International Organization Committee

Price Increase -- IIMA Seal and Stamp

The IIMA seal and stamp, which may be applied to appraisals by Certified Minerals Appraisers, only, are still available. The price of the embossing seal is the same as usual, namely \$70.

However, the rubber stamp will go up to \$65 as of 1 May 2016. Order yours now BEFORE 1 May and get the rubber stamp at the old price of \$50.

Additional mailing charges may apply to overseas shipping.

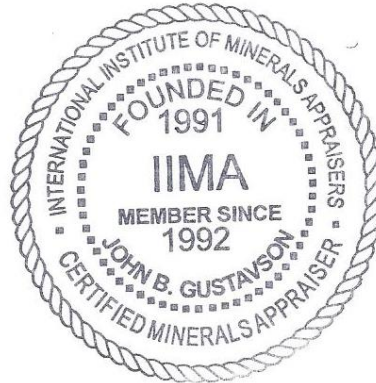
Mail your check to IIMA, 5757 Central Avenue,
Suite D, Boulder, CO 80301.

New certificates reflecting the name change as well as rubber stamps are now available. The Logo is shown below:

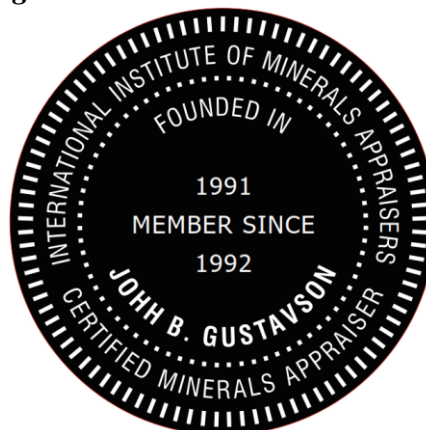


As members, you may choose to use your current AIMA certificate as the American Institute of Mineral Appraisers is a registered trade name and recognized trademark within the industry. Or you can order new certificates.

Rubber Stamp



Embossing Seal





A rubber stamp with your professional seal and an embossing seal are available through the IIMA HQ office to all Certified Minerals Appraisers for \$50 and \$70, respectively. Your old stamps and seals are still valid.

 The NEWSLETTER is published by the International Institute of Minerals Appraisers, 5757 Central Avenue, Suite D, Boulder, CO 80301
 Phone: (303) 443-2209; Fax (303) 443-3156

Editor: Matthew Chapman, MAI, CMA

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. Thank you!

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

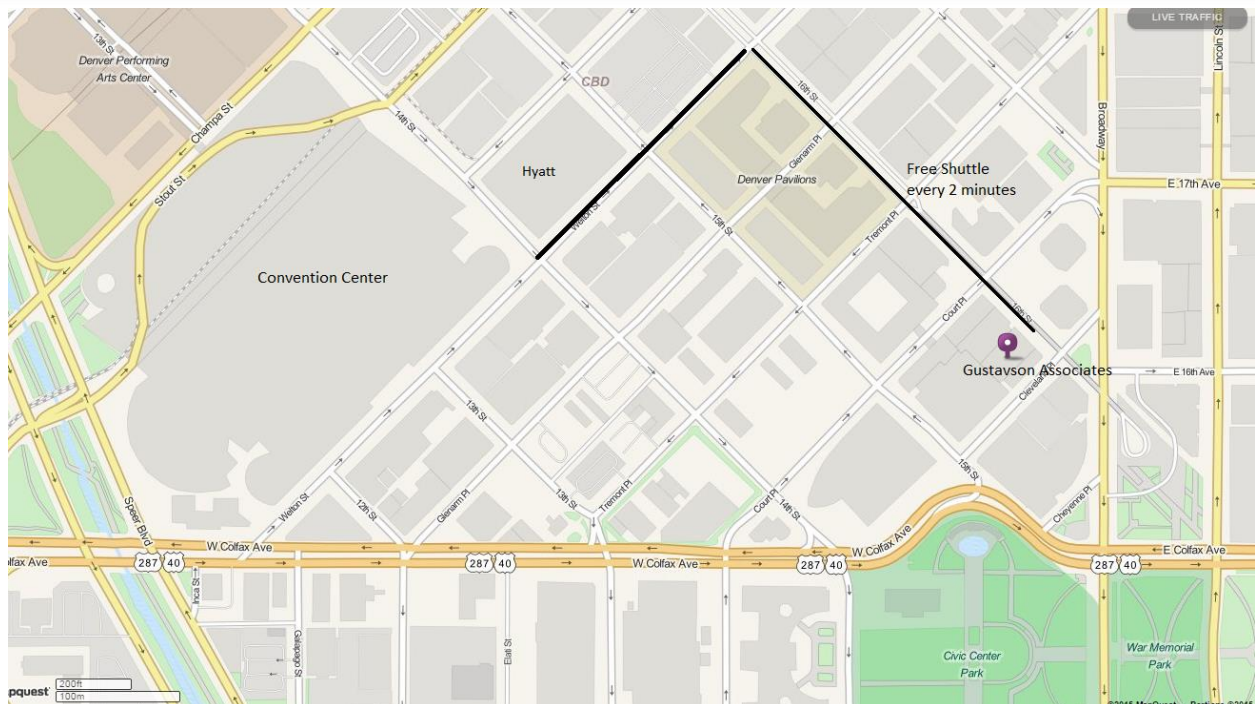
- USPAP & UASFLA for Mineral Rights Market Valuation

- 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

IF YOU HAVE NOT ALREADY RSVP, PLEASE CONTACT JOHN GUSTAVSON OR CHARLES HOWARD ASAP

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