AMERICAN INSTITUTE OF MINERALS APPRAISERS

NEWSLETTER

January 2013 Vol. 17, No. 1

IN THIS ISSUE

PRESIDENT'S MESSAGE

Fredric Pirkle, AIMA President

As a reminder, our current continuing education (CE) requirement is 10 hours per year over a 3-year average. This requirement went into effect in 2011 so the current period ends December 31, 2013. For the period from 2011-2013, CEUs from 2010 may also be claimed. For members who wish to brush up on their CE units the Valuation papers and presentations from the 2011 SME convention held in Denver can be purchased on DVD for $90 from AIMA headquarters and the Valuation papers and presentations from the 2012 SME Convention held in Seattle can be purchased on DVD for $80 also from AIMA headquarters. Members are encouraged to use the table in the web site, which allows the voluntary recording of CE activities.

As reported in the last newsletter the AIMA has joined other organizations as part of the International Mineral Asset Valuation (IMVAL) committee. Since that newsletter, a draft document entitled "The International Mineral Asset Valuation Reporting Template (IRT)" has been prepared and circulated to members of the committee for comment. This document draws on the best of the VALMIN Code (Australasia), SAMVAL Code (South Africa), the RICS Red Book (UK / Western Europe), CIMVAL (Canada), and the SME Guide (USA). It also draws from the International Valuations Standards (IVS) and the International Financial Reporting Standards.

The IRT is not intended as an international reporting code, and will not supersede the existing national reporting standards. It is intended as a guideline that captures the content of these standards for the benefit of the international mining industry and its various stakeholders. The IRT will be a "living

document" that will be updated and improved as new national codes and guidelines are developed.

AIMA 2013 ANNUAL MEETING

The American Institute of Minerals Appraisers will conduct its 2013 Annual Meeting/Luncheon on Tuesday, 26 February 2013 from 12 PM to 2 PM. The Meeting/Luncheon will be held at the Bubba Gump Shrimp Co., 1437 California Street, Denver, Colorado 80202. Their telephone number is; 303-623-4867 and they are located approximately 1 block from the Colorado Convention Center.

Luncheon cost, menu selection and reservations are required in advance. The luncheon cost is $25 and menu items must be selected in advance. Please contact Charles Howard, MiningEngineerWV@aol.com before 18 February 2013 if you have not already made arrangements.

Certified Members are also invited to submit Agenda items for discussion during New Business segment of the Annual Meeting. Please submit New Business items (including a brief description) before 18 February 2013 via e-mail to: john.manes@cmcincusa.com.

Hope to see you in Denver!

John J. Manes, CMA, PG
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SME 2013 ANNUAL MEETING – VALUATION SESSIONS

Valuation I: Lessons Learned

9:00 AM • Tuesday, February 26
Chairs: **J. Gustavson,** Mineral Appraiser LLC, Boulder, CO **J. Manes,** CMC Inc., Scottsdale, AZ

9:05 AM **Appraising Sliding-Scale Mineral Royalties: A Method for Incorporating Commodity Price Projections**
D. Hammond1 and A. Courtney2; 1Hammond International Group, Highlands Ranch, CO and 2Consultant, Highlands Ranch, CO

Commodity price projections are major inputs for the appraisal of any mineral asset but are even more critical in valuing sliding-scale mineral royalties. In such valuations the timing of price excursions from trend assumptions becomes a principal determinant of DCF value. Commonly used linear price projection assumptions typically miss this aspect, and probabilistic techniques can be difficult for non-experts to understand. The discussion outlines a practical approach to projecting commodity prices based on historical trends and volatility to generate expected NPVs for such royalties.

9:25 AM **If This Deposit is Worth That Much, Why Hasn't It Already Been Mined Out?, and Other Lessons for Minerals Appraisers** T. Ellis; Ellis International Services, Denver, CO

The author presents a varied compilation of lessons learned from his career as a mineral property appraiser, consultant, expert witness, and valuation standards developer.

9:45 AM **Lessons Learned: Documentation and Recordkeeping on Appraisals Used for Conservation/Donation Purposes** J. Manes and T. Quartiero; CMC Inc, Scottsdale, AZ.

In late 2006, an appraiser working for CMC, Inc. prepared a mineral interest appraisal report to be used for charitable conservation/donation purposes. In 2010, Special Agents of the Internal Revenue Service's Criminal Investigation division performed an unexpected investigation and audit of the appraiser and appraisal report. Following an extensive review process, it was revealed that the landowners of the mineral property fraudulently obtained title to the mineral property, and the possibility of collusion between the landowner and appraiser was being investigated. The appraiser, appraisal report and company were all determined by the Internal Revenue Service to not have been involved, and the company was later asked to represent the Internal Revenue Service with prosecution of the landowners. The author of this paper was not the appraiser being investigated, however witnessed the overall process as an executive of the company. Several valuable lessons about contracting, clients, donation appraisals, reports and paperwork were learned.

10:05 AM **Correct Calculation of the Alternate Valuation Date Fair Market Value** L. Posgate; LRP Business Appraisal, Driftwood, TX.

In Valuing a Producing Royalty or Working Interest on an alternate valuation date 6 months post-date of death (D of D) for estate tax purpose and in compliance with IRC Sec. 2032, the in-place value of the severed production must be calculated (in the intervening 6 months post D of D (AVD) and pre alternate date), and added back to the AVD. The severed mineral value must also be discounted to D of D by an appropriate discount rate considering all relevant risks and a return ON and OF capital. This interim value addition must be more than offset to allow the AVD election to be useful in reflecting lower market values than those prevailing on the D of D. This presentation reviews the Holl v. U.S. Federal tax calculation methods employed by the petitioner and case decision that, upon 1992 appellate court remand, prevailed, and we discuss correct and incorrect AVD methods. Reflecting on case law and reviewing several appraisal cases performed, the accepted method was considered for both a mineral estate value and also considering an alternate value of a limited partnership holding the minerals.

10:25 AM **Lessons Learned from Marcellus Shale Appraisals** T. Knobloch1 and J. Gustavson2; 1James Knobloch Petroleum Consultants Inc., Marietta, OH and 2Mineral Appraiser LLC, Boulder, CO.

Historically, FMV appraisals in the Appalachians were limited to valuing royalty income from marginal wells for estate tax purposes. FMV was typically based on 1) a multiple of monthly income and/or 2) production decline curve and related DCF analysis. The Marcellus Shale with its significant future income from BCF-level reserves from horizontal wells demanded the approach required to include also sales comparison and lease bonus methods. Appraisals to date have focused on small, single-interest owners in remote areas with limited Marcellus development, to much larger 70,000+ acre ORRI valuation. The latter included proper-ties owned by multiple individuals and with multiple well operators, various stages of well development, but with limited public data. Valuable lessons learned through these appraisals included: client-provided information, sticks-of-the-bundle to be valued, lease limitations, Highest & Best Use, adjustments of comparable sales, state and other public resources, company presentations, lease broker interviews, variations in gas quality, water availability and markets for natural gas and NGLs.

Valuation II: Case Histories

2:00 PM • Tuesday, February 26
chairs: **J. Manes,** CMC Inc, Scottsdale, AZ **J. Gustavson,** Mineral Appraiser LLC, Boulder, CO

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SME 2013 Annual Meeting – Valuation Sessions, *Continued from page 2*

9:05 PM **Appraisal and Apportionment of Unleased Oil & Gas Mineral Rights in the Williston Basin, N. Dakota** J. Gustavson; Mineral Appraiser LLC, Boulder, CO.

Property is located at rim of Williston basin, underlain by Bakken shale. Owner wanted to gift his minerals under IRS rules. Nearby test wells for Madison and Spearfish were plugged and abandoned, but did not condemn the acreage. The paper describes the resources based on geology. The author describes his estimate of Fair Market Value. The Highest & Best Use is for exploration for oil/gas. Four approaches were considered: 1) Risk adjusted DCF was found unreliable, because of lack of lease and development plans; 2) Lease Bonus approach was found to be equal to a DCF approach from the landowners standpoint from future leasing; 3) Sales Comparison was not useful as no sales were found of severed minerals in a comparable setting, and 4) Cost approach was not applicable, because no development costs were known to have been expended. Therefore, the Lease Bonus approach was applied. Leasing patterns were observed and the FMV was assessed. Finally, the landowner wanted an apportionment of the FMV into the values of executive rights and non-participating royalty rights.

The author derived a schedule for apportionment based on probability for income for the two types of property rights.

2:25 PM **Income Approach: Lease Bonus and DCF Analog Well Decline Methods of Royalty and Leasehold Appraisals, Issues and Comparisons in Several Cases** L. Posgate; LRP Business Appraisal, Driftwood, TX.

In discussing methods of appraising royalty and leasehold petroleum interests, the author emphasizes the importance of selecting appropriate comparable lease bonuses, searching for comparable sales, and finding analog wells, adjusting for specific property and financial risks. The income approach, comparing the lease bonus and DCF production decline methods, referencing analog wells applied to the subject mineral acreage will be reviewed in several cases. The lease bonus multiple considers discounting repetitive lease renewals and discounting to initial lease signing. Reasons why valuations indicated by the income approach may vary from actual transaction values are considered. Valuation credibility for other reporting purposes will also improve.

2:45 PM **The Tortuous History of National and Global Mineral Valuation Standards Development – Why Has SME Become Involved Now?** T. Ellis; Ellis International Services, Denver, CO.

The author reviews the history of challenges, setbacks, conflicts, and advances in the development of national and global mineral valuation standards, from his perspective of intimate involvement. He then explains SMEs recent decision to participate with other mining institutes in formation of the International Mineral Valuation Committee (IMVAL) and discusses the direction and goals of this participation.

3:05 PM **Discount Rate Selection Methods Applied in Appraisals of a Quarry Taken by Eminent Domain** D. Collins and T. Ellis; Ellis International Services, Littleton, CO.

In July 2004, the Connecticut Department of Transportation made a complete taking of the operating Brookfield hard rock quarry property. As a result, many appraisals were developed, four of which were presented in the resultant compensation trial. This Case Study reviews the various methods used in determination of the discount rates applied in the Income Approach and the implications on the valuations reported.

3:25 PM **Common Pitfalls in Mining Projects Appraisal** J. McIntyre; Behre Dolbear Australia Pty Limited, North Sydney, NSW, Australia.

When appraising mining projects, technical and economic viability depends on the validity and accuracy of fundamental assumptions used at various development stages. There is a disturbing tendency for many mining industry practitioners to allow project enthusiasm to override industry history, personal experience and knowledge. Many of the assumptions are too optimistic, while others fail to take account of critical technical issues. Some of these issues could be regarded as fatal flaws, while others are less obvious and need careful review to identify and quantify their effect. Common faults in mining project development plans include failure to apply appropriate dilution and loss factors, failure to recognize the shortcomings of certain mining, adoption of geo statistical methods that give unrealistic upgrades, use of inappropriate mining methods and/or equipment, optimistic forecasts, dismissing risk as a factor, and use of inexperienced technical and operations personnel. The level of risk and the adoption of appropriate mitigators may have a material effect on both the technical feasibility and any subsequent valuation.

NEW AIMA MEMBERS

AIMA has recently gained two new Members. They are; Daniel Collins and John McIntyre. Their biographies are;

Daniel Collins has a total of six years of experience in the Minerals and Petroleum Industries conducting mineral property appraisals, negotiating lease agreements, contracts for easements, purchase and sale agreements, and land development involving surface agreements and pipeline relocations. Daniel is currently working as a Certified Minerals Appraiser in valuing mineral deposits for litigation support, for purchase and sale, and for the addition to the investment portfolios of mining and investment companies. Before working in the Minerals Industry, Daniel spent ten years in the Telecommunications Industry working in a

number of management positions covering positions in
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New AIMA Members, *Continued from page 3*

engineering, finance, property law, and regulatory compliance. Daniel is a Licensed Attorney with a Bachelor of Science in Geology and a Masters in Mineral Economics.

John McIntyre is graduate mining engineer (BE Mining (Honours)) from the University of New South Wales in Sydney, Australia and certified Mine Manager in NSW and Queensland, with more than 40 years of experience in the management, operation and design of mines, including underground base and precious metals, surface hard-rock and coal and alluvial operations. He has led projects in Australia, New Zealand, West Africa, PNG, the Philippines, Vietnam and North America and has prepared management reviews, valuations, technical audits, economic and technical evaluation, mine design and feasibility studies for new and existing operations.

John has worked as an engineer and manager in underground copper and base-metal mines, open cut and alluvial gold and surface coal mining in Australia, New Zealand and Ghana, and worked as General Manager of Operations at Curragh Queensland Mining (coal) and CEO of L&M Mining (gold) in New Zealand at various periods in his career. His expertise is in strategic management planning for mining operations, mine planning and design, project trouble-shooting, cost estimation,project valuations and assessments, independent technical due diligence, review of feasibility studies, project development and construction.

In 1994, John was appointed the founding Managing Director of Behre Dolbear Australia (BDA), the Sydney-based subsidiary of US group Behre Dolbear and Company Inc. (BDCI), which has operated continuously as a mineral industry consultancy in North America since 1911. BDA has established itself in Australasia and the SE Asian region as a source of professional mining expertise, covering all aspects from resource/reserve definition, mine planning and operations, metallurgical and environmental planning and review, project engineering and financial analysis and valuation. He has been instrumental in developing BDA in the role of Independent Engineer to financiers of resource projects, whereby independent technical advice is provided from prefeasibility to bankable feasibility study, through monitoring of construction and commissioning, to operations, with the role including cost validation and certification for funding draw-downs and Completion Test certification.

John is married, with two adult sons and one grand-daughter, with a second grand-daughter due in May 3013. He lives in Sydney and remains the Managing Director of BDA, usually traveling to Denver at least once each year. He is a Fellow of the Australasian Institute of Mining & Metallurgy, Chartered Professional (Mining), Member of the Mineral Industry Consultants Society, Member of American Institute of Minerals Appraisers, Member of Society of Mining Metallurgy and Exploration Inc. and a foundation Member and Director of the Australasian Institute of Mineral Valuers and Appraisers.

NEW ASSOCIATE MEMBERS

AIMA has added two Associate Members who aspire to become an AIMA Member. They are; Aryn Rowe and Rachel Vass.

Aryn Rowe lives in Black Hawk, South Dakota and Rachel Vass lives in Mt. Lookout, West Virginia.

Rachel has been working with two AIMA Members, Robert Hart and Charles Howard on a contract basis and has been involved with appraising Utica Shale and Marcellus Shale mineral rights. She is a licensed geologists in Kentucky.

Welcome to AIMA.

TWO CONTINUING EDUCATION ONLINE COURSES

We bring your attention to these TWO Online courses, which are being presented within the next few weeks. The first is being presented again as "Mining Investment - Understanding the Risks". All information and registration can be found at:

http://www.edumine.com/courses/live-webcasts/mining-investment-understanding-the-risks-ap/
(you will need to copy this site and enter it on your server)

As Minerals Appraisers we are duty-bound to apply not only the DCF approach (which can work well for producing properties as discussed in the second course, see below), but also the **Sales Comparison approach**. The latter is applicable to the whole range of properties from exploration to production stages, but it is tough to find transactions and to use "comparable sales".

The reason is, that there is rarely a clearly comparable transaction from the market, so we must make many (preferably small) adjustments from the property found in the market to the subject property of our appraisal. We generally refer to that process as "gridding".

The gridding should be as objective as possible (thus commodity price variation is an example of a parameter, which can be reduced to an objective observation and calculation). However, subjective opinions are often required. An example would be the expansion potential from surrounding exploration for an undeveloped mineral deposit as recently sold in the market place as compared to the expansion potential of the mineral deposit, which we are appraising. Also, subjective adjustment may have to be applied when social or environmental pressures are different between a recent sale (for example located in Newfoundland) versus the subject of valuation (maybe located in California.

The course description states: ..... "Jack Caldwell will explore the technical, social, political, and financial **factors that make one mining investment better or worse than another**, ... "
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Two Continuing Education Online Courses, *Continued from page 4*

That sounds to me like a course from which we might derive new knowledge about components to include and maybe even derive a qualitative understanding of the sensitivities to some of the factors.

We visualize this course "Mining Investment - Understanding the Risks" as illuminating many of these and additional components, which must be considered when adjusting comparable sales. Thus, we hope that our AIMA members in this course will become further educated by the Instructor's description of the degree of risk associated with many of the components. And, we may come away with qualitative adjustment steps/percentages/factors for our adjustments in our future gridding processes.

The Online Course is presented as follows, making it more convenient for the AIMA's international members:

Vancouver, Canada	February 11-13, 2013	04.00pm - 07.00pm PST	(UTC-8 hours)
New York, USA	February 11-13, 2013	07.00pm - 10.00pm EST	(UTC-5 hours)
Sydney, Australia	February 12-14, 2013	11.00am - 02.00pm EDT	(UTC+11 hours)
Shanghai, China	February 12-14, 2013	08.00am - 11.00am CST	(UTC+8 hours)

The second Online Course is called "Mine Project Economics" and can be found at: http://news.edumine.com/2013/01/21/upcoming-webcast-mine-project-economics-2/
(you will need to copy this site and enter it on your server)
Or try this link: http://www.edumine.com/courses/live-webcasts/mine-project-economics/

This course promises to provide instruction in the fundamental aspects of the valuation of mining projects with particular emphasis on the models used for valuation, uncertainties in the input to these models, and the role of the models in decision-making. This course is aimed at parties carrying out mine valuations or who wishes to understand mine valuations done by others. I have not sat in on this webcast, myself, but intend to do so to sharpen my own use of the DCF approach and its sensitivities, which most likely will be a focus of the course.

There is a 20% discount for AIMA Members (and an additional $50 rebate from the AIMA upon completion for our Associate Members). Our Certified Members may claim all or parts as CE credits, depending on what you judge you get out of this. For your guidance I claimed 3 contact hours of CE credits after attending the 9-hour "Mining Investment - Understanding the Risks" course at an earlier date. The balance was still of interest to me, but more basic and of a technical nature, which I would not claim as "appraisal education".

We, as Officers of the AIMA, recommend these courses both to our Certified Minerals Appraisers and to our other members.

The course in its entirety promises to be a good learning experience for our Associates, and this is the reason for the $50 rebate to any Associate presenting his/her claim of attendance after the course.

For everyone, be sure to mention the AIMA on the registration form to get the 20% discounted enrollment. See you there!

John B. Gustavson, CMA #1992-1
Past President
Chair, 2013 Continuing Education Committee

SME PARTICIPATES IN INTERNATIONAL PROJECT FOR MINERAL VALUATION STANDARDS

By Trevor R. Ellis, CMA 1994-1
Chairman, SME Valuation Standards Committee
President, Ellis International Services, Denver

Reprinted with permission from *Mining Engineering*, November 2012, Vol 64, No. 11, p. 42-44

In August 2011, the Southern African Institute of Mining and Metallurgy (SAIMM) contacted mining institutes and related societies internationally to assess their interest in participating in coordination of the review of the South African Code for Mineral Valuation (SAMVAL) with reviews of other mineral valuation standards. The main mineral valuation standards are the CIMVal Standard of The Canadian Institute of Mining, Metallurgy and Petroleum (CIM), the VALMIN Code of The Australasian Institute of Mining and Metallurgy (AusIMM), the SAMVAL Code, and the extractive industries guidance note of the International Valuation Standards Council (IVSC), *Valuation of Properties in the Extractive Industries, GN 14*, designed for application within the full set of *International Valuation Standards (IVSs).*

By January 2012, SAIMM had concluded that the level of respondent interest was adequate to organize a meeting. A meeting was scheduled for 18 April 2012 in Brisbane in conjunction with a VALMIN mineral valuation conference organized by the AusIMM. The stated purpose of the meeting was to develop an accord on terms of reference for pursuing

harmonization of mineral asset valuation standards adopted by the participating mineral institutes. The Colorado-based Society for Mining, Metallurgy, and Exploration (SME) decided that, although it has not developed its own mineral
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SME Participates In International Project For Mineral Valuation Standards, *Continued from page 5*

valuation standard, it should participate in the Brisbane meeting and the harmonization process, as also did the American Institute of Minerals Appraisers (AIMA).

The SME Guide for Reporting Exploration Results, Mineral Resources, and Mineral Reserves (2007), provides a set of standards and guidelines for classification and reporting of exploration information and resource estimates. The Canadian *CIM Definition Standards* (2010), the Australasian *JORC Code* (2004), and the South African *SAMREC Code* (2007) have similar content and purpose to the SME Guide, due to coordination of the development of the four standards from the same roots. These standards do not provide instructions for development and reporting of estimates of market value, fair value, or investment value of mineral industry assets through application of appropriate valuation approaches, methods, and data inputs. A mineral resource estimate, if one exists, will be an important input in developing a valuation estimate for a mineral property, together with extensive other information such as geographical, environmental, regulatory and permitting, political and social, transport, products and product markets, cost estimates, and details from transactions of mineral properties with similar characteristics. The Canadian *NI 43-101 Standards of Disclosure for Mineral Projects* (2011) regulates the content of minerals industry technical reports, such as technical assessments and preliminary feasibility studies, to the Canadian securities markets. NI 43-101 is silent regarding valuation standards and the content for a valuation report. Mineral valuation reports are used extensively for purposes other than reporting to securities markets, such as promotion, financing, and litigation.

To manage SME's participation in the Brisbane meeting and the harmonization process, I agreed to Chair what became the new SME Valuation Standards Committee, with Fredric (Fred) Pirkle, John Manes, and Gerald (Jerry) Clark also joining the committee prior to the Brisbane meeting. Extremely sadly, Jerry, a knowledgeable and energetic participant, passed away on June 4th. John Gustavson, William (Bill) Crowl, Harry Parker, and David Abbott joined the committee subsequent to the Brisbane meeting, providing the desired total of seven, all SME members.

Prior to the Brisbane meeting, it was agreed in a discussion with SME decision-makers that a mineral valuation standard for SME (if one is to be adopted) should be based on the International Valuation Standards (IVSs) as its foundation, and that this would be the position taken in the Brisbane meeting. Neither CIMVal, VALMIN, nor SAMVAL has such a foundation which can be drawn upon to provide a framework of the international generally accepted valuation principles and a broad range of current valuation standards and definitions. Committee members also felt that alignment of the harmonization project schedule with that for the IVSC's project for rewriting its extractive industries standard would be necessary. The IVSC did not publish an extractive industries standard in its IVS 2011 Edition due to the extent of rewriting and reformatting of GN 14 necessary to match the substantially changed structure of that edition.

For the Brisbane meeting, Fred Pirkle represented SME by attending physically, while I participated through teleconference. Pirkle, as AIMA President, had already agreed to represent AIMA at the Brisbane meeting, with his employer, Gannett Fleming, covering his travel expenses. (I had also previously agreed to assist AIMA with its participation in the harmonization process). SME covered Pirkle's VALMIN conference registration expenses.

The Brisbane meeting had participants from SAIMM, AusIMM, CIM, SME, AIMA, and the Royal Institute of Chartered Surveyors (RICS). AusIMM and SAIMM had a number of participants. The IVSC's representation was as an observer, which status it has also requested for future accord meetings. A number of participants are members of more than one of the participating institutes, as are many of our committee members.

Pirkle and I both participated actively in the lively Brisbane meeting. We argued for serious consideration of basing harmonized institute mineral valuation standards and guidelines on a foundation of IVSs being incorporated in the institute standards by reference. I recommended that for development of supplemental institute standards, consideration be given to the contents of the pre-existing IVS GN 14 extractive industries standard and the Best Practice Guidelines that were developed by Ellis, *et al*, and adopted in 2011 by AIMA.

Eight resolutions were adopted at the Brisbane meeting. These were formalized into a Terms of Reference document for the harmonization project. The Terms of Reference document was adopted in the subsequent July 5th teleconference meeting in which Pirkle and I participated (representing AIMA and SME respectively).

During the July 5th meeting it was agreed that the harmonization project would be run under what would now be known as the *International Mineral Valuation Committee (IMVAL)*, on which representatives of the SME committee and AIMA are participants. This meeting was also productive in approving structural arrangements and tasks required for advancement of the harmonization project.

One of the purposes stated for IMVAL in its Terms of Reference document is: "To provide input to the IVSC's Extractive Industries Project with a view to harmonising

Mineral Asset valuation with the International Valuation Standards (IVSs), particularly related to property valuation." The minutes of the July 5th meeting further state: "It was agreed that the IVSC's current International Valuation Standards (2011) would provide broad guidance and the *Continued on page 7*

SME Participates In International Project For Mineral Valuation Standards, *Continued from page 6*

framework of generally accepted valuation principles, which could form the foundation for national Codes, these being the level at which national enforceability is actioned and defined."

The SME Valuation Standards Committee is now working on developing a number of inputs requested by IMVAL pertaining to our views on detailed issues of valuation standards matters. We are also developing a direct critique response to the IVSC on its recently released Discussion Paper, *Valuations in the Extractive Industries*. Responses to the Discussion Paper will provide important input to the IVSC Working Group for drafting the rewrite of its extractive industries valuation standard. *Continued on page 7*

Update: Since my writing of this article, the SME Valuation Standards Committee submitted on time the documents mentioned in the last paragraph. I have now received a conceptual draft for the harmonized standard from the IMVAL South African members tasked with the authorship assignment, for first review by a limited number of IMVAL committee members.

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

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