

INTERNATIONAL INSTITUTE OF MINERALS APPRAISERS

P.O. Box 1123 Golden, Colorado 80402

NEWSLETTER

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PRESIDENT'S MESSAGE

Hello IIMA Members,

Happy Fall everyone, I hope this update finds you all doing well. This message will focus on two points; the biannual IIMA Fall Conference and our renewed effort to bolster participation from our members in the form of presentations and papers.

This year's Fall Conference will be held October 15 and 16, 2024 in Canonsburg, PA. On the first day, this biannual conference holds a 7-Hour USPAP refresher course offered through the Appraisal Institute and led by Mark V. Smeltzer, Jr., MAI, SRA, AI-GRS, AI-RRS on October 15th followed by a networking reception on the evening of October 15th. As a reminder, the IIMA strongly encourages periodic USPAP refresher courses and state licensing agencies often require this every two years, so don't miss this opportunity.

The second day on October 16th hosts technical presentations with topics ranging from oil and gas to coal, aggregates, and other valuation topics, specifically, Conservation Easements. We have a full slate of experienced speakers (see program on page 4) and I truly hope you can enjoy this session in person. For those who cannot attend, the Institute will attempt to record these sessions for our educational catalogue as we do for the Valuation Sessions at the SME Annual Meeting.

Secondly, it is my responsibility as President to remind our membership that participation is the key to the success of any peer organization. Over the next several months, I am making a conscious effort to

motivate our membership to take part in any of the many forms of contribution, such as presentations, articles, videos, research, and the like. And we're off to a great start!

This year we have a record number of presenters for the Fall Conference, no small feat, and we also have a record number of attendees registered, over 30 so far and counting. This is very exciting and largely a result of Betsy Suppes' organizational and recruitment skills. Help us make this the best Fall Conference yet by attending, listening, and asking questions.

Similarly, the IIMA Valuations Technical Sessions held at the SME Annual Conference in Denver has had a great number of presentation submissions (12) to choose from. The SME Conference Committee made selections and we're excited to meet in Denver next February.

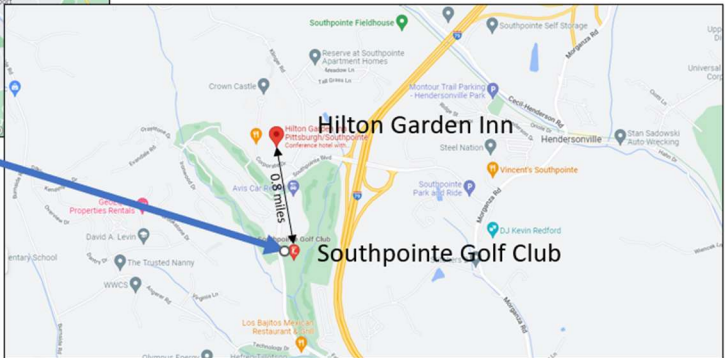
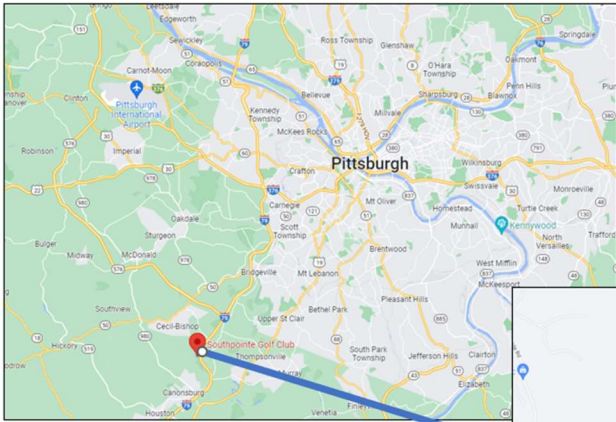
In summary, the message here is to participate, however you can, and help us enrich the education and integrity of our mineral appraisal discipline. It is only through participation that others in our organization, and the public, can benefit from your experiences. And while many of our members are extremely experienced, there are many others who would benefit from your shared knowledge and lessons learned.

Looking forward to seeing you all in Canonsburg and Denver.

All for now,

Darwin

*International Institute of Minerals Appraisers
Fall Conference-Oct. 15th & 16th, 2024
Southpointe Golf Club, Canonsburg, PA*



WHEN & WHAT

Tuesday October 15th:

8:30 am-4:30 pm: In-person 7 Hr. USPAP Refresher Course taught by Mark Smeltzer, instructor The Appraisal Institute (Description below)

5:00-7:00 pm: Ice Breaker/Happy Hours- -Allegheny Room, Hilton Garden Inn, 1000 Corporate Dr., Canonsburg, PA 15317

Wednesday, October 16th :

9:00 am-4:00 pm: Morning and afternoon sessions of 30-minute presentations on case studies or lessons learned in appraisals. Most presenters are IIMA members (See program sample below).

WHERE

Conference will be held at Southpointe Golf Club-360 Southpointe Blvd, Canonsburg, PA 15317 (Courtesy Kimberly Ayers, IIMA Associate, Ayers Petroleum Consulting LLC)

WHY YOU SHOULD ATTEND

- 1) Maintain Certification-Certified members are required to bi-annually take a 7 hr. USPAP refresher course to stay abreast of current industry appraisal practices -the in-person class satisfies that requirement.
 - 2) Satisfy Continuing Education Requirements (30 hours every three years)-attending will satisfy 7 hours of that requirement
 - 3) Satisfy Continuing Education Requirements -Giving a talk will satisfy 3 hours of CE requirements
 - 4) Learn from your peers
 - 5) Network with IIMA members and attendees who may potentially need your services.
 - 6) A day out of the office is always great.
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October 15th 7 Hour USPAP Course description & details: The one-day course focuses on recent changes to USPAP requirements for ethical behavior and competent performance by appraisers. The course, which clarifies several commonly misunderstood aspects of USPAP, will aid appraisers in all areas of appraisal practice seeking updated competency in USPAP, including those subject to state licensing or certification and continuing education requirements imposed by professional organizations, client groups, or employers. **Cost for USPAP Course ONLY (IIMA Members) \$250**

The tuition includes the electronic version of the course materials (Course Handbook AND Reference Manual). Everyone must have these two for the class. When they come to class, they would need to bring a laptop with them to view their materials or print them out and bring with them.

If someone would like a hard copy of the course materials (Course Handbook AND Reference Manual) shipped to them they would pay an additional \$15 at the online check out. The discount code is: YVDK523673 for IIMA and AI members.

Additionally, in order to sit the class everyone must have a copy of 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP). This contains the USPAP Standards 1 through 10. Mark will bring copies of the 2024-2025 USPAP manual for students to borrow for the day if they would like. If someone would like to purchase their own electronic and/or hardcopy version of the 2024-2025 USPAP manual, they are available from The Appraisal Foundation in three different options:

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|----|---|---------|
| 1) | 2024-25 USPAP COMBO PACKAGE (USPAP spiral-bound book & PDF) | \$50.00 |
| 2) | 2024-25 USPAP spiral-bound book only | \$35.00 |
| 3) | 2024-25 USPAP pdf only | \$35.00 |

Registration Link for 7 Hr. USPAP Refresher Course:

<https://www.appraisalinstitute.org/education/search/2024-2025-7-hour-national-uspap-update-course/523673>

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October 16, 2024-Mineral Appraisal Workshop description & details: The members of the IIMA will guide a full-day session of Do's and Do-Not's, when estimating the Market Value of producing and undeveloped mineral estates. These presentations would be appropriate for client attorneys, accountants and landmen.

Speakers and Topics

Start	End	Author	Company	Presentation Title
9:10	9:40	Ed Moritz	WSP USA Inc.	A Quick Summary on Valuing Pore Space
9:45	10:15	Jessica Wright	True Mapping	Why Mapping Accuracy is Important in Mineral Appraisals
10:20	10:50	Tracy Lenz	Pecan Tree	A case study on the use and presentation of automated oil & gas property estimates
10:50	11:05	Break		
11:05	11:35	Dennis Richter	Spardata	How to address valuations of minority interest in entities holding mineral interest and other related assets
11:40	12:10	Dan Billman	Billman Geologic	Interesting and Odd Oil & Gas Valuations: Legal Matters in which a Geologist Wouldn't Typically be Involved
12:15	1:00	LUNCH		
1:00	1:30	Dennis Noll	Earthtech, Inc.	Adventures in Appraisals of Coal and Aggregates
1:35	2:05	Patryk Szaztak	Resource Technologies Corp.	Oil and Gas decline rates affecting taxation in WV
2:05	2:20	Break		
2:25	2:55	Zack Smith	Withum	Conservation Easements-What the IRS and Courts will Accept and Not Accept
3:00	3:30	Rachel Vass	Vass Engineering	Limestone/Aggregates-Comparable Sales

Accommodations for Fall Conference:

A Block of Rooms will be held for the attendees at:

**The Hilton Garden Inn, Southpointe,
1000 Corporate Dr, Canonsburg, PA 15317**

This hotel is <1 mile from the Southpointe Golf Club. Conference rate is \$139/night (not including taxes & fees). The block will be held until September 14th, 2024.

<https://www.hilton.com/en/hotels/pitspgi-hilton-garden-inn-pittsburgh-southpointe/>

Registration:

Step 1. Advise Betsy Suppes by Email of your intention to participate: bsuppes@atlanticbb.net

Step 2. Pay by credit card-IIMA members via member login-“Make Payment” 2024 Fall Conference in comment section **OR**

Step 2.5 PayPal: Contact Charles Howard via email (miningengineerwv@gmail.com) so he can send an invoice to your PayPal account, **OR**

Step 2.75 Mail your check to: IIMA, C/O Charles Howard, Treas. 1125 Queens Ct., Morgantown, WV 26508

A registration link for the conference on the 16th will be available on the IIMA website.

TUESDAY Oct. 15th-IIMA ICE BREAKER/HAPPY HOUR(S) 😊

Hilton Garden Inn- 1000 Corporate Drive

Canonsburg, PA 15317

Allegheny Room 5:00-7:00 pm libations and appetizers

Interested in Sponsoring?

Your logo will be prominently displayed at the Ice Breaker and Conference

Step 1. Advise Betsy Suppes by Email of your intention to participate: bsuppes@atlanticbb.net and send a copy of your corporate logo or name.

Step 2. Pay by credit card-IIMA members via member login-“Make Payment” 2024 Fall Conference Happy Hour Sponsor in comment section **OR**

Step 2.5. PayPal: Contact Charles Howard via email (miningengineerwv@gmail.com) so he can send an invoice to your PayPal account, **OR**

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Welcome New Associate Members

Hans E. Naumann, Jr., P.E. 2024-07

Marshall Miller & Associates, Inc.

Lexington, KY

Specialty Areas: Coal, crushed stone, sand & gravel, metallic ores, clay, rare earth minerals, oil, natural gas, CBM

Sponsor: Betsy Suppes

Mentor: TBA

Short Course Offering at CSM

An Integrated Valuation and Risk Modelling approach to Dynamic DCF and Real Options

Instructor: Michael Samis, PH.D., P. Eng. Principal, SCM Decisions

October 23 – 25, 2024

Colorado School of Mines, Golden, CO

About this course:

Mining industry investments are exposed to many risks that will likely result in an investment performing differently than initially expected – sometimes disastrously so. Conventional mining investment analysis often relies on a static cash flow model built around a single representative scenario to assess the quality of the project. Unfortunately, these models provide limited insight into how an investment will perform in an uncertain world, even with workarounds such as scenario price decks and sensitivity analysis.

Advances in finance theory and risk management from the finance and insurance industries can translate a conventional cash flow model into a dynamic model that describes a wide range of project possibilities and recognizes management's ability to adapt as the future evolves. Introducing a dynamic cash flow model and real options analysis allows mining professionals to improve their understanding of how a proposed investment will perform and the design and operating policies that are best placed to support project value and manage risk.

This course will show participants how to create a spreadsheet-based dynamic cash flow and real option model and interpret the value and risk information it generates. It teaches participants how to overlay a description of project market uncertainty with a decision tree to assess the value of project flexibility and the level of investor risk exposure. Two case studies based on the Blackwater Project in B.C. Canada and Copper World Project in Arizona demonstrate the shortcomings of static cash flow analysis and how a dynamic cash flow/real option model can correct these shortcomings.

More information: <https://learn.mines.edu/ivrm/>

Woulda, Coulda, Shoulda

Lessons Learned and Advice for Our Fellow Appraisers

I was asked to do an appraisal for a client who owned both the surface and oil and gas estate. I completed the evaluation of the oil and gas interests. The client's attorney put the property up for sale and listed the surface and oil and gas estate together. They would not list them separately. I tried to explain to the attorney and realtor that they would get more money if the two assets were separated, as the buyer for the surface doesn't want (to pay) for the oil and gas interests and the mineral buyer doesn't want to buy a dilapidated house and land. However, they insisted that it was not about reaping the best price, but to sell everything together because it would be "quicker." **In the future, I will clearly state that the appraised value is for a severed oil and gas estate.**

- Betsy Suppes.

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Battled a rural appraiser in fed court 10-15 years ago and did paper for our group supposedly showing how stupid, to me, was his approach.

I've other thoughts on idiots who have a cubic mile of gravel and hypothetical gold values and want something to vindicate THEIR opinion. I run fast and far from these people.

- Mitch Albert.

Please submit your appraisal war stories, collegial advice or comments to the Newsletter Editor at kevinswweller@comcast.net. You may remain anonymous if desired.

Continuing Education Hours Reminder

Continuing education is vital to minerals appraisers because this is...honestly tough work. And it's especially challenging to appraise minerals consistent with our numerous industry standards, including USPAP—both *credibly* and *reliably*.

To bolster public trust, in 2011, by membership vote, IIMA began requiring Certified members to have earned 30 hours of continuing education over the most recent 3-year period. Essentially, this is an average of 10 hours per year.

The goal: *To certify the qualifications of individual Member appraisers to the public. (IIMA Bylaws Article 1.2)*

IIMA members are part of a select group having the dual training and experience to connect real geologic context to the value of mineral assets. Naturally, setting our standards high enhances trust—and leads to many of those repeat phone calls along the way.

So, remember to seek out excellent CE opportunities and track your instructional hours. IIMA operates on a 3-year education cycle for Certified members.

Also don't forget this bonus benefit for presenting at the annual IIMA Meeting:

What constitutes a CE Credit hour:

- 1) 2 hours CE Credit for chairing a session
- 2) 3 hours CE Credit for giving a talk

3) Actual number of hours/minutes spent in session when attending a session on appraisals

The NEWSLETTER is published by the International Institute of Minerals Appraisers, P.O. Box 1123 Golden, Colorado 80402 USA: Phone: 508-846-6799

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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.

All articles are contributed on a volunteer basis. The views and opinions expressed in any and all articles are those of the authors and do not necessarily reflect those of IIMA or your Newsletter Editor. If any IIMA member would like to professionally add-on to, rebut, or clarify any articles, I will feature such articles in the following newsletter. Thank you!