

AMEP2 - MONVAL CODE

Comparison of IMVAL Template and Foreign Codes Draft 1

20 October 2019

NOTES

General

- 1) This document follows the order of the IMVAL Template, except that items of Guidance have been moved to be adjacent to their respective Code provisions. For each heading, the IMVAL Template clause is displayed, followed (in order) by the corresponding CIMVAL, SAMVAL, SME and VALMIN Code clauses.
- 2) Underlining indicates the heading or sub-heading of the clause in its source document.
- 3) The CIMVAL Code was introduced in 2003. The CIMVAL Committee is currently drafting a revision. Because of the age of the Code, the recent CIMVAL Exposure Draft (**CIMVAL Draft**) incorporating proposed CIMVAL Code revisions has been used for comparative purposes in this document.
- 4) The CIMVAL Draft introduces a concept of “Short Form Valuation Reports”, which does not appear in the IMVAL Template, nor in any other comparative Code. Because of its uniqueness, and the uncertainty that it will be adopted in the finalised CIMVAL Code, the relevance to a MONVAL Code is questioned.
- 5) Square brackets “[“ and “]” are used to enclose notations not being direct quotations of the foreign codes.

Guidance

- 1) In this document, the foreign code “Guidance” sections are in italics.
- 2) In the IMVAL Template and SME Valuation Standards, all “Guidelines” appear in a separate section following the Code provisions. In the VALMIN Code, the guidelines appear interspersed with the code provisions.

PRINCIPLES

Fundamental Principles

IMVAL: The three fundamental principles that must be followed in undertaking Valuations and Valuation Reports are Competence, Materiality, and Transparency. In addition to these fundamental principles, Objectivity, Independence, and Reasonableness may also apply under national codes or standards.

CIMVAL DRAFT: The six fundamental principles in undertaking Valuations and Valuation Reports are Competence, Materiality, Reasonableness, Transparency, Independence and Objectivity.

SAMVAL: The Code is a principles-based code, whereby certain fundamental principles should be followed, upon which CVs base their professional judgement and are able to justify their valuation to their peers.

The Code differentiates between fundamental principles, which shall be adhered to by the CV, and guiding principles (described later), which are more ethics-based.

The fundamental principles of materiality, transparency, competence, and reasonableness, shall be applied by the CV when conducting a valuation.

SME: The four fundamental principles that must be followed in Valuations and Valuation Reports are Competence, Materiality, Objectivity, and Transparency. In addition to these fundamental principles, the principles of Independence and Reasonableness may apply to Valuation of Mineral Properties under national codes or standards. The principle of Independence is addressed in the SME Standards because Independence is often required or expected. The principle of Reasonableness is not addressed.

VALMIN: The fundamental Principles of the Code are Competence, Materiality and Transparency. Further to the Code Principles, additional requirements are Reasonableness and Independence.

Competence

IMVAL: A Valuer must be able to demonstrate to the Commissioning Entity and those entitled to rely on a Valuation Report that the Valuer is sufficiently Competent to prepare or contribute to the Valuation Report. A Valuer must be clearly satisfied that they are able to face their professional peers and demonstrate Competence in the Valuation undertaken. Among other things, Valuers should assess their competence regarding the subject Mineral Property, the market in which the property would trade, and the purpose of the Valuation. See also IVS Framework, Section 50 Competence.

A Valuer who is not personally Competent to undertake an aspect of a Valuation assignment must seek assistance from an Expert who is Competent in the applicable field or discipline necessary to address that aspect. Material assistance from Experts must be disclosed in the Valuation Report. See also IVS Framework, Section 50 Competence.

The Valuation of Mineral Properties may require Competence in a wide range of disciplines. Depending on the nature of the Mineral Property to be valued, the Basis of Value to be applied, and the availability of currently relevant technical reports for the subject Mineral Property, an

in- depth understanding may be needed in such specialized areas as geoscience; mining or petroleum engineering; metallurgy; water rights; environmental assessment; social aspects; regional geopolitics; micro and macro mineral economics; finance; taxation and government levies; property, mineral, and other applicable law; bulk transportation; and marketing. Therefore, in many cases, Valuers should retain Experts who are competent in the vetting and development of certain technical information and Inputs used in the Mineral Property Valuation and the preparation of a Valuation Report.

Some jurisdictions may require a minimum number of years of experience in the relevant subject area. See CRIRSCO Template, which requires a minimum of 5 years of experience in the relevant subject area. See also IVS Framework 4 and 5. A Valuer is also known as a Valuator or an Appraiser in some jurisdictions.

CIMVAL DRAFT: While the assessment and selection of a Qualified Valuator is ultimately the responsibility of the Commissioning Entity, a Qualified Valuator must be able to demonstrate to the Commissioning Entity and those entitled to rely on a Valuation Report that the Qualified Valuator is sufficiently Competent to prepare or contribute to the Valuation Report. A Qualified Valuator must be clearly satisfied that they are able to face their professional peers and demonstrate Competence in the Valuation undertaken. Among other things, Qualified Valuers should assess their competence regarding the subject Mineral Property, the market in which the property would trade, and the purpose of the Valuation.

A Qualified Valuator who is not Competent in all aspects of a Valuation assignment must seek assistance from one or more Qualified Persons or other Experts who are Competent in the applicable field or discipline necessary to address those aspects. For example, in a Valuation, a Qualified Valuator may rely on a technical report prepared by a Qualified Person. Material assistance or reliance on other Experts must be disclosed in the Valuation Report.

The Valuation of Mineral Properties may require Competence in a wide range of disciplines. Depending on the nature of the Mineral Property to be valued, the Basis of Value to be applied, and the availability of currently relevant technical reports for the subject Mineral Property, an in-depth understanding may be needed in a number of specialized areas. In many cases, Qualified Valuers should retain or rely upon reports from Qualified Persons or other Experts who are competent in the vetting and development of certain technical information and Inputs used in the Mineral Property Valuation and the preparation of a Valuation Report. Any reliance on Experts or Expert reports, or technical information provided by the Commissioning Entity must be fully disclosed in the Valuation Report.

SAMVAL: A CV is a person who possesses the necessary qualifications, ability, and sufficient relevant experience in valuing minerals assets. A person being called upon to sign as a CV shall be clearly satisfied in their own mind that they are able to pass the scrutiny of their peers and demonstrate competence in the valuation undertaken.

The CV shall be registered with ECSA, SACNASP, or SAGC, or be a Member or Fellow of the SAIMM, GSSA, or SAICA or a Recognized Professional Organization (RPO), or other organizations recognised for this purpose by the SSC on behalf of the JSE, be subject to an enforceable Code of Conduct (Ethics) and a Disciplinary Code and be able to demonstrate the competencies listed in Appendix B.

A complete list of RPOs which is published by the SSC on the SAMCODE website, is updated from time to time.

SME: [Identical to the IMVAL Template, except that the final sentences of both paragraphs (references to IVS Framework) are omitted]

The Valuation of Mineral Properties may require Competence in a wide range of disciplines. Depending on the nature of the Mineral Property to be valued, the Basis of Value to be applied, and the availability of currently relevant technical reports for the subject Mineral Property and transacted properties to be analyzed, an in-depth understanding may be needed in such specialized areas as geoscience; mining or petroleum engineering; metallurgy; water rights; environmental assessment; social aspects; regional geopolitics; micro and macro mineral economics; finance; taxation and government levies; property, mineral, and other applicable law; bulk transportation; and marketing. Therefore, in many cases, Valuers should retain Experts who are Competent in the vetting and development of certain technical information, development of Inputs used in the Mineral Property Valuation, and the preparation of a Valuation Report. See also IVS Framework, §50.

Some jurisdictions may require a minimum number of years of experience in the relevant subject area. The 2014 SME Guide requires a minimum of 5 years of experience in subject areas under its coverage.

VALMIN: Competence or being competent require that the Public Report is based on work that is the responsibility of a suitably qualified and experienced person who is subject to an enforceable professional Code of Ethics.

A Practitioner must be involved in the preparation of a Public Report and may be required to seek assistance from other relevant professionals.

All Practitioners must have Competence in the relevant technical and commercial disciplines. Depending on the nature of the Public Report involved, Competence in geosciences, engineering, metallurgy, environmental assessment, geopolitics, finance, tax, law, valuation, commerce and the Modifying Factors may all be required.

Practitioners must be able to demonstrate to the commissioning entity and to those entitled to receive a Public Report that they are sufficiently Competent to either prepare or contribute to a Public Report.

Materiality

IMVAL: A Valuation must address all material information. All Material information must be included or adequately referenced in the Valuation Report. Materiality is the principle that determines whether certain information is relevant to the Valuation. Materiality applies to the nature of the items assessed and their influence on the quantum of a Valuation.

The Valuer must clearly set out all Material assumptions regarding the input parameters, risks, limitations, and the associated effects in the Valuation Report. See also IVS 103 Reporting, Section 30 Valuation Reports.

The determination of what is Material or relevant to the Valuation depends on both qualitative and quantitative factors. A parameter may be Material in the qualitative sense because of its very nature, such as country risk. Valuers should determine that all Material information is considered.

A general rule in determining if information is Material is consideration of whether its omission or misstatement could influence the decisions of the intended users of the Valuation Report. Professional judgment is required to determine what information is material. Two tests may be used in determining whether an item is Material -- a qualitative test (that is, the nature of the item and whether knowledge of it would influence the decisions of users) and a quantitative test expressed as a percentage.

If the Valuer finds it is impossible or impractical to obtain sufficiently accurate or reliable data, this must be stated in the Valuation Report. Depending on the amount and quality of available data, the Valuer may not be in a position to express an opinion of Value. Alternatively, the Valuer may make one or more assumptions or Special Assumptions, which must be disclosed prominently.

CIMVAL DRAFT: A Valuation must address all Material information. All Material information must be included or adequately referenced in the Valuation Report. Materiality is the principle that determines whether certain information is relevant to the Valuation. Materiality applies to the nature of the items assessed and their influence on the quantum of a Valuation.

The Qualified Valuator must clearly set out all Material assumptions regarding the input parameters, risks, limitations, and the associated effects in the Valuation Report.

The determination of what is Material or relevant to the Valuation depends on both qualitative and quantitative factors. A general rule in determining if information is Material is consideration of whether its omission or misstatement could significantly influence the decisions of the intended users of the Valuation Report.

If the Qualified Valuator finds it is impossible or impractical to obtain sufficiently accurate or reliable data, this must be stated as a limitation in the Valuation Report. Depending on the amount and quality of available data, the Qualified Valuator may not be in a position to express an opinion of Value. Alternatively, the Qualified Valuator may make one or more assumptions or Special Assumptions, which must be disclosed prominently.

SAMVAL: A Public Report contains all the relevant information that investors, their professional advisors and/or Commissioning Entity would reasonably require, and expect to find, for the purpose of making a reasoned and balanced judgement regarding the Mineral Asset Valuation.

SME: [Identical to the IMVAL Template, except that the 2nd sentence of the second paragraph (reference to IVS) is omitted]

[SME Guidance identical to the IMVAL Template]

VALMIN: Materiality or being Material requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Mineral Asset Valuation being reported.

All assumptions must be set out clearly in the Public Report, including appropriate reference to confidential information that is not disclosed (as described in a subsequent clause) regarding (i) Material, technical and commercial parameters; (ii) the risks associated with those assumptions; and (iii) the Valuation Approaches and the Valuation Methods used.

Any departures from the VALMIN Code must not have a Material effect on the Valuation and must be disclosed and justified in the Public Report.

Where it is impossible or impracticable to obtain sufficiently accurate or reliable data, this must be stated in the Public Report.

Additional detail on the Australian regulatory requirement can be found in ASIC Regulatory Guide RG 111.

The determination of what is Material depends on both qualitative and quantitative factors. A parameter may be Material in the qualitative sense because of its nature (for example, country risk). Practitioners must ensure that all Material information is considered.

A general rule in determining if information is Material is “if its omission or misstatement could influence the economic decisions of users taken on the basis of the Public Report” [International Accounting Standard Committee, 1989].

Guidance for the determination of Materiality as a percentage variation can be found in the Australian Accounting and International Financial Reporting referencing standard. An amount that is equal to or greater than 10% may be presumed to be Material unless there is evidence or a convincing argument to the contrary. An amount that is equal to or less than 5% may be presumed to not be Material unless there is evidence or a convincing argument to the contrary.

Two tests should be used in determining whether or not an item is Material: (i) a quantitative test (a percentage variation); this is an area that requires a degree of professional judgement to identify information that is relevant and to determine between information that is ‘need to know’ and that which is ‘nice to know’; and (ii) a qualitative test: that is, the nature of the item and whether knowledge of it would influence the economic decisions of investors.

Guidance on qualitative factors may be found in the ASX Listing Rules Guidance Note 31.

Transparency

IMVAL: The Valuation process and Valuation Report must be Transparent, such that it must be clear and unambiguous and therefore understandable.

The principle of Transparency requires that information should not be presented in a minimal or unclear form from which the intended user accepting this information at face value could draw incorrect implications or conclusions. Any implications that would be revealed by a more thorough or deeper evaluation or explanation of the Material issues should be disclosed.

Transparency during development and reporting of a Valuation aids in promoting Objectivity, while minimizing subjectivity. A Transparent Valuation Report is generally one that is presented with clear and concise writing, supplemented by helpful and legible tables, graphs, maps, and photographs. Where it is not possible to be concise, the information should be presented in such a manner that Material information is clear and prominent.

The Valuation conclusion will depend on the interaction of a number of key assumptions that the Valuer should disclose. These qualities should apply to the data and information, and the analysis and presentation thereof, used as the basis of a Valuation Report. Factors to which these qualities should apply when present include the assessment of Mineral (including Petroleum) Resources and Reserves, issues pertaining to extraction, mining, processing, and marketing, the Valuation Approaches and Methods adopted and their application, all of which should be clearly set out in the Valuation Report.

CIMVAL DRAFT: The Valuation process and Valuation Report must be Transparent, such that its Material assumptions and conclusions must be clear and unambiguous and therefore understandable to the reader. All Material assumptions and any limitation to the Valuation that could affect the Valuation conclusion must be disclosed in the Valuation Report.

The principle of Transparency requires that information should not be presented in a minimal or unclear form, from which the intended user accepting this information at face value could

draw incorrect implications or conclusions. Any implications that would be revealed by a more thorough assessment or explanation of the Material issues should be disclosed.

Transparency aids in promoting Objectivity, while minimizing subjectivity.

A Transparent Valuation Report is generally one that is presented with clear and concise writing, with Material information prominent; supplemented by helpful and legible tables, graphs, maps, and photographs. In addition, the Valuation Approaches and Methods adopted and their application should also be clearly set out in the Valuation Report.

SAMVAL: The reader of a Public Report shall be provided with sufficient and relevant information, the presentation of which is clear and unambiguous, to understand the report and not be misled. The process or methodology should be aligned with the purpose for which the valuation is intended and should be readily auditable in all material respects.

SME: [Identical to the IMVAL Template]

[SME Guidance is identical to the IMVAL Template]

VALMIN: Transparency or being Transparent requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information.

Both the process and Public Report must be as Transparent, objective and rigorous as the data and other Material information available to the practitioner will allow. The conclusion of a Public Report will depend on the key assumptions that the Practitioner must reasonably disclose and discuss.

This may include assessment of (i) Mineral Resources, Ore Reserves, extraction, mining, processing, marketing, valuation, mine closure and Tenure issues; (ii) Modifying Factors; (iii) the approach adopted; and (iv) the methodology or methodologies used, which must be set out clearly in the Public Report. Where it is not possible to provide an appropriate description, the reason for not doing so should be presented on an 'if not, why not' basis.

Objectivity

IMVAL: The Valuer should approach a Valuation with Objectivity. This is promoted by an environment that is supported by data and minimizes the influence of subjective factors, such as the Valuer's personal bias, on the Valuation process. See also IVS Framework, Section 40 Objectivity

"The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimises the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions. (IVS Framework, Section 40).

"It is a fundamental expectation that, when applying these standards, appropriate controls and procedures are in place to ensure the necessary degree of objectivity in the valuation process so that the results are free from bias. The IVSC Code of Ethical Principles for Professional Valuers provides an example of an appropriate framework for professional conduct" (IVS Framework, Section 40).

CIMVAL DRAFT: [Identical to IMVAL Template, except that “Qualified Valuator” replaces “Valuer”, and that the final sentence (reference to IVS) is deleted.

[CIMVAL Guidance is identical to the IMVAL Template].

SAMVAL: Impartiality. The CV shall be satisfied that their work has not been unduly influenced by the organization, company, or person commissioning a report or any report that may be deemed a Public Report; that all assumptions, premises, and modifying factors are documented; and that adequate disclosure is made of all material aspects that the informed reader may require to make a reasonable and balanced judgement thereof.

SME: [Identical to the IMVAL Template, except that 3rd sentence (reference to IVS Framework) is omitted].

The Valuer should approach the Valuation with Objectivity, meaning impartially and without personal bias. While it is necessary to apply the Valuer's professional judgement, the Valuer should be alert to their own bias and mitigate the effect of such bias in preparing a Valuation. The Valuer should ensure the reliability of the information and assumptions, and that appropriate controls and procedures are in place to ensure the necessary degree of Objectivity.

“The process of valuation requires the valuer to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that those judgements are made in a way that promotes transparency and minimises the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions.” (IVS Framework, §40.1).

The IVSC “Code of Ethical Principles for Professional Valuers” provides a framework for professional Valuer conduct.

VALMIN: [Not addressed]

Independence

IMVAL: For certain Valuations, Independence may be required by law, a national code or standards, or by the circumstances of the Valuation. In these cases, Independence means that the Valuer must have no pecuniary or beneficial interest in the Commissioning Entity, the Mineral Property being valued, other parties involved in a transaction on the Mineral Property, or the outcome of the Valuation, other than professional fees and disbursements related to the Valuation that are not contingent on the opinion in the Valuation.

While the Template and the IVSs do not specify Independence of the Valuer, Independence may be specified by national legal or regulatory requirements in various jurisdictions, or by Commissioning Entities or intended users of Valuations. For the Valuer to be able to develop a Valuation that users can confidently accept as free from bias, the Valuer must be independent of the outcome of the Valuation, and thus able to objectively exercise their judgement.

CIMVAL DRAFT: For certain Valuations, Independence of the Qualified Valuator may be required by law, a national code or standards, or by the circumstances of the Valuation.

For the Qualified Valuator to be able to develop a Valuation that users can confidently accept as free from bias, it is preferred, and may be mandated that the Qualified Valuator be Independent of the outcome of the Valuation, and thus be objective in exercising their judgement.

SAMVAL: *In certain circumstances, the Commissioning Entity may require that the CV discloses and demonstrates independence. Independence in such circumstances means that, other than professional fees and disbursements received in connection with the Mineral Asset Valuation concerned, the CV has no pecuniary or beneficial (present or contingent) interest in any of the Mineral Assets being valued, nor has any association with the Commissioning Entity or any holder of any rights in Mineral Assets that are the subject of the valuation that is likely to create an apprehension of bias. This will also include the disclosure that the CV will not receive any benefit accruing after the valuation assignment and report has resulted in a transaction.*

When required, the CV shall disclose his or her Independence and his or her relationship with the Commissioning Entity in writing.

SME: [Identical to the IMVAL Template]

[SME Guidance is identical to the IMVAL Template, except that in the 1st sentence “the SME Valuation Standards” replaces “the Template”]

VALMIN: Independence or being Independent requires that there is no present or contingent interest in the Mineral Asset(s), nor is there any association with the Commissioning Entity or related parties that is likely to lead to bias.

Where the legal definition of Independence or Independent differs from the above, the legal definition takes precedence.

Independence is not a formal requirement under the VALMIN Code. However, Practitioners must familiarise themselves and must conform to the relevant statutory and regulatory definitions and requirements of independence in the relevant jurisdictions.

The Corporations Act and ASIC Regulatory Guidelines are to the effect that Practitioners must be, and must appear to be, Independent when preparing reports for certain transactions. In addition, an AFSL Licensee must comply with conflict management provisions.

ASIC may determine whether an Expert is independent and whether disclosures in relation to this are adequate as per ASIC Regulatory Guide (as at the date of this Code) RG 112.

In order to support a declaration of Independence or to enable Practitioners to assess whether or not they may be deemed to be Independent, they must disclose in the Public Report any interest that could be seen as compromising their Independence. Such disclosures must:

- (i) be made as early as possible to the Commissioning Entity;
- (ii) be prominently included in the Public Report;
- (iii) include declaration of any previous reports that the Practitioner has prepared relating to the Mineral Assets being assessed or valued; and
- (iv) not absolve the Practitioner from any legal requirement to be Independent.

A Practitioner previously engaged by the Commissioning Entity or an associated party should not necessarily be considered to have their Independence impaired. Each circumstance should be assessed, taking into account the facts.

Reasonableness

IMVAL: The Valuer must ensure the Reasonableness of the Valuation. Any Valuation, assumptions applied and any method relied upon, should be reasonable within the context of the purpose of the Valuation and the Basis of Value. A method applied to the subject Mineral Property should be within the expected capability and consideration of an assumed likely buyer or lessee of the property. See IVS 104 Bases of Value, Section 200 Assumptions and Special Assumptions.

The test of Reasonableness is to consider what appropriately qualified and experienced Valuers, acting reasonably, would conclude in the circumstances. The Valuer must form an opinion that is reasonable in the circumstances, that is, what a Valuer believes is rational and plausible in the circumstances and would be viewed as such if considered by other appropriately qualified and experienced Valuers with the same information and at the same time.

CIMVAL DRAFT: The Qualified Valuator must ensure the Reasonableness of the Valuation. Any Valuation, assumptions applied, and any method relied upon, should be reasonable within the context of the purpose of the Valuation and the Basis of Value.

The test of Reasonableness is to consider what appropriately qualified and experienced Qualified Valuators, acting reasonably, would likely conclude in the circumstances. The Qualified Valuator must form an opinion that is reasonable in the circumstances, that is, what a Qualified Valuator believes is rational and plausible in the circumstances and would be viewed as such if considered by other appropriately qualified and experienced Qualified Valuators with the same information and at the same time.

SAMVAL: Reasonableness means that other appropriately qualified and experienced CVs with access to the same information, as of the same Effective Date, would arrive at a broadly comparable range of value using the same Basis of Value and the same Scope of Work.

A 'reasonableness test' serves to identify a valuation which may be out of step with industry standards or norms. If the Basis of Value is Market Value, assumptions applied and any property development method or model relied upon, should be reasonable within the context of the purpose of the valuation. The development method or model should be within the expected capability and consideration of the assumed likely buyer of the subject Mineral Asset.

SME: [Not addressed]

VALMIN: Reasonableness requires that an assessment that is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation has been used, to the extent that another Practitioner with the same information would make a similar Valuation.

A Reasonableness Test means the Practitioner must (i) perform an impartial assessment to determine if the overall Valuation Approach, Valuation Method and Valuation used is reasonable. Such a test will serve to identify Valuations that may be out of line with industry standards and norms; (ii) meet the Reasonable Grounds Requirement; (iii) make a positive statement that the inputs, assumptions, Valuation Approaches, Valuation Methods and Valuation meet the Reasonable Grounds Requirement; and (iv) not disclaim liability for the Valuation Approach, Valuation Method and Valuation.

Guidance on making positive statements and disclaimers can be gained from ASIC Regulatory Guides RG111, RG170 and ASIC Information Sheet 214 (Mining and resources – forward-looking statements).

The test for whether reasonable grounds exist is objective. Sections of the Corporations Act and sections of the Australian Securities and Investments Commission Act require statements about future matters to be based on reasonable grounds at the time of making the statement, or they will be taken to be misleading.

The Reasonable Grounds Requirement can be found in the Corporations Act Sections 670A(2), 728(2) and 769(C) and the Australian Securities and Investment Commission Act Section 12BB and find guidance in ASIC Information Sheet 214.

The Reasonable Grounds Requirement extends to all existing or potential mineralisation as well as the Modifying Factors.

A Public Report must not be provided unless a suitably objective Reasonableness Test is applied.

REQUIREMENTS

IMVAL: The Valuation Report must contain, at a minimum, the following information (See IVS 103 Reporting):

Identification of the Property and Interest Being Valued

IMVAL: The Mineral Property, including the interest or right that is the subject of the Valuation, must be described in adequate detail to identify the property, and the physical, legal, and economic characteristics relevant to the Valuation. This description is required in particular when the subject of the Valuation is economically interdependent with other properties, in which case the assumption for the Valuation of whether those other properties will or will not remain available must be stated.

One or more maps, photographs, or diagrams can aid the description of the subject Mineral Property. Documentation of title or rights, and encumbrances, should be included in the Valuation Report as needed for substantiation. In the case of a fractional interest, physical segment, or partial holding, descriptions of the holding and control limits, and of properties or rights excluded from the Valuation, are required for clarity. As an example, a mill dedicated to a remote mineral deposit may be inside the control limit, while a toll mill in a mining camp would be outside.

CIMVAL DRAFT: [The 1st sentence is identical to the IMVAL Template. The 2nd sentence reads:] This description is required in particular when the subject of the Valuation is economically interdependent with other properties, in which case the assumptions used in the Valuation must be stated.

[CIMVAL Draft Guidance is identical to the IMVAL Template]

SAMVAL: Asset Types and Ownership Interests. Mineral rights, including prospecting and mining rights, are recognized as a 'limited real right' for the purpose of valuation in South Africa. Elsewhere, they are commonly known as 'real rights'.

The status of mineral rights, contracts, and other ownership issues are examples of Modifying Factors that may have an influence on overall valuation and remain in scope. It is the responsibility of the Commissioning Entity to disclose these interests, and of the CV to conduct the valuation with these ownership issues in mind. Where the mineral right is owned, the CV shall take into account any restrictions or conditions attached to the right which could impact on value, as well as take account of servitudes, leases, and contracts over the land.

Dealing with Rights and Contracts. The CV shall ascertain the ownership status the Mineral Asset. In particular, the property is held as a right or freehold, and whether restrictions on rights and agreements influence the valuation. This includes issues such as security of tenure, access, servitudes, royalty payments, and joint ventures, etc. Assessment should also be made of the land value, if relevant to the valuation, and whether this attaches to the asset, or requires rentals to be paid.

SME: [Identical to the IMVAL Template]

[SME Guidance is identical to the IMVAL Template]

VALMIN: Tenure Status. The Status of Tenure is Material and requires disclosure. A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Public Report in question. A Practitioner must determine whether this inquiry is to be conducted by a Specialist or another suitably qualified party, but Tenure that is Material must be or recently have been verified independently of the Commissioning Entity.

A Public Report must contain a list of all Material Tenure that is prepared by or on behalf of the Practitioner, unless that information is provided in an accompanying report.

A Tenure list should specify:

- a) Tenure area, expiry and renewal dates,
- b) expenditure commitments, rents and rates, security bonds or reclamation liability,
- c) obligations to any third party, including, but not limited to, joint venture or royalty agreements, and
- d) title and location of any contiguous and geologically related Tenure that, in the opinion of the Practitioner, may have a Material bearing on the value of the Tenure under consideration.

Scope of Work

IMVAL: The Scope of Work to be performed in developing the Valuation should be determined between the Valuer and the Commissioning Entity, which must be identified unless confidential. The Scope of Work necessary to develop a credible Valuation can vary considerably depending on the subject Mineral Property, the purpose of the Valuation, the Basis of Value, the Valuation Date, and the intended use of the Valuation. Modification of the Scope of Work may be necessary during the Valuation process. A Scope of Work section must be included in the Valuation Report, describing the extent of investigations conducted and stating any limitations on those investigations. See IVS 101 Scope of Work.

CIMVAL DRAFT: [1st sentence identical to the IMVAL Template, except that the words “unless confidential” are deleted. The 2nd and 3rd sentences are identical to the IMVAL Template. The 4th sentence reads: “The Scope of Work section in the Valuation Report must describe the extent of investigations conducted and state any limitations on those investigations. (See also IVS 101 Scope of Work).”]

Commissioning a Valuation (part). The Commissioning Entity and the Qualified Valuator should agree in advance of commencing the assignment, in writing, on the terms of reference and scope of work of the Valuation assignment, which terms must be summarized and disclosed in the Valuation Report.

SAMVAL: Limitations to the Use of Valuations. Limitations to the use of any valuation shall be defined by the Commissioning Entity in consultation with the CV. The purpose(s) of the valuation shall be clearly stated. It is the responsibility of the reader to understand that the valuation was intended for a specific purpose, at a specific time, and that it may not be suitable for any other purpose and/or use at a later date.

The only way in which the use of the Mineral Asset Valuation can be limited is by an unambiguous statement of purpose(s) in the document itself.

A further limitation of the valuation is that it is only valid as at the Effective Date.

The Commissioning Entity (part). The Commissioning Entity and the CV shall agree, in an engagement letter or written contract, on the terms of reference of the valuation assignment, which terms shall be summarized and disclosed in the Valuation Report. However, this shall

not influence or bias the CV to conduct the valuation in any other way than the CV sees fit. Instead, it should set out the purpose of the assignment, its objectives and the access and disclosure requirements, and any relevant assumptions, premises, or constraints that may apply to the assignment.

SME: [1st and 2nd sentences are identical to the IMVAL Template. The 3rd sentence reads: “Modification to the Scope of Work may be found necessary during the Valuation process”. The 4th sentence is identical to the IMVAL Template. The 5th sentence of the IMVAL Template (reference to IVS) is omitted.]

VALMIN: The written agreement with the Commissioning Entity must cover the scope and purpose of the Public Report.

The agreement should address, but is not limited to, such matters as:

- a) *the purpose of the Public Report;*
- b) *name(s), qualifications and relevant experience of the Practitioner;*
- c) *an acknowledgement of the Independence and Competence of the Practitioner;*
- d) *the effective date as agreed by the Commissioning Entity and the Practitioner;*
- e) *name(s) or title(s) of the subject of the Public Report and of the Mineral Assets;*
- f) *the basis for the cost of the Public Report;*
- g) *when the Practitioner may refuse to provide an opinion or report as it is impossible or impractical to obtain sufficient accurate or reliable data or information;*
- h) *with respect to an Independent Expert Report, the Practitioner to be engaged, their terms of engagement and the areas in which they are to contribute to the Public Report;*
- i) *the right and obligation of the Practitioner to base findings on information within their own knowledge or acquired as a result of their own investigations, as well as on the information provided by the Commissioning Entity;*
- j) *acknowledgement that the Practitioner is obliged to conform with the VALMIN Code;*
- k) *a program for the progress and completion of the Public Report; this may include the dates for the completion of intermediate activities, the provision of data and information by the Commissioning Entity, the review of data and information by the Practitioner and the issuing of a draft of the Public Report to the Commissioning Entity;*
- l) *notification that the Practitioner should keep records of discussions with the Commissioning Entity, a list of all documents to be referred to in the Public Report, copies of all Material source documents and due diligence notes; and*
- m) *the provision of draft reports is for the purpose of factual checking by the Commissioning Entity.*

Further guidance on the provision of draft reports and keeping records may be found in ASIC Regulatory Guide (as at the date of this Code) RG 112.

Intended Use and Intended Users

IMVAL: The intended use and intended users of the Valuation Report must be clearly disclosed unless confidential.

CIMVAL DRAFT: [Identical to IMVAL Template, except that the words “unless confidential” are deleted]

SAMVAL: [Not addressed]

SME: [Identical to IMVAL Template]

VALMIN: [Not addressed]

Mineral Resources and Mineral Reserves

IMVAL: When resources or reserves of the subject Mineral Property are used or referred to in a Valuation or Valuation Report, they should use the Mineral Resource and Mineral Reserve definitions of either codes based on CRIRSCO, an associated institute's definitions, or, in the case of petroleum, the Petroleum Resource and Petroleum Reserve definitions of the *Petroleum Resources Management System (PRMS)*. If the CRIRSCO or PRMS systems are not used, the Valuation Report must explain why not and should provide, to the extent possible, a reconciliation of the resources and reserves with CRIRSCO or PRMS.

CIMVAL DRAFT: When Mineral Resources or Mineral Reserves of the subject Mineral Property are used or referred to in a Valuation or Valuation Report, they should be Current and should use the Mineral Resources and Mineral Reserves specified in the CIM Definition Standards or equivalent CRIRSCO Code definitions. If estimates of reserves and resources in non-Canadian jurisdictions and other reserves and resources that do not comply with or predate the CIM Definition Standards or equivalent CRIRSCO Code definitions of Mineral Resources and Mineral Reserves are included in a Valuation Report, they must be disclosed and discussed consistent with Section 2.4 of NI 43-101 in the case of historical estimates and Section 7.1 of NI 43-101 in the case of estimates prepared under an acceptable foreign code. This allows the use of these reserves and resources, provided that a reconciliation by a Qualified Person to Mineral Resources and Mineral Reserves (as defined in the CIM Definition Standards) is set out in the Valuation Report or the referenced Technical Report.

SAMVAL: SAMVAL-compliant valuations shall be based on Resources and Reserves prepared in accordance with the SAMREC or any other CRIRSCO-affiliated Mineral Resource and Mineral Reserve Reporting Code as required by the Commissioning Entity and the respective area of jurisdiction. The Valuation Report shall therefore refer to the Code(s) upon which the valuation is reliant, as well as the reason for using this Code.

SME: When resources or reserves of the subject Mineral Property are used or referred to in a Valuation or Valuation Report, they should comply with either the definitions of *The SME Guide for Reporting Exploration Results, Mineral Resources, and Mineral Reserves (The SME Guide)*, the definitions of another institute associated with CRIRSCO, the definitions in the *CRIRSCO International Reporting Template*, or, in the case of Petroleum, those of the *Petroleum Resources Management System (PRMS)*. If the CRIRSCO or PRMS systems are not used, the Valuation Report must explain why not and should provide, to the extent possible, a reconciliation of the resources and reserves with a set of CRIRSCO or PRMS definitions.

VALMIN: The JORC Code sets out minimum standards, recommendations and guidelines for Public Reports in Australasia for Exploration Results, Mineral Resources and Ore Reserves.

The ASX incorporates the JORC Code into Chapter 5 of the Listing Rules to mandate that a Public Report concerning Exploration Results, Mineral Resources or Ore Reserves is prepared in accordance with the JORC Code.

The JORC Code is binding on any Member of the AIG or the AusIMM.

For further information refer to <http://www.jorc.org>.

Highest and Best Use

IMVAL: Where applicable, the Market Value of a Mineral Property must be estimated with consideration of its highest and best use (generally its stage of development) on the Valuation Date. The highest and best use of a property, determined sequentially, is that stage of use which is (1) legally permissible, (2) physically possible, (3) financially feasible on the Valuation Date, and which (4) maximises the potential of the Mineral Property. The highest and best use for a Mineral Property, being the use that a market participant would have in mind for the property when formulating the maximum price it would be willing to offer, may be the same as its current use, a modification of that use, or a different use. The highest and best use of a property may change if the property is valued in isolation instead of as a contributing part of an economically interdependent group of properties. See IVS 104 Bases of Value, Section 140 Premise of Value – Highest and Best Use.

Certain jurisdictions may not require that the Market Value of a Mineral Property be estimated with consideration of its highest and best use. See IVS 104 Bases of Value, Section 140 Premise of Value – Highest and Best Use.

CIMVAL DRAFT: [Not addressed]

SAMVAL: [Not addressed]

SME: [Identical to the IMVAL Template, except the 1st sentence, which reads: “When the Basis of Value for Valuation of the subject Mineral Property is Market Value, this must be estimated with consideration of the subject property’s highest and best use (generally its stage of development) on the Valuation Date”. The final sentence (reference to IVS 104) is deleted.]

VALMIN: [Not addressed]

Basis of Value

IMVAL: The Valuation Report must clearly state the Basis of Value, its definition, and the source of its definition. See IVS 104 Bases of Value

CIMVAL DRAFT: [Identical to the IMVAL Template, except that the 2nd sentence (reference to IVS Framework) is omitted]

SAMVAL: The basis of valuation is the monetary value of the Mineral Asset being valued. This may vary depending on the value type that is being assessed.

In the extractive industries, value is usually derived from an assessment of the “Intrinsic Value”, which is based on the unique technical characteristics of the asset being valued. If some other type of value is utilized or required, a clear definition shall be provided by the CV and highlighted in the Valuation Report. This is especially the case where a Market Value or Fair Value is required. In order for the Intrinsic Value to be converted to a Market Value, appropriate and justifiable market factors are applied.

SME: [Identical to the IMVAL Template, except that the 2nd sentence (reference to IVS Framework) is omitted]

VALMIN: A Public Report must disclose the basis of value. The basis of value is a statement of the fundamental measurement assumptions of a valuation. The VALMIN Code primarily uses the terms Market Value and Technical Value, although circumstance may require the use of alternative definitions.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

Market Value is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The term Market Value has the same intended meaning and context as the IVSC term of the same name. This has the same meaning as Fair Value in RG111. In the 2005 edition of the VALMIN Code this was known as Fair Market Value.

Market Value may be higher or lower than Technical Value. A Public Report should take such factors into account, stating the results of the principal Valuation Method(s) used and disclosing the amount of and reasons for the difference between the Market Value and Technical Value.

A Valuation Report must state the nature of the Value(s) determined and their Valuation Date(s).

As the Values of Mineral Assets are likely to fluctuate over time, a Practitioner must ensure that the opinion expressed and the Valuation provided is consistent with circumstances as of the Valuation Date.

Valuation Approaches

IMVAL: More than one Valuation Approach must be applied in the Valuation of the subject Mineral Property, if it is reasonably possible and appropriate to apply them, unless constrained by the Scope of Work agreed to with the Commissioning Entity. The resulting Valuation estimates should be reconciled. If only one Approach is used, the Valuation Report must provide an explanation for why more than one is not used. See IVS 105 Valuation Approaches and Methods, Section 10 Introduction.

Valuation Process. *The three generally accepted Valuation Approaches are:*

- *Market Approach (IVS 105 Valuation Approaches and Methods, Section 20)*
- *Income Approach (IVS 105 Valuation Approaches and Methods, Section 40)*
- *Cost Approach (IVS 105 Valuation Approaches and Methods, Section 60)*

Further guidance on the Valuation Approaches is provided in the IVSs.

Each Valuation is time and circumstance specific. The most appropriate Valuation Approach will depend on several factors, including the stage of development, the highest and best use, the Basis of Value, the availability of Valuation Inputs and data, and on the Approaches and Methods used by the market. For a particular Mineral Property, Valuation Methods from at least two of the three Valuation Approaches should be used. There are a variety of Valuation Methods within the Valuation Approaches, each of which may be more suited to the Valuation at hand than others.

The results from the Valuation Approaches and Methods employed should be analysed and reconciled into a concluding opinion of Value. The reasons for giving a higher weighting to one Valuation Approach or Method over another, including any elimination of an outlier value, should be stated. The opinion of Value can be stated as a range of Values and/or as a single Value.

When the Basis of Value to be determined is Market Value, the Valuer should attempt to ensure that Inputs to all Valuation Methods applied are derived from the relevant market place, including the expectations and perceptions of the applicable market participants.

See also IVS 104 Bases of Value, Section 30.

CIMVAL DRAFT: The Qualified Valuator has the responsibility to decide which Valuation approaches and methods to use. The choice of the specific approaches and methods used, or excluded, must be justified and explained by the Qualified Valuator. The limitations of each method must be explained.

The three generally accepted Valuation approaches of Income, Market and Cost must be considered and discussed in the Valuation Report. More than one approach should be used in the Valuation of each Mineral Property, if it is reasonably possible and appropriate to apply them. If a Qualified Valuator is of the opinion that only one approach should be used in particular circumstances, the Qualified Valuator must justify and explain why other approaches are not used in such circumstances.

[CIMVAL Draft Incorporated Guidance is as follows:]

The 1st paragraph is identical to the IMVAL Template 4th paragraph, except that final sentence reads: "The opinion of Value can be stated as a range of Values and/or as a single Value within a range of Values."

Where the Market Approach informs the Basis of Value, the Qualified Valuator should attempt to ensure that Inputs to all Valuation Methods applied are derived from the relevant market place.

[CIMVAL Draft Separate Guidance is as follows:]

The three generally accepted Valuation approaches are Income Approach, Market Approach and Cost Approach.

The Income Approach is based on the principle of anticipation of benefits and includes all methods that are based on the income or cash flow generation potential of the Mineral Property.

The Market Approach, also known as the "Sales Comparison Approach", is based primarily on the principle of substitution. The Mineral Property being valued is compared with the attributed transaction value of similar Mineral Properties, transacted in an open market. Methods include comparable transactions, market capitalization analysis, and option or farm-in agreement terms analysis.

The Cost Approach is based on the principle of contribution to value. The appraised value method is commonly used where exploration expenditures are analyzed for their contribution to the exploration potential of the Mineral Property and may be adjusted for market conditions.

SAMVAL: The CV shall apply at least two valuation approaches to assess the value of a Mineral Asset. Where it is not possible to use more than one approach, the CV shall clearly justify why this is not possible. The three approaches are:

- 1) The Income Approach. The Income Approach relies on the ‘value-in-use’ principle and requires determination of the present value of future cash flows over the useful life of the Mineral Asset.
- 2) The Market Approach. The Market Approach relies on the ‘willing buyer, willing seller’ principle and requires that the monetary value obtainable from the sale of the Mineral Asset is determined as if in an arm’s-length transaction. The application of certain logic in Mineral Asset Valuation, such as ‘gross *in-situ* value’ simply determined from the product of the estimate of mineral content and commodity price(s), is considered unacceptable and inappropriate.
- 3) The Cost Approach. The Cost Approach relies on historic and/or future amounts spent on the Mineral Asset, and is a valuation approach based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction (as defined in the IVSC Glossary).

The Valuation Process. The process or methodology adopted by the CV should be aligned with the purpose for which the valuation is intended. In order to be transparent, it shall cater for the auditability of all aspects that can materially influence the result or outcome in the context of such intended purpose. The process and method used should seek to generate an unbiased representation or use of the information at hand.

SME: [Identical to IMVAL Template, except that the final sentence (reference to IVS) is omitted].

[SME Valuation Process Guidance 1st paragraph is identical to the IMVAL Template]

Guidance for generally accepted Valuation Methods within each of the three Approaches is provided in IVS 105 at §30, §50, and §70 respectively. Technical papers addressing the application of Valuation Methods to Mineral Properties are available on onemine.org.

Each Valuation is time and circumstance specific. The most appropriate Valuation Approach or Method will depend on several factors, including the stage of development, the highest and best use, the Basis of Value, the availability of Valuation Inputs and data, and on the Value estimation techniques used by participants within the relevant market for the Mineral Property. For a particular Mineral Property, Valuation Methods from at least two of the three Valuation Approaches should be used. There are a variety of Valuation Methods within the Valuation Approaches, each with varying suitability to the Valuation assignment at hand.

[SME Guidance 4th and 5th paragraphs are identical to the IMVAL Template]

In this case, in relation to the willing buyer and willing seller aspect required for a market transaction, the IVSs specify the willing buyer as, “... one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires.”

In the same context, the IVSs specify the willing seller as, “... neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not

considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.” (IVS 104 Bases of Value, §30.2(d) and (e)).

VALMIN: The selection of the Valuation Approach and underlying Valuation Method used is the responsibility of a Practitioner and must not be influenced by the Commissioning Entity or other parties.

Within each Valuation Approach, there are Valuation Methods that share a common rationale or basis but differ in how they are calculated.

Three widely accepted Valuation Approaches are:

- a) Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.

Valuation Methods include but are not limited to comparable sales transactions and joint venture terms.

- b) Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed.

Valuation Methods include but are not limited to discounted cashflow and multiples of earnings.

- c) Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

Valuation Methods include but are not limited to sunk costs or current replacement costs.

Guidance on Valuation Approaches and Valuation Methods may be obtained from International Financial Reporting Standard number 13.

[IMVAL Valuation Process Guidance 3rd sentence of the 4th paragraph is replaced with the following:]

A range of values (high/most likely/low) must be determined and stated in a Public Report to reflect any uncertainties in the data and the interaction of the various assumptions made; however, the range should not be so wide as to render the conclusion of the Public Report meaningless.

A Public Report should also include a sensitivity analysis showing the effects of changing the most significant assumptions. In all cases, a most likely outcome should be identified. Any reasons for not doing so must be stated in the Public Report.

Responsibility of Valuer

IMVAL: The Valuer is responsible for the Valuation and the overall Valuation Report, including the following:

- (a) Selecting Valuation Approaches and Methods.
- (b) Ensuring that any Expert(s) assisting with review of information and the Valuation are appropriately qualified and experienced, that their assistance is disclosed in the Valuation Report, and that their consents are obtained for any description of their assistance in the form and context in which it appears in the report.
- (c) Adhering to the requirements of this Template or the applicable code or standard, and to other principles as applicable.
- (d) Assessing the Reasonableness of the relevant information, interpretations, discussions and conclusions, forecasts, and parameters used in the Valuation.
- (e) Adhering to the legal and regulatory requirements applicable to Valuations and Valuation Reports in the relevant jurisdictions.
- (f) Statement that the named Valuer is responsible for the Valuation and the Valuation Report.

CIMVAL DRAFT: (a) A Qualified Valuator is responsible for the overall Valuation of a Mineral Property and the preparation of a Valuation Report. The Qualified Valuator may rely on the work of one or more Qualified Persons and Experts. (See Section 2.1.1.)

(b) In situations where a Qualified Valuator is not a Qualified Person, all Material technical data relating to the Mineral Property being valued is subject to Data Verification by one or more Qualified Persons. If a Current Technical Report already exists, the Qualified Valuator may rely on it to support the Valuation and shall clearly disclose in the Valuation Report the extent to which such reliance is made.

(c) The Qualified Valuator is responsible for assuring that the Qualified Persons and other Experts who contribute to the Valuation, or upon whom the Qualified Valuator relies, are appropriately qualified and experienced.

(d) The Qualified Valuator must be Independent, except for circumstances specified in the next paragraph. In each Valuation Report, there must be clear, full, and plain disclosure of any past, present or anticipated business relationships, direct or indirect, between the Qualified Valuator and the Commissioning Entity or other interested parties that may be relevant to the Qualified Valuator's Independence, or a lack thereof.

(e) If a Valuation is undertaken in circumstances where the Qualified Valuator is not Independent, the Qualified Valuator must clearly disclose in the introduction and in the summary of the Valuation Report: (i) why Independence of the Qualified Valuator is not required in the particular circumstances; (ii) that the Qualified Valuator is not Independent; and (iii) the Qualified Valuator's relationship to the Commissioning Entity, to the holder of any right, title or interest to the Mineral Property, and/or to the Mineral Property, as the case may be.

(f) A Qualified Valuator must certify in the Valuation Report that they meet all of the attributes of the definition of "Qualified Valuator" and must stamp the Valuation Report with their professional seal, if applicable. In addition, valuers who are not members of a Canadian Professional Association must certify and provide evidence that their professional organization meets all of the criteria for a Professional Association or a relevant Self-Regulatory Professional Organization.

(g) The Qualified Valuator is responsible for adhering to the Standards, including the principles of Competence, Materiality, Transparency, Objectivity, Reasonableness and where

applicable, Independence, in the Valuation of the subject Mineral Property and in the Valuation Report, and to any applicable legal and regulatory requirements.

(h) The Qualified Valuator shall retain their work file and all supporting data relating to a Valuation and to a Valuation Report for a minimum of five years after the Report Date or such longer period as is required by the applicable Professional Association or law.

SAMVAL: The CV is responsible for adhering to the principles of materiality, transparency, reasonableness, and competency in the valuation of the mineral asset.

The CV is responsible for assessing the technical data and information, technical interpretations, technical conclusions, forecasts, and parameters used in the Mineral Asset Valuation, valuation approach, and valuation methods, and applying judgement to the relevance, reliability, and quality of these inputs.

The CV has the responsibility to decide which valuation approaches and methods to use. The choice of the specific approaches and methods used, or excluded, shall be explained and justified by the CV. The applications and limitations of each method shall be explained.

Mineral Asset Valuation may require a team effort. Where there is a clear division of responsibilities within a team, each Competent Person or Technical Expert shall accept responsibility for his or her own contribution.

The CV shall clearly state under what circumstances other people's work has been relied on, and identify such other persons. The author of the Valuation Report shall be satisfied that his or her work has not been unduly influenced by the organization, company, or person commissioning a report or any report that may be deemed a Public Report, that all relevant assumptions, premises and constraints are documented, and that adequate disclosure is made of all material aspects that the informed reader may require to make a reasonable and balanced judgement thereof.

The CV also accepts overall responsibility for the Mineral Asset Valuation that has been prepared in whole or in part by the other contributors, is satisfied that permission has been gained to utilize this work and that the work of the other contributors is acceptable, and that constituent parts of the report have been signed off by such contributors. Based on the glossary of terms, Technical Experts equates to Competent Persons (CPs) with a specific or specialized practice area which differs from that of the CV. The competency profiles, occupational task, and typical functions/roles/responsibilities of CPs and CVs are therefore different, although complementary with respect to the valuation of Mineral Assets.

In the interests of convergence, the CV should be aware of the requirements of Integrated Reporting, where value is required to be reported, and of Generally Accepted Valuation Standards as described by the IVSC. In this regard, the CV may be called upon to conduct a valuation which provides input to a transaction, a re-valuation or impairment, or which may need to rely upon accounting information to conduct a valuation on exploration assets, or going concerns.

Should the valuation be of a 'going concern' company, there may be a number of accounting values that shall be used in the valuation, such as goodwill, intangibles, etc. For these types of assignment, the CV will often be part of a larger team, and therefore should acquaint himself/herself with the relevant IFRSs and IASB definitions.

There are circumstances, such as where certain Cost or Market approaches and methods are used, where the valuation is not directly reliant on a Competent Person's report. However, where Mineral Asset Valuations depend on Exploration Results, Mineral Resources, and

Mineral Reserves, these should be compliant with the SAMREC Code, and signed off by a Competent Person in accordance with the requirements of the SAMREC Code. In certain cases, the valuation may rely on other CRIRSCO-affiliated reporting codes, as defined by the jurisdiction or Commissioning Entity.

SME: [Identical to the IMVAL Template, except that “this Template” is changed to “these standards”]

VALMIN: Requirements of Practitioners. A Specialist **must**:

- (a) be Competent in, and have had at least five years of recent and relevant industry experience in relation to, the specific Mineral Asset to be reported upon;
- (b) have at least five years of recent and relevant experience in Technical Assessment, and where a Valuation is being prepared, have at least an additional five years (totalling a minimum of ten years) of recent and relevant experience in the valuation of Mineral Assets;
- (c) be a member of a Professional Organisation with an enforceable professional Code of Ethics and understand that a violation of the VALMIN Code may result in an investigation in accordance with the rules of the Professional Organisation; and
- (d) be familiar with the VALMIN Code, the JORC Code, the relevant requirements of the Corporations Act, the public policies of ASIC, the ASX or other recognised Securities exchanges, and court decisions that may be relevant to the Public Report being prepared.

If a Specialist is reporting on Mineral Assets that are entirely of an Early-Stage Exploration Project or Advanced Exploration Project status, the relevant experience must be in the Technical Assessment and Valuation of Mineral Assets of this status.

If one or more of the Mineral Assets are of Pre-Development or more advanced status, the relevant experience must be in the Technical Assessment and Valuation of Mineral Assets of at least this level of development.

The key qualifier in the requirements of a Specialist is the word ‘relevant’. Determining what constitutes relevant experience can be difficult and common sense must be exercised. ‘Relevant’ also means that it is not necessary for a person to have five years’ experience in each and every type of Mineral Asset under consideration in order to act as a Specialist. For example, where a Specialist has relevant experience in the mineral types that are Material to a Technical Assessment of Mineral Assets, then that Specialist may not need to have five years experience for the other Mineral Assets being assessed where they are not Material. Nevertheless, an understanding of key geological, mining, processing, social and marketing parameters and risks for the specific Mineral Asset under consideration is required.

As a general guide, a person being called upon to act as a Specialist should be clearly satisfied in their own mind that they could face their peers and demonstrate competence in the evaluation of the Mineral Asset under consideration. If doubt exists, the person should either seek opinions from appropriately experienced colleagues or decline to act as a Specialist.

Technical Assessments and Valuations of Mineral Assets may be a collaborative effort. Where there is a clear division of responsibilities, each person **must** accept responsibility for their own contribution.

If only one Specialist signs the Technical Assessment or Valuation, that person is responsible and accountable for the whole of the documentation under the VALMIN Code. It is important in this situation that the Specialist accepting overall responsibility for a Technical Assessment

or Valuation and supporting documentation is satisfied that the work of the other contributors is acceptable.

Where a Securities Expert participates in a Valuation of, or is seen to be providing advice in relation to, Mineral Securities (as opposed to the valuation of the underlying related Mineral Assets) or provides a Vendor Consideration Opinion, they **must** hold appropriate financial licences. In Australia, this is an AFSL as required by Chapter 7 of the Corporations Act.

Valuation Report

IMVAL: The Valuation Report must contain, at a minimum, the following information (see IVS 103 Reporting).

- (a) Mineral Property Identification.
- (b) Intended use and intended users of the Valuation, and any restrictions on the use or distribution of the Valuation.
- (c) Purpose of the Valuation.
- (d) Basis of Value.
- (e) Report Date and Valuation Date (also called Effective Date), preferably stated together to mitigate confusion.
- (f) Determination of the highest and best use as of the Valuation Date, where applicable.
- (g) Scope of Work.
- (h) Geological Description of the Mineral Property being valued, and details of the status of its exploration, development, or production at the Valuation Date.
- (i) Assumptions, risks, and limitations.
- (j) Valuation Approaches and Methods used and the Value estimates derived from each.
- (k) Reconciliation of the Value estimates derived.
- (l) Value opinion.
- (m) Disclosure of Values from any prior Valuations for the same Mineral Property with Valuation Dates within the prior three years, if available to the Valuer, and explanation of Material differences. Valuations with Valuation Dates prior to three years may be included at the Valuer's discretion.
- (n) Sources of information, including of data, and a statement as to whether or not the information has been accepted as reliable without further verification.
- (o) Statement of whether or not a site visit to the Mineral Property has been undertaken.
- (p) Statement that the Valuation complies with the current edition of the relevant national Mineral Property Valuation code or standard, or if applicable, specification of the instructions from which it deviates.

(q) Identity, qualifications, and experience of Valuer and any Experts, and the areas of the Valuation Report for which each is responsible.

(r) Statement of Independence or non-Independence of the Valuer and any Experts.

(s) Declaration of Valuer's Competence, including disclosure of any personal interest or potential interest in the subject Mineral Property, and the on-site inspection date.

CIMVAL DRAFT: The Valuation Report must contain, at a minimum, the following information:

(a) Terms of reference.

(b) Scope of Work.

(c) Purpose of the Valuation.

(d) Intended use and intended users of the Valuation, and any restrictions on the use or distribution of the Valuation.

(e) Report Date and Valuation Date (also called Effective Date), preferably stated together to avoid confusion.

(f) Basis of Value.

(g) Mineral Property Identification, including tenure information.

(h) Description of the Mineral Property being valued, including location and access, history, geology and mineralization, and details of the status of its exploration, development, or production at the Valuation Date.

(i) Valuation Approaches and Methods used and the Value estimates derived from each.

(j) Reconciliation of the Value estimates derived where more than one Approach or Method is used.

(k) Final Valuation conclusion.

(l) Discussion of key assumptions, risks, and limitations and explanation as to why the assumptions used are reasonable and appropriate in the circumstances.

(m) Where the technical information being referred to or relied upon in the Valuation includes estimates of project economics, the nature and level of uncertainty of such estimates must be disclosed and treated appropriately by the Qualified Valuator.

(n) Disclosure of Values from any prior Valuations for the same Mineral Property with Valuation Dates within the prior two years, if available, and explanation of Material differences. Valuations with Valuation Dates prior to two years may be included at the Qualified Valuator's discretion.

(o) Sources of information, including extent of reliance on information provided by the Commissioning Entity or other sources.

(p) Statement of whether or not a site visit to the Mineral Property has been undertaken, with dates and by whom.

(q) Statement that the Valuation complies with the Standards in its entirety, otherwise the Valuation does not comply, except that the Valuation Report may contain a statement that it complies with the exception of Independence, if Independence is not required.

(r) Statement regarding the extent to which the Valuation is consistent with the Guidelines. Such statement must disclose and explain the reasons for any inconsistencies or deviations from the Guidelines.

(s) Identity, qualifications, and experience of the Qualified Valuator and any Qualified Persons, and the areas of the Valuation Report for which each is responsible. Also identify any other reports or information being relied on.

(t) Statement of Independence or non-Independence of the Qualified Valuator and any Qualified Persons.

(u) Certificates of Qualified Valuator (if applicable) and any Qualified Person(s) (if applicable), containing information consistent with that specified in NI 43-101, Section 8.1.

(v) The Valuation Report must be signed by the Qualified Valuator who is responsible for the Valuation Report, or by a corporation, partnership, limited partnership or other entity (each an "**Entity**") provided that the Valuation has been supervised by a Qualified Valuator employed or engaged by such Entity.

[Checklist] Subject to Section 3.5.1, which allows for incorporation of technical information by reference, the following outline is intended to be a checklist for information purposes regarding the topics of discussion that must be addressed according to Sections 2.10 and 2.11. The checklist is provided to assist the Qualified Valuator in identifying areas that may be appropriate to be included in a Comprehensive Valuation Report. In the Comprehensive Valuation Report, the Qualified Valuator should address those items on the checklist that they determine to be relevant and Material in relation to the Mineral Property being valued. Depending on the status of the property, the level of detail needed will vary. For instance, the information in items 8, 9 and 10 may be critical in valuing an Exploration Property, whereas the value of a Production Property will depend to a far greater extent on the information in items 11, 12, 13 and 14.

1. Summary

- Provide a brief description of the terms of reference, scope of work, the Valuation Date, the Mineral Property, its location, ownership, geology and mineralization, history of exploration and production, current status, exploration potential and/or production forecast, Mineral Resources and Mineral Reserves, production facilities if any, environmental and permitting considerations, Valuation approaches and methods, Valuation and conclusions.

2. Introduction and Terms of Reference

- Identify the Commissioning Entity for whom the Valuation is prepared, identify any other intended users, state the owner of the Mineral Property, and confirm who has paid for the Valuation.
- Describe the Valuation mandate and terms of reference.
- Outline the purpose of the Valuation and its intended use and users, and any restrictions.
- Describe the Mineral Property briefly, state the interest in the property that is being valued and indicate its type and stage.
- State the Valuation Date and the Report Date.

- Name the Qualified Valuator and any Qualified Persons involved in the Valuation.
- Discuss the Qualified Valuator's/Qualified Person's Independence or lack of Independence.
- Provide a definition of the Basis of Value being determined.
- Provide other definitions used in the report.

3. Scope of the Valuation

- Scope of work performed.
- Describe information reviewed, or relied upon, and its source.
- Describe steps taken to assure the reliability of the information relied upon, and the degree of reliance on other Experts.
- Describe how Data Verification was done.
- Name the Qualified Valuator or Qualified Person who carried out the site visit, when it was done, and what was examined, or explain why such a visit was not undertaken.
- Specify if data are confidential, and why.
- State any disclaimers that apply to the data or the Mineral Property title, or that apply to the extent that certain information or opinions of others are relied on.

4. Compliance with the CIMVAL Standards

- State that the Valuation complies with the Standards (as per Section 2.10(q)).
- Where the Comprehensive Valuation is inconsistent with the Guidelines, disclose and explain such inconsistencies or deviations and reasons for them (as per Section 2.10(r)).

5. Property Location, Access and Infrastructure

- Describe the Mineral Property location in detail, including area, and provide a location map.
- Provide distances to major centres, and an outline of how the property can be reached.
- Describe the availability of infrastructure such as roads, rail, shipping, airports, power, water, pipelines, labour, supplies and services.
- Provide a summary of other relevant local issues such as military or terrorist activities, social unrest, seismic risks and the like.
- Provide maps on a regional and local scale, showing all relevant infrastructure including roads, railways, power lines, pipelines, and tailings disposal sites. Provide geographic coordinates using national and international systems.

6. Property Ownership, Status and Agreements

- Describe the Mineral Property title and the owner's interest in the property, including surface rights, including obligations that must be met to retain the property, and the expiry dates of claims, licenses and other tenure rights, along with any encumbrances to the title.
- Describe any applicable agreements, such as options, joint ventures, farm-ins, royalties, back-in rights, payments, and the like.
- Describe the status of the Mineral Property at the Valuation Date including statutory work requirements, surface rights, water rights, easements, aboriginal land claims, any legal issues, environmental and permitting issues and the impact these may have on property development.

7. History of Exploration and Production

- Provide chronology of previous exploration programs, including methods employed and results, and ownership at the time of the work.
- Tabulate historical Mineral Resource and Mineral Reserve estimates, if relevant, along with the source of the estimates.
- Tabulate production history showing annual amounts and grades.
Provide a reconciliation between Mineral Reserves and production, where possible.
- Provide information of a similar nature for the region and for adjacent properties, if relevant.

8. Geology and Mineralization

- Describe the regional and local geology and mineralization.
- Describe the geology of the Mineral Property.

- Describe the mineralization encountered on the property, the host rocks, and relevant geological controls. Give details on geometry and dimensions of the mineralized zones, along with the type, character, continuity and distribution of the mineralization.
- Outline current thinking about sources and controls of mineralization and the models and concepts being applied to exploration.
- Provide similar information about adjacent properties, if relevant.
- Provide regional and property geology maps showing mineralization and other relevant details.

9. Exploration Results and Potential

- Describe recent exploration work on the Mineral Property and discuss results, their interpretation and their significance. Discuss the reliability of the exploration work and the data.
- Provide opinion on the exploration potential for existence and discovery of economic mineralization on the Mineral Property.
- Where a significant mineral deposit is indicated, provide an assessment of the potential for the discovery of additional mineralization.
- Information from adjacent properties may be included provided that the distinction is clearly made between information on the adjacent properties and the Mineral Property being valued.
- Describe any constraints to further success, such as legal disputes, land claims, permitting constraints, or physical impediments to effective exploration.

10. Sampling and Assaying

- Describe the methods of sampling and details of location, number, type, nature and spacing or density of samples collected, and the area covered.
- Identify any drilling, sampling, or recovery factors that could materially impact the accuracy or reliability of results.
- Describe sample preparation, security, analytical procedures, assay quality assurance and quality control procedures, and check assays; and discuss their adequacy.
- Note where the analytical data have been verified by a Qualified Person and any limitations on that verification.

11. Mineral Resources and Mineral Reserves

- Provide estimates of Current Mineral Resources and Current Mineral Reserves, and confirm that the work was carried out by a Qualified Person. If the Mineral Resources and/or Mineral Reserves are not Current, explain why they are relevant for the purposes of the Valuation.
- State the date that the Mineral Reserves and/or Mineral Resources were effective, and describe any subsequent sampling, production, or other information that would change the Mineral Resources and Mineral Reserves.
- Describe the reserve/resource database and how it was validated.
- Discuss geological interpretation and continuity of mineralization.
- Describe estimation methods and how they were applied.
- Discuss technical and economic parameters such as cut-off grade, dilution, and mining recovery.
- Provide details of any reconciliation between Mineral Reserve estimates and subsequent production results.
- Discuss the classification of the Mineral Resources and Mineral Reserves.
- Provide representative plans and sections depicting the configuration of sampling data and the Mineral Resource and Mineral Reserve outlines or blocks.

12. Metallurgy

- Describe mineralogy of the mineralization.
- Describe sampling procedures for metallurgical tests and discuss the representativeness of the samples.
- Provide details of metallurgical test work, including the laboratories used, who supervised and carried out the work, methods employed, results obtained.

- Describe proposed or operating beneficiation process and flowsheet.

13. Environmental and Social Considerations

- Discuss available information on environmental, permitting, and social or community factors related to the Mineral Property being valued.
- Describe the environmental standards that have to be met, and the permits needed to continue work on the Mineral Property along with their application status, and any limitations they may impose on the exploration, development and production on the property.
- Summarize the results of any environmental studies and discuss any known environmental issues that could materially impact the ability to establish mining operations on the Mineral Property and plans to mitigate them.
- Discuss any potential social or community related requirements and plans for the Mineral Property and the status of any negotiations or agreements with local communities.
- Describe plans for bonding, pre-closure remediation, reclamation, closure plan, and post-closure responsibilities.

14. Mining and Processing Operations

- Outline current status and proposed activities for the future.
- Where property is at a Feasibility Study stage, summarize the engineering, Pre-Feasibility Studies and Feasibility Studies completed and planned, and discuss the significance of these studies and the plans for future work.
- Where property is in production, provide a full description of mining and processing methods, mining dilution, metallurgical performance, throughput and output capacities, infrastructure, products, and marketing. Describe any technical or financial issues that may impact on the Valuation, and discuss measures proposed to deal with these.
- Provide an outline of capital and operating costs, contracts, taxes, and royalties.
- Provide details and results of any cash flow analysis or economic study.

15. Key Assumptions, Risks and Limitations

- Describe and discuss all Material assumptions and limiting conditions that affect the analyses, opinions and conclusions reached and upon which the Valuation is based.
- Discuss the Material risks associated with the Mineral Property including technical, operating, financial, socio-economic, environmental, permitting, marketing, commodity prices and political risks.
- Provide support for parameters in any quantitative risk model.
- Discuss the extent of any reliance on information obtained from management.

16. Valuation Approaches and Methods

- Discuss the possible application of various approaches and explain why each approach was utilized or not.
- Describe the methods selected for the Valuation and justify their applicability.

17. Recent Valuations

- Summarize recent Valuations of the Mineral Property (for at least the past two years), briefly describe the methods employed, and provide the resulting Valuations. Provide an explanation as to why these prior valuations are or are not relevant to the Valuation.

18. Valuation

- Provide an overview of the economic context within which the Valuation is carried out. For Exploration Properties, this might include comments on the demand for such properties by junior and major mining companies, and the availability of financing for exploration work. For Development Properties and Production Properties, the current economics of the mining industry and the particular commodity being studied should be discussed. The outlook for commodity prices and the availability and cost of financing should be outlined.
- Specify currency used and provide any exchange rates utilized.

- *Provide details of database used to support each Valuation method.*
- *For the Income Approach, where applicable, describe the effect of financing terms, taxation, agreement terms tied to commodity prices, and other market factors on cash flow estimates.*
- *For the Income Approach, describe the derivation of, and rationale for, the discount rate used.*
- *Provide a clear description and analysis of the information utilized, the methods followed, and the reasoning that supports the analysis, opinions, and conclusions as to value.*

19. Valuation Conclusions

- *Provide a summary of the Valuation estimates reached using each method employed. Discuss any significant differences in the Valuation estimates.*
- *State the Valuation conclusions, expressed as a range of values. Discuss any reliance on or weighting of different Valuation estimates used to develop the range of values.*
- *Where a single value is required, discuss the rationale used to select this value within the stated range.*

20. References

- *Include a detailed list of all sources of information cited in the Valuation Report.*

21. Certificate of Qualifications

- *The Qualified Valuator (QV) and each Qualified Person (QP) who contributed to the Valuation report must provide a certificate of qualifications that should include the following information:*
 - *Name, address and occupation.*
 - *Qualifications including relevant experience, education, the name of each Professional Association or Self-Regulatory Professional Association to which the QV or QP belongs, and*
 - *statement that the person is a QV or QP for the purpose of the Valuation.*
 - *Dates of the most recent visits to the Mineral Property.*
 - *Sections of the report for which each QV and QP is responsible.*
 - *That the QV, and QP if applicable, is not aware of any Material fact not in the Valuation Report that would make the report misleading.*
 - *If the QV and QPs are independent.*
 - *What prior involvement with the Mineral Property that the QV or QP may have had.*
 - *That the Valuation Report has been prepared consistent with these Valuation standards.*

SAMVAL: A Public Report concerning a company's Mineral Asset Valuation is the responsibility of the company acting through its Board of Directors. Any such report shall be based on and fairly reflect the Mineral Asset Valuation report(s) and supporting documentation prepared by a CV. A Public Report shall disclose the name of the CV and his or her qualifications, professional affiliations and relevant experience, and his/her registration with the appropriate Statutory Body, Professional Body, or RPO. Table 1 in Appendix A is a high-level checklist of reporting and assessment criteria to be used as a reference by those preparing reports on Mineral Asset Valuations. The checklist is to be considered in terms of the "if not, why not" principle and, as always, relevance and materiality are the overriding principles that determine what information should be publicly reported.

Where any specific valuation documentation is referred to in a Public Report, the written approval of the CV shall be obtained as to the form, content, and context in which that documentation is to be included in the Public Report.

The CV should, as far as reasonably possible, ensure that all readers of the final document would be able to satisfy themselves of the materiality, factual correctness, and completeness of the data and information used or relied upon. The final Valuation Report should reveal a reasonable balance between qualitative reasoning and quantitative data for the assessment, and it should make clear reference to the intended purpose for such a judgement to be possible.

Table 1

[INSERT TABLE 1, SAMVAL CODE APPENDIX A, HERE; AS GUIDANCE]

SME: [Identical to the IMVAL Template, except that reference to IVS 103 is deleted, with slight wording differences as follows:]

- (k) Reconciliation of the Value estimates derived.
- (l) Value opinion.
- (m) Disclosure of the Value opinion from any prior Valuation Reports for the same Mineral Property with Valuation Dates within the prior three years, if available to the Valuer, and explanation of Material differences. The Value opinion from Valuation Reports with Valuation Dates prior to three years may be included at the Valuer's discretion.
- (p) Statement that the Valuation complies with the SME Mineral Valuation Standards, or if applicable, specification of the instructions from which it deviates.
- (s) Certification of Valuer's Competence, including disclosure of any personal interest or potential interest in the subject Mineral Property, and the on-site inspection date, with Signature.¹

VALMIN: Intent of a Public Report. The intent of a Public Report is to gather, summarise and interpret the Material information related to the Mineral Assets under consideration along with the opinions of the Practitioner, which are to be presented clearly, concisely and accurately.

The Practitioner must state in the Public Report its specific purpose (and that of any subsidiary reports), its terms of reference and if there are any limitations on its use for other purposes.

Public Reports include, but are not limited to:

- (a) *Technical Assessment Report,*
- (b) *Valuation Report,*
- (c) *Independent Expert Report,*
- (d) *corporate presentations, and*
- (e) *news releases relating to points (a), (b), (c) or (d).*

Clear, concise and effective. Public Reports should be worded and presented in a clear, concise and effective manner. This applies to both the wording of information (for example, choice of language) and the presentation (for example, choice of communication tools) of a Public Report.

Practitioners must be aware of the wording and presentation requirements of the relevant jurisdiction.

In Australia, guidance on this matter may be obtained from documents including ASIC Regulatory Guide (as at the date of this Code) RG 228, which directly references the VALMIN Code.

Detailed technical information and data must be included in the Public Report if it is Material to the Technical Assessment or Valuation. Explanations of unusual or new technical processes and activities that may be Material to the understanding of the Technical Assessment or Valuation should be included.

A Public Report is ultimately an opinion based on a reasonable assessment of the available factual data. Public Reports prepared by different Practitioners may result in different conclusions.

The Public Report should include relevant tables, legible and appropriately scaled maps, graphical presentations and a glossary of terms and acronyms.

Information. A Public Report must contain all the information that the Commissioning Entity (and others, including investors and their professional advisors) would reasonably require and expect to find to make an informed decision about the subject of the Public Report.

A Public Report should contain:

- (i) an executive summary setting out the key data, important assumptions made and conclusions drawn by the Practitioner,*
- (ii) a summary of contributing authors to the report and areas of responsibility within the report, which should outline the names, qualifications and relevant experience of the Practitioner,*
- (iii) the effective date of the Public Report,*
- (iv) a statement specifying the relevant currency used in any Valuation,*
- (v) a description of the relevant Mineral Assets, including their location, plant, equipment, infrastructure and ownership,*
- (vi) an account of the Material history of the Mineral Assets,*
- (vii) a balanced, impartial statement of the Practitioner's review and conclusions so that an informed person can have a clear understanding of the merit of the Mineral Assets, their value (if applicable) and associated risks,*
- (viii) information regarding the sources of data used,*
- (ix) sufficient information to convey how the Public Report was prepared, including details of the approaches and methods employed, and sufficient information so that another Practitioner can understand and replicate the outcome,*
- (x) a review of any other matters that are Material to the Public Report,*
- (xi) advice on reliance on third party personnel and/or disclaimers, and*
- (xii) an outline of any areas within a report where there is non-conformance with the VALMIN Code and the impact of this on Materiality.*

The Practitioner must be familiar with the content requirement of the relevant jurisdiction.

In Australia, guidance pertaining to a Public Report's content may be obtained from ASIC Regulatory Guide (as at the date of this Code) RG 111.

Sources. The Practitioner **must** state the sources of all Material information and data used in preparing a Public Report. Subject to any confidentiality, regulatory requirements and consents, references to the relevant published and unpublished reports and records must be provided. It may also be necessary to cite reports, data and records that were either available or known to the Practitioner that were possibly Material but not used, and the reasons why they were not used.

Practitioners should ensure the accuracy of summaries of or extracts from existing reports prepared by others, with any quotations used being in the form and context intended by the original authors.

The Practitioner **must** be familiar with the consent requirements of the relevant jurisdiction.

In Australia, guidance on obtaining consent to quote other authors can be found in ASIC Regulatory Guide (as at the date of this Code) RG 55 and ASIC Class Orders CO 07/428 and 429.

Practitioners must not rely uncritically on the data and information. They must undertake suitable checks, enquiries, analyses and verification procedures considered by the

Practitioners as meeting the Reasonable Grounds Requirement for the soundness of the inputs that lead to the conclusions drawn in a Public Report.

The data and information must not have been rendered invalid due to the passage of time and circumstance at the date of the Technical Assessment or Valuation. Such changes may include capital and operating cost structures, exploration techniques, geological interpretation and mining and metallurgical technologies.

Responsibility. The Specialist must accept responsibility for assessing the technical data and information, interpretations, discussions and conclusions, forecasts and parameters used in a Technical Assessment or Valuation of a Mineral Asset. For Mineral Asset Valuations undertaken by the Specialist, the Specialist must also accept responsibility for the Valuation Approach, Valuation Methods and Public Report conclusion.

Technical Assessments and Valuations of Mineral Assets may be a collaborative effort. Where there is a clear division of responsibilities, each person must accept responsibility for their own contribution.

The Practitioner must clearly state within the Public Report under what conditions the work of other third parties has been relied upon and identify such other persons.

Figures, maps, diagrams and tables. Maps and plans displaying Mineral Assets should employ the standard co-ordinate system adopted in the jurisdiction in which the Mineral Asset is located.

A Public Report should include appropriate photographs, plans, diagrams, graphs and maps, including one showing the geographical location of the Mineral Asset in relation to a capital city or major town. Maps, plans or other graphic information should be sufficient to illustrate the geology and other pertinent features. In particular, a map should show local landmarks and boundaries, dimensions and location relative to nearby projects that may have a significant bearing on the Mineral Asset.

Maps and graphics in a Public Report should:

- (i) be of a suitable scale and with a recognised co-ordinate system;*
- (ii) show a bar scale and a direction arrow pointing north, designated as either magnetic, true or grid north;*
- (iii) show key area infrastructure where appropriate (eg ports, roads, power and water supply);*
- (iv) be readable and prepared so that no data is lost or obscured if it has been reduced in size for printing;*
- (v) if showing Exploration Results, be of such a scale so as to assist in the assessment of sampling and other exploration procedures; and*
- (vi) use standard industry symbols.*

Where the exploration potential of Tenure is based on the results of geophysical or geochemical surveys, some form of graphical interpretation showing the results and interpretations of the surveys should be included in the Public Report.

Levels of Valuation Research and Valuation Report

IMVAL: *Various levels of Valuation research and Valuation Reports may be contemplated as specified in a national code or standards. The level of Valuation research depends on the extent of work conducted in accordance with the Scope of Work. The level of Valuation*

reporting depends on the thoroughness of documentation. The levels of Valuation research and reporting undertaken should be stated in the report in association with the Scope of Work.

CIMVAL: Types of Valuation Reports. A Valuation Report may be in the form of (a) a Comprehensive Valuation Report or (b) a Short Form Valuation Report. The Commissioning Entity and the Qualified Valuator may agree that a Comprehensive Valuation Report is not necessary for the intended purpose of the Valuation and that a Short Form Valuation Report is sufficient.

(a) **Comprehensive Valuation Report.** A "Comprehensive Valuation Report" means a Valuation Report that complies with all of the requirements in Section 2.10.

(b) **Short Form Valuation Report.** A "Short Form Valuation Report" means a Valuation Report that may be requested by the Commissioning Entity when a Comprehensive Valuation Report is unnecessary for the intended purpose of the valuation. A Short Form Valuation Report meets the requirements of Section 2.10, except that (i) disclosure of relevant and Current technical information may not be to the same level of detail as specified in Section 3.5.2 or NI 43-101 FormF1, (ii) the valuation may rely on technical information provided by the Commissioning Entity or other parties, or may be based on a limited review of technical information, (iii) the valuation may rely on technical information not signed off on by a Qualified Person, (iv) disclosure that the assurance level of both the Valuation and the resulting Value may be less than those of a Comprehensive Valuation Report, if this is the case, and (v) disclosure as to whether or not a site visit has been made by the Qualified Valuator or a Qualified Person.

SAMVAL: [Not addressed]

SME: *[SME Guidance is identical to the IMVAL Template, with the additional sentence as follows:] IVS 103 Reporting, at §20.1 states: "The purpose of the valuation, the complexity of the asset being valued and the users' requirements will determine the level of detail appropriate to the valuation report. The format of the report should be agreed with all parties as part of establishing a scope of work."*

VALMIN: [Not addressed]