

## Minerals Appraisal / Valuation Process Flow Sheet

<b>Definition of Minerals Appraisal / Valuation Problem</b>						
Location and Identification of Real Estate	Identification of Property Rights to be Valued	Purpose and Intended Use of Appraisal	Definition of Value	Date of Value Estimate (Current, Retro-, Prospective)	Scope of Appraisal (Complete, Limited, Hypothetical)	Assumptions, Limiting and Special Limiting Conditions

<b>Plan of the Appraisal Engagement</b>			
Determine Scope of Work	Identify Appropriate Valuation Approaches	Determine Data Requirements	Provide Engagement and Fee Proposal

<b>Preliminary Analysis: Select, Collect and Verify Data</b>			
<u>Subject Property and Product Analysis</u>	<u>Comparative Properties and Products Analysis</u>	<u>Property and Product Market Analysis</u>	<u>General Analysis</u>
Site, Improvements, Size, Age, Condition, Location, Legal (Title, Zoning), Products, Rates, Transportation, Geology, Reserves, Mining, Processing	Sales and Leases Costs and Prices Royalties and Interests Elements of Comparison Units of Comparison	Demand Components Supply Components Forecasts Trends Competitive Market Regulated Market Administered Market	Mine Site Area Social Political Economic Governmental Environmental Legal/Judicial

<b>Highest and Best Use Analysis</b>
Mineral-in-Character v. Non-Mineral Land as Though Vacant Property as Improved (Existing v. Proposed) Specified in Terms of Use, Time and Market Participants Physically Possible, Legally Permissible, Financially Feasible, Maximally (Satisficingly) Productive

<b>Estimate Land/Site Value</b>		
Sales Comparison	Income Capitalization	Subdivision / Development

<b>Application of the Three Approaches to Value (Methods --&gt; Procedures)</b>		
Cost	Sales Comparison	Income Capitalization
Depreciated Replacement/Reproduction	Time, Prices, Terms, Conditions, Legal, Physical	Net Operating Income Total Property, Royalty, Interests

<b>Reconciliation of Value Indications and Final Value Estimate</b>			
Review of Facts as Related to Valuation Principles	Logic and Judgment	Statistical and Probability Indications	Final Defined Value Conclusion

<b>Report of Defined Value (Substantiates and Supports)</b>		
Self-Contained	Summary	Restricted Use

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