

# Valuation

The **Valuation** of exploration properties is generally divided into those with defined resources and those without. Valuation techniques differ between properties but in all cases depend upon an understanding of the ‘continuity of grade’ and geological knowledge. Valuations become more robust and quantitative as the quality and quantity of data increases.

Exploration and mining companies often consider valuations of their projects when undertaking mergers, acquisitions, sales or internal project ranking. During periods of reduced exploration activity, opportunities arise for funded exploration companies to build portfolios of exploration assets at reduced cost. Throughout this process it is important to obtain an impartial view of a project’s fair and reasonable value and to assess its maximum potential value.



## SRK ES offers:

**Experience** in valuing exploration assets at various stages of development in Africa, Europe, South America and Australia; using a robust valuation technique that involves several stages. This begins with a review of current and historical exploration activities, followed by establishing minimum, maximum and technical values using various data and interpretive techniques.

**Knowledge** of the critical factors that affect the value of an exploration project. This includes historical exploration expenditure; project development status from grassroots to feasibility level; the owner company or potential investor/buyer’s ability to develop the project in certain environments or locations; as well as country risks where the project is situated. Minimum and maximum potential values are based on the desirability and the geological potential of the property respectively.

**Expertise** in implementing valuation methods applicable to the interested party. Every transaction reflects the needs of the buyer and seller; needs which may be unique and not reflect those of the industry as a whole. Comparable transactions for other properties may be used to assist in valuation, but rarely are properties similar enough to directly correlate in value. It is here that SRK ES’ experience allows weighting and mitigating factors to be applied to such comparisons.

**Robust** evaluation based on knowledge and information regarding the status of the mineral property in question, using several valuation methods combined to give a spread of technical values.

There are many reasons why an exploration or mining company wishes to value their project. Regardless of the reason it is SRK ES’ role to present an unbiased, independent and impartial opinion to those wishing to value a property. Such opinions are based on sound technical facts and established methods of estimating the potential of a property.

To find out more about our technical services or discuss your project specific needs, please contact us;



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