

# *New Dawn for Minerals Appraisers?*

**Trevor R. Ellis**, CPG, CMA, CGA, FAusIMM  
Chairman, Extractive Industries Task Force  
International Valuation Standards Committee



[www.ivsc.org](http://www.ivsc.org)

Mineral Property Appraiser  
Ellis International Services, Inc.  
Denver, Colorado, USA  
[www.minevaluation.com](http://www.minevaluation.com)



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*Or*

*How Do We Quickly Develop  
a Lot of Competent Minerals  
and Petroleum Appraisers?*

# The Reason for the New Dawn

- Current value (cost) reporting by companies to stock markets is rapidly being introduced globally under the IFRSs.
- Re-appraisal of the market value of significant minerals and petroleum property assets (including mines, quarries and resource properties) can be expected every few years for revaluation reporting.

# Result

- There will be an explosive demand for minerals (and petroleum) appraisal/valuation professionals over the next 10 years
- Severe shortage globally already of qualified, competent, certified minerals/petroleum valuers
- Explosive demand for commercial real estate appraisers in Europe since late-90s
- Urgent need for short courses and university courses teaching market-based minerals valuation

# The Reason for the New Dawn

- The demand for valuations for non-financial reporting uses is also rapidly increasing
- USPAP will likely soon be replaced by the IVS (in a USPAP cover)
- Regulators and the courts are learning the difference between *evaluation* and *valuation*
- Minerals and petroleum industry leaders must quickly develop an education solution globally to head off a potential regulatory disaster

# Minerals/Petroleum Valuation Courses Present Status Globally

- Very little presently available
- Some economic *evaluation* courses pose as *valuation* courses, teaching little or no market-based valuation/appraisal principles
- No university courses yet qualify
- A few short courses of 2 – 5 days qualify
- The University of Witswatersrand is developing a 3-week course based on the IVS
- Resorting to evaluation courses and commercial/rural real estate appraisal courses

# *Questions to Resolve*

Who needs to be taught?

What is the target audience?



How do we convince them to attend before the shortage becomes a crisis?

What needs to be taught?

Who will develop the courses?

Or

How will the course development be funded?

Who will certify the courses

– nationally and Internationally?

Do the instructors need to be taught first?

Who can teach the instructors?

Who will certify the instructors?

Who will certify/license the trained  
minerals and petroleum appraisers?  
Minerals and petroleum institutes?  
State Real Estate Appraisal Boards?

What if those bodies aren't self-  
regulating organizations (i.e. having a  
Code of Ethics and sanctioning ability)

Will 2 to 5 years of relevant appraisal experience be required before certification?

Can existing practicing minerals appraisers get grandfather?



Who will determine if the level of certification is adequate for financial and lending reporting – Securities Regulators?

How can international reciprocity  
be established for international  
reporting?