

Guidance Note T1.15 – Range of Values

Interpretation of Section 1.15 of Table 1 of the SAMVAL Code (2016).

Section T1.15 Valuation Summary and Conclusions states:

*“A summary of the valuation details, consolidated into single material line items, shall be provided. The Mineral Asset Valuation shall specify the key risks and forecasts used in the valuation. A cautionary statement concerning all forward-looking or forecast statements shall be included.
The valuation conclusions, illustrating a range of values, the best estimate value for each valuation, and whether the conclusions are qualified or subject to any restrictions imposed on the CV, shall be included.”*

It has been noted in recent public reports that there have been many different approaches adopted for how ranges of values are reported, particularly with respect to the concluding remark on value.

It is standard practice to determine a preferred value within a range of values (low – high) for each valuation approach applied. The same applies to determining a preferred value within a range of values for a specific mineral asset. Where multiple mineral assets are included in the same valuation report, the final selection on value has been reported as a single value, even though ranges of values have been provided for each of the component mineral assets. A range of values around the preferred value for the combined assets has not been provided.

Competent Valuers should be aware that the intent of the underlined words from Section T1.15 above is that the concluding statement on the value for the assets should always be presented in conjunction with a range of values (low – high).

Samcodes Standards Committee
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