

## Meet Steve



AMEP is pleased to have Mr. Steve Gemell as the Mineral Valuation Expert. Mr. Gemell is a professional mining engineer with over 40 years of experience having worked throughout Australia, Americas, Africa, Asia, and Europe. He currently serves as the Chairman of the International Mineral Valuation Committee (IMVAL). "I am excited to be in Ulaanbaatar and looking forward to working with Mongolian government, industry, and civil society partners in the extractives sector," said Steve.

Mr. Gemell will advise the Working Group of Mongolian authorities coordinated by the Financial Regulatory Commission as it works to develop a Mongolian Mineral Valuation Code.

In November and December 2019, Mr. Gemell will be holding a series of training sessions and workshops on international best practices on valuation codes.

One of six activities AMEP has commenced in 2019-20 is assisting Mongolian authorities to develop a Mongolian Mineral Valuation Code (MonVal). MonVal will align with the international template for codes such as those in Canada, Australia and South Africa. Our November newsletter is dedicated to providing you detailed information about what MonVal is, why Mongolia needs to adopt its own valuation code, and how it will help Mongolia attract international investors.

## What is valuation of a mineral asset?

According to VALMIN Code, valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date. (2015 Edition, Clause 14)

## Why is it important to value a mineral asset?

1. To determine the sale or purchase price of a mineral asset
2. To compare alternative investment opportunities
3. To advise shareholders and stakeholders in the event of a proposed corporate transaction, such as a takeover or merger
4. To determine the base for value-related imposed fees or taxes
5. To quantify asset levels in company balance sheets
6. To determine entry or participation levels in joint ventures
7. To assess the potential for adding value by exploration or development

## Why is it important for Mongolia?

The commercial value of a mineral deposit in monetary terms is often an area of contention and lengthy negotiation. A common, internationally accepted valuation methodology code can help make the negotiation process between government and companies more efficient, transparent and fair, and ensures the integrity and accuracy of reporting to government authorities, stock exchanges and investors.

A standardised valuation report improves confidence in the reliability of the findings and can be more readily transferred across jurisdictions. This also permits better access for national companies to international markets and encourages foreign investment in the Mongolian market.

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**Have  
Questions?**

If you would like to find out more about AMEP 2 activities please contact Ms. Oyunbileg Purev, Partnership Manager at [oyunbileg@amep.mn](mailto:oyunbileg@amep.mn).

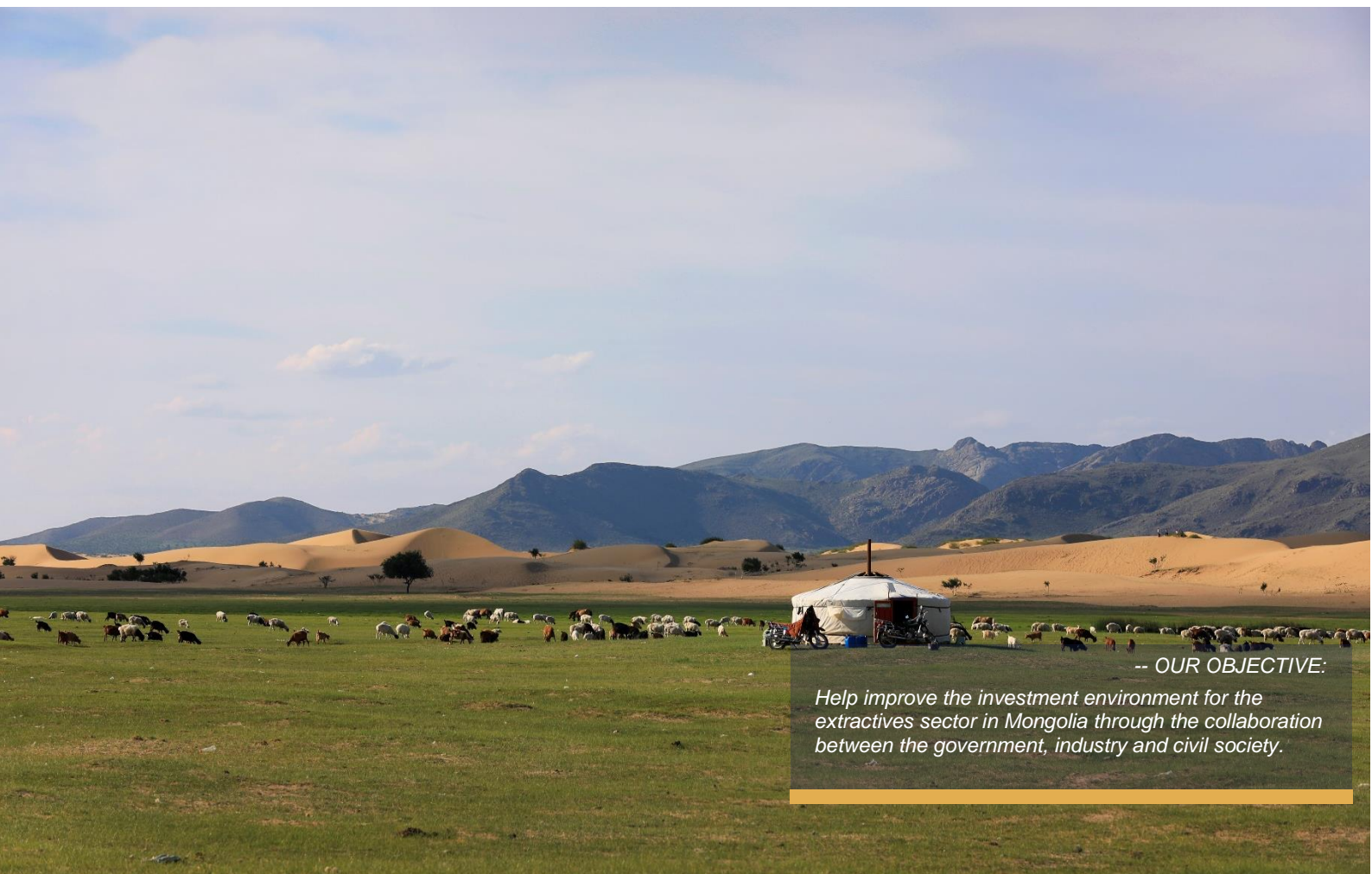
# What is a mineral valuation code?

The State Policy for the Minerals Sector 2014 states the intention of Mongolia to implement international practices for the valuation of the country's mineral reserves and deposits. The Mongolian Code for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves – the MRC Code was developed in 2014 and is recognized internationally. The MRC Code provides a starting point for mineral valuation.

A valuation code is a common, internationally recognized set of principles and methodology for competent professionals to follow when preparing reports that assign a fair value for a mineral asset. The International Mineral Valuation Committee (IMVAL) developed an agreed template for valuation codes. Valuation codes in Australia, Canada, South Africa and USA have principles, approaches and definitions in common with the IMVAL template. A Mongolian Mineral Valuation Code MONVAL will be developed to align with the international template IMVAL. MONVAL will be a companion to the MRC Code.

## Who carries out valuations?

A key principle for an internationally accepted mineral valuation code is the requirement for competence. Compliant valuation reports must be based on work carried out by a suitably qualified and experienced person who is subject to an enforceable Code of Ethics. The valuer must be satisfied that he or she is able to demonstrate to professional peers, competence in the valuation undertaken pertaining to the particular mineral property, the specific market and the purpose of the valuation. A decision will need to be made about the professional association(s) with accrediting and disciplinary responsibilities for professionals carrying out valuations under a Mongolian mineral valuation code.



-- OUR OBJECTIVE:

*Help improve the investment environment for the extractives sector in Mongolia through the collaboration between the government, industry and civil society.*