



5 tips from a project financing expert

ALIGNING TECHNICAL REPORTS WITH THE VALMIN CODE

www.ausimm.com/courses



INTRODUCTION



*Chris Groves, Director at QGas (formerly Director of Technical Services at National Australia Bank) has previously been responsible for **providing technical advice and due diligence for project finance**, corporate deal terms and risk partners. He is a regular user of technical assessments and due diligence reports prepared by practitioners.*

When Chris worked at NAB, he would receive reports from organisations looking for financing for takeovers, greenfield developments and just general refinancing. Here, Chris provides a **breakdown of the process** he would follow when assessing such a report.

This guide is based on an interview with Chris Groves, which forms part of Module 1 of the AusIMM VALMIN Code Reporting Short Course. [Learn more here.](#)

5 TIPS

Improving public perception of the mining industry

1. Assessment of Report Authors:

- Chris scrutinises both the company and individual authors of the report, following a process similar to VALMIN guidelines.
- This involves evaluating the credentials of the authors, including their work history, experience, and expertise relevant to the report's subject matter.

2. Scope Analysis:

- Evaluating the scope of the report is paramount for Chris.
- He ensures that the scope allows for comprehensive analysis and decision-making, balancing thoroughness with practicality.

Additionally, Chris considers the correlation between the scope and the associated costs, ensuring that the investment matches the expected quality of the report.

3. Independence and Conflict Avoidance:

- Independence in report preparation is a critical factor for Chris.
- He looks for evidence of independent verification, particularly when the report is prepared by the company seeking financing.
- Avoiding conflicts of interest is essential to maintain the report's credibility and reliability in financial decision-making.

4. Risk Assessment and Downside Evaluation:

- Chris emphasises the importance of thorough risk assessment, focusing not only on potential upsides but also on downside risks.
- Quantifying risks and evaluating their potential impact helps in making informed financing decisions, ensuring a realistic and balanced approach.

5 Alignment with Financial Models:

- Ensuring alignment between the technical report and financial models is crucial for Chris.
- Consistency in metrics, assumptions, and methodologies facilitates smoother analysis and decision-making processes.
- Reports that seamlessly integrate with financial models provide greater confidence to financiers and stakeholders.
- By considering these five elements, professionals can enhance the quality and reliability of technical reports, aligning them with VALMIN Code standards and facilitating efficient decision-making in project financing and corporate deals.





ASSOCIATE CERTIFICATE

VALMIN Code Reporting

Reporting on mineral asset technical assessment, values or potential?

*Learn about the fundamentals and principles of appropriate **Public Reporting** of technical assessment and/or valuations of mining assets in compliance with relevant laws with an in-depth understanding of the **VALMIN Code**, its interpretation and appropriate application.*

The VALMIN Code sets out requirements for the technical assessment and valuation of mineral assets and securities for independent expert reports and provides guidance for petroleum assets and securities. This course will provide the fundamentals and principles of appropriate Public Reporting of technical assessment and/or valuations of mining assets in compliance with relevant laws.

The course will suit **professionals working on the evaluation** of mining and exploration assets and who are responsible for Public Reports that will include information about the evaluation of assets or valuation of securities.

ausimm.com/courses/associate-certificates/valmin-code-reporting/