

This subject provides students with a working knowledge of the issues and calculations involved when analysing and valuing a mining project or mining company. The characteristics of the Australian mining industry are examined before focusing on the technical determination of inputs into the valuation. This involves analysing the costs of mining and mineral processing stages. Students will work through a case study which is a practical demonstration of how a mining project is evaluated. Other financing alternatives are also explored.

## Learning outcomes

At the completion of this subject students should be able to:

- Outline the basic geological processes that lead to the formation of mineral and hydrocarbon deposits.
- Explain the basic techniques of ore extraction and mineral processing and assess the impact of various methods on the cost structure of an operation.
- Evaluate the feasibility of a mining project in the context of the resources industry.
- Outline the structure of the commodities market and describe the various supply and demand factors that impact upon the pricing of mineral commodities.
- Prepare an earnings model to forecast future company earnings.
- Apply valuation techniques to listed mining companies.

## Subject content

- Introduction to mining investment analysis
- Geology and exploration
- Mining methods
- Mineral processing and extractive metallurgy
- The oil and gas industry
- Data, valuation and modelling
- Case study: Reserves, project definition and project cash flows
- Legislation, the environment and native title
- Minerals markets and pricing
- Share evaluation

## Assessment

Assessment Type	Assessed	Weighting
Examination	Week 6	40%
Assignment	Week 12	60%

## Delivery method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led discussion forums, online exercises, library and further resources.

## Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects ([FIN111](#), [FIN112](#), [FIN113](#) and [FIN114](#)). This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

Kaplan recommends that you complete the following Kaplan Education subject (or have a thorough working knowledge of the content) prior to enrolling in this unit:

- Applied Valuation ([FIN224](#))

## Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

## Reading list

The following list of references provides the student with key and additional reading material.

### Prescribed text

Rudenno, V. 2009, *The Mining Valuation Handbook*, 3rd edn, Wrightbooks, Milton, Qld  
ISBN 9780731409839

### Additional readings:

Lonergan, W 2006, *The valuation of mining assets*, University of Sydney Press  
ISBN 1920898263