

This is not always true of extensive mining properties representing large investments. The Utah Copper Company in the United States and the Braden and Chicaquamata copper properties in Chile have ore bodies blocked out sufficient for 45 to 70 years of operation. This extensive development facilitates the valuation of these ore bodies. It should be noted, however, that two mines having equal ore reserves might be valued at very different figures because one may promise a future beyond its reserves while for the other there may be no hope of further production when the reserves in sight are exhausted.

The difficulty that is met in estimating the value of the mineral deposit is apparent also at oil properties when only a number of wells sufficient to develop enough oil to supply the existing market and to provide for a limited period in advance are drilled. Because of the usual great depth of oil wells, the sinking of new bores becomes an item of large expense and the development to a considerable extent of the holdings of an oil producing company might financially embarrass an otherwise profitable concern.

Placer gold deposits (hydraulic and dredging) in most cases are thoroughly prospected by pits or drill-holes and the value ascertained before mining operations are commenced. The drift placer mines of the Western United States form an exception and it is in most cases extremely difficult if not impossible to determine the value of such deposits.

Methods Commonly Employed in Valuation

Enumeration of Methods of Valuation. — Numerous methods of valuation have been employed and these have been modified by such variations as have suited the views of the valuating engineer or valuating body. That this has resulted in confusion is shown by recent court decisions. The engineer or valuer who does not definitely state the methods used by him in obtaining his valuation of the property seems to be the most likely to have his estimate supported by the findings of the court when appeal has been taken.