
Executive Certificate in Mineral Economics

Mining Finance and Investment Analysis

Absolute Risk is the possibility that an investment may lose its value, or that the returns on an investment will be lower than expected, it is used in Mining Finance and Investment Analysis to evaluate the potential risks associated with a mining project. Related terms include Relative Risk, which compares the risk of an investment to that of a benchmark, and Risk Tolerance, which refers to an investor's ability to withstand losses. Absolute risk is an important concept in mining finance, as it helps investors and mining companies to understand the potential downsides of an investment and to make informed decisions.

Acid Mine Drainage refers to the flow of acidic water from a mine site, which can have serious environmental and health impacts, it is a major concern in mining finance and investment analysis, as it can result in significant costs and liabilities for mining companies. Related terms include Environmental Impact Assessment, which is a process used to evaluate the potential environmental impacts of a mining project, and Rehabilitation, which refers to the process of restoring a mine site to its original state after mining operations have ceased. Acid mine drainage is a significant challenge in mining finance, as it requires mining companies to invest in measures to prevent and mitigate its effects.

Amortization is the process of gradually writing off the cost of an asset over its useful life, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Depreciation, which refers to the decrease in value of an asset over time, and Capital Expenditure, which refers to the investment of funds in a long-term asset. Amortization is an important concept in mining finance, as it helps investors and mining companies to understand the true cost of a mining project and to make informed decisions.

Asset-Based Finance is a type of financing that uses a company's assets as collateral, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Secured Loan, which refers to a loan that is backed by collateral, and Unsecured Loan, which refers to a loan that is not backed by collateral. Asset-based finance is a popular option in mining finance, as it allows mining companies to raise capital without having to provide a personal guarantee.

Breakeven Analysis is a tool used to evaluate the financial viability of a mining project, it is used in mining finance and investment analysis to determine the point at which a project will generate enough revenue to cover its costs. Related terms include Cost-Benefit Analysis, which is a process used to evaluate the costs and benefits of a project, and Sensitivity Analysis, which is a process used to evaluate the impact of changes in assumptions on a project's financial performance. Breakeven analysis is an important concept in mining finance, as it helps investors and mining companies to understand the financial risks and potential returns of a mining project.

By-Product is a secondary product that is produced during the mining process, it is often used in mining finance and investment analysis to evaluate the potential revenue streams of a mining project. Related terms include Co-Product, which refers to a product that is produced simultaneously with the primary product, and Waste, which refers to materials that are not economically viable to process. By-products can be an important source of revenue for mining companies, and are often used to offset the costs of production.

Capital Budgeting is the process of evaluating and selecting investment projects, it is used in mining finance and investment analysis to determine which projects to invest in and how to allocate resources. Related terms include Capital Expenditure, which refers to the investment of funds in a long-term asset, and Discounted Cash Flow, which is a method used to evaluate the present value of future cash flows. Capital budgeting is a critical process in mining finance, as it helps mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Cash Flow is the movement of money into or out of a business, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Net Present Value, which is a method used to evaluate the present value of future cash flows, and Internal Rate of Return, which is a method used to evaluate the return on investment of a project. Cash flow is a critical concept in mining finance, as it helps investors and mining companies to understand the financial viability of a mining project.

Commodity Price Risk is the risk that changes in commodity prices will impact the financial performance of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a mining project. Related terms include Market Risk, which refers to the risk that changes in market conditions will impact the financial performance of a project, and Operational Risk, which refers to the risk that changes in operational conditions will impact the financial performance of a project. Commodity price risk is a significant challenge in mining finance, as it can have a major impact on the financial viability of a mining project.

Cost of Capital is the rate of return that a company must pay to its investors, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Weighted Average Cost of Capital, which is a method used to calculate the average cost of capital for a company, and Hurdle Rate, which is the minimum rate of return that a project must generate to be considered viable. Cost of capital is an important concept in mining finance, as it helps investors and mining companies to understand the true cost of a mining project and to make informed decisions.

Debt Financing is a type of financing that involves borrowing money from lenders, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Equity Financing, which involves raising capital by issuing shares, and Hybrid Financing, which involves raising capital through a combination of debt and equity. Debt financing is a popular option in mining finance, as it allows mining companies to raise capital without having to dilute ownership.

Discounted Cash Flow is a method used to evaluate the present value of future cash flows, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Discounted cash flow is a critical concept in mining finance, as it helps investors and mining companies to understand the true value of a mining project and to make informed decisions.

Due Diligence is the process of evaluating the potential risks and opportunities associated with a mining project, it is used in mining finance and investment analysis to evaluate the financial viability of a project. Related terms include Risk Assessment, which is a process used to evaluate the potential risks associated with a project, and Feasibility Study, which is a detailed evaluation of the technical and financial viability of a project. Due diligence is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Environmental Impact Assessment is a process used to evaluate the potential environmental impacts of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and liabilities associated with a project. Related terms include Rehabilitation, which refers to the process of restoring a mine site to its original state after mining operations have ceased, and Environmental Monitoring, which refers to the process of tracking the environmental impacts of a mining project. Environmental impact assessment is a critical concept in mining finance, as it helps mining companies to understand the potential environmental risks and liabilities associated with a project and to make informed decisions.

Feasibility Study is a detailed evaluation of the technical and financial viability of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Scoping Study, which is a high-level evaluation of the potential viability of a project, and Pre-Feasibility Study, which is a more detailed evaluation of the potential viability of a project. Feasibility study is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Financial Modeling is the process of creating a mathematical model of a mining project's financial performance, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Forecasting, which refers to the process of predicting future financial performance, and Sensitivity Analysis, which refers to the process of evaluating the impact of changes in assumptions on a project's financial performance. Financial modeling is a critical concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a project and to make informed decisions.

Geological Risk is the risk that geological conditions will impact the financial performance of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Technical Risk, which refers to the risk that technical conditions will impact the financial performance of a project, and Operational Risk, which refers to the risk that changes in operational conditions will impact the financial performance of a project. Geological risk is a

significant challenge in mining finance, as it can have a major impact on the financial viability of a mining project.

Hedging is a strategy used to manage risk by taking a position in a security that offsets the risk of another security, it is commonly used in mining finance and investment analysis to manage commodity price risk. Related terms include Derivatives, which refer to financial instruments that derive their value from an underlying asset, and Swaps, which refer to a type of derivative that involves exchanging one security for another. Hedging is a popular option in mining finance, as it allows mining companies to manage their exposure to commodity price risk.

Internal Rate of Return is a method used to evaluate the return on investment of a project, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Net Present Value, which is a method used to evaluate the present value of future cash flows, and Discounted Cash Flow, which is a method used to evaluate the present value of future cash flows. Internal rate of return is a critical concept in mining finance, as it helps investors and mining companies to understand the potential return on investment of a mining project and to make informed decisions.

Investment Analysis is the process of evaluating the potential risks and opportunities associated with a mining project, it is used in mining finance and investment analysis to evaluate the financial viability of a project. Related terms include Risk Assessment, which is a process used to evaluate the potential risks associated with a project, and Due Diligence, which is a process used to evaluate the potential risks and opportunities associated with a project. Investment analysis is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Joint Venture is a type of partnership between two or more companies, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Partnership, which refers to a business arrangement between two or more companies, and Consortium, which refers to a group of companies that work together to achieve a common goal. Joint venture is a popular option in mining finance, as it allows mining companies to share the risks and rewards of a project with other companies.

Life of Mine is the period of time that a mine is expected to operate, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Mine Life, which refers to the period of time that a mine is expected to operate, and Reserves, which refer to the amount of mineral resources that are expected to be extracted from a mine. Life of mine is an important concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Market Risk is the risk that changes in market conditions will impact the financial performance of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Commodity Price Risk, which refers to the risk that changes

in commodity prices will impact the financial performance of a project, and Operational Risk, which refers to the risk that changes in operational conditions will impact the financial performance of a project. Market risk is a significant challenge in mining finance, as it can have a major impact on the financial viability of a mining project.

Merger and Acquisition is a type of transaction that involves the combination of two or more companies, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Consolidation, which refers to the process of combining two or more companies, and Restructuring, which refers to the process of reorganizing a company's operations. Merger and acquisition is a popular option in mining finance, as it allows mining companies to access new resources and markets.

Mine Planning is the process of designing and scheduling the extraction of mineral resources from a mine, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a mining project. Related terms include Geological Modeling, which refers to the process of creating a mathematical model of a mine's geology, and Mine Design, which refers to the process of designing the layout and infrastructure of a mine. Mine planning is an important concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Mineral Resource is a concentration of mineralization that is potentially economic to extract, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a mining project. Related terms include Ore Reserve, which refers to the amount of mineral resources that are expected to be extracted from a mine, and Mineral Reserve, which refers to the amount of mineral resources that are expected to be extracted from a mine. Mineral resource is an important concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Net Present Value is a method used to evaluate the present value of future cash flows, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Discounted Cash Flow, which is a method used to evaluate the present value of future cash flows, and Internal Rate of Return, which is a method used to evaluate the return on investment of a project. Net present value is a critical concept in mining finance, as it helps investors and mining companies to understand the true value of a mining project and to make informed decisions.

Operational Risk is the risk that changes in operational conditions will impact the financial performance of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Technical Risk, which refers to the risk that technical conditions will impact the financial performance of a project, and Geological Risk, which refers to the risk that geological conditions will impact the financial performance of a project. Operational risk is a significant challenge in mining finance, as it can have a major impact on the financial viability of a mining project.

Option is a type of financial instrument that gives the holder the right, but not the obligation, to buy or sell an underlying asset, it is commonly used in mining finance and investment analysis to manage commodity price risk. Related terms include Call Option, which gives the holder the right to buy an underlying asset, and Put Option, which gives the holder the right to sell an underlying asset. Option is a popular option in mining finance, as it allows mining companies to manage their exposure to commodity price risk.

Partnership is a type of business arrangement between two or more companies, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Joint Venture, which refers to a partnership between two or more companies, and Consortium, which refers to a group of companies that work together to achieve a common goal. Partnership is a popular option in mining finance, as it allows mining companies to share the risks and rewards of a project with other companies.

Pre-Feasibility Study is a detailed evaluation of the potential viability of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Scoping Study, which is a high-level evaluation of the potential viability of a project, and Feasibility Study, which is a detailed evaluation of the technical and financial viability of a project. Pre-feasibility study is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Private Equity is a type of financing that involves investing in private companies, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Venture Capital, which refers to financing for early-stage companies, and Growth Capital, which refers to financing for companies that are looking to expand their operations. Private equity is a popular option in mining finance, as it allows mining companies to access capital from private investors.

Project Finance is a type of financing that involves raising capital for a specific project, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Non-Recourse Financing, which refers to financing that is secured by the project's assets, and Limited Recourse Financing, which refers to financing that is secured by the project's assets and the creditworthiness of the sponsors. Project finance is a popular option in mining finance, as it allows mining companies to raise capital without having to provide a personal guarantee.

Rehabilitation is the process of restoring a mine site to its original state after mining operations have ceased, it is used in mining finance and investment analysis to evaluate the potential risks and liabilities associated with a project. Related terms include Environmental Impact Assessment, which is a process used to evaluate the potential environmental impacts of a mining project, and Environmental Monitoring, which refers to the process of tracking the environmental impacts of a mining project. Rehabilitation is an important concept in mining finance, as it helps mining companies to understand the potential environmental risks and liabilities associated with a project and to make informed decisions.

Reserves are the amount of mineral resources that are expected to be extracted from a mine, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a mining project. Related terms include Mineral Resource, which refers to a concentration of mineralization that is potentially economic to extract, and Ore Reserve, which refers to the amount of mineral resources that are expected to be extracted from a mine. Reserves are an important concept in mining finance, as they help investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Risk Assessment is the process of evaluating the potential risks associated with a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Due Diligence, which is a process used to evaluate the potential risks and opportunities associated with a project, and Feasibility Study, which is a detailed evaluation of the technical and financial viability of a project. Risk assessment is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Scoping Study is a high-level evaluation of the potential viability of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Pre-Feasibility Study, which is a detailed evaluation of the potential viability of a project, and Feasibility Study, which is a detailed evaluation of the technical and financial viability of a project. Scoping study is an important concept in mining finance, as it helps investors and mining companies to make informed decisions about which projects to invest in and how to allocate resources.

Sensitivity Analysis is the process of evaluating the impact of changes in assumptions on a project's financial performance, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Financial Modeling, which is the process of creating a mathematical model of a mining project's financial performance, and Risk Assessment, which is the process of evaluating the potential risks associated with a project. Sensitivity analysis is an important concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Social License is the permission that a mining company needs to operate in a given area, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Community Engagement, which refers to the process of engaging with local communities to understand their concerns and needs, and Stakeholder Management, which refers to the process of managing the relationships with stakeholders. Social license is an important concept in mining finance, as it helps mining companies to understand the potential social risks and opportunities associated with a project and to make informed decisions.

Stakeholder Management is the process of managing the relationships with stakeholders, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a

project. Related terms include Community Engagement, which refers to the process of engaging with local communities to understand their concerns and needs, and Social License, which refers to the permission that a mining company needs to operate in a given area. Stakeholder management is an important concept in mining finance, as it helps mining companies to understand the potential social risks and opportunities associated with a project and to make informed decisions.

Technical Risk is the risk that technical conditions will impact the financial performance of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Related terms include Geological Risk, which refers to the risk that geological conditions will impact the financial performance of a project, and Operational Risk, which refers to the risk that changes in operational conditions will impact the financial performance of a project. Technical risk is a significant challenge in mining finance, as it can have a major impact on the financial viability of a mining project.

Valuation is the process of determining the economic value of a mining project, it is used in mining finance and investment analysis to evaluate the potential risks and opportunities associated with a project. Valuation is an important concept in mining finance, as it helps investors and mining companies to understand the potential financial risks and opportunities associated with a mining project and to make informed decisions.

Venture Capital is a type of financing that involves investing in early-stage companies, it is commonly used in mining finance and investment analysis to raise capital for mining projects. Related terms include Private Equity, which refers to financing for private companies, and Growth Capital, which refers to financing for companies that are looking to expand their operations. Venture capital is a popular option in mining finance, as it allows mining companies to access capital from private investors.

Weighted Average Cost of Capital is a method used to calculate the average cost of capital for a company, it is used in mining finance and investment analysis to evaluate the financial performance of a mining project. Related terms include Cost of Capital, which refers to the rate of return that a company must pay to its investors, and Hurdle Rate, which refers to the minimum rate of return that a project must generate to be considered viable. Weighted average cost of capital is an important concept in mining finance, as it helps investors and mining companies to understand the true cost of a mining project and to make informed decisions.