



# Industry Insight on Due Diligence Exercises

## Level of detail when conducting a due diligence

The level of detail of a due diligence can vary depending on the specific context and requirements of a particular project or transaction. However, in general, there are three typical levels of a due diligence that may be applied:

- › **Level 1:** Initial Due Diligence or Desktop Review
- › **Level 2:** Detailed Investigation
- › **Level 3:** Independent Technical Evaluation

The level of due diligence conducted depends on various factors, such as the nature of the transaction, the level of risk involved, the value of the investment, the position of the Project on the Mining Project Value curve, and the specific requirements of the parties involved. Each level of due diligence adds more complexity and detail to the analysis, enabling informed decision-making and risk mitigation before committing to a business transaction.

At VBKOM, we understand the importance of tailoring the due diligence process to the specific needs and objectives of the client, or the level of development of the project, transaction type, or investment to ensure that all relevant areas are thoroughly assessed.

In summary, the process helps in assessing risks, identifying potential issues, confirming information, and ultimately making informed decisions that align with the client's strategic objectives.

# Level of detail when conducting a due diligence

## LEVEL 1

### Initial Due Diligence or Desktop Review



**Scope:** High-level assessment or review of the project or transaction

**Objective:** Initial screening of all applicable documents and identification major issues that warrant further investigation

**Deliverable:** Gap analysis / Fatal flaws

## LEVEL 2

### Detailed Investigation



**Scope:** In-depth technical review of all technical data

**Objective:** Understanding the risks, opportunities and value drivers of the project or transaction

**Deliverable:** Technical report

## LEVEL 3

### Independent Technical Evaluation



**Scope:** Expert assessment of the project or transaction

**Objective:** Detailed technical and financial assessment

**Deliverable:** Independent and objective technical evaluation of the technical feasibility, financial projections, environmental compliance and/or legal obligations