

Grade-tonnage curves (Guidelines for guidelines)

By Andy Clay

In recent months Venmyn has been working on numerous projects where either the fatal flaws or the upside potential can be identified through a close inspection of the grade-tonnage curves for the orebody. However, there has been intense debate about what blocks should be included in the grade-tonnage curve inventories and in this respect there is further confusion over the definition of a mineral resource since the guideline states that “Mineral Resource is not an inventory of all mineralisation drilled or sampled regardless of cut-off grades”.

This seemingly harmless guideline implies that blocks below an existing economic cut-off should be excluded from the grade tonnage inventory of the total mineral deposit. If this is what is meant then how come, in one case, a reputable consulting firm had applied an economic cut-off to a Wits Gold deposit of approximately 750cmgt which meant that under rapidly changing gold prices the company had lost the opportunity to reselect and the mineral resource quantity was dramatically slashed since its own cut-off was at 250cmgt. Consequently, for shareholders to assess the upside potential had been sterilised. It is likely that these guidelines require guidelines.

Please do not hesitate to send us your views on this matter to info@venmyn.com.