

IS THE INDICATED MINERAL RESOURCE DEFINITION CONTRADICTIONARY?

By Andy Clay

The SAMREC Code states that an “Indicated Mineral Resource is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.”

It goes on to say that “the locations are too widely or inappropriately spaced to confirm geological/ and/or grade continuity but are spaced closely enough for continuity to be assumed.”

This appears to be problematic. It seems that for an Indicated Mineral Resource, you are able to assume continuity and that this would be sufficient to conduct mine design and economic studies, but those first two sentences from the Main Code Section 24 appear to be contradictory.

There are many Resource Managers that consider increasing level of confidence to be primarily based on geoscientific knowledge and our recent work with our geostatistician uses statistical confidence limits on borehole data at the 90% and 80% confidence limits to confirm the boundaries between the different mineral resource categories.

We would welcome your thoughts and input on this matter so that we can make recommendations to our clients on what the consensus view would be in this regard. Please send your comments to Jabulile Sigasa or call +27 11 783 9903.