Application of UNFC-2009 to the Uranium Resources of the Gurvanbulag uranium Deposit, Mongolia

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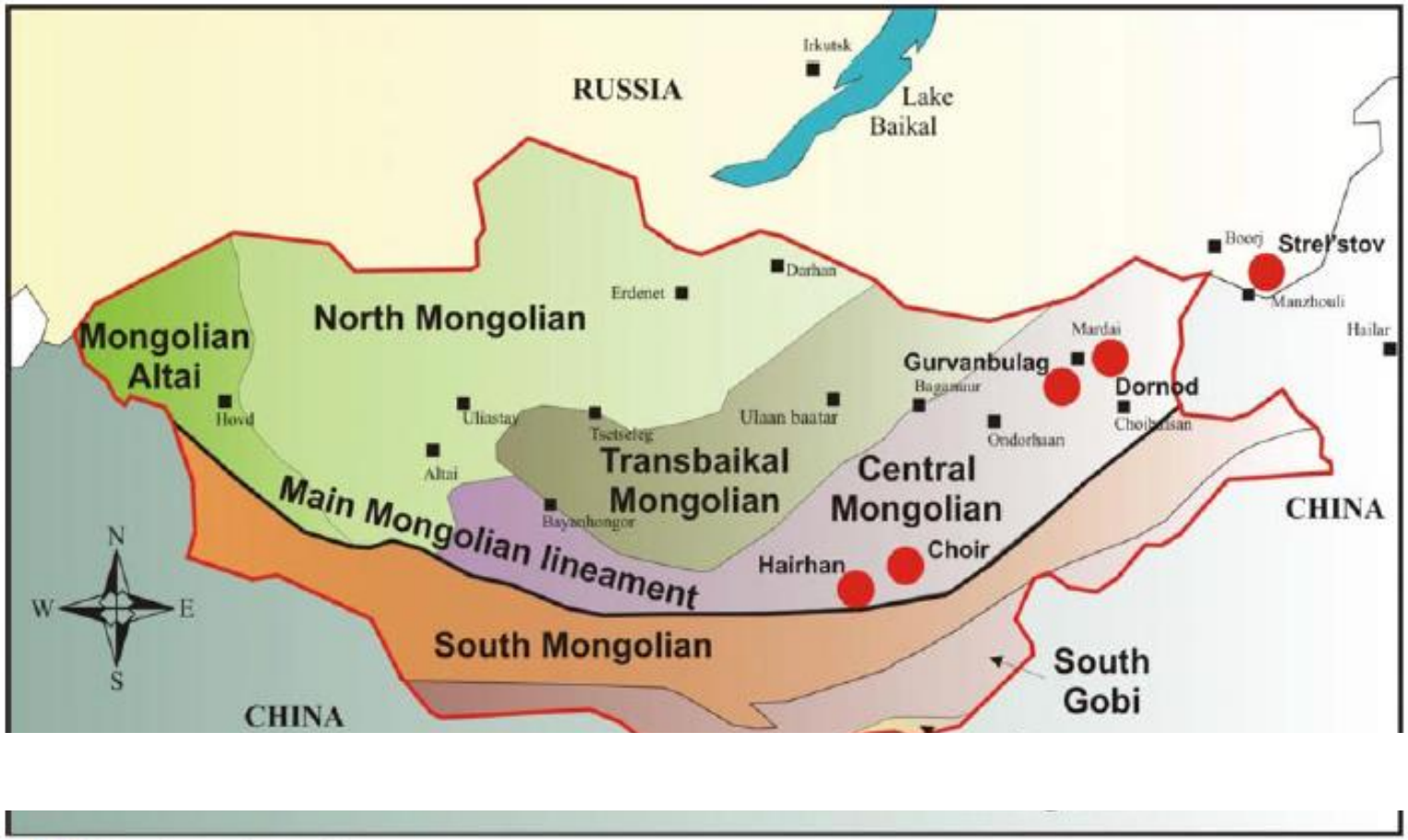
Expert Group on Resource Classification 7th Session
Geneva, 26-29 April 2016

1. Historic resource estimates

The Gurvanbulag uranium deposit is located in the Central Mongolia metallogenic belt. It is a volcanic-related uranium deposit, and comprises 3 parts, namely, the Central zone, Intermediate zone and Southwest zone .



1. Historic resource estimates

Three resources estimations were conducted for the deposit in the past.
The first estimation was completed by FSU geologists in 1988 using a cut-off grade of 0.04% U and a cut-off thickness of 0.7 m.

Area	*Category*	*Ore (kilotonne (kt))*	*% U*	*tU*
Central Zone	C1	4,214	0.208	8,761
	C2	3,204	0.118	3,788
	Subtotal	**7,418**	**0.169**	**12,549**
Intermediate Zone	C2	2,690	0.104	2,800
South-west Zone	C2	451	0.16	724
Total	C1	4,214	0.208	8,761
	C2	6,345	0.115	7,312
	C1+C2	**10,560**	**0.152**	**16,073**

1. Historic resource estimates

In 2006, SRK Consulting Inc. prepared a NI 43-101 compliant Mineral Resource estimate for the Central Zone of the deposit using a cut-off grade of 0.059% and a cut-off thickness of 1.5 m.

Area	*Category*	*Ore (kt)*	*% U*	*tU*
Central Zone	Indicated	2,830	0.186	5,249
	Inferred	2,670	0.125	3,327
	Total	**5,500**	**0.156**	**8,576**

1. Historic resource estimates

If SRK use the same cut-off grade and thickness, the resources should be close to the previous FSU estimate. According to the comparison of the resources in the deposit , C1 Resources in FSU system is equivalent of Indicated Resources, and C2 Resources is equivalent of Inferred Resources.

Area	FSU		SRK	
	Catergory	tU	Catergory	tU
Central	C1	8761	Indicated	5249
	C2	3788	Inferred	3327
	Total	12549		8576
Cutoff grade	0.04% U		0.059% U	
Cutoff thickness	0.7m		1.5m	

1. Historic resource estimates

After 2 years of infill drilling and Definitive Feasibility Study, P&E Mining Consultants Inc., in conjunction with Aker Solutions ("Aker") conducted an updated resource and reserve estimation for the Central Zone in 2008 using a 0.068% U cut-off grade and a 1.4 m cut-off thickness.

Area	Category	Ore（kt）	%U	tU
Central zone	Proven Reserves	914.5	0.168	1,538
	Probable Reserves	4,128	0.130	5,346
	Total Reserves	5,043	0.137	6,884
	Inferred	795	0.107	847

2. Reporting aligning to UNFC-2009

In summary, there is a total of 11,255 tU of uranium resources, which is inclusive of 6,884 tU of Proved and Probable Reserve in the Central zone, and 4371 tU of C2 resources or Inferred Resources in the 3 zones.

These resources can be classified into 3 categories with UNFC-2009, namely, 1538tU of E1.1F1.3G1, 5346tU of E1.1F1.3G2 and 4371tU of E2F2.1G3.

Area	tU	%U	NI 43-101 or FSU Classification	UNFC-2009	UNFC-2009	UNFC-2009 Categories		
				Class	Sub-class	E	F	G
Central zone	1,538	0.168	Proven Reserves	Commercial projects	Justified for Development	1.1	1.3	1
	5,346	0.13	Probable Reserves			1.1	1.3	2
	847	0.107	Inferred Resources	Potentially Commercial Projects	Development Pending	2	2.1	3
Interme-diate zone	2,800	0.104	C2	Potentially Commercial Projects	Development Pending	2	2.1	3
Southwest zone	724	0.16	C2	Potentially Commercial Projects	Development Pending	2	2.1	3

3. Conclusions

(1) The estimates differences conducted at different development stages of the Gurvanbulag Deposit, by FSU geologists, SRK Consulting and P&E Mining Consultants are due to the use of different cut-off grade and thickness and data available at different development stages. Application of UNFC-2009 principles and specifications makes the comparison of estimates consistent and reliable.

(2) Uranium resources quantities reported under the FSU system and the CRIRSCO Template can be unified and classified under UNFC-2009. Moreover, the granularity offered by UNFC-2009 is useful to describe the project more precisely, especially in relation to project status, feasibility and socio-economic viability.

Thank you !