

## Give a mate, a break

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### ABSTRACT

Is it true that the gold sector of the mining industry delivers lower returns than most other sectors of the industry? Well, it is not surprising some will say, as the risk and uncertainty is greater. But need it be so?

Estimating gold project revenue can be more of a challenge because the revenue variables can vary greatly. This is widely accepted as a fact of life. But is it really? Do we adequately address all the basics that underpin the project's potential revenue within its site control?

Estimates of revenue parameters within the control of the mine operator, typically, are head grade and site metallurgical recovery. In the case of head grade, it can often be highly variable, especially for mining projects that are primarily dependent on the gold component.

Prof Cliff James, in his address in Kalgoorlie, May 1994 reminded us of a very useful principle when dealing with intractable problems. "If finding the right answer is proving to be difficult, it is quite likely that you are asking the wrong questions."

In the rush to release the maiden mineral resource estimate for a prospect, are some overlooking aspects of the basics? Do they continue to overlook them during the development phase? For example, is the data so costly acquired, being allowed to speak on its behalf or is someone acting as data interpreter? Do you need the same amount of data to appreciate the mineral resource grade as you do to gain a realistic appreciation of mineral resource tonnes for a gold project?

This paper will explore some basics frequently under considered in the process of achieving a reliable mineral resource grade estimate and in particular validation steps that can be used to affirm geological interpretation and the overall mineral resource grade estimate.

There is great scope for the gold sector to increase its overall economic return with little additional outlay by more fully addressing the basics which allow the gold bearing rocks to speak as outlined in this paper.