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GENERALIZED MODEL OF MINERAL RESOURCE DEVELOPMENT

PHASE	MINERAL RESOURCE ASSESSMENT	MINERAL EXPLORATION					MINERAL DEPOSIT APPRAISAL				MINE COMPLEX DEVELOPMENT	MINE PRODUCTION	ENVIRONMENTAL RESTORATION
		GRASS-ROOTS EXPLORATION					DA-1	DA-2	DA-3	DA-4			
	MRA	EX-1	EX-2	EX-3	EX-4	EX-5							
STAGE	Various surveys, research and synthesis.	Exploration planning.	Regional reconnaissance and surveys.	Prospecting and ground surveys of anomalies.	Verification of anomalies and showings.	Discovery and delimitation of a mineral deposit.	Mineral deposit definition.	Project engineering.	Project economics.	Feasibility study, production decision.	Mine development, construction of processing plant and infrastructure.	Production, marketing and renewal of reserves.	Mine complex closure and decommissioning, site restoration.
OBJECTIVES	Supply information and tools required to develop the mineral potential of the nation for economic benefit, in the perspective of sustainable development.	Select target commodities. Establish exploration objectives and strategies. Select target areas and sites. Acquire claims or permits if appropriate.	Seek anomalies of interest over wide areas by various survey methods. Select the more promising targets. Acquire claims or permits.	Confirm the presence, exact location and characteristics of anomalies. Acquire claims, leases and properties.	Investigate the cause of anomalies. Find mineral showings. Acquire additional claims, leases and properties.	Discover, delimit and interpret grade, quality and tonnage of a new mineral deposit. Determine if it constitutes a mineral resource of "potential economic interest" to justify more intensive and detailed work.	Define the limits, controls and internal distribution of grades, mineralogy and mineral processing characteristics of the deposit. Acquire all data required for project engineering and cost estimation.	Determine, in an iterative fashion, the design, plans, schedules, capital cost and operating cost estimates for all aspects of the project. Establish technical feasibility and costs thoroughly and realistically.	Obtain all the information required and determine, based on corporate objectives, parameters for the economic, financial and social-political evaluation of the project.	Diligently validate and integrate project data, interpretations, plans and evaluations to achieve MCD and production objectives. Decide on whether to undertake the mining project. Obtain permits and financing.	Complete mine development and construction on schedule and within budgets and specifications. Ensure efficient and timely mine complex start-up according to schedule, specifications and cash flow forecasts.	Achieve commercial production on schedule and meet cash flow forecasts and quality and quantity specifications. Achieve mine profitability and company survival in the perspective of sustainable development.	Restore mine site, outside plant and infrastructure to environmentally acceptable condition. Ensure the future quality of the environment.
EVALUATION METHODS	Geoscientific, mineral and economic surveys, research, compilations and synthesis by governments, research institutes, universities and industry.	Metal and mineral market research. Review of geological and ore deposit information and of the legal, fiscal and socio-political context in various areas.	Remote sensing, aerial photography and airborne geophysics. Prospecting, geology and geochemistry. Appraisal, rating and selection of anomalies.	Ground, geological, geochemical and geophysical prospecting and surveys. Compilation, appraisal and selection of significant anomalies.	Geological mapping and other surveys. Trenching, drilling and sampling. Appraisal of results, recommendations for further work, and selection of new targets.	Stripping, trenching, mapping, sampling, drilling and down-hole geophysics. Initial mineral processing tests. Environmental and site surveys. Mineral resource estimation and inventory.	Detailed mapping, sampling and drilling on surface or from underground. Systematic mineralogy and mineral processing tests. Detailed environmental and site surveys. Pre-feasibility studies.	Pilot tests, engineering design and planning. Capital and operating costs for mining, mineral processing, infrastructure, environmental protection and restoration. Technical risk analysis. Pre-feasibility studies.	Market, prices, product development and financial studies. Environmental, economic, financial, and socio-political risk analysis. Pre-feasibility studies.	Exhaustive due diligence review of all data, interpretations, plans and estimates. Evaluation of profitability, given the geological, technical, financial and qualitative risks, and the up-side factors.	Project management methods in a quality assurance perspective. Training program for personnel and detailed start-up plan to meet the requirements of this demanding period.	Production management methods to ensure continuous quality and efficiency improvements. Exploration, deposit appraisal and development of new zones or deposits on-mine-site and off-mine-site.	Mine closure and decommissioning. Environmental restoration and monitoring.
RESULTS	Maps, data bases, tools and models.	Exploration projects.	Regional anomalies.	Local anomalies.	Mineral showings.	Mineral deposit.	Deposit appraisal project.			Mining project.	Mining complex.	Mineral production.	Restored site.
MINERAL INVENTORY	UNDISCOVERED MINERAL POTENTIAL					INFERRED RESOURCE	DELIMITED MINERAL RESOURCE				MINERAL RESERVE		
	SPECULATIVE		HYPOTHETICAL				INDICATED	INDICATED AND MEASURED			PROVEN AND PROBABLE		
ESTIMATION ERROR (targeted margin of error of tonnage/grade estimates at the 90% confidence level)						± 100%	± 50% to ± 30%	Indicated: ± 50 to ± 30% Measured: ± 20 to ± 10% (often several sample grid dimensions are used in each category)			Proven (feasibility: ± 10%; mining: ± 5%)		
INVESTMENTS	Moderate	Low, but increasing multiple investments.				Larger and increasing multiple investments.				Very large industrial investment.		Full compliance	
RISK LEVEL	Low	Very high, but decreasing risk of failure and financial loss.				High, but decreasing risk of failure.				Moderate to low industrial risk.			

Sources: Modified by D.A. Cranstone, A. Lemieux and M. Vallée, February 25, 1994, from M. Vallée, 1992, *Guide to the Evaluation of Gold Deposits*, CIM Special Volume 45, p. 4, and *SOQUEM Annual Report, 1976-77*, pp. 4 and 5. Revised by M. Vallée and G. Bouchard, January 2001.

Note: for more information, please contact: Minerals and Mining Statistics Division, Minerals and Metals Sector, Natural Resources Canada, 580 Booth Street, Ottawa, Ontario K1A 0E4; telephone (toll-free): 1-800-267-0452 or fax (toll-free): 1-877-336-3100.