

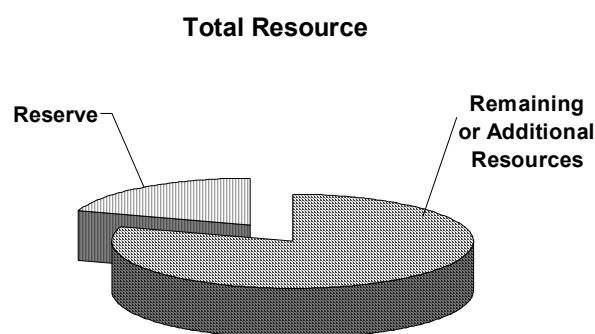
2. United Nations Framework Classification (UNFC) System - Concepts and Terminologies

The UNFC consists of a three-dimensional system with the following three axes : Geological Assessment, Feasibility Assessment and Economic Viability. The process of geological assessment is generally conducted in stages of increasing details. The typical successive stages of geological investigations, i.e., reconnaissance, prospecting, general exploration and detailed exploration, generate resource data with a clearly defined degree of geological assurance. These four stages are, therefore, used as geological assessment categories in the classification. Feasibility assessment studies form an essential part of the process of assessing a mining project. The typical successive stages of feasibility assessment, i.e., geological study as initial stage followed by prefeasibility study and feasibility study/mining report are well-defined. The degree of economic viability (economic or sub-economic) is assessed in the course of prefeasibility and feasibility studies. A prefeasibility study provides a preliminary assessment with a lower level of accuracy as compared to that of a feasibility study which assess the economic viability in detail.

It is a three-digit-code-based system, the economic viability axis representing the first digit, the feasibility axis, the second digit and the geologic axis, the third digit. The three categories of economic viability have codes 1, 2 and 3 in decreasing order. Similarly, the three categories of feasibility study have also codes 1, 2 and 3 while the four stages of geological assessment are represented by 4 codes, i.e., 1 (detailed exploration), 2 (general exploration), 3 (prospecting) and 4 (reconnaissance). Thus, the highest category of resources under UNFC system will have the code (111) and lowest category, the code (334). The various terms used in this classification and their definitions in brief are as follows :

Total Mineral Resources

Reserve plus Additional or Remaining Resource comprise the Total Resource, or Total Resource minus Reserve gives the Remaining Resource.



Diagrammatic Representation of Reserve and Resource

A. Mineral Reserve

Economically mineable part of measured and/or indicated mineral resource.

(i) Proved Mineral Reserves (111)

Economically mineable part of Measured Mineral Resource.

Economically mineable part of indicated or in some cases, a measured mineral resource.

B. Mineral Resource

A Mineral Resource (Remaining or Additional Resource) is the balance of the Total Mineral Resources that have not been identified as Mineral Reserve.

(i) Measured Mineral Resource (331)

That part of mineral resource for which tonnage, density, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence, i.e., based on detailed exploration.

(ii) Indicated Mineral Resource (332)

Tonnage, density, shape, physical characteristics grade and mineral content can be estimated with reasonable level of confidence based on exploration, sampling and testing information, location of borehole, pits, etc.

(iii) Inferred Mineral Resource (333)

Tonnage, grade and mineral content can be estimated with low level of confidence inferred from geological evidence.

(iv) Reconnaissance Mineral Resource (334)

Estimates based on regional geological studies and mapping, airborne and indirect methods, preliminary field inspections as well as geological inference and extrapolation.

(v) Prefeasibility Mineral Resource (221 and 222)

That part of an indicated and in some circumstances measured mineral resource that has

been shown by prefeasibility study as not economically mineable or can become economically viable subject to changes in technological, economic, environmental and/or other relevant conditions.

(vi) Feasibility Mineral Resource (211)

That part of measured mineral resource, which after feasibility study has been found to be economically not mineable.

Definition of Uneconomic Occurrence

Materials of estimated quantity, that are too low in grade or for other reasons are not considered potentially economic. Thus, Uneconomic Occurrence is not part of a mineral resource. If quantity and quality are considered worthy of reporting, it should be recognised that an Uneconomic occurrence cannot be exploited without major technological and/or economic changes, which are not currently available.

Mineral Occurrence

A mineral occurrence is an indication of mineralisation that is worthy of further investigation. The term mineral occurrence does not imply any measure of volume /tonnage or grade/ quality and is thus not part of a mineral resource.