Grade and Tonnage Model for Tungsten Skarn Deposits—2020 Update

Scientific Investigations Report 2020–5085

U.S. Department of the Interior
U.S. Geological Survey
Cover. Sample of scheelite on muscovite, 6 centimeters, from Xuebaoding, Pingwu County, Sichuan Province, China. Scheelite is the dominant tungsten ore mineral in tungsten skarn deposits. Photograph by Carlin Green.
Acknowledgments

The authors acknowledge the contributions of the U.S. Geological Survey Mineral Resources Program’s Mineral Resource Assessment Training participants, including Allen Andersen, Mitchell Bennett, Damon Bickerstaff, Phil Brown II, George Case, Josh Coyan, Kevin Denton, Connie Dicken, Maggie Goldman, Garth Graham, Erin Marsh, Celestine Mercer, Federico Solano, Ryan Taylor, and Kathryn Watts. The authors also acknowledge Jane Hammarstrom and Gilpin Robinson for their guidance and review as well as George Case and Allen Andersen for their thoughtful peer reviews of this manuscript.
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Conversion Factors

U.S. customary units to International System of Units

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International System of Units to U.S. customary units

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<tr>
<td>metric ton (t)</td>
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Abbreviations

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<td>JORC</td>
<td>Joint Ore Reserves Committee</td>
</tr>
<tr>
<td>KDE</td>
<td>kernel density estimate</td>
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<tr>
<td>MTU</td>
<td>metric ton unit</td>
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<tr>
<td>NI</td>
<td>National Instrument</td>
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<tr>
<td>PDF</td>
<td>probability distribution function</td>
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<tr>
<td>ppm</td>
<td>part per million</td>
</tr>
<tr>
<td>RAEF</td>
<td>Resource Assessment Economic Filter</td>
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<td>U.S. Geological Survey</td>
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<tr>
<td>W</td>
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<td>WO₃</td>
<td>tungsten trioxide</td>
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Grade and Tonnage Model for Tungsten Skarn Deposits—2020 Update

By Carlin J. Green, Graham W. Lederer, Heather L. Parks, and Michael L. Zientek

Abstract

This report presents an updated grade and tonnage model for tungsten skarn deposits. As a critical component of the U.S. Geological Survey’s three-part form of quantitative mineral resource assessment, robust grade and tonnage models are essential to transforming mineral resource assessments into effective tools for decision makers. Using the best data available at the time of publication, this represents the first attempt in nearly 30 years to capture current mineral inventory and cumulative production data for worldwide tungsten skarn deposits. The accuracy of modern assessments of undiscovered tungsten skarn resources is highly influenced by the use of current data on the distribution of the grades and tonnages of well-explored tungsten skarn deposits. Primary factors affecting the changes to these distributions in the model presented here compared with those of previous models are the inclusion of important deposits, especially those in China that had been omitted in previous models; expanded mineral inventories resulting from increased exploration; and changes to international reporting standards. These factors have resulted in dramatic increases in average ore tonnage and slight decreases in the average grade of tungsten skarn deposits compared with previous models. Large increases in contained metal are observed among many of the individual deposits incorporated within this model that were also included in previous tungsten skarn grade and tonnage models. This report also provides recommendations for input parameters related to grade and tonnage models to use with software tools designed to facilitate the three-part form of quantitative mineral resource assessments.

Introduction

Understanding the distribution of Earth’s mineral resource endowment requires, as a primary input, fundamental information on the quantity and quality of discovered mineral resources. Mineral resource and cumulative production data provide the basic information needed to construct reliable grade and tonnage models for specific types of mineral deposits. In turn, a well-defined grade and tonnage model represents an essential component of the U.S. Geological Survey’s (USGS’s) three-part form of quantitative mineral resource assessment (Singer, 1993; Singer and Menzie, 2010).

For more than a century, the security of the tungsten mineral supply chain has been a focus of coordinated U.S. Government policy. In 2018, tungsten was designated as a critical mineral primarily owing to the concentration of the global supply and the high proportion of U.S. demand met through imports of raw materials (Fortier and others, 2018; Shedd, 2020). The updated grade and tonnage model for tungsten skarns presented here has been prepared to facilitate regional assessments of undiscovered tungsten resources in response to section 4 of Executive Order No. 13817 (Executive Office of the President, 2017). Tungsten occurs in several deposit types, namely skarn, vein, breccia, porphyry, and disseminated or greisen types, among others. Of these deposit types, tungsten skarn represents the leading source of production historically and accounts for the largest share of discovered resources (Schubert and others, 2006; Pitfield and Brown, 2011; Werner and others, 2014). This grade and tonnage model applies to deposits matching the descriptive model for tungsten skarn (Cox, 1986; Hammarstrom and others, 1995). The model is a necessary component for determining the possible economic viability of tungsten resources in the United States and provides a foundation for land-use planning (Singer and Menzie, 2010).

Assessment Methods

In the three-part form of mineral-resource assessment, geographic areas (permissive tracts) are delineated using geologic, geochemical, mineral occurrence, and geophysical data to identify areas with features typical of the type of deposit under consideration. Permissive tracts represent the surface projection of part of the Earth’s crust and overlying surficial materials to a predetermined depth where undiscovered mineral resources may be present; the criteria used to select the permissive volume of rock, or assessment unit, are provided by descriptive mineral deposit models and mineral systems models (Hammarstrom and others, 2019).
The amount of metal in undiscovered deposits is estimated using grade and tonnage models derived from information about known deposits, which serve as analogs for the resources in undiscovered deposits. Probabilistic estimates of numbers of undiscovered deposits are made at different confidence levels using a variety of estimation strategies to express the degree of belief that some fixed but unknown number of deposits exists within the permissive tract. Estimates are consistent with the known deposits that define grade and tonnage models (Singer, 2007). These estimates are measures of the favorability of the tract and of the estimator’s uncertainty about what may exist (Singer, 2007). Estimates are combined with the grade and tonnage model in a Monte Carlo simulation to estimate in situ amounts of metal. These estimates can be further refined by applying an economic filter to consider what part of the simulated resource might be economic.

### Descriptive Models

Tungsten skarns are characterized by stratiform, tabular, and lens-like orebodies that extend from tens to hundreds of meters along lithologic contacts. Skarns are associated with the contact zone between carbonate-bearing rocks and relatively evolved felsic intrusive rocks, such as tonalite, granodiorite, quartz monzonite, and I- or S-type granites (Hammarstrom and others, 1995). Plutons associated with tungsten skarns tend to be more differentiated and have stronger crustal signatures from contamination with sedimentary material than other metallic skarns, such as copper or zinc (Ray, 1995; Meinert and others, 2005). Host carbonate lithologies include pure to impure limestones, dolostone, marble, and calcareous to carbonaceous pelites (Dawson, 1984). The primary ore minerals are scheelite, molybdenite, sphalerite, and powellite; common gangue minerals include diopside-hedenbergite pyroxene and grossular-andradite garnet (Cox, 1986).

Previous descriptive models for tungsten skarn are presented in Cox (1983, 1986), Dawson (1984), Hammarstrom and others (1995), and Ray (1995). The descriptive models highlight general features of tungsten skarn deposits (Einaudi and others, 1981; Einaudi and Burt, 1982) and refer to specific examples, such as Pine Creek (Newberry, 1982), Mactung (Dick and Hodgson, 1982), and Strawberry (Nokleberg, 1981). In addition, several compilations of mineral resource inventory data include information on tungsten skarn deposits (Meinert and others, 2005; Sinclair and others, 2014; Werner and others, 2014).

### Previous Grade and Tonnage Models

Several grade and tonnage models for tungsten skarn deposits have been published previously (Menzie and Jones, 1983; Menzie and Jones, 1986; Menzie and others, 1992; John and Bliss, 1993). The 28 deposits and grade and tonnage distributions in the initial grade and tonnage model (Menzie and Jones, 1983) are mirrored (that is, the same 28 deposits and identical grade and tonnage distributions are used) in the superseding publication (Menzie and Jones, 1986), which was published as part of a comprehensive compilation of mineral deposit models (Cox and Singer, 1986). The tungsten skarn model was later updated with eight additional deposits (Menzie and others, 1992) and incorporated into the EMINERS (Economic Mineral Resource Simulator) software application (Duval, 2002, 2012). A tungsten skarn model for Nevada (John and Bliss, 1993) that is based on tungsten production data (Stager and Tingley, 1988) lacks estimates of in-place resources for most sites and, therefore, does not represent well-delineated deposits. The summary statistics for these previous models are given in table 1.

In addition to the grade and tonnage models for tungsten skarn, models for tungsten quartz-wolframite vein deposits (Menzie and others, 1992), as well as

### Table 1. Summary statistics for tungsten skarn grade and tonnage models.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Number of deposits</th>
<th>90th percentile of deposits</th>
<th>50th percentile of deposits</th>
<th>10th percentile of deposits</th>
<th>Grade, in percent WO₃</th>
</tr>
</thead>
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<tr>
<td>Menzie and Jones (1983)</td>
<td>28</td>
<td>50,000</td>
<td>1,100,000</td>
<td>22,000,000</td>
<td>0.34</td>
</tr>
<tr>
<td>Menzie and Jones (1986)</td>
<td>28</td>
<td>50,000</td>
<td>1,100,000</td>
<td>22,000,000</td>
<td>0.34</td>
</tr>
<tr>
<td>Menzie and others (1992)</td>
<td>36</td>
<td>41,000</td>
<td>800,000</td>
<td>18,000,000</td>
<td>0.30</td>
</tr>
<tr>
<td>John and Bliss (1993)</td>
<td>113</td>
<td>16</td>
<td>690</td>
<td>30,000</td>
<td>0.36</td>
</tr>
<tr>
<td>This study</td>
<td>41</td>
<td>1,290,000</td>
<td>6,030,000</td>
<td>49,320,000</td>
<td>0.24</td>
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</tbody>
</table>
porphyry-tungsten molybdenum deposits and molybdenum-
tungsten greisen deposits, have been published previously
(Kotlyar and others, 1995).

Methods

The goal of characterizing the grade and tonnage distributions of tungsten skarn deposits is to focus on a single deposit type with well-defined, mappable geologic criteria. An initial list of known tungsten deposits was compiled from mineral databases (Meinert and others, 2005; Sinclair and others, 2014; Werner and others, 2014). Importantly, these compilations retain the deposit type classification, allowing tungsten skarn sites to be selected individually. For example, the World Tin and Tungsten Deposit Database (Sinclair and others, 2014) contains more than 954 individual sites and 76 group sites, of which 136 have tungsten listed as a commodity and skarn listed as the deposit type.

After querying various databases, sorting through several hundred deposits with variant names, and obtaining grade and tonnage data for those deposits, only those deposits that were confirmed to be well-explored tungsten skarn sites were selected for inclusion in the model. Other deposit types, including other skarn deposit types, such as iron skarn and copper skarn deposits, were removed. Similarly, combination deposits that consist of part skarn and part greisen or disseminated deposits were also removed. This process resulted in the removal of certain well-known tungsten deposits, such as the Yaogangxian Mine in Hunan, China, which contains a significant component of vein- or greisen-type mineralization in addition to tungsten skarn mineralization. Although some deposits of this hybrid nature are significant sources of tungsten, their exclusion in a tungsten skarn grade and tonnage model is necessary to ensure that the probable size and grade of undiscovered tungsten skarn deposits is reflective of the characteristic distributions of size and grade among known tungsten skarn deposits (Singer and Menzie, 2010; Hammarstrom and others, 2019). To maintain consistency, deposits included in this grade and tonnage model are formed by the same type of mineralizing event as other deposits used in the model and are of the same deposit type as other deposits used in the model (Barton and others, 1995; Hammarstrom and others, 2019). Additionally, certain other deposits that were present in previous iterations of tungsten skarn grade and tonnage models were removed where additional exploratory work indicated that the mineral inventory was not fully defined (for example, Strawberry Mine in California and Salau Mine in France). Deposits that are not completely delineated—that is, where any part of the boundary is open—are considered to be “undiscovered” for the purposes of the USGS three-part form of assessment (Singer and Menzie, 2010). Duplicate entries were combined, and conflicting values for grades and tonnages were resolved by calculating the total tonnage and average grade of the original resource. For deposits with multiple values, the largest tonnage reported at the lowest cutoff grade was used in the model. In general, resources are reported exclusive of reserves, meaning that reserves are included in the resource total. If resources were reported exclusive of reserves, the reserves’ tonnage was added to the resource tonnage to obtain total tonnage and the weighted average grade was calculated using equation 1:

\[
G_{average} = \frac{(G_{resources} \times T_{resources}) + (G_{reserves} \times T_{reserves})}{T_{resources} + T_{reserves}},
\]

where \(G\) is the tungsten grade expressed as weight percent tungsten trioxide (WO\(_3\)) and \(T\) is ore tonnage in metric tons. Similarly, for deposits with historical production, the amount of reported mine production was aggregated and added to the resource tonnage using equation 2:

\[
G_{average} = \frac{(G_{resources} \times T_{resources}) + (G_{production} \times T_{production})}{T_{resources} + T_{production}}.
\]

The average grade and total tonnage result refers to the total resource endowment for the deposit and represents the pre-mining in-place resource estimate for the deposit. Often, cumulative production is given in units other than ore tonnage, such as tons of tungsten metal (W), or metric ton units (MTUs) of WO\(_3\). To convert metal content to WO\(_3\), the stoichiometric conversion factor of 0.793 was used. An MTU is an industry standard that refers to 10 kilograms, or one hundredth of a metric ton. Alternatively, some references use a short ton unit to represent one hundredth of a short ton, or 20 pounds. For deposits where total mineral inventory was calculated from production, reserves, and (or) various categories of indicated and inferred resources, tonnage and grade data are reported using the number of significant figures associated with the least precise input to avoid misrepresenting the level of precision associated with reported values.

To ensure that the population of discovered deposits in the grade and tonnage model accurately represents the population of undiscovered deposits, a spatial aggregation rule was applied (Singer and Menzie, 2010). Previous grade and tonnage models used spatial aggregation rules ranging from 1 kilometer (km; John and Bliss, 1993) to 10 km (Menzie and Jones, 1986) and aggregated all bodies of mineralized skarn associated with the contact of a particular intrusion (Menzie and others, 1992). Although most deposits in this model represent a single orebody or mineralized zone, spatially distinct deposits occurring along related lithologic contacts were aggregated using a spatial rule of 5 km from the center of the mineralized zone. For example, the Brejui deposit in Brazil includes the Barra Verde and the Boca de Laje Mines; the Dholpani and Bhurkholo deposits in Bhutan are two orebodies along the same contact; and the Pilot Mountain deposit in Nevada includes aggregate production and resource data for the Gunmetal, Garnet, and Desert Scheelite Mines. The 5-km distance also encompasses the footprint of very large deposits included in the model, such as Sangdong in South Korea and Tyrnyauz in Russia.
Results

In total, 41 tungsten skarn deposits are included in this grade and tonnage model. The amount of mineralized rock in the deposits ranges from 405,000 to 76,450,000 metric tons (fig. 1) with a grade ranging from 0.14 to 1.20 weight percent WO$_3$ (fig. 2). The 90th, 50th, and 10th percentile intercepts are shown in figures 1 and 2 and summarized in table 1. The grade and tonnage distribution of deposits in this model is plotted in figure 3. The list of deposits, their mineral endowments, and their locations are given in table 2. Statistical tests of the distributions of log-transformed tonnage and grade values show correspondence to a lognormal distribution with a standard deviation of 0.58 for tonnage (fig. 4) and 0.21 for grade (fig. 5).

Figure 1. Cumulative frequency of ore tonnages of the 41 tungsten skarn deposits selected for inclusion in this model. Each point represents an individual deposit; the lognormal distribution is plotted as a continuous curve. The 90th, 50th, and 10th percentile intercepts are plotted. Data are from table 2 of this report.
Figure 2. Cumulative frequency of tungsten trioxide (WO$_3$) grade of the 41 tungsten skarn deposits selected for inclusion in this model. Each data point represents an individual deposit; the lognormal distribution is plotted as a continuous curve. The 90th, 50th, and 10th percentile intercepts are plotted. Data are from table 2 of this report.
Figure 3. Bivariate plot of log-transformed ore grade and tonnage showing the distribution of the 41 deposits included in this tungsten skarn model. Dashed diagonal lines show the amount of contained tungsten metal, in metric tons. Data are from table 2 of this report. \( \text{WO}_3 \), tungsten trioxide
Table 2. Tonnage, grade, and location data for 41 tungsten skarn deposits.
[Tonnage and grade data are reported using the number of significant figures associated with the least precise input]

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<th>Ore, in metric tons</th>
<th>Grade, in percent WO₃</th>
<th>Latitude</th>
<th>Longitude</th>
<th>Country</th>
<th>State, Province, or Territory</th>
<th>Reference(s)</th>
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<td>New South Wales</td>
<td>Peel Mining Ltd., 2018</td>
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<td>Azegour</td>
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<td>31.155</td>
<td>−8.305</td>
<td>Morocco</td>
<td>Marrakesh-Safi</td>
<td>Maya Gold &amp; Silver Inc., 2019</td>
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<td>Bailey</td>
<td>405,000</td>
<td>1.00</td>
<td>60.78</td>
<td>−128.85</td>
<td>Canada</td>
<td>Yukon Territory</td>
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<td>Baoshan</td>
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<td>25.57</td>
<td>114.27</td>
<td>China</td>
<td>Jiangxi</td>
<td>Zhao and others, 2017; Zhao and others, 2018</td>
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<td>Bayan</td>
<td>18,000,000</td>
<td>0.354</td>
<td>53</td>
<td>67.89</td>
<td>Kazakhstan</td>
<td>North Kazakhstan</td>
<td>Japan-Kazakhstan Network for Investment Environment Improvement, 2015</td>
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<td>Brejui</td>
<td>17,500,000</td>
<td>0.36</td>
<td>−6.32</td>
<td>−36.55</td>
<td>Brazil</td>
<td>Rio Grande do Norte</td>
<td>Werner and others, 2014</td>
</tr>
<tr>
<td>Brown's Lake</td>
<td>6,030,000</td>
<td>0.55</td>
<td>45.52</td>
<td>−112.84</td>
<td>United States</td>
<td>Montana</td>
<td>Werner and others, 2014</td>
</tr>
<tr>
<td>Cantung</td>
<td>10,796,560</td>
<td>1.2</td>
<td>61.97</td>
<td>−128.24</td>
<td>Canada</td>
<td>Northwest Territories</td>
<td>Clow and others, 2006; Delaney and Bakker, 2014; Fitzpatrick and Bakker, 2011; North American Tungsten Corporation Ltd., 2003, 2007; Werner and others, 2014</td>
</tr>
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<td>Costabonne</td>
<td>1,500,000</td>
<td>0.35</td>
<td>42.41</td>
<td>2.35</td>
<td>France</td>
<td>Pyrenees-Orientales</td>
<td>Werner and others, 2014</td>
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<td>Covas</td>
<td>3,658,000</td>
<td>0.4</td>
<td>41.87</td>
<td>−8.73</td>
<td>Portugal</td>
<td>Viana do Castelo</td>
<td>Price and Giroux, 2015</td>
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<td>Dholpani-Bhurkola</td>
<td>3,149,000</td>
<td>0.296</td>
<td>26.97</td>
<td>90.4</td>
<td>Bhutan</td>
<td>Sarpang</td>
<td>United Nations, 1991</td>
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<td>Dolphin</td>
<td>19,000,000</td>
<td>0.75</td>
<td>−40.055</td>
<td>144.06</td>
<td>Australia</td>
<td>Tasmania</td>
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<td>El Jaralito</td>
<td>3,000,000</td>
<td>0.25</td>
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<td>Sonora</td>
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<td>Canada</td>
<td>Ontario</td>
<td>SRK Consulting, 2007</td>
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<td>Fox</td>
<td>1,147,800</td>
<td>1.025</td>
<td>52.1</td>
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<td>Canada</td>
<td>British Columbia</td>
<td>Desautels and Berndt, 2018</td>
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<td>3,071,000</td>
<td>0.88</td>
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<td>2.49</td>
<td>France</td>
<td>Tarn</td>
<td>Audion, 2013</td>
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<tr>
<td>Huangshaping</td>
<td>76,450,000</td>
<td>0.2</td>
<td>25.66</td>
<td>112.68</td>
<td>China</td>
<td>Hunan</td>
<td>Qi and others, 2012</td>
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Table 2. Tonnage, grade, and location data for 41 tungsten skarn deposits.—Continued

[Tonnage and grade data are reported using the number of significant figures associated with the least precise input]

<table>
<thead>
<tr>
<th>Deposit name</th>
<th>Ore, in metric tons</th>
<th>Grade, in percent WO₃</th>
<th>Latitude</th>
<th>Longitude</th>
<th>Country</th>
<th>State, Province, or Territory</th>
<th>Reference(s)</th>
</tr>
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<tbody>
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<td>39.71</td>
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<td>Samarkand</td>
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<td>6,000,000</td>
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<td>Castile and León</td>
<td>Almonty Industries, 2013; Heemskirk Consolidated Ltd., 2008, 2009, 2010; Wheeler, 2015</td>
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<td>Yukon Territory</td>
<td>Lacroix and Cook, 2007; Narciso and others, 2009</td>
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<td>0.308</td>
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<td>39.02</td>
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<td>Sughd</td>
<td>Rabchevsky, 1988; Soloviev and others, 2019; Werner and others, 2014</td>
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<td>Yunnan</td>
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<td>110.58</td>
<td>China</td>
<td>Guangxi</td>
<td>Chen and others, 2018</td>
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<td>Pilot Mountain</td>
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<td>38.38</td>
<td>-117.87</td>
<td>United States</td>
<td>Nevada</td>
<td>John and Bliss, 1993; Thor Mining Plc., 2018, 2019</td>
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<tr>
<td>Pine Creek</td>
<td>16,100,000</td>
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<td>37.36</td>
<td>-118.7</td>
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<td>California</td>
<td>Carroll and others, 2018</td>
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<td>Risby</td>
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<td>0.475</td>
<td>61.86</td>
<td>-133.37</td>
<td>Canada</td>
<td>Yukon Territory</td>
<td>Desautels and others, 2007; Playfair Mining Ltd., 2009</td>
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<td>Sangdong</td>
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<td>37.15</td>
<td>128.84</td>
<td>South Korea</td>
<td>Gangwon-do</td>
<td>Werner and others, 2014; Wheeler, 2016</td>
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<td>-118.13</td>
<td>United States</td>
<td>Nevada</td>
<td>McCandlish and Odell, 2013</td>
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</table>
Table 2. Tonnage, grade, and location data for 41 tungsten skarn deposits.—Continued

[Tonnage and grade data are reported using the number of significant figures associated with the least precise input]

<table>
<thead>
<tr>
<th>Deposit name</th>
<th>Ore, in metric tons</th>
<th>Grade, in percent WO₃</th>
<th>Latitude</th>
<th>Longitude</th>
<th>Country</th>
<th>State, Province, or Territory</th>
<th>Reference(s)</th>
</tr>
</thead>
<tbody>
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<td>0.6</td>
<td>43.39</td>
<td>42.86</td>
<td>Russia</td>
<td>Kabardino-Balkaria</td>
<td>Rabchevsky, 1988; Werner and others, 2014</td>
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<tr>
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<td>14,500,000</td>
<td>0.5</td>
<td>40.09</td>
<td>29.18</td>
<td>Turkey</td>
<td>Bursa</td>
<td>Werner and others, 2014</td>
</tr>
<tr>
<td>Watershed</td>
<td>49,320,000</td>
<td>0.14</td>
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<td>Queensland</td>
<td>Vital Metals Ltd., 2014a, 2014b</td>
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<td>0.641</td>
<td>29.29</td>
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<td>Jiangxi</td>
<td>Dai and others, 2018; Zhao and others, 2017</td>
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<tr>
<td>Xiaobaishitou</td>
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<td>0.78</td>
<td>41.89</td>
<td>95.3</td>
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<td>Deng and others, 2017</td>
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<td>112.93</td>
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<td>Hunan</td>
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<td>Yanqian</td>
<td>4,400,000</td>
<td>0.365</td>
<td>26.29</td>
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<td>Jiangxi</td>
<td>Zhao and others, 2018</td>
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<tr>
<td>Yxsjoberg</td>
<td>4,200,000</td>
<td>0.38</td>
<td>60.04</td>
<td>14.77</td>
<td>Sweden</td>
<td>Orebro</td>
<td>Sinclair and others, 2014; Werner and others, 2014</td>
</tr>
</tbody>
</table>
Figure 4. Graphs of log-transformed tonnage values and other statistical results for the 41 tungsten skarn deposits included in this model. These results demonstrate that the tonnage values do not differ significantly from a lognormal distribution and that standard deviation values are less than 1.0. A, histogram; B, box and whisker plot; C, normal quantile plot; D, summary of pertinent statistics, and E, results of the Shapiro-Wilk goodness-of-fit test for normality. The plotted data are from table 2 of this report. Ho, null hypothesis; n, total number of deposits; p-value, probability value; W, test statistic.
Results

Distribution of log ore grade

Probability (p) scale

Normal (−0.3367, 0.21366)

Lilliefors confidence bounds

Summary statistics

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Shapiro-Wilk W test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>Prob-W</td>
<td></td>
</tr>
<tr>
<td>0.988610</td>
<td>0.9497</td>
<td></td>
</tr>
</tbody>
</table>

Note: Ho = The data are from the normal distribution. Small p-values reject Ho.

Figure 5. Graphs of log-transformed grade values and other statistical results for the 41 tungsten skarn deposits included in this model. These results demonstrate that the grade values do not differ significantly from a lognormal distribution. A, histogram; B, box and whisker plot; C, normal quantile plot; D, summary of pertinent statistics, and E, results of the Shapiro-Wilk goodness-of-fit test for normality. The plotted data are from table 2 of this report. Ho, null hypothesis; n, total number of deposits; p-value, probability value; W, test statistic.
Discussion

Significant differences between the older global grade and tonnage models and the current updated model are notable, primarily the dramatic increase in the average ore tonnage. The great majority (90 percent) of deposits in the model presented here contains at least 1.29 million metric tons of ore (fig. 1), whereas the corresponding value in the model of Menzie and others (1992) was only 41,000 metric tons. Tonnage values for the 10th percentile also increased by more than 30 million metric tons, a change that has a significant effect on the estimation of undiscovered resources. Changes in grade are less dramatic between older models and the updated model presented here, varying only by a few tenths of one percent. Slight decreases in the average grades are more than offset by pronounced increases in tonnage, thus resulting in a greatly expanded total for contained metal within a given deposit. For example, several deposits are present in both models, and the difference between models can be observed in grade and tonnage plots, with the differences indicated by arrows drawn from the original value to the updated value for the same deposit (fig. 6). Large shifts in contained resources among deposits included in both models can be explained as an effect of additional exploration. Three important factors that heavily influence the changes observed between the previous iterations of the tungsten skarn grade and tonnage model and this updated model are (1) the availability of new data for important Chinese deposits, (2) the availability of expanded mineral resource inventories among known deposits, and (3) updated reporting standards; for example, the Joint Ore Reserves Committee [JORC] code and National Instrument [NI] 43–101 standards.

The stability of a particular grade and tonnage model is dependent on four primary statistical assumptions: (1) that tonnages and grades are not significantly different from a lognormal distribution, (2) that at least 20 deposits are used, (3) that standard deviations for log-transformed tonnage are less than 1.0, and (4) that there are no significant correlations between tonnage and grade (Singer and Menzie, 2010). The first three assumptions are unambiguously satisfied in this model; however, the correlation coefficient between tonnage and grade is -0.33 with a p-value of 0.03, which indicates that the correlation is statistically significant. The dataset was scrutinized to identify potential sources of correlation, such as the inclusion of multiple deposit types, incomplete estimates of mineral endowment, effects of inclusion of deposits from nonmarket economies, or data processing errors. Absent these errors in reporting, a likely explanation is that correlation of grade and tonnage is a real phenomenon primarily related to economic effects. For example, various types of mine models show that operating costs decrease with increasing mine capacity; therefore, production costs tend to decrease with increasing tonnage (Camm, 1991, 1994). An increase in tonnage and mine lifetime may permit the cutoff grade to be lowered, resulting in an increase of contained and recoverable resources. Thus, the negative correlation in this model may be understood to be the result of economic factors that lead to lower cutoff grades concomitant with increases in tonnage. Consistent with the methods for compiling grade and tonnage information, the largest tonnages reported at the lowest cutoff grades form the basis for this model.

Tungsten Price Considerations

Tungsten prices have been well correlated with trends in supply and demand during the past century. For example, increased demand for tungsten during World War I, World War II, and the Korean War coincided with periods of high tungsten prices and U.S. Government price support (Stager and Tingley, 1988). Increased consumption of tungsten carbide led to price increases in the 1970s, followed by a decline in prices as production increased in China. More recently, tungsten prices have been characterized by high volatility (fig. 7). In general, the inflation-adjusted long-term average tungsten price has varied between $15,000 and $35,000 per metric ton ofWO3 (U.S. Geological Survey, 2017; Shedd, 2020; U.S. Bureau of Labor Statistics, 2020). For example, in the 20-year period from 2000 to 2019, the average price of tungsten concentrates was approximately $26,500 per metric ton ofWO3.

As a result of price volatility, the economic criteria used to assess mineral resources must be reevaluated occasionally. One implication of changing tungsten prices is the effect on the cutoff grade used to conduct economic feasibility analyses of mineral resources. This relationship, with higher prices corresponding to lower reported cutoff grades, higher tonnages, and lower average grades, may explain some of the observed differences between this updated grade and tonnage model compared with previous models. The economic viability of a deposit is highly dependent on tungsten price considerations and the resulting shifts in cutoff grade. To assess whether some portion of a quantitative undiscovered mineral resource might be economic to extract, the Resource Assessment Economic Filter (RAEF) can be used (Shapiro and Robinson, 2019). For the purpose of calibrating the RAEF, a tungsten price of $26,500 per metric ton ofWO3 is recommended.

Effect of Grade and Tonnage Model Parameters on MapMark4 Simulations

The selection of an appropriate grade and tonnage model is the first of two primary inputs required for quantitative mineral resource assessment calculations by MapMark4, which is a software program that implements probability calculations in three-part mineral resource assessments (Ellefson, 2017). The second input is the estimate of undiscovered deposits made by a panel of experts using available geological, geochemical, geophysical, and mineral site data within delineated permissive tracts. In addition to these numerical inputs, the software includes several parameters
that must be specified by the user. This section discusses
the influence of certain parameters related to the grade and
tonnage modeling, how these parameters propagate through
the calculation, and their ultimate effect on the quantitative
assessment results.

Three parameters related to the grade and tonnage model
affect how MapMark4 performs statistical calculations and
models the input data with a continuous probability distribu-
tion function (PDF). The first parameter to be selected by the
user is whether to truncate the distribution at the minimum and
maximum observed values for grade and tonnage in the grade
and tonnage model. The second parameter is the selection
of the distribution type; the PDF can be constructed using
the normal type or the kernel density estimate (KDE) type,
with KDE being the preferred method for grade and tonnage
models with greater than 50 deposits. The third parameter is
the grade and tonnage model dataset, which must be tested for
correlation between tonnage and grade.

To determine the influence of each parameter and test
the robustness of the results, MapMark4 was run in different
modes using the tungsten skarn grade and tonnage model
presented here along with an example deposit estimate file,
“ExampleDepEst4,” which is included in the MapMark4
software package (Ellefsen, 2017). An additional test using
the same deposit estimates was conducted with the previously
published model (Menzie and others, 1992) for comparison.
The test results, which are shown in table 3, illustrate the
effect of grade and tonnage model parameter selection.

To test for the influence of the PDF type, the same grade
and tonnage model and deposit estimates were run in two
different modes. In the first test, the KDE PDF type was used,
whereas in the second test, the normal PDF type was used.
Both modes were run with truncation. To test for the effect of
truncation, a third test was run without truncation using the
KDE PDF type.

MapMark4 does not test for correlation between grade
and tonnage; therefore, the user must verify that the grade
and tonnage model input does not have a strong correlation.
For example, large tonnage deposits may tend to have lower
grades, resulting in a negative correlation. As a result, a
 simulation of deposits based on a correlated model may
populate the large-tonnage–high-grade quadrant of the grade-
tonnage plot, even though no data from the grade and tonnage
model are observed at those extreme values of contained
metal. Although the probability of those deposits in the
simulation are low, they can have a large effect on the amount
of contained and recoverable resource totals. Furthermore,
the effect of large-tonnage–high-grade deposits propagates
through an economic filter.

Using the RAEF software package (Shapiro and
Robinson, 2019) enables a test for the influence of correlation
using empirical mode. In contrast to the MapMark4 Monte
Carlo simulation, in which the PDFs for grade and tonnage
are each sampled independently, empirical mode replaces
each simulated deposit with a direct sample of the grade
and tonnage model, preserving the pairings between grade
and tonnage. If correlation is not a significant contributor of
bias toward the large-tonnage–high-grade quadrant, then the
RAEF empirical mode results and normal results should be
comparable (figs. 8, 9).

Lastly, to illustrate the importance of grade and tonnage
model selection and the effect of using the updated model,
the simulation was run using a previously published tungsten
skarn model (Menzie and others, 1992) as a truncated KDE
PDF type. All tests were run with the same RAEF parameters,
including a depth interval of 0 to 1 km, one-product floatation,
a tailings pond with a liner, a WO₃ price of $26,500, and a
metallurgical recovery factor of 75%.

The contained and recoverable WO₃ resource tonnages
are very similar for the empirical mode, normal PDF
truncated, and KDE truncated test runs (table 3; fig. 10). The
similarity in the results of empirical mode suggests that the
slight negative correlation inherent to the grade and tonnage
model does not have a major effect on the simulation results,
so long as they are truncated. The untruncated model has
much larger contained and recoverable WO₃, as a result of
high simulated grades of up to 10% WO₃ (fig. 10). These
tests illustrate the robustness and limitations of the grade and
tonnage model. Users are advised to select truncated distribu-
tions using MapMark4 and similar parameters in RAEF.
Figure 6. Bivariate plot of log-transformed ore grade and tonnage showing the current model tonnage compared with that of the previous model for tungsten skarn deposits prepared by Menzie and others (1992). Dashed diagonal lines show the amount of contained tungsten metal. The arrows begin at the value in the previous model and point to the updated value in the current model. The current data are from table 2 of this report.
Figure 7. Tungsten concentrate prices from 1900 to 2019, with nominal unit values, inflation-adjusted unit values reported in constant 2019 dollars, long-term 20-year average price, and the recommended value of $26,500 per metric ton of WO$_3$. Price data are from the U.S. Geological Survey (2017) and Shedd (2020); inflation factors are from the U.S. Bureau of Labor Statistics (2020).

Table 3. Test run parameters and simulation results for the current tungsten skarn grade and tonnage model and one previous model using MapMark4 and RAEF (Resource Assessment Economic Filter) software.

[Grade and tonnage data are from table 2 of this report and Menzie and others (1992); example deposit estimates are from Ellefsen (2017). KDE, kernel density estimate; PDF, probability distribution function; RAEF, Resource Assessment Economic Filter; WO$_3$, tungsten trioxide; std. dev., standard deviation; %, percentile of deposits]
Figure 8. Bivariate plot of log-transformed grade and tonnage for simulation results using different test parameters in MapMark4. Grade and tonnage data are from table 2 of this report; example deposit estimates are from Ellefsen (2017). KDE, kernel density estimate; WO₃, tungsten trioxide.
Figure 9. Histograms of contained tungsten trioxide (WO$_3$) for simulation results using different test parameters in MapMark4. Grade and tonnage data are from Table 2 of this report; example deposit estimates are from Ellefsen (2017). KDE, kernel density estimate.
Conclusion

The grade and tonnage model presented here is the first attempt to incorporate new mineral inventory data related to tungsten skarns in nearly 30 years. The model adds additional deposits not present in the previous global tungsten skarn grade and tonnage model for a total of 41 deposits. The median tonnage has increased by approximately 5 million metric tons, whereas the median grade has decreased by 0.2%. This trend is reflective of the economic factors driving a modern tendency to mine larger tonnage, lower grade deposits, and the ability to operate at lower cutoff grades. The incorporation and analysis of new data have resulted in a model that is well-suited to facilitating modern assessments of undiscovered tungsten skarn resources. The need for periodic reevaluation of existing models is demonstrated by the application of modern software tools, and recommendations for optimizing their implementation are critical to appropriately estimating the economic potential of undiscovered deposits. The selection of an appropriate grade and tonnage model has strong effects on the results of quantitative assessments, which can inform policy decisions, land-use planning, and Federal stewardship of natural resources.

References Cited


