

In order to back up the increase of gold production at El Indio, San José has accelerated its gold project, Nevada, near El Tambo and El Indio where high grade ore was found at the end of 1989.

Another project under consideration is the development of new sectors of the deposit, particularly the Viento vein at the El Indio mine.

Among the projects being considered for the future is high intensity smelting to remove arsenic and antimony from concentrates and a 4,500 tpy plant for this purpose.

In addition, a new flotation process is being analyzed for direct smelting ore (DSO) with grades between 55 and 62 g/t gold, which would permit 97% recovery.

During 1990 US\$ 15 million was invested in different El Indio projects, such as the installation of the third roaster which has been operating since mid-1991.

Investments of US\$ 25 million was estimated for 1991, for mine expansion and also to increase production by 10%.

Information on the equipment used in El Indio is contained in Directory XI.2, Equipment Inventory.

II.3.9.- El Bronce - Privately Owned

Compañía Minera El Bronce de Petorca is owned by the Callejas family. It operates the mine of the same name in the IV Region and is still the third largest gold producer in Chile. With capacity to treat 33,000 tpm of concentrates, it produces approximately 3,500 kg. of gold, 3,000 kg. of silver and 1,250 t of copper annually. The processing plant consists of a structure for sulfide concentration which receives ore with a gold content of 4 and 5 g/t and produces concentrates with a gold grade between 70 and 100 g/t.

II.3.10.- Santa Dominga - Privately Owned.

The Santa Dominga mine belongs to Compañía Minera Tauro, made up of the Browne Covarrubias group (Dominga Investments Ltd. and Midas Resources Ltd.). It is located near the city of La Serena in the IV Region.

The deposit has proven reserves of 330,000 tons of ore plus 1,335,000 tons of indicated reserves. The average grade is 3.5 g/t of gold and 0.6% of copper.

The plant uses conventional flotation and has the capacity to process 650 tpd. Its production is 360 kilos of fine gold and 600 kilos of silver per year. Concentrates are sold to the Empresa Nacional de Minería.

II.3.11.- Compañía Minera Soledad - Dicsa/Eulogio Gordo.

Dicsa and Coexmin (Eulogio Gordo is also a partner of this company) formed this company which leased the Chileno and Alexandra claims in the gold-bearing district of Taltal from Enami, for 15 years.

A flotation plant with a 100 tpd capacity was installed. The mineral is exploited at a rate of 1,800 tons per month and has a grade of 7 g/t of gold. A 600 tpd heap leaching plant has been projected with a US\$ 7 million investment.

II.3.12.- Minera Las Palmas - Cominor.

Minera Las Palmas, a subsidiary of Cominor S.A., is one of Francisco Javier Errázuriz's mining operations. The investment in this deposit was US\$6 million.

The mine and the plant are located in the former Hacienda Las Palmas, 50 km. northwest of the city of Talca in the central part of Chile. Reserves are 850,000 tons of ore with an average gold content of 5 g/t, and there are resources for another 500,000 tons.

It is an underground mine.

The plant originally produced gold concentrates by flotation. It now operates on the Cyanidation CIP-EW (Carbon-in-Pulp-Electrowinning) process. It produces 500 kilos of fine gold per year, which totals approximately US\$ 6 million. The production rate is 350 tons of ore per day. The possibility of recovering zinc as a by-product is being analyzed.

Other deposits like Huilquelemu, Loma Blanca, and El Chivato, located near this mine, are being explored to supply ore in the future.