

however. It currently exploits the Fortuna heading near the city of Lebu. Carville's coal production is approximately 130,000 tons.

Carville is building a new coal washing plant, that will permit improvement of impure coal quality by 72% and decrease production costs. The investment amounts to 130 million Chilean pesos.

San Pedro de Catamutún

Another small underground mine is San Pedro de Catamutún in the Valdivia region.

IV.1.2.- Compañía de Carbones de Chile (COCAR) - Copec.

Cocar is a company made up of Compañía de Petróleos de Chile, Copec (45.0%), International Finance Corporation, IFC (9.9%), the Von Appen family through the Ultraterra Companies, Consorcio Ultramar (36.1%), and Northern Strip Mining of England (9.0%).

The company was created in 1985 to develop the carboniferous sub-bituminous deposit for thermal use of Pecket in Magallanes, with a calorific power of approximately 4,200 Kcal/Kg. The investment totalled US\$ 65 million, financed 40% by the partners' own resources and the rest by loans from financial institutions and the IFC.

The Pecket deposit was discovered by a program carried out by Corfo and the Comisión Nacional de Energía in 1979. It is located on the southern edge of the Seno Otway, 30 kilometers from Punta Arenas.

The mine is accessible by sea, through the Strait of Magellan and the Jerónimo Canal. It is part of the the great coal basin which extends from Punta Arenas to Puerto Natales, 250 kilometers north, and then crosses the Argentinian border where it is exploited in the Río Turbio mine.

Reserves of 50 million tons were determined in the categories of measured and recoverable reserves by open pit methods. Additional potential reserves could duplicate that figure, and they could subsequently be extracted by underground methods.

After signing a contract with Codelco to supply 880,000 tpa to Unit No. 14 in Tocopilla for a period of 10 years, the Company started to develop the deposit in March, 1987 and coal extraction began in June of this year. In 1987 Cocar production was 292,000 tons. In 1988 it was 890,000 tons, and in 1989 it amounted to 850,000 tons.

In the medium term Cocar could produce up to 2,000,000 tons, and supply a new electrical generating unit in Tocopilla, Unit No. 15.

Cocar is studying the possibility of producing gold and iodine and participating in future thermoelectrical plants. The most advanced project is iodine exploitation at the former nitrate mine of Victoria; the feasibility study for this project is in its final stage. Generation of 600 and 1,200 tons annually is possible. An investment of US\$ 8 to 10 million in the former case, and twice this amount in the latter would be necessary. The project could be carried out depending on the evolution of the iodine price.

Cocar also has the option to purchase the Río de Oro claims in Magallanes that were explored by the Mantos Blancos mining company, which at present belongs to a New Zealander.

Cocar has also participated in the study of the Guacolda Thermoelectric Plant in Huasco, in partnership with Chilgener, Cap and Colbún. This plant could produce between 125 and 200 megawatts with an investment of US\$ 200 million.

Isla Riesco Project.

In March, 1992 open pit coal production should start on Isla Riesco in the Otway inlet north of Punta Arenas. Since 1986 a national mining company has been carrying out complete prospections in this area. The project includes a US\$ 65 million investment to prepare an open pit. Reserves would be 600 million tons of ore of the bituminous type, similar to that of Pecket (5,400 kcal/kg).

Production cost is estimated at US\$ 12 or less.

A new open pit mine was installed with initial capacity of 1.1 million tons of coal per year, which included the construction of a mechanical loading pier for ships over 60 thousand tons.