

II.2.3 Minera Escondida - BHP, Utah, Mitsubishi.

With annual production capacity of 320,000 tons of fine copper in the form of concentrates, Escondida has become the largest private mining company in Chile. Its reserves have been estimated at 1.8 billion tons grading 1.59%.

Escondida belongs to Broken Hill Proprietary Minerals (BHP) of Australia (57.5%), RTZ Corp. PLC of Great Britain (30%), JECO, a Japanese consortium led by Mitsubishi (10%), and the World Bank's International Finance Corporation (IFC) (2.5%).

The project's investment was US\$ 830 million, and it was financed with Australian, German, Canadian and Finnish capital, by means of supply contracts that attracted the attention of the financial world.

The operation contemplates exploiting 662 million tons over the next 52 years. During the first 20 years the average grade will be 2.8%. Production costs will be about US\$ 50 per pound, including the margins for molybdenum and gold as by-products.

Directory XI.2, Equipment Inventory, contains information on the equipment used at La Escondida.

II.2.4 Empresa Minera de Mantos Blancos - Angloamerican.

Mantos Blancos S.A. of Angloamerican operates the Mantos Blancos copper mines, plants and smelter located 45 kilometers N.E. of Antofagasta, a short distance from the road which connects Calama and Chuquibambilla.

73% of Empresa Minera de Mantos Blancos belongs to Angloamerican Corporation of South Africa (AMSA). The company mainly exploits the Mantos Blancos mine, and it is developing the Mantoverde ore deposit.

Mantos Blancos comprises the Elvira and Tercera open pits, the Nora Marina underground mine, an oxide plant, a sulfur plant and a water treatment plant. Proven exploitable reserves are 23.1 million tons of oxidized copper with an average grade of 0.93% of soluble copper and 47.1 million tons of sulfur mineral, with an average grade of 1.34% of insoluble copper, 0.1% of soluble copper and 15 grams of silver per ton.

In the beginning, Mantos Blancos' exploitation was exclusively open pit and oxidized minerals. Open pit exploitation has developed in five pits: Tercera, Mercedes, Elvira, Marina and Quinta.

Subsequently (1974) it has increasingly become an underground exploitation of sulfured minerals with low content of oxides. At present both extraction operations coexist with a total extraction capacity of 6,800,000 tpy of mineral, 52% of which comes from the underground mine and 48% from the open pit and stockpile.

The company has an oxide and a sulfur plant for treatment of these minerals. In 1990 the oxide plant processed 3.5 million tons of oxidized mineral, with an average grade of 0.94% of soluble copper.

The flotation plant processed 3.4 million tons of sulfured mineral with an average grade of 1.38% of insoluble copper.

In 1990 Mantos Blancos' production was 72,438 tons of fine copper and 50,910 kg of silver. The expansion of the Elvira pit, at a cost of US\$ 8 million, will raise production to approximately 100,000 tpy of fine copper. The project also contemplates the replacement of production equipment and the purchase of new transport equipment at a cost of US\$ 20 million. In 1991 production reached 79,000 tons.

Copper sales during 1990 were 71,056 tons, with revenue of US\$ 173.7 million. 43,516 kg of silver were also sold for US \$ 6.9 million.

Information on the equipment used in Mantos Blancos is contained in Directory XI.2, Equipment Inventory.

II.2.4.1 Mantoverde - Angloamerican.

The project includes the claims of the Mantoverde Group which belong to the company and the claims of the Groups called Manto Ruso and Manto Monstruo, which are adjacent to the former. The company maintains a purchase option on these claims, and their total price may reach US\$ 700,000, if the option is exercised.

Since 1989 geological studies have been conducted in the area with approximately 20,400 meters of drillings in Mantoverde and 6,640 meters in Manto Ruso. Preliminary estimations of reserves indicate