

V.- OTHER PROJECTS

V.1.- Alumisa Project

The Alumisa project, one of the partners of which is Kayser Aluminium, consists of a large aluminum refinery that will be installed in the XI Region near Aysén. This region does not have bauxite deposits, but low cost hydroelectric power is readily available. Raw material would be purchased in Australia.

The project would have the capacity to treat 220,000 tpa. Two hydroelectric plants would be built with a capacity of 3,100 KW per year - equivalent to the Colbún Machicura complex in the VII Region - as well as a loading and unloading port at the mouth of the Cuervo river, in the Aysén fiord, twenty kilometers northeast of Port Chacabuco.

According to preliminary information, the project would be feasible with a US\$ 1.1 billion investment. The feasibility study is being developed by Kayser Engineers International of the U.S.A. and Oderbrecht of Brazil.

Nissho Iwai, one of the 10 largest trading companies in Japan, which would supply part of the bauxite needed for the project, should announce in the first quarter of 1992 the names of the companies that will participate in the joint venture with Alumisa.

Alumisa would start operating in 1996 with sales amounting to US\$ 400 million annually. This would triple the GDP of the XI Region.

It would also supply the country with aluminium.

Noranda has held conversations to express their interests in the project.

V.2.- Endesa-Aluminium.

In March, 1992 the press announced that Endesa, the largest power generating company in Chile, was planning to build an aluminum processing plant with similar characteristics and location to Alumisa, which would be built in conjunction with Comalco Aluminium of Australia and Marubeni of Japan. A feasibility study, at a cost of US\$ 1 million, has been requested of Bechtel and Ingendesa, who must have it completed by September of this year. The hydroelectric plant would use water resources from the Baker and Pascua rivers to generate approximately 380 megawatts of power.

The processing plant would have a capacity of 220,000 tpa of aluminum, and the investment would be US\$ 1.5 billion.

V.3.- Enaex - Austin Powder USA.

Enaex will build a new Ammonium Nitrate plant, which will require an investment somewhere between US\$ 20 and US\$ 30 million. The plant will be located in Mejillones in the Second Region. Although it is still in the basic engineering stage, works will start at the end of 1991. This plant will join another making possible to increase the production capacity of Ammonium Nitrate by 50%. This compound is used as a component in explosives used mainly for mining.

V.4.- Proacer - CRA Australia.

Productos Chilenos de Acero Ltda. (Proacer), a subsidiary of the Australian Group CRA, is building a plant in Polpaico in 1992.

This new siderurgical industry will manufacture iron balls for mineral milling.

The plant will be built with an investment of US\$ 23 million via Decree Law 600. The processing plant will use electric arc furnaces to manufacture iron balls. The electricity supply will be provided by Chilectra Metropolitana. A 10-year renewable contract was signed for this purpose, which ensures supply for US\$ 34 million and includes construction of a new power plant called El Manzano.

Initial capacity will be 25,000 tpa which can be expanded to 50,000 tons working in three shifts. National scrap will be used as raw material.

CRA has annual sales of approximately US\$ 6 billion per year.