

Although a number of Canadian companies have been very active in Venezuela, it was the presence of Placer Dome that drew the first real interest to the Guayana Gold Region and the Km 88 district in particular.

Local owners of concessions currently include an assortment of farmers, entrepreneurs, politicians, military types, and even a consortium or co-operative of all of the above. Gradual and often expensive negotiations have allowed Canadian firms, to acquire the rights to various Km 88 and El Callao concessions. According to the information received from several reliable sources, Canadian investors and mining companies have expended close to 200 million U.S Dollars in the acquisition of mineral rights, but little or no systematic exploration has been carried out. In the last two years, over 75 exploration contracts have been signed with mining companies.

To date only two mines are in production, both in the gold-rich El Callao zone. One is the Minerven facility, wholly owned by the CVG, which is an underground mine that produces 2.9 MT of gold per year. The other is Revemin, a joint venture between Monarch and the CVG, which is recovering gold from the tailings of the Laguna mine. Revemin is a facility exploited between 1897 and the 1940s, which is producing 1.3 MT per year.

In 1991, CVG created a joint venture with Placer Dome to explore and mine Las Cristinas gold concessions including its very rich gold tailings. At present, extensive exploration work is being done.

Most foreign mining company's and investor's current strategy, is to carry out extensive exploration work in order to prove significant orebodies and then prepare a bankable feasibility study. Many companies are doing topographic surveying, line cutting, geological mapping, rock and soil sampling, ground VLF-EM, magnetometer surveys and soil geochemistry.

## VI. OUTLOOK

The recent increases in official production figures are due, among other reasons to the international prices now being paid by the Central Bank of Venezuela, the only authorized purchaser. It sets its daily price on the Zurich and London Gold fix. The opening up to foreign investment, together with the country's new tax code that has reduced profit taxes from 60 percent to 30 percent, has encouraged foreign companies to invest.

The gold industry is experiencing a steep growth curve; indeed gold exploration has made mining the fastest growing sector of the GDP (+18% in 1992).

The expanding mining and peripheral industries provide more jobs for the miners, technicians and other professionals, as well as attracting foreign investors. Over the next three years this