

Thus there are presently two routes in which exploration and exploitation rights to a mineral property can be held from the government.

- A) Concessions granted by the M.E.M: these are the mineral properties issued prior to decree 1409.
- B) Leases granted by C.V.G., under its concession from the M.E.M.

There has been considerable confusion over mineral rights in the Canadian investment community due to the fact that there are two ways to "hold the rights". In some cases rights to minerals are separated and rights to soft and hard rock are separated. It is unlikely that, the holder of gold and diamond rights would not receive copper rights when they were applied for, or that the holder of soft rock rights would not receive hard rock rights.

After much discussion and debate a new Mining Law has now been drafted and it is expected to be approved by January 1995. This new law will simplify and tighten some of the present rules regarding title and rights. The new law will fix royalties at 2%, streamline concessions granting process, formalize foreign participation and set special rules for gold mining.

IV. EXPLORATION AND MINING

Comparatively little systematic exploration work has been done in the mineral-rich Guayana region, and officials note that Venezuela cannot lay claim to an official figure of proven gold reserves. But knowledgeable analysts estimate that a potential of 10,000 mt of exploitable reserves lie in the Guayana region and that an annual production of 75 mt is feasible. In neighbouring Guyana, whose geological structure is identical to Venezuela's, a 300,000 oz/year start-up has demonstrated the economic potential of the gold-bearing laterite/saprolite overlying quartz vein/stockwork geological model. Guayana documented historical production indicates that it has the same huge potential as the greenstone belts of Eastern Canada and Western Australia. The Venezuelan greenstone belt is bounded by granitoids and gneisses of the Supamo Complex which is overlaid on the south side by flat continental sediments of the Roraima Group.

In addition to large alluvial and eluvial deposits, superficial mining has uncovered saprolitic and hard rock gold deposits. These include:

- 1) auriferous quartz veins,
- 2) brittle and ductile quartz veined auriferous shear zones,
and
- 3) auriferous quartz stockworks.