

Information Sheet No 3

Blanca de Huequi

The sample treatment plant for the bulk sampling programme at Blanca de Huequi was completed in early-May and it was shipped to site in mid-May. A sampling exercise was mounted in late-May using a backhoe to excavate samples. Bad weather and poor conditions underfoot prevented access to some areas but a representative range of samples were taken from the lowermost raised beach.

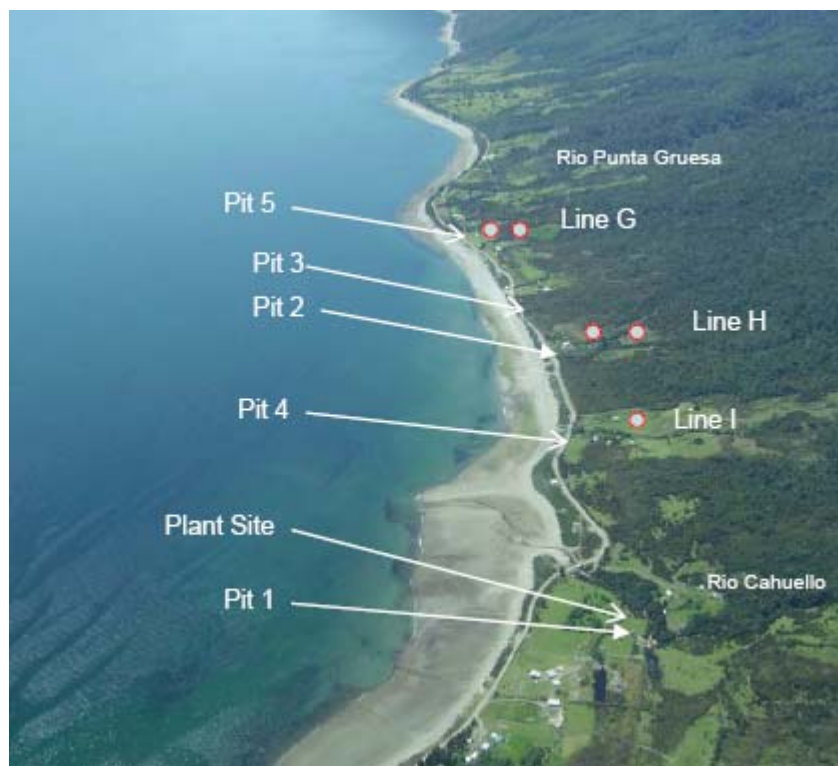


Figure 1: Arrows show the location of the pits excavated to produce bulk samples. Red circles indicate the site of pits from the 1931 pitting programme carrying significant values of platinum. The distance from the Rio Cauhuello to the Rio Punta Gruesa is approximately 2 kilometres.

In the recent exercise, bulk samples were excavated at 5 sites (Pit 1 to Pit 5 in Figure 1 above) and treated in the plant. Approximately 6 tonnes of material less than 2mm in size was recovered and sent to a specialist laboratory in Santiago. Testwork to recover all heavy minerals, including platinum and gold has commenced and samples will be ready for chemical analysis towards the end of June.



Figure 2: Photograph of a typical sample pit at Huequi showing approximately one metre of overburden overlying a one metre thick gravel horizon.

La Perla

A programme of reverse circulation drilling comprising six boreholes to a total depth of 1,146 metres has been completed at La Perla. Samples have been submitted for analysis and results should be available within two to three weeks.



Figure 1: Reverse Circulation drilling at La Perla. The mineralised structure is to the right of the picture. The drillhole has been angled to intersect the structure at depth.

Kahuna

Two ground geophysical surveys (Magnetometry and Induced Polarisation) were completed during May. Results are being interpreted. A report (with maps) is nearing completion and should be delivered before the end of June.

Preliminary plots confirm the continuity of the ore-bearing structures from the old mining district of Carrizal Alto into the Kahuna area and have defined sites for follow-up drilling.

La Falda

No work has taken place on the ground at La Falda since the last Information Sheet was circulated. The final report on the geological mapping, incorporating all the analytical, petrological and mineralogical data is also expected towards the end of June.

San Juan - San Antonio

A programme of reverse circulation drilling was completed at both sites.

At San Juan two holes to a combined depth of 283 m were drilled below the current workings. They were sited to intersect the mineralised shear zone which has been mined from adits at surface. The mineralised shear zone was intersected as anticipated but while abundant sulphide was intersected in one hole, copper values were not as high as anticipated. The results will be assessed in conjunction with those from San Antonio.

A programme of reverse circulation drilling at San Antonio, comprising three holes to a total depth of 537 m, was completed in mid-May. Final analytical results are awaited.

As with previous Information Sheets, this is a summary of recent work completed. If you wish to know more about a particular topic or have any questions, please give me a call or send me an email at psb@catalinaresourcesplc.co.uk.

From the above it is clear that the coming month will see the completion of a number of points outstanding. Information Sheet No. 4 will be issued shortly afterwards.