In 2018, we began implementing the action plans defined to close existing gaps between our projects and the methodology described in Project Management for Mining: Handbook for Delivering Project Success (2015) by Terry L. Owen and Robin J. Hickson. As a result, we achieved the following.
I. Projects in Prefeasibility Phase

SAN GABRIEL PROJECT (100% BVN)

The San Gabriel project is an intermediate sulfidation epithermal deposit with gold, copper, and silver metal contents, located in the Province of General Sánchez Cerro, in the Moquegua Region.

The total mineral resources (measured, indicated, and inferred resources) measured as of the end of 2017 total 13,007,709 DMT, with 0.17 oz/t of Au, 0.23 oz/t of Ag, and 0.06% Cu, which represent 2,202,322 ounces of Au, 2,963,365 ounces of silver, and 7,509 FMT of copper (60% measured and indicated and 40% inferred).

The project’s social situation is favorable, as demonstrated by the approval of the detailed EIA on March 31, 2017, as well as access to all the land necessary to carry out the project.

Conceptually, the project involves an underground mine and modular gravimetry-CIL-ADR processing plant with a processing capacity of 3,000 TPD, expandable to 6,000 TPD.

In 2018, in situ stress measurements were taken using acoustic emission and the proposed geomechanics model and mining method were validated. Additional metallurgical tests were also conducted that concluded in the elimination of the flotation process in this stage. After making these changes, the scoping stage was concluded.

For 2019, the necessary fieldwork will be recommenced in order to continue increasing certainty with regard to resources and the metallurgical models defined during the scoping stage, with a view to concluding the prefeasibility study in the second half of the year.
The Trapiche project is a copper-molybdenum porphyry deposit from the Oligocene located on the southwest edge of the Andahuaylas-Yauri belt, in the province of Antabamba, Apurímac region.

The measured and indicated resources determined as of 2017 total 868,300,000 DMT, with a grade of 0.37% copper, making for 3,247,458 MT of copper. Inferred mineral resources total 44,400,000 DMT, with 0.30% copper, making for 132,753 MT of copper.

Conceptually, the Trapiche Project involves an initial copper leaching operation, working at a pace of 45,000 tons per day.

For this leaching scenario, the minable resources have been estimated at 290,416,144 DMT, with a grade of 0.51% copper, representing 1,469,014 MT of contents and 1,057,690 FMT of copper with an average metallurgical recovery of 72%.

Acid consumption is approximately 7.5 kg/t, and the irrigation cycle is 200 days.

In 2018, the company M3 was hired to conduct prefeasibility studies, which are scheduled for completion during the second quarter of 2019.

We also ratified agreements with the community of Mollebamba. As such, the plan for 2019 will focus on continuing fieldwork to improve the certainty of resources and the models necessary to validate the metallurgical process and the mining plan defined during the scoping stage.

Simultaneously, we will be carrying out activities to define the environmental baseline with a view to beginning the EIA process toward the end of 2019.
II. Projects in the Scoping Phase

COIMOLACHE SULFIDES PROJECT (COMPAÑÍA MINERA COIMOLACHE S.A. - 40.095% BVN)

The Coimolache Sulfides Project consists of an epithermal arsenical copper mineralization covering an area of 2.0 by 2.0 km, and enriched copper located beneath the oxidized area of the current mine.

In mid-2018, the company M3 was hired to perform the scoping study. The plan for 2019 consists of completing the scoping study toward the end of the first quarter of the year and then evaluating the need to continue with the pre feasibility process.

“In mid-2018, the company M3 was hired to perform the scoping study.”
III. Projects in Pre-Scoping Phase

1. Yumpaq Project (100% BVN)

The Yumpaq Project is located 5 kilometers from our Uchucchacua Mine, and consists of a system of intermediate sulfidation veins running primarily northeast, in tension with the Cachipampa Fault, which controls the mineralization at Uchucchacua.

During 2018, we continued with exploration works and reached an agreement with the community of Huachus for the purchase of 500 ha of land.

The works for the definition of resources will continue in 2019, and are scheduled to be concluded during the second half of the year. This project will be integrated with our Uchucchacua mining unit in order to support the planned capacity increase.

2. El Faique Project (100% BVN)

The El Faique Project is a volcanogenic massive sulfide (VMS) ore deposit hosted in the Mesozoic basin of Lacones, located in the province of Tambogrande, in the Piura region.

Efforts in 2018 continued to focus on the community relations area, with a view to restarting communication with the community of Locuto. These efforts will continue during 2019.
SAN GREGORIO PROJECT  
(SOCIEDAD MINERA EL BROCAL S.A.A.  
- 61.43% BVN)

The San Gregorio Project is a massive zinc deposit, and a continuation of the mineralization in our operations at El Brocal, located in the district of Colquipirca, in the Pasco region.

Efforts in 2018 remained focused on the community relations area, with a view to restarting communication with the community of Vicco. Work will continue in 2019, but will concentrate on opening a new exploration front in the area of Marcapunta.

EMPERATRIZ PROJECT  
(MINERA LA ZANJA S.R.L.  
- 53.06% BVN)

The Emperatriz Project is breccia pipe mineralization with clean copper located in the district of Pulán, province of Santa Cruz, Cajamarca region, within the mining concessions of our La Zanja Unit.

In 2018, exploratory drilling was completed in the central body, reporting inferred resources of 25 M DMT with a grade of 0.83% copper and 0.5 g/t of gold, which will be audited by a third party in the second quarter of 2019.

“Emperatriz Project: In 2018, exploratory drilling was completed in the central body, reporting inferred resources of 25 M DMT.”