Thirty-sixth session  
5-30 June 1989, New York  
Item 8 (c) of the provisional agenda

OTHER FUNDS AND PROGRAMMES

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Exploration for Precious and Base Metals in Guatemala  
(GUA/86/NO1)

Recommendation of the Administrator

I. BACKGROUND

1. Results of previous exploration activities show that Guatemala has a modest mineral potential, at least for base metals as well as for nickel and chromium. However, more systematic and detailed scale exploration is needed to establish the economic potential of known mineral occurrences.

2. Following several evaluatory missions to select areas with the greatest possibilities of exploration success, the Government and the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) came to an agreement on a project recommendation for exploration work in three areas. The presence of mineralization is known in each of the areas and the project will concentrate its activities on the economic evaluation of the known occurrences and search for additional ore deposits. A project agreement was signed on 14 October 1988.

II. THE PROJECT

3. The principal objective of the project will be to locate bedrock gold mineralization in Area I (El Pato), base metals (copper, lead and zinc) and precious metal mineralization in Area II (Managua) and placer gold in Area III (Quebradas). The three exploration areas have a combined area of approximately 191 square kilometres.
4. The Minimum Work will have a duration of about 14 months and will include the following activities:

(a) **Area I (El Pato)**

   (i) Continuation of geological mapping;

   (ii) Geochemical soil and outcrop sampling followed by trenching and pitting as and where required;

   (iii) Geophysical induced polarization (IP) and pulse electromagnetic (PEM) (deep PEM) surveys;

   (iv) Diamond drilling up to 1,500 m.

(b) **Area II (Managua)**

   (i) Regional and detailed geological mapping;

   (ii) Geochemical sediment and soil surveys as appropriate;

   (iii) Geophysical IP, PEM and magnetic surveys;

   (iv) Trenching by bulldozer and pitting as required;

   (v) If results of work outlined in subparagraphs (i) through (iv) above are positive, a limited percussion and/or scout core drilling programme may be undertaken.

(c) **Area III (Quebradas)**

   (i) Preliminary survey of an area of 12 km\(^2\) by sinking and sampling every 800 m along grid lines of 3 km long and 400 m apart. Each pit will be 15 m deep;

   (ii) Installation of a complete sample processing laboratory;

   (iii) Up to 1,000 m of combined rotary/hammer drilling as required.

5. In carrying out the Minimum Work described above, UNRFNRE will spend the equivalent of $1,127,000 to finance the services of nationally and internationally recruited staff, as well as providing the necessary equipment, supplies and supporting services.

6. If the results of the Minimum Work are favourable, it is estimated that in order better to define and evaluate the economic potential of individual ore deposit(s) to the point where, in the opinion of the Fund, development investment can be attracted, additional expenditure of up to $1 million will be required.
III. FINANCIAL DATA

**UNRFNRE ALLOCATION**

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<tbody>
<tr>
<td>Minimum Work</td>
<td>1,127,000</td>
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<td>Possible additional expenditure for further activities following the Minimum Work</td>
<td>1,000,000</td>
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<td><strong>Total possible cost of the project</strong></td>
<td><strong>2,127,000</strong></td>
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7. The Administrator, in accordance with Governing Council decision 80/29 of 26 June 1980, approved the Minimum Work for the project on 23 November 1988. The financial assets of UNRFNRE are adequate to meet the cost of the project.

IV. RECOMMENDATION OF THE ADMINISTRATOR

8. In light of the above, the Administrator recommends that the Governing Council take note of the approval by the Administrator of the Minimum Work for the project Exploration for Precious and Base Metals in Guatemala (GUA/86/N01) at a cost of $1,127,000, as an obligation of UNRFNRE, and approves this project, involving a total possible expenditure of $2,127,000.