

# Escondida initiates engagement for its multi billion dollar investment plan

**MINING.** Following the announcement of projects worth up to \$10.8 billion, the company has "initiated a dialogue process to collaboratively work on the opportunities this plan presents for the region."

**El Mercurio de Antofagasta.**  
**December 2, 2024.**

BHP, the operator of Escondida, is preparing to roll out a multi-billion-dollar investment portfolio over the next eight years, totaling \$14.7 billion.

The bulk of this investment—around \$10.8 billion—will be directed toward the world's largest copper operation. According to BHP estimates, this investment will allow Escondida to maintain its current production level of 1.1 million tons per year, preventing a potential drop to 800,000 tons in the coming years. Achieving this, however, will require several environmental approvals.

In this context, a meeting was held last Thursday, l

ed by Alejandro Tapia, President of Escondida, with regional stakeholders, including Governor Ricardo Díaz and Mayor-elect Sacha Razmilic. During the meeting, the company outlined its project portfolio and listened to concerns and demands from attendees.

## DIALOGUE

This initial meeting will be followed by others over time. Various challenges requiring public-private collaboration were identified, such as strengthening local suppliers, developing human capital and local employment, and supporting initiatives that enhance the quality of life and development of Antofagasta.

Some attendees noted a perceived disconnect between the company and the local community, making both the meeting and Tapia's willingness to engage highly appreciated.

It is worth recalling that in 2017, several Antofagasta institutions sent a letter to BHP's CEO in Australia, complaining about the company's lack of connection with the region.

Consequently, this meeting was closely watched by the participants. Privately, some noted that Escondida has contributed significantly to the region when it needed local support. For example, during the approval of the second desalination plant in Coloso, resources were secured for La Chimba beach, water infrastructure for the terminal, and renovations to the Calvo y Bascuñán Stadium.

## INVESTMENTS

Escondida | BHP is now embarking on the most significant investment phase in its history.

Key initiatives include the expansion of the Laguna Seca concentrator plant, the construction of a new concentrator, extending the life of the Los Colorados concentrator plant before its eventual demolition to access higher-grade mineral phases, and projects to optimize leach waste treatment with new proprietary leaching technologies.

The Laguna Seca concentrator expansion, with an investment between \$2 and \$2.6 billion, will be the first project to begin the environmental approval process in the first quarter of 2025. A crucial issue is the company's preference to pursue an Environmental Impact Declaration (DIA) instead of a full Environmental Impact Study (EIA), given the significant cost and time differences between the two, a decision expected to be clarified in the coming weeks.

Overall, this growth plan involves a portfolio of projects to be executed over 8 to 10 years, aimed at strengthening Escondida's production capacity in response to operational challenges such as declining ore grades and processing harder materials.

"Copper is one of the pillars of BHP's strategy for the coming decades, and at Escondida, we have 26 billion tons of this resource, placing us in a very favorable position to project our operations for 50 years or more. We want to work hand in hand with the region to realize all the opportunities this growth challenge brings for the future," emphasized Alejandro Tapia.

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**Sacha Razmilic, Mayor-elect:**

"I hope all the investments by Minera Escondida translate into development for the local community. Whether through hiring local workers, for which we must prepare, or increasing the share for local companies, which we will support from the Municipality."

**Antonio Sánchez, Business Sector:**

"I hope this new phase of Minera Escondida is not managed from the capital, and we see a genuine concern for driving deep regional productive development... promoting a network of new collaborating companies headquartered in our region."

**Orlando Gahona, Mining Cluster:**

"We look forward to continuing our collaboration. Today, we have 950 mining suppliers headquartered in the region. We can double that number by strengthening their goods and services offerings through a supplier development strategy driven by BHP Escondida."

**Iván Simunovic, Businessman:**

"I hope their expansion is successful, as it generates significant economic activity and jobs. But I also hope Antofagasta remembers them as a company that left lasting contributions. I look forward to future meetings."

# John MacKenzie, CEO of Capstone Copper, on Seeking a Partner for Santo Domingo: "30% Is a Reasonable Figure"

John MacKenzie, CEO of the Canadian mining company Capstone Copper, recently inaugurated the company's largest global investment to date: the Mantoverde Development Project (MDP), valued at USD 870 million. Now, to take the next step, Capstone needs to raise USD 2.3 billion. While they plan to secure financing from banks, they are also looking for a partner to contribute equity. According to MacKenzie, "many companies" have expressed interest, including some from Chile. Additionally, MacKenzie is preparing to transition from CEO to Chairman, focusing on a more strategic role.

**Pulso,**  
**December 2, 2024**  
**By Victor Guillou**

John MacKenzie is no stranger to Chile. Between 2009 and 2013, he led Anglo American's operations in the country. Later, he founded and managed Mantos Copper for seven years until its merger with Capstone Mining in March 2022, forming Capstone Copper, where he now serves as CEO. Before the merger, he split his time between London and Santiago, visiting Mantos Blancos and Mantoverde monthly. His 30-plus years of experience underscore Chile's appeal for mining investments. "For me, Chile is a fantastic country for copper investments," he says.

Last week, MacKenzie inaugurated Capstone's largest global investment: the USD 870 million Mantoverde Development Project. This initiative will boost annual production from 40,000 to 120,000 tonnes of refined copper. However, the company's ambitions extend beyond this project. "Chile is the most important country for Capstone Copper. Over the next 10 years, most of our growth will happen here. We have numerous investment projects, including further expansion at Mantoverde, developments at Mantos Blancos, the Santo Domingo project, and cobalt initiatives. Our company's growth is heavily focused on Chile," MacKenzie emphasizes.

For Santo Domingo, Capstone is planning a USD 2.3 billion investment, aiming for an average production of 106,000 tonnes annually over the first seven years. They are also looking to optimize Mantoverde with an additional USD 150 million, increasing annual copper output by 20,000 tonnes.

## **Why Chile?**

- "We are transforming from a small, high-cost, short-lifespan company into one with long-term, low-cost, highly competitive operations. Each step improves our portfolio. Today, we are a leading mid-tier mining company poised for further growth. The next phases are Mantoverde optimization and then Santo Domingo—a truly impressive project that will further our transformation into a major mining player."

## **What is the status of permitting for Santo Domingo?**

- "We are in a strong position, with all necessary permits to start construction. Our environmental approval (RCA) is ready, and we're updating a few sectoral permits."

## **When could construction begin?**

- "We recently updated our feasibility study, incorporating project improvements and a more efficient design based on our local experience. We've optimized the metallurgical process to ensure the project's success. Now, we're planning financing. Everything is moving towards a final investment decision. At Mantoverde, we delivered on time and within budget—something rare in this industry."

## **What type of partner are you seeking?**

- "Our market cap is around USD 5.5 billion, and Santo Domingo requires USD 2.3 billion. It's a significant project for a company of our size. To balance risks and maintain a strong balance sheet, including a partner is prudent. I believe 30% is reasonable—not a magical figure, but substantial enough to matter. We want to remain the operator, so a minor partner is not worthwhile. We've started the process and received significant interest."

**How many companies have shown interest?**

- "Many are in the virtual data room (VDR), but we aim to narrow it down to a small group of ideal partners."

**A shortlist of two or three?**

- "Yes, two or three. While the price for the 30% stake is critical, more important is the long-term partnership—this is a 34- to 50-year commitment. Strategic alignment is essential to secure our future plans. We seek a partner with complementary capabilities. For instance, in Mantoverde, we partnered with Mitsubishi Materials, which operates a smelter in Japan. They offer attractive terms for concentrate sales and access to Japanese government financing. We want partners who add value in areas where we lack expertise. Interest is global, from Japan to the Middle East and beyond."

**Are any Chilean companies interested, such as Codelco?**

- "Codelco has its own investment plans and is not involved, but other Chilean companies are participating." Will you use the same financing model as Mantoverde, involving banks?

- "Yes, it was very successful. We combined equity from a partner with project financing from a consortium of banks. Having a partner simplifies bank financing, influencing which banks participate, as they often have regional ties."

**Capstone is undergoing leadership changes. You will step down as CEO in May. Why?**

- "This has been planned for three years. Cashel Meagher, our COO, will become CEO. James Whittaker, former president of Escondida, will be promoted to COO. We're adopting a flatter structure, and I will become Chairman. I've been CEO for nine years, first at Mantos Copper, then Capstone, leading the Mantoverde project from exploration to last week's inauguration. Continuity is crucial: the CEO who builds the project should deliver it to the board. Our next big project is Santo Domingo. Construction should start in 2026, with commissioning by 2029. It's essential to finalize this leadership transition before the final investment decision."

*There Are Three Courts Across the Country*

## **The Judicial Gridlock of Investment Projects: Environmental Courts Have Taken Up to 1,300 Days to Issue Rulings**

The primary reason, experts explain, is that since their creation in 2013, these courts have rarely operated with a full bench. Additionally, the lengthy and highly politicized nomination process further exacerbates the delays.

**MERCURIO DE SANTIAGO**

**December 2, 2024**

**By Tomás Vergara P.**

Once companies navigate the environmental review process and secure their Environmental Qualification Resolution (RCA), they face another hurdle if their projects are subject to legal challenges: environmental courts, and potentially, the Supreme Court.

According to data from the Confederation of Production and Commerce (CPC) as of the first half of 2024, environmental courts in Antofagasta, Santiago, and Valdivia take an average of 415 days to issue a ruling on investment project disputes under the Environmental Impact Assessment System (SEIA). However, these averages mask significantly longer cases. For instance, in February 2024, the Environmental Court of Valdivia ruled on the “1x220 kV Punilla – San Fabián Transmission Line” after a staggering 1,301 days (3.5 years). Similarly, in March, Santiago’s court issued a ruling on the “Route 66 – Camino de la Fruta Concession” after 1,233 days. In 2019, Antofagasta’s court, the newest, took 365 days to rule on the “Sierra Gorda Project Update.”

### **Vacant Positions Hampering Efficiency**

Experts agree that the primary cause of these delays is incomplete court staffing. Since their inception in 2013, these courts have rarely operated at full capacity. Currently, only eight of the 15 positions are filled. “This is a fundamental issue,” warns Emanuel Ibarra, a partner at Moreno, Sáez & Avilés. “In all their history, they’ve rarely operated with full membership. It’s difficult to manage and plan under these conditions. Appointments have been pending for months or even years, undermining the system’s proper functioning.”

Javier Naranjo, former Minister of the Environment and a partner at JDF Abogados, adds, “Beyond the lengthy timelines, the lack of personnel hampers proper court integration. Given that ministers must draft and issue rulings, any staffing deficiency impacts case processing times.”

Other factors also contribute, including administrative responsibilities placed on judges, inadequate staff levels, and expanded mandates from legislation such as the Framework Law on Climate Change. Moreover, the courts’ composition itself is seen as a hindrance. Each court has three legal experts and two science professionals, who often lack legal training, potentially prolonging case durations.

Additionally, individual judges’ meticulous decision-making styles can extend timelines.

### **Complex Nomination Process**

Currently, three ministerial nominations are pending. Sources within the government report that these appointments are on President Gabriel Boric’s desk after a lengthy selection process that has even deterred some candidates. Experts describe these appointments as among the most demanding in Chile, with a significant political dimension.

Former Environment Minister Marcelo Mena criticizes the high political influence in the nomination process, arguing it negatively affects court performance. “Political authorities wield excessive power in appointing judges, and this has compromised the courts’ functionality,” he says, suggesting that the judiciary should assume this responsibility. Mena also points to delays in the Senate’s Constitutional Commission, which he claims is the main bottleneck. “This unnecessary politicization leads to poor decisions, leaving us with less qualified full-time judges compared to their alternates,” he adds.

Political priorities have also played a role. Before addressing court vacancies, the government prioritized appointing the Comptroller General and filling Supreme Court positions. Only after resolving these will pending court appointments proceed.

"The nomination process clearly has a political component because the final decision-makers are political bodies. The counterbalance is the Senior Public Management System, which should screen out unqualified candidates," notes Ibarra.

### **Ministers' Perspectives**

Javier Millar, a sitting judge at the Third Environmental Court, explains that legally, courts can operate with three of their five ministers. In cases of shortfalls, appellate court judges or members from other environmental courts step in. However, Millar acknowledges that fully staffed periods have been rare. "Substitution mechanisms operate regularly through coordination between courts and environmental tribunals," he says.

Marcela Godoy, president of the Santiago Environmental Court, emphasizes the drawbacks of frequent substitutions. "Although substitution allows us to continue operating, it undermines the original intent of the legislation, turning an exceptional measure into a routine one, distorting the decision-making process envisioned by lawmakers," she warns. Godoy stresses that timely resolutions are essential for effective environmental justice. "A technically robust ruling delayed for years loses its relevance," she concludes.

### **Impact on Investment Projects**

Delays in judicial processes directly impact the realization of major investment projects. Few companies risk starting construction without court approval. As of October, four major projects totaling nearly USD 4 billion were awaiting rulings in Antofagasta's Environmental Court, which handles the country's largest investments.

While the CPC acknowledges the importance of judicial review in project approval, they point out that 18% of claims come from companies themselves, not just civil organizations or individuals. However, they admit that delays exacerbate already lengthy environmental and sectoral evaluations.

"For companies, claims often stem from technical disputes, unjustified objections, or administrative inconsistencies. Legal certainty is crucial—a clear, stable, and predictable regulatory framework instills investor confidence and facilitates strategic projects that drive economic and social development," says CPC President Ricardo Mewes.

In the ongoing debate over "permit delays," concerns over slow litigation processes grow. Emanuel Ibarra notes, "It's unfair to blame environmental courts alone—they've rarely operated at full capacity. Another issue is that environmental permits can be challenged through multiple avenues—appeals, invalidations, and protection claims. Until clear rules are established, litigation will continue to affect project approval timelines."

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#### **Average Delays:**

According to CPC data, as of the first half of 2024, environmental courts take an average of 415 days to issue rulings.

# Municipalities Have Spent Only 3% of 2024 Mining Royalty Funds

According to a September report, only the Municipality of General Lagos has utilized 27% of the funds received. Neither municipalities nor Subdere have specified how these freely allocated resources will be used.

**La Estrella de Arica**

**December 2, 2024**

**By María José Collado Rojas**

On November 6, the Undersecretariat of Regional and Administrative Development (Subdere) submitted the second 2024 Mining Royalty Bridge Funds report to the National Congress. This document outlines the budget modifications from the Territorial Equity Fund (FET), which allocated \$1,057,340,477 to the municipalities of the four communes in the Arica and Parinacota region.

However, according to the report, only 3% of the regional total had been spent as of September. The Municipality of General Lagos was the only one mentioned, having utilized 27% of the \$121,117,641 allocated. The other three municipalities reported no expenditure, showing a 0% execution rate compared to the transferred funds. While Mining Royalty funds are freely allocated, the specific plans for spending by the municipalities remain unclear. Only the Municipality of Camarones provided details about the use of its funds (see note below). Despite efforts by *La Estrella* to obtain more information, municipalities and Subdere Regional did not specify how these funds would be utilized. The total amounts allocated to each municipality are as follows: Arica received \$657,934,387; Putre, \$147,426,467; General Lagos, \$121,117,641; and Camarones, \$130,861,981.

Subdere Regional explained that the Mining Royalty is a government-backed initiative that adjusts the tax contributions of major mining companies, redistributing additional resources to regional governments and municipalities across the country.

"Thanks to the approval of the Mining Royalty Law, this year, 307 municipalities will receive 93 billion pesos through the Bridge Funds. Of this, 70.7 billion pesos come from the FET, aimed at reducing disparities in municipal revenues, benefiting 300 municipalities," they stated. This fund includes the municipalities of Arica, Putre, General Lagos, and Camarones.

These new fiscal contributions, integrated into the Municipal Common Fund, are designed to promote investment, development, and an improved quality of life for communities while granting greater autonomy to the regions.

"The FET benefits municipalities with higher dependency on the Municipal Common Fund or those with the lowest self-generated income nationally. These freely allocated resources must comply with applicable regulations. However, municipalities are prohibited from using these funds to settle municipal debt," Subdere clarified.

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April 19: Subdere announced that the Treasury had transferred the funds to municipalities. THE REGION RECEIVED OVER ONE BILLION PESOS FOR MUNICIPALITIES UNDER THE TERRITORIAL EQUITY FUND.

# Legal Action Filed Against Desalination Plant Supplying Spence Mine

JUSTICE. Lawsuit adds to pending demolition of the plant's pumping station.

**Mercurio de Antofagasta**  
**Sunday, December 1**

The company Servicios Submarinos, Marítimos y Obras Civiles Premar Ltda. has filed a legal complaint against Caitan SpA, the operator of the desalination plant supplying the Spence mine. The lawsuit alleges violations of the General Urbanism and Construction Law due to the plant's lack of final approval for its infrastructure, located in the Industrial Zone B, Km 18 of Route 1, in the Mejillones district.

Antonio Rojas Araya, legal representative of Premar, argues in the complaint that the "Intake" and "Outfall" components lack the required final approval to operate. This constitutes a violation of Article 148 of the General Urbanism and Construction Law. Despite this, the plant continues commercial operations, which the complaint describes as "severe" since the facility lacks the necessary habitability and safety certifications.

## Background

The lawsuit highlights a workplace accident on November 30, 2021, in which Carlos Andrés Álvarez Mazu, a worker performing maintenance in an operational area of the plant, died. The lawsuit claims this area was not authorized for use.

Premar also alleges that while its employees conducted work at the plant, operations were not suspended, in violation of basic safety standards. According to documents submitted with the complaint, the plant continued to generate revenue through contracts with Compañía Minera Spence despite lacking definitive safety and habitability certifications.

Evidence presented includes invoices indicating ongoing commercial activities at the facility, as well as expert reports supporting the alleged irregularities. The lawsuit is grounded in Articles 20 and 145 of the General Urbanism and Construction Law, which prohibit the use of facilities without final approval.

Premar has requested that the Mejillones Local Police Court suspend the plant's operations, specifically in the "Intake" and "Outfall" areas, until legal requirements are met. Among those called to testify are Mayor Marcelino Carvajal and local council members.

The Municipality of Mejillones has already ordered the demolition of the plant's pumping station due to its lack of building permits and final approval. Mayor Carvajal explained that Caitan initially declared a construction size of 150 square meters but ultimately built more than 400 square meters.

"Additionally, the construction was too close to the edge of the estuary, an area under the jurisdiction of the Navy. They even built a pump room that exceeded the established boundaries," Carvajal stated. "When we inspected, we found that this water intake plant, which should have been small, went beyond the allowed limits. So why request a permit for 150 square meters and then build 400? That's the first issue," he emphasized.

The mayor added that the second problem is the project's failure to comply with urban planning regulations.

"Our technical team, supported by the Ministry of Housing and Urbanism, determined that a demolition order was necessary. This caused controversy, but it is not an action against the mining company," Carvajal clarified.

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THE HEARING IS SCHEDULED FOR WEDNESDAY, DECEMBER 4, AT THE MEJILLONES COURT.



# A Sustainable Region Through Dialogue

Opinion by Marko Razmilic, President of the Antofagasta Industrial Association (AIA)

**Mercurio de Antofagasta**  
**Sunday, December 1**

This week, consulting firm Plusmining released a report indicating that Chile's copper project portfolio surpasses USD 84 billion, representing 53% of the total in Latin America. We are indeed witnessing a new wave of investments, with Antofagasta leading the charge. Concrete announcements include USD 7.5 billion from Freeport and Codelco to expand El Abra, and USD 7.57 billion in developments by Antofagasta Minerals, among others.

Recently, our region hosted a prominent group of international analysts and investors, an event that gained national attention with news of BHP's substantial investment plans. These announcements were not confined to external analysts. This Thursday, Escondida held its first meeting with local authorities and key stakeholders from the productive and trade sectors. During the event, company president Alejandro Tapia shared details of a growth plan involving up to USD 10.8 billion—the largest investment since Escondida began operations in 1991.

The Antofagasta Industrial Association participated in this meeting, where several critical challenges were identified that require public-private collaboration. These include strengthening regional suppliers, developing local human capital and employment, and supporting initiatives that enhance the quality of life and overall development of the Antofagasta region. We commend these dialogues, which open the door to cooperation and collective action to turn these investments into reality. If these investments do not materialize, not only will our production suffer significant losses, but we will also miss out on the unique opportunities presented to us—especially within the context of global climate change, which is driving demand for critical minerals.

Our advantage is that this opportunity doesn't start from scratch. The longstanding relationship between major mining companies and our value chain has been a constant over time, with a series of lessons learned that have fueled the region's growth from the mining boom of the 1990s to today. We must build on this experience and use it to identify and prioritize strategic projects (concrete solutions) for sustainable development. This includes fostering more knowledge-intensive local suppliers, improving education and healthcare, enhancing urban development and quality of life, encouraging innovation and entrepreneurship, promoting female inclusion and diversity, and protecting the environment.

In short, by addressing our region's needs with a positive and collaborative approach, we can transform opportunities into realities, ensuring both sustainable mining and a thriving region.

# Escondida Unveils \$10.8 Billion Growth Plan

MINING. Meeting with key stakeholders in the Antofagasta region.

**Mercurio de Calama**  
**November 30, 2024**

Minera Escondida, operated by BHP, has announced an ambitious growth plan involving an investment of up to \$10.8 billion—the largest since its operations began in 1991. Alejandro Tapia, President of Minera Escondida, shared the details during a meeting with key stakeholders from the Antofagasta region.

Following a recent visit from BHP investors and analysts, Tapia emphasized the importance of engaging with local communities: "It is crucial to share our plans and collaborate with the region to seize the opportunities involved in shaping Escondida's future for the coming decades."

The meeting identified various challenges requiring public-private cooperation, including strengthening local suppliers, developing human capital, boosting local employment, and supporting initiatives that enhance the quality of life and development of the city of Antofagasta.

## The Future of Escondida

The growth plan spans a portfolio of projects to be executed over 8 to 10 years, aiming to enhance Escondida's production capacity in response to operational challenges such as declining ore grades and processing harder materials.

Key initiatives include the expansion of the Laguna Seca concentrator plant, the construction of a new concentrator, and extending the lifespan of the Los Colorados concentrator plant, followed by its eventual demolition to access higher-grade ore deposits. Additionally, projects are underway to optimize waste treatment using new leaching technologies patented by the company.

"Copper is one of the pillars of BHP's strategy for the coming decades. At Escondida, we have 26 billion tons of this resource, positioning us well to sustain operations for 50 years or more. We want to work alongside the region to harness the opportunities this growth challenge presents," Tapia stated.

He also announced that the Laguna Seca concentrator expansion, with an investment ranging from \$2 billion to \$2.6 billion, will be the first project to enter the environmental permitting process in the first quarter of next year.

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MEETING LED BY PRESIDENT ALEJANDRO TAPIA

# "This is not just a mining region; it is the most important mining district in the world"

INTERVIEW. Aurora Williams, Minister of Mining, on investments in the Antofagasta Region.

Mercurio de Calama

November 30, 2024

By Cristián Venegas M.

Aurora Williams, Minister of Mining, visited the Antofagasta Region this week to participate in various activities, including the 10th-anniversary celebration of Minera Sierra Gorda SCM. During her visit, she addressed the ambitious investment plans projected by mining giants like BHP and Freeport-McMoRan for the coming years. She also discussed the upcoming indigenous consultations in the Ascotán and Ollagüe communities, which host two of the salt flats prioritized for Special Lithium Operation Contracts (CEOL). These dialogue processes, led by the ministry's teams, are set to begin soon.

Another significant point highlighted by the Minister was the approval of the 2025 Budget, which includes new benefits for the mining industry, such as increased funding for small-scale mining and the capitalization of the National Mining Company (Enami) for the first time in its history.

## **Record-breaking mining investments have been announced for the Antofagasta Region. What conditions have made this possible?**

- Today, the world needs critical minerals, and there is a growing demand for various minerals, particularly copper and lithium, which are abundant in this region. Approximately 25% of the world's copper reserves are in Antofagasta, and 34% of the world's lithium is also found here.

Naturally, this transforms us into a critical mining district. For years, we've called ourselves the mining region, but we're more than that—we are now the world's most important mining district for supplying critical minerals.

Given this challenge, the mining industry is accelerating its investment projects. Chile's stable investment climate plays a key role in this, enabling significant decisions, such as Freeport-McMoRan's \$7.5 billion investment in Minera El Abra. Likewise, BHP and Codelco are advancing major investment plans. These decisions are driven not only by the country's stability but also by various enabling conditions.

We have roads, airports, and ports. Beyond infrastructure, Chile has developed human talent over years of mining activity. Our professionals and technicians sustain the mining industry and the new investments in mining.

## **How are the indigenous consultations in Ascotán and Ollagüe progressing for the CEOL agreements?**

- Among the six prioritized salt flats are Ascotán and Ollagüe. To finalize a Special Lithium Operation Contract, the State must consult with indigenous communities potentially affected.

Currently, Ministry of Mining teams are holding preliminary talks with these communities. The timeline for consultations complies with indigenous consultation norms and is being coordinated to suit the communities' preferences and pace. We aim for a successful consultation process, defining deadlines in agreement with the indigenous communities.

## **What mining-related resources are included in the 2025 Budget?**

- We have several positive developments. One of the most notable is the first-ever capitalization of the National Mining Company (Enami) in its 60-year history, with \$25 million allocated to upgrade facilities nationwide. This strategic planning ensures Enami's long-term sustainability.

Additionally, we are increasing funds for small-scale mining from \$8 million to \$10 million, a significant boost since the 2003 promotion decree.

The new mining royalty will also be distributed starting January 1, 2025, to 16 regional governments, over 300 municipalities, and more than 40 mining communities. This marks a long-awaited territorial return, achieved through a law negotiated between the executive, legislative branches, and mining associations.

## **You recently met with the No. 1 Union of Minera Escondida, which reports anti-union practices and unfair dismissals. How did that conversation unfold?**

- We met with Patricio Tapia, president of Escondida's No. 1 Union, and his advisors. The meeting was initiated through a lobbying effort, with the union aiming to raise awareness of their concerns regarding labor relations and union issues within the company.

While the Ministry of Mining does not mediate labor disputes, Chile has established institutions for such matters. Nonetheless, we listened to their concerns.

Given the involvement of major global players, dialogue remains essential—not only with unions but also with surrounding communities. This dialogue is crucial for all stakeholders involved.

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### **Enami's Positive Results**

Minister Williams highlighted that the National Mining Company (Enami) achieved positive operational results in the third quarter of this year. "While the final outcome was influenced by the sale of Quebrada Blanca (with Codelco acquiring a 10% stake in September), the operational results—after years of effort—reflect a financial turnaround that strengthens the company's sustainability."

"The stability of Chile's investment conditions enables major decisions, such as Freeport-McMoRan's \$7.5 billion investment in Minera El Abra."

"I believe we are now seeing a territorial return that has long been sought, achieved through a law negotiated between the executive, legislative branches, and mining associations."

"Ascotán and Ollagüe are among the six prioritized salt flats for lithium contracts, and the State must consult the communities before proceeding."

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### **2025**

Starting January 1, the mining royalty will be distributed to 16 regional governments, 300 municipalities, and over 40 mining communities.