Codelco and BHP Chosen as Mining Companies with the Best Reputation in Chile

Factors such as gender equality, innovation, and increased public trust played a role.

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By Antofagasta TV Team

The annual Merco Corporate Reputation 2024 ranking was presented on Wednesday, highlighting 100 companies from various industries. For the first time, two mining companies secured prominent positions in the top 25: Codelco entered the top 10, while BHP ranked 25th, climbing 34 spots and becoming the company with the greatest improvement compared to the previous year. Additionally, Anglo American and Antofagasta Minerals ranked 44th and 64th, respectively.
Factors driving this performance include advancements in gender equality, innovation, and public trust. For instance, BHP increased its female workforce to over 42% and led in automation with the introduction of the first 100% autonomous trucks in Latin America at Spence.

Trust in Mining

Trust in the mining sector has also risen. According to Cadem, the sector achieved a 58% approval rating in 2024, 10 points higher than in 2020, and surpasses the national average in positive reputation by 8%. Brújula Minera reveals that 83% of Chileans trust the mining industry.
This rebound coincides with a positive economic period for the sector. Cochilco reported that in October, Codelco exceeded its projected production, while Escondida | BHP increased its year-on-year production by 22.2%.

A Step Toward a $7.5 Billion Expansion:

Minera El Abra Submits $741 Million Project to SEIA

The subsidiary of Freeport-McMoRan submitted a modification initiative yesterday that will allow operations to continue until 2029.

MERCURIO DE SANTIAGO
C. MUÑOZ-KAPPES

Minera El Abra, a subsidiary of Freeport-McMoRan, submitted a key $741 million modification project to Chile's Environmental Impact Assessment System (SEIA) yesterday. Specifically, it filed the Environmental Impact Statement (DIA) for the "Sulfolix Leaching Heap Modification" project.
According to the company, this investment will address short-term operational needs by expanding the permanent leaching heap and optimizing copper recovery. The project under review does not alter the extraction rate, production rate, or water source and flow. However, it is essential to extending the mine's operational life until 2029. The SEIA filing also noted that the modification is necessary to secure the leaching cycle and achieve optimal copper recovery.

Expansion

This modification initiative is a precursor to the Environmental Impact Assessment (EIA) for Freeport-McMoRan's $7.5 billion expansion project. Freeport holds a 51% stake in El Abra, while Chile's state-owned Codelco owns the remaining 49%.
The company stated that the expansion project will enable operations to continue beyond 2029. The plan includes constructing and operating a concentrator plant and a desalination plant. The EIA for this expansion is expected to be submitted for evaluation by the end of 2025.
"We are taking a very significant step with the SEIA submission of this project, which will not only optimize operations but also allow us to continue designing the best plan for producing beyond 2029," said Mario Larenas, Freeport-McMoRan's country manager in Chile.

Request Details

In its SEIA filing, the company outlined the construction plans for the modified leaching heap. The proposal includes preparing a borrow extraction area, referred to as Site 1, where materials needed for the drainage system of the modified heap will be sourced. The plan involves setting up a temporary worksite, material extraction zones, stockpile areas for aggregates and waste material, and dump sites for excess soil from foundation excavations.
Additionally, the proposal includes developing surface water management infrastructure, relocating a 23 kV power distribution line, and improving or building internal roads to connect project facilities.

The initiative will take place 75 kilometers northeast of the city of Calama, at the El Abra mining site.

Cochilco Lowers Copper Price Projection for This Year, Maintains Forecast of $4.25 for 2025

"Although China's copper consumption is expected to grow by only 1%, this would be partially offset by a 4.1% expansion in the rest of the world," the agency said in a statement.

Pulso
By Pedro Aguilera / Reuters

The Chilean Copper Commission (Cochilco) maintained its forecast for copper prices in 2025 at $4.25 per pound on Wednesday. However, for this year, it lowered the estimate to $4.15 per pound, slightly below the $4.18 forecasted in September.

"Although China's copper consumption is expected to grow by only 1%, this would be partially offset by a 4.1% expansion in the rest of the world," the agency stated. It also highlighted that global copper mine production is expected to grow by 3.9%, "though certain factors could limit this increase."

Among the risks to prices, the agency cited the vulnerability of global economies "due to restrictive monetary policies, geopolitical tensions, and stagnant demand in key regions such as Europe," which could moderate demand.

Cochilco pointed out that increased trade tensions between the United States and China, including potential tariff hikes, "could negatively impact industrial activity in China, slowing the demand for red metal in one of the world's largest consumers."

The report further noted that "global political uncertainty could disrupt supply chains, causing market disruptions and price volatility." Additionally, the growth of electrification—driven by the electric vehicle and renewable energy industries—could face short-term challenges as incentive policies in the U.S. and Europe may stagnate or be reduced.

Cochilco's report estimates that global refined copper consumption will reach approximately 25.7 million metric tons in 2024, a 2% increase compared to 2023. "Growth continues to be driven by rising demand from sectors such as electric vehicles, energy infrastructure, and emerging technologies like artificial intelligence and automation."

For 2025, global copper mine production is projected to increase by 3.9% to 23.2 million tons, with an incremental volume of 882,000 tons compared to 2023. Chile is expected to achieve a 6% production increase, reaching 5.73 million tons, making it the largest contributor to production with an additional 325,000 tons.

Additionally, Cochilco noted that the refined copper market is expected to see marginal surpluses of 81,000 and 76,000 metric tons in 2024 and 2025, respectively.

Australia: BHP and Rio Tinto Face Class Actions for Sexual Harassment

A recent report from Rio Tinto revealed that 39% of surveyed workers experienced workplace harassment in the last year.

reporteminero.cl. December 12, 2024.
By Agustín de Vicente.

Two of the world's largest mining companies, BHP and Rio Tinto, are facing serious accusations of fostering hostile work environments at their mining sites in Australia. Female workers are alleged to have suffered systemic sexual harassment and gender discrimination.
The class actions were filed this Wednesday before the Federal Court of Australia, as reported by Reuters. The cases claim that both companies deliberately exposed women to high-risk situations and retaliated against their complaints with actions such as dismissals, demotions, or further discrimination.

Heartbreaking Testimonies and Alarming Patterns

In one of the lawsuits against Rio Tinto, the lead plaintiff, who remains anonymous out of fear of retaliation, reported being sexually harassed weekly while working as a security guard. Among the accusations, she described receiving unsolicited explicit messages, videos, and photos from a colleague, including material filmed in her camp room. While her aggressor was allowed to resign, her career was harmed after she filed the complaint.
"At times, I did not report incidents for fear of the consequences for my job, my career, and my personal safety," the woman stated in a press release.
The situation at the mining sites of both companies has drawn significant attention. According to lawyer Joshua Aylward of JGA Saddler, in an interview with the mining-focused outlet The Northern Miner, dozens of new female workers are expected to join the class actions. "These legal actions aim to give a voice to women who have been too afraid to speak out," he said.

Company Reactions and Industry Context

BHP issued a statement deeply regretting the incidents and offering an unreserved apology to those affected by harassment. The company highlighted a significant investment to improve safety in its accommodation camps, according to Bloomberg.
Meanwhile, Rio Tinto stated that it was aware of the lawsuit and assured that it takes such allegations with the utmost seriousness. "We do not tolerate any form of sexual or gender-based harassment. We take all concerns regarding workplace safety and violations of our values or code of conduct very seriously," said the company.
A recent report from Rio Tinto revealed that 39% of surveyed workers experienced workplace harassment in the last year, a significant increase from 31% in 2021. BHP, on the other hand, recorded 417 reports of sexual harassment during the fiscal year that ended in June 2024.
Additionally, a study from the Centre for Transformative Work at Curtin University highlighted ongoing issues in the mining industry in Western Australia: 41% of female miners reported being treated condescendingly due to their gender, and 34% received offensive sexist comments questioning their ability to perform the job.

According to Bloomberg:

Codelco and Enami Might Combine Efforts on Smelting Projects

An alternative would be to reopen a closed Enami smelter or construct a new facility.

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State-owned companies Codelco and Enami are reportedly discussing the possibility of joining forces to expand smelting capacity under a single project, according to people familiar with the matter, as Bloomberg reported yesterday.

A new wsrking group is studying the potential collaboration between a project to renew a closed Enami smelter and a separate proposal to build a new plant being organized by Codelco, said the individuals, who requested anonymity because the discussions are private and in the early stages. Cooperation may be limited to ensuring alignment with national processing needs or could extend to a merger, where one project replaces the other, they added.

Strengthening Chile’s smelting capacity, the world’s largest copper producer, is a priority for President Gabriel Boric’s government, the article stated.

Dominga and Stagnation

Editorial

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The project has been stalled for over a decade due to decisions by authorities who made it a political issue.
The Dominga project, a US$2.5 billion mining and port initiative that includes an iron and copper extraction plant in the Coquimbo Region, contains some of the key elements that have kept the country in a long period of economic stagnation, where obstacles to investment continue to multiply. A brief review of the timeline shows this clearly.
In 2013, Dominga entered the Environmental Impact Assessment System (SEIA). In February 2017, the Environmental Evaluation Service (SEA) recommended approval of the project, but the Regional Environmental Evaluation Commission of Coquimbo issued a negative evaluation following a tied vote resolved by the regional governor. In May of the same year, the owners appealed to the Ministerial Committee, which upheld the rejection, triggering a crisis in Michelle Bachelet's government, leading to the resignation of ministers Rodrigo Valdés (Finance) and Luis Felipe Céspedes (Economy). Then, in 2018, the Antofagasta Environmental Court ruled in favor of Dominga, ordering the project to be revisited and its environmental evaluation reviewed. In 2019, the Supreme Court returned the case to the First Environmental Court after cassation appeals by opponents. In 2021, the Environmental Court annulled the Ministerial Committee's decision and granted a favorable Environmental Qualification Resolution (RCA). In January 2023, the ministers of the current administration again rejected the project, but this week the Antofagasta Environmental Court deemed this decision “illegal,” ordering that a new committee issue a ruling within 15 days.
While technical reasons and delays in procedures have been cited, it is hard not to notice that a significant part of the obstacles delaying this initiative have been driven by the ideological and political views of certain authorities. In fact, President Boric himself, in his first speech as the elected president, anticipated his “no to Dominga.” This is a key point. We are indeed facing a private initiative whose realization has been blocked not primarily by regulatory permissions or rigorous environmental demands, but by the decision of specific authorities who chose to make it a political issue. This observation compels us to moderate expectations about the potential impact of the bill being discussed in Congress to facilitate project processing: reducing "permitting" is undoubtedly a necessary step, but it will not be sufficient without authorities genuinely committed to development.
The direct consequences for our economy of cases like this are clear. When projects can face over a decade of unjustified obstacles and contradictory decisions without knowing whether they will ever materialize, any investor evaluating the option of developing or expanding activities in Chile will question the strength of our institutions. This represents a reputational blow that has been building for years, and yet part of our political class still fails to acknowledge it.
International experts and the markets themselves have been warning about the deterioration and the authorities' inability to reverse the trend. Evidence of this was seen this week when The Economist magazine once again highlighted Chile's decline in a ranking on the economic performance of OECD countries: despite a strong global performance this year, Chile fell four places (from seventh to eleventh) when considering growth, inflation, unemployment, public deficit, and stock market performance, moving out of the "top 10," which by now should not surprise anyone.
Both during the second administration of President Bachelet and the current government, difficulties in attracting investment have been a hallmark. The situation has led to a paralysis of initiatives of all kinds, with Dominga being a prime example. The result has been poor growth for more than a decade: 2025 will determine whether Gabriel Boric’s presidency will surpass Michelle Bachelet’s (second term) as the worst-performing since the return of democracy. It is concerning that after such poor results, those responsible have made no acknowledgment that would suggest a change in direction.

JPMorgan Sees Argentina as the "Bull" of the Region Due to Its "Strong Investment Potential"

The U.S. bank believes "it's not too late to get on board" and recommends investing in at least two key sectors: energy and mining.

Diario Financiero December 12, 2024
By Déborah Donoso

One year after Javier Milei assumed office in Argentina, U.S. investment bank JPMorgan has labeled the country the "bull" of Latin America, anticipating optimistic times driven by expected market investments.
According to a report accessed by DFSUD, the financial institution remarked that it "began forming an optimistic view of Argentine stocks in August, but it now seems that perspectives on the country are reaching new highs," as Argentina becomes a recurring topic at various business conferences.

Looking Ahead to 2025

JPMorgan believes it's still not too late to invest in Argentina. "We still see room for valuations to expand, earnings to recover, and country risk to decrease, especially as several catalysts could materialize in 2025, including the lifting of capital controls and favorable results in the midterm elections next October."
However, the firm acknowledged that some of these factors represent significant challenges, particularly "regaining access to capital markets and removing foreign exchange controls."
With this backdrop, JPMorgan shared its projections for the medium and long term, provided that "things go well in 2025."
Regarding investments, the bank noted Argentina's "strong potential" for a robust investment cycle, contingent on the persistence of "current positive trends." It highlighted that this momentum could be bolstered by the Incentive Regime for Large Investments (RIGI), which it predicts could "double total exports by 2030, with significant contributions from two key sectors: energy and mining."
Overall, JPMorgan foresees Argentina being well-positioned to rejoin the MSCI Emerging Markets Index. "Although it is still unlikely to materialize in the short term, we have updated our calculations for Argentina's potential inclusion in the MSCI Emerging Markets Index. We estimate that if Argentina is reclassified from Standalone to Emerging Market status, potential inflows to the EM Standard Index, based on current market capitalizations, could reach approximately $2.23 billion."

Stocks to Watch

In the same report, JPMorgan highlighted stocks to watch for the coming year.
While it mentioned Grupo Financiero Galicia, it emphasized its focus on "these two sectors (energy and mining) for exposure to Argentine stocks, through Vista Energy and Lundin Mining."
The bank also identified 12 other stocks that could gain traction, relevant for investors seeking indirect exposure to the country. These include Tenaris, Globant, Ternium, Natura, Cencosud, and Raizen.

Deutsche Bank: "SQM May Have to Renegotiate Agreement with Codelco"

This, "if an agreement with the local indigenous groups is not reached by the end of 2025," said the German bank, referring to a conversation with the firm's CFO, Gerardo Illanes. The bank also noted that it "does not expect any significant lithium price rebound in 2025."

El Mercurio Inversiones. December 11, 2024.
By Agustín de Vicente.

“We had an informal conversation with Gerardo Illanes, CFO of SQM,” Deutsche Bank indicated in a report published on Tuesday, providing details of their discussions during last week's Annual Lithium Conference.
In this context, Deutsche Bank referred to “key points from our conversations with SQM.”
First, according to the firm, “SQM’s tone was quite cautious during our conversation, as the CFO does not expect any significant price rebound in 2025 given the lack of substantial changes in the market,” the investment bank noted.
Regarding the agreement with Codelco, the conversation concluded that “SQM continues to negotiate with the local indigenous groups, which is necessary for the full implementation of the agreement. We understand from our conversation with the CFO that if no agreement is reached with the local indigenous groups by the end of 2025, the company would need to renegotiate the agreement with Codelco,” it stated. “It is also important to note that Chile will hold presidential elections in November 2025.”
The German firm also addressed the conclusions from “our Annual Lithium and Battery Supply Chain Conference last week.” The key points of the conference were:
“It is no surprise that the lithium space has been challenging with a depressed price environment over the last 18 months and minimal substantial changes in 2024. Therefore, investor interest in the sector has significantly decreased and shifted towards thematic funds and long-term investors, rather than hedge funds,” said the firm.
Additionally, “the sector appears quite cautious about the current environment, but surprisingly, opinions differ on the trajectory of prices and whether the market will return to being deficit-driven soon,” it pointed out.
In this context, “it seems that most companies are ‘cautiously optimistic’ about prices for 2025, with no major changes or improvements expected next year, as market fundamentals are unlikely to differ significantly from current levels,” Deutsche Bank noted.
However, “some industry experts believe that 2024’s lithium volume cuts could raise prices in the second half of 2025, although if this occurs, it could ultimately lead to the reactivation of currently stalled supply and a net-net result,” it added.
Nevertheless, “we believe it is unlikely that 2025 will bring significant changes in demand-supply balance, as low-cost producers will not change their volume and production cadence (since they remain profitable at this stage),” Deutsche Bank concluded. “At this stage, we do not foresee any marginal upside surprises on the demand side,” it added.
On the political front, “most lithium market participants seem very satisfied with the new U.S. administration. Junior companies expect the permitting process for U.S.-based assets to be simplified and accelerated, and improved access to financing. Fears about the Inflation Reduction Act and production tax credits appear to be non-existent, and all conversations lead to the understanding that efforts toward a national supply chain (finally) will be implemented, which would also be bolstered by the likely introduction of many tariffs,” it mentioned.
Finally, “investor opinions diverge radically from those of companies and market experts on the issue of demand. All market participants mentioned they saw healthy electric vehicle demand levels in China, while some also mentioned that attention should be paid to European demand in 2025 due to the reinforcement of legislation. Energy storage could be the surprising factor in the demand equation in the coming years,” Deutsche stated.

CONVERSATION WITH ALBEMARLE

The analysts also spoke with Albemarle’s management. Regarding this, they stated that the largest lithium producer “believes that current prices are near the cash cost threshold for many producers, which makes operations unprofitable, particularly for higher-cost producers and some in Western Australia. The company believes that prices need to increase by 2x for capacity expansions to occur in the West,” it detailed.

Although “10-12% of potential supply has been closed or reduced, Albemarle believes that it is not enough to balance the market and forecasts a ‘lower-for-longer’ lithium price cycle. Chinese lepidolite production is expected to act as reserve capacity,” it mentioned.

Even though “weaker than expected a year ago, (for Albemarle) lithium demand remains healthy with over 20% growth in 2024, primarily driven by China and the U.S.,” Deutsche Bank reported. The leading player in the lithium market also noted that “Europe is weaker, with flat or declining electric vehicle demand.” However, in the long term, “Albemarle expects a constant annual growth rate in lithium demand of 17%, from 1.3 million tons in 2024 to 3.3 million tons in 2030,” Deutsche noted, adding that “compared to that, we forecast 2.3 million tons in 2030.”

It added, based on the aforementioned conversation, that “the prolonged decline in prices could force Albemarle to reduce its investments further, making it difficult to respond to a market recovery.”

But “despite the decline in spot lithium prices ($8-9/kg in China), Albemarle maintains its forecast based on a price scenario of $12-15/kg due to productivity gains, higher volumes, and long-term contracts.”

Finally, Deutsche highlighted that, for the firm, “the final decision on investment in Kings Mountain is still pending and is not expected to materialize for at least another year. The economic viability of the South Carolina project is threatened by current prices, which require a substantial price recovery,” it added based on discussions with the company.

Green Ammonia Megaproject Criticizes Additional SEA Requirements: Delays and Rising Costs

After receiving the first Icsara from the SEA, HNH Energy requested this Tuesday to extend the deadline for submitting its addendum until August 29, 2025.

Diario Financiero December 12, 2024
By Karen Peña

HNH Energy is owned by a consortium formed by Austrian companies Ökowind and Austria Energy Group, along with Danish firm Copenhagen Infrastructure Partners (CIP).
A new development has occurred in the environmental evaluation file for HNH Energy's integrated project for the production and export of green ammonia. The project, owned by the consortium formed by Ökowind, Austria Energy Group, and Copenhagen Infrastructure Partners (CIP), involves an investment of $11 billion, making it the most expensive submission to the Environmental Impact Assessment System (SEIA) since its inception.
On October 29, the regional office of the Environmental Assessment Service (SEA) in the Magallanes Region published the first Consolidated Report of Clarifications, Rectifications, and/or Expansions (Icsara), compiling observations from State Agencies with Environmental Competence (Oaeca). This Tuesday afternoon, HNH Energy requested an extension of the deadline to present its addendum, as the original 30 business days to respond to over 1,000 observations would expire on December 12.
The request for suspension was based on six reasons:
- The need for intensified visual archaeological inspections and subsequent subsurface characterizations of archaeological findings, requiring prior approval from the National Monuments Council before initiating the necessary work.
- Additional field campaigns, which cannot be completed within the given timeframe, including studies on flora, vegetation, fauna, and hydrology.
- Processing and systematization of additional data collected in the field.
- Updates to modeling efforts.
- Analysis and preparation of responses to the Citizen Participation Annex.
- Consolidation and submission of the addendum.

According to the request, which must be addressed by the SEA, HNH Energy is seeking an extension until August 29 of next year to submit the addendum. Although such requests are not unusual, the decision has raised concerns.

The Concerns

In a statement to Diario Financiero, HNH Energy explained the circumstances and highlighted key factors supporting its decision. The company argued that the timeframe granted by the SEA to respond to the observations was insufficient given the project's scale and the SEA's request for new studies and campaigns on flora and fauna, the timelines for which far exceed those provided by the authority.
Additionally, it noted that among the requested studies is the intensification of visual archaeological inspections and subsequent subsurface characterizations of findings, which require prior authorization from the National Monuments Council—a process beyond the project owner's control.
HNH Energy defended its Environmental Impact Study (EIA), which took more than four years to complete and employed methodologies and technologies unprecedented in Chile. The company emphasized that it presented the project as a single, integrated initiative, which required substantial investment in human and material resources.
At this early stage, the company expressed concern about the SEA's demands. "The level of requirements in several of the SEA's observations is concerning, as they demand additional information that does not affect the environmental evaluation process."
"These requirements only delay the EIA process and further increase early-stage investment costs, creating uncertainty for the national industry's development and reducing Chile's global competitiveness," the statement added.
The company concluded by reaffirming its commitment to social and environmental sustainability, emphasizing its belief that the project aligns with the urgent decarbonization goals set at global and national levels.

The 256-page Icsara addressed issues such as the request from the Agricultural and Livestock Service (SAG) to supplement baseline data on terrestrial fauna. For example, regarding nesting sites of the endangered ruddy-headed goose, the SEA's regional office requested extended sampling during nesting periods to obtain a spatial distribution of these sites within the project's area of influence.

SEA's Response

When asked for comment, the SEA stated, "The project owner formally requested an extension beyond the initial timeframe to respond to Consolidated Report No. 1, until August 26, 2025, although the addendum may be submitted earlier at their discretion. This is a common request for projects of this scale."

"The level of requirements in several of the SEA's observations is concerning, as they demand additional information that does not affect the environmental evaluation process," HNH Energy reiterated.