

Environmental Authority Admits Los Pelambres Life Extension Project for Processing

This Thursday, the regional directorate of the Environmental Evaluation Service (SEA) of Coquimbo issued the admissibility resolution that officially admits the US\$2 billion initiative for processing. The Environmental Impact Study associated with the project was submitted on December 18 and aims to continue operations at the mine beyond 2035.

PULSO

By Víctor Guillou

The Luksic Group has cleared the first hurdle in the environmental processing of its project to extend operations at Minera Los Pelambres beyond 2035. This Thursday, the regional directorate of the Environmental Evaluation Service (SEA) of Coquimbo, led by acting director Cristián Villanueva, issued the admissibility resolution admitting the initiative for processing. The project is headed by a subsidiary of Antofagasta Minerals (Amsa), where the Luksic Group holds a 60% stake.

The project, which requires a US\$2 billion investment, was submitted on December 18.

According to documentation in the case file, the project, called "Extension of Minera Los Pelambres Life," will extend operational continuity at the mine by adding approximately 1.2 billion tons (mt) of additional reserves to the 2.1 billion mt previously approved under the 2004 environmental permit. The initiative includes extending and deepening the pit, increasing the extraction rate to an average of 500,000 tons per day (ktpd) annually. It also proposes expanding the capacity and footprint of waste rock dumps (Los Pelambres and Las Hualtatas) and increasing maximum daily processing from 205,000 tons to an annual average of 210,000 tons, with peak daily processing reaching up to 245,000 tons to offset declining ore grades.

Due to the additional reserves, the project also necessitates greater tailings storage capacity. The El Mauro Tailings Dam capacity will increase by 70%, from 1.7 billion tons to 2.9 billion tons.

The initiative also requires increasing the capacity of desalinated water production to 800 liters per second (l/s) nominally, reaching a final production of up to 1,600 l/s.

The project includes ceasing surface water extraction for productive purposes after 2035, maintaining its use for human consumption and environmental purposes.

All works associated with Minera Los Pelambres operations, including those that do not require changes, will extend their lifespan until the El Mauro Tailings Dam reaches its maximum storage capacity, estimated at 2.9 billion tons, which is expected by 2051.

The lifespan of Los Pelambres could vary based on annual processing rates and tailings generation, which, if lower than projected, could extend the life of Minera Los Pelambres beyond 2051. The lifespan could extend by an additional 15 years, depending on mineral processing and the capacity of the El Mauro Tailings Dam.

"This project is part of the company's forward-looking vision to maintain its contribution to the economy, employment, and the well-being of the inhabitants of Choapa Province, the Coquimbo Region, and the country by conducting modern, sustainable mining that respects its surroundings," said Iván Arriagada, CEO of Antofagasta Minerals.

"We aim to deepen the water transition we began this year by becoming the first mining company in central Chile to use seawater in its production processes. With the EVU project, we will ensure operational requirements for the future in the context of climate change, fulfilling our commitment to producing copper primarily with seawater or recycled process water," added Alejandro Vásquez, General Manager and Vice President of Operations at Minera Los Pelambres.

SQM to Invest \$228 Million in Adjustments to Carmen Lithium Plant

Brief.

PULSO

December 27, 2024

SQM Salar plans to invest \$228 million to optimize its Carmen Lithium Chemical Plant (PQLC), located in the Antofagasta Region. The project aims to enhance the plant's production processes by relocating certain facilities within the area previously approved environmentally, ensuring logistical and operational improvements without increasing already evaluated environmental impacts or the approved production capacity.

The initiative, submitted through a relevance consultation to the Environmental Impact Assessment System (SEIA), includes modifications to two key components of the plant: the New Lithium Carbonate Production Line and the New Solution Recovery Plant (PRS). According to the documentation, the objective is to relocate strategic processes to improve internal operational flows, boost efficiency, and minimize movements within the site.

Processes to be relocated in the New Lithium Carbonate Production Line include carbonation, solid-liquid separation, drying, and classification/micronization.

The purification process will remain in its current location, while the PRS will be moved closer to the main operations.

Mining Investments I

Opinion by María Cristina Betancour, Economist, Specialist in Mining

Diario Financiero – December 27, 2024

Dear Editor:

Cochilco has reported the 2024-2033 investment portfolio, totaling \$83.181 billion, an increase of 26.6% compared to the previous year and the highest in 10 years. This figure could have been even higher had it included BHP's announcement of an investment exceeding \$10 billion, but its feasibility cannot yet be evaluated under the study's criteria.

While this may appear to be good news, the difference between this portfolio and the previous year's is primarily attributed to two companies: Freeport-McMoRan with \$8.250 billion and Codelco with \$7.527 billion. This indicates a lack of new investors expressing interest. In fact, when analyzing the country of origin for these investments, Chile's share increases to 65%, compared to the usual approximately 50%.

The positive takeaway is that despite an environment that is not particularly favorable—marked by issues such as the rejection of the Dominga mining project, permitting hurdles, and other challenges—established investors continue to see advantages in maintaining long-term operations in Chile.

Efforts must persist to attract new investors to the country.

Luksic Group's Leading Mining Company to Invest US\$ 2 Billion to Extend Operations Until 2051

■ Los Pelambres project by Antofagasta Minerals expects to create 4,000 jobs at its construction peak.

Diario Financiero – December 27, 2024

The flagship mining operation of the Luksic Group, Minera Los Pelambres—part of Antofagasta Minerals—submitted a proposal to the Environmental Impact Assessment System (SEIA) this Thursday for a life extension project aimed at continuing operations until 2051. This initiative involves an investment of US\$ 2 billion. With this project, the company plans to sustain copper production beyond 2035—when its current permits expire—in a sustainable manner by utilizing clean energy and desalinated seawater.

“This project is part of the company’s forward-looking vision, which seeks to maintain its contribution to the economy, employment, and the well-being of the people of the Choapa province, the Coquimbo region, and the country, through modern, sustainable, and environmentally respectful mining,” stated Iván Arriagada, CEO of Antofagasta Minerals.

Minera Los Pelambres is one of Chile’s largest copper deposits, producing 310,600 tons of copper in 2023, according to Coquilco.

The operation’s life extension project adds approximately 1.2 billion tons of additional reserves to the 2.1 billion tons already environmentally approved. During peak construction, the project is expected to generate around 4,000 jobs.

According to the company, Los Pelambres currently accounts for 25% of the GDP of the Coquimbo Region and nearly 70% of the region’s exports.

Antofagasta Minerals is also building the Operational Adaptation Project (PAO), which includes doubling the capacity of the desalination plant in Los Vilos to produce 800 liters per second of desalinated water. Once operational, over 90% of the water used by the operation will be recycled or desalinated.

To continue operations primarily with seawater or recycled water, the life extension project could progressively enable up to an additional 800 liters per second of desalinated water, if necessary, in an area severely affected by water scarcity.

The initiative will also utilize existing facilities at the El Mauro tailings dam to deposit waste without requiring intervention in new areas. The company proposes increasing the maximum approved height of the main dam wall by approximately 16% as part of the plan.

“For this expansion of the El Mauro Dam, we have conducted engineering studies and various simulations with the guidance of an international panel of experts to ensure its safe operation,” explained Alejandro Vásquez, General Manager of Los Pelambres.

The Luksic Group’s mining arm is executing total investments of US\$ 7.5 billion, focusing on the Centinela district and the Los Pelambres area. These developments will enable the company to climb the ranks among the world’s leading copper producers.

Los Pelambres is one of the country’s largest copper deposits, accounting for 25% of the Coquimbo Region’s GDP and nearly 70% of its exports.

Undersecretaries of Environment, Agriculture, and Economy Have Previously Addressed the Initiative:

Three of Six Potential Stand-Ins for Ministers Have Expressed Criticism of the Dominga Project

The officials' opinions, which could lead to their disqualification, add another layer of complexity to a vote racing against the clock.

MERCURIO DE SANTIAGO

By Catalina Muñoz-Kappes

The new vote by the Committee of Ministers on the Dominga mining and port project must be held under a tight deadline, with a final date of Tuesday, December 31. Complicating matters further is the reconstitution of the ministerial body, following the recusal of its five members due to their participation in a prior session. Former Deputy Comptroller Patricia Arriagada explained to *El Mercurio* that “when it comes to substitutions for any function in the administration, the order of succession applies. In the case of ministers, the substitutes are the subsecretaries.” Nonetheless, the government has consulted the Comptroller General's Office regarding who should comprise the committee.

However, a new issue arises: of the six subsecretaries who would form the committee, at least three have expressed opinions about the Dominga project and may need to recuse themselves. Even President Gabriel Boric has criticized the initiative, stating, “We don't want more sacrifice zones, we don't want projects that destroy our Chile (...) we've exemplified this with a symbolic case: No to Dominga,” shortly after winning the presidential election.

Environment

Maximiliano Proaño, the substitute for Minister of Environment Maisa Rojas and president of the Committee, has previously voiced opposition to the Dominga project. “We want to advance in the creation of a bioregional park to protect the entire area so that extractive projects and initiatives that impact the ecosystem, both terrestrial and marine, have no place in that territory,” he said on *La Voz de los que Sobran* on June 3, 2022, when asked about his stance on the project.

Additionally, according to *La Segunda*, an official document dated December 28, 2022, signed by Proaño and sent to the SEA, stated that the mining company “fails to adequately incorporate information on navigation routes within its area of influence.”

It is unclear what will happen if Proaño must recuse himself. Arriagada noted that it would normally fall to a division head to act as substitute, but she added that no regulation specifies what happens if the Committee's president cannot participate.

When consulted by *El Mercurio*, the Ministry of Environment reiterated that it had consulted the Comptroller General's Office to resolve the committee's composition and presidency.

Other Cases

Agriculture Subsecretary Ignacia Fernández, who substitutes for Minister Esteban Valenzuela, expressed opposition to the Dominga project on Twitter on August 21, 2017. She tweeted, “No to Dominga, aborto3casuales, migration law project (LeyDeMigraciones), Chile is today a fairer, more citizen-focused, and inclusive country.” This post was in reaction to then-President Bachelet's migration law project, the decriminalization of abortion in three cases, and a Committee of Ministers session that rejected the Dominga initiative.

The case of Economy Subsecretary Javiera Petersen, substitute for Minister Nicolás Grau, is less direct. On August 17, 2021, as executive director of OPES, Petersen wrote about the Dominga project in a column published in *La Tercera* titled “The Wrong Prices.” She argued that strict adherence to market signals has limited Chile's economic development, maintaining an economy focused on primary goods exports with little technological diversification. “This is how the need for a national development bank is questioned, and industrial policy remains camouflaged in horizontal efforts, while the Dominga project advances in line with the specialization pattern these prices have defined,” Petersen wrote.

The Ministry of Economy emphasized the need for the Comptroller General's ruling when consulted by *El Mercurio*. The Ministry of Agriculture was unavailable for comment.

Racing the Clock

The subsecretaries face a race against time to determine the future of the initiative. The First Environmental Court has rejected suspending the ruling's effects while the government's appeal to the Supreme Court is processed. Juan Ignacio Marín, Director of Regulatory and Environmental Affairs at HD Group, explained that with the suspension request denied, "the Committee of Ministers must now, through its non-recused substitutes, comply with the ruling and issue a decision within the timeframe set by the Environmental Court." This means before December 31.

According to the First Environmental Court's ruling, the Committee of Ministers has until December 31 to decide on the Dominga project.

"No to Dominga, aborto3casuales, migration law project (LeyDeMigraciones), Chile is today a fairer, more citizen-focused, and inclusive country."

Ignacia Fernández, Agriculture Subsecretary, 2017

"Extractive projects and initiatives that impact the ecosystem, both terrestrial and marine, have no place in that territory."

Maximiliano Proaño, Environment Subsecretary, 2022