

# Delegation of Students from Mamiña Visits Humberstone Saltpeter Works on Heritage Day for Children

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The celebration of Heritage Day for Children, held at the Humberstone Saltpeter Works and featuring a visit by a delegation from the town of Mamiña, was evaluated as a positive day that advanced the on-site promotion of our saltpeter and pampino heritage.

A total of 24 children and five adults participated in the heritage activity, organized by the Mamiña Neighborhood Council and Cerro Colorado BHP, with technical support from the Regional Directorate of the Heritage Service (SERPAT Tarapacá) and the Saltpeter Museum Corporation (CMS), which manages the World Heritage Site.

For the Corporation, this milestone is fundamental, as it is through new generations that awareness can be raised about the significance of heritage—not only regarding the saltpeter industry but also the people who lived and worked there, namely the pampino families. The men, women, and children of the pampas created a unique culture that today forms part of the northern identity.

## **SERPAT Tarapacá**

José Barraza Llerena, Regional Director of SERPAT Tarapacá, reflected on the heritage day, stating, "We are delighted that families participated in this day, a heritage celebration for children," emphasizing that it was organized to allow the children of Mamiña to visit Humberstone.

"Many of them had never visited this World Heritage Site," Barraza said, further highlighting the activity as "an opportunity for them to reconnect with the heritage legacy we have inherited from the grandparents who lived and worked in the pampas."

He concluded by thanking the Saltpeter Museum Corporation and Cerro Colorado BHP for making the heritage day possible.

# **BHP in Chile: Timelines of Its Strategy to More Than Offset the Drop in Copper Production Starting in 2027**

The executive board of the Anglo-Australian mining company is visiting its operations in the country. The plans for Escondida, the largest copper deposit in the world, include extending the useful life of the Los Colorados concentrator while completing studies to replace this plant and process the ore underneath it in the future. This is complemented by expansions at Laguna Seca, the use of proprietary leaching technologies, and the potential reopening of Cerro Colorado, among other initiatives.

**Pulso. November 20, 2024**

**By Víctor Guillou**

The decline in copper grades is a constant trend both in Chile and globally, and BHP is looking for ways to reverse it or even increase its current production levels in the country with a series of short-, medium-, and long-term measures.

The top executives of the Anglo-Australian mining company are visiting its operations in the country. Led by the company's Global CEO, Mike Henry, and accompanied by Brandon Craig, President of BHP Americas, a division based in Chile, the delegation also includes Escondida President Alejandro Tapia, Pampa Norte President Cristián Sandoval, Vice President of Projects Pedro Correa, and Vice President of Corporate Affairs René Muga.

In its presentation to international investors accompanying the visit to Chile, BHP emphasized the continuous delays experienced by new projects, known as greenfield projects, so the strategy in Chile aligns with focusing on increasing the capacity of currently existing operations. Thus, so-called brownfield projects take on greater prominence, as the delays in new projects "highlight the risks to delivering the projected volumes," it said.

In documents published by the company and accompanying the investor tours, it is emphasized that "many new explorations continue to be delayed, and even those that are approved take 17 years from discovery to first production."

Therefore, the set of measures planned by BHP in Chile includes an investment plan for the coming years ranging from \$10.1 billion to \$13.7 billion. These amounts are distributed across a series of initiatives, mainly focused on making Escondida's operations more efficient. All this is within the framework of the company's efforts to offset declines in the grade of ore at the world's largest copper deposit, which has the largest copper resource base, at 26 billion tons, but which will become increasingly difficult to extract over time. In fact, by 2027, the copper grade at Escondida is expected to drop from the current 0.53%.

## **LOS COLORADOS EXTENSION**

Studies to extend the life of Escondida's current concentrator would begin in mid-2025 and last until the first part of 2026. The final investment decision would take the rest of 2026. Then, execution would begin in 2027 and take about three years, until late 2029. The operational range for this plan would extend until the end of 2031. This extension of the concentrator's useful life would add between one and three additional years of operation, increasing production by 130,000 to 145,000 tons of copper annually.

The capital required to develop the Los Colorados life extension would range from \$200 million to \$300 million.

## **LAGUNA SECA EXPANSION**

Escondida also has a concentrator located in the Laguna Seca area. Studies to extend this operation would begin in mid-2025 and continue until early 2028. The final investment decision would take about a year, with project execution starting in early 2029 and lasting until late 2030. The implementation range would begin in early 2031, followed by ramp-up and the target for initial production the following year. This stage could take about a year.

The capital required to develop the expansion of the current facilities would range between \$2 billion and \$2.6 billion. In terms of production, it would add between 50,000 and 70,000 tons of copper per year.

## **NEW CONCENTRATOR**

Building a new concentrator for BHP's operations at the world's largest copper mine would require most of the planned investments in the country. The company plans to allocate between \$4.4 billion and \$5.9 billion for this purpose. The investment volume aligns with the anticipated production increase: the plant would add between 220,000 and 260,000 tons of copper per year.

The new plant, essential for copper production, would begin its studies on a timeline similar to that of the Laguna Seca expansion, starting in mid-2025 and lasting about three years. The final investment decision would then take about 12 months, but the execution period would extend until mid-2031. The execution range could stretch until late 2032, while ramp-up would begin in 2033.

However, this part of the plan also involves the potential demolition of Los Colorados to allow access to areas of the Escondida pit that are currently blocked, unlocking high-grade ore beneath the current concentrator plant. In its investor presentation, the company detailed that the area covers 200 hectares and includes more than 100 buildings, with infrastructure comprising 140,000 m<sup>3</sup> of reinforced concrete and about 30,000 tons of structural steel.

Demolishing Los Colorados would thus have mixed effects. While it would allow the pit to expand into areas where ore grades enable higher production levels, it also increases the capital cost of the operation.

In fact, the capital estimated for this phase of the strategy ranges from \$400 million to \$700 million. Therefore, the demolition does not yet have a clear timeline. The schedule would be set once the mine life extension is completed. However, the final investment decision for the demolition is projected between 2028 and 2029, with no estimates for initial production or how much capacity it would add.

## **NEW LEACHING TECHNOLOGIES**

A key part of BHP's strategy to increase efficiency in its operations involves using a patented leaching technology for processing depleted sulfide minerals, such as waste rock. This would convert leached ore into usable material.

Studies to implement the technology would begin in mid-2025 and extend until early 2028. Meanwhile, the process to obtain permits associated with the Environmental Impact Statement (EIS) would take place in 2026.

The final investment decision for this phase of the strategy would take about nine months but would conclude by late 2028. Execution, meanwhile, would take another two years. As a result, the first production would occur between 2030 and 2032. This technology would increase production by 35,000 to 55,000 tons of copper.

The investment required would range from \$900 million to \$1.3 billion.

## **PAMPA NORTE AND CERRO COLORADO REOPENING**

The Anglo-Australian miner's plans also include increasing production in the Pampa Norte division, which consists of Spence and Cerro Colorado. The latter mine has been under closure since November last year, although a potential reopening is being considered.

This would be a long-term project. Necessary studies would be conducted between 2025 and 2028, while the environmental impact study would take at least three years, concluding in early 2028, alongside all maintenance activities related to the mine's closure process. Then in 2029, the company would spend 12 months on the final investment decision period.

Reopening Cerro Colorado would add between 85,000 and 100,000 tons of copper annually to Pampa Norte's production. This far exceeds the other two initiatives for the division: the first involves new patented leaching technology by BHP at Spence, Full Sal2, and the second includes two growth options at Spence's concentrator. Together, these would add between 30,000 and 40,000 tons, and 10,000 to 15,000 tons, respectively.

# **Minister Williams on BHP's Plan in Chile: "An Investment of This Magnitude Is Made Where Conditions Are Right"**

The Minister of Mining described the Anglo-Australian company's growth strategy of up to \$13.7 billion as "good news."

**Diario Financiero. November 20, 2024.**  
**By Patricia Marchetti**

The Minister of Mining, Aurora Williams, welcomed BHP's investment plan to optimize and increase copper production in Chile, which could reach up to \$13.4 billion this decade and the next in various projects at its Escondida, Spence, and Cerro Colorado operations.

"For us, mining investment is very important, especially from investors who are key players in the global industry like BHP," she told *\*DF\** after participating in the Woman Open Innovation event. "This is good news for a country with very favorable conditions for investment, especially in mining."

In this regard, the Secretary of State highlighted Chile's geological wealth, its territorial connectivity with markets, the availability of mining suppliers, and its talented workforce. "All the conditions are in place to expand BHP's operations in Chile and carry out an investment of this scale," she stated.

Regarding the key points emphasized by the Anglo-Australian company in its presentation to investors, such as the certainty provided by the royalty system, the robustness of institutions, and current political stability, Williams stressed, "An investment of this magnitude is made where conditions are right."

A delegation of 60 investors and BHP executives, including the company's global CEO, Mike Henry, and Director Caroline Cox, is touring the miner's operations in Chile. Among the company's investment plans, a growth package for Escondida stands out, amounting to up to \$10.8 billion, including the construction of a new concentrator for up to \$5.9 billion.

In Pampa Norte, the main focus is on reopening the Cerro Colorado operation by 2031, with environmental processing for the project starting in 2026. The associated investment ranges between \$2.3 billion and \$3.2 billion.

**"Chile Needs More Mining, But Mining with More Women"**

Minister Williams kicked off the third edition of the Woman Open Innovation event, focusing on innovation and women's participation in sectors like mining, energy, and technology.

Before an audience of 800 people at the Intercontinental Hotel, the minister read Article 15 of the Labor Code, which was repealed in 1996: "Women shall not be employed in underground mining work or in tasks deemed beyond their physical or moral capacities."

After reading it, she remarked, "Just 26 years ago, women were not allowed to enter underground mining operations—not because it was bad luck or the mine would get jealous; it was prohibited by law."

"We've gone from women being banned from mining to women who now envision the future, are in mining, and are capable of innovating. We made it happen. Do we still have work to do? A lot, but there is no doubt we are advancing decisively," she emphasized.

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"It's not just about the investment environment but also geological, physical, connectivity, human talent, and supplier conditions, all of which the Chilean mining industry offers," Williams said.

# **BHP Growth Projects to Reach Investments of \$14.7 Billion**

PLANS. Seventy-three percent of these resources, around \$10.8 billion, would focus on initiatives to strengthen the productive capacity of Minera Escondida.

**El Mercurio de Antofagasta. November 20, 2024**

**Author: Cristián Venegas M.**

The visit of investors and analysts to BHP's operations in the Antofagasta region continues today in Spence. The tour began on Sunday at Minera Escondida, led by BHP Americas President Brandon Craig; Escondida President Alejandro Tapia; Pampa Norte President Cristian Sandoval; Vice President of Projects Pedro Correa; Vice President of Corporate Affairs René Muga; and Minerals America Vice President of Finance Frances Summerhayes.

Investor participants included representatives from leading international banks and major foreign investment and pension funds.

## **PROJECTS AND INVESTMENT**

The investments related to growth projects for BHP's operations in Chile—Escondida, Spence, and Cerro Colorado mines—range between \$10.7 billion and \$14.7 billion. Of these, between \$7.9 billion and \$10.8 billion would focus on projects to strengthen Escondida's productive capacity and address operational challenges in the coming years.

The main projects at Escondida include the expansion of the concentrator plants at Laguna Seca with an investment of up to \$2.6 billion, the construction of a new concentrator for up to \$5.9 billion, the extension of the Los Colorados concentrator plant's lifespan for up to \$300 million, and the demolition of the same plant for up to \$700 million. This last project would allow access to higher-grade mineral resources beneath the facility.

In addition to investment projects to be executed over the next eight years, subject to capital approval and environmental permit processing, \$10.8 billion would be allocated to projects at Escondida, representing approximately 73% of the project portfolio BHP is preparing in Chile.

## **FAVORABLE CONDITIONS**

Regarding the investments that BHP would make in its operations, mainly at Minera Escondida, Mining Minister Aurora Williams stated, "BHP is a key player in global operations, a global operator that has been in Chile for many years. The details of its



investment are not yet precise, but it is naturally good news for a country where very favorable conditions exist for investment, especially in mining."

Regarding these favorable characteristics, the minister added, "This is not only due to the geological value present in our country but also to the various factors of connectivity, the human talent we have available, particularly women, and therefore all the conditions are in place to expand BHP's operations in Chile."

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## **220,000 to 260,000 tons**

The additional copper that the new Escondida concentrator would produce with a \$5.9 billion investment.

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## **A Socialization Plan**

In the coming days, the company will launch a socialization plan with stakeholders in the Antofagasta region, led by Escondida President Alejandro Tapia, to share the scope of these projects and their opportunities. This will involve a series of meetings to engage local stakeholders and provide first-hand information about Escondida's plans. Tapia aims to listen to the region's expectations and explore synergies with local organizations and suppliers.

# **Codelco-Rio Tinto Alliance Achieves First Milestone: Copper Exploration Project in Atacama Accepted for Review**

The initiative, known as “Minera Dionisio”, is a partnership between the Chilean state-owned company and Escondida’s shareholder. This marks progress on an agreement signed a year ago to develop a project through the joint venture \*Nuevo Cobre\*, formerly known as Agua de la Falda.

**Pulso. November 20, 2024**

**By Víctor Guillou**

The partnership between Codelco, the Chilean state-owned company and the world’s largest copper producer, and Rio Tinto, a global mining giant and Escondida shareholder (holding a 30% stake), reached its first milestone. On Monday, the Atacama Environmental Assessment Service (SEA) admitted for review the project named "Prospección Minera Dionisio."

The project involves a drilling program designed to assess copper concentrations in a mountainous area of the Atacama Region. The site, located at an altitude of approximately 3,800 meters above sea level, is in the Chañaral Province, roughly 65 kilometers east of Diego de Almagro and 10 kilometers southeast of Potrerillos in a straight line.

Specifically, the exploration involves carrying out a total of 365 drillings on 199 platforms, with average depths of 500 meters. Of these, 85 drillings will use the diamond drilling method, and 280 will utilize reverse circulation.

This initiative is part of the joint venture formed by Codelco and Rio Tinto after the international company acquired a 57.74% stake held by Pan American Silver in Agua de la Falda last November. Consequently, Codelco retained 42.26% of the venture, renamed \*Nuevo Cobre\*. Originally launched in July 1996, the project focused on exploring, exploiting, and commercializing gold and other precious minerals. However, in more than 25 years, no copper exploration had been carried out in the area.

The SEA resolution, signed by its director Verónica Ossandón, noted that the Environmental Impact Statement (DIA) submitted by Nuevo Cobre on Monday met the requirements established in the regulations of the Environmental Impact Assessment

System (SEIA). "Accordingly, the project's DIA is hereby admitted for review," Ossandón stated in her decision.

Preliminary analyses by both Codelco and Rio Tinto indicate significant exploration potential to discover copper deposits in the area.

With Rio Tinto in control, Codelco avoids committing additional resources during the exploration phase.

# **Segpres and Ministry of Mining Respond to Courts: No Proposal Has Been Submitted to Create a National Lithium Company**

Ministers Álvaro Elizalde and Aurora Williams responded to the Santiago Court of Appeals regarding an economic protection appeal filed by attorney Juan Francisco Sánchez, questioning the creation of two Codelco subsidiaries to participate in the lithium business. "To date, the President and the ministries that directly assist him have not submitted such an initiative," said the government.

**Pulso. November 20, 2024**  
**By Leonardo Cárdenas**

The Minister of the General Secretariat of the Presidency (Segpres), Álvaro Elizalde, and the Minister of Mining, Aurora Williams, responded to an economic protection appeal filed by attorney Juan Francisco Sánchez before the Santiago Court of Appeals. The appeal questions Codelco's creation of two lithium subsidiaries and demanded information on the bill to create the National Lithium Company, a programmatic promise of the current government.

In their three-page response, signed by both ministers, Elizalde and Williams explained, "The announcement of the bill in question is part of a set of programmatic measures that are subject to various circumstances determining the timing and manner of their implementation, depending on their nature."

"The decision on when to present and the content of the aforementioned bill rests solely with the President of the Republic, coordinated through the relevant collaborative agencies. Thus far, the President and the ministries assisting him directly have not formally submitted this initiative to Congress, making it impossible to provide the requested information to the court. Therefore, we request that the resolution requirements be considered fulfilled," both ministers added.

The National Lithium Strategy envisioned creating a specific company for this purpose, as announced by President Gabriel Boric in a national address in April 2023. The

project was to be presented that same year. "To ensure the State actively participates in the entire lithium cycle, in the second half of this year, following dialogue with the various communities living alongside the salt flats, we will send to Congress the bill to create the National Lithium Company," Boric promised on April 20, 2023.

However, in practice, the government has opted for another strategy, assigning Codelco to manage the alliance with SQM and the development of the Maricunga salt flat, and Enami to develop the Salares Altoandinos project. These initiatives did not require Congressional approval, a point challenged by the economic protection appeal.

On November 5, attorney Juan Francisco Sánchez, a partner at Valdivia Legal, filed an economic protection appeal with the Santiago Court of Appeals against the creation of two subsidiaries by Codelco to develop the lithium business. The appeal targets Codelco, its new subsidiaries Minera Tarar and Salares de Chile, and Corfo.

The appeal emphasizes that, in Chile, lithium exploitation requires express prior authorization through a qualified quorum law, as these mineral resources are governed by a special regime in the Constitution. "The Political Constitution of the Republic requires that any State entrepreneurial activity, such as lithium exploitation, must have specific legal authorization," the attorney stated. The appeal argues that this step is necessary to ensure that the State does not compete with the private sector without proper legal authorization.

The attorney noted that on May 18, 2023, Codelco created two state-owned companies: Salares de Chile SpA and Minera Tarar SpA. The latter is the company that will partner with SQM in managing the lithium business in the Salar de Atacama. "Subsequently, Codelco assigned and transferred its rights in Tarar to SDC (Salares de Chile), which became its parent company," he stated in his presentation.