Mining Giant BHP Freezes Plans to Acquire Rival Anglo American in the Short Term

■ Anglo's shares have risen nearly 40% over the past 12 months, making the deal too expensive for the Australian company.

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By Patricia Marchetti

BHP's intentions to renew its bid to acquire rival Anglo American have cooled. Various sources confirmed to the Financial Times that the rising price of Anglo's shares has made the deal too costly for the Australian group at this time.
In May 2024, after rejecting BHP's initial $39 billion offer, Anglo—led by Stuart Chambers—implemented a radical restructuring plan. The plan included divesting its coal, platinum, and diamond businesses, which was well-received by investors.
The world's largest mining company has been closely monitoring Anglo's progress but believes the shares have become too expensive for a renewed bid. Anglo's share price has surged 40% over the past 12 months, while BHP's shares have dropped 17% in the same period due to falling iron ore prices and a weak Chinese real estate market.
"At first glance, if BHP offered what it deemed a fair value, it's hard to see why it would offer more now," said George Cheveley, a fund manager at Ninety One.
Anglo's ambitious restructuring plan aims to create a smaller but more focused company, with 54% of its revenue coming from copper and the rest from iron ore. In 2024, Anglo secured $4.9 billion from its coal assets in Australia and is on the verge of finalizing a deal for its nickel mines in Brazil.
The spin-off of its South African platinum business is expected this year, while the IPO of its De Beers diamond business may be delayed until next year, according to the company. Anglo's shares are currently trading 3% above the final $49 billion offer made by BHP in May 2024, according to RBC analyst Ben Davis.
Davis suggested a renewed bid might be more likely after Anglo exits its platinum business. "It will be a different company after these restructuring changes," he noted.

The Quest for Copper

One of the main drivers behind BHP's initial bid for Anglo was its desire to acquire Anglo's copper assets, particularly its stake in Collahuasi and the Quellaveco copper mine in Peru. With projections of growing demand, BHP is not the only company pursuing the red metal. Rio Tinto and Glencore have also been in talks about a potential merger, which, if successful, could dethrone BHP as the industry leader and surpass Codelco as the world's largest copper producer.
As part of its efforts to bolster its copper presence, BHP is focused on investing in its existing assets, though this is proving to be costly. Late last year, the company unveiled an investment plan of up to $13.7 billion for its operations in Chile, with nearly 80% allocated to Escondida—the world's largest copper mine. The $10.8 billion investment aims to increase production in response to rising demand driven by the energy transition.
Additionally, BHP, together with Lundin Mining, completed the $3 billion acquisition of Filo del Sol, an untapped copper asset in Argentina. "There's no deal that is absolutely essential for BHP," said CEO Mike Henry in December. He added that the company only pursues transactions involving the right raw materials, long-term assets, and opportunities where BHP ownership can unlock additional value. "It's a pretty strict set of criteria. There aren't many opportunities that meet all of them," he told FT.
Under the leadership of Catherine Raw, the new Head of Development who joined the company in April, BHP restructured its mergers and acquisitions team to consolidate certain functions globally, which were previously divided by region.
According to London's acquisition rules, BHP is now authorized to renew its bid for Anglo if it chooses, following the expiration of a six-month cooling-off period in late November.

$49 billion was the amount BHP offered for Anglo in 2024.

Autonomy: More Productive Operations

Greater safety, productivity, and an improved relationship with the environment are some of the benefits of autonomy in mining operations (Mining 360).

CNN Chile – January 27, 2025

What began years ago as the latest technological advancements in mining is now more common than we might imagine. Automation is a reality in the industry, allowing operations to continue despite adverse conditions such as challenging weather demands. Let's explore how this has advanced in the report prepared by Cristian Soto.
A couple of decades ago, the idea of self-operating mining trucks seemed like the future of the industry. Today, in 2024, they are a reality in many operations across the country. Greater safety, productivity, and even a better relationship with the environment are among the advantages offered by the transition to autonomous machinery.

Rodrigo Cuadra, Automation Director for Komatsu Latam:
"The first autonomous mining operation, Gabi, started in 2008. However, the real breakthrough for the technology in Chile came around 2020, when we had the opportunity to implement seven additional projects."

Orlando Rubilar, Director of Mining Excellence and Solutions at Komatsu Chile:
"The challenges shift to more adaptive issues involving people, work teams, and how those operating a mine integrate the boundaries of the technology to maximize the benefits that automation offers for the mining business."
As technology advances, mining companies must meet their decarbonization targets. Here is where autonomy could play a crucial role.

Rodrigo Cuadra, Automation Director for Komatsu Latam:
"We also see autonomy as a key enabler for decarbonization technologies. Safety is a factor here. Many technologies, such as battery systems, will be tested, where removing the operator becomes essential. Trolley technology, another emerging trend, relies on the precision of automation to create usage scenarios that are not yet feasible.
Finally, a critical factor in decarbonization will be the efficient management of the energy required for these electrified mines, and here, the precision offered by autonomy will be crucial."
Codelco's Gabriela Mistral Division, Antofagasta Minerals' Centinela, and BHP's Spence are some of the operations that have fully automated their fleets. At Spence, the Australian mining company converted its fleet of 33 trucks and 5 drills with zero incidents, reducing safety risks by up to 90%. This transition poses challenges, such as workforce retraining.

Cristóbal Sandoval, President of Pampa Norte / BHP:
"The challenge today lies in adapting all the people here to interact with this autonomous equipment. It's not easy—light vehicles, support vehicles—how they park, where they park, and when they park. There are protocols and procedures we must follow. That's the challenge; it's a cultural change."

Rodrigo Cuadra, Automation Director for Komatsu Latam:
"Autonomy requires a role that didn't exist before: database creators. Compared to the past, it's similar to the work of a surveyor but in a completely different domain, where simulation, machines, and virtual scenarios become critical skills people need to excel in these areas."
Another major challenge in advancing autonomy is adapting machinery to the drastically varying climates across continents.

Rodrigo Cuadra, Automation Director for Komatsu Latam:
"The technology works across all commodities. We operate in extreme conditions, from Australia's deserts, where iron is transported in temperatures exceeding 50 degrees Celsius, to Canada's oil sands, with temperatures as low as minus 50 degrees Celsius. Here in Chile, we have operations in high mountain ranges with loaded equipment functioning in extreme winter conditions. All this has pushed us to develop functionalities and enable systems to achieve the productivity required under these harsh conditions."
Autonomy, aligned with safety and decarbonization goals, is expected to become the industry standard in the coming years.

900,000 Jobs and 10% of GDP: SONAMI's Positive Outlook for Chilean Mining in 2025

The report also highlights that Chile will remain one of the world's top lithium producers.

adnradio.cl
By Mario Vergara

Direct and indirect employment for more than 900,000 people is projected by a study conducted by the National Mining Society (SONAMI), which also emphasizes that the sector will contribute over 10% of the country's Gross Domestic Product (GDP) in 2025.

Although mining production growth was modest in 2024 (1%), significant investments and employment expectations reflect the sector's ongoing importance to Chile's economy.

According to SONAMI's study, addressing challenges such as improving productivity, efficient water resource management, and integrating young talent is key to ensuring sustainable growth.

Mauricio Torres, Director of the School of Industrial Processes at the IACC Professional Institute, noted: "The data from SONAMI indicates that despite the sector's challenges, mining employment will have high demand, which is a great incentive for students in careers like Mining Engineering."

The SONAMI study estimates that by 2025, the mining industry will directly employ 280,000 people and indirectly employ 620,000, leading the country's economic growth and maintaining its role as an essential pillar of Chile's economy.

Sector Challenges

According to SONAMI, strategies to address the sector's challenges include automation, policies to support small-scale mining, and ensuring the availability of water and energy.

Additionally, mining companies are expected to increase production to better utilize existing resources, which will require a more efficient legislative framework.

This situation underscores the challenge of improving the efficiency of mineral processing, especially for metallic resources, as Chile is one of the leading lithium producers, contributing 26% of global production.

As a result, students pursuing mining-related careers are expected to drive these processes, optimize material resource usage, and efficiently manage extraction methods.

Mauricio Torres, Director of the School of Industrial Processes at the IACC Professional Institute, stated: "A graduate in Mining Engineering can work in companies involved in both metallic and non-metallic extraction or in contracting firms that provide services to the mining sector."

This is because "most higher education institutions prepare specialists with the necessary skills to optimize processes in both open-pit and underground operations, making a significant contribution to strengthening the country's mining sector," he concluded.

Green Hydrogen: 75 Projects and Nearly $25 Billion in the SEIA Amid Concerns About Its Takeoff

■ According to H2 Chile, five initiatives are currently undergoing environmental evaluation, with two more to be added this year. The association addresses criticism of AES's INNA project and concerns raised by HNH Energy.

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By Karen Peña

Expectations for the advancement of green hydrogen in Chile remain high, though challenges have also emerged along the path of this so-called fuel of the future.

After receiving its first ICSARA (Consolidated Report of Clarifications, Corrections, or Additions), the $11 billion green ammonia megaproject by HNH Energy criticized additional requirements from the Environmental Assessment Service (SEA), warning that they slow down the process and increase costs. On the other hand, the INNA project by AES Chile, worth $10 billion, is sparking debate over its potential threat to the development of astronomy, facing opposition from scientists and academics.

According to the Chilean Hydrogen Association (H2 Chile), there were 75 projects under development as of December 2024, compared to 64 initiatives in December 2023.

In 2023, six projects were operational. Now, of the 75 proposals, 14 are operational, most of them involving application initiatives and all on a pilot scale, aiming to test the techno-economic scalability of hydrogen technologies and derivatives. The majority of production initiatives are in early stages of development.

The year 2024 marked the entry of the first gigascale production projects into environmental evaluation. Currently, five hydrogen and derivative projects are under environmental assessment.

As of December 2024, H2 Chile reported that the total investment in green hydrogen projects in the Environmental Impact Assessment System (SEIA) reached $24.917 billion. This surge was driven by the Volta initiative by MAE, valued at $2.5 billion, along with HNH Energy's green ammonia megaproject and AES's INNA project. This contrasts with the $1.417 billion in investments recorded in the SEIA portfolio as of December 2023.

In March 2025, TotalEnergies' $15 billion H2 Magallanes project is expected to enter environmental evaluation, followed in the second quarter by TEG Chile's Gente Grande initiative, worth approximately $7 billion.

H2 Chile's Executive Director, Marcos Kulka, emphasized that "2025 will be a crucial year for demonstrating critical milestones in the projects that have entered SEA, increasing investment decisions, advancing critical infrastructure, lowering energy costs, finalizing essential regulations, and further encouraging domestic demand." He added that "it will be essential to continue promoting dialogue."

For the Ministry of Energy, this will be a significant year for the development of the industry and its derivatives in Chile, asserting that "the State has a key role in the success of this process."

"One of the main challenges is coordinating the various industry players to make progress on these initiatives more efficient. Additionally, as a State, we need to create the necessary conditions to enable the realization of these projects," they stated.

Concerns Raised

When asked whether the authorities are being stricter in evaluating green hydrogen projects, given HNH Energy's warning, Kulka said, "It's appropriate that our regulations are stringent for the development of such projects (...). We must continue working toward a more agile and efficient evaluation system without lowering the required standards. The current system still hasn't achieved this balance despite the significant efforts of all stakeholders."

Regarding HNH Energy, he noted their efforts to present "a project that aligns with the value proposition of combating the climate crisis, protecting the environment, and providing value to the territory and its people."

On the criticisms directed at the INNA megaproject, Kulka addressed two key issues: its location, which opponents argue is too close to the Paranal Observatory, and the risks of light pollution. He emphasized that the project's location "is not arbitrary," as it was determined by the Chilean State and is within an area where more than 15 private company projects have been granted Concessions for Onerous Use (CUOs) by the Ministry of National Assets.

Additionally, a new light pollution regulation, considered the most advanced in the world, has been in place since 2024, along with a new environmental impact evaluation criterion. He added that “INNA is outside the exclusion zones designated by the Chilean State to ESO for the protection of astronomical observation.”

Desalination in Chile: A Growing Industry with Billion-Dollar Investments

The first registry of desalination plants in Chile reveals the existence of 34 projects nationwide, with two-thirds focused on industrial uses.

redimin.cl
By CRISTIAN RECABARREN ORTIZ

The first registry of desalination plants in Chile highlights the existence of 34 projects across the country, two-thirds of which are focused on industrial applications. Initiatives aimed at mining and green hydrogen are the most prominent, underscoring a lack of urgency in streamlining permits for these types of projects. However, the dynamic nature of the water infrastructure industry and investments in advanced desalination and seawater reuse technologies stand out.

The Current State of Desalination in Chile

The first registry of desalination and water reuse projects in Chile, conducted by the Capital Goods Corporation (CBC) and the Chilean Association of Desalination and Reuse (Acades), reveals that there are currently 24 industrial-scale seawater desalination plants operating in the country. These plants have a total installed capacity of 10,500 liters per second, with the plant operated by Minera Escondida standing out as the largest in the Americas, boasting a production capacity of 3,858 liters per second.

Other significant plants include the desalination facility operated by Econssa in Caldera and the Aguas CAP plant, which supplies water for mining, human consumption, and agricultural irrigation.

- A total of 34 projects are in various stages of engineering or construction, representing a combined estimated investment of USD 19.054 billion.
- Two-thirds of the projects are dedicated to industrial uses, primarily mining and green hydrogen production.
- The Antofagasta Region leads in the number of projects, followed by other regions with initiatives for seawater reuse and desalination.
- Existing projects are continuously expanding to meet the demands of various industries.
- Environmental and sectoral permitting processes pose a challenge to the development of the desalination industry in Chile.

The first registry of desalination plants in Chile reflects the dynamism of the economic sector and the critical role of water infrastructure in supporting other industries. While investment levels are modest compared to other sectors, the demand for water drives projects related to mining, hydrogen generation, human consumption, and multipurpose uses.

However, the lengthy processes required to obtain environmental and sectoral permits remain a barrier to the expansion of desalination in the country.

Seven key points about the phenomenon:

DeepSeek, the Chinese ChatGPT shaking the market and threatening U.S. dominance in AI

The stocks of its competitors fell yesterday, and experts suggest the AI race could strain U.S.-China relations.

MERCURIO DE SANTIAGO
CATALINA MUÑOZ-KAPPES

The week began with a downturn in the shares of tech companies in the United States and Europe, as indices and cryptocurrencies also fell, dragging the entire financial market with them. The reason? The new Chinese artificial intelligence, DeepSeek. The startup launched a model it claims can compete with one of the most advanced versions of ChatGPT but at a fraction of the cost in investment and energy consumption.
The launch raised doubts among investors about whether the AI models being developed by U.S. companies are overvalued. Due to the significant weight these companies hold in stock market indices, a drop in their valuations tends to impact the entire global financial market. This was evident yesterday when Nvidia led the plunge.
Not only were investors surprised by DeepSeek's new model, but so were AI users. Yesterday, the mobile version of its AI surpassed ChatGPT by OpenAI as the most downloaded app on Apple's platform.

By Liang Wenfeng

The startup challenging global tech giants was founded in 2023

DeepSeek is a Chinese company founded in July 2023 by Liang Wenfeng, who studied Computer and Electronic Engineering at Zhejiang University. The startup was financed by High-Flyer, a hedge fund Liang established in 2015, according to MIT Technology Review.
The company focuses on developing large language models, similar to OpenAI, the U.S. company behind ChatGPT. Last week, DeepSeek launched its DeepThink R1 model, which it claims can compete with one of ChatGPT's most advanced models, o1-mini.
However, DeepSeek's most advanced model is available for free to users up to a certain limit, whereas the o1-mini version of ChatGPT is only accessible through a monthly subscription of $20.200.

Nasdaq down 3.07% yesterday:

Stock indices plunge dragged by tech companies' declines

Tech stocks plummeted yesterday. The Nasdaq, the stock index grouping tech companies, fell by 3.07%. Companies developing AI models were among the hardest hit. Alphabet, Google's parent company and developer of Gemini, dropped by 4.03%. Microsoft, which offers AI tool Copilot and has stakes in OpenAI, saw its stock fall by 2.14%.
The impact was not limited to AI developers but extended to the entire production chain for this technology. For instance, Dutch company ASML, which manufactures chip-making machines, saw its stock drop by 5.75%. Similarly, Taiwan Semiconductor Manufacturing Company (TSMC), a Taiwanese chipmaker, experienced a 13.33% decline.
The downturn was not confined to the tech sector and affected the broader market as well. In the U.S., the S&P 500 index fell by 1.46%. Guillermo Araya, Head of Research at Renta4, explained the market reaction, stating, "U.S. stock indices have been trading near all-time highs. Therefore, there is increased sensitivity and a greater tendency to take profits in response to any news that poses a threat to the markets."
Furthermore, the weight of tech companies in financial markets is significant. "In the U.S. tech sector, the so-called Magnificent Seven stand out: Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla. These seven companies alone are estimated to account for around 32.5% of the S&P 500 index, which includes the 503 largest companies in the United States," Araya added.

Under Trump's administration:

DeepSeek's success comes at a delicate moment for the U.S.

The new competition for the U.S. emerges during a particularly challenging time for the country. “This is hitting the U.S. at a very delicate moment. Trump is trying to consolidate the narrative of American technological and scientific superiority over the rest of the world,” said Fernando Wilson, an academic at the Faculty of Liberal Arts at UAI. “The U.S. seemed to maintain an unassailable leadership, supported by its control over critical elements like the most advanced semiconductors, which are essential for AI,” added Yun Tso Lee, Director of the Center for International Relations Studies at UDD.

Furthermore, U.S. President Donald Trump announced the Stargate project last week, a joint venture between OpenAI, SoftBank, and Oracle aimed at investing $500 billion over the next four years to build new AI infrastructure. “This infrastructure will guarantee U.S. leadership in AI,” OpenAI representatives stated after the announcement.

Stock drop of up to 18%:

Nvidia loses $560 billion in market capitalization

Beyond the global market slump, Nvidia Corp. experienced the most significant decline yesterday. The chip design company, known for its surging stock prices, saw its shares drop by as much as 18%, the largest fall since March 2020. According to Bloomberg, this decline erased $560 billion in market capitalization during early afternoon trading in New York, marking the biggest market value drop in U.S. stock market history.

Although Nvidia is not a direct competitor to DeepSeek, its valuation was affected because the new Chinese technology promises comparable results with lower resource consumption. “Estimates suggest this new Chinese technology requires 2,000 Nvidia chips compared to over 15,000 needed by other tools, raising expectations for greater efficiency and reduced chip demand,” said Ricardo Bustamante, Deputy Head of Research at Capitaria.

DeepSeek invested $6 million:

Startup questions massive AI spending

Yesterday’s market turbulence stemmed from the significantly lower investment DeepSeek needed to develop an AI comparable to U.S.-developed technologies.

According to Goldman Sachs, OpenAI, Google, and other major U.S. firms are set to invest approximately $1 trillion in AI over the coming years. In contrast, DeepSeek has spent about $6 million developing its app. “DeepSeek demonstrates that it is possible to develop powerful AI models at lower costs,” Vey-Sern Ling, Managing Director at Union Bancaire Privée, told Bloomberg. “This could potentially derail the investment case for the entire AI supply chain, which relies on high spending by a small group of large companies,” he added. Similarly, Nirgunan Tiruchelvam, Head of Consumer and Internet at Aletheia Capital in Singapore, stated that DeepSeek’s product “raises fundamental questions about whether Silicon Valley’s substantial capital expenditure and operational costs are the best way to approach the AI trend.” He added that it “challenges the enormous resources devoted to AI.”

Tense relations:

AI could become a new source of conflict between the U.S. and China

With the competition posed by China’s DeepSeek, the AI race could become a new point of contention between the U.S. and China. Yun Tso Lee, Director of the Center for International Relations Studies at UDD, remarked, “There is a growing consensus that the economic and strategic battle of the future will revolve around advanced technologies like artificial intelligence.”

“If President Donald Trump’s administration interprets this as a loss in the AI race, it is reasonable to anticipate even tenser relations between the two powers. This could include new restrictive measures, sanctions, or increased pressure to maintain an edge in the tech sector,” he added.

However, Fernando Wilson of UAI expressed doubts that the conflict would escalate further. “Today, China and the U.S. are deeply interdependent. Simply put, China needs the American market to sell products, and the U.S. needs China to manufacture its goods,” he explained.

Service disruptions:

Company struggles with cyberattacks and mass downloads

Following its unexpected rise, DeepSeek faced challenges maintaining its online services yesterday. The startup restricted new user registrations to those with a mainland China phone number, citing “large-scale malicious attacks” on its system.

Bloomberg also reported that DeepSeek’s services have been overwhelmed by demand since the weekend, after the company unveiled its AI chatbot.
This was the company’s most significant service disruption since it began reporting its operational status, coinciding with the app’s surge in popularity on Apple and Android app stores.