

Codelco Responds to Trump's Tariff Threat on Copper: "We Will Closely Monitor the U.S. President's Statements"

Meanwhile, the Chilean Mining Chamber has called for precautions and stated that "this should concern and engage national authorities."

df.cl

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State-owned company Codelco, the world's largest copper producer, briefly commented on recent trade threats from U.S. President Donald Trump, who warned that he would impose a series of tariffs on imports of various products, including copper.

"We will closely monitor the evolution of the U.S. President's recent statements in coordination with the Foreign Ministry," the state miner said in a statement sent to DF.

"So far, there have been no concrete policy announcements," added the company in response to Trump's warnings. In his remarks, the President stated that he intends to impose tariffs on foreign production of chips, semiconductors, and pharmaceuticals.

He further stated, "I would also impose tariffs on steel, aluminum, and copper—things we need for our Armed Forces," though he did not specify the origin of the affected products. All of this was framed within his speech about "bringing production back" to the United States.

Meanwhile, the president of the Chilean Mining Chamber, Manuel Viera, expressed concern over a potential tariff increase and urged authorities to take action. "This should concern and engage authorities. Although the government has stated that a working group has been formed, aspects such as diversifying the client portfolio for Chilean copper must be addressed. What if China does the same? It's a serious risk," he stated.

Viera also emphasized that Chile should declare copper and lithium as national defense assets due to their importance and the risks ahead. "We hope the United States does not act like the neighborhood bully, imposing tariffs at will. One must ask, where do free trade agreements stand?" he concluded in a statement.

It is worth noting that, when consulted by DF, Foreign Minister Alberto van Klaveren stated that the government had established "a working group through the Undersecretariat of International Economic Relations (Subrei) in coordination with the Ministry of Finance" to "analyze Chile's main trade flows with the United States and assess to what extent these flows could be affected."

Of Chile's total copper exports, 11.35% were destined for the U.S. in 2024, making it the second-largest importer of the Chilean product, surpassed only by China, which accounted for 52%.

Between January and November last year, Chile exported 570,000 tons of copper cathodes to the U.S.—64% of the total imported by the country—amounting to \$5.08 billion, at an FOB copper price of \$4.24 per pound, according to figures from Plusmining.

Of this total, Codelco accounted for 45% of exports, followed by Freeport-McMoRan's El Abra with 14%. BHP's Escondida and Spence operations accounted for 11% and 9%, respectively.

Brazilian Vale achieves highest iron ore production since 2018 in 2024

This occurred amid an economic environment marked by greater operational stability for the mining company, along with the implementation of key projects.

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In 2024, Brazilian mining company Vale reached production levels not seen since 2018, in a context characterized by "greater operational stability and the implementation of key projects."

Thus, iron ore production reached 328 million tons (Mt), "the highest since 2018," according to a company statement. This figure even exceeded the initial forecast of 310-320 Mt.

This happened despite a decline in production at the Southern System due to the mining company's portfolio self-optimization, which aimed to prioritize the production of higher-margin products. As a result, S11D (Serra Sul) achieved record production.

Regarding Vale's copper production, the Salobo complex also reached an annual production record, while Sudbury contributed with strong production growth.

These operations, along with the commissioning of the underground mines at Voisey's Bay, brought copper production to 348.2 Kt in 2024, a 6.6% increase compared to the same period in 2023.

As for iron ore sales, the company increased sales of this product by nearly 2% in 2024 compared to 2023, surpassing 306 million tons. Meanwhile, copper sales rose by 6.3% year over year.

Peru: "We Need to Open More Copper Mines" to Capitalize on Growth and High Prices

Additionally, he assured that Newmont has committed to seeking social approval for its \$2 billion Yanacocha Sulfuros copper and gold project.

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By Reuters, edited by D. Donoso

Peru's Minister of Economy, José Arista, stated in an interview with Reuters that the country maintains investor confidence despite the ongoing political instability in the Andean nation.

Last week, Arista attended the World Economic Forum in Davos, Switzerland, where he and Peruvian President Dina Boluarte met with CEOs of global companies, including mining giants Glencore, Anglo American, and Newmont, who reaffirmed their interest in increasing investments in Peru.

The executives highlighted Peru as an "economically stable country" but warned that "we have excessive regulation, especially in the mining sector," which delays investments, Arista noted.

The minister stated that Newmont has committed to seeking social approval for its \$2 billion Yanacocha Sulfuros copper and gold project in northern Peru.

"They have committed to building a dam for the city of Cajamarca. They are aware that they cannot proceed with mining operations without first solving the water problem," he said.

Newmont, which currently operates Peru's largest gold mine, announced in mid-2023 that it was postponing its decision on Yanacocha Sulfuros by "at least two years" to optimize its portfolio and maximize shareholder returns.

The minister stressed the importance of capitalizing on the current high-price cycle in the international copper market by attracting more investment to maintain Peru's global position in the sector, especially with rising competition from the Democratic Republic of the Congo.

He estimated that private investment in the country would grow by 4% this year, compared to a 2.3% increase last year.

"Peru has entered a period of sustained growth," Arista said. "We need to take advantage of this situation; we need to open more mines, more copper mines," he stated.

Dominga: Legal Battle Over Ministerial Committee's Decision Floods Environmental Court with Filings

■ In the past 24 hours, eight filings have been submitted in the case between Andes Iron and the Environmental Assessment Service (SEA).

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A fierce administrative law battle is unfolding in the case between Andes Iron and the Environmental Assessment Service (SEA) over the Dominga project before the First Environmental Court (1TA). In the past 24 hours alone, eight legal filings have been submitted, bringing the total to 17 since the Ministerial Committee's (CM) ruling on January 14.

The current debate revolves around the company's request to suspend the effects of the Ministerial Committee's resolution while the incidental compliance process for the December 9 ruling—mandating the signing of the decision and upheld by the 1TA on January 7—is ongoing. Stakeholders and third-party interveners either support the request or challenge its legitimacy.

SEA Executive Director Valentina Durán, representing the CM, argued that the request "must be rejected," asserting that the requirements for a precautionary measure are not met, as a final ruling has already been issued in favor of the company. She countered the company's claim, stating that "there is no irreparable harm or risk of delay that would justify the suspension."

Furthermore, she emphasized that the CM's resolution was "issued in compliance with the December 9 ruling" by the 1TA.

NGO Oceana also opposed Andes Iron's request, arguing that the court "lacks the authority to grant the requested measure" since "it cannot impose a precautionary measure before ruling on compliance with the judgment."

On the other side, Andes Iron defended its request, submitting a 36-page legal report on "good faith in public administration" prepared by lawyer Javier Couso. The doctor of law described it as "an unprecedented event since the return to democracy for a body composed of six ministers to disregard a judicial order."

The company accused SEA of "promoting an endless loop of environmental litigation" and described the case as "iconic," not only due to its lengthy proceedings but also because "the administration has been persistently defiant in failing to fulfill its obligations."

Supporting Andes Iron, various unions, organizations, and associations from La Higuera have also submitted filings in favor of the company.

Tariffs: Mining guilds view Trump's threat with caution and concern, which would affect 11% of copper shipments

From Sonami, its president Jorge Riesco stated that "there are no legal, economic, or strategic incentives to impose these measures," but nevertheless appreciated the government forming a "task force" to assess potential impacts. Meanwhile, the Chilean Mining Chamber expressed concern over the issue.

PULSO

By Víctor Guillou

The mining world closely monitors developments that may emanate from the United States following the direct threat posed by President Donald Trump to impose tariffs on a variety of foreign products, including copper. Despite prompting the establishment of a government "task force," guilds linked to the copper industry reacted cautiously yet with concern to the potential adverse effects such a measure could have on Chile's mining sector. For the president of the National Mining Society (Sonami), Jorge Riesco, Donald Trump's warnings "should not be taken alarmingly as evidence shows there are no legal, economic, or strategic incentives to impose such measures, particularly towards Chile, due to its role as a supplier of key inputs."

However, Riesco pointed out that while tariff increases could affect exports to the United States, "currently, 75% of copper and its derivatives are mainly exported to China and other Asian countries." He also noted that Chile has bilateral and multilateral treaties offering safeguards against potential tariff hikes.

Lastly, he positively acknowledged the government's formation of a "task force" to monitor and potentially assess the impacts of possible tariffs. "We believe that commodity experts should be included to contribute their perspective regarding the potential scenario of Trump applying tariffs to copper imports. Undoubtedly, this poses a challenge for our foreign policy, and as a mining guild, we stand ready to provide our vision and experience to the government," Riesco concluded.

Meanwhile, the president of the Chilean Mining Chamber, Manuel Viera, expressed concern over Trump's statements.

"We must consider that the United States is the second-largest buyer of copper produced in the country, accounting for 11.3%, after China with 51.3%. However, these revenues are significant; last year, shipments amounted to US\$50.858 billion, representing 50.1% of Chile's total exports," Viera affirmed.

He added that this possible measure is a direct warning to our country. "Trump knows that Chile is the world's top copper producer. This should concern and engage authorities, despite the government's formation of a working group. Issues such as diversifying the customer base for national copper must be addressed. What if China does the same? It's a serious risk," Viera emphasized.

According to the guild leader, the country should declare copper and lithium as elements of national defense due to their importance and the associated risks of the measure. "We hope that the United States does not act as the neighborhood bully and impose tariffs at will. One must ask, where do free trade agreements stand?" Viera concluded.

Figures on foreign trade in the mining sector vary depending on the source. For example, export figures published by the Central Bank indicate that in 2024, copper exports totaled US\$50.858 billion, accounting for nearly 51% of Chile's total exported goods. However, the central bank's data does not disaggregate by destination region.

Meanwhile, ProChile estimates copper exports at US\$49.862 billion in its latest market intelligence report. According to their database, of this total, US\$5.657 billion in exports came from the United States, while US\$25.927 billion originated from China. This shows a significant difference in Chile's main trading partners for copper, with the United States representing 11.3%, while the Asian giant accounted for 51.9% of Chilean red metal shipments in 2024.

In addition, the latest monthly report from Customs with export figures up to December 2024 states that cumulative copper shipments for the past year amounted to US\$19.851 billion, totaling 2,161,826 tons. Of these, China accounted for US\$6.048 billion and the United States for US\$5.634 billion, representing 30.5% and 28.4%, respectively.

Overall, Trump's tariff threat alone has already weighed on copper prices. Since Monday's statements, the red metal has experienced three consecutive declines on the London Metal Exchange (LME). This Wednesday, copper closed at US\$4.02835 per pound, marking a weekly decline of 3.7%.

"There is currently a lot of uncertainty regarding tariffs in the United States and potential retaliatory measures, particularly from China, and the market is highly reactive at this time," said Alice Fox, a Macquarie analyst to Reuters. "The introduction of tariffs could negatively impact global growth and, therefore, demand for copper," she added.

Golden Arrow Reports Phase 2 Drilling Results for Project in Chile

Each of the four drill holes has now reported intervals ranging from 180 to 310 meters, averaging more than 0.2% Cu and 0.03 g/t Au, along with significant cobalt and iron content.

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Golden Arrow has reported the results from the final two drill holes of the Phase 2 drilling program at the San Pietro Project in Chile.

These two drill holes (SP-DDH-39 and SP-DDH-40), along with two previously reported holes (SP-DDH-29 and SP-DDH-38), confirm a significant extension of the Rincones target up to 400 meters south, according to the company.

Each of the four drill holes has now reported intervals ranging from 180 to 310 meters, averaging more than 0.2% Cu and 0.03 g/t Au, along with significant cobalt and iron content. Additionally, the area remains sparsely drilled and open for expansion, particularly toward the Colla target, located approximately 600 meters further south-southeast.

The results highlight a 180-meter interval averaging 0.21% Cu, 0.07 g/t Au, 95 g/t Co, and 12.9% Fe, starting at a depth of 276.73 meters in drill hole SP-DDH-39. This hole is located in an undrilled area 280 meters south of SP-DDH-38 and 220 meters along the trend from SP-DDH-29.

In addition, drill hole SP-DDH-40 shows widespread mineralization from 75 meters down to nearly the end of the hole at 541 meters, including a 224-meter interval averaging 0.20% Cu, 0.03 g/t Au, 63 g/t Co, and 11.6% Fe starting at 317.05 meters. Geological modeling indicates continuity of mineralization in this hole with SP-DDH-38 and previous drill holes along the section.

Regarding these results, Brian McEwen, Vice President of Exploration and Development at Golden Arrow, stated, "Phase 2 drilling has definitely concluded on a high note. We are entering our first resource estimate knowing that the infill program we designed has successfully confirmed what we expected from our preliminary work: stronger mineralization and better continuity than many previous interpretations."

Discussing expectations, McEwen added, "We believe this will translate into a resource estimate that shows our investors and stakeholders that we have rediscovered a substantial deposit with great growth and value-creation potential. Phase 2 may be complete, but we are eager to return to the field to continue drilling and developing Rincones, possibly extending to Colla."

The Phase 2 drilling program was conducted in 2024 and included 24 additional drill holes, totaling 8,292 meters of drilling at the advanced exploration Rincones target, as well as 2 drill holes totaling 607 meters at the early-stage Colla target.

Mineralization at the project is hosted in magnetite-rich mantos, which are highly magnetic, as well as in structurally related specularite breccias and veins. By the end of 2024, the company completed a new detailed ground magnetic survey over the Rincones and Colla targets to further delineate targets and prioritize areas for the next phase of drilling tests.

Drilling Details

The San Pietro project hosts targets with strong iron oxide, copper, gold, and cobalt mineralization. These minerals are typically found within a sequence of fine to porphyritic andesites that exhibit widespread potassic feldspar alteration. This is associated with areas where quartz and scapolite overprinting is more intense, along with brecciation development with specularite and massive magnetite replacement.

The first drill hole, SP-DDH-39, was drilled 220 meters northwest and intercepted 310.85 meters averaging 0.19% Cu, 0.06 g/t Au, 127 g/t Co, and 12.2% Fe, starting at a depth of 186.4 meters, as reported on October 31, 2024.

The new drill hole tested mineralization along the general northwest structural trend from SP-DDH-29, which corresponds to a set of subparallel specularite breccias trending east-west to northwest. The first 322 meters of the hole were dominated by porphyritic andesite, which is less permeable for fracturing and the infiltration of mineralized solutions.

From 322 meters to 509 meters, SP-DDH-39 intersected a package of fine porphyritic andesites hosting a series of veinlets and fractured breccias with chalcopyrite-pyrite and specularite, including a high-grade structure at 452

meters with a halo of disseminated magnetite. Additionally, several mineralized structures developed near the contact between porphyritic and fine andesites at depths between 276 and 322 meters.

Similarly, SP-DDH-40 infilled areas between the main Rincones target and the expansion drill hole SP-DDH-38 (155 meters southwest), which recently reported 283 meters averaging 0.23% Cu, 0.04 g/t Au, 101 g/t Co, and 15.5% Fe from a depth of 83 meters (see the press release from January 21, 2025).

From 130 meters to 548 meters, fine porphyritic andesite hosts a series of zones with veinlets and fractured breccias filled with chalcopyrite-pyrite. Additionally, this drill hole contains a series of subhorizontal magnetite replacement mantos, ranging from 5 to 8 meters in width with more than 30% total iron content. Some sections also contain high Cu-Au mineralization, as demonstrated by a 4.80-meter interval with 2.15% Cu, 0.3 g/t Au, and 33.8% Fe from a depth of 381.87 meters.

Methodology and Quality Control

This drilling campaign was carried out by Sociedad de Servicios Andinos SpA from Copiapó, using a diamond drill rig that produced HQ-sized core. Additionally, the company's field team, supervised by senior geologists, logged the entire core length for each drill hole, measured core recovery, and marked the samples for analysis. Whole core samples approximately 10 to 15 cm long were selected and measured for specific gravity at an average interval of every 20 meters, targeting all different lithologies. The core was then cut in half using an electric saw, with one half labeled, bagged, and sent for analysis while the other half was preserved on-site. The samples were then sent to ALS Laboratory in Copiapó via a trucking service.

Sample preparation and gold analysis by fire assay with atomic absorption spectrometry (Au-AA23 method, using a 30g sample) were conducted at ALS facilities in Santiago, Chile. At ALS facilities in Lima, Peru, a multi-element analysis package was performed using ICP-OES following four-acid digestion (ME-ICP61 method). Samples with copper values exceeding 10,000 ppm were reanalyzed using the Cu-OG62 ore-grade method, which includes four-acid digestion and ICP-OES analysis.

The company emphasized that it follows industry-standard procedures for work conducted at the San Pietro Project, with a quality assurance/quality control (QA/QC) program in place.

The trajectory of all drill holes completed at San Pietro during Phase 2 was measured using the "Champ Navigator" gyroscopic equipment to ensure that ground magnetite did not interfere with readings. Additionally, all drill cores were oriented using the "Champ Ori" core orientation tool to measure azimuth and dip of the structures.