

# Growing Alongside the Region

THE REGION WE DREAM OF. Alejandro Tapia, President of Minera Escondida.

## MERCURIO DE ANTOFAGASTA

For over a year, at Escondida, we have been publicly sharing how we are planning our operations for the coming decades.

It has been a great challenge because we are fully aware of the impact each of our decisions has—not only on the industry but also on the development of the Antofagasta region and the country. That is why we have taken the necessary time to conduct studies, analyze growth options, and prioritize those that create the most value. At Escondida, we have a portfolio of projects focused on three key aspects: increasing the mine's capacity to access higher-grade ore, optimizing the processing of concentrator plants, and expanding the leaching of minerals. To achieve this, it is necessary to strengthen the existing infrastructure and build new facilities. These projects will allow us to further develop our deposit and the 26 billion tons of resources we have for the future. Having these resources is an exceptional advantage from a geological perspective and a significant opportunity in terms of the social value we can generate.

As a native of Antofagasta and as the president of the world's largest copper producer, I am convinced that every step toward the future should encourage us to think about how we can continue creating long-term benefits for our region. We have a collaborative work opportunity before us that is not starting from scratch. On the contrary, there are already more than three decades of contributions to Antofagasta and its people.

In recent years, we have focused on preparing for that future by working with various partners to train the next generation of mining professionals. We have done this at multiple levels—engaging with students from technical high schools through the Código Futuro program developed in collaboration with the Fundación Minera Escondida, supporting university students through HEUMA, and providing vocational training for those seeking new careers through the Nuevos Tesoros initiative.

In particular, and in line with our commitment to inclusion and diversity, we have trained more than 700 women through our Mineras program in partnership with the Centro de Entrenamiento Industrial y Minero (CEIM), and today, more than 350 of them are part of our company. This has allowed us to achieve BHP's 40% gender balance target in Chile, with over 1,400 women currently working in our workforce.

Our commitment also extends to local suppliers, entrepreneurship, and innovation. To support this, we have two key platforms that we will continue to strengthen: BHP's Local Purchasing Program and Aster, the first accelerator of its kind in northern Chile. We firmly believe that the value chain must be built from Antofagasta with a strong local identity.

We want to continue creating social value in the Antofagasta region, and to do so, we must work together to leverage the opportunities presented by our Growth Plan. Internally, we will remain committed to our role as miners, working every day with safety and operational discipline.

We do this with a deep sense of commitment and a clear purpose: to lead the production of the copper the world needs.

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**Alejandro Tapia, President of Minera Escondida**

# ACP and the Mining Exploration Boom: “This Movement Hasn’t Been Seen Since the Copper Super Cycle”

■ Ronald Ambler, founder and general manager of AC Perforaciones, spoke about the “boom” currently taking place in the drilling sector and the company’s recent milestones.

**Diario Financiero, February 6, 2025**  
**BY PATRICIA MARCHETTI**

The search for new mining reserves has intensified in Chile, as reflected not only by the fierce competition among exploration drilling companies but also by the growing number of tenders in the drilling sector.

“The second half of the year has always been the ‘high season’ for tenders, but from September to date, we have participated in 27, whereas in previous years, there were no more than 10 during the same period,” Ronald Ambler, founder and general manager of AC Perforaciones (ACP), told DF. “In each tender,” he added, “we are competing with 10 to 12 companies, whereas in tougher times, there were only three or four.”

According to Ambler, there is currently a “boom” in exploration drilling, and “this level of activity hasn’t been seen since 2011 and 2012, during the mining super cycle.”

“With the rise of electromobility, the market understands that copper and other minerals are essential, and large mining companies are facing a challenge that goes beyond production—the issue of reserves. They need to improve their existing reserves, which are not sufficient,” he analyzed.

However, he clarified that “those currently drilling are major mining companies that have been established in Chile for years; new players are still entering at a slow pace.”

A recent study by Cochilco identified 223 exploration projects in 2024, a 1.4% decline compared to 2023, involving 87 companies at various stages of progress. Of these, 53% included exploration drilling. The report also highlighted an increase in the number of companies declaring exploration budgets, as well as projects with active budgets.

## **ACP’s Growth Moment**

AC Perforaciones, which reported revenues of \$21 million in 2024 and projects 40% growth based on its project backlog, has historically focused on copper, gold, and iron exploration.

Among its key projects are drilling at Codelco’s Salvador Division Rajo Inca, Advanced Exploration at El Teniente Division, the Salares Norte project by Goldfields, the Mantos Blancos project by Capstone Copper, and various campaigns with CMP.

Currently, the company is preparing to re-enter a familiar market—lithium. ACP was a pioneer in lithium drilling in 2007 at the Salar de Atacama and is now set to resume exploration in the same region.

Regarding gold, Ambler noted that significant exploration projects are emerging, linked to companies that have yet to extract the mineral in Chile.

For 2025, the company, headquartered in Coquimbo’s industrial district, plans to invest \$3 million in new machinery and the acquisition of two additional drill rigs.

Currently, ACP employs 400 workers and operates its own training center, E-cap.

## **Talent Development**

“We develop our own technology, and operators with 10 to 15 years of experience struggle to adapt to our equipment because they are accustomed to the old system. That’s why, four years ago, we created a training program to develop their skills, and we have established partnerships with industrial schools in Coquimbo, where we enroll young students interested in our courses,” Ambler explained.

Thanks to this initiative, ACP has issued over 650 training certificates and has actively integrated women into historically male-dominated roles. In fact, its first female driller, recruited at 18 upon finishing industrial school, is now 20 years old.

The company also employs female mechanics, welders, mud specialists, field supervisors, and drilling assistants. It operates 16 drilling rigs, primarily performing diamond and reverse circulation drilling.

Reflecting on ACP’s history, Ambler recalled: “We grew in an adverse environment, during the 2008–2009 financial crisis, because we had the opportunity to retain a client who wanted to continue drilling despite the

downturn. That allowed us to grow when no one else was. By the time the crisis ended in 2011, we were generating \$17 million in revenue.”

The COVID-19 pandemic severely impacted the industry, causing drilling activity to nearly halt. “At one point, we were operating at just 10% capacity,” he recalled.

Recently, ACP signed an agreement with Women in Mining Chile (WIM) to promote professional development for women in technical and operational mining roles.

The E-cap training center is open to other mining companies. “Our philosophy is that the more people are trained, the better it is for the industry,” Ambler stated. He also urged the mining sector to “evaluate people based on their competencies, not just their experience, and for all of us to contribute to the training of mining workers, because what we truly lack are people to develop these projects.”

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“From September to date, we have participated in 27 tenders, whereas in previous years, there were no more than 10, and in each one, we are competing with 10 to 12 companies,” Ambler stated.

# Canadian Wealth Minerals Partners with Quechua Community to Establish Lithium Company in Salar de Ollagüe

■ Indigenous group will hold a 5% stake in the new company and a seat on the board. The new firm aims to develop the \$749 million project.

Diario Financiero, February 6, 2025  
BY VALERIA IBARRA

Canadian company Wealth Minerals and the Quechua Indigenous Community of Ollagüe have agreed to form a joint venture to develop the Kuska lithium project in the Salar de Ollagüe. This partnership grants the indigenous group one of the five seats on the new company's board and a 5% ownership stake in the firm.

"Both Wealth and the Quechua Indigenous Community of Ollagüe believe this structure provides the right balance to bring Kuska into production while ensuring the highest standards of community participation and transparency," stated the North American company.

"The parties have also discussed that the joint venture may eventually develop other projects within the community's general area of interest, which could create synergies with Kuska," the company added. Henk van Alphen, CEO of Wealth Minerals, commented, "We have been working on the foundation of this agreement for several years, and we are convinced that the only way to conduct mining is by effectively incorporating communities into the business and project activities." He continued, "We plan to continue advancing the development of Kuska and, in fact, now accelerate the pace so that we can soon establish a lithium production operation in Ollagüe."

The project is located in the Salar de Ollagüe, in the Antofagasta Region, and is currently 100% owned by Wealth Minerals, free of third-party royalties. The initial resource estimate published by the Canadian firm indicates that the basin contains 741,000 tons of lithium carbonate equivalent (LCE).

Wealth Minerals projects that Kuska will have a net present value (NPV) of \$1.65 billion and an internal rate of return (IRR) of 33%. According to the preliminary economic assessment, the project involves a \$749 million investment covering outstanding studies, permitting, construction, equipment, and commissioning.

It is worth noting that Ollagüe is one of six salt flats prioritized by the Strategic Council of the government's Lithium and Salt Flats Committee, indicating favorable conditions for the viability of a lithium operation. "The Strategic Council's decision means that Ollagüe will be prioritized for receiving a Special Lithium Operation Contract (CEOL) from the Chilean government," Wealth Minerals emphasized.

Company sources stated that they are participating in discussions initiated by the Ministry of Mining to negotiate a CEOL with the government, specifically under the recently introduced simplified mechanism.

"Our intention is for our new operational subsidiary, in which the Indigenous Community will become a shareholder, to execute the project and be part of the CEOL," the Canadian company explained.

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**33% PROJECTED INTERNAL RATE OF RETURN FOR THE INITIATIVE.**  
**\$749 MILLION TOTAL INVESTMENT IN THE KUSKA PROJECT.**

# More Than 30,000 People Attended Teatro a Mil and FITZA in 2025

■ Both festivals showcased over 130 performances.

[elperiodista.cl](http://elperiodista.cl)

Wednesday, February 5

Culture takes over the summer. With an audience of more than 400,000 people, the 32nd edition of the Festival Internacional Teatro a Mil concluded its program after 24 days of performances across 43 municipalities in Chile. This year, more than 90 productions were staged in both street and theater settings.

Antofagasta was the center of Teatro a Mil's most spectacular event, featuring the highly anticipated meeting between Amal—a 3.5-meter puppet that traveled across Chile—and Mo y la cinta roja, a seven-meter-high wicker figure. The performance symbolized migration from a child's perspective.

"Our alliance with Teatro a Mil has, for over 25 years, brought the arts closer to thousands of people in Chile. This year, we strengthened our presence in the north with activities in various communities, connecting them with world-class performances," said René Muga, Vice President of Corporate Affairs at BHP, the company responsible for the event.

## **FITZA 2025**

The Festival Internacional de Teatro Zicosur (FITZA) 2025, organized by the Agrupación Artístico Cultural Pedro de la Barra and presented by Escondida | BHP, featured a week of continuous performances by more than 80 local, national, and international artists. The festival included 46 performances of 18 plays in different municipalities of Antofagasta, attracting over 12,000 attendees.

The performances took place across 15 venues throughout the region. This year's edition included three local productions, 12 national works from cities such as Coquimbo, Concepción, Valparaíso, Santiago, and Calama, and three international productions from Bolivia, Mexico, and Argentina.

Ángel Lattus, founder and general director of the festival, described the event as "a true theatrical celebration that not only illuminated major stages but also reached the neighborhoods of every municipality." He also highlighted the community's engagement in all performances.

# Grupo Errázuriz and Lithium Chile Apply Equally for Lithium Project in Coipasa Salt Flat

■ Cosayach Caliche, part of the Chilean group, partnered with Karios, a subsidiary of the Canadian firm, to jointly pursue a Special Lithium Operation Contract (CEOL) in the salt flat bordering Bolivia. The companies claim to control 89% of the mining concessions in the area.

**PULSO**

**By Víctor Guillou**

The race to secure authorizations for operating the first six lithium deposits allocated to private companies is officially underway. The deadline to apply for the simplified process to obtain a Special Lithium Operation Contract (CEOL) for the first group of prioritized areas expired on January 31. These areas include the Coipasa Salt Flat in the Tarapacá Region, the Ollagüe and Ascotán salt flats in Antofagasta, and the Piedra Parada, Agua Amarga, and Laguna Verde salt flats in the Atacama Region.

On Wednesday, it was confirmed that Grupo Errázuriz submitted a joint application with Canadian company Lithium Chile to secure the coveted CEOL in the Coipasa Salt Flat, located at over 3,500 meters above sea level on the border with Bolivia.

Cosayach Caliche, a subsidiary of the Chilean group led by Francisco Javier Errázuriz Ovalle, partnered equally with Karios Inversiones SpA, a subsidiary of Lithium Chile.

"We are taking another step in developing Chile's lithium industry beyond the Atacama Salt Flat. Collaboration is the key to advancing sustainable projects that will allow Chile to regain lost ground in the global lithium market," said Francisco Javier Errázuriz, president of Grupo Errázuriz.

"As requested by the government in this process, this joint application meets and even exceeds the required standards in terms of industry experience, financial capacity, and control of over 80% of the mining concessions in the prioritized salt flat system. For Coipasa, this joint venture covers 89.83% of the salt flat's designated area, including both exploration and exploitation concessions," Errázuriz added.

Meanwhile, Steve Cochrane, president and CEO of Lithium Chile, emphasized that collaboration is essential to advancing sustainable projects that strengthen Chile's position in the global lithium market. "Grupo Errázuriz is a leading Chilean private company with investments not only in several Chilean salt flats but also in technology, including its own Direct Lithium Extraction (DLE) plant in Copiapó."

The joint application was submitted on January 31. According to official details, the Lithium and Salt Flats Unit of the Ministry of Mining will have a maximum of 45 business days to analyze and review the submitted documentation. This means the ministry has until Wednesday, March 26, to respond to the applications.

# IMF Says Chilean Economy is Balanced but Warns of "Heightened External Risks" and Calls for FEES Reconstitution

■ The International Monetary Fund also praised the fiscal balance plan through 2027 but warned that achieving it is becoming increasingly challenging. Additionally, the institution stated that boosting long-term growth is essential to improving the population's standard of living and addressing social and fiscal pressures.

## PULSO

By Emiliano Carrizo

The Executive Board of the International Monetary Fund (IMF) released its final assessment of Chile's economy in 2024. This comes as part of the institution's annual Article IV Consultation with the country, following the publication of a preliminary report by the IMF staff in November.

In its previous assessment, the IMF highlighted Chile's economic condition, stating that "the economy is broadly balanced."

In its initial summary of Chile's outlook, the report indicated that macroeconomic imbalances have been resolved, GDP growth is on the rise, the construction sector remains lagging, unemployment is high, and inflation is projected to reach its 3% target by 2026. "Concerns persist over crime, migration, inequality, and political polarization, which hinder progress on structural reforms," the report added.

"Chile's macroeconomic position is strong due to its solid fundamentals, policies, and robust policy frameworks. The current account deficit has continued to decline, and the external position in 2024 is considered moderately weaker than suggested by medium-term fundamentals. Public debt remains relatively low and sustainable," the IMF stated.

However, the IMF warned that Chile faces pressures from external developments: "External risks are elevated."

"The global environment is unstable and uncertain, requiring policies that further strengthen economic buffers to provide additional policy space for future shocks," the report added.

Among the external risks, the IMF pointed to commodity price volatility and uncertainty regarding monetary and fiscal policies in advanced economies, which could tighten access to financing.

The IMF emphasized that Chile must increase its potential growth to improve living standards and address social and fiscal pressures.

Regarding President Gabriel Boric's economic agenda, which includes reforms to sectoral permits, the development of renewable energy industries, and efforts to facilitate R&D investment, the IMF emphasized that implementation should be "swift" and "consistent."

Another challenge identified by the IMF is that "better integration of women into the labor market could partially offset unfavorable demographic trends." Additionally, the institution stated that the proposed new development bank "requires a specific mandate, strong risk management practices, and solid corporate governance."

## Interest Rates

On the government's goal to achieve fiscal balance by 2027, the IMF deemed it appropriate but acknowledged that achieving it has become increasingly difficult. "The authorities' commitment to fiscal restraint through spending adjustments in 2024 and 2025 is commendable. To achieve a balanced fiscal position over the next three years, a gap of at least 1% of GDP must be covered," the IMF estimated.

In this context, the IMF noted that the tax compliance law could help restore fiscal balance, provided it meets its revenue targets and is not allocated to new expenditures. "It is crucial to closely monitor tax compliance developments and maintain flexibility to adjust current spending if revenue mobilization falls short of projections while ensuring the preservation of public investment expenditures to support medium-term growth," the IMF report stated.

"Ensuring that any increase in structural spending aligns with higher structural revenues is vital for fiscal sustainability, while consolidating fragmented social programs could improve access and effectiveness for the most vulnerable populations," it added.

The IMF also assessed Chile's fiscal framework as very strong and recommended further improvements. For example, it suggested that providing "more details on debt-generating flows outside the fiscal deficit ('below-the-line' items) would strengthen fiscal pressure monitoring."

"The modernization of fiscal forecasting methods, in line with government plans, could improve revenue projections in the context of economic and political changes," the IMF added.

Another key recommendation was that "adopting a medium-term strategy to rebuild the Economic and Social Stabilization Fund (FEES) would ensure resources are available to address future disruptions."

Last Friday, the Budget Directorate reported that the FEES ended 2024 with a balance 40% lower than in 2023, primarily due to withdrawals made by the Treasury to cover expenditures.

Finally, the IMF stated that simplifying the presentation of fiscal targets and budget execution in the Public Finance Report could enhance understanding of the fiscal balance rule framework.

Regarding the Central Bank, the IMF stated that "a cautious approach to the pace of monetary policy easing is justified based on the data." "Future policy rate cuts should depend on clear evidence that inflation is decisively returning to its target," it added.

To strengthen Chile's position against external shocks, the IMF suggested that the Central Bank ensure international liquidity. "This underscores the importance of incorporating a comprehensive international liquidity framework into the Central Bank's long-term financial stability strategy. The strategy and operational design must continue to adhere to high transparency standards, be resilient to changing external risks, and minimize distortions in the foreign exchange market," the IMF stated.

Regarding the financial sector, the IMF provided a positive assessment and recommended reinforcing its resilience while implementing measures such as pension reform to deepen the capital markets and fully adopting Basel III capital and liquidity requirements.



*The Rate of Jobs Without Social Security Access Closed 2024 at 26.4%, According to INE*

## **Informal Employment Falls to Its Lowest Level in Three Years, but Labor Market Remains Fragile**

■ In a year marked by reforms affecting labor costs and an unfavorable external environment, projections for the indicator point to stability, but no significant decline is expected.

**MERCURIO DE SANTIAGO**

By Joaquín Aguilera R.

Informality closed 2024 with a positive result, but one that must be analyzed with caution. This is the main conclusion of analysts regarding the data reported by the National Institute of Statistics (INE) for the last quarter of the year, which showed that the informal employment rate stood at 26.4% (see infographic).

This figure represents a slight decrease compared to the previous rolling quarter (26.9%) and is also lower than in the same period of 2023 (27.5%). In fact, it is the lowest rate recorded since the April–June 2021 quarter (26%).

At the end of last year, INE confirmed that approximately 2.4 million people were working informally (-3.4% year-over-year), either as dependent workers without access to social security, as self-employed individuals, or in unpaid jobs. During the same period, the total number of employed individuals in the economy reached just over 9.3 million.

### **Cautious Outlook**

Although the year-end results show progress, another aspect highlights the fragility of the labor market: the annual average informal employment rate was 27.5%, the highest since 2019, when it stood at 28.3%. INE's formal statistics have tracked this indicator since mid-2017.

Carmen Cifuentes, a researcher at Clapes UC, emphasized that this indicator is crucial for analyzing the "full picture" of the year, as it tends to smooth out short-term fluctuations. Nevertheless, she pointed out some positive milestones in this quarterly balance: "It reached the lowest informality rate of the year and was the first period in which a year-over-year decline in the number of informal workers was recorded. This suggests that although informality increased during certain parts of the year, it has been trending downward in recent months. However, for this to be considered a consolidated trend, the reduction should persist over time." She added that analyzing administrative records is also essential, as they indicate a weakening of formal employment.

Rodrigo Montero, dean of the Faculty of Business Administration at the Universidad Autónoma, stated, "It seems premature to talk about a decline in the informality rate; we need to accumulate more data to determine whether we are truly witnessing a trend change." He added that in a context of weak economic growth and an unfavorable international environment, "if we also consider policies that have increased labor costs, such as the rise in the minimum wage, the 40-hour workweek law, the work-life balance law, and the recent pension system reform, it seems unlikely that the informality rate will decrease significantly."

Meanwhile, Benjamín Villena, a researcher at the Institute of Economic Policy at UNAB's Faculty of Economics and Business, stated that the decline in the rate "is good news, as long as people transitioning out of informality are moving into formal jobs rather than leaving the workforce altogether. The INE's aggregate figures do not provide visibility into this." He also noted that during the same quarter, there was a 9% increase in the number of inactive but potentially active individuals—people available for work but not actively seeking employment. If this increase came from those who left informality, he warned, "we would not interpret the drop in the informality rate as entirely positive."

Regarding projections, Villena believes that with an economic outlook better than expected a month ago and the implementation of already announced reforms, "we will likely see a relatively flat trajectory for the informality rate throughout 2025, hovering around 27%."

### **Affected Sectors**

According to the INE report, the decline in the informal working population was slightly higher among women (-3.5%) than men (-3.3%). However, men had a lower informality rate (24.8%) than women (28.4%). By sector, the decline was mainly driven by reductions in informal employment in commerce (-5.8%) and other service activities (-12.9%). These were the sectors where informal employment among women decreased the most. Among men, the largest declines were seen in accommodation and food services (-30.4%) and construction (-4.7%). In aggregate terms, the highest informal employment rates were recorded in households as employers (59.6%) and other service activities (46.9%).

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"(Reforms) that have increased hiring costs... do not allow us to predict a significant drop in the informality rate."

**Rodrigo Montero,**  
**UNIVERSIDAD AUTÓNOMA**

"It is good news as long as people leaving informality transition to formal jobs rather than exiting the workforce."

**Benjamín Villena,**  
**INSTITUTE OF PUBLIC POLICY, UNAB**

"In recent months, a downward trend has been observed. However, for this to be considered a consolidated trend, the reduction must be sustained over time."

Carmen Cifuentes,  
**CLAPES UC RESEARCHER**

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Informality declined the most in commerce (-5.8%) and other service activities (-12.9%) in the last quarter of 2024.