Salares Norte Project to Account for 50% of Chile’s Gold Production by 2026

Currently in the ramp-up phase, the project produced approximately 43,000 ounces of gold in 2024. Gold Fields projects production of 300,000 ounces for this year.

By DFSUD Team
Thursday, February 13

The Salares Norte project, operated by Gold Fields and located in Chile’s Atacama region, has begun production, officially becoming an active mine since September 2024. It is set to lead the Chilean gold market.

In a recent interview with Diálogos Mineros, a program by the Institute of Mining Engineers of Peru (IIMP), Paul Gómez, Vice President for the Americas at Gold Fields, stated that they expect the mine to account for 50% of Chile's gold production.

Gómez highlighted that Salares Norte is currently in the ramp-up phase—progressively increasing production—which led to an output of approximately 43,000 ounces of gold in 2024. For 2025, Gold Fields forecasts production of 300,000 ounces.

"We are in a phase that typically lasts between nine and twelve months in projects of this type. It is important to mention that once we reach full production in 2026, this mine will represent nearly 50% of Chile’s gold production," he stated.

One of the most significant aspects of Salares Norte, according to Gómez, is its low cost per ounce, projected at $790 per ounce during the mine’s first five years. “Production will result in an extremely low cost per ounce, likely the lowest across the entire corporation,” Gómez told Diálogos Mineros.

The company estimates that by September 2025, the mine will reach its maximum production capacity, reaching 500,000 ounces of gold annually for the first five years of operation. This milestone will not only mark a significant achievement for Gold Fields but will also contribute to the economic growth of the sector, job creation, and the overall stability of Chile’s mining industry.

La Moneda Reacts to the "Trump Threat": Meeting with Codelco and Cochilco Amid Tariff Concerns on Copper

The government has formed a working group to temper concerns over a measure that has not yet materialized in the United States but has raised alarms in the mining industry. Sofofa has requested a meeting with Subrei, highlighting worries over a potential tariff increase on copper.

PULSO
By David Tralma and Víctor Guillou

On January 27, U.S. President Donald Trump threatened to raise tariffs on aluminum, steel, and copper. His message is part of a campaign strategy aimed at revitalizing American-made products. So far, his announcements have directly impacted Mexico and Canada, while Chilean authorities are assessing potential risks.

Aware that copper is Chile's most significant export, La Moneda took notice of Trump's signal. The administration of President Gabriel Boric has emphasized its intention to maintain strong state-to-state relations with Trump's government despite ideological differences.

The day after Trump's announcement, Foreign Minister Alberto van Klaveren hinted that the Ministries of Foreign Affairs and Finance would form a working group to monitor the implications of Trump's measures on the Chilean economy.

The first official meeting to assess the impact of Trump's statements on Chile's market took place on February 3. It was led by Minister van Klaveren and Mining Minister Aurora Williams, along with Mining Undersecretary Suina Chahuán and Undersecretary for International Economic Relations Claudia Sanhueza. Also present were Codelco Chairman Máximo Pacheco and Acting Executive Vice President of Cochilco, Claudia Rodríguez. Chile's ambassador to Washington, Juan Gabriel Valdés, joined via teleconference.

According to two attendees, the key takeaway was clear: there should be no overreaction to Trump's threat, as doing so could escalate a conflict that has yet to materialize with the U.S. government.

The consensus in the meeting was to avoid raising undue alarm. Some interpreted Trump's warning as more of a political statement than a concrete policy move. Attendees agreed that if Washington were to impose copper tariffs, the U.S. would be forced to purchase the metal at a higher price for an indefinite period, as increasing domestic copper production would not be an immediate solution. "It's not something that can be done overnight, and the U.S. knows that," said one participant.

This was also pointed out by the U.S. Copper Development Association (CDA), which sent a letter to Trump warning of the challenges posed by additional import taxes on copper.

The CDA emphasized that although the U.S. has abundant copper reserves and strong global alliances, domestic mining and refining operations face significant delays. "New mines take an average of 29 years to become operational—one of the longest timelines in the world. Refining capacity is also limited, with only two primary smelters currently operating, forcing the U.S. to export 341,000 metric tons of ore and copper concentrate in 2023 for refining abroad," the CDA noted.

Some believe Trump's threat is mainly a political maneuver aimed at his ongoing trade disputes with Mexico and Canada, the main exporters of aluminum and steel—two other metals targeted by the U.S. president.

The Chilean Foreign Ministry stated that during the meeting, participants "discussed different scenarios for global copper trade and how these could impact Chile." The working group agreed to meet regularly for ongoing monitoring and information exchange.

When La Tercera inquired about the details of the working group, the Ministry of Foreign Affairs responded that it consists of the Ministry of Foreign Affairs, the Ministry of Mining, Codelco, and Cochilco. "Different actors will be invited to meetings depending on the specific topics under discussion. The group is led by the Foreign Minister, though he may delegate responsibility to Subrei or another designated authority."

Regarding meeting frequency, the ministry stated that it "will be determined by the evaluation of global events and their potential impact on our trade flows."

The message from the meeting was later communicated to key mining industry stakeholders and copper buyers who had expressed concern over Trump’s warning. Sources close to Pacheco indicated that the former energy minister has already reached out to some of Chile’s copper partners and consumers to discuss the matter.

Additionally, the first meeting between the private sector and the government on tariff concerns took place on Monday. Subrei Undersecretary Claudia Sanhueza met with the International Committee of Sofofa, which includes former Subrei official Rodrigo Yáñez.

The meeting was requested by Sofofa and was attended by Charles Kimber, chairman of the International Committee and head of People and Sustainability at Arauco, as well as Justo García, vice chairman of the committee and president of Tresmontes Lucchetti.

Sources familiar with the discussion indicated that another meeting could take place in March.

Experts Say Proposed Legislation Could Even Extend Approval Processes

Mining Industry Needs More Desalinated Water, but Bureaucratic “Permitting” Delays These Projects

The mining industry is expected to demand between 7,000 and 9,000 additional liters of desalinated water in the next five to ten years, nearly doubling the current installed capacity.

MERCURIO DE SANTIAGO
CATALINA MUÑOZ-KAPPES

Desalination plants will need to nearly double their water production over the next five to ten years to meet the increasing demands of the mining industry. While the use of seawater enhances the environmental sustainability of mining operations, desalination plants face bureaucratic permitting processes that hinder project completion within a reasonable timeframe.

Currently, industrial-scale desalination plants in Chile produce 10,500 liters of water per second, according to Cristina Pardo, CEO of R&Q Concesiones e Infraestructura. “We estimate that in the next five or ten years, we need to increase production to at least 23,000 to 25,000 liters per second to sustainably meet the demand of various industries,” she adds.

Mining Sector

During this period, the mining industry alone will require an additional 7,000 to 9,000 liters per second, says Rafael Palacios, executive director of the Chilean Association for Desalination and Reuse (Acades). This means that desalination plants must nearly double their current capacity within a decade to meet this demand.

The large-scale mining sector has made progress in reducing the use of continental water by increasing seawater utilization and water recirculation. Carlos Urenda, general manager of the Mining Council, explains that “due to declining mineral grades and other factors, mining companies require more water to extract the same amount of mineral.” In this regard, desalination plant production is essential for sustainable water use in mining.

“If we are to meet the growing demand for copper in the coming years, we can only do so with new water sources. This will likely lead to a stronger economy and a better quality of life,” Pardo states.

According to Acades, 85% of the water produced by desalination plants in Chile is currently used for mining. Additionally, out of 34 desalination projects at various stages of development, 11 are directly linked to the mining industry.

Permitting Delays

However, bureaucratic permitting processes threaten the timeline of these projects. According to Pardo, desalination projects in Chile take an average of six to eight years to complete, and in some cases, development can extend up to ten years. By contrast, in other countries with significant desalination experience, these projects are completed in just two years.

“It is paradoxical that water generation and transportation projects—critical for the country’s water security—must deal with high levels of discretionary decision-making, forcing developers to constantly modify their proposals to comply with the diverse requirements of each evaluator, without a guarantee of uniformity or adherence to legal deadlines,” Palacios states.

The proposed General Framework for Sectoral Authorizations, commonly known as the “permitting law,” would not necessarily resolve the challenges facing desalination plants. “It is positive that a regulatory framework integrating multiple permits has been proposed,” Pardo acknowledges. However, she warns that “some aspects included in this draft law move in the opposite direction, potentially increasing complexity and extending timelines for desalination plant development. For example, the draft introduces excessive discretionary power to the General Directorate of Water (DGA).”

Additionally, Ronaldo Díaz of Cochrane Consultores points out that the bill fails to address the excessive time required to obtain a maritime concession, a necessary step before any construction can begin. These concessions currently take an average of 32 months to secure—far beyond the six-month period established by regulations.

Díaz notes that the government's response has been to transfer concession oversight from the Ministry of Defense to the Ministry of National Assets. However, he warns that "nothing suggests the process will become shorter; in fact, everything indicates it will become even more prolonged and complex, especially for desalination projects."

Chile currently has 24 industrial-scale desalination plants, with 85% of their water production allocated to mining use.

Government Responds to Public Inquiries and Affirms That New Emission Standards for Coal Plants Align with Decarbonization Plan

The Ministry of the Environment acknowledged that the proposed regulation offers a "low benefit," but argued that "from the perspective of environmental justice, this should not prevent the application of the regulation." Companies have reiterated that the proposal "would force the early closure" of coal plants, impacting the security of the electricity supply.

PULSO
By Víctor Guillou

The process of updating emission standards for thermoelectric power plants is nearing its conclusion. Despite ongoing concerns from companies about the potential early closure of coal-fired plants, the government has dismissed the criticisms and comments received regarding the proposed regulation.
This is reflected in a 93-page document titled "Consolidated Responses to Public Inquiries on the Preliminary Draft of the Review of the Emission Standard for Thermoelectric Power Plants," prepared by the Ministry of the Environment (MMA). The document compiles observations made by both individuals and entities during the public participation process included in the regulatory review, conducted between June 19 and September 14, 2023.
The document, added to the official record last Friday, consolidates responses to 53 comments, of which 19 came from individuals and 18 from legal entities. In total, the process received input from 27 individuals and 18 entities, including several energy sector companies and industry associations such as AES Andes, Colbún, Enel Generación Chile, Guacolda, Engie Chile, GM Holdings, Central Cardones, the Chilean Association of Power Generators, the Chilean Wood Corporation (Corma), and the Manufacturing Development Society (Sofofa).
In its responses, the MMA asserts that "the preliminary draft and final project have been developed in conjunction with the Ministry of Energy to ensure alignment with the energy matrix decarbonization process."
This statement directly addresses concerns raised by Guacolda, which stated: "The revision of the emission standard may, in effect, contradict the Decarbonization Plan, which considers the voluntary exit of 28 coal-fired plants before 2040. This could accelerate the closure of some of these plants before the committed deadline, as there would not be enough time to recoup the investment required by the new emission standard." This comment, initially submitted on June 14 by the coal company linked to Capital Advisors, was reiterated in a letter sent to the MMA in January.
"A substantive change in the requirements for new emissions control equipment, as proposed in the regulatory modification, would result in significant investment and operational costs for regulated companies. In the case of coal-fired power plants, this would force an early shutdown, as such investments would not be made given that they could not be amortized within the timeframe between the new emission limits taking effect and 2040," said Marco Arróspide, General Manager of Guacolda Energía.
In its official responses, the MMA rejected claims of potential errors in the General Analysis of Economic and Social Impact (AGIES), stating that "the methodology used allows for a complete estimation of the implementation costs of the regulation."
Regarding concerns about the low cost-benefit ratio of the proposed regulation, the MMA acknowledged that "the benefits cannot be fully estimated due to a lack of methodologies or information." The agency explained that "when the population affected by the reduction in emissions under the proposed plan is not very dense, the methodology results in a low number of mortality and morbidity cases, and therefore, a low benefit. However, from an environmental justice perspective, this should not prevent the application of the regulation."
Additionally, the MMA justified the need for stricter emission standards, stating that "progress must continue toward stricter emission limits" and emphasizing that "scientific evidence and updates to WHO guidelines" support the goal of reducing atmospheric emissions to minimize health risks for the population.
The ministry also dismissed claims that the proposal fails to encourage the conversion of coal-fired power plants, clarifying that emitting sources undergoing conversion will have a temporary emissions limit of 350 mg/Nm³ for nitrogen oxides (NOx) until 2038, "facilitating economic and technical transition and promoting investment in clean technologies through gradual deadlines."

A central issue raised in the public comments was the impact that eliminating coal-fired plants could have on energy supply and consumer costs. Central Cardones echoed this concern, stating: "The preliminary draft requires substantial investments to meet new emission limits, which could accelerate the disconnection of some plants due to the economic infeasibility of compliance measures, leaving insufficient time to recover these investments. This could put the security and capacity of the entire electricity system at risk."

The MMA countered this claim by stating: "Given the importance of maintaining energy security, the preliminary draft was developed in collaboration with multiple ministries, including the Ministry of Energy, and with input from various stakeholders, including the regulated sector, civil society, and the National Electricity Coordinator."

Latin America to Expand Renewable Energy Capacity as Green Hydrogen Projects Near Investment Phase

■ According to BloombergNEF, 26 GW of new wind and solar projects will be launched, marking a 9% drop compared to 2024.

Diario Financiero – February 14, 2025
By Karen Peña

Another "big year" for Latin America's energy transition is highlighted in BloombergNEF's annual report on the "10 Things to Watch in 2025" in the region. One of the key trends is the significant increase in wind and solar energy capacity.

It is projected that 26 GW of new wind and solar projects will come online this year, representing a 9% decline from the previous year when Latin America set a record with 29 GW of new wind and solar additions.

"This could be the first time in 10 years that Latin America does not reach a record in wind and solar energy additions. But not every year can be a record-breaking one, and even with a projected 9% decline in new capacity construction, renewables in Latin America will still have a strong year," the report states.

Speaking to Diario Financiero, Natalia Castilhos Rypl, Senior Associate at BloombergNEF, emphasized that Brazil remains the region's largest market and will add around 19 GW of new wind and solar assets this year.

"We expect a contraction in Brazil, particularly in the small-scale segment (less than 5 MW) eligible for net metering," she noted.

She added that "the sector faces development hurdles such as increased grid tariffs introduced by a 2022 reform to net metering legislation, difficulties in obtaining permits from energy distributors, competition with the wholesale market, and import taxes on solar modules."

Maturing Hydrogen Market

But there are other developments. Although the forecast for the first large-scale hydrogen project in the region to reach a final investment decision did not materialize in 2024, BloombergNEF expects this milestone to finally be reached this year.

Castilhos Rypl noted that several projects in Brazil are reaching advanced phases and approaching a final investment decision. "If this happens this year, it will be a significant sign of maturity for the clean hydrogen industry in Latin America, especially in a global context where hydrogen projects are struggling to secure final investment decisions and demand contracts," she emphasized.

Brazil is the best-positioned country in Latin America, followed closely by Chile, but the South American giant benefits from strong domestic demand.

"While export opportunities for hydrogen derivatives have not yet materialized and competition with other markets is intense, hydrogen projects in Brazil could sell their product to domestic players, such as the fertilizer segment," she indicated.

Chile: Transmission Bottlenecks

Chile remains by far the largest energy storage market in Latin America, according to the expert. "BNEF expects energy storage additions in Chile to reach 470 MW/2,270 MWh in 2024. For 2025, BNEF forecasts that the Chilean storage market will remain strong, adding levels similar to those seen in 2024. By comparison, Brazil added only 20 MW/48 MWh of new energy storage projects in 2024."

However, she acknowledged: "We also expect transmission bottlenecks to slow down investments in the energy transition. The increasing level of restrictions and the lack of transmission capacity are leading to fewer renewable projects in Chile's portfolio. BNEF projects that new wind and solar capacity will gradually decline until 2029."

Antofagasta and Magallanes led foreign investment in a record-breaking 2024

By region, 88% of total foreign investment was allocated to projects outside the Metropolitan Region, amounting to US$49.468 billion.

PULSO

The investment promotion agency, InvestChile, released new details on foreign investment in the country for 2024 this Thursday. Last year closed with a record US$56.235 billion, reflecting a 67.8% increase compared to US$33.505 billion in 2023, making it the highest amount recorded since the agency's inception.

By region, 88% of total foreign investment—equivalent to US$49.468 billion—was directed toward projects outside the Metropolitan Region.

Antofagasta, a mining-focused region, led the investment ranking with US$23.716 billion, followed by Magallanes with US$12.514 billion and the Metropolitan Region with US$7.754 billion. Nine out of Chile's sixteen regions secured over US$1 billion in investments, while five regions exceeded US$5 billion in projects at various stages of development.

The Metropolitan Region led in the number of projects, totaling 186, followed by Antofagasta (64) and Valparaíso (26).

In Antofagasta, notable projects include the green ammonia production initiative by U.S.-based MAE Energy, Michelin's mining tire recycling plant, and the liquid green hydrogen and green ammonia project by AES (U.S.).

In Magallanes, InvestChile highlighted the HNH green ammonia production project by Austria Energy and the Faro del Sur wind energy project by Italian company Enel.

Karla Flores, director of InvestChile, emphasized the importance of foreign investment in Chile, not only as a driver of economic growth and dynamism but also for its positive impact on job creation, the strengthening of local SMEs, the adoption of best practices and new technologies, and the benefits these bring to communities.

Regarding potential direct jobs, she noted that the Metropolitan Region had the highest concentration, with 7,433 positions, followed by Valparaíso with 2,544 and Atacama with 2,473 jobs directly and permanently linked to foreign investment projects.

InvestChile also confirmed that it has strengthened its capital attraction policies to align with each region's economic challenges. It highlighted the implementation of a systematic and coordinated strategy with regional governments, signing agreements with Arica and Parinacota, Tarapacá, Maule, Ñuble, Los Ríos, Aysén, and Magallanes to further promote foreign investment.

Kimal - Lo Aguirre Megaproject Working on Responses to Queries, Including Those from SQM

The Kimal - Lo Aguirre transmission line project has begun addressing the public inquiries submitted during the second public participation process of its Environmental Impact Study.

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The Kimal - Lo Aguirre transmission line project has begun addressing the public inquiries submitted during the second public participation process of its Environmental Impact Study. Among the observations made by individuals, neighborhood associations, and indigenous communities, a complaint was filed by SQM Industrial. The company claimed that the transmission project, "at least in the sections of the route indicated in this submission, severely affects SQM’s historic mining operations in the Antofagasta Region, impacting a potential expansion."

Representatives from Kimal - Lo Aguirre stated that “although the Citizen Icsara has not yet been published, since the file is public, we are already working on developing appropriate responses, ensuring that the public feels heard and confident that their questions are being addressed with technical support.”

They also noted that by the end of February, the Environmental Assessment Service (SEA) will release the Consolidated Report on Requests for Clarifications, Rectifications, and Expansions (Icsara) in its technical component. This will be followed by the publication of the Citizen Icsara, which compiles observations from the public participation process, all of which are already available in the SEIA file.

"For both documents, we will be given a deadline to respond, leading to the preparation and submission of a Supplementary Addendum," the company stated.

By the end of February, the Icsara report compiling technical observations on the transmission line is expected to be published.