

BHP's EBITDA Rises 39% in Second Half of 2024: Escondida Increases Production by 22%

■ The group highlighted the performance of its Chilean asset and stated that it has seven projects in the country.

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"BHP reported strong financial performance for the semester, supported by safe and reliable operations and rigorous cost control. The group's industry-leading margins and solid cash flow enabled the board to declare a provisional dividend of 50 cents per share, totaling US\$2.5 billion." This is how BHP CEO Mike Henry described the July-December 2024 semester, during which EBITDA increased by 39%, partly due to copper's strong performance, which saw a 10% rise in production, driven by Escondida, where extraction grew by 22% during the period.

The performance of Escondida, the world's largest copper mine, was described as outstanding by the mining group. Henry also emphasized that these results reinforce the multinational's focus on copper and potash. Henry stated that "demand for BHP's products remains strong despite global economic and trade uncertainties, with early signs of recovery in China, resilient economic performance in the U.S., and strong growth in India." Regarding Chile, BHP highlighted that "we have a strong portfolio of organic growth options with attractive returns in our Escondida and Pampa Norte assets," where there are "seven key projects within existing and new facilities." The group detailed that these "are competitive and capital-efficient."

"Final investment decisions on these projects are planned between fiscal year 2026 and fiscal year 2029, subject to obtaining permits," BHP specified. "The execution of these projects could potentially increase copper production to an average of 1.4 million tons in Chile during the 2030s," the company explained.

The firm also noted that its global investments totaled US\$5.2 billion, a 10% increase compared to the same period in 2023, and that net cash taxes paid worldwide on income and royalties amounted to US\$3.4 billion.

Sonami Criticizes Changes to Enami's Board as Government Moves to Remove Industry Representation

■ The mining association reacted to the government's proposal to reform Enami's internal governance, which seeks to reduce the board size and eliminate the seats held by Sonami and the Institute of Mining Engineers. Meanwhile, political figures remain divided over the proposal.

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By Víctor Guillou

The National Mining Society (Sonami) has expressed concern over the government's proposal to modify the corporate governance of the National Mining Company (Enami). Following the disclosure of details of the bill that the administration has already submitted to the Chamber of Deputies, Sonami President Jorge Riesco stated that while they welcome "any initiative aimed at strengthening institutional frameworks and improving Enami's management," they also believe that "the entity's difficulties are more related to its business model than to its corporate governance," he said in a statement sent to Pulso.

Riesco emphasized that "Sonami's technical expertise, along with its broad representation of the mining sector, are fundamental contributions that we hope will be considered for the long-term benefit of the mining industry and the national economy."

He added that "we do not consider it productive to modify Enami's corporate governance without first clearly defining its purpose, as any reform must be based on a well-founded strategic vision aimed at the sustainable development of small and medium-scale mining."

Riesco concluded by calling for "a space for dialogue to build a proposal that truly strengthens Enami without disconnecting it from the stakeholders and sectors it represents."

Regarding the rest of the proposal, which includes removing the participation of the Minister of Mining, Riesco did not comment.

Another key aspect of the proposal involves relocating Enami's headquarters outside Santiago.

The calls for changes to Enami's governance have been a topic of discussion in the mining sector for years. The debate has been particularly relevant in the Atacama Region, where the state-owned company's main operations are concentrated in Copiapó. Consequently, the government's proposals have sparked controversy among lawmakers representing the region.

Deputy Jaime Mulet of the FRVS party expressed support for the government's proposed reform. "I believe it is very important for Enami to have a corporate governance structure, particularly a normal board, and not to have the evident conflicts of interest that exist today, especially with Sonami, which is both a competitor and, in some cases, a client. The same applies to the Institute of Mining Engineers, which also has specific industry interests," he said.

Mulet recalled that "Enami's governance model dates back to 1960, and such a board structure is no longer justifiable today," adding that "there are interlocking regulations and other rules that no longer align with this type of board."

"I believe this bill meets the standards of discussions that have been ongoing since 2007, when Codelco's board structure was changed. So, I find it very important that this reform moves forward," he said.

Mulet also supported the removal of both industry associations and the Ministry of Mining from Enami's board, arguing that "ministers themselves are often reluctant to push forward" with reforms for the state-owned company.

"Having a board with greater independence in determining the viability of Enami's project is crucial. I am convinced that Enami is an essential entity for the country, despite having been significantly undermined by past governments."

He added that a professionalized board "will establish more objective parameters for decision-making, and since I firmly believe Enami is viable, a more objective board will be more beneficial than harmful."

Deputy Sofía Cid of RN took a different stance. While she agreed that "Enami needs modernization," she argued that "changes must be made with and for mining regions, not from Santiago with a centralist approach that

ignores our reality." She specifically stressed that reforms should be made "without excluding small-scale miners and pirquineros, who depend most on Enami."

"Enami cannot be run solely by technocrats with no experience in Atacama's mining industry. If small-scale miners and pirquineros have no representation on the board, who will advocate for them?" Cid questioned. She believes the proposed changes do not entirely go in the right direction. "While improving transparency is positive, removing Sonami, the Institute of Mining Engineers, and excluding pirquineros' associations is a blow to regional mining representation."

She also stated that "Enami must continue to be a pillar for small-scale miners and pirquineros, rather than solely focusing on big numbers," and insisted on maintaining industry representation on the board. "Enami cannot be run only by technicians without mining experience—it needs real representation from the sector."

"We do not consider it productive to modify Enami's corporate governance without first clearly defining its purpose."

Jorge Riesco, President of the National Mining Society (Sonami)

"It is very important for Enami to have a corporate governance structure, particularly a normal board, and not to have the evident conflicts of interest that exist today, especially with Sonami."

Jaime Mulet, FRVS Deputy

"Enami needs modernization, but changes must be made with and for mining regions, not from Santiago with a centralist approach that ignores our reality."

Sofía Cid, RN Deputy

Antofagasta Environmental Court Orders Government to Enforce Ruling in Favor of Dominga Project

The court nullified the resolution that had revoked Dominga's Environmental Qualification Resolution (RCA) and ordered the Committee of Ministers to issue a new resolution within 10 days. The court rejected SEA's payment exception.

PULSO

By Leonardo Cárdenas

In a decision issued this Monday regarding the Dominga project case, the Environmental Court of Antofagasta ruled to reject the payment exception filed by the Environmental Assessment Service (SEA) and ordered the government to comply with the incidental enforcement of the ruling issued on December 9, 2024. That ruling instructed the Committee of Ministers to rule on the claims made by PAC observers against the Environmental Qualification Resolution (RCA) No. 161/2021 for the mining-port project.

The ruling by the First Environmental Court nullifies the resolution that had revoked Dominga's RCA, meaning that, for now, the project's environmental approval remains valid. However, the Committee of Ministers must convene again within 10 days to issue a new resolution. This ruling does not evaluate the merits of the case but rather focuses on ensuring compliance with the previous judicial mandate, reaffirming the concept of incidental enforcement—determining whether the authority has complied with the court's requirements.

Additionally, the ruling opens the possibility for an appeal before the Antofagasta Court of Appeals and, potentially, the Supreme Court. The Environmental Court concluded that the Committee of Ministers exceeded its authority by addressing two new issues that were not part of the original ruling, constituting a "failure to comply with the ruling." Initially, the Committee issued a resolution that was declared illegal by the court, leading to an order for a new legally compliant decision.

However, according to the court's ruling, this new resolution should not have been an opportunity to re-examine the case but rather to strictly comply with the judiciary's previous decision.

"The forced enforcement of an obligation necessarily implies the failure to execute a ruling within the prescribed time, as analyzed in the preceding considerations. This issue, at this stage and in this type of procedure, does not invalidate the replacement act issued by the respondent. This is without prejudice to what will be resolved regarding the content or material compliance with the resolution of the Committee of Ministers," the ruling stated.

The controversy arose after Andes Iron, the company behind the Dominga project, requested the incidental enforcement of the December 9, 2024, ruling, which had ordered the Committee of Ministers to issue a new resolution within 15 days. According to the court, the deadline for compliance expired on December 31, 2024. Despite this, the Committee of Ministers did not convene until January 8, 2025, and issued its final resolution on January 14, 2025, prompting the company to request forced execution of the ruling. In its defense, SEA argued that "the Committee of Ministers complied with the deadline established in the final ruling by having convened on December 23, 2024, within the deadline, and subsequently on January 8, 2025, once doubts regarding the participation of non-disqualified members were clarified."

However, the court determined that "the deadline set by the court for issuing and drafting the new replacement administrative act expired on December 31, 2024," and that the final resolution "was issued on January 14, 2025, meaning 14 days after the court's deadline."

Consequently, the ruling concluded that "it is not sufficient to assume that the final judgment is self-executing regarding a claim of illegality simply through its issuance. Given the limitation imposed by Article 30 of Law No. 20.600, it was essential to comply with the obligation to issue a timely replacement resolution by the Committee of Ministers."

For this reason, the court rejected SEA's payment exception and ordered the forced execution of the ruling. The court established that the Committee of Ministers failed to comply with the ruling within the prescribed timeframe and that its decision included arguments not contemplated in the original resolution, violating the principle of consistency and the legal certainty of the administrative process.

Another key point in the First Environmental Court's ruling was its analysis of the impartiality of the Committee of Ministers' members during the January 8, 2025, session.

The court reviewed the participation of Julio Salas, who attended as acting Minister of Economy, and Ariel Espinoza, who served as acting Undersecretary of the Environment and presided over the Committee of

Ministers' session. Andes Iron SpA and third-party co-litigants questioned their impartiality, arguing that both had previously been involved in evaluating the Dominga project, potentially compromising their objectivity.

In the case of Julio Salas, it was pointed out that in 2022, when he served as Undersecretary of Fisheries and Aquaculture, he recommended an unfavorable environmental qualification for the project. According to the claimants, this prior stance could have influenced his decision within the Committee of Ministers.

Regarding Espinoza, the ruling argued that he had endorsed a Ministry of the Environment statement in December 2022, which questioned the adequacy of the project's environmental background. His signature appeared on a document assessing technical aspects, leading the claimants to argue that he held a pre-established opinion on the case.

However, the court concluded that neither official had grounds for disqualification. In Espinoza's case, the ruling determined that his role was limited to validating an administrative document without providing an independent technical assessment. Regarding Salas, the ruling found that his involvement in 2022 occurred in the context of a separate administrative function, without constituting a prejudgment in his role within the Committee of Ministers. The court ruled that the new resolution by the Committee of Ministers included two additional grounds for rejecting the Dominga project, which were not part of the original ruling annulled by the same body.

According to the court, the decision was based on the alleged exclusion of observations from CONAF regarding the AlgarroBILLA and Pacul flora, as well as the insufficiency of the Contingency Plan to address hydrocarbon spills in the project's maritime zone.

The ruling was categorical in stating that these elements were not included in the resolution challenged in 2023, meaning the Committee of Ministers had exceeded its authority.

The court emphasized that the administrative decision should strictly adhere to judicial instructions and not reopen aspects that had already been analyzed or were not previously challenged, thereby questioning the validity of the Committee of Ministers' new resolution.

Sierra Gorda Municipality Unaware of Progress on Decree Declaring the Commune a "Saturated Zone"

INDUSTRY. Representatives of mining operations affected by the measure announced by the government will meet today with the local authority to assess the implications of the resolution.

MERCURIO DE ANTOFAGASTA

The commune of Sierra Gorda is on the verge of being declared a saturated zone due to breathable particulate matter. According to information published by Diario Financiero, the Regional Ministerial Secretary (Seremi) of the Environment, Gustavo Riveros, confirmed that Supreme Decree No. 39/2024 of the Ministry of the Environment (MMA) has already been enacted.

According to the authority, the MP10 standard for 24-hour and annual exposure was exceeded in 2021, 2022, and 2023 at all monitoring stations evaluated in the commune's network, as concluded in the air quality technical report by the Superintendency of the Environment. The agency states that the primary air quality standard for MP10 is 150 µg/m³N for a 24-hour concentration and 50 µg/m³N for an annual concentration.

The resolution, already enacted, is awaiting the signatures of the Ministry of Health and President Gabriel Boric before being submitted to the Office of the Comptroller General and ultimately published in the Diario Oficial, where the declaration will become effective.

The decree "declares the locality of Sierra Gorda and its surrounding area a saturated zone under both daily and annual standards for breathable particulate matter MP10."

SURPRISE

Following the announcement, the Sierra Gorda municipality expressed surprise at the government's planned measure. Mayor Adriana Rivera addressed the situation in a public statement.

"I want to state that my administration as mayor began on December 6, 2024, and since that date, we have not been contacted or received any information from the Ministry of the Environment or any other relevant authority regarding the declaration of a saturated zone within the locality of Sierra Gorda," the mayor explained.

As a result—according to the statement—the local government insists that before making such a significant decision, which could impact not only residents but also workers and investments in the area, the first step should be to inform the new municipal administration about the declaration and agree on its implications. "This measure could have either negative or positive effects on all the inhabitants of my commune, but as of now, we do not know," Rivera emphasized.

RESPONSIBLE MINING

The commune is home to major mining operations that play a crucial role in the country's economy, including Codelco's Gabriela Mistral, Antofagasta Minerals' Minera Centinela, BHP's Spence, and KGHMP's Sierra Gorda, among others.

However, according to the national newspaper, only three of these mines—Sierra Gorda, Spence, and Centinela—are located within the designated saturated zone.

The Seremi of the Environment responded, stating that "air quality data shows that mining is the primary cause of the saturation condition."

Since mining is deemed the "main responsible sector," the regional authority confirmed that "there will be regulations for mining companies in the future, as well as for any other activities generating emissions in the area."

In light of this, it was reported yesterday that today, the municipality will hold a virtual meeting with representatives of the mining operations affected by the government's measure—a measure that had not been formally discussed with the local government, which had recently launched a roundtable dialogue with all mining companies operating in the commune.

DECONTAMINATION PLAN

Once the decree is published in the Diario Oficial, the MMA will develop a Decontamination Plan (PDA). "During this process, the responsible sources will be identified and regulated through measures aimed at reducing emissions. At that stage, the full scope of the measures affecting the involved mining companies will become clear," the Seremi explained.

The official noted that "these measures may require investments by mining companies and other entities operating within the saturated zone, which will be identified in the emissions inventory." However, he stressed that "PDAs do not seek to shut down mining operations; rather, they aim to regulate pollutant emissions to protect the health of local residents, workers, and the general population."

THE DECREE IS AWAITING THE SIGNATURES OF THE MINISTRY OF HEALTH AND PRESIDENT GABRIEL BORIC BEFORE BEING SUBMITTED TO THE OFFICE OF THE COMPTROLLER GENERAL.

Despite Production Increases: Renewable Energy Drives Copper Decarbonization in Chile

Between 2010 and 2023, greenhouse gas emissions decreased by 12% due to the incorporation of clean energy sources. However, the rising use of diesel—mainly due to aging mines—poses new challenges in meeting decarbonization targets.

MERCURIO DE SANTIAGO
MINING & COMMUNITY SUPPLEMENT
NOEMÍ MIRANDA G.

The copper industry in Chile has been a driver of transformation and innovation. In a critical area such as the transition to a cleaner energy matrix, this sector played a key role in paving the way for renewable energy adoption, promoting long-term contracts to ensure investment feasibility, and directly participating in these developments.

"The renewal of Chile's energy matrix has largely been driven by the mining sector," highlights Emilio Castillo, an academic at the Department of Mining Engineering at the University of Chile and a board member of the Center for Copper and Mining Studies (Cesco).

Castillo, co-author of a study analyzing greenhouse gas (GHG) emissions from the world's leading copper-producing countries (see infographic), notes that the next challenge is mitigating emissions from fuel-powered mining equipment.

This objective is detailed in a report by the Chilean Copper Commission (Cochilco), which analyzes GHG emission trends in the sector and highlights a major milestone: a 12% reduction in mining-related emissions between 2010 and 2023.

However, Castillo explains that this decline is mainly due to companies transitioning to renewable energy (RE). While Cochilco reports a 40% drop in emissions from electricity consumption, GHG emissions from diesel usage in the industry have surged by 60%.

One Goes Up, the Other Goes Down

It may seem paradoxical: the industry that produces one of the key minerals for the energy transition is not only unable to reduce its diesel consumption but is actually increasing it.

This trend is not solely due to higher copper production. Rosana Brantes, co-author of the Cochilco report, explains that structural factors, such as declining ore grades, require mining companies to process larger volumes of material to maintain production levels. Aging mines necessitate deeper excavation, increasing haul distances for extracted ore.

Diesel, the primary fuel used in open-pit mining, is essential for haul trucks and accounts for 91% of the sector's direct emissions. Additionally, open-pit mining is the most fuel-intensive operation, consuming 81% of all energy used in mining in 2023, when emissions reached 5,771 Kt/CO₂. From 2001 to 2023, emissions have increased by 296%.

Progress Toward Goals

The mining sector is actively working to address this issue through initiatives that directly and indirectly help reduce the carbon footprint of Chilean copper production. Additionally, suppliers are shifting to renewable energy in their operations and offering sustainable solutions to mining companies. For example, Enaex has developed an explosive with a 40% lower carbon footprint than conventional formulas.

However, the main driver of decarbonization for mining companies remains substantial investment in clean energy sources.

"The mining industry is by far the leader in renewable energy certification, with 87.16% of its energy use certified as renewable, followed by the industrial sector at 9.36%," says José Tomás Morel, Head of Research at the Mining Council. The industry's target is for 90% of its energy consumption to come from renewable sources by 2030.

"Several companies already operate entirely on renewable electricity, including Anglo American, Antofagasta Minerals, Lundin Mining's Candelaria, Collahuasi, Freeport-McMoRan's El Abra, and Sierra Gorda," Morel notes. Others, such as CMP, are testing haul trucks powered primarily by liquefied natural gas.

"In 2023, 86% of large-scale copper mining operations had plans for electromobility and/or low-emission transport. At Codelco, 75% of its divisions have already advanced in this area. In mid-sized mining, 71% have implemented measures, while half of Enami's plants have adopted electromobility strategies. Beyond light vehicles, other applications—such as electric shovels and traction systems for electric haul trucks—are progressing rapidly and are projected to become viable short- and medium-term solutions," concludes Rosana Brantes.

In 2023, GHG emissions were at their lowest levels since 2010, despite increased energy consumption due to extraction challenges.

Some Initiatives to Reduce CO2 in Chile

- 100% of Antofagasta Minerals' operations have energy supply contracts sourced from renewables.
- Collahuasi is decarbonizing its processes with the goal of becoming carbon-neutral by 2040. It was the first mine to be certified for 100% renewable electricity.
- Starting this year, the Antofagasta–Bolivia Railway (FCAB) will operate South America's first hydrogen-powered locomotive.
- Codelco aims to achieve a fully renewable energy matrix within five years.
- 82% of all electricity used in Teck's operations comes from renewable sources. At Carmen de Andacollo, the figure is already 100%, and Quebrada Blanca is expected to reach 100% by 2025. Teck also collaborates with suppliers and customers to establish low-emission transportation corridors and aims to reduce shipping emissions intensity by 40% by 2030.

Electromobility

- Codelco's Radomiro Tomic, El Teniente, Andina, Salvador, and Chuquibambilla divisions have deployed 250 electric buses, the largest fleet of its kind in northern Chile.
- Los Pelambres is launching a trolley pilot project this year to assess the feasibility of electrifying haul trucks. The company is also testing hybrid diesel-electric trucks.
- Collahuasi is piloting a diesel-electric traction truck using a high-voltage electrical network.
- Antofagasta Minerals' Centinela mine has the largest fleet of light electric vehicles in the mining industry, with 52 units since 2023, reducing CO2 emissions by 116.4 tons.
- Enaex, in its commitment to innovating for lower-carbon mining, partnered with Voltera and Grand Leasing to deploy 4x4 electric fleet vehicles at Codelco and AMSA sites.

Innovation and Sustainability

- Codelco will use a new type of explosive containing Enaex's Prillex ECO2, which cuts its carbon footprint by 40%. Enaex also developed Prillex Zero, the world's first carbon-neutral explosive compound.
- Enaex partnered with NYK Bulk & Projects Carriers Ltd. (NBP) to assess the feasibility of supplying low-carbon ammonia for a new fleet of copper concentrate transport vessels.
- Collahuasi implements circular economy principles with its suppliers, prioritizing sustainability and emissions reduction as key factors in procurement and waste management strategies.

Sonami Warns of "Impact on Chile's Copper Production" Over Sierra Gorda's Declaration as a "Saturated Zone"

■ The president of the mining association pointed out that the three companies that could be affected account for about 11% of the country's total production.

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By Patricia Marchetti

"A significant impact on the municipality and all of Chile" was the assessment made by the president of the National Mining Society (Sonami), Jorge Riesco, regarding the consequences of the imminent declaration of Sierra Gorda as a "saturated zone" due to MP10 particulate matter.

This follows Diario Financiero's report on the government's ongoing process, with the Supreme Decree—already promulgated—awaiting signatures from the Ministry of Health and President Gabriel Boric before being submitted for review by the Office of the Comptroller General.

According to the head of the mining association, the decision "has us on alert due to the impact it could have on the country's copper production."

"The three companies that could be affected—Sierra Gorda, Spence, and Centinela—account for approximately 11% of total production. Therefore, any measure taken in this regard will have an impact on the municipality and the entire country," he stated.

He also mentioned that Sonami is in contact with its members as well as national and local authorities to stay informed on the progress of this issue.

The decision to declare Sierra Gorda a "saturated zone" follows a technical report from the Superintendence of the Environment, which concluded that the MP10 standard—both daily and annually—was exceeded in 2021, 2022, and 2023 across all evaluated monitoring stations.

Regarding this, Riesco noted that Sierra Gorda is located in the world's driest desert, meaning "there are natural factors that also affect the air quality in the municipality, such as wind, dust, and desert sand."

Additionally, he emphasized that "any decision made must be based on up-to-date data, without the influence of temporary works or events, such as the construction of the highway between Carmen Alto and Sierra Gorda from 2021 to 2024."

The impact of the highway construction on the measurements was addressed by Antofagasta's Regional Environmental Ministerial Secretary, Gustavo Riveros, who told DF that "the saturation condition remains even without the highway construction. That is, the process to declare Sierra Gorda a saturated zone had to be carried out regardless of this factor."

The issue was also raised by the municipality's mayor, Adriana Rivera, who stated that "we have not been contacted nor have we received any information from the Ministry of the Environment or any other authority regarding this matter."

"We demand, first and foremost, to be informed about the content and procedure of this administrative act declaring Sierra Gorda a saturated zone. At the same time, we must agree on the measures and next steps to not only improve the environment and air quality but also ensure the optimal development of the various initiatives and investments taking place in the area," Rivera asserted.