

Chile's Share in the Global Copper Market Drops from 30% to 24% in a Decade

The country retained its title as the world's top copper producer in 2024, slightly increasing its share compared to 2023. However, it remains far from the 30% it held a decade ago. The gap with the second-largest global player has now narrowed to just 10 percentage points—but it is no longer Peru. Last year, the Democratic Republic of the Congo secured 14% of the market, while Peru held 12%.

PULSO

By Víctor Guillou

Chile maintained its top position in the global copper production rankings in 2024, thanks to the 5.5 million tons of the red metal produced within the country. This marked the first increase in five years—up 4.9% from 2023—but remains well below the 5.8 million tons achieved in 2018, a record year for Chilean mining.

Although projections from the Chilean Copper Commission (Cochilco) suggest that the country could exceed six million tons of annual copper production by 2027, it faces increasing global challenges. The most notable comes from the Democratic Republic of the Congo (DRC), which in 2024 overtook Peru as the world's second-largest copper-producing country.

Despite Chile's production rebound in 2024, the rapid rise of the Central African nation has reduced the gap between them to its smallest historical margin. In 2023, Peru's copper production of 2.8 million tons left a 2.4-million-ton difference with Chile. However, in 2024, the gap shrank to 2.3 million tons—but this time with the DRC, not Peru.

This shift occurred despite the severe humanitarian crisis within the DRC, which is embroiled in armed conflict involving the March 23 Movement, a guerrilla group controlling a mining area near the Rwandan border rich in coltan, a key mineral for battery production.

Overall, Chile accounted for 24% of global copper production in 2024, marking a slight recovery from the 23.4% recorded in 2023—its lowest historical level. However, over the past decade, Chile's market share has declined by six percentage points from the 30% recorded in 2015. In 2011, it was 33%, and in its peak production year of 2018, it stood at 28.33%.

In contrast, the Democratic Republic of the Congo has grown from representing just 3% of global copper production in 2011 to 14% in 2024, while Peru's share has increased from 8% to 12% over the same period. As a result, Chile's lead over the second-largest producer has now shrunk to exactly 10 percentage points. In 2023, the gap with Peru was over 11 points, and in 2022, it was more than 13 points.

Looking ahead, the scenario remains challenging. Andrés González, head of Mining Industry Analysis at Plusmining, noted that "the goal of reaching six million tons, which just a few years ago seemed feasible by the middle of the decade, has been significantly delayed. This has resulted in lower exports, reduced fiscal revenues, and a declining share of global copper production."

"National production is expected to surpass six million tons by the end of the decade, driven by major projects currently under construction, such as Centinela's second concentrator plant, the development plans for El Teniente and Salvador Rajo Inca, among others," González added. "Additionally, potential projects yet to enter the construction phase—such as Los Bronces Integrado, Santo Domingo, the extension of Los Colorados at Escondida, and possibly Vizcachitas—could contribute to this growth."

Meanwhile, Cristián Cifuentes, senior mining analyst at Cesco, emphasized that "Chile must continue strengthening its competitiveness in the mining industry, from exploration to the supplier chain. To achieve this, it is essential to adopt a comprehensive approach that integrates all stages of the mining value chain."

The Gold Project in Mariquina That Shook the Hong Kong Stock Market

China Kingstone Mining Holdings Limited shares surged 760% last year after announcing a potential acquisition of 737 hectares in southern Chile for a gold project. The final decision on the purchase will be made in March. Despite recent declines in the company's stock due to internal conflicts and doubts about the venture, Mariquina's mayor, Rolando Mitre, remains optimistic about the initiative: "All investments are welcome in the municipality," he says.

PULSO

By Fernando Vega

A gold project in southern Chile triggered a buying frenzy on the Hong Kong Stock Exchange. Shares of China Kingstone Mining Holdings Limited, a Chinese marble producer with low daily trading volume and little analyst coverage, became one of the hottest stocks in the Asian market, skyrocketing over 760% last year before pulling back. Despite the decline, it remains in investors' sights as part of a veritable gold rush driving market activity. It all started on the night of October 24, 2024, when the company announced it had signed a Memorandum of Understanding (MOU) with the Chilean firm Sino American Energy SPA to acquire 737 hectares of mining concessions in the Pureo area, in the municipality of Mariquina, northeast of Valdivia.

Following the announcement, China Kingstone Mining Holdings Limited's stock soared by up to 760% in October 2024 before being suspended. It later began a slow decline as the market reassessed the significance of the deal: the MOU granted the marble company until March to decide whether to proceed with the gold project in southern Chile. If it does, this would mark its first mining venture outside of the marble sector.

The company operates a mine in China's Sichuan province, which, according to its own reports, holds the country's largest beige marble reserves. Its only other business is a small but growing gourmet Asian food venture in the United Kingdom, which generated nearly US\$400,000 in sales as of September last year.

While the new venture targets gold—traditionally a safe-haven asset with strong demand that favors publicly traded producers—the market quickly questioned China Kingstone's ability to enter the industry. Despite the company's board stating that "the acquisition is a strategic opportunity for the group to enter the Chilean gold mining industry and diversify its business portfolio," skepticism remained.

Complicating matters, a dispute erupted with one of its major investors, the Singapore-based Advance Opportunities Fund I, which has demanded a complete board overhaul scheduled for April 3.

Chinese Interest in Mariquina

The targeted mining concessions in Mariquina are part of a project known as Proyecto Pureo. Gold mining has a long history in the area, dating back to Spanish colonial times.

"All investments are welcome in the municipality as long as they comply with regulations," said Mariquina's mayor, Rolando Mitre. He hopes the project will move forward and contribute to the local economy, which includes forestry, small-scale mining, blueberry exports, and a growing tourism sector. The local government is even involved in a project with artisanal miners to preserve traditional mining practices.

Under the agreement between China Kingstone Mining Holdings Limited and Sino American Energy SPA, the Chinese firm has until March to decide whether to finalize the investment. The decision will depend on exploration results from experts hired by both parties, who are already in Mariquina—some accompanied by translators.

The total transaction amount, payment terms, and other conditions are still under negotiation. Additionally, the six-month exclusivity period granted by Sino American SPA to China Kingstone could be extended.

Chiloé Was the First Option

According to commercial records, Sino American Energy SPA is a Chilean firm whose sole shareholder is Chinese businessman Tai Song. In November 2024, he established Minerales del Sur and Minerales Sol Naciente to support his mining ventures in southern Chile. That same month, Song and well-known mining entrepreneur and lawyer Juan José Quijano—who owns the concessions—met with Bruno Alvarado, the regional

director of Chile's National Geology and Mining Service (Sernageomin), to request an extension of pre-approved gold mining projects on Quijano's concessions.

Tai Song also owns Sino-South America Trading, an import business dealing in various products.

Discussions between China Kingstone Mining Holdings Limited and Tai Song began in 2023 when the former sought to acquire a 50% stake in Sino-South America Trading SPA to jointly develop gold mines in Chile. Initially, they considered a 400-hectare project in Pumillahue, Chiloé, where Quijano also holds concessions. However, the focus later shifted to Mariquina.

The current project in Mariquina involves the exploitation of seven mining concessions covering approximately 737 hectares.

Gold with 92% Purity

In 2020, Quijano inquired with the Los Ríos Environmental Assessment Service (SEA) about whether the Pureo Gold Washing Project—which included an underground mine with three extraction tunnels and galleries producing 4,927 tons of material per month—required an environmental impact assessment. The extracted material was expected to yield gold with a purity of 92%, with the remaining 8% consisting of silver and titanium, indicating a highly valuable deposit. The project estimated a monthly gold production of approximately 43,470 grams.

However, the SEA responded that the project would indeed require an evaluation, citing Quijano's previous five inquiries about neighboring mining concessions. The agency determined that all these projects were interconnected and constituted a single large-scale mining venture.

Financial records show that as of June 30, 2024, China Kingstone Mining Holdings Limited had generated revenues of US\$4.2 million.

Producer Prices Start the Year with Their Sharpest Annual Increase in Six Months

■ Mining saw a 2.6% rise, while electricity, gas, and water distribution increased by 4.3%.

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By Catalina Vergara

The Producer Price Index (PPI) recorded a 2.2% increase in January, according to a report released Monday by the National Institute of Statistics (INE).

As a result, the annual increase reached 12.7%, the highest since July 2024 (14.5%).

The Mining Producer Price Index (IPPMin) had the greatest impact on the monthly performance of the PPI, rising 2.6%. Within this category, copper extraction and processing was the most influential segment, with a 2.5% increase. The IPPMin posted an annual increase of 15%, also the highest since July of the previous year (19.7%).

Meanwhile, the Manufacturing Producer Price Index (IPPMan) rose 1.1% monthly, driven by the production of fertilizers and nitrogen compounds (8.2%).

On an annual basis, the IPPMan recorded a 5.7% increase, its highest level since July of last year (7%).

Finally, the Electricity, Gas, and Water Distribution Price Index (Ipdega) rose 4.3% compared to December, with electricity generation, collection, and distribution having the most significant impact (5.7%).

Over 12 months, Ipdega jumped 26%, marking its largest annual increase in more than six years.

Máximo Pacheco Says Chile Is in a Strong Position Amid Potential U.S. Tariffs on Copper

"I believe these announcements are still very preliminary. We must be cautious and avoid escalating the situation," said the chairman of Codelco's board.

PULSO

By Sofía Aravena

At the end of January, reports surfaced that the United States might impose tariffs on copper imports, potentially impacting exports of the metal. In response to this possibility, Codelco's board chairman, Máximo Pacheco, stated that Chile is in a favorable position but stressed the need to handle the situation carefully given the potential trade threats from President Donald Trump.

"The global electrification trend continues. With the rise of AI, every data center built requires electricity, and electricity means copper. I believe we are in a very strong position because what Chile produces—copper—has solid demand and a very attractive market," Pacheco said in an interview with Radio Duna.

He further explained that "when tariffs are imposed, trade flows get redirected. The U.S. imports half of the copper it needs, and it will continue to do so. There is no chance that the U.S. will suddenly discover new deposits and increase its copper production just because tariffs are raised. Trade flows simply get redirected. The world doesn't stop. People continue to need electricity and these minerals. I believe these announcements are still very preliminary. I classify them as just that—announcements. We must be cautious and avoid escalating the situation. From what I saw in China, no one is overly concerned about this."

Pacheco also highlighted Codelco's recovery in production levels and some key milestones achieved by the company in recent months.

"We are accelerating our efforts at Codelco. I have been chairman of the board for three years, and we have made some very important decisions—the closure of Ventanas, launching the construction of a desalination plant, acquiring a lithium company in Australia, and entering the final phase of forming a partnership with a private company for the Maricunga salt flat. We have now signed an agreement with Anglo American, halted the decline in production, and secured a strategic pact with workers," he stated.

Additionally, he emphasized, "Codelco is a company that enjoys social stability and is recovering its production. We have already stopped the production decline and are now working on increasing output."

Regarding the agreement with Anglo American to develop the Andina and Los Bronces mines, Pacheco explained:

"The key factor is that two adjacent deposits needed a solution to increase production, leading to this memorandum of understanding. This agreement allows both deposits to operate under a unified mining plan, generating over US\$5 billion in value and enabling production growth."

CAP's Mining Subsidiary Plans to Invest Over US\$100 Million to Expand Cerro Norte Mine

Located in the municipality of Copiapó, in the Atacama Region, the company expects to invest US\$113.7 million in the project.

PULSO

Compañía Minera del Pacífico (CMP), the mining unit of the steel group CAP, has submitted an application for environmental approval for a project aimed at optimizing and increasing the production capacity of its Cerro Negro Norte mine, located in the municipality of Copiapó, in the Atacama Region. The company plans to invest US\$113.7 million in the initiative.

The mining operation, which began its exploitation phase in the second half of 2014, has been producing an average of 4 million tons per year (Mt/year) of iron concentrate. Currently, operations are carried out in three open pits, with non-commercial material deposited in four waste dumps and two ore stockpiles.

"The modifications proposed in this project include: optimization of mineral concentration in the beneficiation plant and installation of a fine ore recovery system (dry plant); technological improvements to the concentrator plant process (wet process); incorporation of iron ore processing from authorized third parties; an update to the mining plan while adhering to approved environmental and sectoral limits; and the construction of rainwater management structures," according to the approval request submitted over the weekend to the Environmental Assessment Service (SEA).

The project will not alter the mining processes in the North, Central, and South open pits, maintaining the maximum extraction rate at 110,000 tons per day. However, it will increase the operation's production capacity from an annual average of 4.0 Mt/year to 4.5 Mt/year. This growth will be achieved through improvements in the beneficiation and concentrator plants, updates to the mining plan, and modifications to the existing infrastructure.

"These modifications will enhance operational efficiency, ensuring the continuity of operations" for nine years, until the end of the mine's useful life, the document submitted to the SEA stated.

The initiative also includes receiving iron ore from third parties, which will be temporarily stored at the site and processed at the Cerro Negro Norte beneficiation plant.

China Closes Gap with Chile in Lithium Production as Metal Reserves Increase

Experts say it is unlikely that the Asian country will surpass Chile, given its smaller and costlier-to-exploit reserves.

MERCURIO DE SANTIAGO
CATALINA MUÑOZ-KAPPES

China has narrowed the gap with Chile in lithium production over the past decade. If it manages to surpass Chile, it would become the world's second-largest producer. According to the United States Geological Survey (USGS), in 2015, China produced 2,000 tons of lithium, over 12,000 tons less than Chile. However, in 2024, the Asian economy's production rose to 41,000 tons, while Chile recorded 49,000 tons.

These shifts occur alongside other statistics. China's lithium reserves are smaller than Chile's. According to the USGS, Chile has 9.3 million tons of extractable lithium, meaning it is economically viable and meets minimum specified physical and chemical criteria related to current mining and production practices. In contrast, China has 3 million tons in reserves.

Experts believe it is unlikely that China will overtake Chile in lithium production. At Plusmining, Juan Carlos Gajardo, executive director, and Andrés González, head of Mining Industry Analysis, argue that as the world's largest lithium consumer, China has maximized the exploitation of its resources. However, these resources are more expensive to extract than those found in salt flats and spodumene deposits elsewhere.

"Based on known geological information, it is difficult for China to increase its production to Chile's level," the experts conclude. However, they note that China is conducting an intensive exploration campaign in Sichuan and the Tibetan Plateau to discover additional resources.

Daniela Desormeaux, director of Studies at Vantaz Group and board member at Cesco, states that Chile is highly competitive in lithium production due to the type of deposits it has and its unique environmental conditions. However, she points out that "competitiveness is facing growing challenges due to rising costs and increasing complexities in project development, and this is not just an issue for lithium production but for the mining industry as a whole."

Desormeaux emphasizes the need to strengthen complementary strategic areas and facilitate the agile and efficient development of projects while ensuring sustainability and responsible resource management.

Reserves

Australia remains the world's largest lithium producer, according to USGS data updated in January. In 2024, it reached a production of 88,000 tons of lithium. Additionally, the country's lithium reserves have grown from 4.7 million tons in 2020 to 7 million tons in 2024.

This increase is also observed in China, where lithium reserves rose from 1.5 million tons in 2020 to 3 million tons in 2024.

Meanwhile, Chile has maintained nearly the same level of reserves since 2020. According to Gajardo and González, the fact that lithium is not subject to mining concessions significantly limits the ability of new entrants to explore and exploit resources. "In response, the current government's National Lithium Strategy has proposed granting CEOLs for new salt flats. If these agreements are successfully signed, they could serve as a starting point for discovering new reserve sources and potentially enabling their commercial exploitation," they state.

Dominga Case:

SEA Appeals 1st Environmental Court Ruling

Verdict seeks to partially annul Ministerial Committee vote that rejected the project.

MERCURIO DE SANTIAGO

The Executive Directorate of the Environmental Assessment Service (SEA) has filed an appeal against the ruling issued last week by the First Environmental Court (1TA) regarding the Dominga case. The judges ordered the partial annulment of the decision made by the Ministerial Committee in January, which had ruled against the Andes Iron mining-port project.

The SEA stated that it had complied with the ruling of the same court, which had previously requested the Ministerial Committee vote that ultimately took place in January.

In its brief, the SEA asserted that “the Ministerial Committee resolved each of the matters that had been addressed in the Final Ruling in strict accordance with the decision of the lower court.” In that review, it was determined that “the project exhibited serious deficiencies in its Contingency and Emergency Plan, posing a risk to the marine environment,” as well as other aspects that had been flagged.

Last week, the court ruled that the SEA must issue—within a ten-day period—a complementary resolution addressing the annulled points.

Meanwhile, NGOs opposing Dominga, grouped under the Humboldt Alliance, have filed their own appeals against the 1TA ruling. Among them, Oceana has submitted a complaint to the Supreme Court.