

## **Minera Los Pelambres will operate mainly with seawater from 2025**

(Translated from Spanish)

- **The company is preparing an investment proposal for submission to the Environmental Impact Assessment System (SEIA) in the coming months, which will include a voluntary process of early citizen consultation.**
- **“We are going to invest in works that allow us to adapt our operation to the changes in the Choapa province and the Region over the last 20 years, as a result of the extensive drought caused by climate change and the increase in its population and productive activity. This is a key step in the future of Los Pelambres”, said Iván Arriagada, CEO of Antofagasta Minerals.**

**Salamanca, September 6, 2020**

After producing copper for more than 20 years in the Choapa Valley, Minera Los Pelambres (MLP) is now entering its next stage of development. To this end, the company is preparing an investment proposal for submission to the Environmental Impact Assessment System (SEIA) in the coming months. This process will include citizen consultation to learn the views of the local communities and authorities.

A central objective of the investment is to stop using water from the Choapa River and nearby wells, and to use mainly with seawater from 2025. In addition, MLP is considering building a new concentrate transportation system with modern control systems, routed away from the most populated areas.

“We are going to invest in works that allow us to adapt our operation to the changes that have occurred in the Choapa province and the Region over the last 20 years as a result of the prolonged drought caused by climate change and the increase in its population and productive activity. This is a key step in the future of Los Pelambres”, said Iván Arriagada, CEO of Antofagasta Minerals.

In this way, Minera Los Pelambres will be able to guarantee the availability of water for its operations and advance its studies into extending its operations beyond 2035, when its current environmental permits expire.

“We have a long-term strategic vision to extend the life of the operations while ensuring its continued coexistence with other productive activities in the province of Choapa. We are particularly interested in taking care of natural resources that are scarce today, such as water, and continuing to reduce our potential impact on the environment”, explained Iván Arriagada.

This new stage of the company’s development, called Los Pelambres Futuro, also includes the contribution of the Los Pelambres Expansion project, which was 36% complete as at the end of June. A significant part of the work on the project was stopped as a result of the health emergency and construction is now restarting in stages.

“We want to make minor adjustments to the design of the expansion project, which is already under construction, to facilitate the future expansion of the desalination plant. In this way, there we will be less impact on the environment”, said the CEO of Antofagasta Minerals.

## **Operational Adaptation Investment (OAI)**

It is estimated that the OAI will be submitted to the Environmental Impact Assessment System (SEIA) in the first half of 2021. Its execution could begin in 2023, creating up to 2,000 jobs.

The OAI includes the expansion of the 400 litre per second desalination plant, currently being built in Punta Chungo, and the industrial quality desalinated water supply system, to 800 litres per second.

“If our investment proposal is approved, in the coming years we could stop extracting water from the Choapa River and nearby wells, and more than 95% of the water used by Los Pelambres will either come from the sea or will be recirculated water”, said Mauricio Larraín, General Manager of Minera Los Pelambres.

In this way, Minera Los Pelambres will be the first mining company in the central zone of Chile to operate predominantly with seawater. “The decision to use desalinated water is an idea that arose from dialogue with nearby communities and authorities and seemed to us to be the best way that we could contribute to easing the water scarcity challenges in this part of the country that affects us all”, said Larraín.

The company, which currently has environmental permits to extract water from the Choapa River until 2035, has worked for years with its neighbours and the authorities on the water management of the Choapa Valley. This work will continue in the future with the objective of promoting the sustainable use of the available water and strengthening the Rural Drinking Water systems for human consumption.

The OAI also includes the construction of a new Concentrate Transportation System (STC) with updated instrumentation and control systems that will be located away from the main populated areas on land already designated for industrial use. This will allow maintenance to be carried out without interfering with the daily life of the surrounding communities.

Lastly, the Environmental Impact Study will include some continuity and maintenance works for the tailings system. These works are already included in the Environmental Qualification Resolution (RCA) 38/2004 and consist of works on the north and south contour channels, repositioning pipes and other works.

“This set of initiatives will require very significant investment in the province of Choapa over the next 10 years, close to US\$1 billion, and will also generate a significant number of jobs. It will also contribute towards helping the region and the country overcome the social and economic crisis generated by COVID-19 as soon as possible”, said Iván Arriagada.

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