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CODELCO Y RIO TINTO EN UN JOINT VENTURE PARA UN PROYECTO DE COBRE EN ATACAMA, CHILE

Codelco and Rio Tinto ink copper JV

Isabel Leask

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Carey in Santiago has helped Chilean mining giant Codelco enter into a joint venture with British-Australian counterpart Rio Tinto to develop copper mining assets in Chile's northern desert region of Atacama.

Cariola Díez Pérez-Cotapos in Santiago advised Rio Tinto in the deal which closed on 6 November. No value was disclosed.

Canadian firm Lawson Lundell LLP is also thought to have advised Rio Tinto, but Latin Lawyer could not confirm this prior to publishing.

The joint venture closed on the same day that Rio Tinto finalised its acquisition of a 58% stake in mining deposit Agua de la Falda from Pan American Silver, announced back in July. Codelco owns the remaining 42% stake in the company, which, up until the acquisition had focused on precious-metal exploration, with a minimal focus on copper.

Following Rio Tinto's purchase of a stake in the deposit, the two shareholders have unveiled plans to jointly undertake copper exploration at the Agua de la Falda mining site – now renamed Nuevo Cobre – which will be the focus of the venture. The site, which includes several copper mining and natural resource facilities, is located 10 kilometres from the town of Potrerillos which was a copper mining hub in Chile's Atacama Desert.

As well as increasing copper production in Chile, the companies have announced that the project will generate employment and focus on advanced technology to improve safety, productivity and environmental responsibility in line with the companies' ESG outcomes for underground mining.

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Carey y Cía. Ltda.
Isidora Goyenechea 2800, Piso 43.
Las Condes, Santiago, Chile.
www.carey.cl

The venture is expected to combine the two companies' complementary experience and capabilities and use existing infrastructure at the Agua de la Falda's deposit, resulting in the need to pool fewer additional resources into the project.

Founded in 1976, Chilean state-owned miner Codelco is one of the world's largest copper producers and owns more than a quarter of Chile's copper mines. Agua de la Falda was originally incorporated into Codelco's portfolio as a joint venture with Canadian miner Yamana in 1996. In October, Codelco made its first foray into the lithium industry by purchasing Australia's Lithium Power International for US$244 million.

Headquartered in London, Rio Tinto is the world's second-largest metals and mining group after fellow Anglo-Australian multinational miner BHP. Rio Tinto specialises in the extraction and production of iron ore, copper, gold, uranium and diamonds, among other minerals. The company counts a number of Latin American operations and recently divested a Peruvian copper deposit to Canadian mining company First Quantum Minerals for US$651 million.

Counsel to Codelco

In-house counsel – Rodrigo Leichtle

Carey

Partner Cristián Eyzaguirre and associates Maximiliano Urrutia, Enzo Devoto, José Pedro Fuentealba and María Paz Arteaga in Santiago

Counsel to Rio Tinto

In-house counsel – Cayley Ennett and Keenan Hohol

Cariola Díez Pérez-Cotapos

Partner Gonzalo Grez and associates Cristóbal Herrera, Patricio Turner, Pablo Sotomayor, Macarena Salazar, Agustín González and Teresita Melero in Santiago