Who owns the future of Latin American copper mining?

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This report contains forward-looking statements regarding market conditions, company performance, and regulatory developments that inherently involve risks and uncertainties. Actual outcomes may differ materially from those projected based on changing economic conditions, policy shifts, or unforeseen geopolitical developments.

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Executive summary

Copper – Latin America's #1 strategic mineral

Latin America plays an indispensable role in global copper production, holding some of the world's largest reserves and offering proximity to U.S. markets. However, the region faces intersecting challenges—regulatory volatility, social unrest, and growing Chinese influence—that pose both risks and opportunities for western mining investors.

Chile, Peru, Panama, Mexico and Argentina produced 94% of Latin America's copper in 2023, implicating them as very important players in the race to secure Latin American strategic minerals. While Chile remains the region's most stable copper producer (5.3 MT in 2024), China's status as Chile's largest copper export destination has raised concerns over Chinese leverage in Chilean politics and regulatory decisions. Peru, while home to vast reserves, faces ongoing social unrest, environmental opposition, and regulatory ambiguity—conditions that threaten long-term investor confidence and invite exploitation by Chinese SOEs, who control approximately 20% of the country's copper production. The abrupt shutdown of Panama's Cobre Panamá mine and the weak regulatory enforcements and labor disputes in Mexico highlight the regions vulnerability to politicized manipulation. Finally, Argentina offers significant untapped potential and could serve as a frontier for new U.S. and other western mining investment pipelines; however, the fiscal vulnerabilities and political fragility of the country may generate appeal for China's quick financing without strict governance or regulation.

To combat the growing Chinese control over Latin American copper, we recommend the following strategies:

- Consolidate an ESG-Centered Western investment bloc: Align with Chile, Peru, Mexico, Argentina and eventually Panama to establish a "Green Copper Alliance" anchored in ESG standards, regional supply chain transparency, and indigenous consultation protocols. In addition, the United States and likeminded western mining nations should provide targeted financing, infrastructure support, and market access incentives under frameworks like the USMCA, and Minerals Security Partnership to counterbalance Chinese state-led influence.
- Leverage governance incentives to rebuild investor confidence: Promote legal and governance capacity-building in jurisdictions like Panama and Mexico to stabilize contracts and mitigate abrupt closures (e.g., Cobre Panamá shutdown). In doing so, the U.S. should leverage these countries by tying access to U.S. capital markets, climate finance, and technology partnerships to compliance with rule-of-law norms, reducing exposure to judicial or political reversals.
- Secure strategic assets in countries with distressed or fragmented ownership: Engage with vulnerable domestic firms in Mexico (e.g., AHMSA, Frisco) and Peru, offering restructuring support in exchange for governance reforms and anti-corruption safeguards. While doing this, encouraging consortium models where Western firms co-invest with local stakeholders would reduce the likelihood of nationalist backlash and enhancing operational legitimacy.

Copper production

Chile still holds the world's largest copper reserves*

- Chile holds the world's biggest copper reserves measuring around 190 million metric tons in 2024, with an estimated 20% of Chile's GDP attributed to copper production
- 12% of the world's copper reserves are in Peru, with the largest quantities found in the Arequipa, Ancash, and Apurimac regions
- The Democratic Republic of Congo has seen an increase in copper reserves within recent years, the most major asset being the Kamoa-Kakula project
- Despite low production, Russia's reserve levels merit its status as a competitor
- In the rest of the world, we will soon see Indonesia, Zambia, and Kazakhstan join the top ranks of copper-rich countries

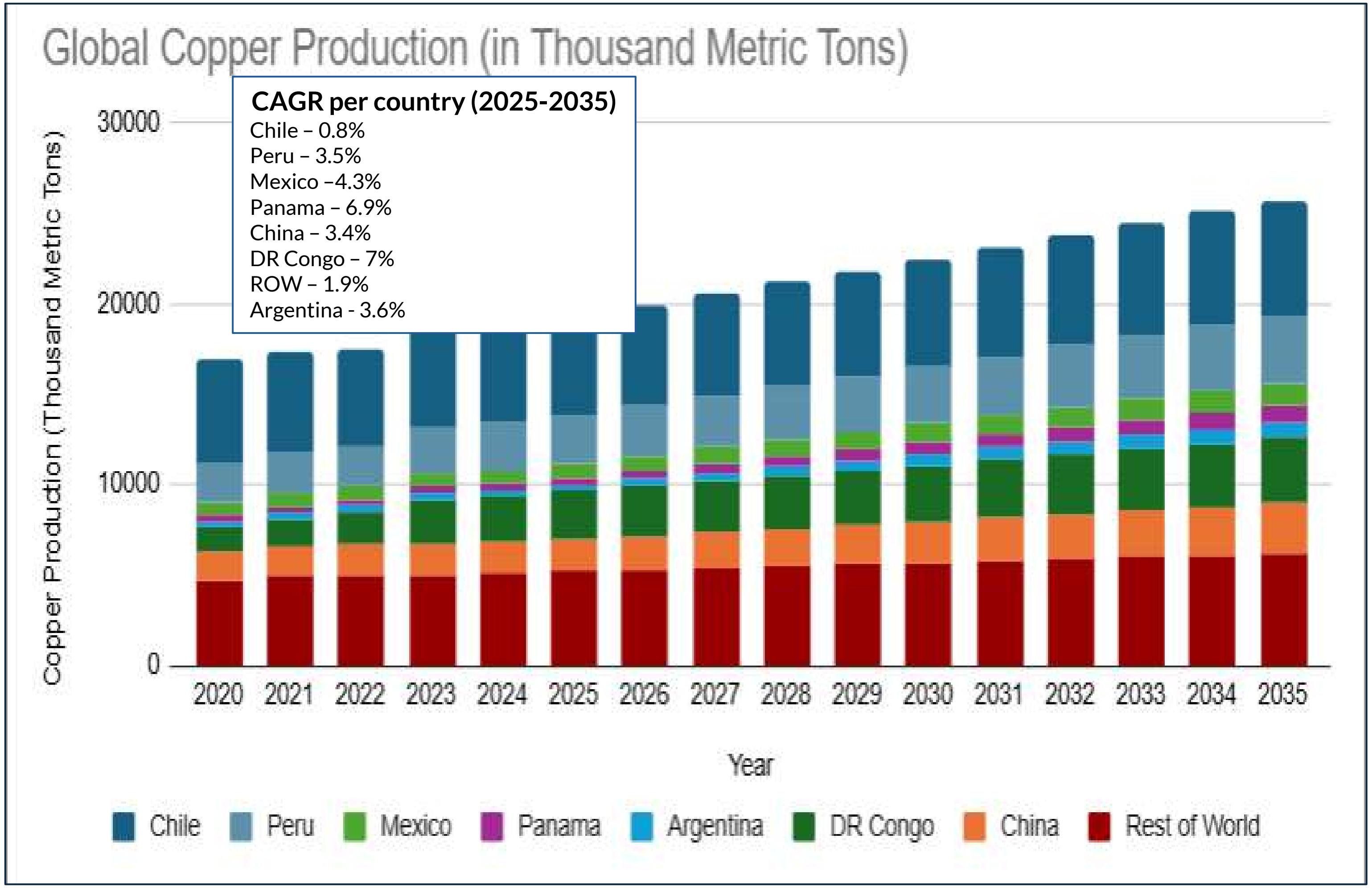
Estimated copper reserves, 2025 (Million metric tons)

*Reserves refer to all known copper deposits that could potentially be extracted economically with current technologies, even if they are not yet under development

Sources: U.S. Geological Survey 2025, Investing News Network

Global Copper Production - 2020 to 2035

Annual Projected Copper Production by Country



Link to chat https://docs.google.com/spreadsheets/d/1nu-ue-ax4Zdq7sDlvq09_ZaRSloCjivP/edit?gid=1636076309#gid=1636076309

- Global copper demand is set to nearly double by 2040 as EVs, solar, wind, and grid upgrades fuel consumption - EVs alone use 2.5x more copper than I.C.E vehicles
- Despite producing 5.3M tons in 2024, Chile's copper output is growing at only **0.78%** annually due to environmental and human rights issues, aging deposits etc.
- With **2.6M tons** produced in 2024 and a projected rise to 3.7M tons by 2035, Peru is poised for growth through expansions like Antamina and La Granja
- Mexico's copper sector is growing despite smaller reserves due to major private investment - with a projected **1.3M tons** by 2035 (CAGR 4.31%)
- Panama copper production is dependent on court rulings and social license recovery. Considering resuming of the project Panama posits a 6.92% CAGR and projected growth of **0.9M tons** by 2035
- ROW production is expected to reach **6.2M tons** by 2035, with notable contributions from Mongolia and Kazakhstan

Sources: U.S. Geological Survey, Reuters, S&P Global, IEA and Mining.com

The Future of Copper Production in Peru

Business-forward regulatory environment, with large-scale future projects

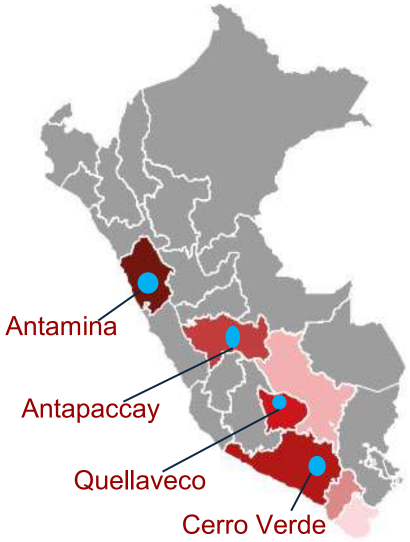


Image: Potencial Cuprífero Nacional, www.gob.pe

Regulatory environment

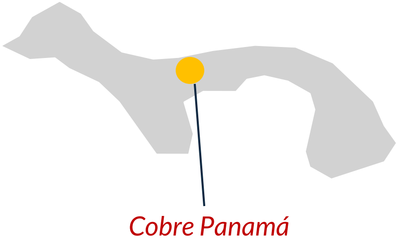
- Peru protects property rights and offers equal treatment to foreign investors. Peru's mining code is widely admired.
- Frequent changes in leadership, including the removal of Energy and Mines Minister Rómulo Mucho in November 2024 create investor unease.
- Many state-owned mining enterprises have been privatized, reducing direct state involvement in mining operations.
- **General Mining Law (Supreme Decree No. 014-92-EM)** establishes the legal framework for mining activities, including exploration, exploitation, and closure processes.
- Mining activities are subject to environmental assessments and must comply with standards set by the Ministry of Energy and Mines
- **Canon Minero** allocates a portion of mining taxes to regional and local governments for development projects. Oversight of said spending can be called into question.
- Social conflicts and community opposition to mining projects have led to disruptions - Las Bambas project, Cuajone mine, Tia Maria operation
- Interest groups and local communities have expressed need for improved community engagement and benefit-sharing mechanisms and oversight.

Investment trends

- Domestic mid sized firms such as Buenaventura rely, in part, on the Lima Stock Exchange's for funding, which is less liquid than Canadian and Australian bourses.
- Large international miners such as a Grupo Mexico have robust financial resources & access to international capital markets, enabling large-scale investments and resilience against market fluctuations. Also, they lead in technological innovation and operational efficiency
- **Future exploration & production commitments:**
    - **La Granja (First Quantum & Rio Tinto)**
        - $2.5 bn investment
        - Projected annual output: 500,000 metric tons of copper over a 40-year lifespan
    - **Haquira (First Quantum)**
        - $1.86 bn investment
        - 200,000 MT projected annual output
    - **Antamina** Expansion (BHP, Glencore, Teck, Mitsubishi)
        - $2 bn expansion investment
    - **Cerro Verde** (Freeport-McMoRan , Sumitomo Metal Mining, & Peruvian investors)
        - $4.4 bn expansion completed
        - 120,000 metric tonnes projected annual output

Sources: Identec, Teck, Crux, Latam FDI, TCS, AidDatSourcesa, Reuters, Bloomberg

Panama may soon resurrect copper mining



Regulatory environment

The regulatory environment for metal mining in Panama became highly politicized when protests widened over the Cobre Panamá mine in 2023. The Supreme Court of Panama ruled the Cobre Panamá contract unconstitutional in November 2023, citing over **25 violations of constitutional articles**; the most prominent reasons were a **lack of public bidding process** (required by Cabinet Decree No 267) and **inadequate environmental safeguards** in the contract. As a result of these tensions, Panama created the following law:

Law 407: enacted in November of 2023, **imposing a moratorium on granting, renewing, or extending concessions for metal mining**

- Halts the process of pending applications as well, virtually freezing the expansion of the copper sector

Current president José Mulino has demonstrated a very pro-business stance. He has shown a willingness to engage with mining companies (talks with First Quantum Minerals once the arbitration cases were dropped) and an eagerness to re-boost the economy- specifically through his enquiries into restarting Cobre Panamá without congressional approval.

The Cobre Panama mine is one of the ten largest copper mines in the world and a massive source of tax revenue to Panama's government. For that reason, most analysts predict that the mine will be operational before the close of 2026.

Investment trends

Panama **lacks prominent domestic mining companies** with the financial and technical capacity to initiate large-scale copper mining projects.

Foreign capitalization of Panamanian copper reserves is primarily controlled by **First Quantum Minerals,** a **Canadian** mining company who is the principal operator of Cobre Panamá. An important note concerning First Quantum Minerals is that 19.5% of its stake is held by Jiangxi Copper, a Chinese mining company. The remaining 10% ownership of Cobre Panamá is held by **KOMIR,** a **South Korean** mining company.

Since the indefinite closure of Cobre Panamá in November of 2023, the moratorium on all metal mine activity has halted the production of roughly **1.5% of the global copper supply** (330,863 tons in November 2023) coming from the mine as well as future investment initiatives.

Sources: Chambers and Partners, Reuters, AP News, CSIS

Argentina's growing mining industry

Regulatory environment

While the government supports mining expansions, there are frequent changes in tax policies, export duties, and currency controls.

- State-owned mining companies play a small role in copper production. Most major projects are led by foreign private firms which allows for operational flexibility but limits state investment.

Key legal frameworks:

- Mining Investment Law No. 24,196 - offers 30 years of tax stability, import duty exemptions, and other benefits.
- Environmental Mining Protection Law No. 24,585 - governs environmental compliance for mining operations.
- Glacier Protection Law - bans mining and oil extraction in glaciers' watersheds
- Despite these laws, export taxes and currency controls imposed by past administrations negatively impact mining profits.

Future political outlook:

- President Javier Milei has vowed to remove export taxes and simplify mining regulations.
- President Milei looks to enable glacier mining and deforestation.
- Opposition parties advocate for higher royalties and stricter environmental regulation.
- The 2025 midterm elections will be a turning point — potentially moving Argentina closer to Chile's mining boom or maintaining regulatory uncertainty.

Investment trends

- Domestic mining companies in Argentina face limitations in accessing large-scale capital and technology.
- Foreign companies dominate investments because of their access to competitively priced capital and advanced technology.

Foreign companies: Switzerland and Canada

- Josemaría Project (Lundin Mining): estimated $4.1B investment; 131,000 t/year
- El Pachón Mine (Glencore): $5.6B investment; 400,000 t/year projected
- Taca Taca Mine (First Quantum) $3.5B+ investment; 244,000 t/year
- MARA Project (Glencore): $3.1B+ investment; 200,000 t/year projected
- Los Azules (McEwen Copper): estimated 2.7B raised; 146,000 t/year target

Sources: Reuters, Bloomberg, Glencore, Forest Quantum Minerals, McEwen Mining, Secretaría de Minería, Official Gazette of Argentina , Mining.com

Mexico's Copper Boom

Regulatory environment

- Stricter laws since 2023: shorter concessions (30 years), public bidding, stricter renewals
- Mandatory social impact studies & community consent
- 5% profit-sharing with local communities
- Water use limited to 5-year permits
- Environmental compliance more demanding

- **Mining laws**
  - Ley de Aguas Nacionales (National Waters Law) DOF 01-12-1992
  - Ley General del Equilibrio Ecológico y la Protección al Ambiente (Environmental Protection Act) DOF 28-01-1988
  - Ley General para la Prevención y Gestión Integral de los Residuos (Waste Management Law) DOF 08-10-2003
- **State Role**
  - No major state-owned mining firms
  - Grupo México (private) dominates copper production

Investment trends

- **Domestic Companies**:
  - **Grupo México**: Leading copper producer
  - **Industrias Peñoles & Fresnillo plc**: Major players in precious metals
  - Domestic firms accounted for 57% of mining investments in 2022.
- **Foreign Companies**:
  - US**Newmont**: Operates the Peñasquito mine; expressed commitment to invest millions of dollars in the next two years, contingent on favorable conditions
  - CA **Agnico Eagle Mines**: Allocated approximately US$32.4 million for Mexican exploration projects in 2022.
  - CA**Orla Mining**: Invested US$10 million in the Camino Rojo project.

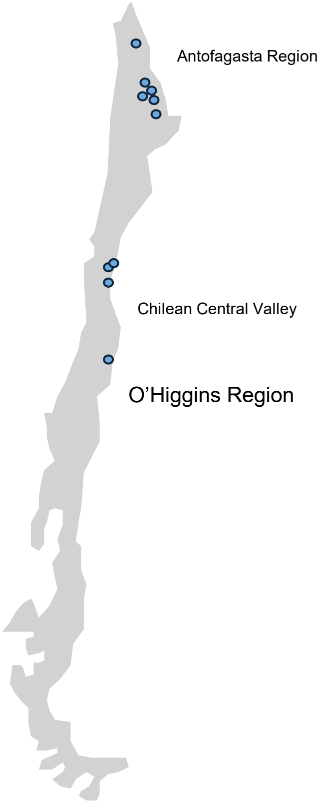
Major Exploration & Production Commitments

- **Grupo México**:
  - US$9 billion investment plan through 2027:
    - US$2.8 billion for the El Arco copper mine.
    - US$2.3 billion to expand smelting capacity in Sonora. US$815 million for power infrastructure in Baja California.
- **Political Outlook**
  - Focus on labor/environment issues may reshape investor landscape
  - Legal uncertainty still concerns foreign investors. Move to elect judges seating is increasing investor risk.

Sources: Mexico Business News, Reuters, Resource World, Mining Technology, SteelOrbis, Camimex (Mexican Mining Chamber)

Chile’s Steady Copper Dominance

Regulated and state-owned mineral, yet home to immense investment opportunities



Regulatory environment

- All mineral resources are constitutionally state-owned (Article 19 No. 24 of the 1980 Constitution). Private Participation via:
  - Administrative concessions (for exploration and exploitation)
  - Special Operating Contracts (CEOPs) – used selectively
- Mining Royalty Reform (2023) introduced a 1% ad valorem tax on copper
- Additional variable rate (8%–26%) on operating profit margins.
- For large producers (>80,000 tons/year), total tax burden can approach 47%.
- Projects must undergo Environmental Impact Assessments (EIAs).
- Stricter environmental standards apply for: water use (especially in arid north), carbon emissions, biodiversity protection
- Projects with strong sustainability protocols, like desalination for water use, are more likely to be approved.
- Chile encourages early consultation with indigenous communities.
- Social license to operate has become essential, especially in regions like Atacama and O’Higgins.
- Chile enjoys a stable and transparent legal environment for mining.
- Permitting delays have recently grown due to more complex environmental and social criteria.

Investment trends

- Codelco (state owned) accounts for 28% of Chile’s copper production.
- Major companies investing in Chilean copper include **Antofagasta** (UK based), **BHP** (Australian based), **Anglo American** (UK based), **Glencore** (Swiss based), and **Freeport McMoRan** (US based)

Major investments

- Codelco: $5.6 billion investment expansions expected over the next five years.
- BHP: $14 billion in multiple copper mines through 2027.
- Antofogasta: $2.5bn in mine to open late 2025
- Anglo-American – Mitsui: $3.3bn in los Bronces
- Teck Resources - Sumitomo: $5.2bn

Sources: Investing News Network, Mining Technology

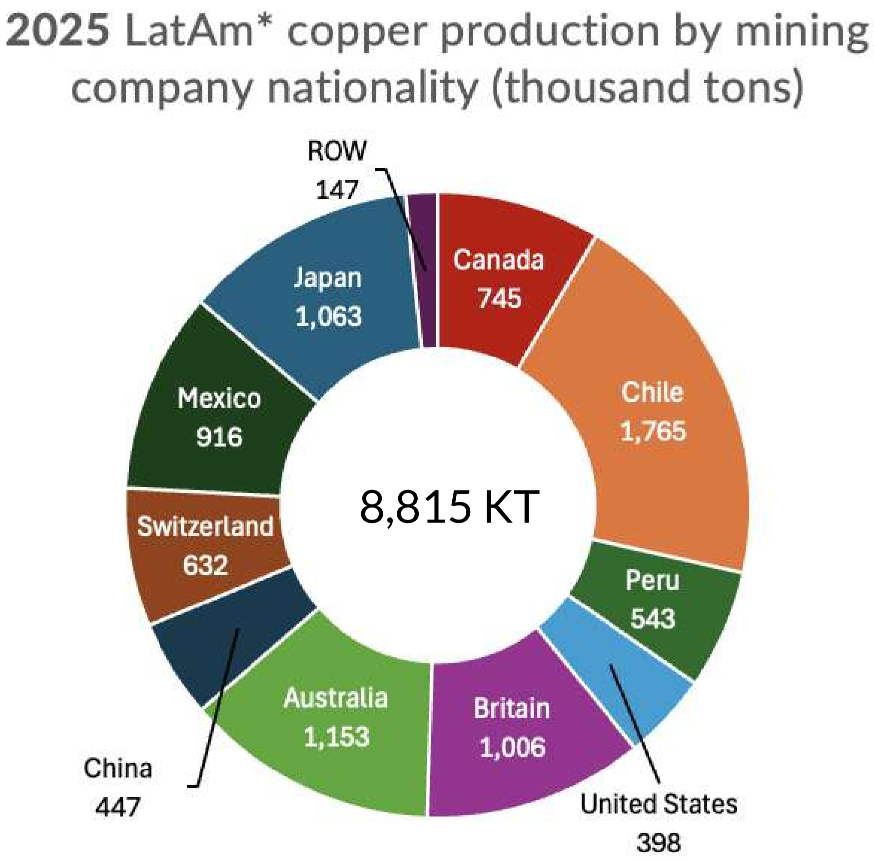
Who owns the strategic minerals found in LatAm?

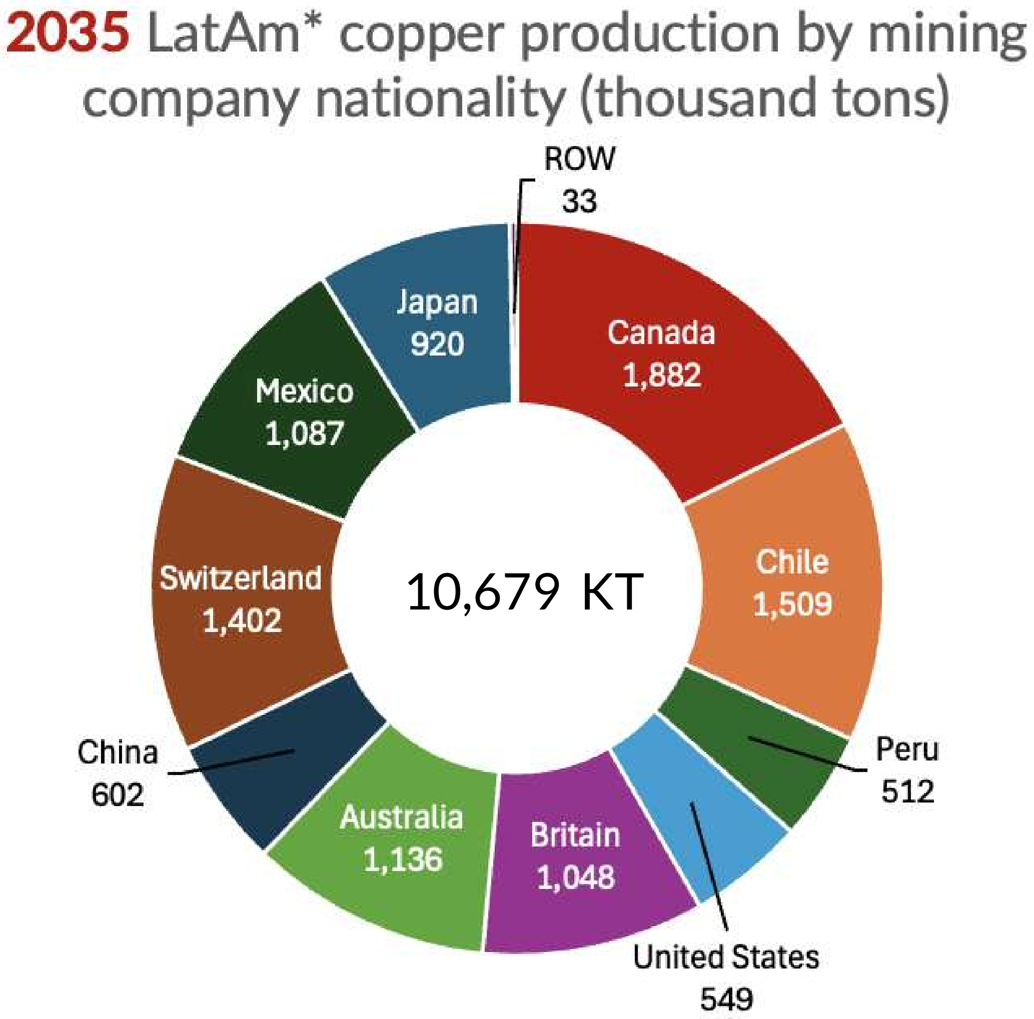
The leading players in LatAm copper mining

Mining Digital, CSIS

Equity control of copper mining in LatAm

Canadian and Swiss miners predicted to join Chilean firms as the region's largest copper producers by 2035





* LatAm country focus on Chile, Peru, Mexico, Argentina and Panama where collectively 94% of LatAm copper is mined

Sources: Copper data research performed in UM students, AMI

The great game of copper politics

Chinese investors face consistent difficulties with environmental standards & compliance

China's Leading Investments

- Las Bambas Mine, Apurímac, Peru
  - acquired in 2014 by MMG Ltd. (subsidiary of China Minmetals Corporation) for $5.85 billion
  - represents 15% of Peru's total copper production
- Toromocho Mine, Junín, Peru
  - operated by the Aluminum Corporation of China (Chinalco), which is a Chinese state-owned enterprise
  - initial investment of $3.5 billion
- Río Blanco Mine, Piura, Peru
  - Managed by British company Monterrico Metals of which 89.9% stake was acquired by Chinese consortium Xiamen Zijin Tongguan Development Co. Ltd. ; ~ $4 billion in investments

Often, Chinese companies will acquire majority or minority stakes in companies operating a pre-existing mine, such as the **Rio Blanco Mine.** Another example of this is Jiangxi Copper Co.'s minority stake of 18.5% in First Quantum Minerals, the owner of **Cobre Panamá.** Additionally, China has been known to fully acquire pre-existing mines like **Las Bambas** as well as develop and operate their own mines through Chinalco, as seen with the **Toromocho Mine.**

Challenges for Chinese Investors

- A large part of the difficulties experienced by Chinese investors pertain to the environmental impact or the regulatory compliance of the mine. In many cases, the local population is against Chinese mining practices and will express their discontent through protest.

Chile navigates a strategic middle ground between China and the West. China remains its top trading partner, with growing stakes in copper supply and processing, but Chile has never closed itself off to Western capital. Chinese investment has expanded, especially in downstream infrastructure, though some projects have faced regulatory delays. Meanwhile, Chile's increasingly strict environmental and permitting standards, focused on decarbonization and water use, favors Western sustainability standards.

Chinese mining projects have been criticized for environmental degradation and insufficient engagement with local communities, exacerbating tensions and leading to protests - La Bambas & Toromocho
Chinese firms often face difficulties including obtaining local approvals and managing labor relations, which can delay project timelines. The Toromocho project involved relocating residents of Morococha, leading to disputes over inadequate compensation and living conditions in the new settlement.

Chinese investment in Mexico faces challenges from environmental, social, and geopolitical concerns. Local opposition, such as the 2012 protests in Puebla against the La Lupe mine, and accusations of links to organized crime, particularly in Michoacán, complicate matters. Chinese mining companies are also criticized for deforestation and water pollution. Additionally, regulatory barriers, including bureaucratic delays and complex permits, hinder investment and project timelines.

In the mining sector, **public opinion in Panama is divided when it comes to foreign investments in copper mining.** Some view it as an opportunity for economic growth while others are more concerned with the environmental and social impacts as well as jeopardizing national sovereignty. Currently, the "Panama is Worth More Without Mining" movement - which opposes metallic mining and criticises foreign interference - is comprised of over 40 organizations and continues to gain traction.

Argentina sees China's investment in their mining sector as a way to boost their economy and development. Chinese mining projects have faced tension from local communities due to the environmental risks such as water scarcity (e.g., Catamarca). Environmental regulations challenges include conflicting provincial and federal environmental regulations. There are also infrastructure constraints, where heavy foreign investment is required due to the lack of previous domestic mining infrastructure.

Sources: Latin America News Dispatch, CFR, The National Interest, Business and Human Rights Resource Center, BNamericas, Reuters

*ESG$JI – what drives a government's blessing?

Americas Market Intelligence

Environmental Preservation & Human Rights as Chilean and Peruvian priorities

E = Environment

- Increasingly Stringent Environmental Regulations & Permitting: Chilean regulators now demand strict environmental standards, including water use and carbon mitigation. Example: Quebrada Blanca, a project of Teck, passed with a desalinization plan and biodiversity sustainability requirements, while another similar project, Dominga was not granted a permit due to weak mitigation.

G = Governance

- State-owned Prioritization: Projects that align with Chilean incentives, most commonly with Codelco, receive higher rates and speeds of acceptance.
- Boric's perspectives: His government tends to emphasize state participation and apply greater scrutiny to foreign investors (with a major exception of China) while a future more conservative government are more likely to promote growth through open markets and international partnerships.

I = Ideology

- Importance of geopolitical trade strategies: Chile is fiscally dependent on China, its largest trading partner. Increased investment in Chinese companies would drive Chile towards increased alignment with Belt and Road initiatives, and decreased investment would do the opposite.
- Indigenous politics: Projects consulted by indigenous groups earlier garner more support.
- Economic Prospects: Projects offering high royalties, margins, and infrastructure co-investment garner larger favor from Chile. BHP's long-term Escondida expansion secured support due to major economic and employment benefits to the region.

E = Environment

- Locals are pushing for sustainability & Western firms are more likely to establish environment friendly protocols and community engagement projects. For example - Yanacocha project, Toromocho & La Bambas
- Yanacocha project faced suspension due to environmental and community concerns, underscoring the critical role of social license and environmental practices.

G = Governance

- Peru highlights it's commitment towards a neutral political stance, hence believes Chinese investment won't hamper US trade relations
- Left-leaning administrations may favor state involvement and scrutinize foreign investments, while centrist or right-leaning governments might prioritize economic growth through foreign partnerships.
- Chinese firms offer large-scale, state-backed financing for important infrastructure projects - Jinzhao Peru secured a significant port construction contract ($405 million) by aligning with Peru's infrastructure development goals

$ = Royalties & Bribes

- Chinese companies often expedite project timelines for important infrastructure, sometimes bypassing standard procedures. For example, the **Chancay megaport (Cosco & Volcan)**

*E=environment, S=social, G=governance, $=royalties & bribes, J=job creation, I=ideology

Sources: Reuters, ONPE, BU Global Economic Governance Initiative, Global Voices

*ESG$JI – what drives a government's blessing?

Legal compliance as the driving factor of Mexican, Argentine, and Panamanian development

G = Governance

- Legal certainty, state alignment
  Compliance with mining laws; political backing eases **approvals**

I = Ideology

- Resource nationalism, strategic value
  Gov't favors projects that add local value, not just extraction

S = Social

- Local legitimacy, indigenous rights
  Community consent is critical; resistance can halt projects

E = Environment

- Sustainability thresholds
  Strict EIAs; environmental regulations determine project **feasibility**

$ = Royalties

- Jobs, taxes, informal costs
  Investment appeal tied to local benefits, royalties
- Delivery assurance
  Strong financial backing ensures project feasibility

G = Governance

- Adherence to Argentina's national Mining Investment Law No. 24,196 and successful implementation of provincial-level approvals

$ = Royalties

- Export taxes and strict currency controls impact profit margins and foreign exchange operations. President Milei aims to eliminate these barriers to attract foreign investment.
- Projects offering local instructure or revenue sharing (e.g., Josemaría) receive stronger provincial backing.

J= Job Creation

- High-value local employment and procurement are key to gaining both social license and provincial government support. Firms such as MARA that prioritize local hiring are more likely to draw attention.
- Los Azules highlighted local employment and skills training in San Juan Province.

I=Ideology

- President Milei favors free-market policies, deregulation, and foreign private capital.. A shift to opposition could bring stricter regulations.
- **Los Azules:** Backed by foreign investors, aligned with President Milei's pro-market agenda.

E= Environment

- Provinces demand climate risk assessments, water conservation, and sustainable development plans.

G = Governance → Legal Compliance

- Adherence to existing legal frameworks is non-negotiable. This is made clear by the 2023 Panamanian Supreme Court ruling declaring Cobre Panamá's mining contract unconstitutional.

$ = Royalties → Domestic Economic Benefit

- As is evident with President Mulino's pro-business stance, the government will prioritize proposals that offer substantial economic benefits including significant investments, job creation, and favorable fiscal terms.

E = Environment → Environmental Protection and Sustainability

- Projects that demonstrate robust environmental preservation plans and commitment to sustainability are more likely to gain both government and public approval.

S = Social → Community Engagement and Social Responsibility

- Engaging with local communities is essential. Projects that consider the effects on native land and people are more favorably viewed.

The **First Quantum Minerals Contracts** exemplify the need for legal compliance as well as the need for domestic economic benefit, seen in the required annual compensation of $375 million to the Panamanian government.

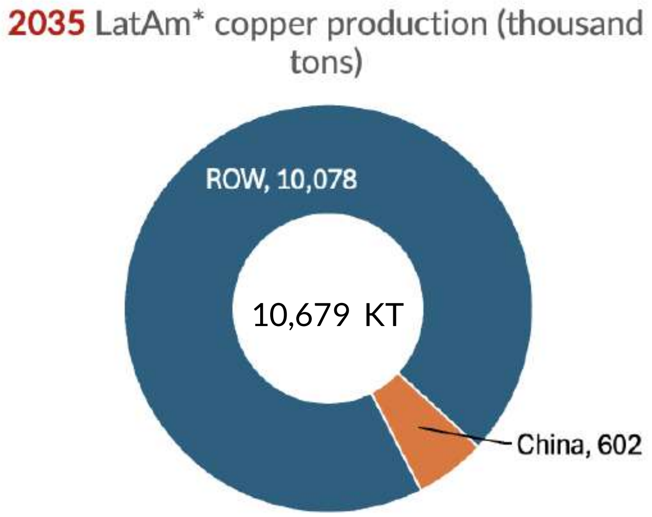
*E=environment, S=social, G=governance, $=royalties & bribes, J=job creation, I=ideology

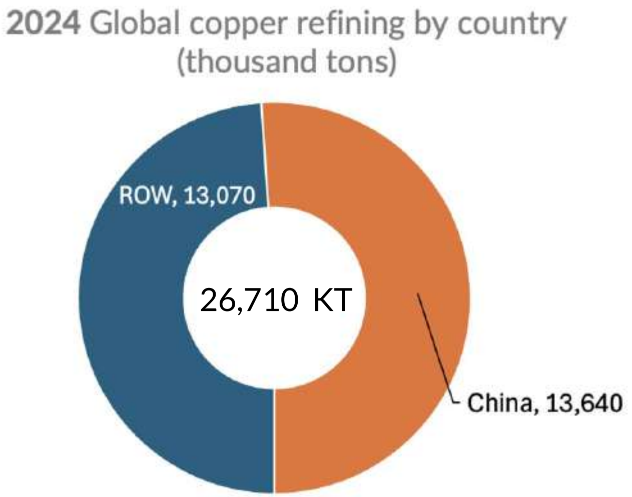
Sources: ICLG, Mayer Brown, First Majestic Silver Corp. Reuters, Bloomberg, IEA , McEwen Mining, Lundin Mining, Mining.com, Mining Technology, CSIS

Strategic recommendations

Is Chinese strategic mining in LatAm a threat?

China's primary threat lies in its control over copper refining





- China will produce an estimated 6% of Latin America's copper in 2035, indicating a low threat of Chinese control over LatAm copper production
- Chinese companies' copper production in Latin America is strategic for securing feedstock for China's large refining sector which processed 51% of global refined copper outputs in 2024
- China poses a larger threat as a copper refiner because of its disproportionate influence over the midstream supply chain, caused by a lack of domestic refining capacity in major copper miners

Sources: Copper data research performed in INS 501, Shanghai Metals Market, International Wrought Copper Council

Risk mitigation strategies in Panama

Country-level Engagement

- The primary strategy for Panamanian engagement should be contracting and legal advisory support through U.S. government systems such as the Office of Foreign Assistance to help Panama develop compliant concession frameworks that adhere strictly to the transparent Western model such as the **Extractive Industries Transparency Initiative (EITI)**
- Within these frameworks, emphasizing flexible royalty and tax structures that provide Panama with guaranteed minimum annual payments while also reinforcing Panamanian sovereignty through encouraging the country to declare copper mining as a “strategic sector,” which will subject the sector to stronger conditions and regulations on foreign investors
- Additionally, providing U.S. Department of Energy-sourced (or multilaterally sourced) funding to assist with clean energy integration and certification at Cobre Panamá, ultimately labeling Panama’s copper to be “Green Copper” which makes it eligible for premium pricing in Western markets and incentivizes environmentally conscious practices
- To enforce this approach, the United States will make clear that preferential treatment for access to Western copper markets and development finance will be conditional on ESG compliance in the Panamanian copper mining sector that meets American standards.
- Furthermore, the United States will publicly challenge or investigate any mining deal signed with Chinese state-owned enterprises that lacks due legislative approval, bypasses constitutional processes, or violates Western transparency norms - all of which would label Panama as a legal and investment risk for future development.

Company-level Engagement

- Panama does not have any state-owned mining enterprises or domestic mining companies to engage with; however, the CEO of First Quantum Minerals has expressed interest in collaborating with the Trump administration to resume mine production in Panama.

Sources: CSIS, Reuters, U.S. Department of State, The White House

Risk mitigation strategies in Argentina

Country-level engagement

- Partnering with countries such as Canada, the EU, Japan, and Australia can help to co-invest in mining and infrastructure projects to reduce Argentina's dependence on Chinese capital.
- U.S. government agencies (e.g., DFC, State Department) should support regulatory reform (e.g., Mining Law 24.196), ESG alignment, and modernize permit processes.
- Support local engagement and environmental practices to gain social license operations, specifically in provinces like San Juan and Catamarca, where tensions have delayed Chinese-backed projects.
- To uphold shared values, Western support should be conditional on Argentina working with ESG compliant and transparent companies.
- Investing in infrastructure (ports, roads, power grids) to unlock remote deposits, would lower the dependency on Chinese capital for early-stage mine development.

Company-level Engagement

- As of now, Argentina does not have a large state-owned copper mining company.
- Offer access to U.S. backed financing (e.g., DFC), help speed up permitting and and provide priority access to clean energy manufacturers from the U.S. and allied countries.
- Inform companies they could lose U.S. trade support or financing if they work with Chinese firms that lack transparency.
- Prioritize engagement with companies like, Glencore, First Quantum, McEwen Copper and Lundin Mining, all of which have major copper investments in Argentina and ties to Western markets.
- The U.S. wants these companies to maintain transparent operations, uphold ESG standards. engage with local communities, and avoid strategic partnerships with Chinese SOEs.

Sources: BNamericas, Mining Weekly, Mining.com, Reuters, U.S. Department of State, Bloomberg

Risk mitigation strategies in Peru

Country-level Engagement

- The US can offer long-term infrastructure and clean-tech investment packages (e.g. renewable energy integration in mining regions)
- Facilitate financing and off-take agreements through U.S. institutions (e.g. DFC, EXIM Bank) to de-risk mining investments and support Peruvian producers entering Western value chains.
- The US should support Peru's regional leadership through preferential trade status and strategic roles in Latin American critical mineral alliances (e.g. a "lithium + copper" bloc with Chile)
- Condition access to Western capital markets and green technology on transparent procurement, labor rights enforcement, and limits on strategic asset transfers to Chinese SOEs.
- Leverage global ESG scrutiny (e.g. OECD, IMF, investor coalitions) to warn against reputational risks of Chinese-backed projects with poor social/environmental records.
- Mutual benefit : ensuring copper value chains support environmental standards and regional stability, crucial for Peru's domestic legitimacy and Western energy transitions.
- Chinese firms often offer fast capital but seek control over infrastructure (e.g. Las Bambas rail, Chinalco's expansion), raising sovereignty and long-term dependency concerns.
- U.S. companies prioritize ESG and local stakeholder engagement, aligning better with long-term political stability—but may move slower or demand stricter governance.

Company-level Engagement

AngloAmerican

- Desired Behavior: Maintain transparent operations, uphold high ESG standards, and commit long-term copper supply to Western buyers (especially U.S. EV and clean energy sectors).
- The US could offer privileged access to government-backed financing (e.g. DFC), secure off-take agreements with Western manufacturers, and streamline U.S. permitting or import benefits for their copper.
- Threatening exclusion from Western clean-tech supply chains or capital markets if it dilutes ESG commitments or partners with Chinese infrastructure firms for logistics expansion.

Buenaventura

- Desired Behavior: Partner with Western financiers and engineering firms over Chinese entities for future project development and expansions; advocate for pro-West regulatory alignment domestically.
- The US could provide export facilitation into Western markets, offer joint R&D grants for sustainable mining, and elevate Buenaventura as a regional model of Western-aligned corporate governance.
- The US could signal limitations on Western capital access or technology transfer if Buenaventura enters strategic joint ventures with Chinese SOEs or adopts Chinese financing with non-transparent terms.

Sources: AngloAmerican, Buenaventura, Chatham House, Reuters

Risk mitigation strategies in Chile

Country-level engagement

- The U.S. should prioritize joint copper cooperation under the Minerals Security Partnership, putting Chile as the center of a Western-aligned critical minerals bloc in Latin America.
- Washington can help stabilize Chile's copper production outlook by supporting regional infrastructure integration, such as desalination pipelines and clean energy grids, ensuring mines operate sustainably despite drought and energy volatility.
- U.S. development finance should back Chilean infrastructure only where projects meet strict ESG and transparency standards, especially in port expansions.
- Diplomatic messaging should reinforce Chile's democratic credibility and legal predictability.

Sources: Reuters, FAS PGS, US Department of State

Company-level engagement

- Codelco is facing serious operational and reputational risks at Chuquicamata, El Teniente, and Andina due to cost overruns, project delays, and environmental scrutiny tied to water use and emissions.
- Antofagasta Minerals' Los Pelambres expansion depends heavily on water security, as the project is located in a drought-prone region.
- Deepen strategic partnerships with Codelco and Antofagasta Minerals
- Position U.S. agencies to co-invest in low-emission copper processing, help pioneer "*green copper*" certification, and co-develop labor training initiatives that reinforce Chilean employment goals.
- Engage Antofagasta Minerals directly around its flagship projects, including Los Pelambres' expansion.
- Offer U.S.-backed risk-sharing mechanisms to help Codelco and Antofagasta manage Chile's internal political uncertainties
- Highlight that firms adhering to transparent, ESG-aligned operating models are better positioned to weather Chile's internal political shifts and gain public trust.

Risk mitigation strategies in Mexico

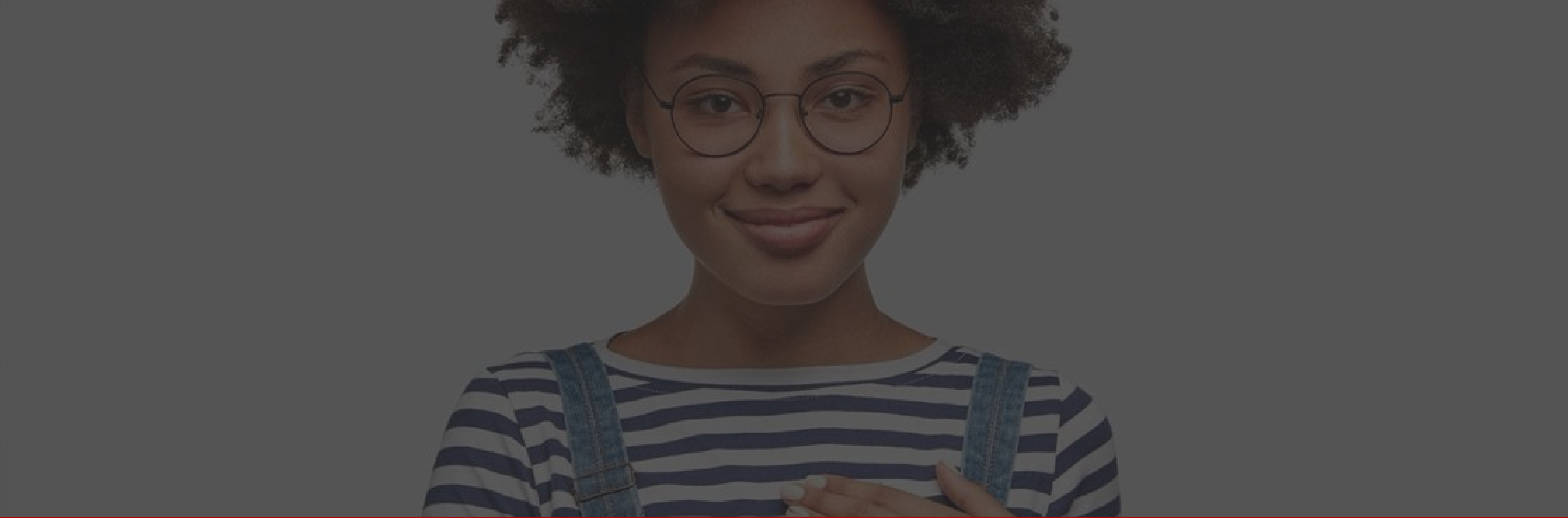
Country-level engagement

- The U.S. provides reliable investment opportunities, contrasting with the debt risks and opaque terms often associated with Chinese deals.
- The Inflation Reduction Act is accelerating demand for critical minerals, including copper, to support the energy transition. Mexico's collaboration with the U.S. can position it as a key supplier in these emerging supply chains.
- The World Bank's Climate-Smart Mining Initiative emphasizes the importance of sustainable mining practices to minimize environmental impacts. U.S. partnerships can facilitate the adoption of such technologies in Mexico.
- Collaborating with the U.S. can bolster Mexico's role in international forums and strengthen its position in global value chains
- Engaging with Chinese supply chains may expose Mexico to U.S. trade restrictions aimed at securing critical mineral supply chains
- Chinese mining projects have faced criticism for environmental degradation and governance issues in Latin America
- China's approach often focuses on raw material extraction, potentially limiting opportunities for Mexico to develop downstream industries and capture more value from its resources

Company-level engagement

- **Altos Hornos de México (AHMSA):** Recently declared bankrupt and undergoing asset valuation. Its financial instability and strategic industrial role make it a top candidate for U.S. engagement.
- **Minera Frisco**: Facing high debt and labor disputes. U.S. support could stabilize operations and offer alternatives to risky foreign capital.
- Companies have access to U.S. Development Finance Corporation (DFC) and EXIM Bank financing for debt restructuring, modernization, or expansion.
- They can be included in U.S. and Canadian procurement programs for critical minerals used in EVs, clean energy, and defense.
- They may form joint ventures with U.S. tech or manufacturing firms to enable downstream value creation (e.g., battery materials, EV component processing).
- They can receive support for environmental remediation and community relations, which companies like Grupo México and Fresnillo need to restore their reputations.
- Companies can trigger USMCA dispute mechanisms if actions compromise labor rights, environmental compliance, or regional economic security.
- They may face tariffs or import restrictions on copper and related exports traced to non-compliant companies or Chinese-controlled logistics chains.
- Institutional investors and pension funds in the U.S. and Canada can be pressured to divest from companies underperforming on governance.

Sources: Council of Foreign Relations ,American Public Power Association , World Bank Groups, OECD, , Atlantic Council, The Economist , Wilson Center



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