Japan Bank for International Cooperation

Environmental Examination Report

(1) Project Name

Copper mine project

(2) Project Site

Region II, Republic of Chile

(3) Project Outline

Rehabilitation of the concentrator and construction of a sea water desalination plant (including transmission lines)

(4) Category Classification

Category A

(5) Reason for Classification

The project belongs to a sensitive sector (Power transmission and distribution lines sector) under the Environmental Guidelines.

(6) Environmental Permits and Approvals

Environmental approval for Environmental Social Impact Assessment and Declaración de Impacto Ambiental have been issued by competent authority as of June and March, 2009 with some conditions.

(7) Pollution Mitigation Measures

It is confirmed that air quality, water quality, waste soil contamination, noise, vibration, land subsidence and odor are properly managed.

(8) Natural Environment

Appropriate measures are taken to avoid impacts to the natural environment.

(9) Social Environment

It is confirmed that no land acquisition and involuntary resettlement will occur.

(10) International Standard World Bank Safeguard Policies

(11) Others, Monitoring

Taking the above environmental review into consideration, JBIC will monitor compliance status with the collateral conditions attached to the ESIA report and DIA.

Questions

| Q1. | Please provide the address of the project site. | | | | | | |
|----------|--|-------------------|---|--|--|--|--|
| | Address of the project site: Chile, II Region, Antofagasta, Minera Escondida | | | | | | |
| Q2. | 2. Please provide brief explanation of the project. | | | | | | |
| | Rehabilitation of Los Colorados concentrator | | | | | | |
| pleas | Will JBIC loan be applied to a new project te inform of strong claims by stakeholders station orders for construction work / operations, | uch as | n executing project? In case of an executing project, s local residents, as well as improvement guidance or environmental authorities. | | | | |
| | □ New Project□ Executing Project (without Claim etc.) | X | Executing Project (with Claim etc.) Others (Please specify | | | | |
| based | In case of this project, is it necessary to exd on the laws or regulations of the country we me the progress of ESIA. | ecute here t | Environmental and Social Impact Assessment (ESIA) he project is to be implemented? If necessary, please | | | | |
| | ☐ Required (completed) X Not Required | | Required (under execution or under planning) Others (Please specify) | | | | |
| the e | In case that ESIA is already completed, pleasenvironmental and social assessment system of SIA report is already approved, please provide Approved (without condition) Under approval process | of the | form whether ESIA report is already approved based on country where the project is to be implemented or not. te and name of authorities of the approval. Approved (conditional) Others (Please specify | | | | |
| | ate of Approval:ame of Authorities: | | | | | | |
| Q6. | If environmental and social permit(s) othenit(s). Have you obtained required permit(s)? | r than | ESIA is required, please provide the name of required | | | | |
| | Obtained | | Required, but not obtained yet | | | | |
| | □ Not required | | Others | | | | |
| N | ame(s) of required permit(s): | | d brooks to a 11 by of security manufactures | | | | |
| Q7. of m | Will the loan be used for the undertaking the nachinery that has no relation with specific proposed from the specific proposed of loan agreement)? | nat car oject, | anot specify the project at this stage (e.g. export or lease or Two Step Loan that cannot specify the project at the | | | | |
| | No | | | | | | |
| If yo | ou answered "Yes", it is not necessary to reply ou answered "No", please reply to the followin | to the | following questions. | | | | |

Q8. Are there any environmentally sensitive area(s) shown below in and around project site(s)?

the accumulated total amount)

| | | | ed "Yes", please select applicable items ed "No", please reply to the questions 9 | | eply to th | e following questions. | | |
|-----------------------|---|----------------|--|--------------------|-------------|--------------------------|-----------|--|
| biner zalili: | ☐ (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous people, and cultural heritage, etc. designated by national governments) | | | | | | | |
| | | (2) | Forests with important ecological valueas) | | | | | |
| | | | | | | | | |
| | ☐ (4) Habitats of rare species requiring protection under domestic legislation, international treaties etc. | | | | | | | |
| | | (5) (6) | Areas in danger of large-scale salt acc Areas with a remarkable tendency tov | | | | | |
| | | (7) | Areas with unique archaeological, his | | | | | |
| | | (8) | Areas inhabited by ethnic minorities | | | madic peoples with tr | aditional | |
| | | | ways of life(including areas which a with special social value | | | | | |
| | | | | Mark or right of | | | | |
| Q9. | Do | es the | e project involve following characterist | cs? | | | | |
| N | 10 | | | | | | | |
| after. | | | ed "Yes", please describe the scale of a | | ristics, an | nd reply to the question | s 10 and | |
| II you | ans | were | ed "No", please reply to the questions 1 | and after. | | | | |
| П | (1 |) In | voluntary resettlement and/or loss of m | eans of livelihood | | | | |
| | , , , | , | The state of the s | f affected people: | | oglete jan 18 | | |
| | (2 |) Pu | imping of groundwater (Scale: | | | m³/year) | | |
| | | | and reclamation, development and/or cl | earing (Scale: | | ha) | | |
| | (4 |) De | eforestation (Scale: | | | ha) | | |
| | nen | ted, o | r the environmental and social impact a do the applicable characteristics from ating an ESIA for the project? | | | | | |
| _ | ani | | | | | | | |
| | | ney d thers | (Please specify) | ☐ They do not | | | | |
| Q11 | ľ | May t | the project involve significant social in | pacts? | | | | |
| N | Го | | | | | | | |
| V TC | SCHOOL S | | 1637 10 1 1 1 1 1 1 1 | | | 10.110 | | |
| | | | d "Yes", please describe the outline of d "No", please reply to the questions 12 | | eply to the | e questions 12 and after | i. | |
| | | | celihood of severe project-related human | rights impacts | (|) | | |
| | Ot | hers | | | (| a challenge jarconies mi | | |
| Q12. JBIC 1 | | | BIC share in the project be equal or lead or less than SDR 10 million? (In the | | | | | |

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the questions 13 and after.

Q13. Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansionary renovation project, and acquisition of rights and interests without additional capital investment)?

Yes

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the questions 14 and after.

Q14. Does the project belong to the following sectors?

If you answered "Yes", please specify the sector by marking, and reply to the questions 15 and after. If you answered "No", it is not necessary to reply to the following questions.

| | (1) | Mining |
|---|-------|---|
| | (2) | Oil and natural gas development |
| | (3) | Pipelines |
| | (4) | Iron and steel (projects that include large furnaces) |
| | (5) | Non-ferrous metals smelting and refining |
| | (6) | Petrochemicals (manufacture of raw materials; including complexes) |
| | (7) | Petroleum refining |
| | (8) | Oil, gas and chemical terminals |
| | (9) | Paper and pulp |
| | | Cement plants (including a greenfield quarry) |
| | | Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc. |
| | | Thermal power |
| | | Nuclear power |
| | | Hydropower, dams and reservoirs |
| | (15) | Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale |
| | | logging or submarine electrical cables |
| Ц | | Roads, railways and bridges |
| 旦 | | Airports |
| Ц | | Ports and harbors |
| | (19) | Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or |
| | | their vicinity |
| Ш | | Waste management and disposal |
| Ц | | Agriculture involving large-scale land-clearing or irrigation |
| Ц | 0.000 | Forestry |
| Ш | (23) | Tourism (construction of hotels, etc.) |

Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, pleased explain whether an execution of ESIA is required on account of the large scale of the project in the country where the project is implemented.

Questions

| Q1. | Please provide the address of the project site. | | |
|--------|---|---------------|--|
| | Address of the project site: Chile, II Region, | Anto | ofagasta, de la Minería Av. #501. |
| Q2. | Please provide brief explanation of the project | ct. | Manager Parantist Organization M. C. Carrier Organization M. |
| secor | | ect w | oved in July 2013 and consists of a new 2,500 litres per rill provide an alternative, sustainable water supply to oned in CY2017 at a cost of US\$3.4 billion. |
| proje | | | . In the short to medium term, completion of the EWS condida to mitigate grade decline and support a strong |
| | | uch a | an executing project? In case of an executing project, as local residents, as well as improvement guidance or environmental authorities. |
| | X New Project ☐ Executing Project (without Claim etc.) | | Executing Project (with Claim etc.) Others (Please specify) |
| | | | Environmental and Social Impact Assessment (ESIA) the project is to be implemented? If necessary, please |
| | X Required (completed) ☐ Not Required | | Required (under execution or under planning) Others (Please specify) |
| the en | In case that ESIA is already completed, plean nvironmental and social assessment system of IA report is already approved, please provide to | f the | form whether ESIA report is already approved based on country where the project is to be implemented or not. ite and name of authorities of the approval. |
| | ☐ Approved (without condition) | X | Approved (conditional) |
| Į | Under approval process | | Others (Please specify) |
| Supp | ate of Approval : 12/06/2009. (Environn lementary Minera Escondida ") me of Authorities : CONAMA | nent | Effect investigation "Desalinated Water Supply for |
| Q6. | If environmental and social permit(s) other it(s). Have you obtained required permit(s)? | than | ESIA is required, please provide the name of required |
| 2 | X Obtained | | Required, but not obtained yet |
|] | □ Not required | | Others |
| Na | me(s) of required permit(s): | 91/12 | странения по при |
| | and had man I processed out in solicit and area for the | J. | with a physical expression of problem is a register. |
| ~= | | una e mes e e | |

Q7. Will the loan be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the following questions.

| Q8. | Are | ther | e any environmentally ser | nsitive area(s) shown below in and | d around project site(s)? |
|--------|----------|--------------------------|---|--|---|
| | No | | | | 940 |
| | | | d "Yes", please select app d "No", please reply to the | plicable items by marking, and repart and repart of the questions 9 and after. | oly to the following questions. |
| | | (1) | | | pastal areas, wetlands, areas for ethnic designated by national governments) |
| | | (2) | Forests with important eareas) | ecological value (including prima | ry forests and natural forests in tropical |
| | | (3) | | t ecological value (including cor | ral reefs, mangrove, wetland and tidal |
| | | (4) | Habitats of rare species | requiring protection under dom | estic legislation, international treaties |
| | | (5) (6) (7) (8) | Areas with a remarkable Areas with unique archa Areas inhabited by ethi | areas which are used for cultural | |
| 00 | D | 41 | to hap 3.1 aurobysop od se | the section of the sections and | discuss states, part the respective of |
| Q9. | | es the | project involve following | g characteristics? | |
| | No | | | | |
| after. | | | d "Yes", please describe d "No", please reply to th | , tennium shall appear a | stics, and reply to the questions 10 and |
| | | | 1,24mlpm | d/or loss of means of livelihood | |
| | | | | (Number of affected people: | |
| 님 | | | mping of groundwater | (Scale: | m³/year) |
| | | | nd reclamation, developm forestation | nent and/or clearing (Scale: (Scale: | ha) ha) |
| | men | ted, c | | eristics from $(1) - (4)$ of the ques | f the country where the project is to be stions 9 above and their scale serve as |
| | | ney d | | ☐ They do not | |
| | Ot | thers | (Please specify |) | |
| Q11 | 1 | May t | he project involve signifi | cant social impacts? | |
| 1 6 | No | | | | |
| If you | ans | wered | l "Yes" nlease describe t | he outline of the impacts, and rep | ly to the questions 12 and after |

If you answered "Yes", please describe the outline of the impacts, and reply to the questions 12 and after. If you answered "No", please reply to the questions 12 and after.

| | The likelihood of severe project-related human rights impacts Others | (|) | No. |
|--------|--|------------|------------------|---------------------|
| | Will JBIC share in the project be equal or less than 5% of the loan equal or less than SDR 10 million? (In the case of additional cumulated total amount) | | | |
| | No | | | Delicity 30 |
| | answered "Yes", it is not necessary to reply to the following quest answered "No", please reply to the questions 13 and after. | ions. | | |
| imr | Does the project belong to either of the sectors that impact on naterial or is not anticipated under normal conditions (e.g. nexpansionary renovation project, and acquisition of rights are estment)? | naintena | nce of the e | xisting facilities, |
| and it | No | | | |
| | answered "Yes", it is not necessary to reply to the following quest answered "No", please reply to the questions 14 and after. | ions. | | |
| Q14. | Does the project belong to the following sectors? | | | |
| | Yes | | | |
| | answered "Yes", please specify the sector by marking, and reply to answered "No", it is not necessary to reply to the following questi | | estions 15 and a | after. |
| | (1) Mining(2) Oil and natural gas development(3) Pipelines | | | |
| | (4) Iron and steel (projects that include large furnaces)(5) Non-ferrous metals smelting and refining | | | |
| | (6) Petrochemicals (manufacture of raw materials; including con | - AC | duses sudmicio | |
| | (8) Oil, gas and chemical terminals (9) Paper and pulp | | umore le anier | |
| | (10) Cement plants (including a greenfield quarry) (11) Manufacture and transport of toxic or poisonous substances in (12) Thermal power | | | |
| X | (13) Nuclear power(14) Hydropower, dams and reservoirs | | | |
| X | (15) Power transmission and distribution lines involving large-sc logging or submarine electrical cables | ale invol | luntary resettle | ment, large-scale |
| | (16) Roads, railways and bridges (17) Airports (18) Ports and harbors (19) Sewage and wastewater treatment having sensitive charact | eristics (| or located in s | sensitive areas or |
| | their vicinity (20) Waste management and disposal | | | |
| | (21) Agriculture involving large-scale land-clearing or irrigation(22) Forestry(23) Tourism (construction of hotels, etc.) | | | |
| | (25) Tourish (construction of hotels, etc.) | | | |

Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, pleased explain whether an execution of ESIA is required on account of the large scale of the project in the country where the project is implemented.

Water supply capacity

2,500 litres per second in operational terms

Transmission line:

33km, 220kV