ANTOFAGASTA PLC

For immediate release, 11 April 2014

2013 ANNUAL REPORT AND FINANCIAL STATEMENTS

Antofagasta plc (the "Company") will today post its 2013 Annual Report and Financial Statements (the "2013 Annual Report and Financial Statements") and notice of the Annual General Meeting of the Company (the "2014 AGM Notice") to shareholders.

The 2013 Annual Report and Financial Statements, which was approved by the Board of Directors on 17 March 2014, constitute the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006 and the Annual Financial Report for the purposes of DTR 4.1.

The Annual General Meeting will be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on 21 May 2014 from 10.30 a.m.

In compliance with LR 9.6.1, the Company has submitted to the Financial Conduct Authority each of the following documents:

- 2013 Annual Report and Financial Statements;
- 2014 AGM Notice;
- Form of Proxy for Ordinary Shareholders for Annual General Meeting;
- Form of Proxy for Preference Shareholders for Annual General Meeting; and
- Letter to Shareholders regarding Electronic Communications.

These documents will shortly be available for inspection via the National Storage Mechanism, www.hemscott.com/nsm.do, which may be searched by company name and filing date and/or document type. The 2013 Annual Report and Financial Statements and 2014 AGM Notice are also available on the Company's website at www.antofagasta.co.uk.

In compliance with DTR 6.3.5, the following information is extracted from the 2013 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 18 March 2014. Together, these constitute the material required by DTR 6.3.5 to be communicated to the media in full unedited text through a Regulatory Information Service. This material is not a substitute for reading the full 2013 Annual Report and Financial Statements and page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2013 Annual Report and Financial Statements.

The information contained in this announcement and in the Preliminary Results Announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 but is derived from those accounts. The statutory accounts for the year ended 31 December 2013 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 21 May 2014. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Companies Act 2006 (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

Directors' Responsibility Statement

The following information is extracted from page 103 of the 2013 Annual Report and Financial Statements.

"*Directors' Responsibility Statement*

We confirm that to the best of our knowledge:

- *the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;*
- *the Directors' report and the Strategic report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and*
- *the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.*

By order of the Board

J-P Luksic, Chairman, 17 March 2014
W M Hayes, Senior Independent Director and Chairman Audit and Risk Committee, 17 March 2014"

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 26 and 27 of the 2013 Annual Report and Financial Statements.

"***Community relations***

Risk

Failure to identify and manage local concerns and expectations can have a negative impact on relations with local communities and therefore affect the Group's reputation and social licence to operate and grow.

Mitigation

The Group engages with its local communities, to establish relations based on trust and mutual benefit throughout the mining lifecycle, from exploration to closure. The Group firstly seeks to identify and minimise any potentially negative operational impacts and risks through responsible behaviour – acting transparently and ethically, prioritising the health and safety of its workers, promoting dialogue and complying with commitments to stakeholders and establishing mechanisms to prevent or address a crisis. These steps are undertaken in the early stages of each of the projects in line with the requirement of the Group's project development process and the environmental permitting process. The Group also contributes to the local development of the communities in the areas of influence in which it operates, in particular through human capital development – education, training and employment of the local population. The Group endeavours to ensure clear and transparent communication with local communities, including through the use of a grievance management process, local perception surveys, local media and community meetings.

Reference

Details of the Group's community relations activities are included in the Sustainability section on pages 58 and 59.

Strategic resources

Risk

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, fuel, sulphuric acid and mining equipment could have a negative impact on production volumes. Longer-term restrictions on key strategic resources such as water and electricity could impact opportunities for the growth of the Group. A significant portion of the Group's input costs are influenced by external market factors.

Mitigation

Contingency plans are in place to address potential short-term disruptions to strategic resources. The Group enters into medium and long-term supply contracts for a range of key inputs to help ensure continuity of supply. Certain key supplies are purchased from several sources, when financially rational, to mitigate potential supply disruption arising from excessive exposure to any one supplier. Technological solutions, such as increased use of sea water in the Group's mining processes, can help address long-term shortages of scarce resources such as fresh water.

Reference

Information on the Group's arrangements for the supply of key inputs are included within the Key inputs section on pages 28 and 29, and details of significant operational or cost factors related to key inputs are included within the Operational review on pages 32 to 49.

Operational risks

Risk

Mining operations are subject to a number of circumstances not wholly within the Group's control, including damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters, which could adversely affect production volumes and costs.

Mitigation

The key operational risks relating to each operation are identified as part of the regular risk review process undertaken by the individual operations. This process also identifies appropriate mitigation for each of these specific operational risks. Monthly reports for the Board provide a variance analysis of operational and financial performance, allowing potential key issues to be identified in a timely manner and any necessary actions, monitoring or control activities to be established. Also, during 2013, the Group developed a Business Continuity Plan ("BCP") for all key processes within its operations. It is expected that this BCP will be implemented by the end of 2014 and that this will help to mitigate the consequences of an event that may lead to disruption of the operations. The Group has appropriate insurance to provide protection from some, but not all, of the costs that may arise from such events.

Reference

Details of the operational performance of each of the Group's operations are included within the Operational review on pages 32 to 49.

Development projects

Risk

A failure to effectively manage the Group's development projects could result in delays in the commencement of production and cost overruns. Demand for supplies, equipment and skilled personnel could affect capital and operating costs. Increasing regulatory and environmental approvals and litigation could result in delays in construction or increases in project costs.

Mitigation

The Group has a project management system consisting of standards, manuals and procedures that contain the best practices which are applicable and enforceable in all phases of a project. The project management system supports the decision-making process by taking the approach of balancing risk versus benefit, thereby increasing the likelihood of success and providing a common defining language and standards for all stages of development. Additionally, during the project cycle (when going from one phase to another) there are quality checks for each of the standards that are applied by a panel of experts from within the Group. This panel reviews the feasibility process in order to assess the technical and commercial viability of the project. Detailed progress reports on the ongoing development projects are regularly reviewed, including assessments of the progress against the key project milestones, as well as actual performance against budget.

Reference

Details of the progress of the Group's development projects are included within the Operational review on pages 44 to 47.

Political, legal and regulatory risks

Risk

The Group may be affected by political instability and regulatory developments in the countries in which it is operating, pursuing development projects or conducting exploration activities. Issues regarding the granting of permits or the withdrawal or variation of permits already granted, and changes to the legal environment, regulations or taxation could adversely affect the Group's operations and development projects.

Mitigation

The Group assesses political risk as part of its evaluation of potential projects, including the nature of any foreign investment agreements. Political, legal and regulatory developments affecting the Group's operations and projects are monitored closely on a continuous basis. The Group operates in full compliance with the existing legal framework, licences, permits and rights in each country where its operations are.

Reference

Details of any significant political, legal or regulatory developments impacting the Group's operations are included within the Operational review on pages 32 to 49.

Health and safety

Risk

Health and safety incidents could result in harm to the Group's employees, contractors or to local communities. Ensuring their safety and wellbeing is first and foremost an ethical obligation for the Group and is stated in the charter. Poor safety records or serious accidents could have a serious impact on the Group's production and reputation.

Mitigation

Health and Safety risk management procedures are being strengthened, with particular focus on fatalities. The corporate Health and Safety area was established to provide a common strategy to the Group's operations and to co-ordinate Health and Safety matters. The Group is reinforcing the application of the Significant Incident Report (without energy exchange) system as an important part of the Group's overall approach to safety. The Group's goal is for zero fatalities and to minimise the number of accidents. This goal requires all contractors to comply with the Group's Occupational Health and Safety Plan, which is monitored through monthly audits supported by regular training and awareness campaigns for employees and contractors. The Plan is also being extended to workers' families and local communities, particularly in regard to issues of road safety.

Reference

Further information about the Group's activities in respect of health and safety is set out in the Sustainability section on page 54.

Environmental management

Risk

An operational incident which impacts the environment could affect the Group's relationship with local stakeholders and the Group's reputation and ultimately undermine its social licence to operate and to grow. The Group operates in challenging environments, including the Atacama desert where water scarcity is a key issue.

Mitigation

The Group has a comprehensive approach to incident prevention. Relevant risks have been mapped and are monitored and controlled. The Group's approach includes raising awareness among employees and providing training to promote operational excellence. Potential environmental impacts are key considerations when assessing projects, including the integration of innovative technology in the project design where it can help to mitigate those effects. The Group has pioneered the use of sea water for mining operations in Chile and strives to ensure maximum efficiency in water use, achieving high rates of reuse and recovery.

Reference

Further information in respect of the Group's environmental activities is set out in the Sustainability section on pages 62 and 63.

Growth opportunities

Risk

The Group may fail to identify attractive acquisition opportunities, or may select inappropriate targets. The long-term commodity price forecasts used when assessing potential projects and other investment opportunities are likely to have a significant influence on the forecast return on investment.

Mitigation

The Group assesses a wide range of potential growth opportunities, both from its internal portfolio and external opportunities. A rigorous assessment process is followed to evaluate all potential business acquisitions. The Business Development Committee reviews potential growth opportunities, including internal projects *and potential transactions, and approves transactions and project expenditures within designated authority levels. For transactions in excess of these levels the Committee makes a recommendation to the Board. The Committee also monitors all ongoing projects.*

Reference

Details of the Group's growth opportunities are set out in the Operational review on pages 44 to 47.

Commodity prices

Risk

The Group's results are heavily dependent on commodity prices – principally copper and to a lesser extent gold and molybdenum. The prices of these commodities are strongly influenced by a variety of factors, including world economic growth, inventory balances, industry demand and possible substitution.

Mitigation

The Group considers exposure to commodity price fluctuations within reasonable boundaries to be an integral part of the Group's business and its usual policy is to sell its products at prevailing market prices. The Group monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditures and cash flows. From time to time, the Group uses derivative instruments to manage its exposure to commodity price fluctuations where appropriate. The Group has established a plan to address lower commodity price environments which contain different scenarios.

Reference

The sensitivity of Group earnings to movements in commodity prices is set out in the Financial review on page 70. Details of hedging arrangements put in place by the Group are included in Note 24 to the financial statements.

Foreign currency exchange

Risk

The Group's sales are mainly denominated in US dollars and some of the Group's operating costs are in Chilean pesos. The strengthening of the Chilean peso may negatively affect the Group's financial results.

Mitigation

The Group maintains an active and focused currency hedging programme to reduce short-term exposure to fluctuations in the US dollar against the Chilean peso. The Group continuously monitors the macroeconomic variables that affect it, particularly exchange rate movements.

Reference

Details of the Group's currency hedging arrangements are shown in Note 24 to the financial statements.

Identification of new mineral resources

Risk

The Group needs to identify new mineral resources in order to ensure continued future growth. The Group seeks to identify new mineral resources through exploration and acquisition. There is a risk that exploration activities may not identify sufficient viable mineral resources.

Mitigation

The Group conducts exploration programmes both in Chile and elsewhere. The Group has entered into early-stage exploration agreements and strategic alliances with third parties in a number of countries and has also acquired equity interests in companies with known geological potential. The Group focuses its exploration activities in stable and secure countries to reduce country risk exposure.

Reference

A review of the Group's exploration activities is set out in the Operational review on pages 44 to 47.

Ore reserves and mineral resources estimates

Risk

The Group's ore reserves and mineral resources estimates are subject to a number of assumptions and estimates, including geological, metallurgical and technical factors, future commodity prices and production costs. Fluctuations in these variables may result in some reserves or resources being deemed uneconomic, which could lead to a reduction in reserves or resources.

Mitigation

The Group's reserves and resources estimates are updated annually to reflect material extracted during the year, the results of drilling programmes and any revised assumptions. The Group follows the JORC code in reporting its ore reserves and mineral resources, which requires that the reserves and resources estimates are based on work undertaken by a Competent Person, as defined by the code. In addition, the Group's reserves and resources estimates are subject to a comprehensive programme of internal and external audits.

Reference

The ore reserves and mineral resources estimates, along with supporting explanations, are set out on pages 168 to 176.

Talent and labour relations

Risk

The Group's highly skilled workforce and experienced management team is critical to maintaining its current operations, implementing its development projects and achieving longer-term growth. The loss of key individuals and the failure to recruit appropriate staff may have a negative impact on the performance of the existing operations and the growth of the Group. Labour disputes could result in disruption to operations.

Mitigation

The Group develops skills through training and development, invests in initiatives to widen the talent pool and focuses on maintaining good relationships with workers, unions and contractors. Protecting the health and safety of workers is a fundamental priority. The Group's performance management system is designed to provide reward and remuneration structures and personal development opportunities appropriate to attract and retain key employees.

The Group has in place a talent management system to identify and develop internal candidates for critical management positions, as well as processes to identify sustainable external candidates, where appropriate. There are long-term labour contracts in place at each of the Group's mining operations, which help to ensure labour stability. The Group seeks to identify and address labour issues which may arise throughout the period covered by existing long-term labour agreements. Contractors' employees are an important part of the Group's workforce and under Chilean law are subject to the same duties and responsibilities as the Group's own employees. The Group's approach is to treat contractors as strategic associates and its goal is to build long-term mutually beneficial relationships with its contractors. The Group maintains constructive relationships with its workers, and the six labour unions that represent them, through regular communication and consultation. Labour representatives are involved in discussions about the future of the workforce as early as possible.

Reference

Details of the Group's relations with its employees and contractors are set out within the Sustainability section on page 56 and within the Operational review on pages 32 to 49."

Related party transactions

The following description of related party transactions is extracted from Note 35 on pages 158 and 159 of the 2013 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 27.

"***35 Related Party Transactions***

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

The transactions which Group companies entered into with related parties who are not members of the Group are set out below.

a) Quiñenco S.A.
Quiñenco S.A. ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and three Directors of the Company, Jean-Paul Luksic, Andrónico Luksic and Gonzalo Menéndez, are also directors of Quiñenco.

The following material transactions took place between the Group and the Quiñenco group of companies, all of which were on normal commercial terms:

- *the Group sold copper cathodes during the year for \$6.8 million (2012 – \$11.1 million) to Madeco S.A., a subsidiary of Quiñenco. The balance due from Madeco at the end of the year was less than \$0.1 million (2012 – \$0.1 million);*
- *the Group bought copper wire from Madeco for \$0.8 million (2012 – for \$0.3 million);*
- *the Group earned interest income of \$0.7 million (2012 – \$2.4 million) during the year on deposits with Banco de Chile S.A., a subsidiary of Quiñenco. Deposit balances at the end of the year were \$48.7 million (2012 – \$83.4 million);*
- *the Group earned interest income of \$1.1 million (2012 – \$0.7 million) during the year on investments with BanChile Corredores de Bolsa S.A., a subsidiary of Quiñenco. Investment balances at the end of the year were \$17.3 million (2012 – \$35.9 million);*
- *the Group bought fuel from ENEX S.A., a subsidiary of Quiñenco, of \$79.2 million (2012 – \$74.6 million). The balance due from ENEX S.A. at the end of the year was nil (2012 – \$1.7 million); and*

- *the Group has contract shipping services from Compañia Sudamericana de Vapores S.A., subsidiary of Quiñenco, of $0.5 million (2012 – $6.6 million).*

b) Compañía de Inversiones Adriático S.A.

In 2012, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático S.A., a company controlled by the Luksic family, at a cost of less than $0.7 million (2012 – $0.7 million).

c) Compañía Antofagasta Terminal Internacional S.A.

As explained in Note 17, the Group has a 30% interest in Antofagasta Terminal Internacional S.A. ("ATI") which is accounted for as an associate. During 2013, the Group has not received dividends from ATI (2012 – $1.1 million).

d) Antomin Limited, Antomin 2 Limited and Antomin Investors Limited

The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. During the year ended 31 December 2013 the Group incurred $22.1 million (year ended 31 December 2012 – $16.5 million) of exploration work at these properties.

e) Tethyan Copper Company Limited

As explained in Note 17 the Group has a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation over Tethyan's mineral interests in Pakistan. During the year the Group contributed $7.0 million (2012 – $9.9 million) to Tethyan, to provide funds for Tethyan's legal advisory and administrative costs. The balance due from Tethyan to Group companies at the end of the year was nil (2012 – $0.1 million).

f) Energía Andina S.A.

As explained in Note 17, the Group has a 60% interest in Energia Andina, which is a joint venture with Origin Energy Geothermal Chile Limitada for the exploration and exploitation of potential sources of geothermal energy. The balance due from Energía Andina S.A. to the Group at 31 December 2013 was less than $0.1 million (31 December 2012 – less than $0.1 million). During the year ended 31 December 2013 the Group contributed $21.6 million to Energía Andina (year ended December 2012 – $14.5 million).

g) Minera Cerro Centinela S.A.

Minera Cerro Centinela S.A. ("Centinela"), an entity ultimately controlled by the Luksic family, has an interest of 7.973% in Minera Michilla S.A. ("Michilla"), a shareholding it has held since Michilla was created through the merger of two predecessor companies on 31 December 1993. During the year ended 31 December 2013 Michilla has not paid dividends (year ended 31 December 2012 – $1.2 million) to Centinela.

h) Directors and other key management personnel

Information relating to Directors' remuneration and interests are given in the Remuneration report on pages 90 to 100. Information relating to the remuneration of key management personnel including the Directors is given in Note 7.

i) Inversiones Hornitos S.A.

As explained in Note 17, the Group has a 40% interest in Inversiones Hornitos S.A., which is accounted for as an associate. The Group paid $167.8 million (year ended 31 December 2012 – $129 million) to Inversiones Hornitos in relation to the energy supply contract at Esperanza and El Tesoro.

j) Sale of 30% interest in Minera Antucoya to Marubeni Corporation

On 14 December 2011, the Group signed a Memorandum of Understanding with Marubeni Corporation ("Marubeni") pursuant to which Marubeni would become a 30% partner in the Antucoya project for consideration totalling $350 million and a commitment to fund its pro rata share of the development costs of the project. This transaction closed on 31 July 2012 resulting in $359.6 million being received by the Group, comprising consideration of $351.8 million (base consideration of $350 million plus interest to completion of $1.8 million) and pre-closing *capital contributions attributable to Marubeni of $7.8 million. Marubeni holds a 30% interest in Minera Esperanza and Minera El Tesoro. Marubeni is a related party of the Group for the purposes of the Listing Rules of the United Kingdom Listing Authority as it holds a significant interest in these two subsidiaries of the Group.*

k) El Arrayan

As explained in Note 17, the Group has a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayan"), which is accounted for as an associate. During 2013 the Group has not contributed to El Arrayán (year ended December 2012 – $19.6 million).

l) Alto Maipo SpA

As explained in Note 17, the Group has a 40% interest in Alto Maipo SpA ("Alto Maipo"), which is accounted for as an associate. During 2013 the Group contributed $2.4 million to Alto Maipo SpA for a total contribution of $52.6 million in 2013. The balance due from Alto Maipo to the Group at 31 December 2013 was $47.0 million representing loan financing with an interest rate of LIBOR six-month plus 4.25%."

Investors – London		**Media (Brunswick)**	
Andrew Lindsay	alindsay@antofagasta.co.uk	Carole Cable	antofagasta@brunswickgroup.com
Chris Wilson	cwilson@antofagasta.co.uk	Robin Wrench	antofagasta@brunswickgroup.com
Telephone	*+44 20 7808 0988*	*Telephone +44 20 7404 5959*	
Investors – Santiago			
Alejandro Rivera	arivera@aminerals.cl		
Telephone	*+56 2 2798 7000*		