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This announcement contains inside information

ALTO MAIPO PROJECT

As announced on 26 October 2016, Antofagasta plc's (the "Company") subsidiary Minera Los Pelambres ("Los Pelambres") has been reviewing its options with respect to its 40% investment in the Alto Maipo hydroelectric project (the "Project"), following the announcement of a forecast 10-20% total cost overrun.

Yesterday the Project's controlling shareholder, AES Gener SA ("Gener") announced an update on the progress of negotiations between itself, Los Pelambres and lenders, which have reached an advanced stage, subject to final approval by the lenders. Los Pelambres has agreed with Gener that it will transfer its 40% interest in Alto Maipo SpA ("Alto Maipo") to Gener and the electricity price applicable to the Power Purchase Agreement with Alto Maipo is reduced.

Iván Arriagada, CEO of Antofagasta plc, commented:

"Mining is our core business. We entered into this project when electricity supply in the central region of Chile was constrained to ensure that Los Pelambres would be able to access a reliable source of electricity at competitive prices. We are now close to fulfilling this objective at an improved price, and to ensure a clean, stable and long-term energy supply for Los Pelambres."

The Company will make a further announcement once final agreement on the above has been reached.

About Alto Maipo

Alto Maipo is a company incorporated to develop, construct, own and operate two run-of river hydroelectric power stations located in the upper section of the Maipo River, approximately 50 kilometres to the south-east of Santiago, with a total installed capacity of 531MW.

Los Pelambres holds a 40% equity investment in Alto Maipo. The remaining 60% is held by Gener. Los Pelambres had entered into a Power Purchase Agreement with Alto Maipo for the provision of up to 110MW over a 20 year period from the completion date of the project. Los Pelambres's carrying value of the Project is \$356 million.

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