
**Bank of America
Merrill Lynch**

**2017 Global
Metals, Mining &
Steel Conference**

16th May 2017

Alfredo Atucha – CFO



ANTOFAGASTA PLC

Cautionary statement



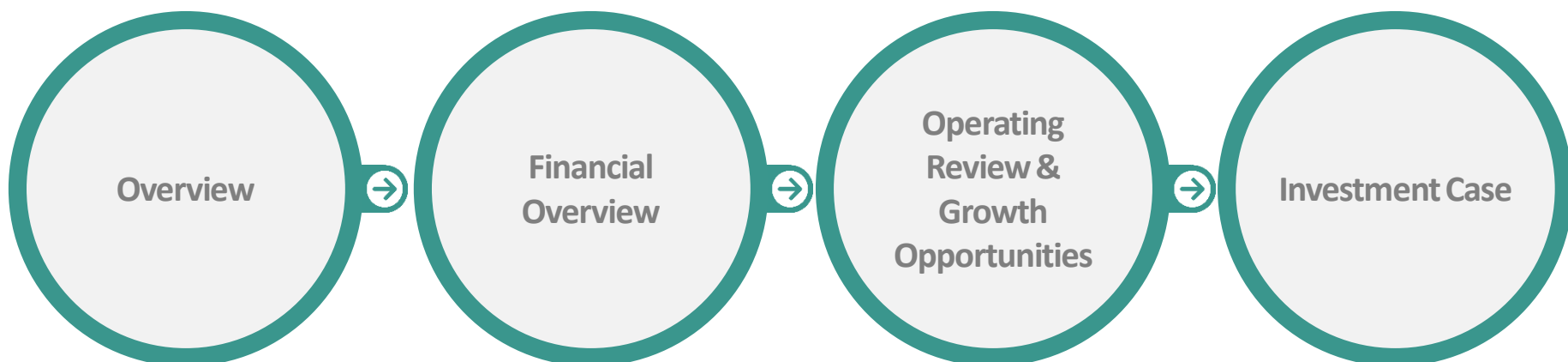
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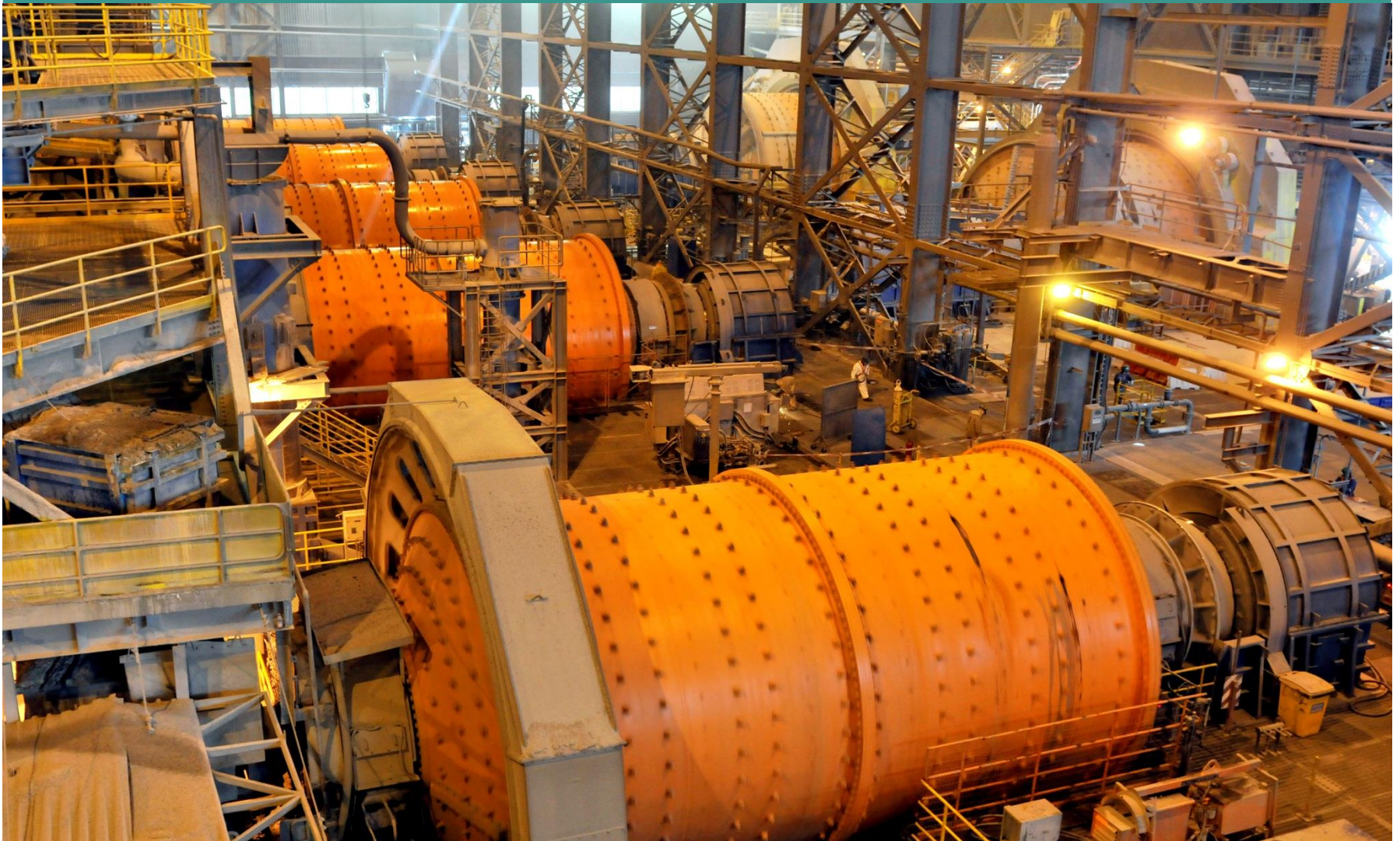
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Overview



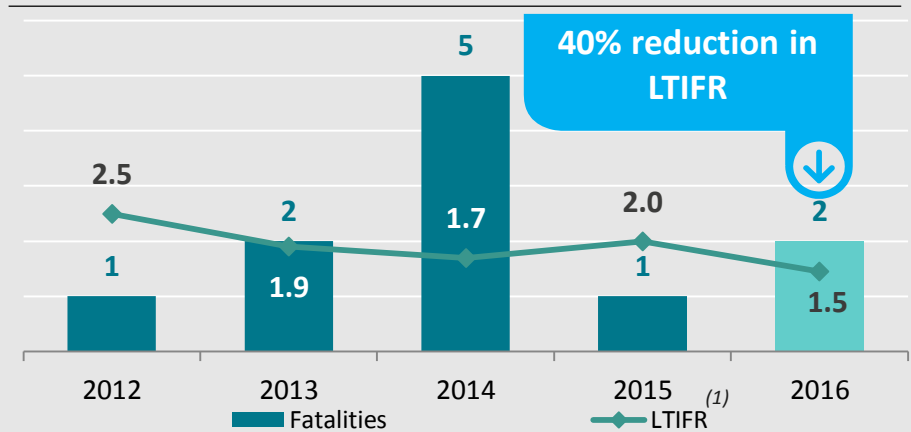
Safety First

- Committed to zero fatalities
- Critical risk reporting increased
- New set of leadership practices deployed throughout the Group
- Increased focus on near miss reporting to create learning opportunities

Renewed areas of focus

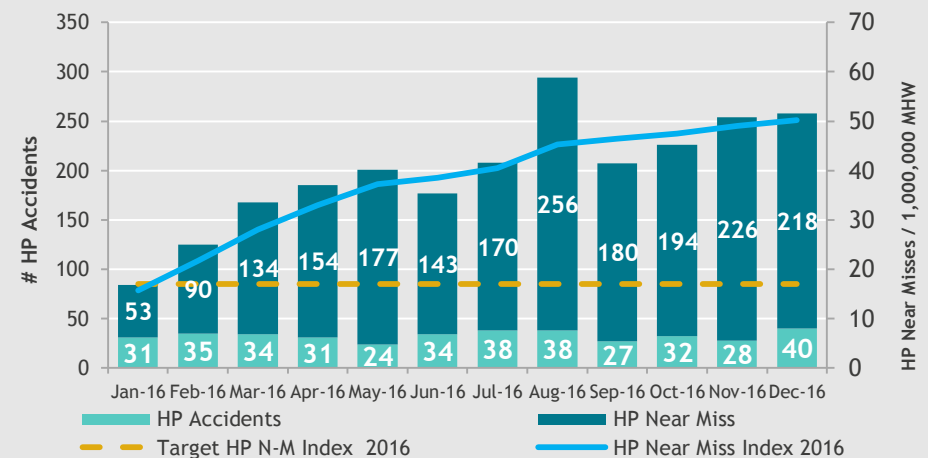
- Deepening implementation of critical risk controls
- New Occupational Health Standards being implemented
- Corporate guideline for fatigue management
- Improved quality of incident investigations and follow up of lessons learned

Safety Performance



1. LTIFR: Lost Time Injury Frequency Rate

High Potential Accidents and Near-Misses (Leading Indicators)



Antofagasta at a glance - 2016

Group

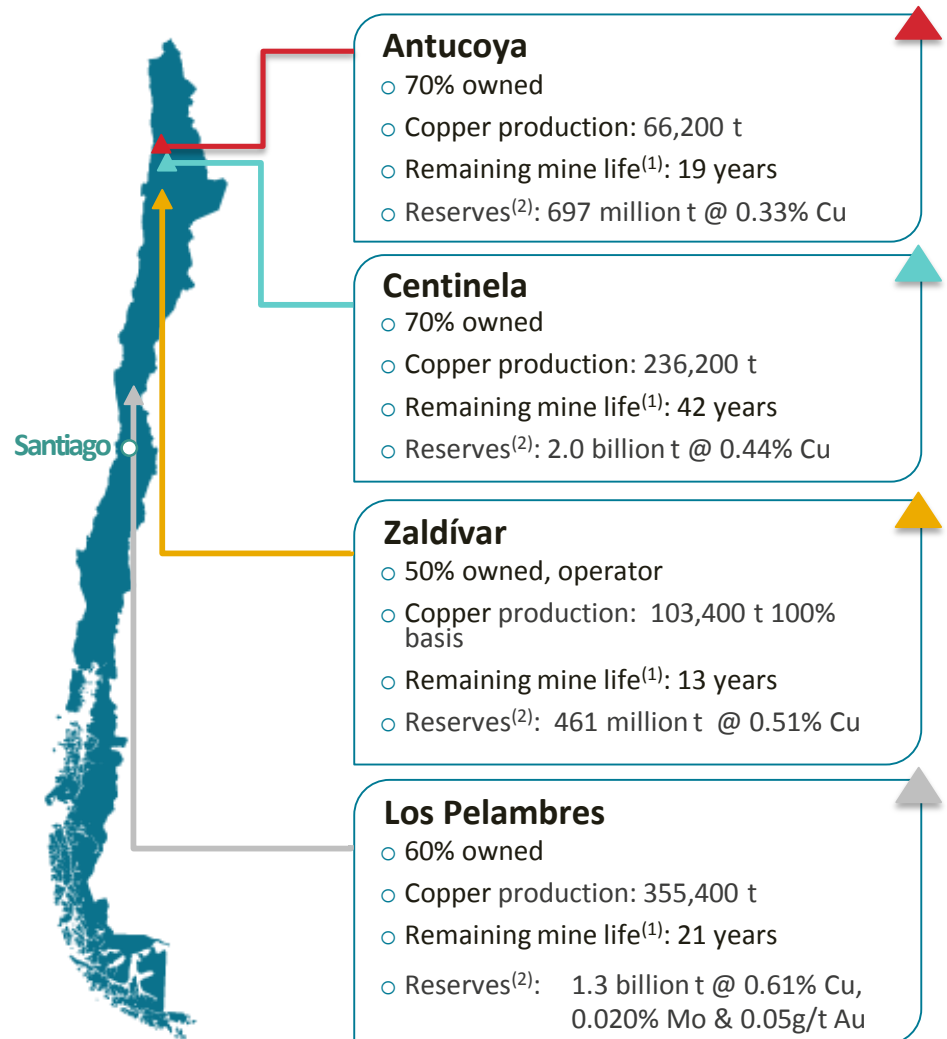
- 65% owned by Luksic Group, 35% free float
- Market cap: \$9.7 billion (10/05/2017)
- FTSE 100

Mining division

- Copper production: 709,400 tonnes
- Gold production: 270,900 oz
- Molybdenum production: 7,100 tonnes
- Net cash costs \$1.20/lb
- All operations in Chile, one of the world's most developed and stable mining locations
- Top 10 copper producer
- High quality assets with significant potential production growth

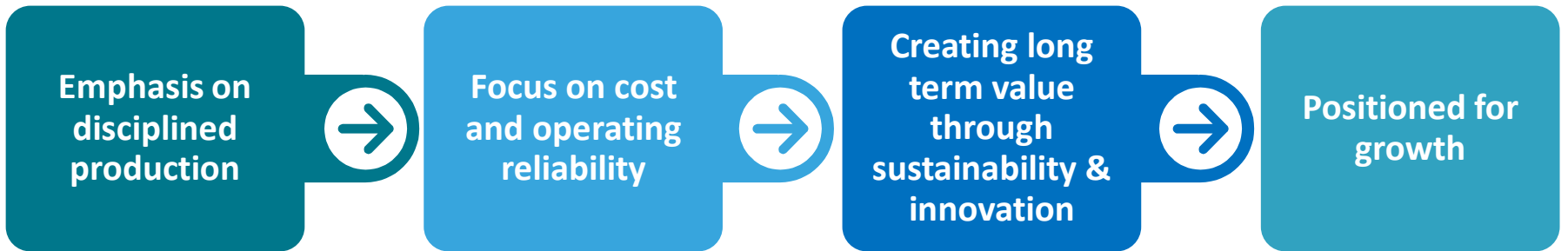
Transport division

- Total tonnage transported: 6.5million tonnes
- Transport division provides rail and road cargo services in Chile's Antofagasta Region



1. From 31 December 2016

2. As of 31 December 2016 on 100% basis. More details available in the 2016 Annual Report and, for Zaldívar, in the 2016 Barrick Gold Annual Report



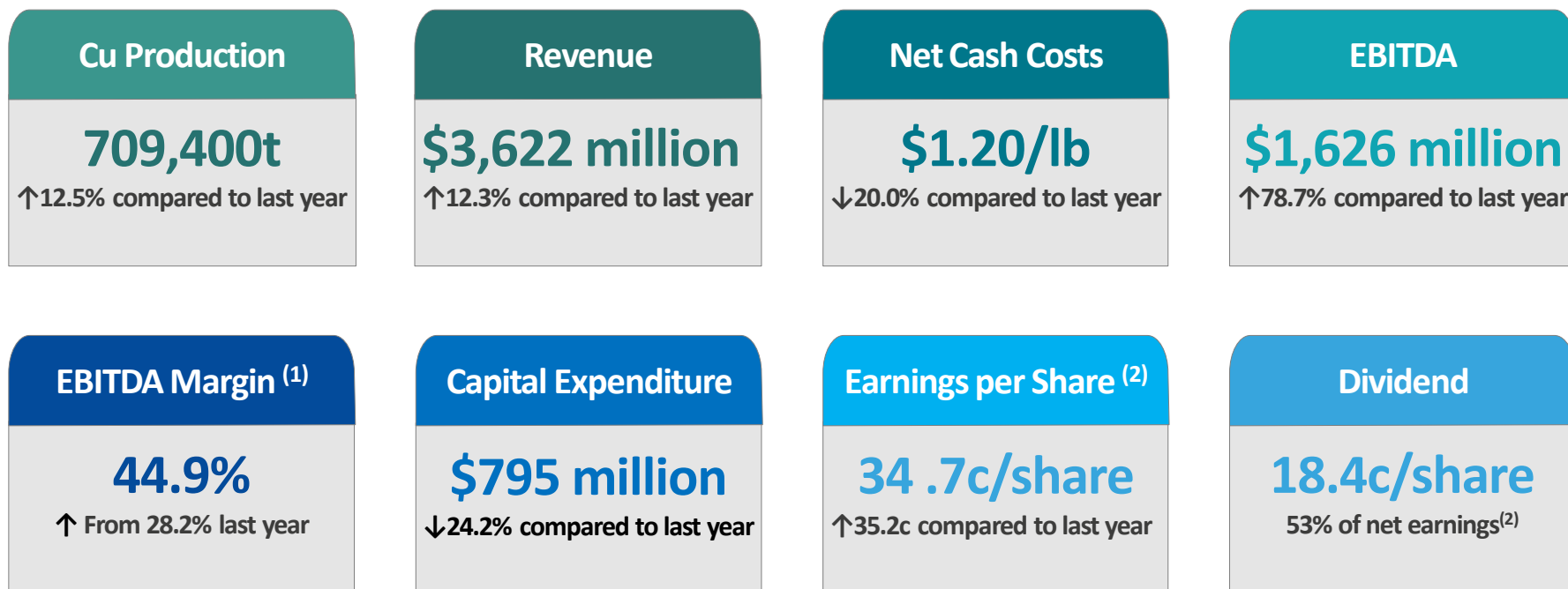
- Only profitable production
- Every tonne must make an earnings contribution

- Protect margins
- Embedded Cost & Competitiveness Programme
- Releasing spare capacity

- Community engagement model
- Social licence to operate or grow
- Embedded practice of innovation

- Positive copper outlook
- Long term investment criteria
- Disciplined capital allocation
- Advance organic growth options

2016 – strong performance



Strong performance across all metrics

1. Calculated as EBITDA/Group revenue. If Associates and JVs revenue is included EBITDA margin was 41.1% in 2016 and 27.3% in 2015
2. From continuing operations and before exceptional items

Operating focus



	Los Pelambres	Centinela	Antucoya	Zaldívar
2016	<ul style="list-style-type: none"> ✓ New community engagement model ✓ Resolved long standing court cases and de-risked expansion 	<ul style="list-style-type: none"> ✓ Completed installation of paste thickeners ✓ Approved EIA for Second Concentrator 	<ul style="list-style-type: none"> ✓ Commercial production started ✓ Ramp-up complete 	<ul style="list-style-type: none"> ✓ Integration complete ✓ Higher copper recoveries ✓ Substantial synergies achieved
2017	<ul style="list-style-type: none"> • Next phase of community engagement around growth • Plant reliability • Advance Incremental Expansion project 	<ul style="list-style-type: none"> • Operate plant at 105ktpd • Smooth start up of Encuentro Oxides and Moly projects • Advance 2nd Concentrator 	<ul style="list-style-type: none"> • Operate plant at steady state 	<ul style="list-style-type: none"> • Evaluate potential of primary sulphide
	Production Guidance (t)	Production Guidance (t)	Production Guidance (t)	Production Guidance (t)
	330,000 - 345,000	220,000 - 230,000	80,000 - 85,000	55,000 - 65,000
	Net Cash Cost Guidance (\$/lb)	Net Cash Cost Guidance (\$/lb)	Net Cash Cost Guidance (\$/lb)	Net Cash Cost Guidance (\$/lb)
	\$1.15	\$1.35	\$1.60	\$1.50

Financial Overview



Productivity improvements embedded

Cost and Competiveness Programme



Services Productivity
Contractors productivity



Operating & maintenance management
Asset productivity

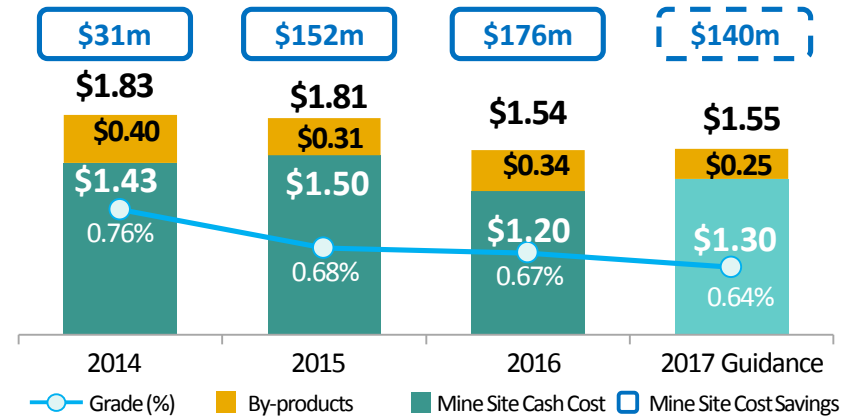


Corporate & Organisational Effectiveness
Labour productivity

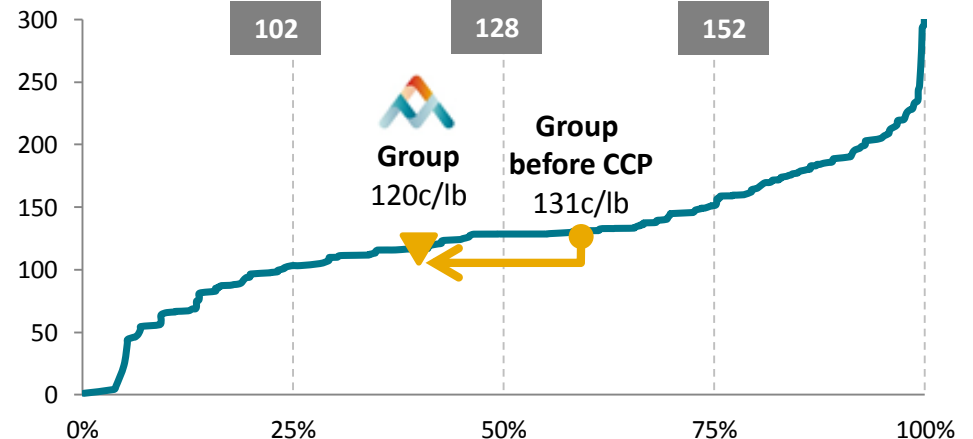


Energy Efficiency
Consumption efficiency

Cash costs fell by 16% in 2 years despite a 12% decrease in grade



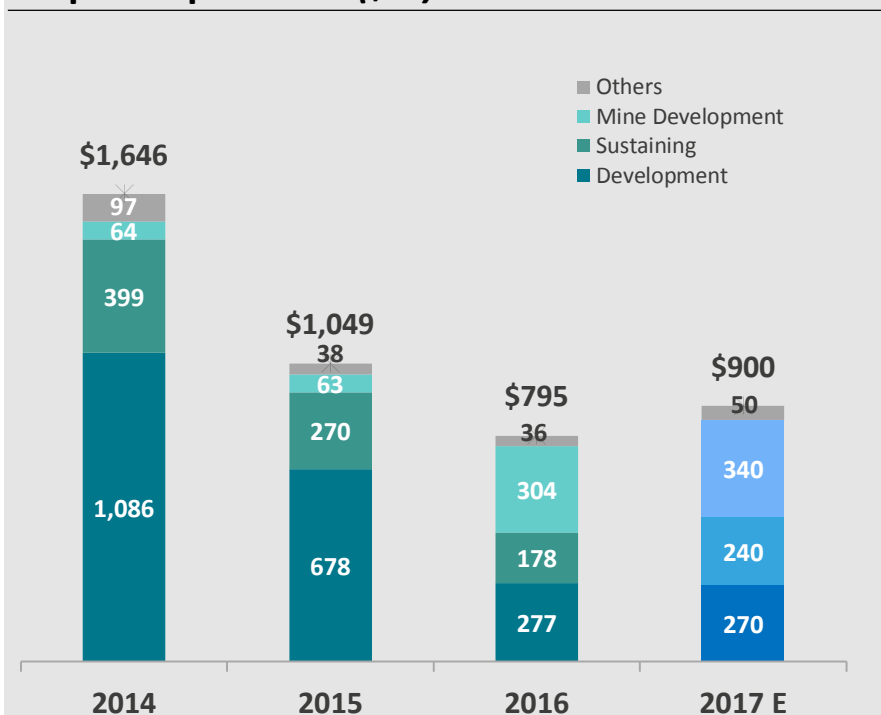
2016 Group competitiveness improved to the 2nd cost quartile ⁽¹⁾



1. Competitiveness measured in terms of 2016 net cash costs (including by-product credits).
Source: Wood Mackenzie

Strong Balance Sheet

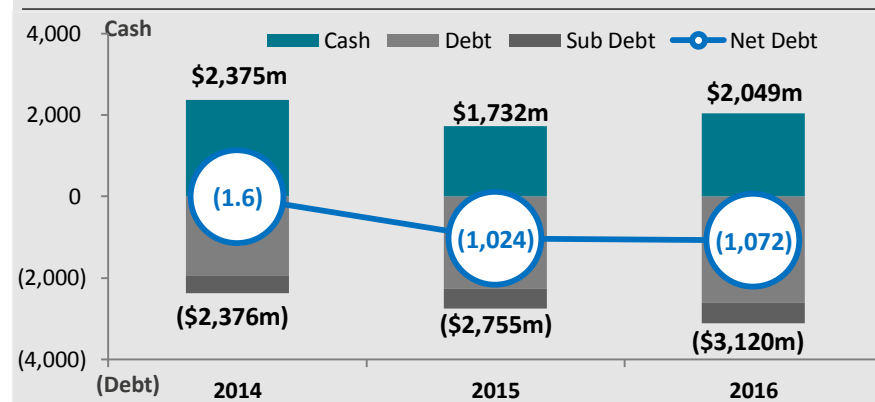
Capital Expenditure (\$m) ⁽¹⁾



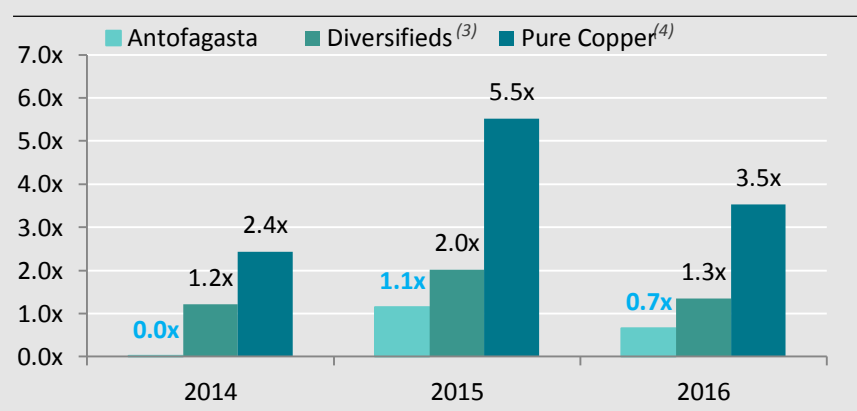
Sustaining capex ratio target of \$400-450/tCu



Net Cash/(Debt) Gross Basis (\$m)



Net Debt to LTM EBITDA ⁽²⁾



1. Figures are based on cash flow and exclude Zaldívar (2016 & 2017).
2. Source: FactSet and companies' filings. Median points for Diversifieds and Pure Copper Companies
3. BHP Billiton, Rio Tinto, Anglo American and Glencore
4. Freeport, Southern Copper, First Quantum and Kaz Minerals

Operating Review & Growth Opportunities

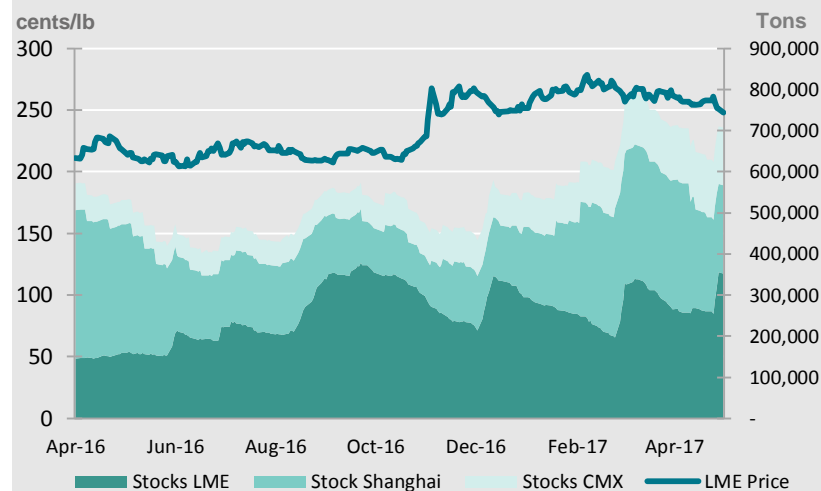


Copper market - Medium and long-term price strength expected

Observations

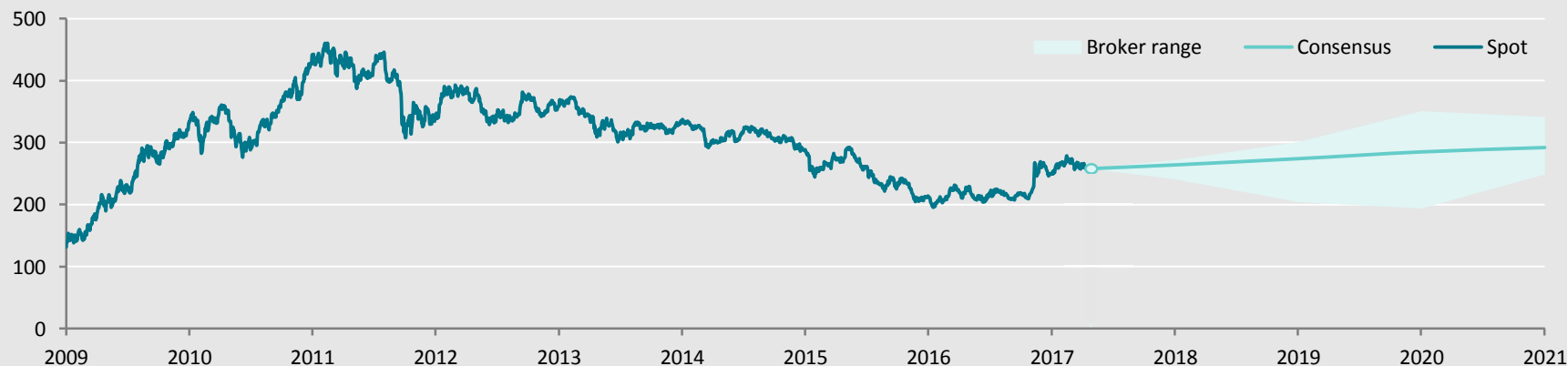
- China consumption growth estimated at some 3%pa despite recent market uncertainty
- Reflationary environment & global growth outlook both positive
- Market deficit now expected this year
- Mines' inability to respond quickly will support prices
- Rate of supply growth slowing – improved supplier discipline? Only one committed major greenfield project
- Supply disruptions bolstered the copper price in Q1
- Increased scrap availability
- Believe new price floor established

Copper Price & Exchange Inventories



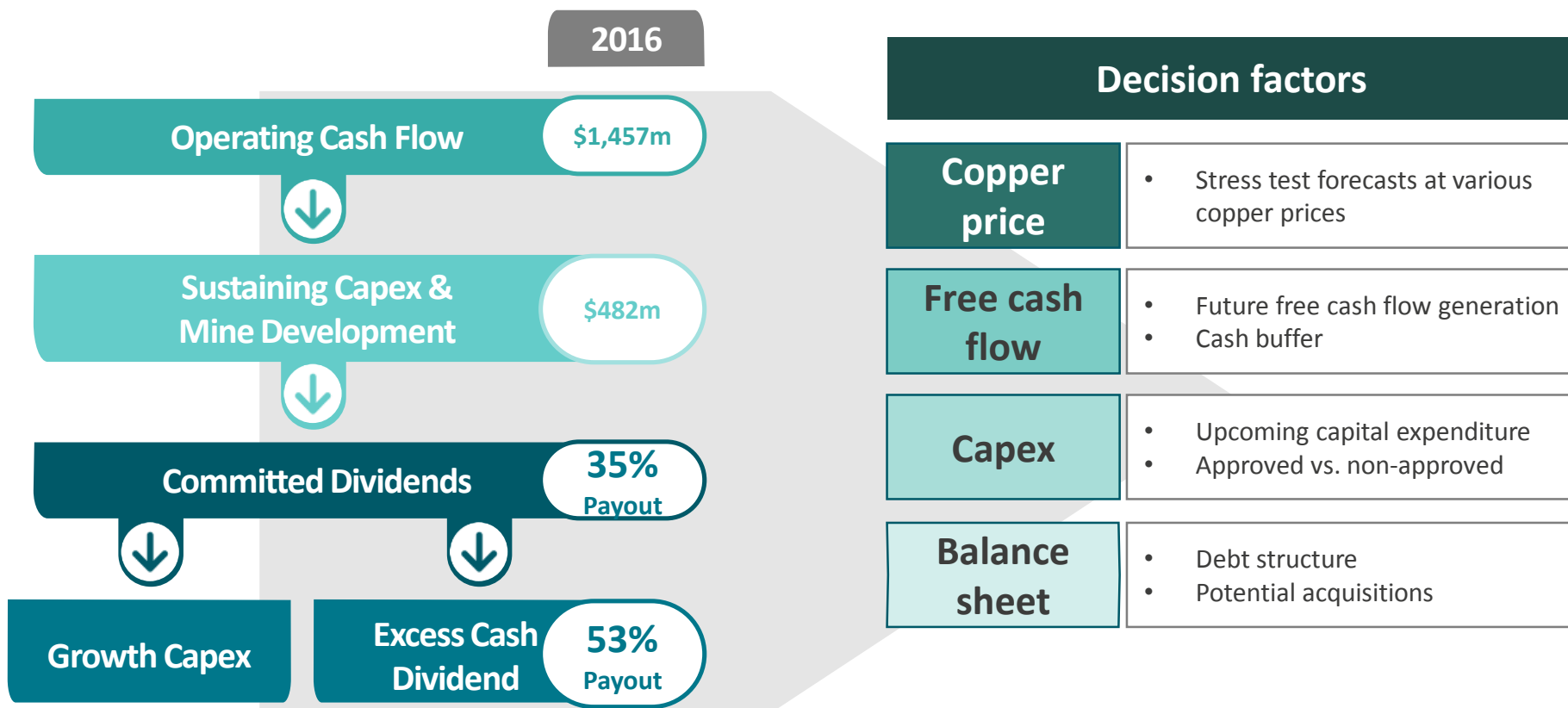
Source: Bloomberg

Copper Price Performance and Forecast (cents/lb)



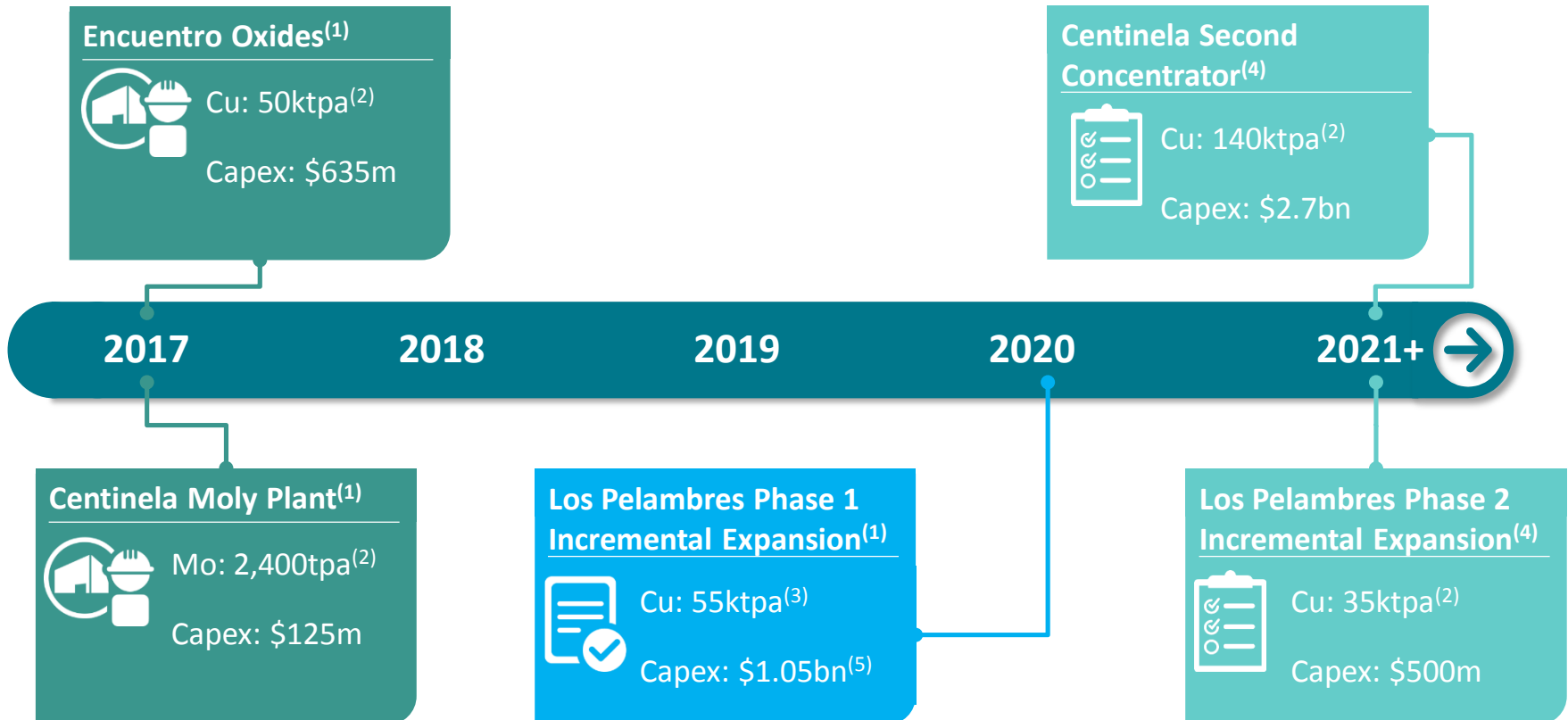
Source: 17 brokers' and analysts' estimates (less than 3 months old), May 2017

Capital allocation – drives decision making



2016 Dividend of \$182 million representing 53% pay out

Phased growth opportunities



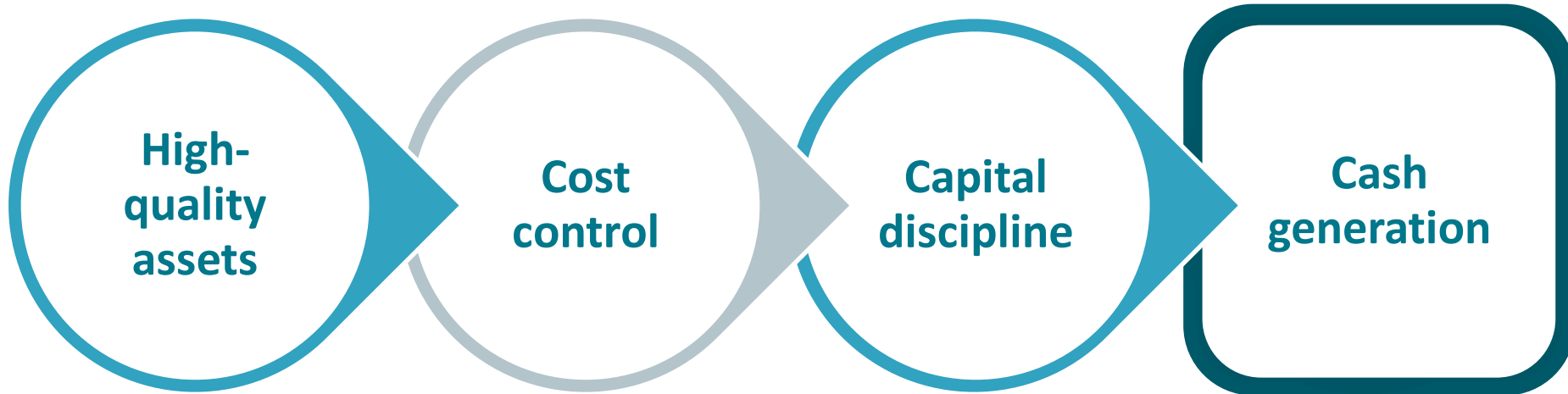
1. Feasibility study figures
2. Estimated figures for the first 5 years
3. Estimated figures for the first 15 years
4. Pre-feasibility study figures
5. Including desalination plant



- Construction
- Feasibility study complete
- Feasibility study underway

Investment Case





- Strong and growing production
- Large resource base
- Low cost and long-life assets
- Four mines in two 'world-class' mining districts in Chile

- Cost and Competitiveness Programme
- Technical innovation
- Improving productivity

- Disciplined capital allocation
- Strong and flexible balance sheet
- Low net debt levels
- Consistent dividend policy

Creating value for shareholders



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