HY 2017 Results Presentation

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ANTOFAGASTA PLC

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Agenda

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- Overview
- Financial Highlights
- Group Focus & Growth Opportunities
- Guidance & Investment Case

Overview

Health & Safety First

HY 2017: 0 fatal accidents
(HY 2016: 2)

LTIFR 1.6 in HY 2017

Near Miss Reporting Index higher than the annual target due to improved reporting

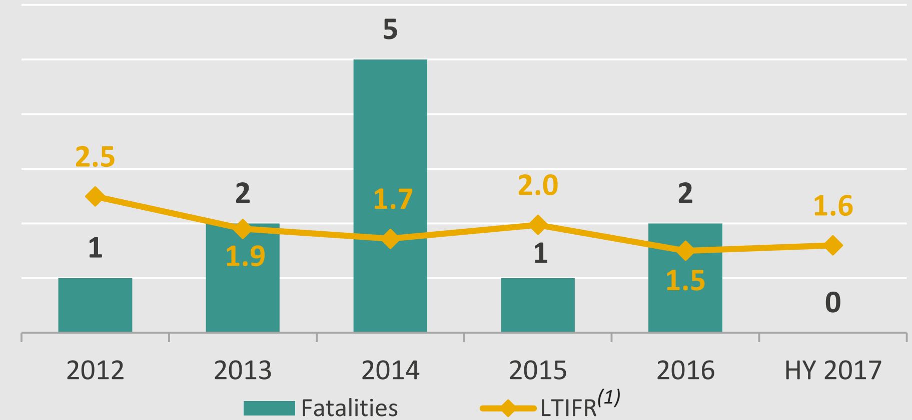
Executive commitment: on-site verifications 50% higher than 2016

Upgrading occupational health and fatal risks standards

Key areas of focus

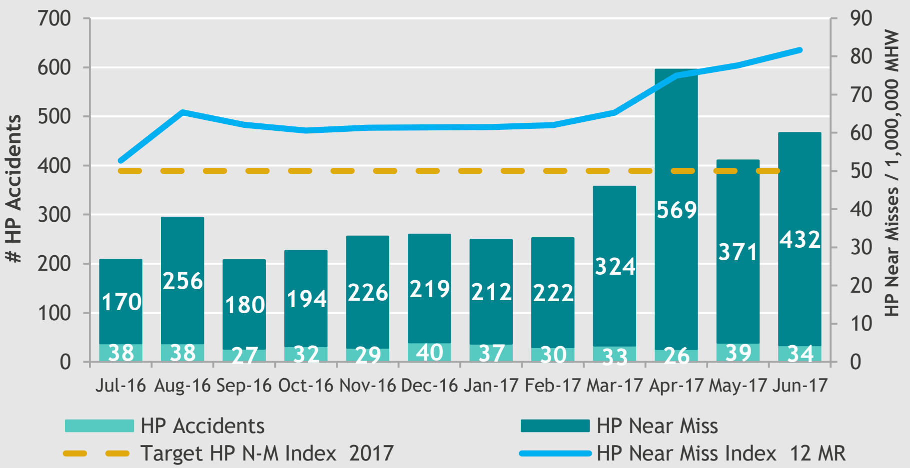
- New and updated occupational health guidelines
- Approval of workplace risk assessment - criteria, procedure and format
- Definition and monitoring of H&S Critical Risks

Safety Performance



1. LTIFR: Lost Time Injury Frequency Rate

High Potential Accidents and Near–Misses (Leading Indicators)



Framework for sustained value creation

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Emphasis on disciplined production → Focus on cost and operating reliability → Creating long term value through sustainability & innovation → Positioned for growth

Productivity, Innovation and Capital Allocation

Operations overview

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Group

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HY 2016	HY 2017
323,300t Cu	**346,300t Cu**
C1 $1.26/lb	**C1 $1.24/lb**

- Strong production from Centinela and Antucoya
- Reduction in cash costs

Los Pelambres

HY 2016	HY 2017
172,100t Cu	164,200t Cu
C1 $1.02/lb	C1 $1.09/lb

- Lower production due to grades offset by higher throughput
- Harder ore

Centinela

HY 2016	HY 2017
98,100t Cu	116,600t Cu
C1 $1.53/lb	C1 $1.20/lb

- Higher grades and throughput
- Productivity improvements drive cost reduction

Antucoya

HY 2016	HY 2017
27,000t Cu	39,500t Cu
C1 $1.82/lb [1]	C1 $1.71/lb

- First half year at capacity
- Operating cost down by 6%

Zaldívar[2]

HY 2016	HY 2017
26,000t Cu	25,900t Cu
C1 $1.50/lb	C1 $1.60/lb

- More sulphide ore being processed with long leach cycle

1. *Cash costs from Q2 2016 following commercial production being reached on 1 April 2016*
2. *Attributable production (50% interest)*

HY 2017 – strong performance

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Revenue

$2,049 million

↑41.9% compared to HY 2016

- Higher realised copper price
- Higher sales volumes

EBITDA

$1,080 million

↑87.8% compared to HY 2016

- Higher revenue
- Controlled costs

EBITDA Margin[1]

52.7%

↑ From 32.4% in HY 2016

- Highest EBITDA Margin since 2012

Net Earnings

$291 million

↑ 231% compared to HY 2016

Operating Cash Flow

$1,147 million

↑48.2% compared to HY 2016

Capital Expenditure

$410 million

46% of annual guidance

- Full year guidance unchanged

Interim dividend increased to 10.3cps

Note: From continuing operations and before exceptional items

1. *Calculated as EBITDA/Group revenue. If Associates and JV's revenue is included EBITDA margin was 48.3% in HY 2017 and 36.0% in HY 2016*

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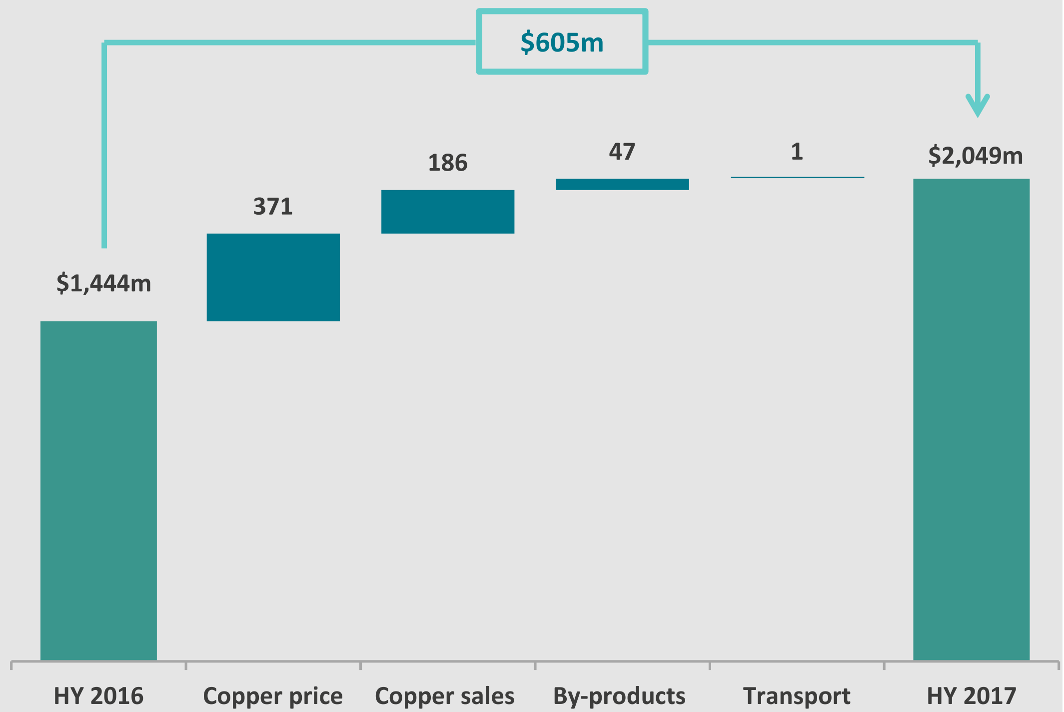
Financial Highlights

Revenue - improving commodity price environment

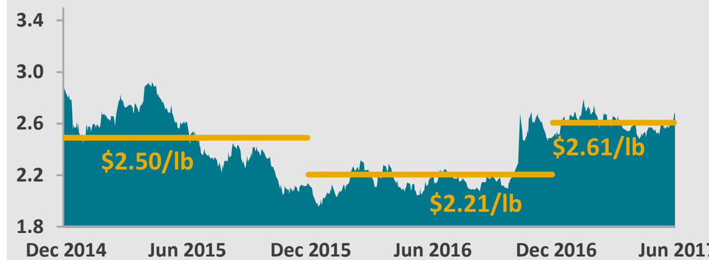
Revenue up 41.9%

- Realised copper price increased 25.3%
- Higher sales volumes
  - Antucoya sales since April 2016
  - Increased sales at Centinela

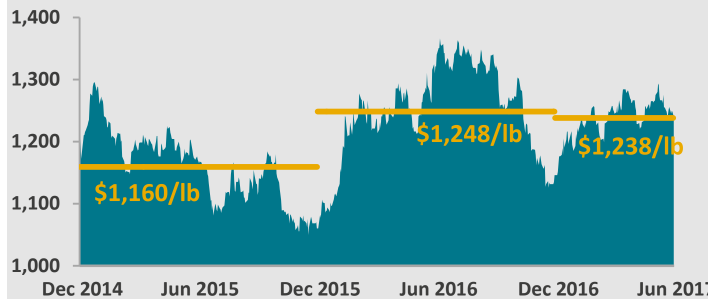
Revenue(1) HY 2016 vs HY 2017 *($m)*



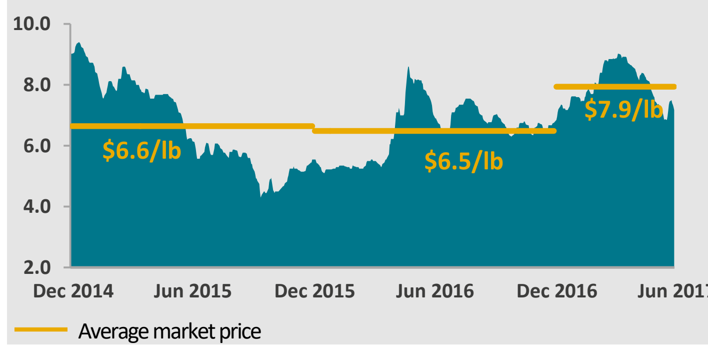
Copper price *($/lb)*



Gold price *($/oz)*



Molybdenum price *($/lb)*



1. *Includes Antucoya from 1 April 2016. Excludes Zaldívar (JV).*

Unit cash costs - continuous improvement

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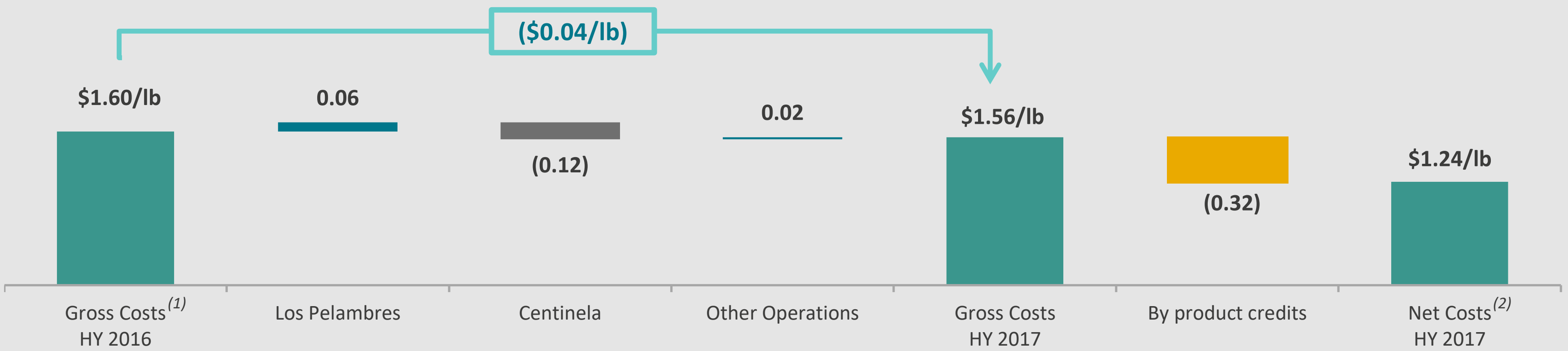
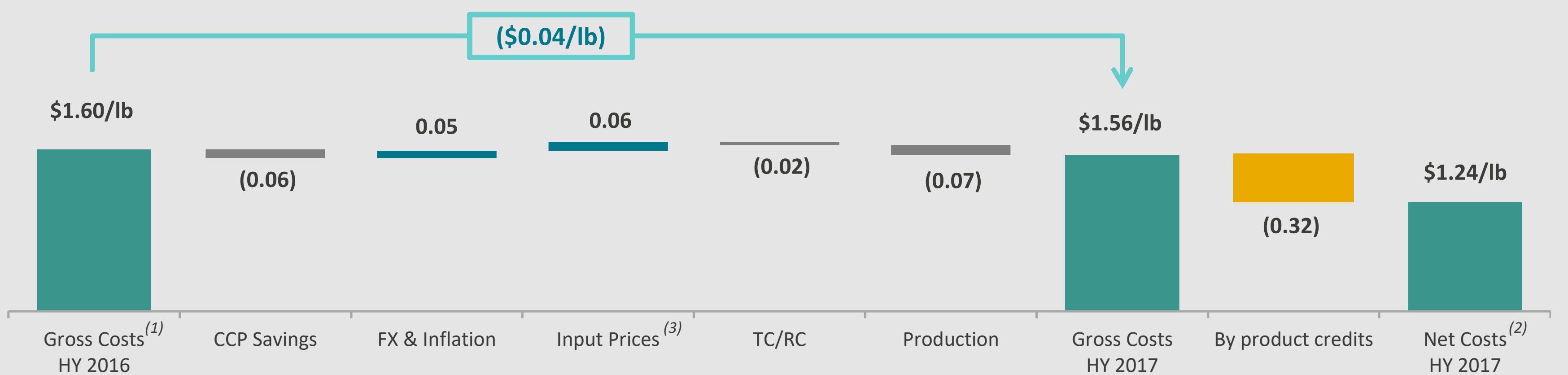
Unit costs *($/lb)* - by operation



Unit costs *($/lb)* - by cost type



1. *Cash costs before by-product credits*
2. *Net cash costs (C1)*
3. *Energy, diesel and acid*

Strong increase in EBITDA and EBITDA Margin

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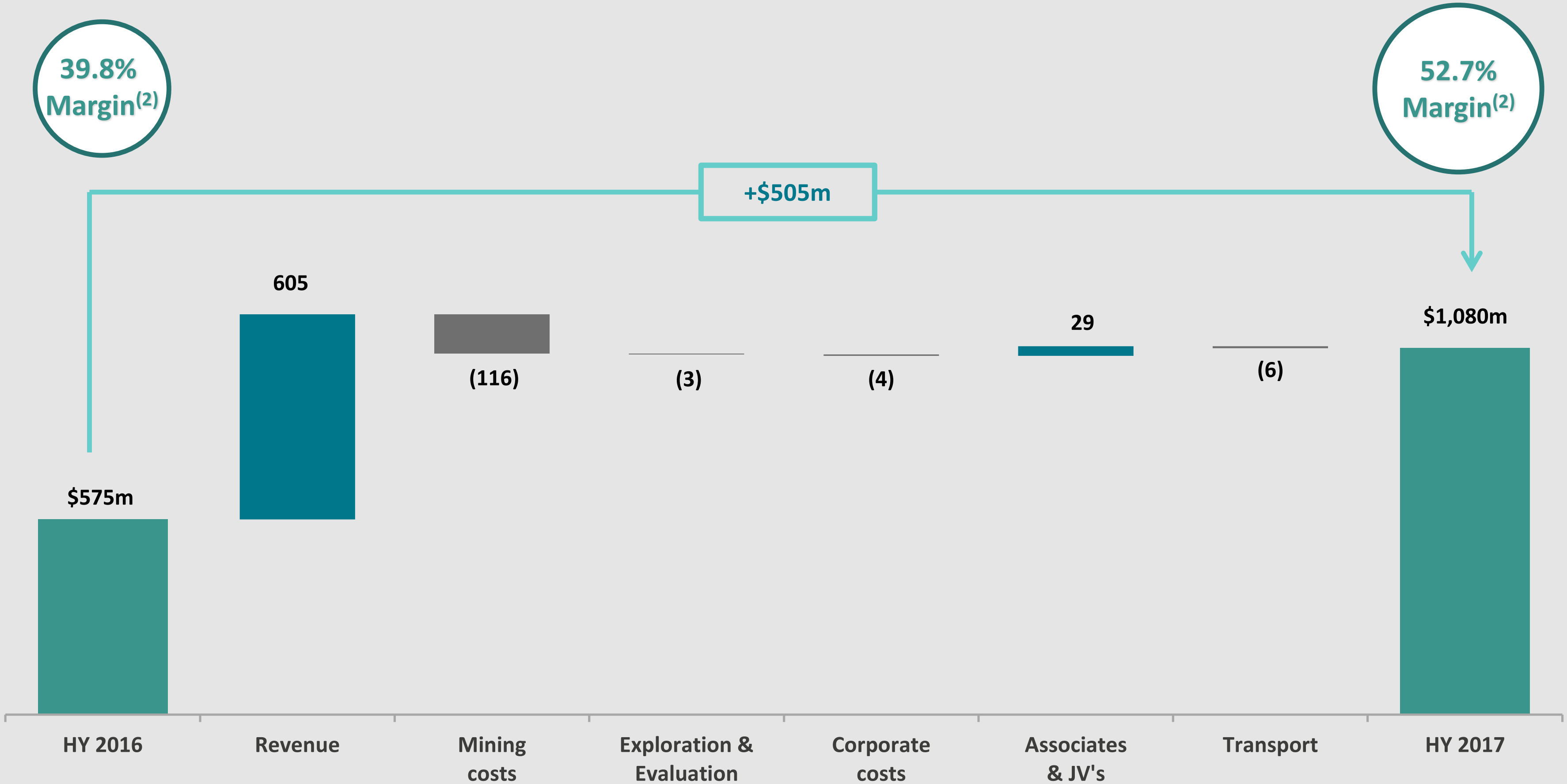
EBITDA[1] HY 2016 vs HY 2017 *($m)*



1. *Results of continuing operations only and includes EBITDA from Associates and JV's .*
2. *Calculated as EBITDA/Group revenue. If Associates and JVs revenue is included EBITDA margin was 48.3% in HY 2017 and 36.0% in HY 2016*

Net earnings

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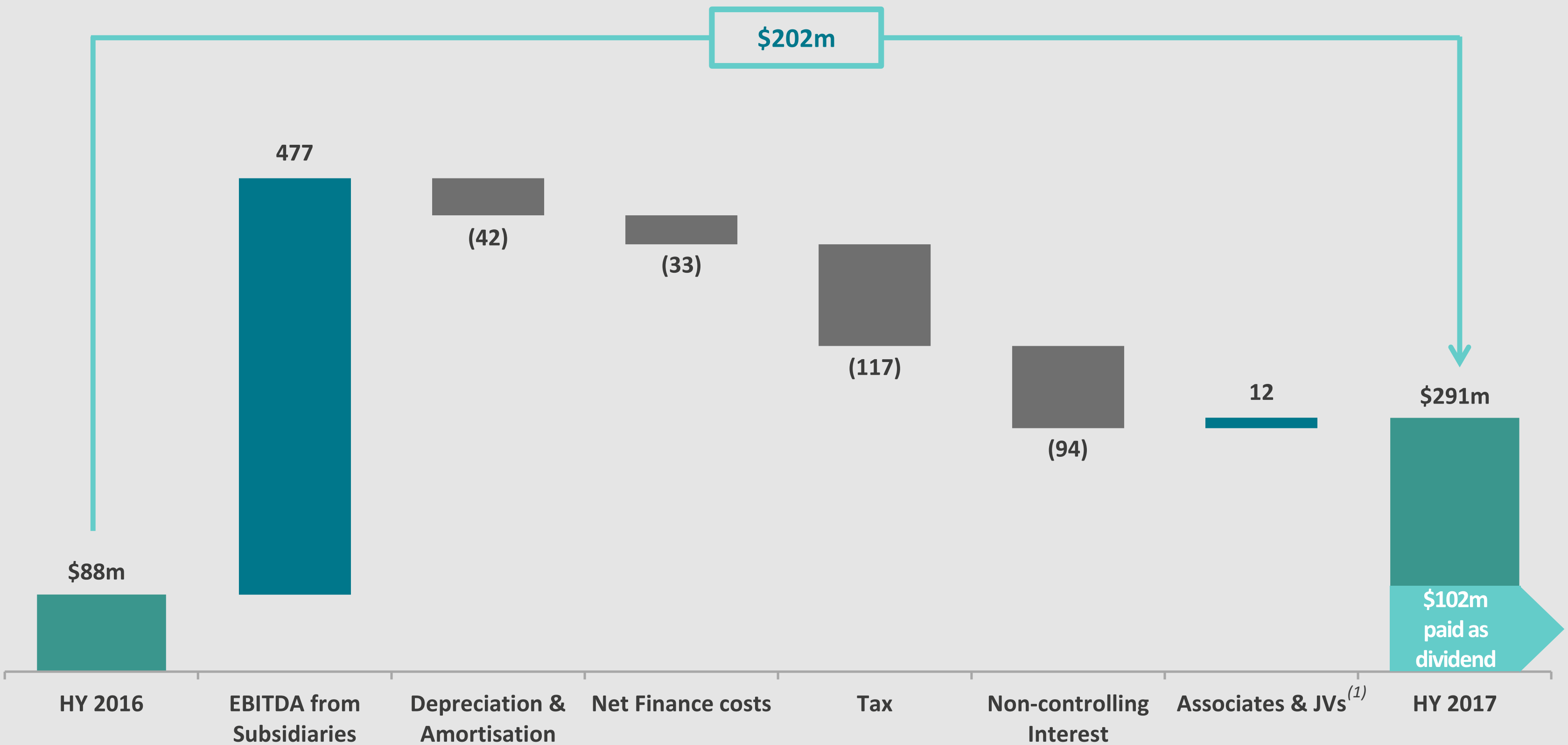
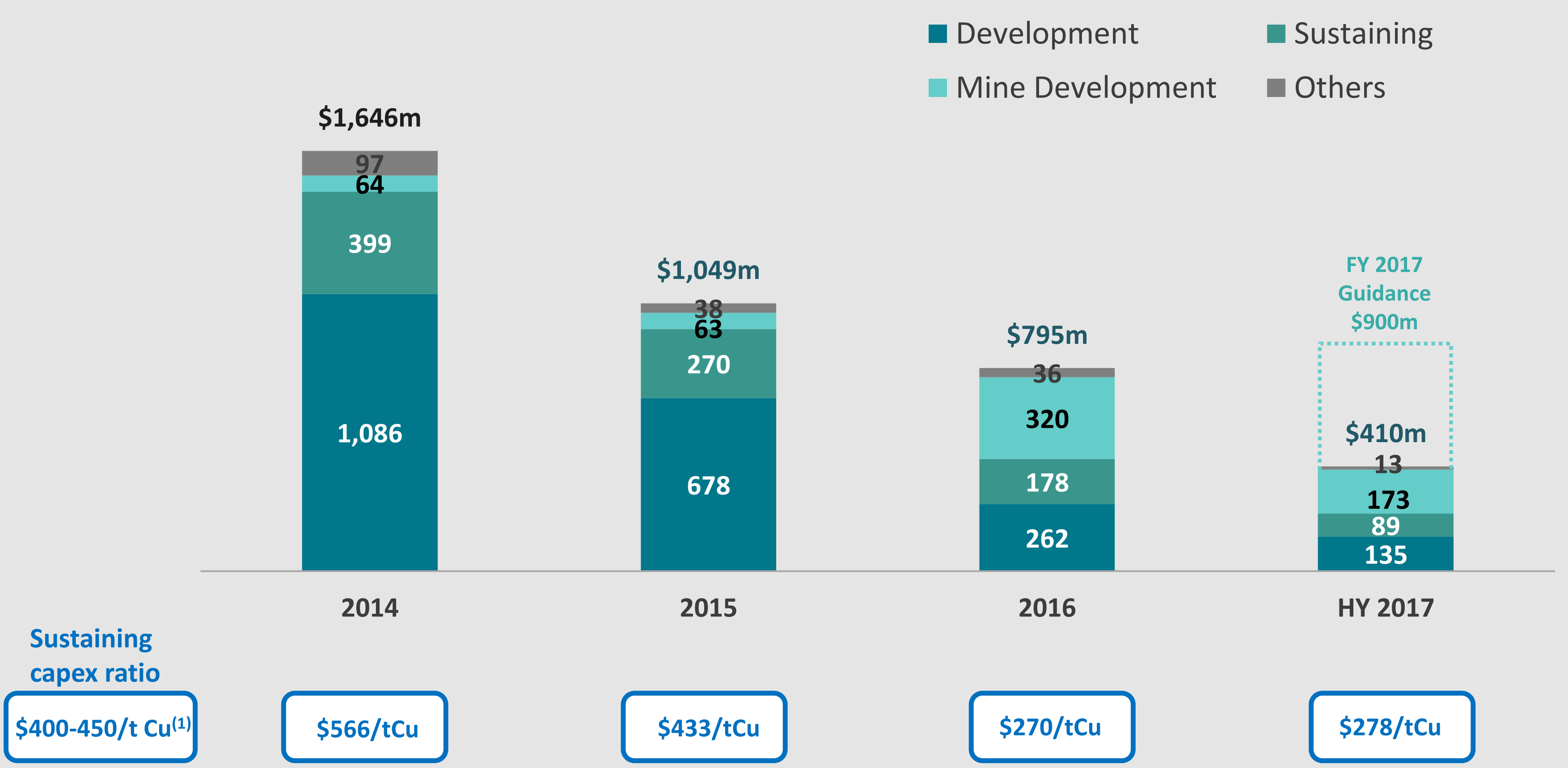
Net Earnings HY 2016 vs HY 2017 *($m)*



1. *Including Zaldívar*

Capital Expenditure

Capital expenditure 2014 - HY 2017 *($m)*

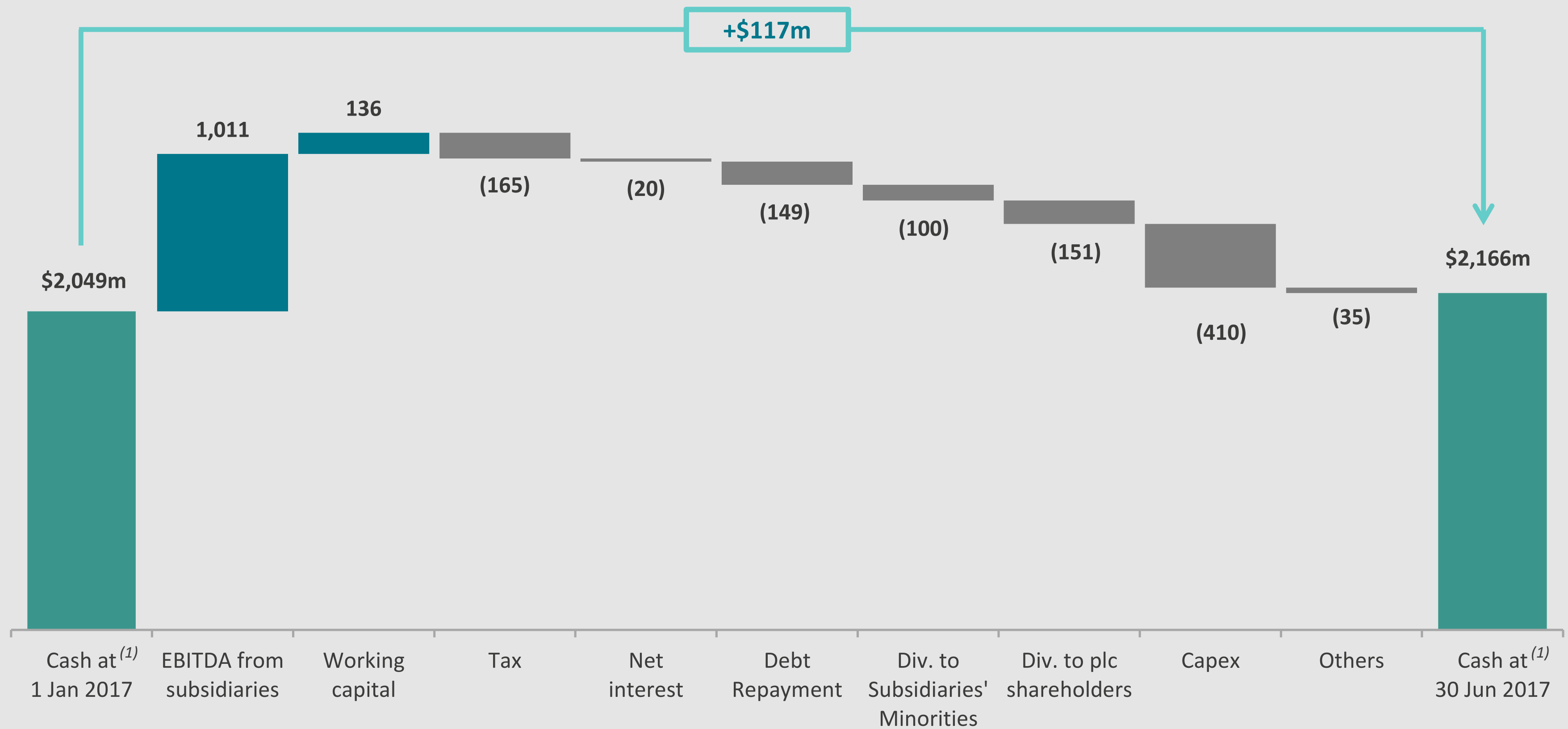


Note: Figures are based on cash flow and exclude Zaldívar: $57m in 2016, $17m in HY 2017 and $50m in 2017 guidance

1. *Target established in 2015*

Cash flow

Cash flow in period *($m)*



1. *Including liquid investments*

Strong Balance Sheet and liquidity

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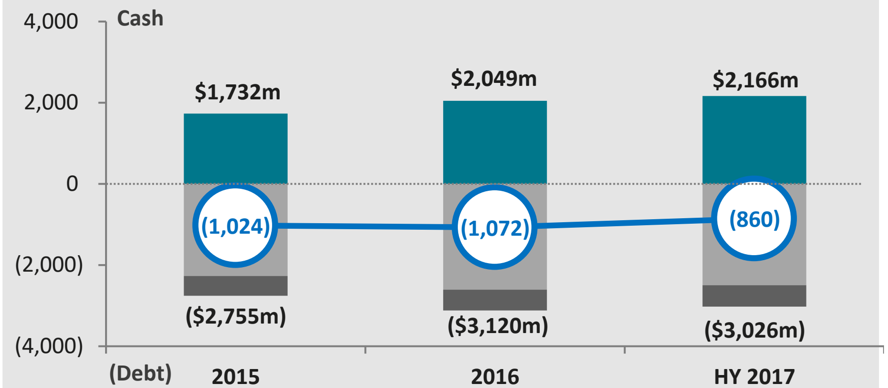
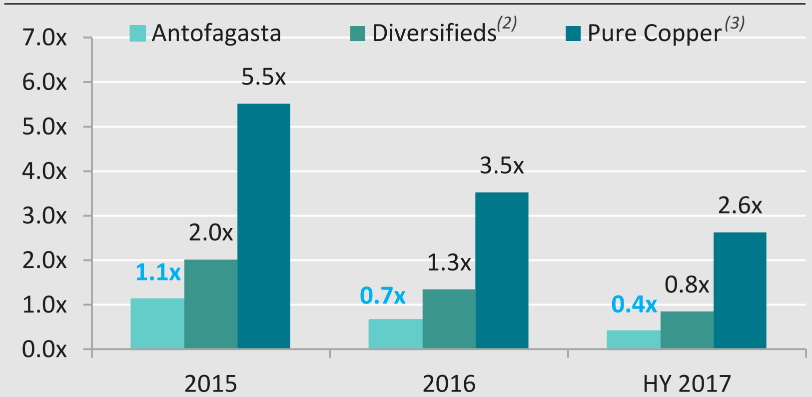
Balance Sheet

- Balance sheet strengthened
- Net debt down $212m on a 100% or gross basis
- Debt includes $527m of subordinated shareholder loans as at 30 June 2017

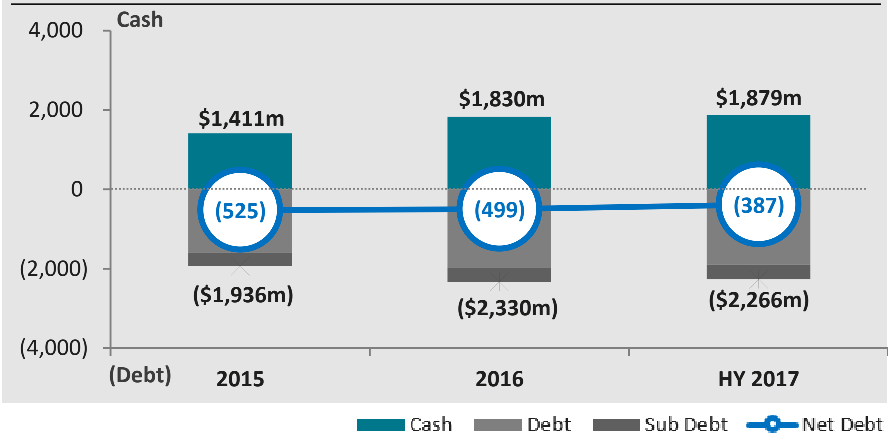
Net Cash/(Debt) Gross Basis *($m)*



Net Debt to LTM EBITDA[1]

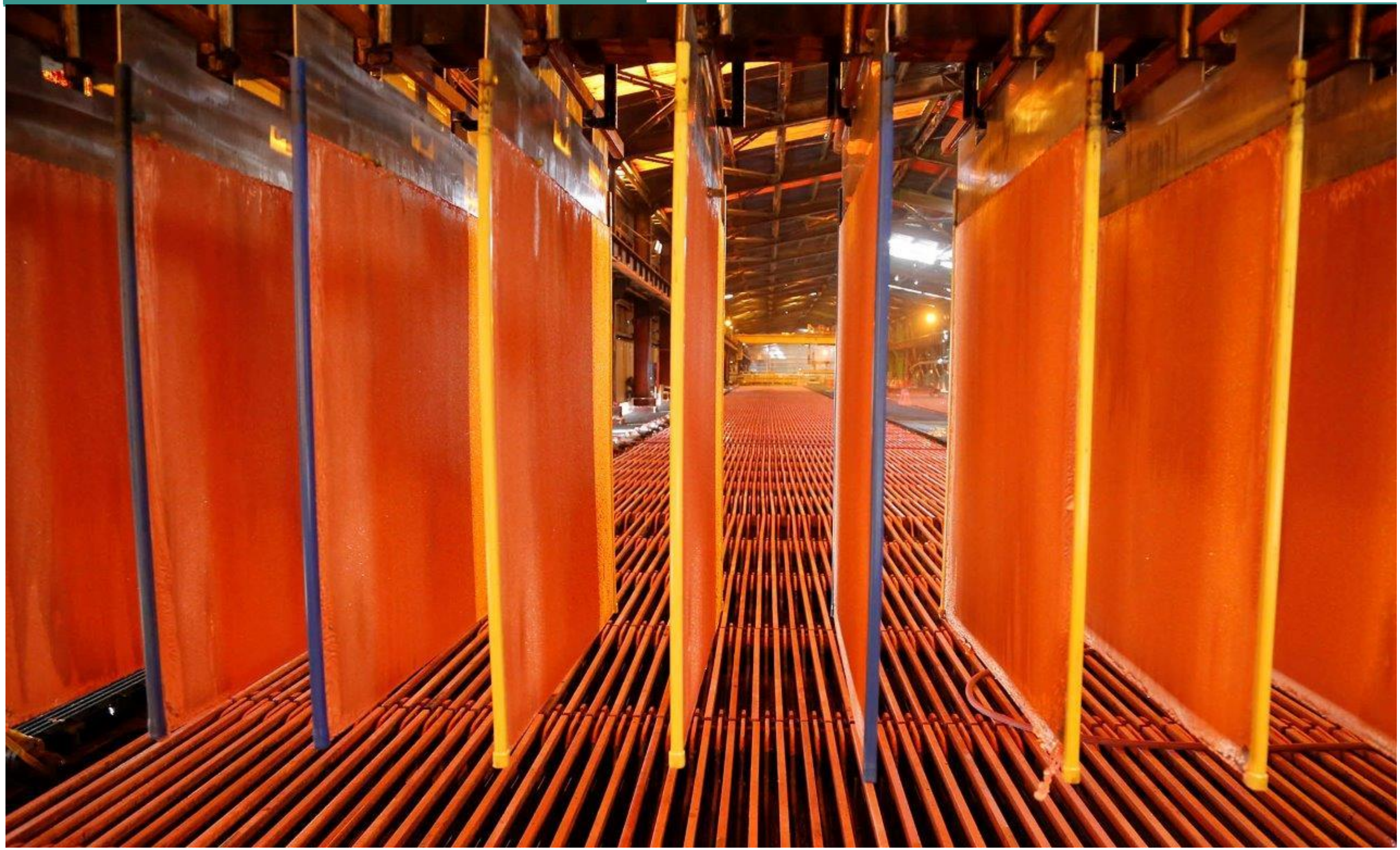


Net Cash/(Debt) Attributable Basis *($m)*



1. *Source: FactSet and companies' filings. Median points for Diversifieds and Pure Copper Companies*
2. *Diversifieds: BHP Billiton, Rio Tinto, Anglo American and Glencore*
3. *Pure Copper Companies: Freeport, Southern Copper, First Quantum and Kaz Minerals*

Group Focus & Growth Opportunities

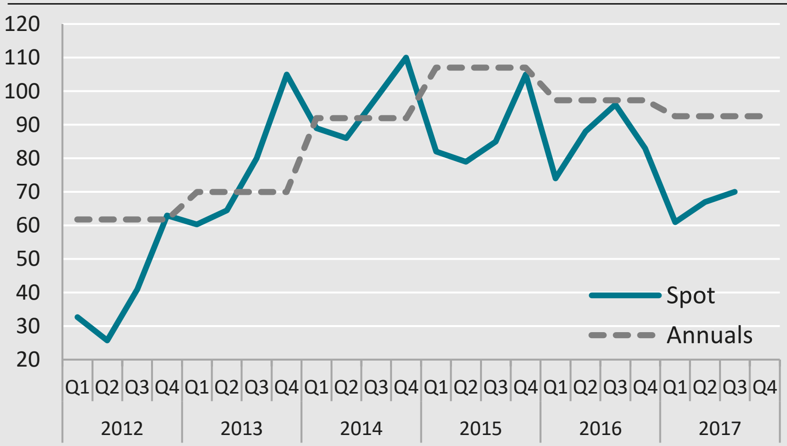


Copper market

Growing Demand

- China transitioning to a "New Normal"
  - Urbanisation & higher income
  - Consumption led growth also copper intensive
- Infrastructure
  - Domestic grid, rail, road
  - One Belt One Road
  - India and other EMs to follow
- Favourable impact of technological disruptions
  - Impact of clean energy and EVs

Quarterly Annual & Spot TC *(RC =TC/10 USc/lb)*



***Source**: Antofagasta plc*

Constrained Supply

Deterioration of the quality of deposits
Lower grades, increased rock hardness, impurities and depth

Productivity
Labour and capital constraints

Availability of water
Drawdown of aquifers, climate change and increased population

Increasing expectations on businesses
Greater environmental and social awareness

Regulatory changes
Changing and tightening

Copper market - medium and long-term price strength expected

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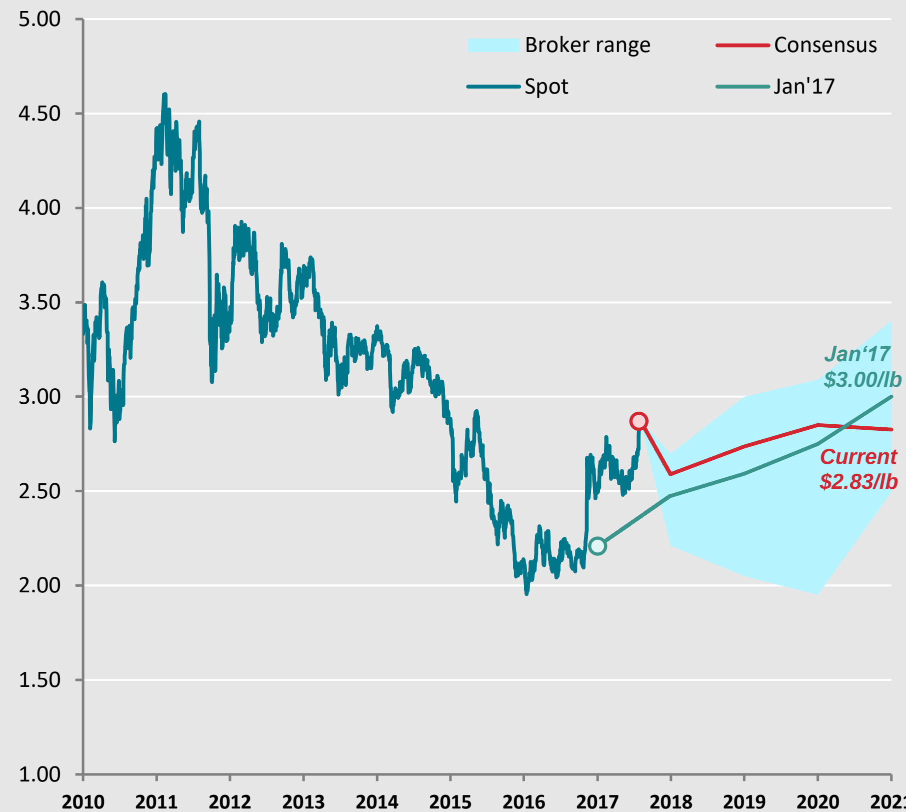
Copper Price

- Market deficit possible earlier than previously expected
- Miners inability to respond quickly supports prices
- Rate of supply growth slowing. Few committed major greenfield projects
- Increased scrap availability keeping market almost in balance
- Price floor continues to rise

Copper Price Performance and Broker Forecasts *($/lb)*



***Source**: Broker reports, FactSet as of 31 July 2017*

Focusing on productivity, innovation & capital allocation

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Productivity, *a sustained effort*	**People** **Organisation** **Assets**	Good labour relations. Attract and retain the best talent New Operating Model and simplification of support functions Release latent capacity. Improved availability
Innovation, *as a competitive advantage*	**Strategic choices for innovation** **Internally sourced** **Externally sourced** **Technology Road Map**	Sulphide leaching, tailings management, mass material movement Internal knowledge sharing platform: **InnovaMinerals** Open innovation platform • Adopt available technological solutions • Support data driven decision making
Efficient ***capital allocation***	**Sharing infrastructure** **Phased project development** **Focus on core business**	Internal district synergies and with third parties Modular growth and sequencing of investment Enable third party investment in non-core infrastructure

Productivity and cost improvement

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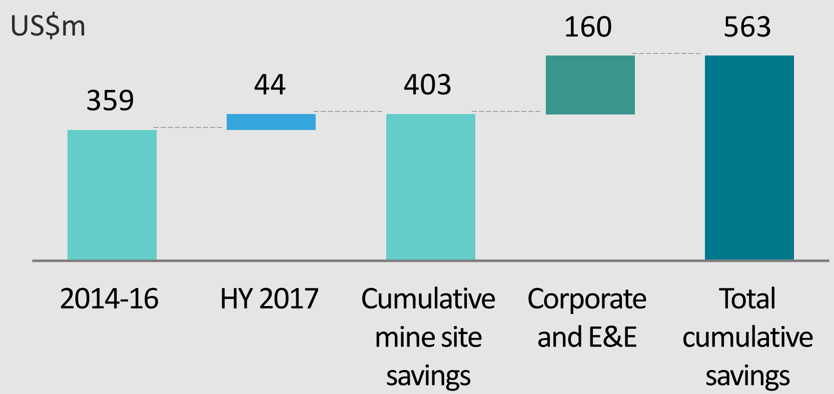
Cumulative savings of $563 million since 2014



Sustainable Practice

- New Operating Model as an enabler for transformational change
- Embed Cost and Competitiveness Programme

Framework	Sustainable practice	Progress
 **Services Productivity**	**Contract administration model**	
 **Operating & Maintenance Management**	**Maintenance strategy**	
 **Corporate & Organisational Effectiveness**	**Revised structure and new operating model**	
 **Energy Efficiency**	**Energy management system**	

Capital allocation – drives decision making

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Operating Cash Flow

↓

Sustaining Capex & Mine Development

↓

Committed Dividends

↓ Growth Capex

↓ Excess Cash Dividend

Decision factors	
Copper price	• Stress test forecasts at various copper prices
Free cash flow	• Future free cash flow generation • Cash buffer
Capex	• Upcoming capital expenditure • Approved vs. non-approved
Balance sheet	• Debt structure • Potential acquisitions

HY 2017 Dividend of $102 million representing 35% pay out

Phased growth opportunities

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2017 — 2018 — 2019 — 2020 — 2021+

Encuentro Oxides[1]
Cu: 50ktpa[2]
Capex: $636m

Centinela Moly Plant[1]
Mo: 2,400tpa[2]
Capex: $125m

Los Pelambres Phase 1 Incremental Expansion[1]
Cu: 55ktpa[3]
Capex: $1.05bn[5]

Centinela Second Concentrator[4]
CuEq: 170ktpa[2]
Capex: $2.7bn

Los Pelambres Phase 2 Incremental Expansion[4]
Cu: 35ktpa[2]
Capex: $500m

1. Feasibility study figures
2. Average over first 5 years
3. Average over first 15 years
4. Pre-feasibility study figures
5. Including desalination plant

Construction

Feasibility study complete

Feasibility study underway

Guidance & Investment Case

2017 guidance – unchanged

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Cu	Au	Mo	C1
tonnes	ounces	tonnes	$/lb
685,000 - 720,000	185,000 - 205,000	8,500 - 9,500	1.30

Investment Case

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High-quality assets

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

Cost control

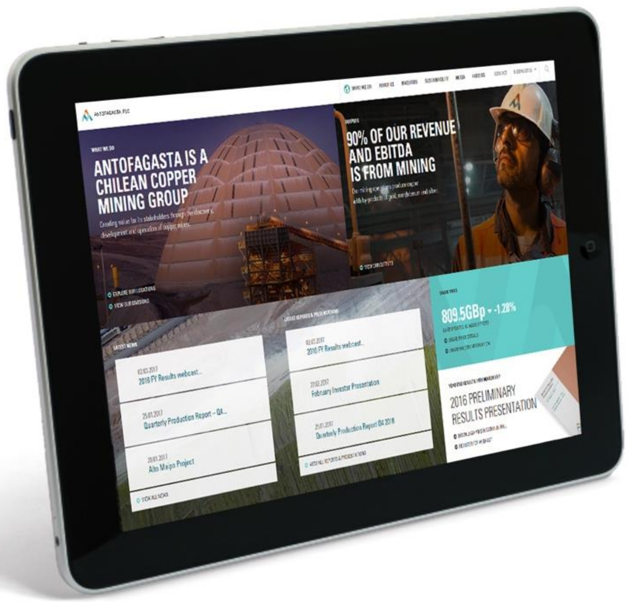
- Cost and Competitiveness Programme
- Improving **productivity**
- Technical **innovation**

Capital discipline

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

Cash generation

Creating Value for Shareholders



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