



Antofagasta plc

2018 full year results

19th March 2019
London

Iván Arriagada
Chief Executive Officer

Alfredo Atucha
Chief Financial Officer

Cautionary statement

This presentation has been prepared by Antofagasta plc. By reviewing and/or attending this presentation you agree to the following conditions:

This presentation contains forward-looking statements. All statements other than historical facts are forward-looking statements. Examples of forward-looking statements include those regarding the Group's strategy, plans, objectives or future operating or financial performance; reserve and resource estimates; commodity demand and trends in commodity prices; growth opportunities; and any assumptions underlying or relating to any of the foregoing. Words such as “intend”, “aim”, “project”, “anticipate”, “estimate”, “plan”, “believe”, “expect”, “may”, “should”, “will”, “continue” and similar expressions identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that are beyond the Group’s control. Given these risks, uncertainties and assumptions, actual results could differ materially from any future results expressed or implied by these forward-looking statements, which apply only as of the date of this presentation. Important factors that could cause actual results to differ from those in the forward-looking statements include: global economic conditions; demand, supply and prices for copper; long-term commodity price assumptions, as they materially affect the timing and feasibility of future projects and developments; trends in the copper mining industry and conditions of the international copper markets; the effect of currency exchange rates on commodity prices and operating costs; the availability and costs associated with mining inputs and labour; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; and actions and activities of governmental authorities, including changes in laws, regulations or taxation. Except as required by applicable law, rule or regulation, the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain statistical and other information about Antofagasta plc included in this presentation is sourced from publicly available third party sources. Such information presents the views of those third parties and may not necessarily correspond to the views held by Antofagasta plc.

This presentation is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy shares in Antofagasta plc or any other securities in any jurisdiction. Further it does not constitute a recommendation by Antofagasta plc or any other person to buy or sell shares in Antofagasta plc or any other securities.

Past performance cannot be relied on as a guide to future performance.

Agenda

1 | **Overview**

2 | **Financial review**

3 | **Copper market and growth opportunities**



ANTOFAGASTA PLC

Overview

Iván Arriagada

Chief Executive Officer



2018 overview

Safety is our top priority



After 26 months without a fatality, regrettably a contractor suffered a fatal accident

Record year of copper production



725,300 tonnes at a net cash cost of \$1.29/lb

EBITDA of \$2,228m and margin of 47%²



Reflects strong copper sales, and lower grades and copper prices

Strong operating performance

Improved throughput and \$184m¹ of savings



High total dividend

65% pay-out ratio plus c\$100m of net proceeds from disposal of non-core assets



Growth projects

Los Pelambres expansion, Centinela second concentrator, Encuentro Oxides and molybdenum plant

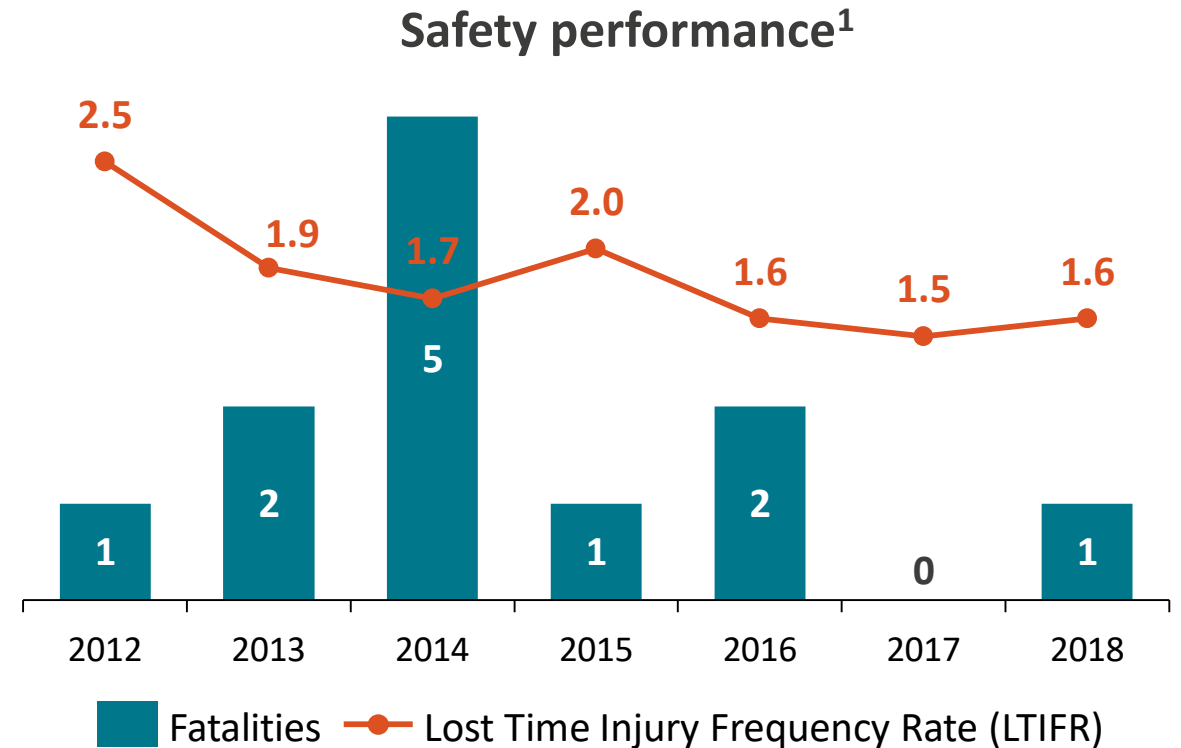


¹ Originally \$100m targeted

² Calculated as EBITDA/Group revenue. If associates and JVs revenue is included EBITDA margin was 40%

Safety is our top priority

- Safety and health are at the core of all our decisions
- Regrettably in 2018 after 26 months without a fatality a contractor suffered a fatal accident



¹ Figures restated to include contractors in the transport division

Tailings dams

Group operates two major concentrators producing tailings

- **Los Pelambres:** El Mauro dam designed for extreme weather and severe earthquakes. Reviewed twice a year by a panel of international experts
- **Centinela:** Thickened tailings. Low population, low vegetation location

Chile has very strict regulations governing dam construction

- Prohibits upstream construction method
- Requires continuous stability analysis
- Safety measures and emergency plans required for all dams

Antofagasta's TSF ¹	Active	Inactive
Northern Chile ²	2	-
Central Chile ³	1	1

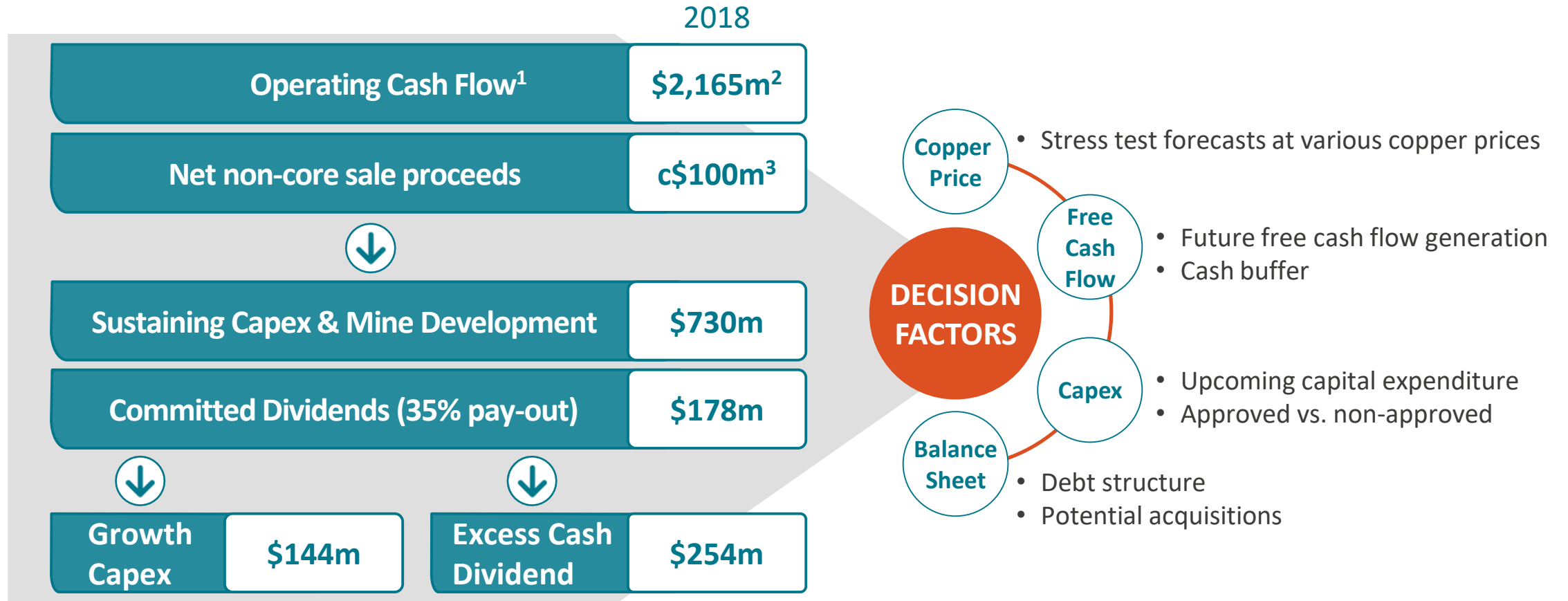
Case study: Programa Tranque⁴

- Public-private and community initiative promoting transparency
- Physical and chemical stability monitoring system providing real-time information to mine, communities and authorities
- Being piloted at El Mauro. Fully implemented end 2019



¹Tailings Storage Facilities; ²Centinela and Zaldívar; ³Los Pelambres; ⁴Tailings Programme: Online Monitoring of Tailings Dams

Capital allocation drives decision making



2018 dividend of \$432 million representing 65% pay-out + sale proceeds

¹ Operating cash flow before income tax paid

² Excluding the one-off impact of \$265 million VAT refund in January 2019

³ Net of taxes to be paid in 2019

2018 - record year of production

Los Pelambres

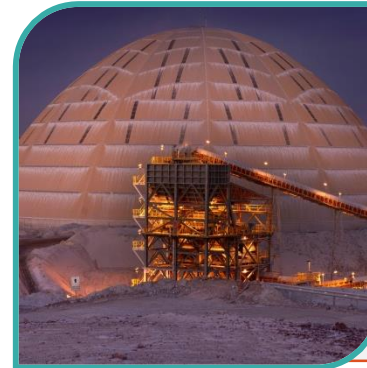


- Outperformed both production and cost guidance
- Confirmed position as a stable and reliable operation
- Phase 1 expansion approved

Cu production
357,800 t

Net cash costs
\$0.91/lb

Centinela



- Concentrator plant operating above design capacity in Q4
- New Encuentro Oxides plant achieved its design capacity
- Molybdenum production started

Cu production
248,000 t

Net cash costs
\$1.51/lb

Antucoya



- Focused on optimising mine and plant operations
- Improved dust suppression and spent ore disposal
- Performance strengthened during the year

Cu production
72,200 t

Net cash costs
\$1.99/lb

Zaldívar



- Copper recoveries improved
- Focused on throughput and operational reliability

Cu production¹
47,300 t

Net cash costs
\$1.94/lb

¹ Group's 50% share

Group → 725,300 tonnes at \$1.29/lb

Efficiency driving improved performance

Operating Model

- Improved operating efficiency by:
 - Reducing process variability
 - Using spare capacity (availability, throughput and recoveries)

**Record production driven by greater throughput in concentrators:
Los Pelambres +5% and Centinela +8% compared to 2017**

Cost and Competitiveness Programme and Operating Excellence

- Reducing cost base through cost discipline
- Reaching full potential of operations through continuous improvement

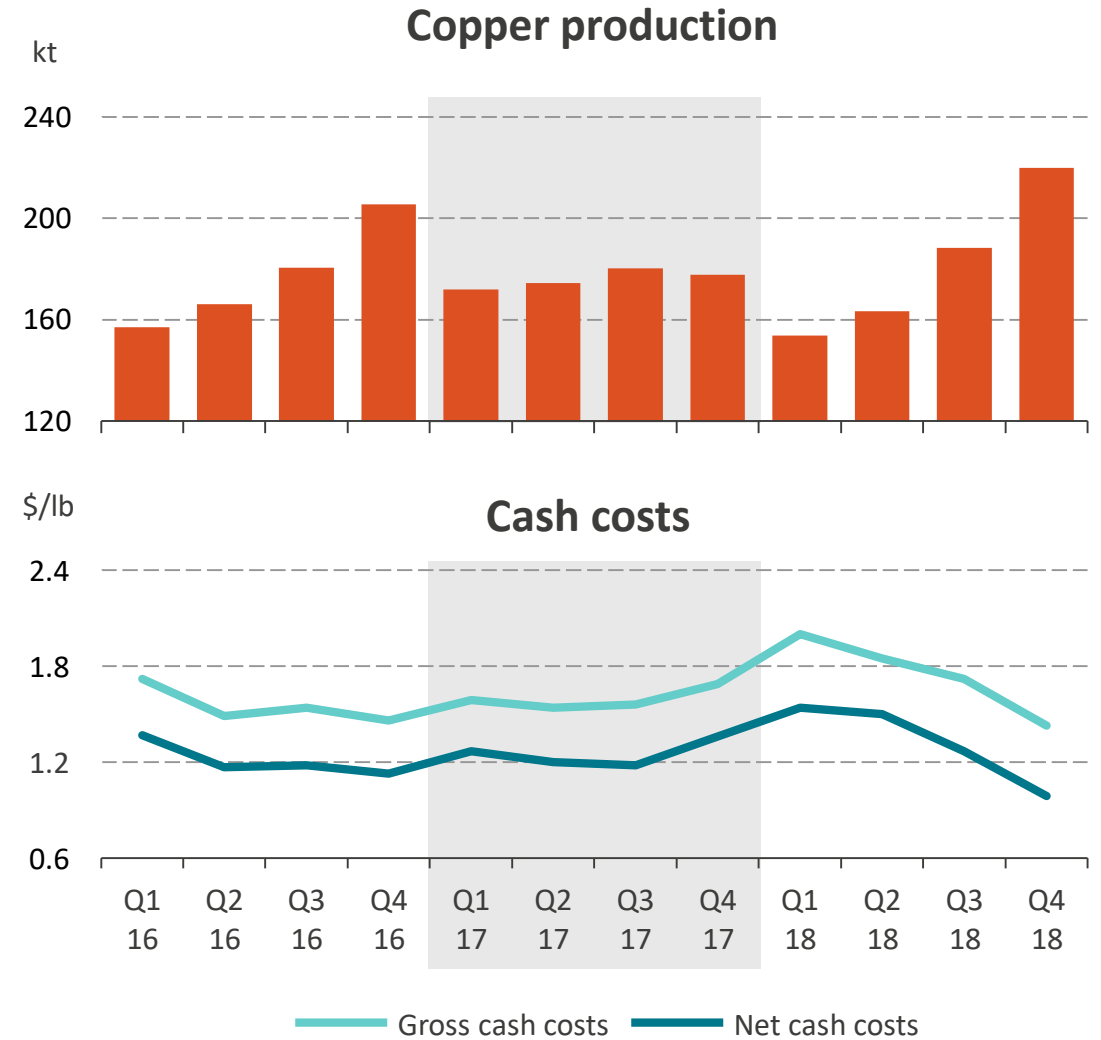
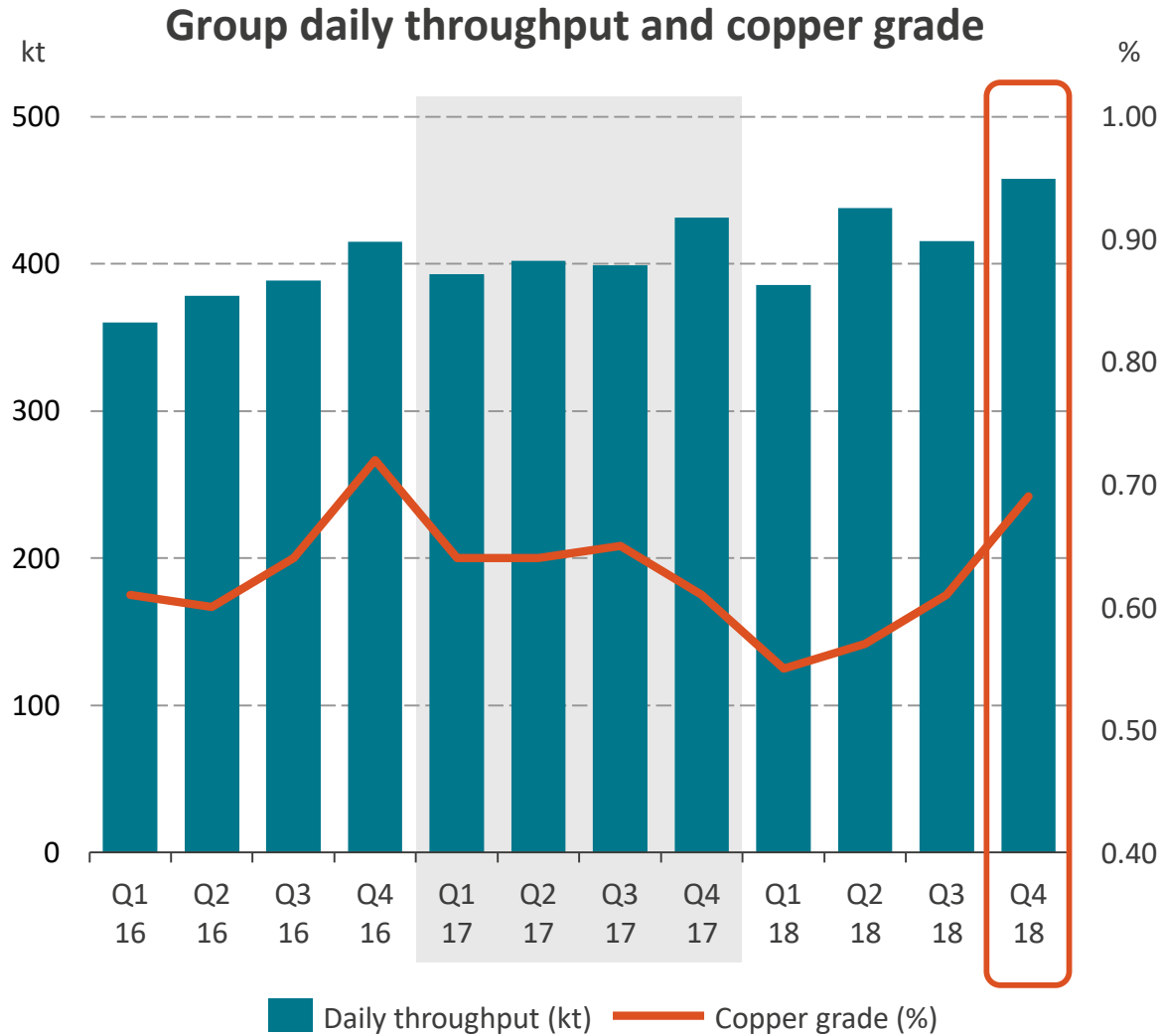
**Second quartile producer (\$1.29/lb)
Achieved \$184m of savings ahead of \$100m target**

Innovation Roadmap

- Strategic initiatives focused on:
 - Primary sulphide leaching
 - Tailings dam management
 - Large volume material movement

Progress on leaching primary sulphides and online tailings dam monitoring project

Strong delivery through high operating efficiency



Productivity and efficiency improvements

Los Pelambres

Centinela

Mine-to-Mill

- Multi-disciplinary task force
- Enhanced communication between disciplines
- Identifying bottlenecks



How



What

- Reduced ore size by changing blasting parameters
- Optimised stockpile levels
- Improved re-cycling of uncrushed material



Result

Throughput increased by 5%

Application of Machine Learning

- Created SAG mill digital twin
- Tested hypotheses to identify opportunities

- Reduced feed granulometry
- Improved SAG operating parameters (speed, load and solids' percentage)
- Optimised use of stockpile feeders

Throughput increased by 8%



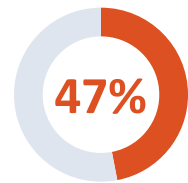
Cost discipline, productivity and efficiency improvements

\$184 million

saved in 2018 versus \$100 million target



Improved productivity, based on greater throughputs and recoveries

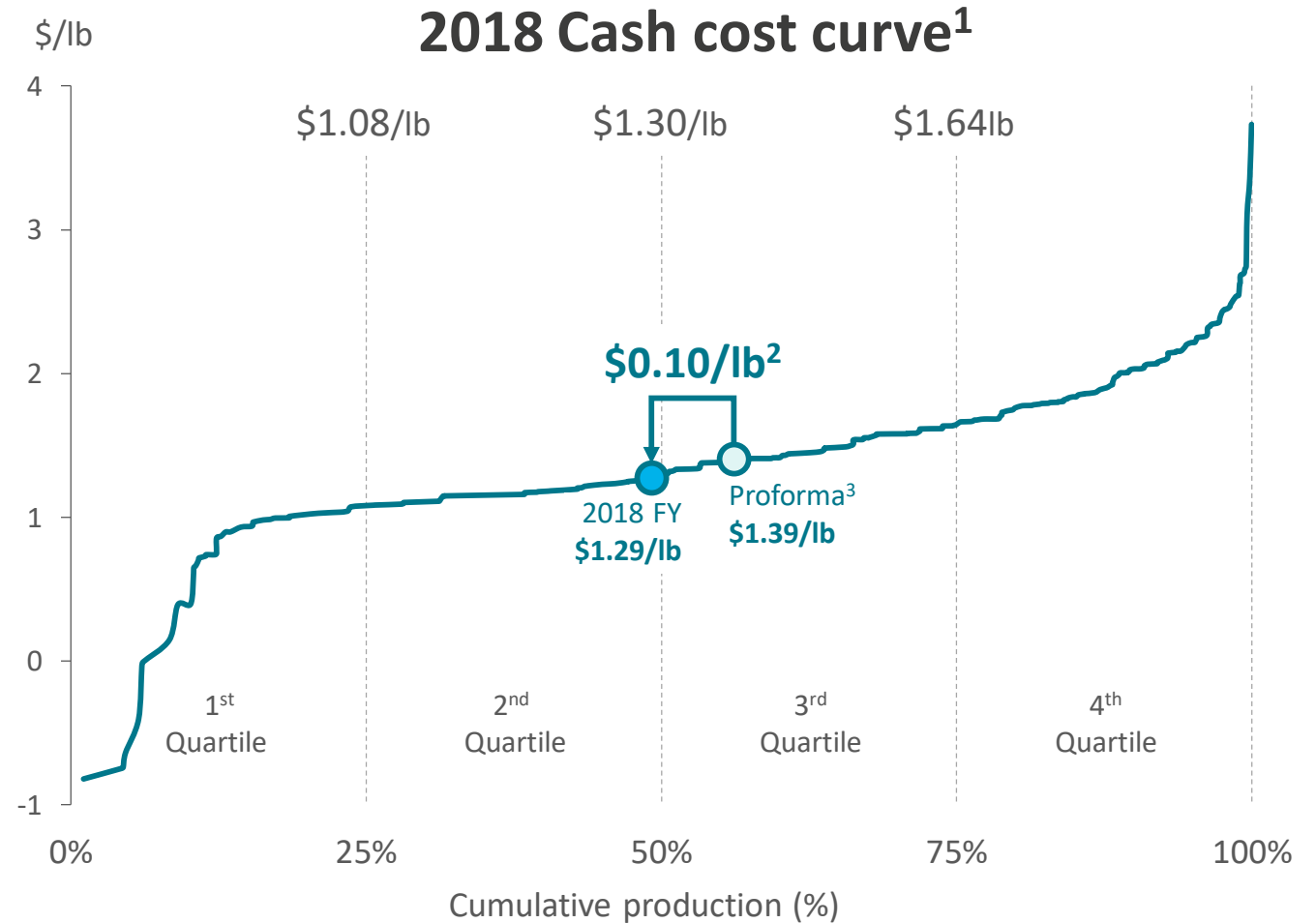


Through more efficient contract and input negotiations, improved consumption rates and better use of maintenance resources



\$100 million

Target for 2019

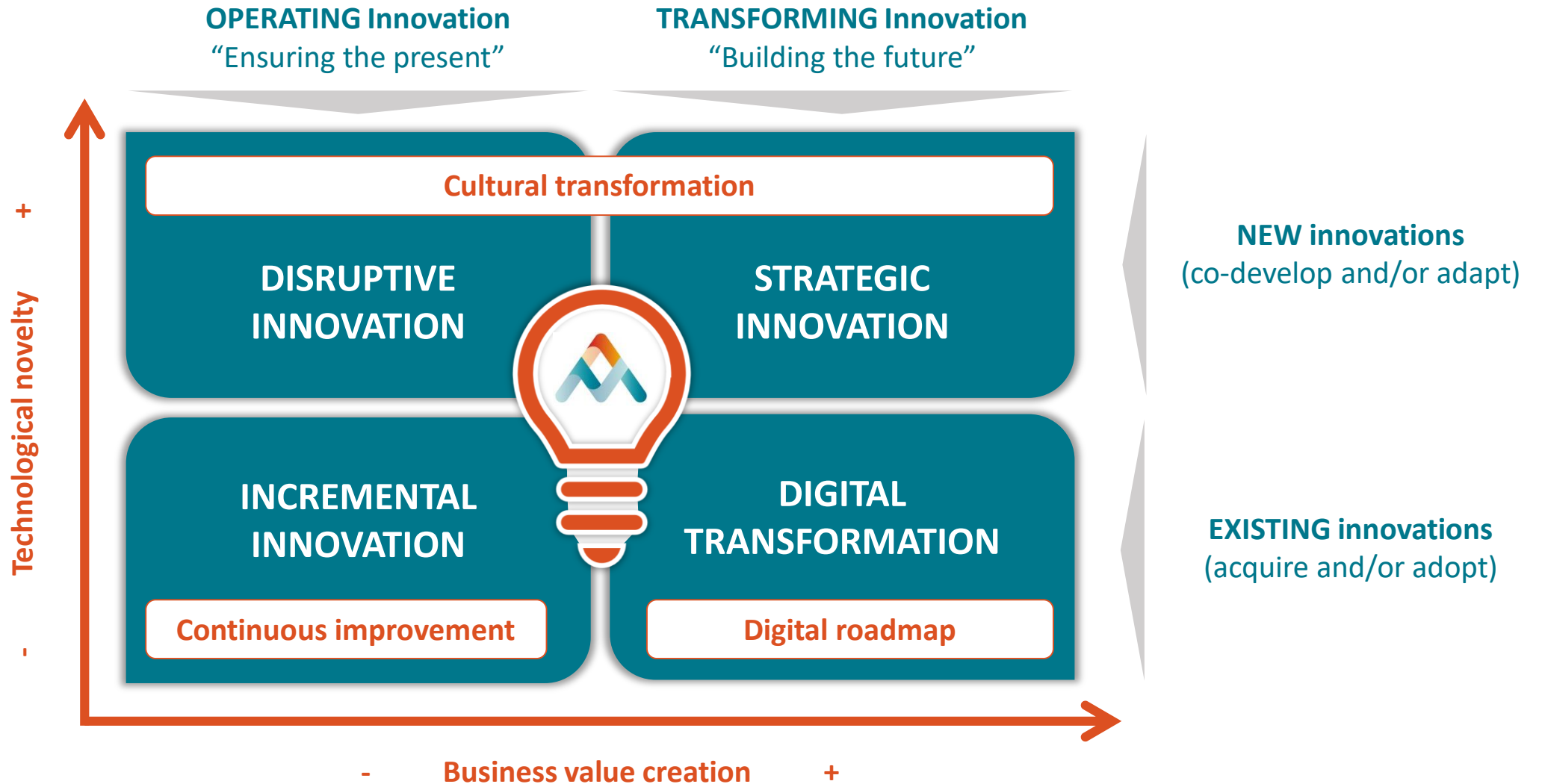


¹ Wood Mackenzie Q4 2018

² Includes Zaldivar on a 50% basis

³ As if no Cost and Competitiveness Programme savings had been achieved

Innovation framework



Our priorities for 2019



Zero fatalities



Continue to deliver on guidance



Maintain operating reliability and efficiency



Further cost savings



Advance Los Pelambres expansion

Complete feasibility of Centinela expansion



Progress innovation portfolio



Returns to shareholders





ANTOFAGASTA PLC







Financial review

Alfredo Atucha

Chief Financial Officer



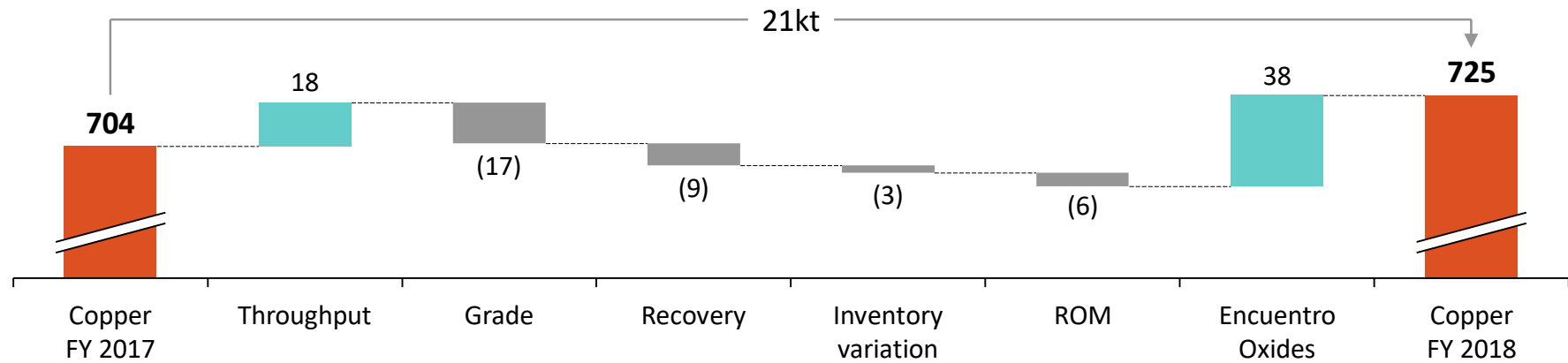
2018 financial highlights

		2018 FY	vs. 2017 FY
REVENUE			
	Record sales volumes offset by lower copper price	\$4,733 million	0%
NET CASH COSTS			
	Upward pressure on costs offset by productivity and efficiency improvements, and higher by-product credits	\$1.29/lb	+3%
EBITDA			
	Reflects strong copper sales, and lower grades and copper prices	\$2,228 million	(14%)
UNDERLYING EARNINGS PER SHARE¹			
	Lower EBITDA, and higher depreciation and amortisation	51.5 ¢/share	(32%)
STRONG FINANCIAL POSITION			
	Net debt / EBITDA ratio reduced to 0.15x	\$331 million²	27% reduction
DIVIDENDS PER SHARE			
	65% pay-out ratio ³ plus c\$100m of net proceeds from disposal of non-core assets reflects positive outlook and a strong balance sheet	43.8 ¢/share	(14%)

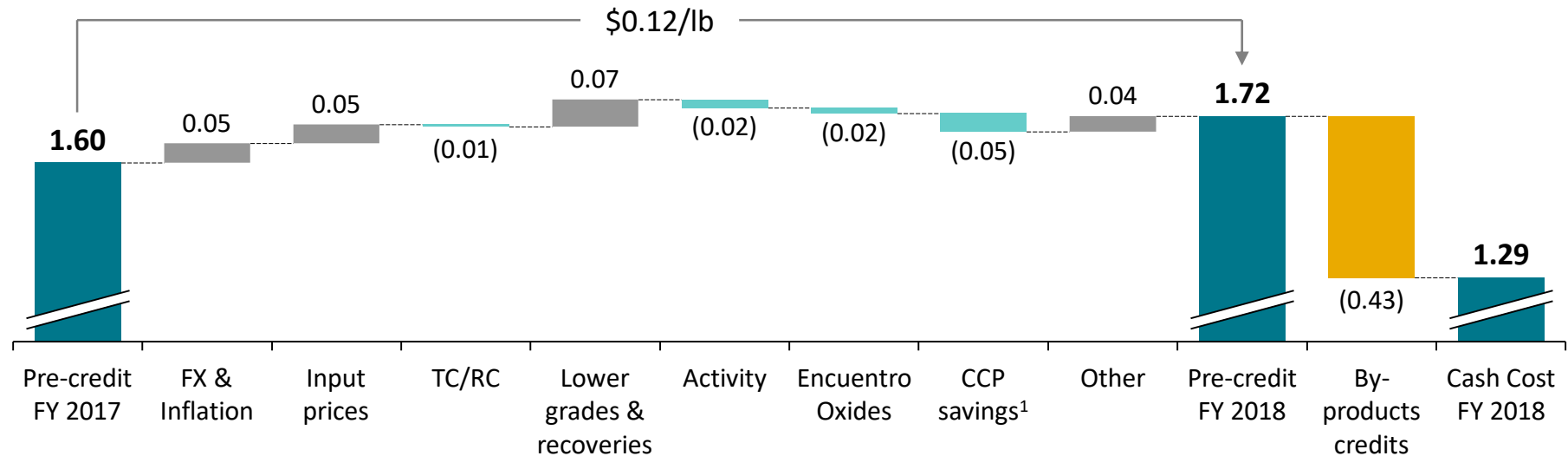
¹ From continuing operations; ² Excluding the one-off impact of \$265 million VAT refund in January 2019; ³ As a percentage of earnings per share from continuing operations

Production and cash costs

Copper Production
kt



Cash cost by cost type
\$/lb

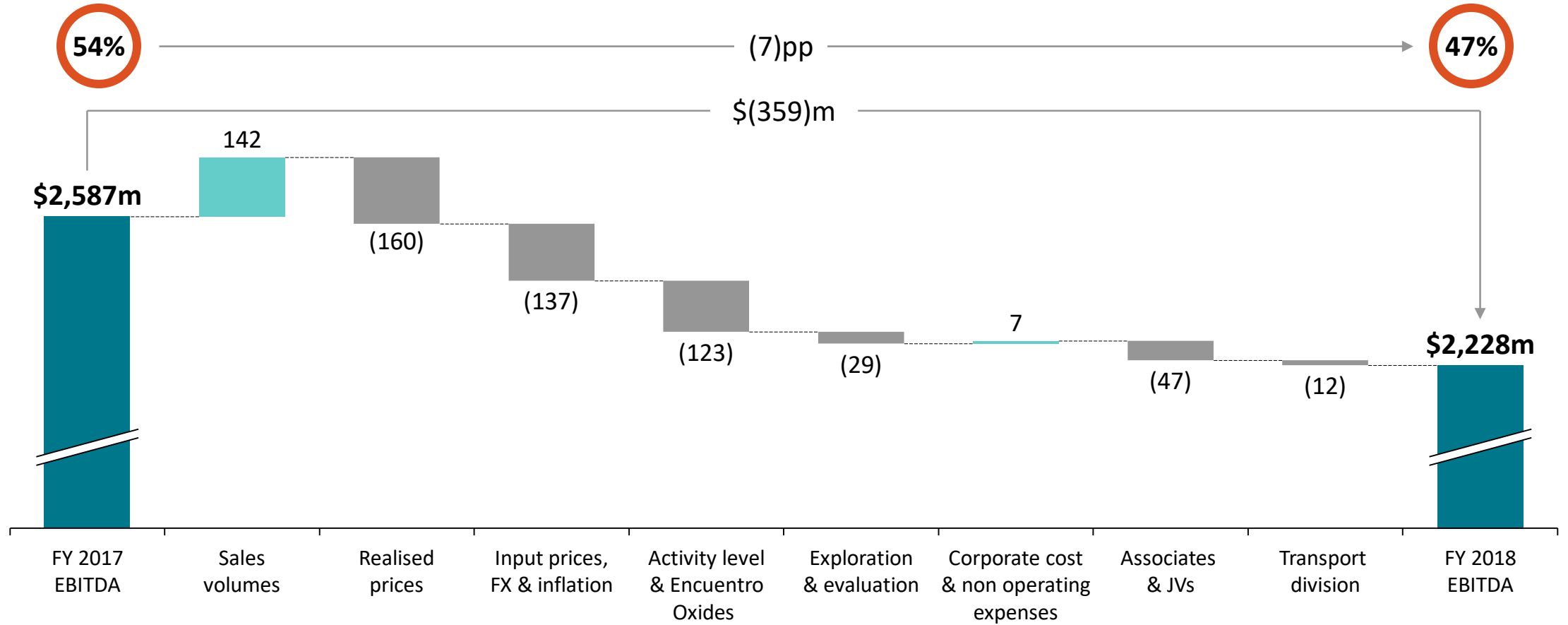


¹ Cost and Competitiveness Programme

EBITDA

EBITDA¹ and margin² 2017 versus 2018

\$ million and %



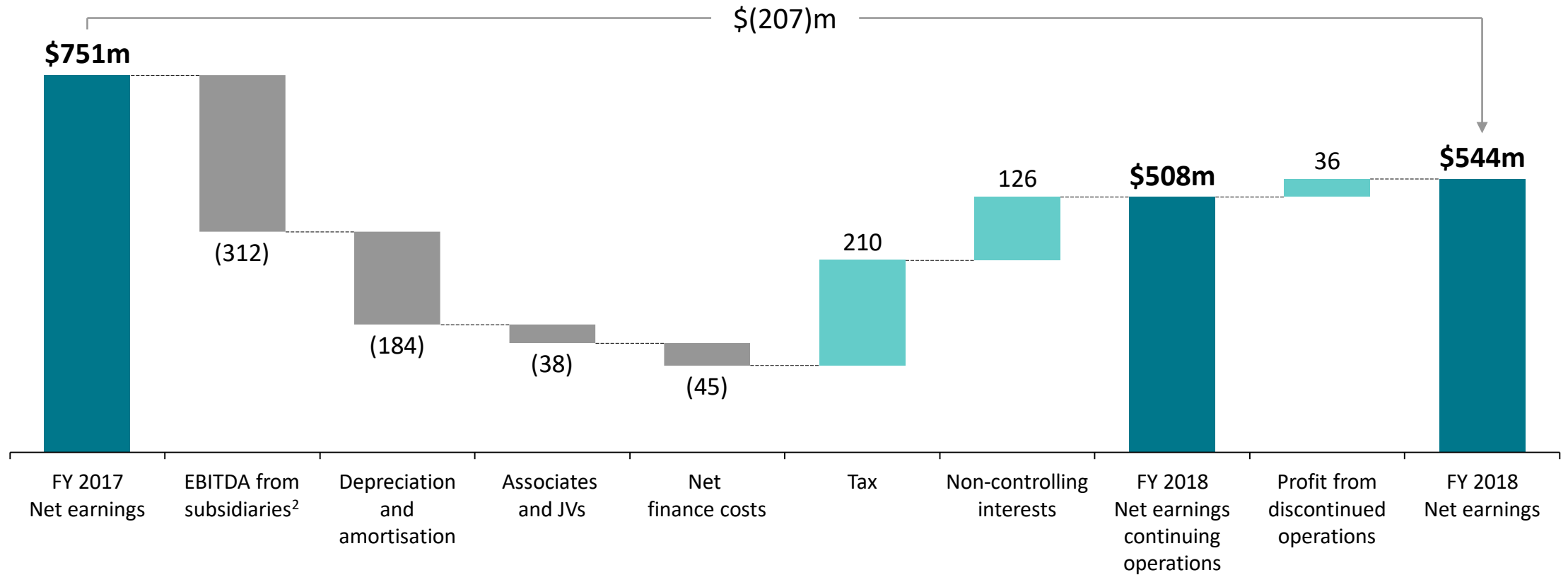
¹ Results of continuing operations only and includes EBITDA from Associates and JVs

² Calculated as EBITDA/Group revenue. If associates and JVs revenue is included EBITDA margin was 40% in 2018 and 50% in 2017

Net earnings

Net earnings¹ 2017 versus 2018

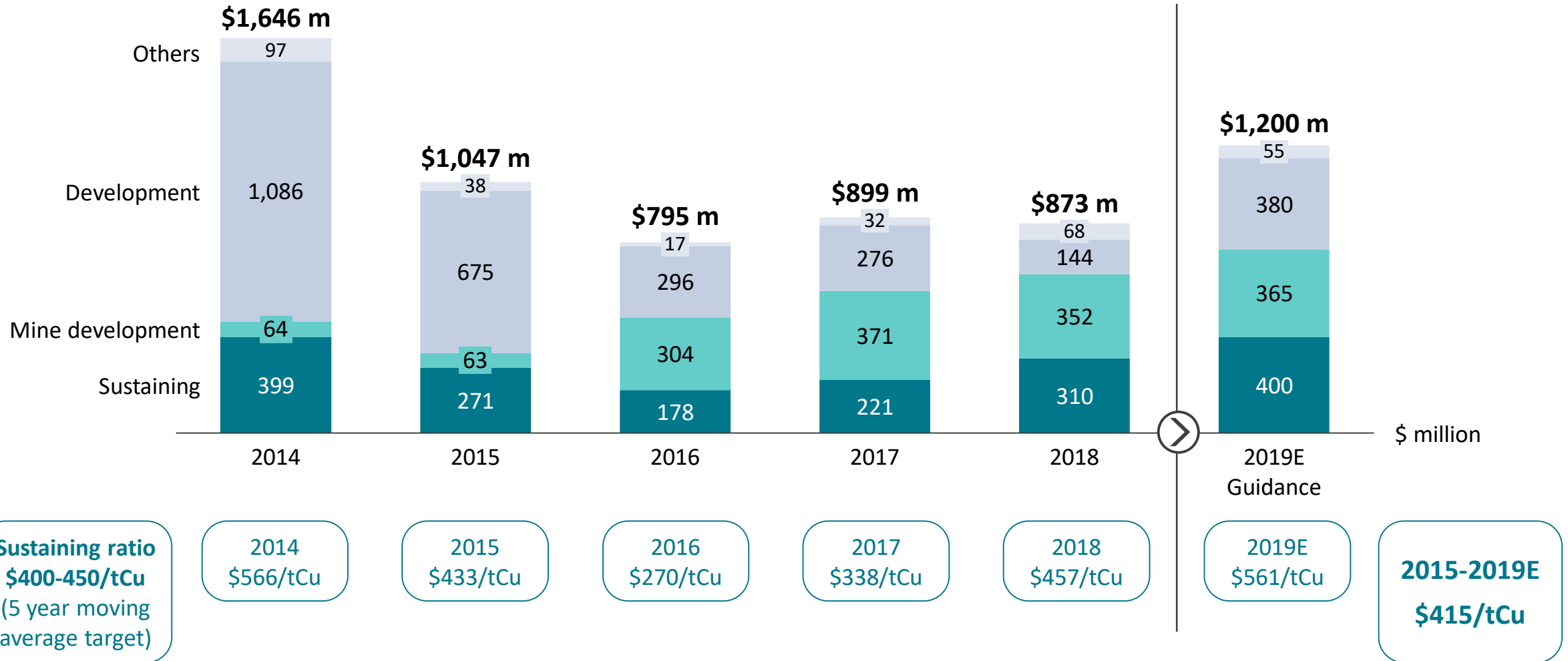
\$ million



¹ From continuing and discontinued operations

² Excludes Associates & JVs' EBITDA

Capital expenditure

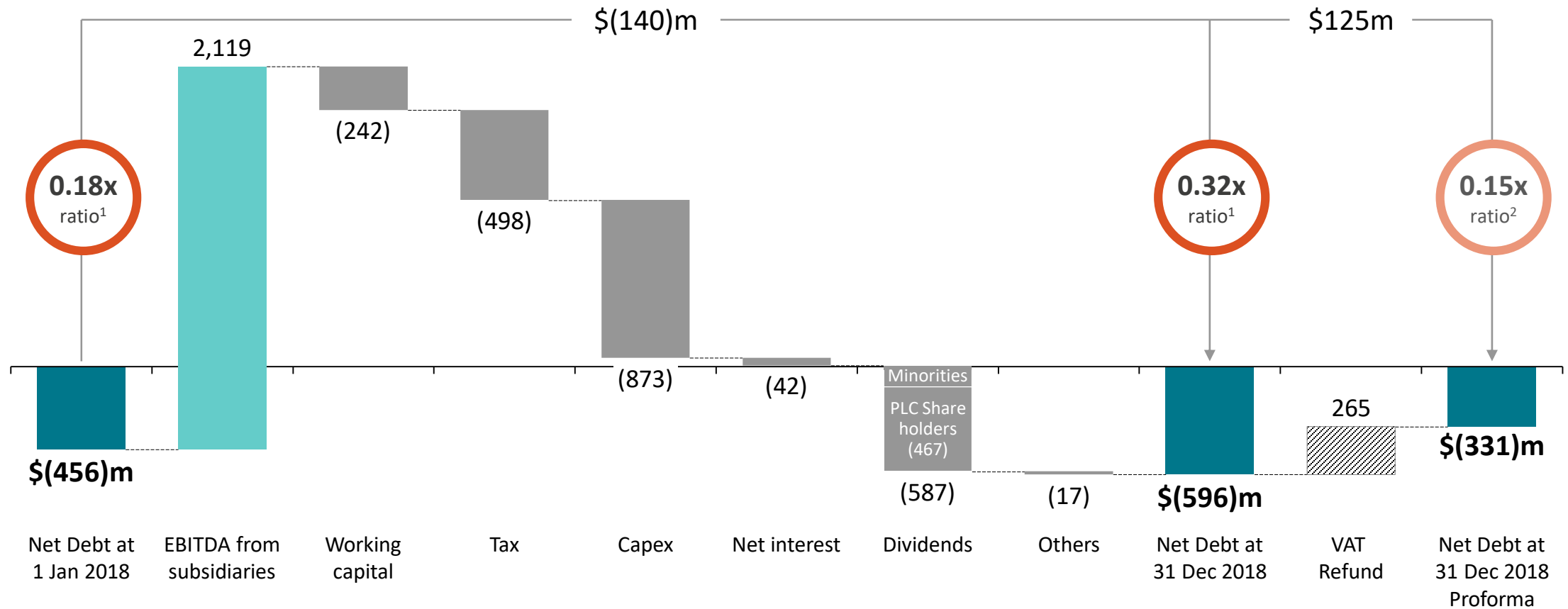


Figures are based on cash flow and exclude Zaldívar (2016, 2017 & 2018). Attributable Zaldívar capital expenditure was \$58m in 2016, \$51m in 2017 and \$52m in 2018

Net debt

Net debt and ND/EBITDA ratio

\$ million and times



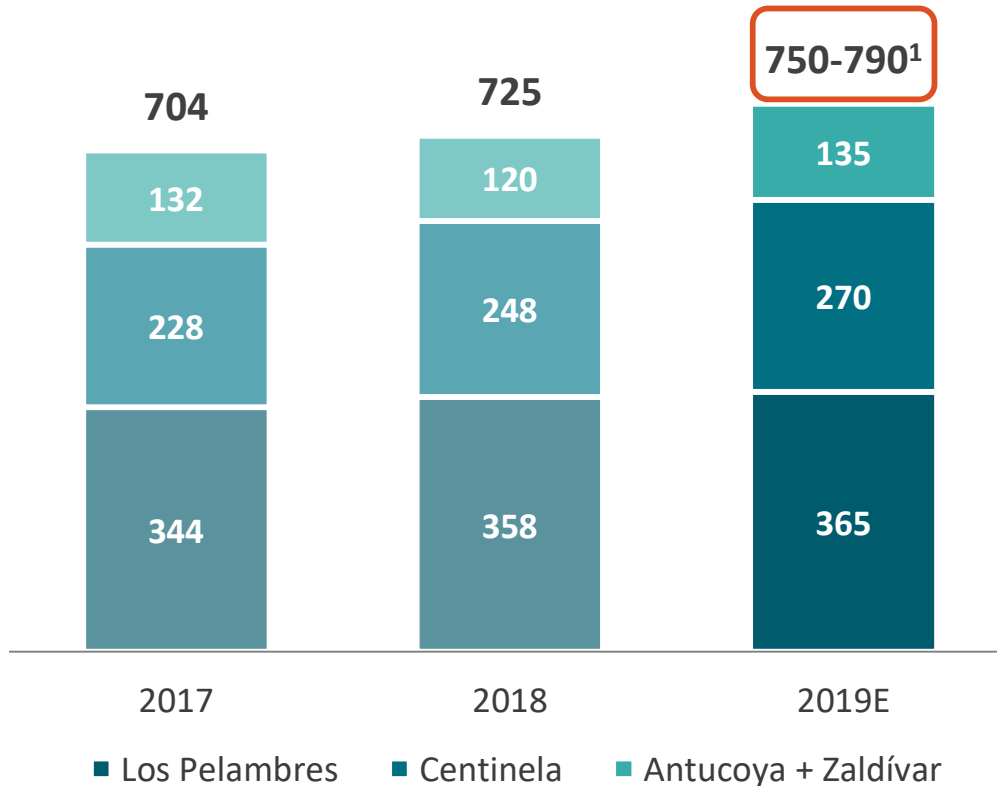
\$347m net debt repayment

¹ Net debt/EBITDA ratio

² Net debt/EBITDA ratio Proforma excluding the one-off impact of \$265 million VAT refund in January 2019

2019 guidance

Group copper production (kt)



- Targeting record copper production
- Costs similar to 2018²
 - Pre-credit costs → \$1.70/lb
 - Net cash costs → \$1.30/lb
- Capital expenditure of \$1.2 billion, including Los Pelambres expansion

¹ 2019E based on mid-point of guidance

² 2018 pre-credit costs \$1.72/lb and net cash cost \$1.29/lb



ANTOFAGASTA PLC

Copper market and growth opportunities

Iván Arriagada

Chief Executive Officer



Copper market in deficit

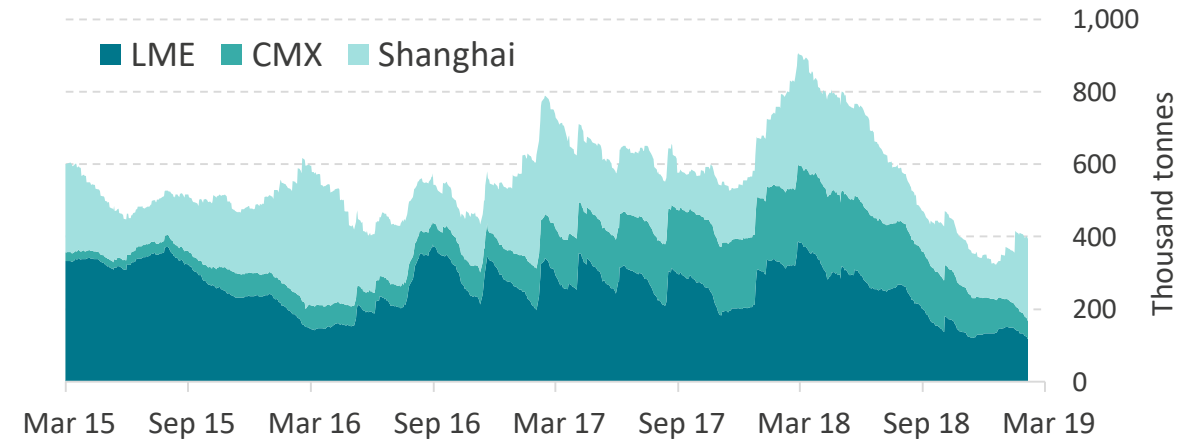


Current market position

- Disconnect between copper price and fundamentals
- US/China trade negotiations key
- Fundamentals remain strong – deficit 2018 & 2019
- China domestic stimulus partly counteracts uncertainty
- Exchange stocks at very low levels



Copper exchange stocks



Longer-term factors

Demand



Urbanisation



Renewables



Electromobility

Supply



Grade decline

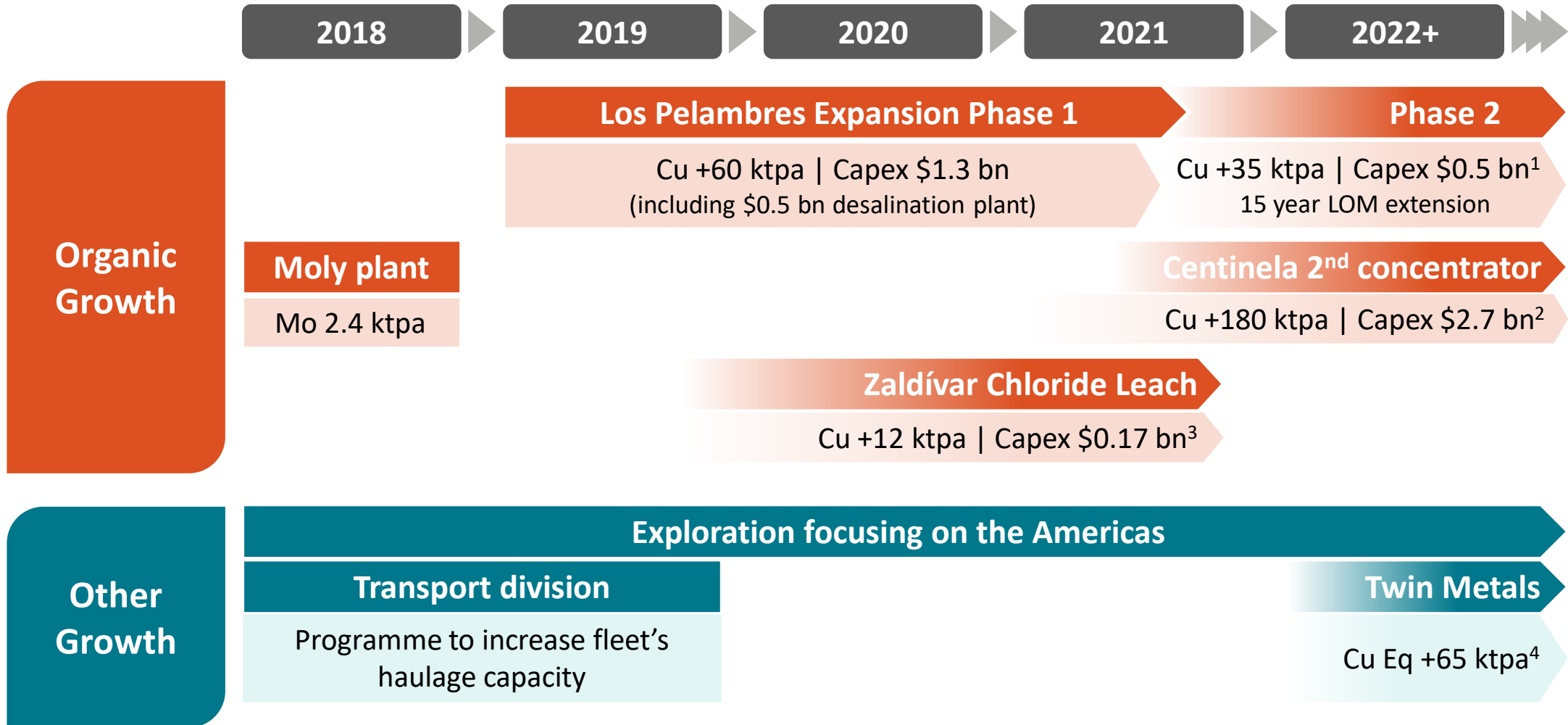


Increasing ESG expectations



Lack of viable projects

Organic and other growth opportunities



¹ 2014 Prefeasibility study; ² 2015 Prefeasibility study; ³ 2018 Feasibility study; ⁴ 2018 Prefeasibility study

Los Pelambres expansion

	2019	2020	2021	2022+
	Los Pelambres Expansion Phase 1			Phase 2
Mine life	2035			Extension of 15 years to 2050
Daily throughput	+15 kt to 190 kt			+15 kt to 205 kt
Copper	+60 ktpa			+35 ktpa
Infrastructure	<ul style="list-style-type: none"> Additional milling and flotation capacity Water desalination plant and pipeline 			<ul style="list-style-type: none"> Additional tailings disposal and milling capacity Repowering ore transport system
Capex	<ul style="list-style-type: none"> \$1.3 bn (incl. \$0.5 bn desalination plant) 100% debt finance 			\$0.5 bn (2014 PFS)
Status	EIA approved, construction started			Feasibility study underway

Over 6 billion tonnes of resources

Only 1/3 of resources included in 21-year mine plan

Scope to expand significantly beyond 205 ktpd

Centinela and Zaldívar projects

Centinela Second Concentrator

- Second concentrator and tailings deposit
- Feasibility to be completed in 2020
- \$2.7 billion capex (2015 PFS)
- Additional 180,000 tonnes of copper equiv.
- EIA approved in 2016



Zaldívar Chloride Leach

- Improving copper recoveries from secondary sulphides
- Process based on a proprietary technology developed by the Group called CuproChlor®
- \$175 million capex¹ (2018 FS)
- Subject to EIA extension of water rights



¹ 100% basis

Investment case



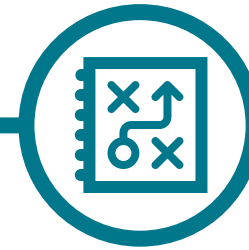
High quality assets

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



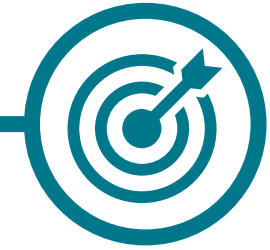
Operating efficiency and cost control

- Cost and competitiveness programme
- Continuous productivity improvement
- Innovation for long term gains



Capital discipline

- Low net debt
- Disciplined approach to acquisitions and disposals
- Consistent dividend policy



Robust platform

- Continuing to optimise mines
- Protecting margins and profitability
- Returning cash to shareholders

CREATING VALUE FOR SHAREHOLDERS



2018 full year results

19th March 2019

London



ANTOFAGASTA PLC

Appendix ●



Antofagasta at a glance

Group

- 65% owned by Luksic Group, 35% free float
- Market cap: \$12.0 billion (March 15th 2019)
- FTSE 100

Mining division¹

- Top 10 copper producer
- High quality assets with significant potential production growth
- Copper production: 725,300 tonnes
- Gold production: 210,100 oz
- Molybdenum production: 13,600 tonnes
- Net cash costs: \$1.29/lb
- All operations in Chile, one of the world's most developed and stable mining locations

Transport division¹

- Transport division provides rail and road cargo services in Chile's Antofagasta Region
- Total tonnage transported: 6.1 million tonnes

¹ 2018

² From 31 December 2018

³ As of 31 December 2018 on 100% basis

Antucoya

- 70% owned
- Copper production¹: 72,200 t
- Remaining mine life²: 21 years
- Reserves³: 641 million t @ 0.34% Cu

Centinela

- 70% owned
- Copper production¹: 248,000 t
- Remaining mine life²: 49 years
- Reserves³: 2.2 billion t @ 0.42% Cu

Zaldívar

- 50% owned, operator
- Copper production¹: 94,600 t (100%)
- Remaining mine life²: 12 years
- Reserves³: 468 million t @ 0.46% Cu

Los Pelambres

- 60% owned
- Copper production¹: 357,800 t
- Remaining mine life²: 20 years
- Reserves³: 1.1 billion t @ 0.60% Cu, 0.019% Mo and 0.05g/t Au





28% of global copper production

29% of global copper reserves

50% of exports are copper

Strengths

- Largest copper endowment in the world
- Copper key contributor to the economy
- History of stability with robust institutions
- OECD country
- Solid public finances and low national debt

Challenges

- Moving from middle to high income economy
- Increasing social expectations and demands on companies
- To decrease income inequality



Key Indicators



GDP¹

\$445 bn (PPP)



Population²

18.4 million



Per Capita GDP

1970: \$2,300
2016: \$24,200 (PPP)



Poverty rate³

1989: 47.0%
2017: 8.6%



Mining⁴

10.0% of GDP



Principal Markets⁵

China 30%
USA 17%
EU 14%



Trade⁵

26 FTAs (64 markets)



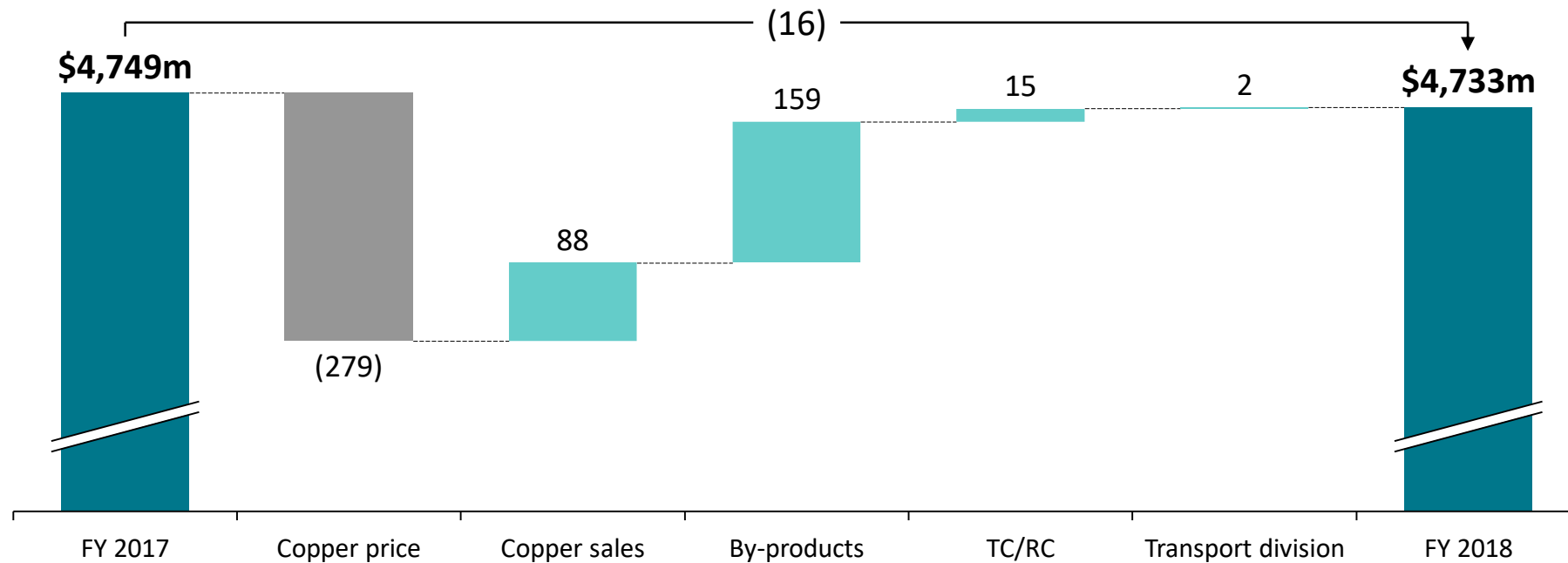
Inflation (CPI)⁶

2.6%

Source: ¹ 2017 World Bank; ² Censo 2017 Instituto Nacional de Estadísticas (INE); ³ Ministerio de Desarrollo Social (Encuesta Casen 2015); ⁴ Banco Central de Chile; ⁵ Dirección General de Relaciones Económicas Internacionales Chile; ⁶ IPC 2018 Instituto Nacional de Estadísticas (INE)

Revenue unchanged despite lower realised copper price

Revenue 2017 versus 2018¹
\$ million

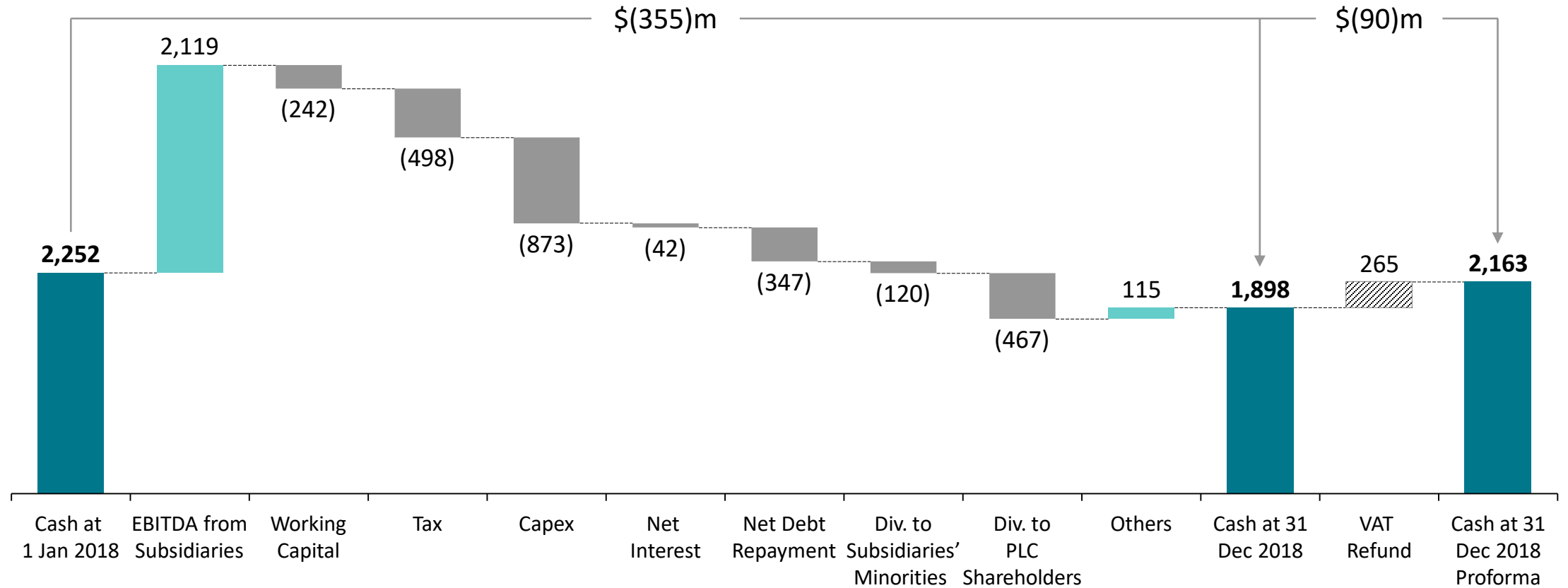


Record production offset by lower copper price despite strong molybdenum revenue

¹ Excludes Zaldívar (JV)

Cash flow

Cash flow in period \$ million



Production and metals prices

Group production¹

	2016	2017	2018	2019E
Copper ('000 tonnes)				
Los Pelambres	355.4	343.8	357.8	360-370
Centinela Concentrates	180.4	163.9	155.5	260-280
Centinela Cathodes	55.8	64.5	92.5	
Antucoya	66.2	80.5	72.2	75-80
Zaldívar	51.7	51.7	47.3	55-60
Group total	709.4	704.3	725.3	750-790

	2016	2017	2018	2019E
Gold ('000 ounces)				
Los Pelambres	57.8	55.4	63.2	50-60
Centinela	213	157.0	146.9	190-200
Group total	270.9	212.4	210.1	240-260

	2016	2017	2018	2019E
Molybdenum ('00 tonnes)				
Los Pelambres	7.1	10.5	13.3	9.5-10.5
Centinela	-	-	0.3	2.0
Group total	7.1	10.5	13.6	11.5-12.5

Metal prices

	2015	2016	2017	2018
Copper (\$/lb)				
Realised	2.28	2.33	3.00	2.81
LME	2.50	2.21	2.80	2.96

	2015	2016	2017	2018
Gold (\$/oz)				
Realised	1,155	1,256	1,280	1,256
Market	1,160	1,248	1,258	1,270

	2015	2016	2017	2018
Molybdenum (\$/lb)				
Realised	5.7	6.8	8.7	12.4
Market	6.7	6.5	8.2	11.9

¹ Guidance January 2019

Unit cash costs

	2016	2017	2018	2019E ¹
Group cash costs (\$/lb)				
Los Pelambres	1.06	1.02	0.91	1.05
Centinela	1.19	1.36	1.51	1.35
Antucoya ¹	1.83	1.68	1.99	2.00
Zaldívar	1.54	1.62	1.94	1.75
Group pre-credit cash costs	1.54	1.60	1.72	1.70
By-product credits	(0.34)	(0.35)	(0.43)	(0.40)
Net cash costs	1.20	1.25	1.29	1.30

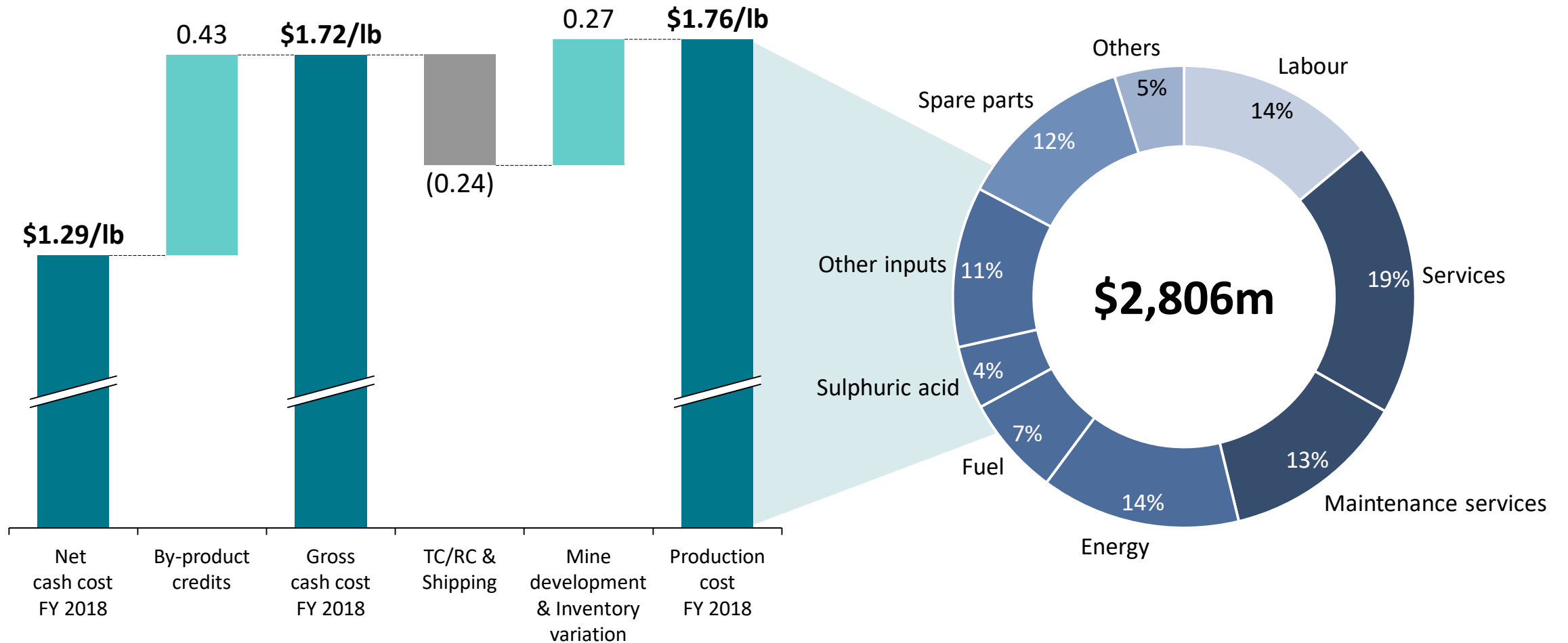
	2016	2017	2018	2019E ¹
Los Pelambres cash costs (\$/lb)				
Pre-credit cash costs	1.36	1.44	1.52	1.50
By-product credits	(0.30)	(0.42)	(0.61)	(0.45)
Net cash costs	1.06	1.02	0.91	1.05

	2016	2017	2018	2019E ¹
Centinela cash costs (\$/lb)				
Pre-credit cash costs	1.75	1.81	1.89	1.85
By-product credits	(0.56)	(0.45)	(0.38)	(0.50)
Net cash costs	1.19	1.36	1.51	1.35

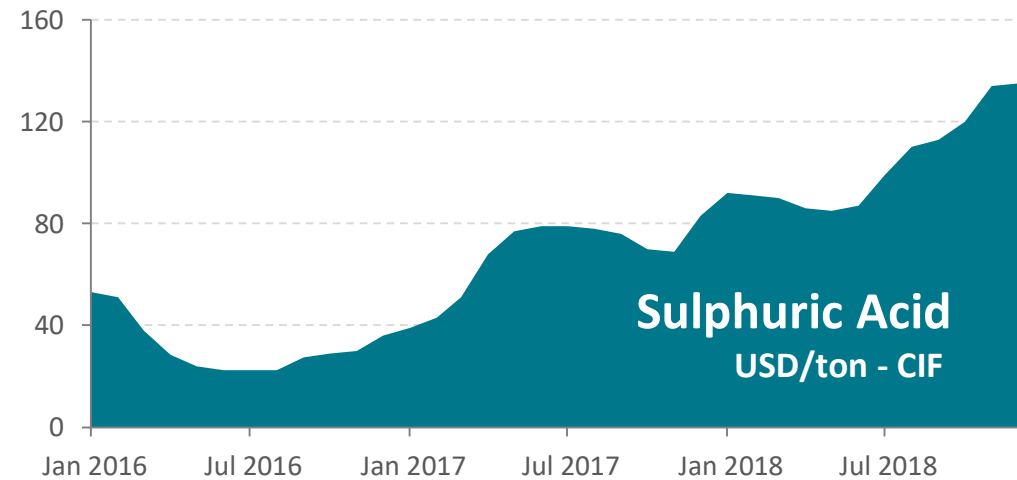
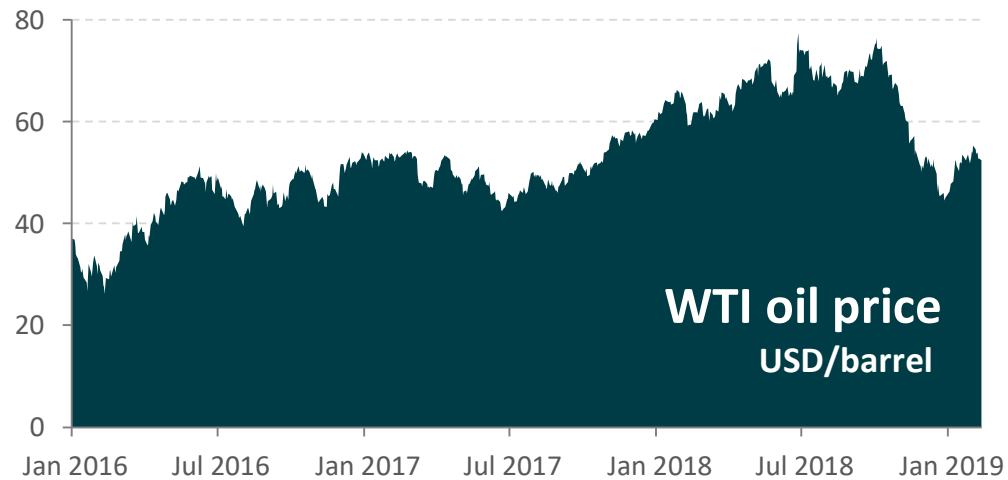
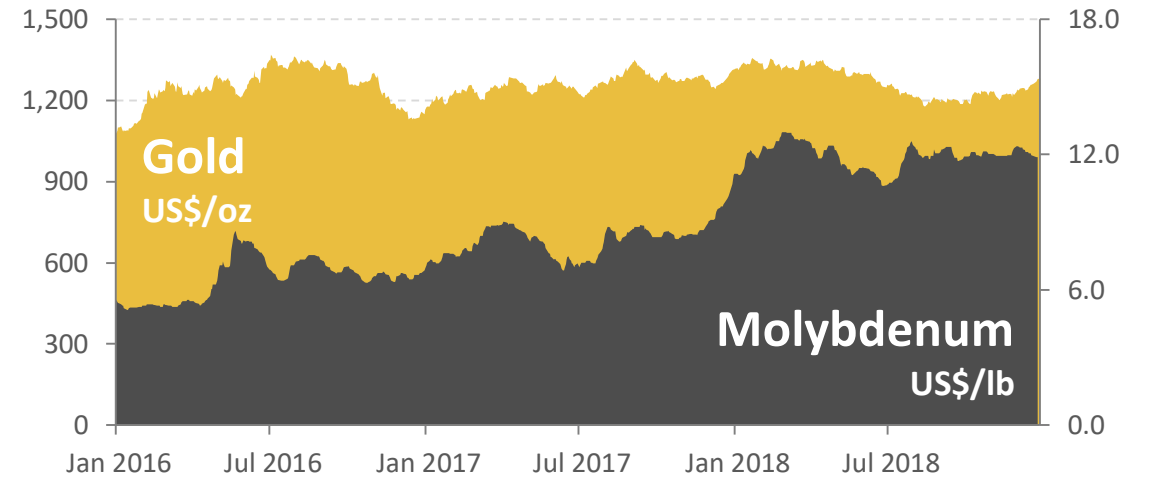
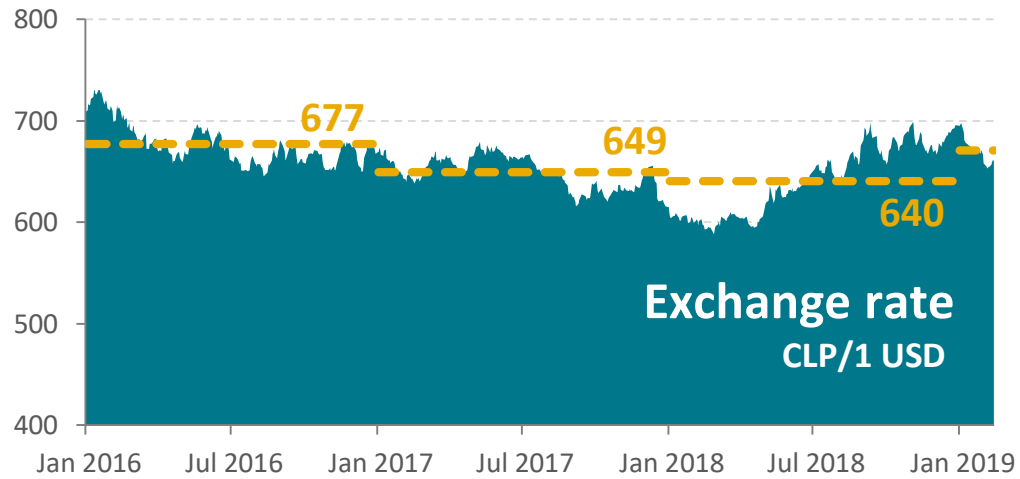
¹ Guidance January 2019

² Antucoya cash costs from start of commercial production on 1 April 2016

2018 production cost breakdown



Market data



Reserves and resources as of 31 December 2018



	Tonnage (millions tonnes)		Copper (%)		Molybdenum (%)		Gold (g/t)		Attributable Tonnage (millions tonnes)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Ore reserves										
Los Pelambres	1,132.2	1,193.4	0.60	0.60	0.019	0.020	0.05	0.05	679.3	716.0
<i>Centinela Concentrates (Esperanza Sulphides, including Esperanza Sur)</i>	<i>1,845.2</i>	<i>1,873.4</i>	<i>0.42</i>	<i>0.42</i>	<i>0.012</i>	<i>0.012</i>	<i>0.14</i>	<i>0.14</i>	<i>1,291.6</i>	<i>1,311.4</i>
<i>Centinela Cathodes</i>	<i>326.0</i>	<i>191.5</i>	<i>0.40</i>	<i>0.39</i>	-	-	-	-	<i>228.2</i>	<i>134.0</i>
Centinela Total	2,171.2	2,064.9	0.42	0.42	-	-	-	-	1,445.4	1,445.4
Antucoya	640.7	676.4	0.34	0.33	-	-	-	-	448.5	473.4
Encuentro	-	112.2	-	0.53	-	-	-	-	-	112.2
Total	3,944.1	4,046.8	0.46	0.46	-	-	-	-	2,647.6	2,747.1
Group Joint Ventures										
Zaldivar	467.5	428.5	0.46	0.51	-	-	-	-	233.7	214.2
Total Group Ore Reserves	4,411.6	4,475.3	0.47	0.47	-	-	-	-	2,881.4	2,961.3
Mineral resources (including ore reserves)										
Los Pelambres	6,113.4	6,024.1	0.50	0.51	0.017	0.016	0.05	0.05	3,668.0	3,614.4
Centinela Concentrates (Esperanza Sulphides & Esperanza Sur)	3,962.0	3,177.7	0.39	0.38	0.012	0.011	0.13	0.12	2,773.4	2,224.4
Centinela Cathodes (El Tesoro)	551.8	307.5	0.40	0.38	-	-	-	-	386.3	215.2
Antucoya	1,253.7	1,291.8	0.30	0.30	-	-	-	-	877.6	904.3
Encuentro ¹	-	1,117.4	-	0.44	-	-	-	-	-	1,117.4
Polo Sur	1,514.5	1,514.5	0.34	0.34	-	-	-	-	1,514.5	1,514.5
Penacho Blanco	340.2	340.2	0.37	0.37	-	-	-	-	173.5	173.5
Mirador	86.4	95.4	0.32	0.33	-	-	-	-	78.5	85.6
Los Volcanes	1,904.2	1,904.2	0.50	0.50	-	-	-	-	971.1	971.1
Llano-Paleocanal ¹	-	64.2	-	0.46	-	-	-	-	-	49.5
Brujulina	87.2	87.2	0.49	0.49	Nickel (%)		Total precious metals (g/t Au+Pt+Pd)		44.5	44.5
Sierra	52.0	52.0	0.69	0.69					52.0	52.0
Twin Metals	2,509.1	2,371.7	0.52	0.52	0.171	0.173	0.473	0.465	2,085.0	1,967.0
Group Joint Ventures										
Zaldivar	818.6	613.0	0.41	0.48	-	-	-	-	409.3	306.5
Total Group										
Measured + Indicated	10,566.8	10,484.6	0.46	0.47	-	-	-	-	7,385.6	7,663.9
Inferred	8,626.4	8,476.2	0.43	0.43	-	-	-	-	5,648.3	5,576.0
Total Group Mineral Resources (including ore reserves)	19,193.2	18,960.8	0.45	0.45	-	-	-	-	13,033.8	13,239.9

¹ Encuentro and Llano-Paleocanal included in Centinela from 2018

Antofagasta contacts



ANTOFAGASTA PLC

Andrew Lindsay

Director, London Office

alindsay@antofagasta.co.uk

Tel: +44 20 7808 0988



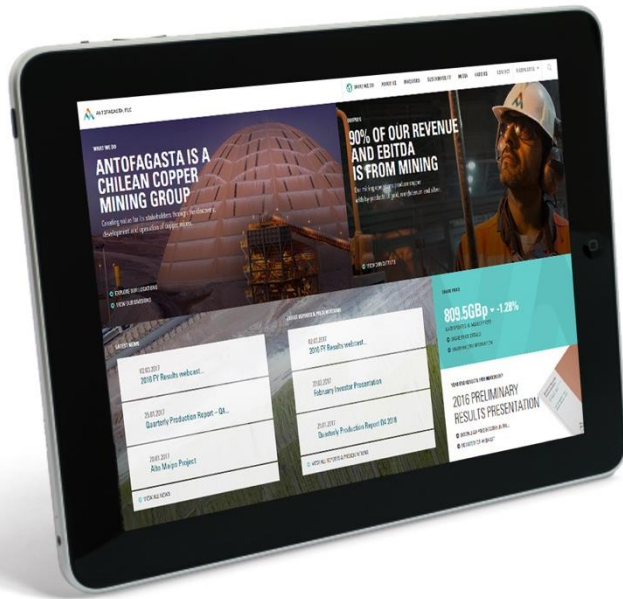
ANTOFAGASTA PLC

Andrés Vergara

Investor Relations Manager

avergara@antofagasta.co.uk

Tel: +44 20 7808 0988



www.antofagasta.co.uk



ANTOFAGASTA PLC