

NEWS RELEASE, 12 APRIL 2019

PUBLICATION OF 2018 ANNUAL REPORT AND 2019 NOTICE OF ANNUAL GENERAL MEETING

Antofagasta plc (the "Company") will today post its 2018 Annual Report and Financial Statements and notice of the Annual General Meeting of the Company (the "2019 AGM Notice") to shareholders.

The 2018 Annual Report and Financial Statements, which were approved by the Board of Directors on 18 March 2019, 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 Westminster, Dean's Yard, London SW1P 3NZ on 22 May 2019 from 10 a.m.

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

- 2018 Annual Report and Financial Statements
- 2019 AGM Notice
- Form of Proxy for Ordinary Shareholders for Annual General Meeting
- Form of Proxy for Preference Shareholders for Annual General Meeting
- Letter to Shareholders regarding Electronic Communications

These documents will shortly be available for inspection via the National Storage Mechanism, (www.morningstar.co.uk/uk/NSM).

In compliance with DTR 6.3.5, the following information is extracted from the 2018 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 19 March 2019. 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 2018 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 2018 Annual Report and Financial Statements. The full 2018 Annual Report and Financial Statements are available on the Company's website at (www.antofagasta.co.uk).

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 2018 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. 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).

Statement of Directors' Responsibilities

The following information is extracted from page 139 of the 2018 Annual Report and Financial Statements.

“The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Corporate Governance Report, confirms that to the best of his or her knowledge:

- *the Parent Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company,*
- *the Group financial statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group, and*
- *the Strategic Report and the Directors’ Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.:*

By order of the Board

Jean-Paul Luksic, Chairman

Ollie Oliveira, Senior Independent Director”

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 25 to 30 of the 2018 Annual Report and Financial Statements.

“1. Talent management and labour relations

The Group’s highly skilled workforce and experienced management team are critical for maintaining current operations, implementing development projects, achieving long-term growth and pursuing current operations without major disruption. Managing talent and maintaining a high-quality labour force, in a changing technological and cultural environment, is a key priority for the Group. Any failures in this respect could have a negative impact on the performance of the existing operations and future growth.

Preventive and mitigation measures

The Group maintains good relations with its employees and unions founded on trust, continuous dialogue and good working conditions. The Group is committed to safety, non-discrimination, diversity and inclusion and compliance with Chile’s strict labour regulations.

There are long-term labour agreements in place with all 19 unions at the Group’s operations, helping to ensure labour stability.

The Group seeks to identify and address labour issues that may arise throughout the period covered by the labour agreements and to anticipate any potential issues in good time. Contractors 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 to build long-term mutually beneficial relationships.

The Group maintains constructive relationships with its employees and their unions through regular communication and consultation. Union representatives are regularly involved in discussions about the future of the workforce.

The Group develops the talents of its employees through training and career development, invests in initiatives to widen the talent pool and is committed to its diversity and inclusion policy. Through these actions the Group aims to increase the number of women, people with disabilities and employees with international experience in the workplace.

The Group’s Employee Performance Management System is designed to attract and retain key employees by creating suitable reward and remuneration structures and providing personal development opportunities. The Group has a talent management system to identify and develop internal candidates for key management positions, as well as identifying suitable external candidates where appropriate.

2. Safety and health

Safety and health incidents could result in harm to the Group’s employees, contractors or local communities. Ensuring their safety and wellbeing is first and foremost an ethical obligation for the Group and is part of the Group’s core values.

A poor safety record or serious accidents could have a long-term impact on the Group's morale, reputation and production.

Preventive and mitigation measures

The Group seeks continuous improvement of its safety and health risk management procedures, with particular focus on the early identification of risks and the prevention of fatalities.

The Corporate Safety and Health Department provides a common strategy for the Group's operations and co-ordinates all safety and health matters. The Group has a Significant Incident Report system, which is an important part of the overall approach to safety.

The Group's goal of zero serious accidents and fatalities and minimising the number of accidents requires all contractors to comply with its Occupational Safety and Health Plan. This plan is monitored through monthly audits and is supported by regular training and awareness campaigns for employees, contractors, employees' families and local communities, particularly with regard to road safety. The Group requires all staff in defined safety-critical roles to satisfy at least the minimum qualifications and experience defined for their role and complete any required training prior to commencing their work activities.

Critical controls and verification tools are regularly strengthened through the verification programme and regular audits of critical controls for potentially high-risk activities.

The Group continuously seeks to incorporate technology and innovation to reduce workers' exposure to safety and health risks.

3. Environmental management

An operating incident that damages the environment could affect both the Group's relationship with local stakeholders and its reputation, undermining its social licence to operate and to grow.

The Group operates in challenging environments, including the largely agricultural Choapa Valley, and the Atacama Desert, where water scarcity is a key issue.

Preventive and mitigation measures

The Group has a comprehensive approach to incident prevention. Relevant risks are assessed, monitored and controlled in order to achieve the goal of zero incidents with significant environmental impact. The Group works to raise awareness among employees and contractors, providing training to promote operating excellence. The potential environmental impacts of a project are key considerations when assessing its viability, and the integration of innovative technology in the project design to mitigate such impacts is encouraged.

The Group prioritises the efficient use of natural renewable resources by pioneering the use of sea water, increasing renewable-based power supply, achieving higher rates of reuse and recovery through thickened tailings technology and reducing greenhouse gas emissions through energy efficiency and other measures.

The Group recognises that environmental sustainability is key to its licence to operate and performs regular risk assessments to identify potential impacts and develop preventive and mitigating strategies.

Each site maintains an updated environmental emergency preparedness plan and a detailed closure plan with appropriate financial provisions to ensure physical and chemical stability once operations have ceased.

4. Community relations

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

Preventive and mitigation measures

The Group has a dedicated team that establishes and maintains relations with local communities. These are based on trust and mutual benefit throughout the mining lifecycle, from exploration to final remediation. The Group seeks to identify early any potentially negative operating impacts and minimise these through responsible behaviour. This means acting transparently and ethically, prioritising the safety and health of its employees and contractors, avoiding environmental incidents, promoting dialogue, complying with its commitments to stakeholders and establishing mechanisms to prevent or address a crisis. These steps are undertaken in the early stages of each project and continue throughout the life of each operation.

The Group contributes to the development of communities in the areas in which it operates, starting with an assessment of the existing situation and the specific needs of surrounding communities, while looking to develop long-term, sustainable relations and evaluating the impact of its contributions. The Group is focused on developing the potential of members of local communities through education, training and employment.

The Group works to communicate clearly and transparently with local communities, in line with the established Community Relations Plan, including the use of a grievance management process, local perception surveys, and local media and community engagement.

5. Political, legal and regulatory

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

Preventive and mitigation measures

Political, legal and regulatory developments affecting the Group's operations and projects are monitored continually. The Group operates in full compliance with the existing laws, regulations, licences, permits and rights in each country in which it operates.

The Group assesses political risk as part of its evaluation of potential projects, including the nature of any foreign investment agreements.

The Group monitors proposed changes in government policies and regulations, particularly in Chile, and belongs to several associations that engage with governments on these changes. This helps to improve the Group's internal processes and better prepares it to meet any new regulatory requirements.

As the Group has no operations or material exposure to the UK, Brexit is not expected to have any appreciable impact on the Group. This position is kept under review as Brexit discussions continue.

6. Corruption

The Group's operations or projects around the world could be affected by risks related to corruption or bribery, including operating disruptions or delays resulting from a refusal to make "facilitation payments". Such risks depend on the economic or political stability of the country in which the Group is operating.

Preventive and mitigation measures

The Group has a "zero tolerance" regime for any activity that would result in breaking any anti-bribery and corruption legislation. A robust governance regime, including an Ethics Committee, opens channels of communication, training and multiple layers of controls that are maintained across all operations, exploration activities and third-party relationships.

The Group's compliance model seeks to prevent any activity which may involve directly or indirectly the Group in any irregular situation, to detect any potential risk in good time and to act accordingly. There are control procedures in place that help to prevent corruption, covering such issues as conflicts of interest, suitability of suppliers, the receiving and giving of gifts and hospitality, and facilitation payments.

All employees in the Group receive training on the Group's Compliance Model, which is subject to external certification.

7. Operations

The Group's operations are subject to a number of circumstances not wholly within its control. These include damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters, any of which could adversely affect production and/or costs.

Preventive and mitigation measures

Key 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 techniques for such risks. Monthly reports to the Board provide variance analysis of operating and financial performance, allowing potential issues to be identified in good time and any necessary monitoring or control activities to be implemented, preventing unplanned downtime.

The Group's focus is on maximising the availability of equipment and infrastructure and ensuring effective utilisation of the Group's assets, in line with the nameplate design and technical limits. The Group keeps the variation of the processes within defined tolerance limits. In the case of the Group's tailings storage facilities these are monitored constantly and reviewed twice a year by a team of independent experts to ensure compliance with international standards.

The Group has Business Continuity Plans and Disaster Recovery Plans for all key processes within its operations in order to mitigate the consequences of a crisis or natural disaster. The Group also has property damage and business interruption insurance to provide protection from some, although not all, of the costs that may arise from such events.

8. Strategic resources

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, fuel, sulphuric acid or mining equipment could have a negative impact on production. Longer term, restrictions on the availability of key strategic resources such as water and electricity could affect the Group's growth opportunities.

A significant portion of the Group's input costs are influenced by external market factors.

Preventive and mitigation measures

In order to achieve the Group's security of supply, contingency plans are in place to address any short-term disruptions to strategic resources. The Group negotiates early with suppliers of key inputs to ensure supply continuity. Certain key supplies are purchased from several sources to mitigate potential disruption arising from exposure to a single supplier.

To achieve cost competitiveness, the Group endeavours to buy the highest possible proportion of its key inputs such as fuel and tyres, on as variable a price basis as possible, and to link costs to underlying commodity indices where this option exists.

The Group is committed to incorporating sustainable technological and innovative solutions, such as using sea water and renewable power when economically viable, to mitigate exposure to potentially scarce resources.

The Group maintains a rigorous, risk-based supplier management framework to ensure that it only engages with reputable product and service providers, and keeps in place the necessary controls to ensure the traceability of all supplies (including avoiding any conduct related to modern slavery).

9. Cyber security

Breaches in, or failures of, the Group's information security management could adversely impact its business activities.

Preventive and mitigation measures

The Group's information security management model is designed with defensive structural controls to prevent and mitigate the effects of computer risks. It employs a set of rules and procedures, including a Disaster Recovery Plan, to restore critical IT functions.

The Group's IT systems were audited in 2018 to identify any potential threat to the operations and additional systems have been put in place to protect the Group's assets and data.

10. Liquidity

Restrictions in financing sources for future growth could prevent the Group from taking advantage of growth or other opportunities available in the market.

Preventive and mitigation measures

Security, liquidity and return represent the order of priorities for the Group's investment strategy. The Group maintains a strong and flexible balance sheet, consistently returning capital to shareholders while leaving the Group with sufficient funds to progress its short, medium and long-term growth plans and maintain financial flexibility to take advantage of opportunities as they may arise.

The Group has a risk-averse investment strategy, managing its liquidity by maintaining adequate cash reserves and financing facilities through the periodic review of forecast and actual cash flows. It chooses to hold surplus cash in demand or term deposits or highly liquid investments.

11. Commodity prices and exchange rates

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 external factors, including world economic growth, inventory balances, industry demand and supply, possible substitution, etc.

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

Preventive and mitigation measures

The Group considers exposure to commodity price fluctuations to be an integral part of its 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 expenditure and cash flows. Very occasionally, when it feels appropriate, the Group uses derivative instruments to manage its exposure to commodity price fluctuations.

The Group runs its business plans through various commodity price scenarios and develops contingency plans as required.

As copper exports account for over 50% of Chile's exports, there is a correlation between the copper price and the US dollar/Chilean peso exchange rate. This natural hedge partly mitigates the Group's foreign exchange exposure. However, the Group monitors the foreign exchange markets and the macroeconomic variables that affect it and on occasion implements a focused currency-hedging programme to reduce short-term exposure to fluctuations in the US dollar against the Chilean peso.

12. Innovation

The Group's ability to deliver on its strategy and performance targets may be undermined by missed opportunities or delays in adopting new technologies and its ability to innovate.

Preventive and mitigation measures

The Group seeks value-capturing innovations that realise cost savings, improving the efficiency, reliability and safety of its processes and supporting its corporate strategic pillars. It evaluates the potential of all ideas using its stage-gate approval process and Innovation Board.

The Group maintains partnerships with academic institutions and companies specialising in technology and engineering companies, including peers, where there is no competitive barrier to doing so, in order to maximise the potential for improvements in its processes and systems. A dedicated team monitors, identifies and analyses external innovation trends with potential application to the Group's business, including in non-operational areas such as product sales and purchasing, and maintains and manages a portfolio of ongoing projects.

The Group has a recognition and incentives programme to encourage all staff to suggest innovations to its day-to-day operating systems. It also dedicates resources to test and, if successful, escalate promising innovations with potential positive impact on the business and growth options."

Related party transactions

The following description of related party transactions is extracted from Note 34 on page 196 to 197 of the 2018 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 25.

"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 and joint ventures are disclosed below.

The transactions which Group companies entered into with related parties who are not members of the Group are set out below. There are no guarantees given or received and no provisions for doubtful debts related to the amount of outstanding balances.

A) Quiñenco SA

Quiñenco SA ("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, Andronico Luksic and Gonzalo Menéndez, who are also directors of Quiñenco.

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

- *the Group earned interest income of \$2.8 million (2017 – \$0.6 million) during the year on deposits with Banco de Chile SA, a subsidiary of Quiñenco. Deposit balances at the end of the year were \$47.0 million (2017 – \$18.0 million);*

- the Group earned interest income of \$1.4 million (2017 – \$0.4 million) during the year on investments with BanChile Corredores de Bolsa SA, a subsidiary of Quiñenco. Investment balances at the end of the year were \$6.5 million (2017 – \$16.5 million);
- the Group made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of \$221.6 million (2017 – \$185.3 million). The balance due to ENEX SA at the end of the year was nil (2017 – nil).

B) Compañía De Inversiones Adriático SA

In 2017, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company controlled by the Luksic family, at a cost of \$1.2 million (2017 – \$0.6 million).

C) 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, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. Mineralinvest is owned by a E. Abaroa Foundation, in which members of the Luksic family are interested. During the year ended 31 December 2018 the Group incurred \$0.2 million (year ended 31 December 2017 – \$0.6 million) of exploration work at these properties.

D) 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 2018 the Group contributed \$8.1 million (2017 – \$9.3 million) to Tethyan.

E) Compañía Minera Zaldívar SPA

The Group has a 50% interest in Zaldívar which was acquired on 1 December 2015 (see Note 16), which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar from 1 December 2015 onwards. The balance due from Zaldívar to Group companies at the end of the year was \$3.6 million (2017 – \$5.2 million). During 2018 the Group has not received dividends from Minera Zaldívar (2017 – \$60.0 million).

F) Inversiones Hornitos SA

As explained in Note 17, the Group has a 40% interest in Inversiones Hornitos SA, which is accounted for as an associate. The Group paid \$162.2 million (year ended 31 December 2017 – \$175.2 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During 2018 the Group received dividends from Inversiones Hornitos SA of \$16.6 million (2017 – \$21.8 million).

G) Directors and Other Key Management Personnel

Information relating to Directors’ remuneration and interests is given in the Remuneration Report on page 118. Information relating to the remuneration of key management personnel including the Directors is given in Note 8.”

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Cautionary statement about forward – looking statements

This announcement contains certain 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 at the date of this report. 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 and other 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.

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