

Antofagasta plc
Audit Committee
Terms of Reference
(revised 16 November 2005)

1. The Audit Committee comprises Independent Non-Executive Directors of the Company, to be selected by the Board, and shall consist of no less than three members. At least one member of the Audit Committee should have recent and relevant financial experience. The Board must from time to time review the composition of the Audit Committee.
2. The chairman of the Audit Committee must be appointed by the Board and shall not be the Chairman of the Company.
3. The quorum for meetings of the Audit Committee is any two of its members.
4. Meetings should be held at least twice a year. The external auditors may request a meeting if they consider one is necessary.
5. Other Board members, the Chief Financial Officer, the Head of Risk Management and the external auditors should attend meetings when requested by the Audit Committee.
6. The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.
7. The Audit Committee is authorised by the Board to obtain outside or other independent professional advice and to secure the attendance of outsiders with relevant experience or expertise if it considers necessary.
8. The duties of the Audit Committee are:
 - 8.1 To consider and make recommendations to the Board in relation to the appointment of the external auditor, the audit fee, terms of engagement and any questions of resignation or dismissal;
 - 8.2 To review and monitor the external auditor's independence, and the objectivity and effectiveness of the audit process;
 - 8.3 To develop policy on the engagement of the external auditor to supply non-audit services and to report to the Board any matters in respect of which it considers action or improvement necessary;

- 8.4 To discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
 - 8.5 To review the half-year and preliminary announcements and annual financial statements before submission to the Board, focusing particularly on:
 - i) any changes in accounting policies and practices;
 - ii) major judgemental areas;
 - iii) significant adjustments resulting from the audit;
 - iv) the going concern assumption;
 - v) compliance with accounting standards;
 - vi) compliance with UKLA and legal requirements;
 - 8.6 To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
 - 8.7 To review the external auditor's management letter and management response;
 - 8.8 To monitor and review the effectiveness of the internal audit function;
 - 8.9 To review the Company's internal control and risk management systems and to review the Company's statement on internal control prior to endorsement by the Board;
 - 8.10 To review arrangements whereby staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
 - 8.11 To consider other matters as referred to the Audit Committee by the Board.
9. The minutes of any meetings of the Audit Committee should be circulated to all members of the Board.