ANTOFAGASTA PLC

Delivering performance and growth

Annual Report and Financial Statements 2023

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In this Annual Report, the terms "Company", "Group", "we", "us", "our" and "ourselves" are used to refer to Antofagasta plc and, unless the context requires otherwise, its subsidiaries. These terms may be used as collective expressions where general reference is made to the companies in the Group and/or where no useful purpose is served by identifying any particular company or companies.

View of mining at Los Pelambres

We are committed to our purpose of developing mining for a better future

Read more on how we are delivering on our strategic framework on P22

Key performance highlights in 2023

NON-FINANCIAL HIGHLIGHTS

Safety

0

Fatalities (2022: 0)

0.63

LTIFR[1] (2022: 0.84)

Strong performance across safety metrics, with no fatal accidents and a 25% decrease in LTIFR during the year.

More information on P44

Copper production[2]

660,600 tonnes

Copper production increased by 2% in 2023, following the commissioning of the Company's desalination plant and increased water availability at Los Pelambres.

More information on P90

Mineral resources[3]

20.5bn tonnes

The Company's total mineral resources increased by 345 million tonnes during the year (2022: 20.1bn tonnes).

More information on P102

Water withdrawals from sea water

60%

Increasing from 45.4% in 2022.

More information on P65

Scope 1 and 2 emissions (per tonne copper)

1.69 tCO_2e/tCu

Copper emissions per tonne decreased by 3%, reflecting increased production and greater efficiencies (2022: 1.75tCO_2e/tCu).

More information on P57

Gender diversity

23.6%

of our employees are women (2022: 20.4%).

More information on P40

Total economic contribution

$7.2bn

We generate economic value for all our stakeholders, 3% lower than last year (2022: $7.4bn).

More information on P32

Growth projects

Los Pelambres Phase 1 Expansion

100%

Construction completed in 2023.

Centinela Second Concentrator

170kt CuEq

Approval announced December 2023.

Los Pelambres Desalination Plant Expansion EIA

Approved

Environmental Impact Assessment approved in Q4 2023.

Completing major investment projects to deliver a strong recovery in production at Los Pelambres, and pivoting to the next phase of growth across our portfolio – including announcing the approval of the Centinela Second Concentrator in December 2023.

View of the existing concentrator at Centinela.

FINANCIAL HIGHLIGHTS

Net cash costs[4]

$1.61/lb

In line year-on-year (2022: $1.61/lb), reflecting a balance of higher underlying cash costs before by-products, alongside higher production and pricing for by-products, in addition to savings coming from our Cost and Competitiveness Programme.

EBITDA[4]

$3,087m

Increased by 5% with an EBITDA margin of 49%, reflecting a higher copper production and by-products (2022 EBITDA and EBITDA margin: $2,930m and 50%).

Profit before tax

$1,966m

Profit before tax decreased by 23% (2022: $2,559m), with this year-on-year movement principally related to the recognition in 2022 of an exceptional gain relating to the disposal of the Reko Diq project.

Underlying earnings per share excluding exceptional items[4]

72.0 cents

Underlying earnings per share excluding exceptional items for the year, 21% higher than in 2022 (2022: 59.7 cents).

Earnings per share including exceptional items

84.7 cents

Earnings per share including exceptional items decreased by 46% year-on-year as the result of an exceptional gain recognised during 2022 (2022: 155.5 cents).

Total dividend per share

36.0 cents

Equivalent to a payout ratio of 50% of underlying net earnings (2022: 59.7 cents, equivalent to 100%).

1. The Lost Time Injury Frequency Rate is the number of accidents with lost time per million hours worked.
2. 100% of production at Los Pelambres, Centinela and Antucoya, and 50% of Zaldívar's production.
3. Mineral resources (including ore reserves) relating to the Group's subsidiaries on a 100% basis and Zaldívar on a 50% basis.
4. Non-IFRS measure, refer to the alternative performance measures section on page 239.

A portfolio focused on copper

We operate four copper mines in Chile, two of which produce significant volumes of molybdenum and gold as by-products.

In addition to mining, our Transport division provides rail and road cargo services in northern Chile predominantly to mining customers, which include some of our own operations.

	Copper production	Net cash costs[1]	Employees[2] gender diversity
LOS PELAMBRES 60% owned 11-year mine life Produces copper concentrates containing gold and silver and a separate molybdenum concentrate	**300,300 tonnes** **2023** *(2022: 275,000 tonnes)*	**$1.14/lb** **2023** *(2022: $1.10/lb)*	**1,212** **2023** *(2022: 1,144)* **25.3% women** **2023** *(2022: 22.2%)*
CENTINELA 70% owned 36-year mine life Produces copper cathodes and copper concentrates containing gold and silver and a separate molybdenum concentrate	**242,000 tonnes** **2023** *(2022: 247,500 tonnes)*	**$1.63/lb** **2023** *(2022: $1.75/lb)*	**2,602** **2023** *(2022: 2,484)* **24.1% women** **2023** *(2022: 20.9%)*
ANTUCOYA 70% owned 20-year mine life Produces copper cathodes	**77,800 tonnes** **2023** *(2022: 79,200 tonnes)*	**$2.63/lb** **2023** *(2022: $2.50/lb)*	**949** **2023** *(2022: 894)* **18.4% women** **2023** *(2022: 15.2%)*
ZALDÍVAR 50% owned (and operated) 13-year mine life Produces copper cathodes	**40,500 tonnes[3]** **2023** *(2022: 44,500 tonnes[3])*	**$2.95/lb** **2023** *(2022: $2.39/lb)*	**928** **2023** *(2022: 932)* **14.9% women** **2023** *(2022: 12.8%)*
TRANSPORT Cargo transport system in the Antofagasta Region of Chile 900 km rail network	**7.1m tonnes transported** **2023** *(2022: 7.1m tonnes)*		**1,387** **2023** *(2022: 1,410)* **23.1% women** **2023** *(2022: 19.9%)*
GROUP	**660,600 tonnes** **2023** *(2022: 646,200 tonnes)*	**$1.61/lb** **2023** *(2022: $1.61/lb)*	**7,753[4]** **2023** *(2022: 7,494)* **23.6%[4] women** **2023** *(2022: 20.4%)*

1. Non-IFRS measure, refer to the alternative performance measures section on page 239.
2. Employees, excludes contractors as at 31 December 2023.
3. Reflects Antofagasta's 50% holding in Zaldívar.
4. Group includes 675 employees in our corporate offices, 38.4% of them are women (2022: 35.2%).

Who we are

We are a copper producer focused on the responsible production of copper through our purpose: developing mining for a better future.

We operate four copper mines in Chile, with associated by-products of gold and molybdenum, and we are listed on the London Stock Exchange.

Group

65%
owned by the Luksic Group

35%
free float

$21.0 bn
Market cap (31 December 2023)

FTSE 100

Mining division

Top 10
global copper producer

High-quality assets with significant potential for production growth

660,600 t
Copper production

209,100 oz
Gold production

11,000 t
Molybdenum production

$1.61/lb
Net cash costs

Focus on copper production in the Americas.

Transport division

7.1 Mt
Total tonnage transported

Provides rail and road cargo services in Chile's Antofagasta Region

Our vision

Our vision is to be an international mining company focused on copper and its by-products, known for its operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.

Transport Network

Road route

Rail route

Mine

Future growth

The Group has a pipeline of growth projects to develop our significant mineral resource base which we are currently advancing through a disciplined process of project evaluation. We also have a portfolio of growth opportunities located mainly in Chile.

Los Pelambres Phase 1 Expansion

Construction of the Los Pelambres Phase 1 Expansion, comprising of a desalination plant with a capacity of 400 litres per second and an additional (fourth) concentrator line, was completed in 2023.

Read more about the completion of the desalination plant on P29

Centinela Second Concentrator

Approval of the Centinela Second Concentrator, which will add 170,000 tonnes of additional copper-equivalent production per annum[1], with critical path works commencing immediately following announcement.

1. 10-year average for the Centinela District following ramp up of the Second Concentrator.

Read more about the Centinela Second Concentrator on P15

Primary sulphide leaching

Work continues on developing a method of leaching primary sulphide copper ores, with industrial scale tests of Cuprochlor®-T at the Company's leaching operations at Centinela, Antucoya and Zaldívar. A successful heap heating pilot was conducted during 2023 at Zaldívar.

Read more about leaching sulphide copper ores on P106

Underpinned by our approach to sustainability

Sustainability is at the heart of our decision-making as we seek to achieve our purpose of developing mining for a better future.

Each of our four mining operations has been awarded the Copper Mark, the copper industry's responsible production assurance framework, and completed the ICMM's Performance Expectations third-party validation process.

Employees and gender diversity

7,753

Total employees (2023)

23.6%

Female representation within employees

Read more on P40

Safety first culture

0

Fatalities

25%

Reduction in lost time injury rate

Read more on P44

Suppliers and local communities

94%

Suppliers based in Chile

$709m

Value generated with small and medium-sized enterprises (SMEs)

Read more on P52

Sustainable mining

60%

Water withdrawals from sea water

GISTM

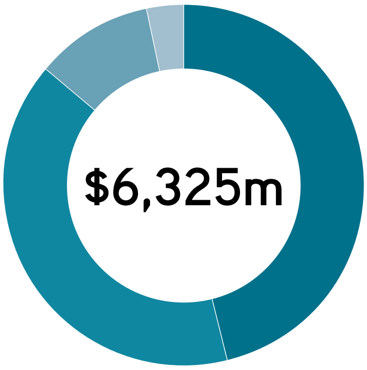
Compliance[1] announced with Global International Standard on Tailings Management (GISTM)

1. In compliance with commitments under the GISTM.

Read more on P65

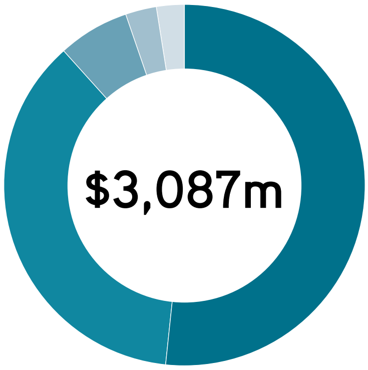
Copper cathodes awaiting shipment.

Revenue



Los Pelambres	$2,924m
Centinela	$2,533m
Antucoya	$672m
Transport	$196m

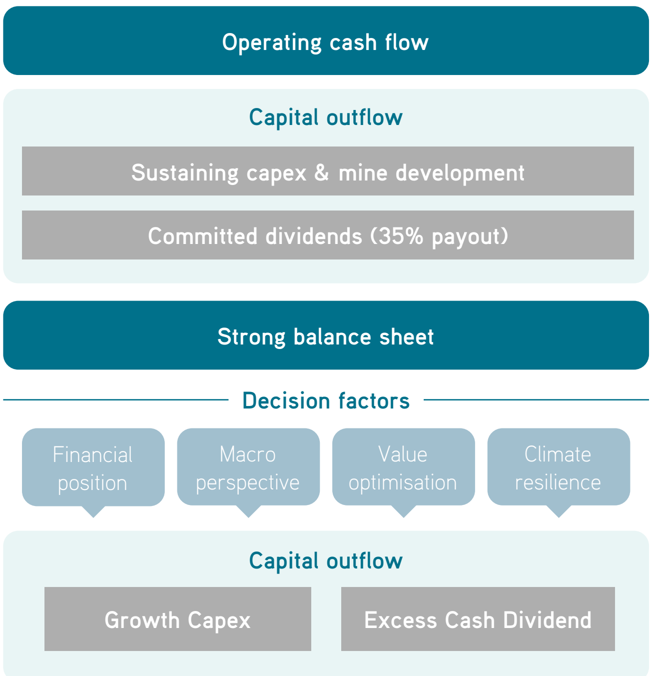
EBITDA[1]



Los Pelambres	$1,725m
Centinela	$1,219m
Antucoya	$215m
Zaldívar	$87m
Transport	$82m

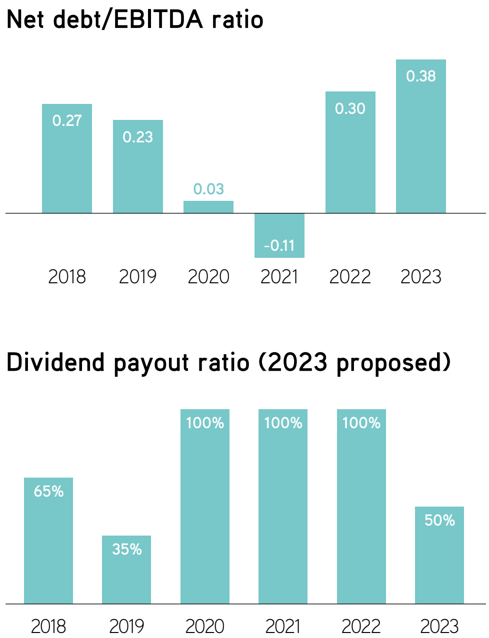
1. Above chart excludes $240 million of corporate costs, exploration and evaluation, and other non-operating income and expenses. See Note 6 to the financial statements.

Consistent approach to capital allocation



Creating sustainable value and shareholder returns over the long term

Investments and shareholder returns



Letter from the Chairman

Reflecting on a year of progress

We have delivered progress on a number of projects in 2023, and we have reasons to look forward to a positive outlook for the year ahead.

JEAN-PAUL LUKSIC
Chairman

Dear shareholders,

In 2023, we marked our 40th year of operating copper mines. Since the start of the Michilla mine in the north of Chile, and through careful planning, dedication, a clear vision and investment, we have grown to become one of the world's leading copper producers. As a business focused on creating value for our employees, local communities, partners and shareholders, we are proud to reflect on the strong performance that was delivered in a safe and sustainable manner over the course of the year.

2023 highlights

We delivered strong performance in 2023, with record safety performance and higher copper production following construction of the expansion at Los Pelambres. We have successfully protected profit margins during the recent period of high inflation, and we have continued to exceed the minimum payout ratio according to our dividend policy, proposing a full year dividend equal to 50% of underlying net earnings.

Investment is key to maintaining our competitiveness, and we made important decisions during the year to further develop our two principal mining districts – Los Pelambres and Centinela. Mining is a long-term business, and the decisions that we have taken have been carefully planned in order to create maximum long-term value for all our stakeholders.

We have recently completed construction of an expansion at Los Pelambres, which included building a desalination plant to increase water availability, as well as additional processing capacity at the mine. Also, we have approved the plan to double the capacity of our desalination plant and to build a new concentrate pipeline by the end of 2027, thereby securing the long-term future of Los Pelambres.

At Centinela, we approved the Second Concentrator Project, which will be another transformational project for the Company, adding an additional 170,000 tonnes of copper-equivalent production by 2027.[1]

In December, we announced the expansion of our footprint outside Chile through an investment in Compañía de Minas Buenaventura S.A.A., Peru's largest publicly traded mining company. This opportunity complements our exploration activities in recent years and significantly increases our exposure to Peru's highly prospective geology. We will continue to evaluate opportunities to deliver value to all stakeholders.

1. Average over an initial 10-year period.

Positive outlook in global copper markets

The copper price showed increased stability in 2023, with the energy transition helping to drive global demand for copper as a critical mineral across a broader range of industries. We remain confident in copper's medium- to long-term fundamentals, with global copper supply unlikely to be able to sufficiently increase within the required timescale to meet this rising demand.

A focus on responsibly produced copper

The environment, climate change and the energy transition all play a critical role in our business model. Water availability affects our ability to produce copper consistently, which is the underlying reason for investing in desalination.

Having achieved our targeted emissions reduction in 2022, we have set ambitious new goals. We are aiming for a 50% reduction in Scope 1 and 2 emissions by 2035 – all while continuing to expand production. The Board has also approved our first Scope 3 emissions reduction target. Collaborating with our suppliers in Chile by incentivising improvements to their business practices will be key to achieving this target.

With a safe, responsible and sustainable approach to copper production, we believe that we are well positioned to help countries and regions around the world in their efforts to pivot towards electrification and economies based on low-carbon technologies.

Delivering on our strategy

In growing and developing our business, we remain focused on our five strategic pillars, which are outlined below. With a clearly defined strategy, we are confident that we can deliver on our purpose of developing mining for a better future. While we remain committed to copper, and we are positive on its long-term outlook, a prudent and consistent approach to capital allocation is required to generate shareholder returns.

With our business model, which also focuses on sustainability, prioritising strong safety standards, collaboration with local communities, and efforts to limit our environmental footprint – we aim to deliver value for all stakeholders. This is an integral part of our purpose and will help us operate with the support of communities, governments and other stakeholders for the duration of our long-life assets.

Safety and sustainability

Safety is at the heart of our culture, and we are pleased to look back on a year of strong safety performance, with another year without fatalities and injury frequency rates falling by 25% to 0.63 lost time injuries occurring per 1 million hours worked, which is a new record for our business. To build a safety-first culture, a clear understanding of the risks and how to mitigate them is essential.

I am particularly proud of the safety performance of the expansion project at Los Pelambres, a project that required more than 39 million hours of work and several thousand contractors. In addition, we are proud of the progress made in our Transport division, where injury frequency rates fell by more than half during 2023 following the implementation of several safety initiatives.

Sustainability is an integral part of our strategy and is a fundamental driver behind demand for critical minerals, which will continue to be the case going forward. As a result, it is integrated into our business model and capital allocation framework.

People and culture

We have a workforce of over 29,000 people, spread across our four mines, Transport division, corporate offices and projects under construction. We couldn't achieve our goals without an engaged and diverse workforce operating in a safe and inclusive environment. I am pleased we are continuing to develop and invest in our employees, increasing diversity and maintaining high levels of training.

The level of gender diversity across our business is progressing towards our goal of 30% by 2025, as our initiatives continue to increase female employment at each of our operations. We remain committed to diversity because of the benefits that this brings to our culture and leadership team.

Competitiveness

Our success depends on being competitive and continuing to maintain our margins to deliver strong shareholder returns. Los Pelambres is a large, low-cost operation, and the construction of the Centinela Second Concentrator will improve Centinela's competitiveness on the global cash cost curve. With these two large low-cost mining districts, which allow us to continue to grow into the future with an increased share of lower-cost concentrate volume in our portfolio, we are well placed to continue to deliver consistently strong financial performance and value to all our stakeholders.

Innovation

In order to maintain or grow our output, we will continue to invest according to evolving social expectations and environmental standards. With the inauguration of our second Integrated Remote Operations Centre in 2023 in Santiago for Los Pelambres, following the opening of the Centinela facility in Antofagasta in 2021, we have seen productivity benefits while offering opportunities for personal development in the next generation of roles in mining.

Primary sulphide leaching continues to be a key focus area for the industry, with the potential to add new supply at lower capital intensity for lower grade ores. We continued to progress our proprietary Cuprochlor®-T technology, and we are pleased to report positive results in 2023.

Growth

With the investment in the Centinela Second Concentrator Project mentioned above, we will add 170,000 tonnes of copper-equivalent production to our portfolio. Through this project, the desalination plant and fourth concentrator line at Los Pelambres, we continue to develop our large resource base towards our target of producing up to 900,000 tonnes of copper per year in the near future.

These investments will provide a strong platform for growth in the coming years. The mining industry has a limited ability to meet rising copper demand from industries such as the energy, infrastructure and automotive sectors, among others. As a pure-play copper producer, we are well positioned thanks to our high-quality assets, track record of performance, and our pipeline of medium to long-term growth projects.

Our capital allocation framework guides all of our decisions. The capital needed for the investments planned at Centinela and Los Pelambres will see an increase in capital spend, peaking in 2025 and falling thereafter.

Board changes

In 2023, we saw several changes to the Board of Directors and Board Committees, which continued to refresh our thinking and bring new skill sets and perspectives as we embark on a new phase of growth. We have rotated the role of Senior Independent Director, which has been taken up by Francisca Castro, a member of our Board since 2016. I would like to thank Tony Jensen, who continues to be a valuable member of our Board, for his tenure in this role.

We have also welcomed two new Independent Non-Executive Directors. Heather Lawrence joined the Board in April 2023, and Tracey Kerr joined the Board in January 2024. Heather is qualified as a Chartered Accountant and has strong financial experience and Tracey brings extensive global mining experience in areas including safety, sustainability, operations and exploration. Both Heather and Tracey have London listed company Board experience. Following these appointments, female representation at Board level increased to 45%.

I would like to thank Jorge Bande, who retired from the Board at the end of 2023 after serving for nine years, the tenure for independence recommended by the UK Corporate Governance Code, during which time he contributed significantly to the Company's success.

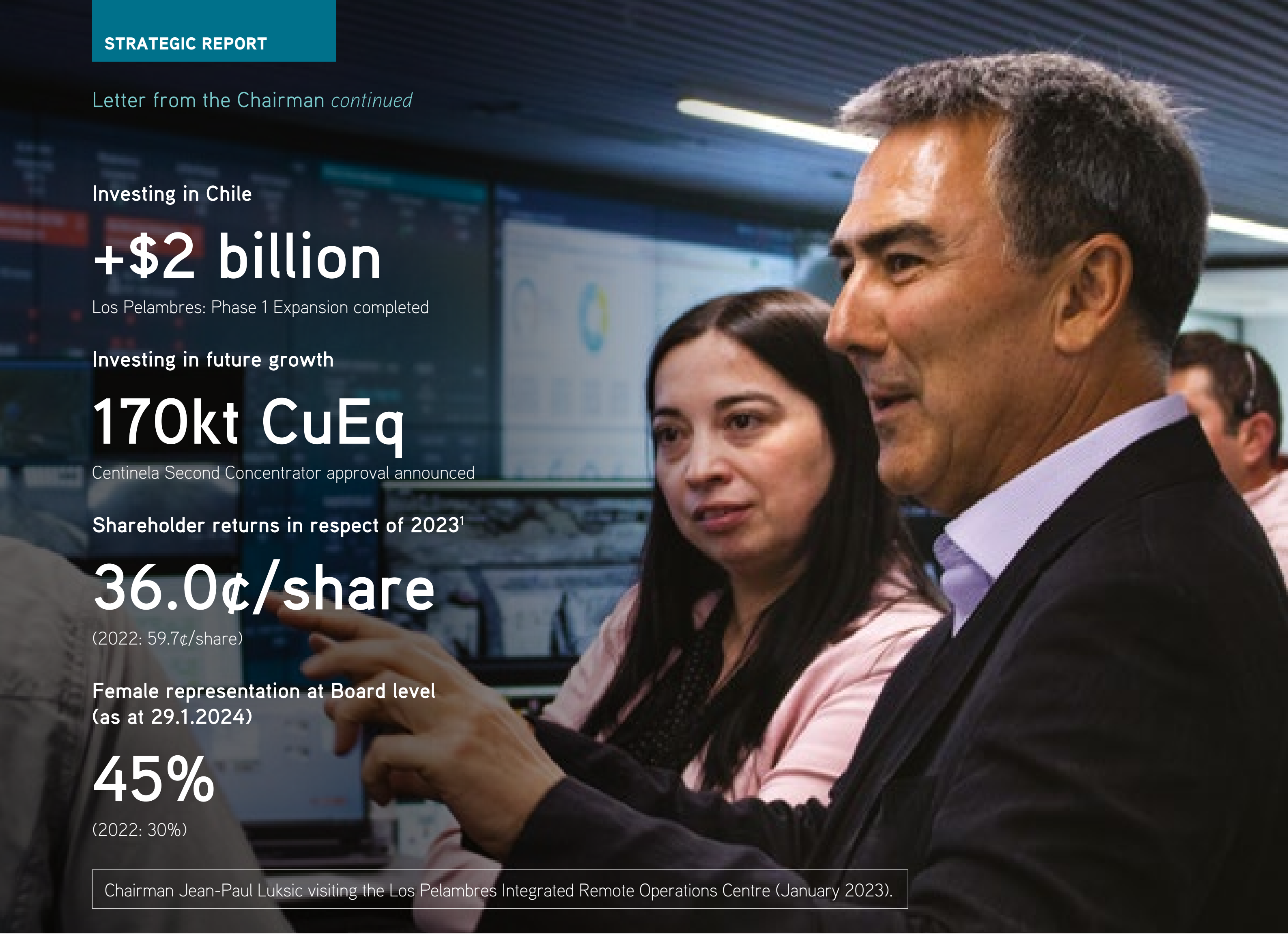
Chile's economic, social and political environment

Over the year, Chile concluded key debates on amendments to Chile's mining royalty tax and a second proposal for a new constitution.

The new mining royalty has increased the tax burden for mining companies operating in Chile at a time when the mining industry requires additional capital to tackle declining grades and rising ore hardness, making it less attractive for companies to develop opportunities in Chile's mining sector.

In December 2023, the people of Chile voted against the second proposal for a new Constitution. The government has said that they will not be seeking a third process to change the Constitution. Throughout this process, the population continued to focus on key concerns such as public order and safety, economic growth and employment.

We hope that having completed these two processes, Chile will take this opportunity to enter an era of common understanding and political consensus to achieve higher levels of economic and social prosperity that will allow for the advancement of important social reforms, such as those relating to pensions, health and education.



Investing in Chile

+$2 billion

Los Pelambres: Phase 1 Expansion completed

Investing in future growth

170kt CuEq

Centinela Second Concentrator approval announced

Shareholder returns in respect of 2023[1]

36.0¢/share

(2022: 59.7¢/share)

Female representation at Board level (as at 29.1.2024)

45%

(2022: 30%)

Chairman Jean-Paul Luksic visiting the Los Pelambres Integrated Remote Operations Centre (January 2023).

On the economic front, the International Monetary Fund forecasts that Chile's economy will return to growth in 2024, following a contraction in 2023.[2] Inflation rates appear to have passed the peak seen in 2022 and early 2023, which exceeded 13% for several months, putting an excessive strain on both individuals and businesses. This outlook is consistent with the broader global trend, with increasing signs of economic activity across key markets for copper in 2024.

Outlook

As a business, we remain optimistic and realistic about the year ahead.

Significant investment decisions, such as those at Centinela and Los Pelambres, bring with them execution risks that naturally accompany construction projects of this scale. While we are confident in the level of engineering and the studies that have supported these decisions, we are mindful of the challenges in the construction of major mining projects in Chile. These challenges include lessons learned from the recent expansion at Los Pelambres, where we experienced delays to critical path works and cost inflation. Although this was caused in part by external events such as the disruption of global supply chains relating to the Covid-19 pandemic and the war in Ukraine, there are also local challenges including in relation to productivity.

As a responsible and profitable copper producer with sustainable growth, we are in a position to respond to global macroeconomic trends. The energy transition is driven by electrification, which demands increasing amounts of copper for the global economy. Antofagasta has the track record of performance and creating value for all our stakeholders. We have two world class mining districts, a strong balance sheet and a dedicated workforce, which are all key enablers for achieving our purpose of developing mining for a better future.

JEAN-PAUL LUKSIC

Chairman

1. Shareholder returns shown represent interim dividend of 11.7 cents and proposed final dividend of 24.3 cents.
2. IMF Report: 'Chile: IMF Staff Concluding Statement of the 2023 Article IV Mission', dated November 2023.

Delivering performance and growth

Our strong financial performance in 2023 demonstrated the resilience and strength of our portfolio of operations.

IVÁN ARRIAGADA
Chief Executive Officer

Dear shareholders,

At Antofagasta, we are building a strong foundation for growth and delivering on our purpose of developing mining for a better future.

In 2023, we made progress on safety, production and cost control, which enabled us to deliver a robust set of financial results. We have completed the construction of the first phase of the Los Pelambres Expansion Project, a $2 billion investment that will not only provide operational stability and increased processing capacity, but will help us advance towards our medium-term target of achieving 90% of our water use from sea water or recirculated water sources. In addition, we recently announced the approval of the Centinela Second Concentrator Project, which will move us significantly towards our ambition of 900,000 tonnes of profitable copper production and push the Centinela District as a whole towards the first quartile of the global cost curve. At the peak of construction, this $4.4 billion investment will create nearly 13,000 jobs in Chile and will generate significant social and economic benefits for the country.

More information on these two key growth projects can be found on pages 15 and 29 of this report.

These landmark projects are significant steps along our path to creating value for all our stakeholders – including our workforce, local communities and investors – and along with our strong operational performance, set the stage for our next phase of growth.

Health and safety

Most importantly, we registered our strongest performance ever in terms of safety; the culmination of many years of developing and implementing policies to promote a safety-first mindset across our workforce. Over the course of the last ten years, our injury frequency rates have consistently decreased, and our performance is now ahead of many of our global peers in the wider mining industry.

People and communities

It is also vital that we have the right culture and working environment. We are confident that our talent management programme, training initiatives and diversity and inclusion efforts will ensure that we enter our next chapter of growth with the best team to deliver our goals. We are also proud to reflect on several three-year labour agreements signed during the year. In a number of cases, we reached those agreements before the previous contracts expired, underscoring our proactive engagement with our workforce.

We continue to expand our diversity initiatives, increasing female representation in our workforce to 23.6% (2022: 20.4%), and moving us closer to our goal of 30% female representation by 2025. Furthermore, gender diversity on our Board of Directors has increased to 45% as of February 2024 thanks to new appointments in the past 12 months, broadening the Board's skill set at a critical time of growth for the business.

By recruiting the right people and building dedicated project teams, we are successfully ramping up both our desalination plant and fourth concentrator line for Los Pelambres. Looking forward, we are now well positioned to begin work on our portfolio of future projects, at both Los Pelambres and Centinela.

In our engagement with local communities, we continued to develop social programmes that support families living near our operations in 2023. In the Central region of Chile, close to Los Pelambres, we are focused on water, healthcare and education projects. One programme, Somos Choapa, helps to promote effective community engagement, while another, Confluye, focuses on responsible water use, as this is a key topic after more than 12 years of drought in the area. In the north of Chile, our focus continues to be on preserving the traditions and cultures of indigenous peoples, while also supporting local schools. In 2023, we undertook formal assessments of 18 of our social programmes and the results confirmed that all yielded a positive social return for our communities. It is important to local stakeholders that we support businesses and provide jobs in our local communities. We are committed to providing opportunities for local stakeholders, and we continue to maintain high levels of employment in the regions where we operate, with the majority of our personnel based either in the Antofagasta or Coquimbo regions of Chile.

In addition, we were proud to be a lead sponsor of the Pan American and Parapan American Games in 2023, which were held in Santiago for the first time, helping to promote Chile on a global stage and providing the copper that sits in the heart of all the medals.

As part of our broader reporting, during the year we published a series of standalone reports on our tax contribution, social value creation and strategy to address climate change, in addition to the Sustainability Report that was published alongside this Annual Report (available at www.antofagasta.co.uk).

Tailings management and external accreditation

Ensuring the stability and safety of our tailings storage facilities is crucial. In August 2023, we announced full compliance with the Global Industry Standard on Tailings Management (GISTM) at our main storage facilities. The process was completed at El Mauro (Los Pelambres) and Centinela in 2023, while Los Quillayes (Los Pelambres) and Zaldívar are expected to be fully compliant by the deadline of August 2025. Antucoya does not have a tailings facility, since it is a SX-EW operation, and therefore does not have a requirement to comply with the GISTM.

As part of the process associated with The Copper Mark, a framework to promote responsible practices at mining operations and across value chains, both Antucoya and Los Pelambres received accreditation in 2023 for the implementation of their action plans. This accreditation lasts until 2025 and reaffirms our approach to producing copper in accordance with United Nations Sustainable Development Goals (SDGs). All companies in our Mining division hold this certification.

Responsible water use

In line with our purpose of developing mining for a better future, we are focused on ensuring that we have a sustainable business model. That means active community engagement, responsible water sourcing, ambitious emissions reduction targets and the protection of habitats and biodiversity.

The successful completion of our desalination plant in 2023 has enabled Los Pelambres to reduce the use of continental water sources, which have been impacted through the ongoing drought. Group-level water extraction from sea water sources increased in 2023, with water from our new desalination plant already representing a third of Los Pelambres' water supply, despite only commencing its ramp up in the middle of the year. Both Centinela and Antucoya in the north of Chile operate on 100% sea water or recirculated water, following the closure of the Calama wells in 2022. At Zaldívar, with the submission of an Environmental Impact Assessment (EIA) in 2023, we plan to convert this operation to sea water (or water from third parties), after an extension of the water permit for a transitional period between 2025 and 2028, which will allow us to extend the mine life of this operation to 2051, with a long-term water solution to replace the current extraction of continental water. In early 2024, approval was received from the authorities for the separate DIA (Declaration of Environmental Impact) to extend the mining permit and, therefore, align the water and mining permits at Zaldívar.

The initiatives mentioned previously, driven by our plan to double the capacity of our existing desalination plant at Los Pelambres, are helping us move towards our medium-term ambition of achieving 90% of our water from sea water or recirculated water sources.

Climate change: updated targets set

We continue to make progress in reducing our Scope 1 and 2 emissions. Having achieved our previous targets in 2022, we have focused on developing updated goals for our decarbonisation programme. As a result, we were proud to announce in early 2024 our updated emissions reduction targets, including a 50% target to reduce Scope 1 and 2 emissions by 2035, based on absolute tonnes of emissions and taking into account our planned increase in production during this time.[1] We have also taken the important step of publishing our first Scope 3 target, with the goal of achieving a 10% reduction in emissions by 2030.[2]

1. This is on a combined basis and refers to a reduction in the absolute number of tonnes relative to a baseline year of 2020.
2. Scope 3 emissions target set on a projected basis relative to a baseline year of 2022.

A key part of achieving our Scope 1 and 2 emissions reduction targets will be to reduce diesel consumption in our haul trucks, which represents approximately 60% of our Scope 1 emissions. To do this, we are focused on the continuing search for replacement fuel alternatives, in combination with the competitive electrification of our mining haulage fleet, which contemplates the potential use of trolley-assist technology, with initial pilot tests to be implemented at selected sites. Following this, we anticipate supplementing this technology with battery electric vehicles, as this particular technology develops over time and becomes more widely available and cost effective. In parallel, we are implementing a range of modern technologies across our portfolio, such as fleet automation at our mines, which will serve to further enable electrification and decarbonisation in the future. Regarding Scope 3, over 50% of these emissions come from our suppliers of goods and services. Through positive engagement with our suppliers via our Suppliers for a Better Future Programme, which was launched in December 2022, we aim to achieve our goal of a 10% reduction in Scope 3 emissions by 2030.

Operating results

We recorded a strong year of operational results in 2023, with our Mining division producing 660,600 tonnes of copper, representing a 2% increase year-on-year. Performance improved at our largest mine, Los Pelambres, with ore processing rates increasing by 11% and our newly completed desalination plant helping to ensure a greater degree of water availability. At Centinela, we registered another year of consistent concentrate and cathodes plant performance, with production and costs broadly in line year-on-year despite industry-wide cost inflation. At Antucoya, our continued discipline has helped manage costs, with this operation demonstrating effectiveness in low-grade copper mining. At Zaldívar, costs increased year-on-year in 2023, and the Company is continuing to implement its strategy of increasing throughput to ensure that this operation performs at its design capacity, with an appropriate cost base.

Our Transport division continued to deliver robust performance, with a second successive year of shipments in excess of 7 million tonnes, marginally beating the record set in 2022. Amid rising forecasts for copper and lithium production from the northern region of Chile in the coming years, we have a positive outlook for this segment of our business.

Net cash costs in 2023 were $1.61/lb, in line with the prior year, as increasing production of copper and by-products helped maintain our position on the global cost curve.

With industry-wide inflation in 2023 and perennial challenges related to grade decline and ore hardness, effective cost control is essential for modern copper producers to remain competitive. Our cost and competitiveness programme drives our efforts to control costs, delivering a total of $135 million of savings and productivity improvements in 2023. This was substantially above our internal target of at least $42 million for the year and in light of this progress, our ambition for cost savings in 2024 has increased significantly to $200 million.

Financial performance

Our strong financial performance in 2023 demonstrated the resilience and strength of our portfolio of operations. We recorded an 8% increase in revenues and a 5% increase EBITDA. Through consistent investment throughout the cycle, we have maintained our EBITDA margins at 49% in 2023 (2022: 50%).

Following the decision in 2022 to exit from our participation in the Reko Diq exploration project, proceeds of $946 million were received during the year, in line with expectations.

Finally in our financial position – through our robust margins and conservative balance sheet management, we have maintained our net debt to EBITDA at a low level of 0.38, providing a platform on which to enter the next phase of development.

Growth and innovation

We are at an important juncture as we conclude one phase of profitable growth and investment, and prepare for the next one. Following completion of the first stage of the expansion at Los Pelambres, we can look forward to consistent operating performance and higher throughput rates. Furthermore, in late 2023, we received approval from the environmental authority to double the desalination plant at Los Pelambres (to reach 800 litres per second) and develop future critical infrastructure. It includes a new concentrate pipeline to replace the existing one, following a route that runs along a less populated route, and reduce the risk of unplanned downtime with the existing pipeline which as now been in operations for more than 20 years. Once this expansion of the desalination plant is complete, the Company will approach its target of at least 90% of water use coming from either the sea or recirculated water, helping to release water previously obtained from continental sources, in line with our environmental and social commitments.

At Centinela, we announced approval of the Second Concentrator, which will add 170,000 tonnes of copper-equivalent production to our portfolio. Through this $4.4 billion investment, we will significantly expand our utilisation of modern technologies and output of by-products – helping the Centinela District move towards the first quartile on the industry cost curve.

At our leaching operations, we continue to innovate and work towards a solution to leaching primary sulphides. Cuprochlor®-T, our in-house, patented technology, delivered positive progress in 2023, a successful heap heating pilot was conducted at Zaldívar, enhancing its operational readiness. We are now evaluating an expansion of this programme to incorporate other mining operations, including third parties.

In 2023, we made progress with the Cachorro exploration project, where exploration work has continued in the central and main zones of the deposit, with this project having a mineral resource estimate of 250 million tonnes with a copper grade of 1.27%. Through exploration projects like Cachorro, we are working hard to ensure the future availability of new mining resources.

During the year, we also announced agreements to acquire 19% of Compañía de Minas Buenaventura S.A.A. (Buenaventura), Peru's largest publicly traded precious and base metals company with a pipeline of potential copper projects. This investment is consistent with our strategy of prioritising investment in the Americas. We look forward to developing this relationship, looking to identify opportunities to deliver value for all stakeholders.

On innovation, we continue to implement our digital roadmap, increasing the use of artificial intelligence and advanced analytics in areas such as the leaching of ore at our SX-EW operations, while increasing the efficiency of fleet management at Centinela. We also inaugurated our Integrated Remote Operations Centre (IROC) for Los Pelambres in 2023, alongside Centinela's IROC, which opened in 2021, we are rolling out additional remote-operated equipment at both operations to improve both safety and productivity.

Outlook for 2024

We believe that the strong performance we have achieved and the strategic investments we have made over the past year has put the Company on a solid platform for the next phase of growth.

The completion of the first phase of expansion at Los Pelambres and the start of construction at the Centinela Second Concentrator project are significant milestones. But they are only part of the story. Our exploration programme in Chile is advancing as we develop further copper resources, and we are building a footprint in Peru. In addition, we have updated our emissions reduction targets, setting ambitious goals for the next decade while working closely with suppliers and customers to tackle the rising threat of climate change. We are also optimistic that we have moved into a more stable environment in Chile.

These decisions mean we are strongly positioned to supply the much needed copper that plays an integral role in the world's transition to a low-carbon economy. We endeavour to meet that demand in a responsible and sustainable way, ensuring that we create value not just for our shareholders, but also for our employees, our communities, our partners, and our planet as a whole.

IVÁN ARRIAGADA
Chief Executive Officer

2023 Highlights

Health and safety

25%

Reduction in lost time injury frequency rates in 2023.

Strong financial performance

8%

Increase in revenue to $6.3 billion in 2023, reflecting strong demand for copper and a 2% increase in production during the year.

Resilient margins

49%

Maintaining EBITDA margin at 49% despite industry-wide cost inflation in 2023 (2022: 50%).

New emissions targets

50%

Reduction in Scope 1 and 2 emissions combined, on the basis of absolute tonnes, by 2035 (relative to baseline year of 2020). Targets have been updated following successfully achieving the previous target in 2022.

DELIVERING NEW OPPORTUNITIES

Operators at Centinela's existing concentrator.

The expansion will leverage over two decades of operational experience and understanding, utilise existing infrastructure, and build on long-established relationships with our local communities.


View of Centinela's covered stockpiles.

Centinela Second Concentrator

A new phase of growth

In December 2023, the Company announced the approval of the Centinela Second Concentrator Project, which will add 170,000 tonnes of copper-equivalent production, comprising 144,000 tonnes of annual copper production and associated gold and molybdenum by-products.[1] Through a brownfield expansion of an existing copper mine in the Company's portfolio, it is expected that this project will increase Antofagasta's copper production. Through this expansion, it is expected that the Centinela District as a whole will move towards the first quartile on the global cash cost curve for copper production, through an increased focus on concentrator capacity that incorporates modern technologies, increased by-products and greater economies of scale.

The scope of the project is to construct a second concentrator to process sulphide ores using modern technologies, overseen by Centinela's existing management team, which has more than 20 years of handling copper ores in the Centinela District. Through developing a brownfield project, the Company intends to reduce the execution risk typically associated with major greenfield construction projects, and the project has all the relevant permits approved by the authorities in Chile for the project to proceed into the construction phase.

The Centinela Second Concentrator has an associated capital cost of $4.4 billion[2], and comprises of a number of workstreams to mine sufficient ore to supply a new 95,000 tonne per day concentrator plant, in addition to ancillary infrastructure to supply water and electricity to the project, as well as port handling facilities. In addition, the project includes a new tailings storage facility, the expansion of outbound logistics networks, such as the concentrate transport system and additional loading equipment, autonomous hauling equipment and a truck shop for the mine expansion at Esperanza Sur. Also included are camps, and ancillary civil infrastructure, which have been designed to fully integrate into the existing Centinela operation, to avoid any redundancy.

The project is to be financed by Centinela through a combination of direct funding from Centinela's shareholders (Antofagasta plc and Marubeni Corporation representing approximately 40% of total funding), and project finance provided by lenders.

The timeline for development is three years, with first copper production expected in 2027. Critical path works commenced immediately following announcement, with full construction activities commencing following the execution of definitive project finance documents in Q1 2024.

Ore for the new concentrator will be sourced from two existing open pit mining operations – the Esperanza Sur mine, and an expansion into higher-grade sulphide ores that lie below the Encuentro Oxides ore reserves.

In parallel to the announcement to construct the Centinela Second Concentrator, the Company announced a review of the opportunity to outsource Centinela's water supply through a third party acquiring the existing water supply system and building the new water pipeline expansion, and an agreement to proceed with this process was announced in March 2024.

Further details of the Centinela Second Concentrator Project and the process to review outsourcing of Centinela's water sourcing are available in the Company's announcement dated 20 December 2023 (www.antofagasta.co.uk).

170,000

Tonnes of copper-equivalent production per annum.[1]

36 years

Brownfield expansion with a 36-year mine life based on Centinela's significant ore reserves.

1. Production figures represent the average over an initial 10-year period.
2. Capital cost estimate to be lowered by $380 million through the decision to proceed with the outsourcing of Centinela's water supply, which was a decision that was announced in March 2024. Completion of this process is expected during 2024.

Copper: Essential for electrification

There was greater market stability in copper prices in 2023, with rising demand from industries associated with the energy transition.

While copper prices remained relatively stable in 2023 compared with 2022, the global market is seeing significant change both in the supply of copper and in demand from key industries. Factors such as grade decline and rising ore hardness are affecting production from existing mines and for various reasons a number of the world's largest copper producers cut guidance during the year. In China, several factors have created a market in transition in 2023, including a slower than expected post-Covid recovery, with decreased demand from traditional sectors such as property, and emerging demand for sectors linked to decarbonisation.

Why is copper essential?

Copper is a widely used metal for carrying electricity, due to its high conductivity, and is generally the most economical metal for use in electrical components. As modern technology is heavily dependent on electricity and its associated infrastructure, copper is essential for modern living and in particular for the ongoing energy transition to low-carbon economies. Copper also benefits from being a metal resistant to corrosion and with high malleability, meaning it can be crafted into a range of forms for manufacturing different types of products, such as wires, rods, tubes and bars. Thanks to these properties, copper is used in a broad range of industries, including construction, infrastructure, transport and consumer goods.

Global copper consumption fits into three main categories: wire, other forms – such as tubes, rods and plates – and alloys. Of the industries that use copper, 40% of consumption is for electrical purposes in construction, infrastructure and industry, followed by 23% of consumption in the manufacturing of white goods and other appliances.[1]

Given the wide range of industries using copper, it has traditionally been seen as a barometer of health for the global economy: when global economic activity grows, manufacturing output tends to increase and demand for key inputs (such as copper) rises. The copper price has long been a leading economic indicator, preceding lagging indicators, such as employment and inflation data. The copper price is influenced by other factors, including the global mine supply of primary copper, the recycling rates of scrap copper, and artificial impacts such as trade tariffs. In recent years, demand shifting towards sectors associated with the energy transition has bolstered the copper price, lowering the correlation with phases of economic growth.

1. International Copper Association, 2023 Global View Semis End Use Dataset, published August 2023.

Global copper demand in 2023

Global refined copper demand is estimated to have been approximately 25 million tonnes in 2023, representing a 3% increase year on year. China continues to be the main consumer, representing 55% of the total with nearly 14 million tonnes.[2] To put this in perspective, the second largest source of copper demand is Europe, with a 12% market share of approximately three million tonnes.[3] Another major end-user of copper is the United States, which has remained stable at 1.8–1.9 million tonnes of copper demand for the past five years, according to the United States Geological Survey.

Key factor: China

Given China's prominence in global copper demand, its economic outlook is a key predictor for the overall global balance of supply and demand. Data from the International Monetary Fund (IMF) published in Q4 2023 indicated an expectation that the Chinese economy grew by 5.4% in 2023, slowing to 4.6% in 2024.[4] Drivers for this growth in 2023 are cited by the IMF as an initial rebound in economic activity following the easing of post Covid-19 measures in early 2023, followed by a series of broad-based and pro-market structural reforms aimed at boosting productivity, which helped to accelerate growth from the 2–3% seen in 2022.[5] However, a key factor for the expected slowing of the Chinese economy going into 2024 is the property sector, with several large-scale domestic property developers facing financial constraints, reduced local demand and distressed balance sheets. This continues to be a factor to monitor in 2024, as well as the efforts made by the Chinese government to manage this risk and promote economic growth.

As a result of continued economic growth, copper demand in China is also expected to increase by a further 2% in 2024.[2]

2. International Wrought Copper Council, Short-Term Forecasts for Copper, published October 2023.
3. Defined by the IWCC as EU27 plus UK.
4. Release: "IMF Staff Completes 2023 Article IV Mission to the People's Republic of China", dated November 2023.
5. Release: "IMF Executive Board Concludes 2022 Article IV Consultation with the People's Republic of China", dated February 2023.

Copper cathodes awaiting shipment.

Key factor: Decarbonisation and emerging technologies

The energy transition and other technological advances continue to spur changes in copper demand in both China and the rest of the world. Examples of emerging technologies that are heavily dependent on copper are battery electric vehicles (BEVs), which can require two to three times as much copper as a typical combustion engine vehicle.[1] Copper is also key to renewable power generation, with solar power units using copper in thermal heat exchange units and electrical wiring, with a requirement of approximately 5.5 tonnes per megawatt generated. Offshore wind installations are even more copper intensive due to lengthy cabling requirements, needing approximately 9.5 tonnes per megawatt generated.[2]

As government legislation encourages decarbonisation, BEVs are forecast to represent more than half of global car sales by 2040, an industry of more than 100 million units a year. The volume of copper required by the automotive industry is expected to rise by 143% between 2020 and 2040, growing to six million tonnes of annual copper consumption.[3]

Historically, the property sector has been the major consumer of copper in China. However, demand slowed in 2023 for the reasons stated previously. Rising investment during 2023 in China's grid and decarbonisation in the automotive sector (with emissions controls in major cities, and government incentives promoting sales of BEVs), resulted in robust growth for sales of electric vehicles during the year, helping to bolster overall demand for copper and keep prices relatively stable during the year.

With governments increasing efforts to decarbonise economies through legislation and emerging technologies, it is expected that overall copper demand will grow, and across a broader range of sectors than before. The dominance of China is a continuing risk to the copper market, particularly if its market share increases in the coming years. Additional risk factors relating to higher prices are the threat of substitution, further technological innovation and falling demand, all factors that may limit the potential for demand growth in the medium to long term. Research suggests that substitution and miniaturisation of copper components has remained stationary at approximately 400–500kt per annum for the past ten years, and this may moderate future copper demand growth and mitigate against substantially higher prices in the long-term[7].

Scrap recycling rates are a further factor in respect of the copper supply-demand balance, as discussed in the following section.

Global copper supply in 2023

The production of copper is not straightforward. Key considerations in producing primary copper (mined copper in the form of concentrates or cathodes) include the following: the permitting process for new and existing mines, capital requirements and other barriers for entry, grade decline and rising ore hardness once operational, risks relating to ongoing support from local stakeholders, and closure considerations.

Primary copper supply represents approximately 22 million tonnes per annum,[4] around 84% of total global refined copper.[5] The balance comes from secondary copper (recycling and reclaimed copper).

Mine supply (primary copper)

According to the United States Geological Survey, Chile, Peru and the Democratic Republic of the Congo (DRC) represented a combined total of 46% of the 22 million tonnes of global mined copper supply in 2023, with a further 35–40% coming from the next ten countries, including Australia, the United States, China, Indonesia and Russia. With such a large proportion of primary copper supply concentrated in three countries, it is important to understand the trends emerging in these three jurisdictions, as well as in other emerging copper supply regions and countries.

Chile remains the main global producer, consistently producing between five and six million tonnes of primary copper for the past 20 years, with concentrates representing 74% of the 5.3 million tonnes produced in 2023.[6] While Chile is home to six of the world's top 20 mines by capacity, more than any other country, these mines all commenced operations more than 20 years ago and are mature assets facing issues such as grade decline and increasing ore hardness.

1. IEA (2021), "The Role of Critical Minerals in Clean Energy Transitions", IEA, Paris (link), License: CC BY 4.0.
2. Source: Copper Development Association.
3. Source: International Copper Association report: "Automotive copper demand to increase", dated March 2022.
4. Source: United States Geological Survey.
5. Source: International Copper Study Group, World Refined Copper Production and Usage Trends dataset.
6. Source: Chilean Copper Commission (Cochilco).
7. Source: Copper Alliance, Copper Substitution Survey 2022

Worker inspecting copper-bearing drill core at Antucoya.

In other jurisdictions, Peru has a number of large-scale copper mines, and contributed 2.6 million tonnes of copper supply in 2023. While Peru's copper supply remained largely flat between 2016 and 2022, it has shown increasing output in 2023 following the recent construction of a large-scale mining project and the country as a whole has a high degree of prospectivity for copper-bearing deposits, with the third-highest estimated ore reserves in the world behind Chile and Australia. The DRC contains an emerging district for large-scale copper production, with several new mines entering production in recent years and doubling mined copper output in the five years to 2023.[1]

Recycling (secondary copper)

The advantage of copper is that it can be recycled without loss of quality, therefore secondary copper is an important resource, representing a major component of global supply. Unlike those of steel, copper's qualities do not degrade over time, and with the increasing lifespan of copper components, the re-use of copper can take decades to occur, tying up more copper in global in-use inventories. While recycling rates are expected to increase, with designs beginning to incorporate circular economy principles, it is expected that primary copper supply will continue to meet the majority of long-term global demand.

Smelting and refining

Copper smelting converts copper concentrates to metal. China operates approximately 50% of the world's smelting capacity, with recent investments expected to increase this figure. The refining process produces high grade copper cathodes. Treatment charges and refining charges (TC/RCs) represent the costs associated with producing refined copper from concentrates, and fluctuations in TC/RCs are often viewed as a proxy for the global trade balance of copper concentrates. Globally reported TC/RCs fell in the second half of 2023 following a tightening of the global copper concentrate supply, and rising smelter capacity in China is expected to put further downward pressure on TC/RC pricing in the coming years.

Consensus pricing estimates

Based on 21 contributing banks, the consensus estimates for copper pricing in 2024 and 2025 are \$3.90/lb and \$4.00/lb.[2] In comparison, the current spot price of copper was \$3.84/lb as of December 2023.[3]

1. Source: United States Geological Survey.
2. Source: Data provided by JPMorgan Chase & Co., with consensus compiled as of December 2023.
3. Source: LME, cash basis. Pricing as of 21 December 2023.

The year in review

Copper

Following market tightness in early 2023, when copper prices rose by 12% in January to a peak of $4.23 per pound, prices gradually trended down to $3.80/lb as of the end of the year. This downwards trend was largely seen in H1 2023. A degree of stability was seen in H2 2023, with more than 50% of the daily prices seen in H2 2023 sitting between $3.60/lb and $3.80/lb. Over the course of the year, the average market copper price was 4% lower year-on-year at $3.85/lb, with a minimum price of $3.55/lb (2022 minimum: $3.25/lb) and a maximum price of $4.23/lb (2022 maximum: $4.85/lb).

Prices in 2023 reflected a significantly lower level of volatility than in 2022. While macro-economic factors saw a decline in global demand during 2023, supply-side disruption and guidance cuts have helped to balance the market.

Copper prices in 2024 will depend on a range of factors, including growth rates in the Chinese economy, in particular the continued stabilisation of the property sector, as well as the outlook for recently disrupted mine supply and global copper inventories.

Copper price 2023

Average copper market price (2023)

$3.85/lb

(2022: $4.00/lb)

Gold

The average gold price rose by 8% to $1,942/oz in 2023, reflecting persistently high global inflation and geopolitical instability. Prices in early April recorded all-time highs, reaching a maximum of $2,050/oz, reflecting concerns at the time relating to bond market volatility and instability in the banking and tech sectors. Since April, gold prices have largely remained between $1,900/oz and $2,000/oz, briefly declining below $1,900/oz during late Q3 and early Q4 as a result of rising bond yields and a strengthening dollar, before the outbreak of the conflict in the Middle East pushed prices back up during Q4.

Gold price 2023

Average gold market price (2023)

$1,942/oz

(2022: $1,800/oz)

Molybdenum

Molybdenum prices started the year at approximately $30/lb, rising to exceed $38/lb during Q1, the highest level seen since 2005. Prices subsequently retreated to $17/lb by mid-April and have remained between $15 and $25/lb since April. The market volatility and record pricing seen in early 2023 is attributable to a market that has been in deficit since 2022, with low existing stockpiles, resulting in relatively small transactions having a strong effect on global pricing. A delay to additional production from new projects in Chile in 2023, in addition to delays in Chinese supply, helped to contribute to the spike in pricing seen in early 2023.

Whilst these factors stabilised in the second half of the year, with more consistent pricing, it is expected that the overall market for molybdenum will remain constrained, which is expected to provide pricing support going forward.

Molybdenum price 2023

Molybdenum average market price (2023)

$24.2/lb

(2022: $18.7/lb)

Delivering value for our stakeholders through the mining lifecycle

We believe in developing mining for a better future. As custodians of natural resources, we have a responsibility not only to manage these resources efficiently and responsibly, but also to harness copper's potential to contribute to the development of a greener and more sustainable world.

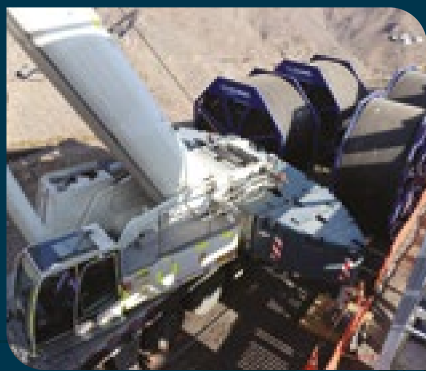
WHAT WE DO

Exploration / Acquisition

We undertake exploration activities in Chile and abroad, with a particular focus on the Americas.

Evaluation

We integrate sustainability criteria into the design process and project evaluation phase, developing innovative solutions for challenges such as water availability, long-term energy supply and community relations.



Construction

This stage requires significant input of capital and resources, as well as effective project management and cost control to maximise the project's return on investment.

Extraction and processing

Health and safety, operating efficiency and innovation are all key elements of how we run our operations.

Sales and marketing

We build long-term relationships with the smelters and fabricators who purchase our products, with approximately 75% of output by value going to Asian markets.

Mine closure and rehabilitation

At the end of a mine's life, it must be closed and remediated according to the international standards and national regulations in force at the time.

WHAT WE NEED

Long-term relationships

Our people
Over 29,000 employees, permanent contractors and temporary contractors related to projects. Constructive relationships, anchored in mutual respect and transparency, are crucial for a good working environment and talent retention, as well as for productivity and efficiency.

Communities
The wellbeing of our neighbours is directly related to the sustainable development and success of our business.

Suppliers
We work with over 1,700 suppliers, who provide a broad range of products and services, from large mining equipment to catering and transport. They are vital to our ability to operate continuously, safely and efficiently.

Customers
Most sales are made under long-term framework agreements or annual contracts, with sales volumes agreed for the following year.

Shareholders
We maintain fluent and transparent dialogue with our shareholders to ensure that they are all treated fairly and receive all relevant information.

Governments and regulators
We work alongside mining associations and other industry-related bodies to engage with governments on public policy, laws, regulations and procedures that may affect our business.

For more information on our stakeholders see P38

Resources

World-class assets
We have a portfolio of large, predominantly high-quality, low cost assets in our two main mining districts. We are investing in technology to improve productivity and drive sustainable growth across our operations.

Inputs
Our mining operations depend on a range of key inputs, such as energy, water, labour, sulphuric acid and fuel.

Financial resources
We have a strong balance sheet, an undrawn credit facility and access to other sources of capital.

For more information on our operations see P90

Responsible mining

We believe it is possible to mine sustainably by prioritising environmental protection and the efficient use of natural resources.

WHAT WE GENERATE

Our products

Copper

660,600 t

2022: 646,200 t

Gold

209,100 oz

2022: 176,800 oz

Molybdenum

11,000 t

2022: 9,700 t

Silver

3.1 million oz

2022: 2.8 million oz

For more information on our production, see P90

Our footprint

CO_2e emissions intensity

1.69 tCO_2e/tCu

emissions per tonne of copper produced, representing a 3% reduction year-on-year (2022: 1.75 tCO_2e/tCu).

60%

Increasing sea water sources to 60% of total water withdrawals, following construction of the Los Pelambres' desalination plant in 2023, and marking the first year whereby sea water withdrawals exceed withdrawals from continental sources (2022: 45%).

For more information on our footprint, see P57

Our outcomes

Total economic contribution

$7,249m

We generate economic value for all our stakeholders, distributing it as wages to employees, purchases of goods and services to suppliers, social investment programmes in communities, taxes to governments, dividends to shareholders and interest payments to lenders (2022: $7,445m).

For more information on our total economic contribution, see P32

Our strategic framework

How we deliver our purpose

In order to deliver a better future we need a robust strategy. Our five strategic pillars are the key areas we focus on as a business, and these will drive us onwards to achieve our purpose.

Our vision is to be an international mining Company, focused on copper and its by-products, known for its operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.

OUR PURPOSE

Developing mining for a better future

FOR WHOM WE WANT TO ACHIEVE OUR PURPOSE

Planet

We recognise that climate change is one of the greatest challenges faced by humanity. Our vision of a better future reflects the quest for a more sustainable planet, with copper playing a central role in the energy transition, economic progress and improved livelihoods.

Society

Our vision of a better future is one that is developed together with our local communities, and aims for a society that recognises the economic and social value generated by mining.

Organisation

To tackle the challenges we face in our daily operations and growth, we need a robust organisation that consistently meets these challenges and is grounded in clear and unshakeable values and principles.

Our vision of a better future therefore encompasses our ethical organisational behaviour and our continuous pursuit of a sustainable culture of trust, inclusivity, collaboration, agility and willingness to embrace change and continuous learning.

People

Our success relies on having the best people at the heart of everything we do. Our vision of a better future would be incomplete without the shared values of our workforce, a diverse and inclusive group of individuals open to learning and to enjoying their personal and professional growth, who strive for excellence in their results.

Centinela's digital training facilities for operating mining equipment.

HOW WE WILL ACHIEVE THIS

Through our five strategic pillars

Safety and Sustainability
to enhance our current operations, while aiming to future-proof our business model

People and culture
to cultivate the talent necessary for a better future

Competitiveness
is key to us achieving excellence and creating long-term value

Innovation
to constantly push back boundaries and exploring new ways of advancing

Growth
to keep contributing to the development of a better future

For more information on our strategic pillars see P24

Underpinned by our values

Respect for others
We respect people and care about their opinions, which is why we engage in an open, transparent and collaborative way. We trust them and have a genuine interest in their wellbeing. We promote a work environment that fosters diversity and inclusion.

Responsibility for health and safety
We are responsible for our own health and safety, as well as for that of others. We identify and control our risks, and we are aware of the impacts of our actions.

Committed to sustainability
We operate responsibly and efficiently, with long-term vision. We maximise the economic value of our assets, contribute to social development and minimise our environmental impacts.

Excellence in our performance
We continually seek to achieve the best possible results through operational discipline. We look after our resources, and we build trust by fulfilling our commitments.

Innovation as a permanent practice
We recognise and promote new ideas that improve our work practices and the way we relate to others. We aim to create value for the organisation, people and the environment.

Forward thinking
Our business strategy aims to generate value with a long-term vision for shareholders and other stakeholders. We learn from our mistakes and have the flexibility and courage to face new challenges.

Our strategic pillars

Our strategy is built around five pillars, each of which has defined long-term objectives with short- and medium-term goals.

Safety and Sustainability

Emphasising safety and sustainability to enhance our current operations, and looking to the future.

Description

We aim to create value and growth throughout the mining lifecycle, from exploration to mine closure. Our goal is to be a Company known for its ethical and transparent conduct, respectful of human rights and the law. To achieve this, we are determined to continue to develop a comprehensive and long-term commitment to all our stakeholders, particularly our communities and workers.

We align ourselves with the UN Sustainable Development Goals (SDG), developing responsible mining practices that are certified by the Copper Mark and ICMM's Performance Expectations. We prioritise the efficient use of renewable natural resources and the reduction of our greenhouse gas (GHG) emissions by using sea water and energy from cleaner sources.

All of this is done while ensuring the occupational health and safety of all our employees and contractors. We do this through the active leadership of our workers, who by their responsible behaviour and proactive management of risks and critical controls ensure a safe and healthy working environment for all.

Key initiatives

- Climate Change Strategy
- Social contribution
- Health and Safety Control Strategy

Performance

- Zero fatal accidents in 2023 (2022: zero)
- 25% reduction of Company's lost time injury frequency rate
- 3% reduction in emissions per tonne of production (Scope 1 and 2).
- 100% renewable energy (Mining division)

To read more on our efforts in respect of safety and sustainability, please see pages 44 and 38 respectively

People and culture

Investing in people and fostering a positive culture to cultivate the talent necessary for a better future.

Description

Our goal is to create and nurture a working environment that incorporates new ways of thinking, with innovation at the forefront, to tackle current and future challenges. We strive to inspire people to tackle more complex and dynamic problems, and to develop new management approaches to solve them. The demands of today's and tomorrow's adaptive challenges require us to collaborate and excel while developing new skills.

We aim to truly understand what our people value, to treat them fairly, and to engage and inspire them based on their personal motivations and unique qualities as individuals. This is a challenge that requires us to change the understanding of the traditional employment relationship with the Company.

We will continue to drive forward our cultural transformation, promoting the organisation as a safe and supportive space that actively listens, empathises, connects and builds strong relationships with our people.

Key initiatives

- Diversity and Inclusion Strategy
- Leadership brand competencies framework
- Digital Academy

Performance

- Wellbeing Strategy rolled out
- 23.6% of our employees are women
- Inclusive practices are an integral part of how we work

To read more on our efforts in respect of our people and culture, please see pages 40 to 43

Competitiveness

Our competitiveness is key to us achieving excellence and creating long-term value.

Description

Competitiveness is essential as it ensures resilience and makes the business viable. By producing copper efficiently we are able to grow and contribute to the development of mining while promoting the energy transition.

We aim to maintain our strong financial position through efficient capital allocation, the proper execution of our projects and the renewal of our asset portfolio, allowing us to continue operating and growing as we address increasingly complex challenges.

We strive to be one of the most cost-competitive companies in the industry, and towards that end, we are dedicated to achieving excellence in our work and seeking new and efficient ways to manage our operations.

Additionally, we are undergoing a process of operational transformation that allows us to integrate technology and innovation, utilise data analytics and promote efficient resource management by strengthening key operational processes that will enable us to achieve the full potential of our assets' performance.

Key initiatives

- Cost and Competitiveness Programme
- Operational excellence

Performance

- Copper production of 660,600 tonnes at a net cash cost of $1.61/lb
- EBITDA margin remains strong at 49%
- Our Cost and Competitiveness Programme achieved more than double its target, yielding benefits of $135 million

To read more on our efforts in respect of competitiveness, please see pages 103 to 104

Innovation

Through innovation we are committed to constantly pushing back boundaries and exploring new ways of advancing.

Description

We aim to create new ways of operating and using existing technology more effectively, incorporating our own and others' learning to improve performance.

We further aim to discover new ways of advancing our operations through the early adoption of modern technology. With our experience we are convinced that we can contribute to the development of new solutions, such as Cuprochlor®-T, integrated remote operations centres (IROCs), autonomous haulage and drilling, advanced analytics and data management for decision-making, robotics for tailings and water management, decarbonisation of our processes and dust suppression.

Our Innovation Roadmap serves as a guide for the Group to achieve our operational vision for the future. This allows our operations to become smart, integrated and sustainable, optimising the use of strategic resources such as water and energy.

Key initiatives

- Integrated Remote Operations Centres
- Autonomous trucks and drilling
- Cuprochlor®-T

Performance

- Inauguration of the Los Pelambres IROC in January 2023.
- Further advancing work on our proprietary primary sulphides leaching technology (Cuprochlor®-T), conducting a successful heap heating pilot at Zaldívar.

To read more on our efforts in respect of innovation, please see pages 105 to 107

Growth

Growth to continue contributing to the development of a better future.

Description

Growth enables us to maintain our viability and fulfil our purpose. It allows us to realise the full potential of our resources and assets, creating additional value and diversifying risk.

To accomplish this, we aim to:

- Expand and increase the Group's production capabilities by building projects such as Los Pelambres Expansion Phase 1 and the Centinela Second Concentrator project.
- Increase our mineral resource base through the exploration for new resources and/or the development of new ore deposits.

Our strategy for growth beyond our existing operations is focused on producing copper and its by-products in the Americas (particularly Chile, Peru, the United States and Canada), a region that is highly attractive due to its geological potential, mining activity, relative proximity to our existing portfolio of operating assets, political and administrative similarities, culture and language.

Key initiatives

- Los Pelambres Expansion Phase 1
- Centinela Second Concentrator
- Projects to enable further growth at Los Pelambres (including desalination plant expansion to 800 l/s and a new concentrate pipeline).

Performance

- Completion of construction of the Los Pelambres Phase 1 Expansion Project
- Agreements to acquire 19% ownership of Buenaventura.

To read more on our efforts in respect of growth, please see pages 100 to 101

For further information on the risks associated with each strategic pillar, please see P76

For more information on how we align our strategic performance with remuneration, please see our Remuneration report on P156

Operator at Centinela's Integrated Remote Operations Centre.

Measuring our performance

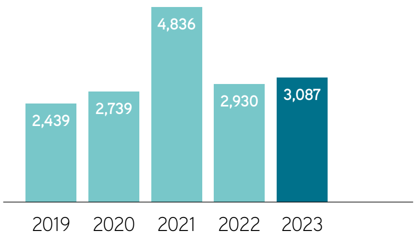
We use Key Performance Indicators (KPIs) to assess our performance in meeting our strategic and operating objectives. Performance is measured against the following financial, operating and sustainability KPIs:

FINANCIAL KPIs

Remuneration performance criteria P166

EBITDA[1]

$3,087m



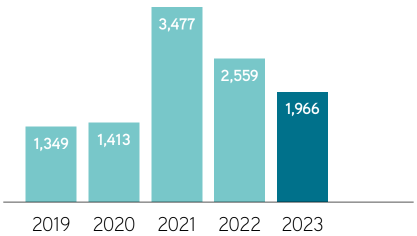
This is a measure of our underlying profitability.

EBITDA increased by 5%, driven by increases in both sales and pricing, with EBITDA margins maintained at 49%.

Read more on P108

Profit before tax

$1,966m



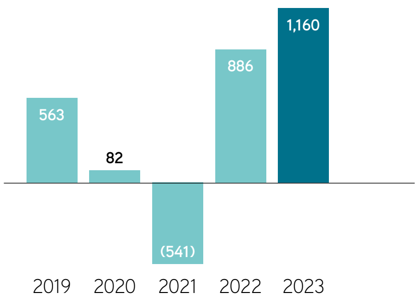
This is a measure of our profitability before the deduction of taxes.

Profit before tax (including exceptional items) fell by 23%, as a result of the recognition in 2022 of an exceptional gain relating to the disposal of the Reko Diq project, which was offset by increases in both sales and pricing, partially offset by a rise in cash costs.

Read more on P108

Net debt/(Net cash)[1]

$1,160m



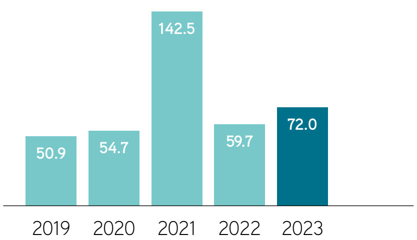
This is a measure of our financial liquidity.

Strong balance sheet with net debt of $1,160 million at the end of 2023 and a Net debt/EBITDA ratio of 0.38x (2022: 0.30x).

Read more on P114

Underlying earnings per share[2]

72.0 cents



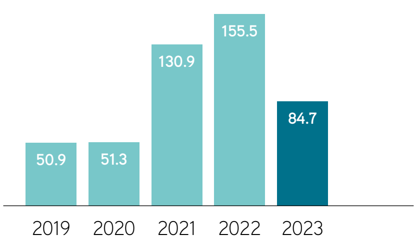
These are measures of the profit attributable to shareholders before exceptional items.

Underlying earnings per share excluding exceptional items increased by 21% to 72 cents.

Read more on P113

Earnings per share[3]

84.7 cents



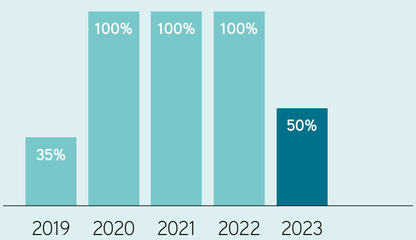
These are measures of the profit attributable to shareholders after exceptional items.

Earnings per share including exceptional items for the year were 46% lower at 84.7 cents, relating to the recognition in 2022 of an exceptional gain relating to the disposal of the Reko Diq project.

Read more on P113

Dividend payout ratio[4]

50%

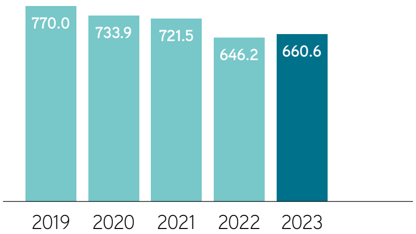


1. Non-IFRS measures, refer to the alternative performance measures section on page 239.
2. From continuing operations excluding exceptional items.
3. From continuing and discontinued operations including exceptional items.
4. 2023 payout ratio shown includes proposed final dividend.
5. 100% of Los Pelambres, Centinela and Antucoya, and 50% of Zaldívar's production.
6. Mineral resources (including ore reserves) relating to the Group's subsidiaries on a 100% basis and Zaldívar on a 50% basis.
7. The Lost Time Injury Frequency Rate is the number of accidents with lost time during the year per million hours worked.
8. Scope 1 and 2, Mining division only.
9. Tonnes of CO_2 equivalent per tonne of copper produced.

OPERATING KPIs

Copper production[5]

660.6kt



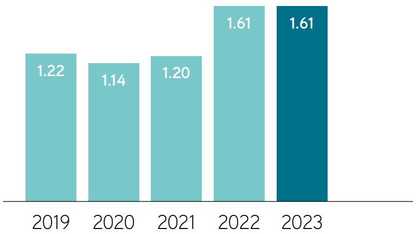
Copper is our main product and largest source of revenue.

Copper production increased by 2% to 660,600 tonnes, with an increasing contribution from Los Pelambres, as the Phase 1 Expansion Project ramps up.

Read more on P90

Net cash costs[1]

$1.61/lb



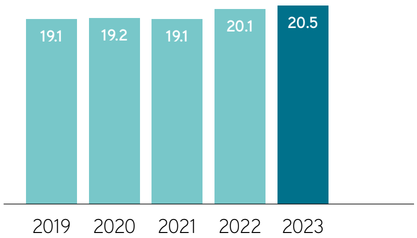
This is a key indicator of operating efficiency and profitability.

Net cash costs for 2023 were $1.61/lb, in line with 2022 and ahead of guidance for the year, reflecting a balance of higher underlying cash costs before by-products, alongside higher production and pricing for by-products.

Read more on P90

Mineral resources[6]

20.5bn t



Our mineral resource base supports our strong organic growth pipeline.

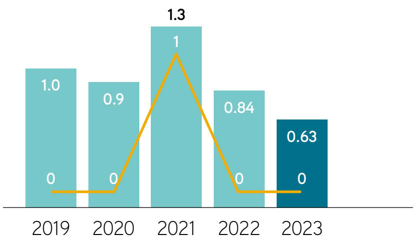
Total mineral resources increased by 345 million tonnes during the year, following work at Los Pelambres.

Read more on P245

SUSTAINABILITY KPIs

Safety

0 Fatalities — 0.63 LTIFR[6]



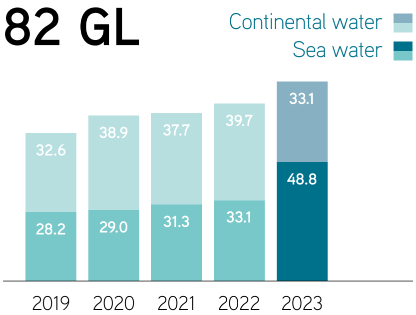
Safety is our top priority, with fatalities and the LTIFR[7] being two of our principal measures of performance.

Record safety performance with no fatalities and the LTIFR improving by 25% as the Company continues to embed a safety-first culture, with improvements in leading and lagging indicators of safety.

Read more on P44

Water withdrawals

82 GL



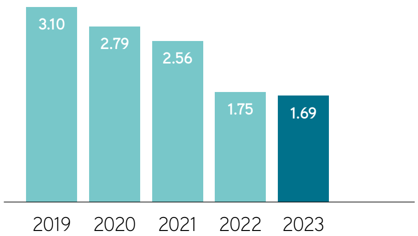
Water is a precious resource and we are focused on using the most sustainable sources and maximising its efficient use.

The use of sea water as a proportion of total water withdrawals increased to 60% (2022: 45%), with the recently opened desalination plant helping to increase sea water withdrawals by 48% during the year.

Read more on P65

CO_2e emissions intensity[8,9]

1.69 tCO_2e/tCu



We recognise the risks and opportunities arising from climate change and the need to measure and mitigate greenhouse gas (GHG) emissions.

CO_2e emissions intensity decreased by 3% in 2023.

Read more on P57

SECURING THE FUTURE OF LOS PELAMBRES

Operator at the Los Pelambres desalination plant, located on the Pacific Coast at Los Vilos.

The positive impacts are already being seen through the completion of construction of the desalination plant mid-year, increasing ore processing rates and helping to reduce our reliance on continental sources of water. We will see further benefits in 2024 as the fourth concentrator line adds additional capacity.

Los Pelambres Phase 1: Construction completed

Desalination plant: An investment in sustainable copper production

In 2023, the Company completed construction of its first desalination plant for the supply of water to Los Pelambres in the Central Region of Chile. Representing a major investment in the future of Los Pelambres, and reinforcing our commitment to Chile, the desalination plant will help to reduce continental water consumption in a region that has experienced a severe shortage of rainfall for more than a decade. This positive impact has already begun, with Los Pelambres able to increase ore throughput rates by 11% in 2023 as a result of increased water availability. In 2023, the desalination plant contributed approximately a third of this operation's total water withdrawals during the year, despite only commencing its commissioning and ramp up in the middle of the year.

The desalination plant sources water from the Pacific Ocean and producing desalinated water through a dedicated facility. A series of pumps then transfer water from the coast to the location of the mine, for a continuous supply of water. As is the case with all of the Company's operations within its Mining division, the desalination plant is contracted to operate with renewable power, helping to maintain the progress made in reducing the Company's carbon footprint.

Mechanical construction of the desalination plant was completed in Q2 2023, with the plant approaching a successful completion of its ramp up to design capacity as of the end of the year. Water availability is an important consideration in the local communities where Los Pelambres is located, with many farms operating in the same low-rainfall conditions that the Company has experienced for many years. Through the newly completed desalination plant and a reduced reliance by Los Pelambres on continental water sources, it is expected that water availability will improve as a result, benefiting a wide range of local stakeholders.

Following construction of the first phase of the desalination plant, approval has already been granted for an expansion of this facility to 800 litres per second, which would largely cover the current water requirement for Los Pelambres. Following completion of this project, construction of which is envisaged to take approximately three years, the Company aims to achieve its target of increasing water use from sea water or recirculated sources to more than 90%.

Fourth concentrator line: Developing processing capacity

The fourth concentrator line at the Los Pelambres processing plant increases the ore processing capacity to 190,000 tonnes per day, which will serve to mitigate the effects of ore hardness as mining operations progress towards lower sections of the orebody. The geology of porphyry copper deposits typically exhibits increasing ore hardness with depth, as the ores being mined are further from the surface and less exposed to weathering and faulting that might weaken the rock over time.

Through an investment to increase the ore processing capacity of Los Pelambres, the Company is able to mitigate this impact and maintain production levels in line with historical levels of output. This brownfield expansion utilises existing knowledge and understanding of the orebody characteristics to help reduce project execution risk.

Over time, a further expansion of processing capacity to 205,000 tonnes per day is envisaged to secure the long-term future of Los Pelambres, which has sufficient resources to maintain production for many years to come.

Pumps at the Los Pelambres desalination plant.

Desalination plant

33%

Approximately one-third of Los Pelambres' water withdrawals were sea water following construction and ramp up of the desalination plant.

Fourth Concentrator Line

+2Mt

Of additional ore processing during 2023, with nameplate capacity increasing to 190ktpd.

Sustainability review

Sustainability review

"Sustainability is at the core of what we do. We take a holistic approach to tackling the main social and environmental challenges facing our industry, where innovation and safe production are key drivers. As a company, we are in a strong position to continue addressing the global challenge of climate change. Our priority is to generate value for all our stakeholders through sustainable production, efficient use of water, conservation of biodiversity and commitment to communities."

RENÉ AGUILAR
Vice President of Corporate Affairs and Sustainability

See P28 in the Sustainability Report for an overview of the various sustainability awards received in 2023.

Our progress in 2023

Health and safety

0
fatalities

34
High Potential Incidents (HPIs)
(42 in 2022)

0.63
Lost Time Injury Frequency (LTIFR)
(0.84 in 2022)

Our people

Female employment
23.6%
(20.4% in 2022)

Type of contract
96%
of our employees have a permanent employment contract

Local employment
61%
of our employees are based in the Antofagasta and Coquimbo Regions of Chile where our operations are located

Local suppliers
91%
of our suppliers are located in Chile.

Communities

Our relationship with indigenous communities
5 areas

2 regions

19 agreements

Water management
+64,000
residents benefitting from management of water for human consumption

Internet connectivity
250
additional homes connected to fibre-optic network

Education and employment
+1,300
students supported in local educational facilities, through scholarships and grants

Water management

60%
of water withdrawals from sea water during the year, with 2023 representing the first year whereby sea water overtook continental water as the main source of withdrawals.

400 l/s
instantaneous capacity of the recently constructed desalination plant at Los Vilos, built to supply Los Pelambres with water, and which began operation in 2023. Environmental approval was also given in 2023 to the project to double this plant's capacity to 800 l/s.

Decarbonisation

Scope 1 & Scope 2 2035 goal
50%
emissions reduction with 2020 as baseline

Scope 3 2030 goal
10%
emissions reduction with industry engagement

Biodiversity
+27,000 hectares
under protection in the Coquimbo Region (Los Pelambres): an area more than six times larger than that occupied by Los Pelambres

Circular economy
20+
partnerships

44
initiatives

Delivering sustainable economic value

At Antofagasta, we work consistently to fulfil our purpose of developing mining for a better future. As such, we are committed to generating economic, social and environmental value for all our stakeholders.

How is this sustainable economic value distributed among our stakeholders?

- Employee salaries
- Social investment programmes in communities
- Purchase of goods and services from suppliers
- Long-term or annual client sales contracts
- Shareholder dividends
- Interest payments to lenders
- Taxes paid to governments

Sustainable economic value is at the core of our long-term vision, and we operate best practices to optimise management of the environmental, social and governance aspects of our activities. Innovation is the engine that drives our contribution to tackling the sustainability challenges inherent to our business, and we are careful to account for the reality of the regions in which we operate.

Through innovation and incorporation of new technologies, we enhance long-term competitiveness, improve industrial processes and operate our climate change strategy. This requires us to direct resources towards employee preparation and adaptation to new forms of training and knowledge assimilation.

Newly restored church in the town of Camar, in the Antofagasta Region of Chile.

Suppliers

$4,822m

Payments for the purchase of utilities, goods and services

Communities

$49m

Social investment programmes

Lenders

$171m

Interest payments

Shareholders

$613m

Dividends

Subsidiaries' non-controlling shareholders

$388m

Dividends

Employees

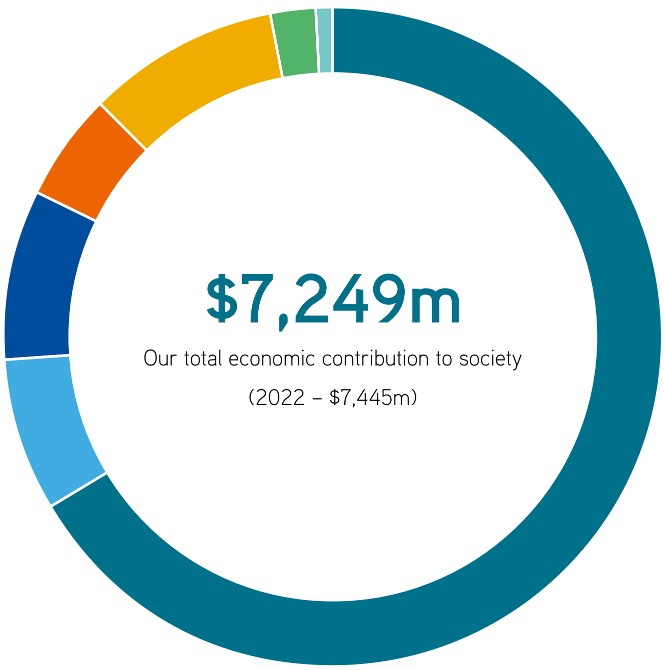
$668m

Salaries, wages and incentives

Governments

$538m

Income taxes, royalties and other payments to governments



For further information on economic value, please refer to our Sustainability Databook for 2023, which is available on our website (www.antofagasta.co.uk).

Sustainability governance

At Antofagasta, we seek to achieve and enhance a positive long-term impact on society, based on our values, corporate policies and standards, by reviewing risks and opportunities that could have an impact on our business. The Board is responsible for analysing, leading and monitoring sustainability policies and best practices.

The Sustainability and Stakeholder Management Committee and the Audit and Risk Committee primarily support the role of the Board. The Sustainability and Stakeholder Management Committee makes recommendations to ensure that sustainability topics are included in the Board's ongoing decision-making.

This Committee also supervises the community and environmental dimensions of our sustainability and human rights policies, in addition to providing guidance on how the Group should reflect the visions and interests of its various stakeholders. In 2023, the Committee met seven times to assess the organisation's priorities.

Other policies and models	
Social Management Model	• Commit to the sustainable development of the communities present in our areas of influence.
Human Rights Policy	• Define how to connect with employees, contractors, suppliers, business partners, communities and other actors directly related to our operations. • Reinforce our commitment to the rights of indigenous peoples. • Align our security practices with the Voluntary Principles on Security and Human Rights (VPSHR).
Compliance Model	• Establish a clear compliance framework for both employees and contractors in relation to ethics, integrity and transparency.
Environmental Management Model	• Prevent, monitor and mitigate issues relating to the environment.
Sustainable Procurement	• Govern the management and expectations of companies that interact with our supply chain.
Energy and Water Policies	• Strengthen our Climate Change Strategy.
Tailings Policy	• Ensure tailings stability and compliance with Global Industry Standard on Tailings Management (GISTM).
International Responsible Mining Standards	
Copper Mark	• Promote responsible practices at copper-producing sites. • Our four mining companies have obtained the Copper Mark seal, as verified by external assurance agents.
International Council on Mining and Metals (ICMM) Performance Expectations	• Define best-practice environmental, social and governance requirements for the mining and metals industry.
Global Industry Standard on Tailings Management (GISTM)	• Achieve strong social, environmental and technical results in tailings management, with an emphasis on accountability and disclosure.

At the executive level, sustainability permeates and guides management of the organisation. The Vice Presidency of Corporate Affairs and Sustainability is responsible for the execution of our sustainability policy and for ensuring that all our employees share our commitment.

Through the day-to-day management of this department, the Company aims to deliver a strategic and consistent approach to each mining company within the Group, and ensure work is conducted in a coordinated manner, to achieve proposed objectives in different areas, such as the health and safety of workers and the environmental performance of the companies.

Each of our mining companies are responsible for designing, co-ordinating and executing of our social management and performance strategies in the territories where we operate.

25%

of annual performance bonuses are associated with sustainability targets for safety, diversity, inclusion, and environment and social performance.

The Company's management team reports to the Sustainability and Stakeholder Management Committee every time it convenes (six or more times a year), and as required by the Audit and Risk Committee, with a minimum of two meetings a year.

Reports and information released in 2023

- 2022 Report on Payments to Governments
- 2022 Sustainability Databook
- 2022 Sustainability Report
- 2022 Social Value Report
- 2022 Tax Report
- Second Climate Change Report

Risk management

Risks associated with sustainability – which, with health and safety, is one of our five strategic pillars – are monitored to identify degrees of uncertainty and allow us to adopt measures in a timely fashion. Growing levels of risk, particularly in relation to climate change, impose new challenges that require an integrated approach. In 2023, we updated our sustainability and safety risks matrix, incorporating relevant changes according to the new challenges.

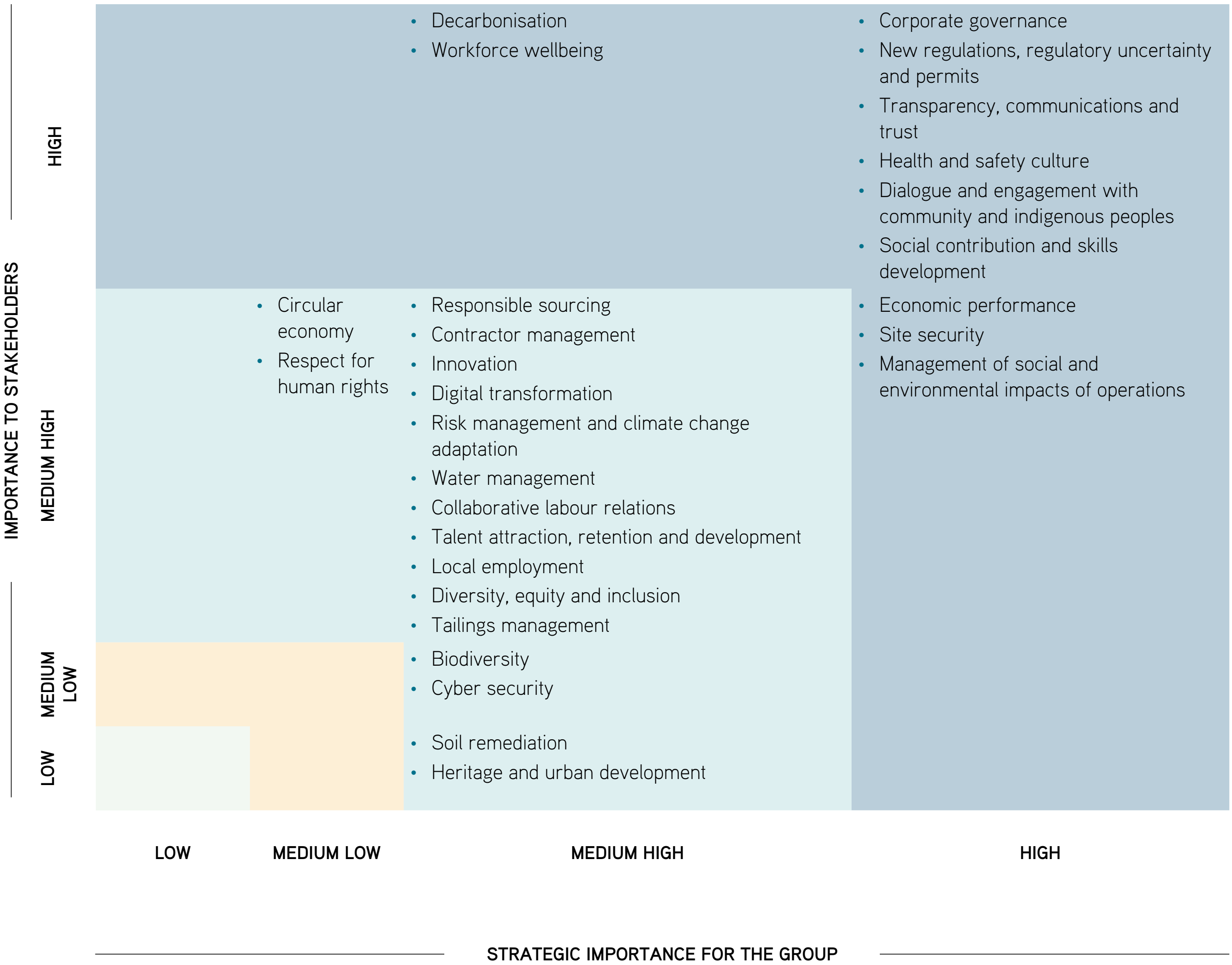
At Antofagasta, we conduct rigorous evaluations of the possible risks that could affect our long-term sustainability. The Board examines each one thoroughly to assess its impact and probability of occurrence.

"Sustainability and safety" strategic pillar	Level of risk
Occupational health	● (High)
Environmental management	● (High)
Climate change	● (High)
Community relations	● (High)
Political, legal and regulatory areas	● (High)
Corruption	● (High)

● Low ● Medium ● High ● Very high

Materiality analysis

Antofagasta plc materiality matrix



As an essential part of our sustainability targets and policy, we conduct a materiality assessment every two years to identify and prioritise relevant topics that might have an impact on our strategy and stakeholders. Based on this analysis, we also define risks to our strategic business planning and practices for the new term. In 2024, we will conduct a double materiality assessment, reporting not only on sustainability issues that are material to the Company's financial performance, but also on those that impact the wider world.

Following the application of a four-stage methodology in 2022, we identified 28 material topics, four of which were new to our matrix. These four topics are industrial protection, wellbeing, cyber security, and soil remediation (Transport division). Material topics were organised according to their potential impact on Antofagasta's strategic topics and issues relating to our stakeholders.

Six topics were of the highest importance for both Antofagasta's strategy and the stakeholders: corporate governance; new regulations, regulatory uncertainty and permits; transparency, communications and trust; health and safety culture; dialogue and engagement with community and indigenous peoples; and social contribution and skills development.

Our 2023 analysis required inputs from internal and external stakeholders and was conducted in four stages.

1 Diagnosing the organisation's context

We carried out a comprehensive review of internal and external information and conducted interviews with senior management and external experts regarding existing, new and emerging sustainability topics for the copper mining industry, both in Chile and abroad.

2 Identifying actual and potential material topics

We used the information obtained to define a preliminary list of relevant topics and the actual and potential impacts of each topic.

3 Assessing the significance of the impacts

We evaluated the qualitative and quantitative impacts of each topic based on the severity and likelihood of actual and potential impacts. The severity assessment was based on the scale, scope and remediable nature of the impacts.

4 Prioritising and defining material topics

Within the framework of the European Financial Reporting Advisory Group's scales, we defined each topic's materiality level. The most significant impacts were grouped into material topics under the economic, governance, environmental and social categories. Antofagasta's sustainability performance team reviewed each topic.

Local residents visiting Laguna Conchalí, Los Vilos, Coquimbo region.

Prioritisation of Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are at the core of our sustainability policy. We seek to create long-term value for our stakeholders, and are therefore committed to achieving targets and operating programmes that contribute to the sustainable goals in our regions of operation.

Approved in 2015, the 2030 UN Agenda consists of 17 SDGs covering a range of interrelated aspects and seeks to support the development of a sustainable society in areas such as economic growth, social inclusion and environmental protection. At Antofagasta, we have been working on these targets since 2018 as part of our strategic vision.

In 2023, we identified 13 SDGs to which our Company makes a relevant contribution. We also assessed the scope and applicability of each SDG from a strategic perspective and in terms of our level of influence regarding capacity and resources.

Our approach to sustainability

Sustainability is one of the five strategic pillars that support our purpose. We aim to manage all aspects of sustainability through a holistic approach aligned with our strategy and with a permanent dialogue with our stakeholders, to analyse, define and manage priorities in the short, medium and long term.

In 2023, we hosted strategic communications initiatives and meetings with executives, employees and communities, in order to share relevant information and future projects with our stakeholders, and to listen to their concerns. We keep our stakeholders informed through regular reports on our operational, sustainable and financial performance (which are available on our website, www.antofagasta.co.uk).

As part of our approach, we are continually working to develop strong, long-term relationships with stakeholders, through mechanisms that foster proximity and constant dialogue with each of the six main stakeholders involved in what we do. This relationship requires a comprehensive approach in which we integrate the vision of the different corporate areas.

Likewise, we address issues that are material to our organisation, such as climate change, responsible production, the protection of biodiversity, and the development of a culture of occupational safety, among others.

OUR PEOPLE

More than 29,000 employees and contractors, including contractors associated with construction projects, the majority of which are based in Chile.

Why we engage

Our people are central to our business. We strive to develop a good working environment to boost talent and retain human capital. In addition, contractors are key to ensuring operational continuity according to the best health and safety standards.

How we engage

- Site visits by senior management
- On-site reviews
- Surveys of the working environment
- Individual performance evaluations
- Regular meetings with union representatives
- Regular meetings with the managers of our contractors

For more information, see P40

COMMUNITIES

Nearly 50 communities related to our mines and transportation business in Chile's Antofagasta and Coquimbo Regions.

Why we engage

We care about the wellbeing of local communities in the regions where we operate. We practice a bottom-up approach to engagement, with the aim of working together in a sustainable environment. We also strive to prevent, mitigate and compensate for any adverse impact our activities may have.

How we engage

- Social programmes
- Partnerships with local organisations and government
- Community working groups on specific areas of development or concern

For more information, see P48

SUPPLIERS

Over 1,700 suppliers, of which 91% are based in Chile.

Why we engage

Suppliers are key players in our quest for sustainable and safe operations. We work with them to improve sustainability performance and ensure that they comply with our standards and guidelines. We work together to make sure that their solutions are cost-effective and efficient.

How we engage

- Regular meetings between the procurement team and suppliers
- Online tender platform to guarantee fairness and transparency
- Automated invitation system and external platforms for tenders

For more information, see P52

Duty to promote the success of the Company

According to Section 172(1) of the Companies Act, a framework that applies to companies based in the UK, as in our case, states that all Company directors must consider a range of issues when fulfilling their duty to promote the success of the Company, taking into account the interests of a variety of stakeholders. Decisions made by the Antofagasta plc Board throughout the year have included responding to stakeholder concerns and establishing effective forms of stakeholder engagement.

The Directors of Antofagasta plc have taken into consideration the following elements when performing their duties, making decisions and addressing other matters:

a. The likely consequences of any decision in the long term

b. The interests of the Company's employees

c. The need to foster the Company's business relationships with suppliers, customers and others

d. The impact of the Company's operations on the community and the environment

e. The desirability of the Company to maintain a reputation for high standards of business conduct

f. The need for all stakeholders to be treated fairly

CUSTOMERS

Buyers of our products, comprising of companies that are located around the world, in a variety of jurisdictions.

Why we engage

Long-term framework agreements or annual contracts are a feature of most of our sales. This gives us greater certainty regarding pricing and volume of our products.

How we engage

- Regular contact with customers around the world
- Frequent contact with holders of equity in our mining operations
- Yearly visits to Japan by our Chair and several Directors to meet some of our partners
- Marketing office in Shanghai

For more information, see P72

FINANCIAL STAKEHOLDERS

Participants in financial markets, including: equity investors, fixed income investors, providers of capital, analysts and other market participants.

Why we engage

We regularly share comprehensive and relevant information about our strategy, projects and performance, keeping our shareholders and investors informed in a timely manner.

How we engage

- Regular meetings with institutional investors and broker analysts at:
  - Industry conferences
  - Roadshows
  - One-on-one investor meetings
  - Annual General Meeting
  - Regular delivery of financial reports and relevant information

For more information, see P71

GOVERNMENTS AND REGULATORS

National, regional and local governments, and regulators define the framework within which we operate.

Why we engage

Policy, legislation and regulations can have a major impact on our business. We monitor parliamentary discussions and engage with decision-makers to identify any changes that might have an impact on our operations.

How we engage

- Close contact with mining associations and other industry-related bodies to engage with governments on public policy, laws, regulations and procedures relevant to our business.
- Interaction with governments and regulators within their engagement mechanisms (defined in Chilean Law No. 20,730 on lobbying)

For more information, see P70

Our people

Our people are the essence of our achievements and the key to a sustainable business. We promote diversity and, in particular, the participation of women throughout our Company. We strive to create a working environment aligned with our organisational purpose, fostering wellbeing, skills development and talent retention.

In 2023, we focused on mapping the profile of our personnel in terms of their interests, work purpose, understanding and needs, in order to design new policies and programmes accordingly. This is a continuation of the plan we defined in 2022 for Organisational Effectiveness Management and is aligned with decisions made by the Board to strengthen our pillars and drive towards cultural change. The People and Organisation managers at all our companies are deploying our initiatives to evaluate and measure indicators accordingly.

In order to solicit the opinions of our personnel, we promote their participation in engagement surveys, psychosocial risk surveys and opinion surveys on activities in which they have participated. This allows us to collect feedback, review our communication tools, and revise and update our programmes to maintain an appropriate and effective level of workforce engagement.

The following are the supporting pillars of our People and Culture Vice Presidency:

- Interpersonal relationships
- Organisational capabilities
- Organisational effectiveness

29,705
workforce in total[1]

25%
employees as proportion of workforce (7,541)

75%
contractors as proportion of workforce (22,164)

61%
of our workforce are based in the Antofagasta and Coquimbo regions[2]

96%
of our workforce have a permanent employment contract

79%
of our workforce are unionised (16 unions)

Distribution of employee workforce

16%	34%	12%	12%
Los Pelambres	Centinela	Antucoya	Zaldívar

9%	18%
Corporate offices	Transport division

1. Workforce figure includes employees, permanent contractors and temporary contractors associated with projects. Annual average.
2. Figure presented in 2022 Annual Report was incorrect and should have stated 58%

Benefits provided to full-time employees

Physical	Mental	Financial	Social
• Health and dental insurance • Preventive occupational examinations free of charge • Regular health check-ups • Preventive programmes for potential associated risks (silicosis, hypobaria, sleep hygiene) • Annual immunisation campaign against influenza	• Psychological support • Tailored individual programmes	• Financial education • Life insurance	• Volunteering • Celebrations as corporate events

For further information, visit "Above and beyond: Employee well-being to drive diversity and engagement" on the Company's website (www.antofagasta.co.uk).

Wellbeing: our priority

Workplace wellbeing is one of our priorities. Beyond the salaries paid, we safeguard the physical, emotional, financial and social wellbeing of our workforce through an array of initiatives. Our goal is to maintain a healthy working environment that explicitly recognises the value of work, generating a positive impact on families and their social wellbeing.

In 2023, we maintained a hybrid system of remote and in-person working, designed in accordance with the Company's operational needs. We kept in force our Work-Life Balance Guidelines, which are tailored to each mining site and designed to improve the division of employees' time between work, family and recreational activities.

In addition to these benefits, we operate a remote support channel focused on the comprehensive wellbeing of personnel, offering a 24/7 telemedicine programme, health guidance, medical advice for parents of newborns, clinical guidance on sleep disorders, emotional support, nutritional guidance, sports advice and a veterinary programme.

The Invest in Yourself (Invierte en ti) programme at Antucoya has benefitted more than 500 people, including employees, contractors and subcontractors, and is aimed at improving quality of life through healthy eating, exercise, and balanced living both inside and outside work. Additionally, we provide legal consultancy in matters relating to family, inheritance, contracts and municipal permits, while the benefits programme offers significant discounts on banking services.

7,753

employees (as at 31.12.2023), comprising of 1,827 women and 5,926 men.

Diversity and Inclusion Strategy

Our focuses

Gender diversity	People with disabilities	Global profiles and interculturality
Promote balanced, bias-free teams where talents are made visible, and co-operation and co-responsibility are promoted.	Create working environments that provide equal opportunities for people with disabilities, allowing them to develop their full potential.	Manage inclusive environments for all people, regardless of origin, ethnicity or nationality, incorporating talents from our local community.

Employment of women

Launched in 2018, Antofagasta's Diversity and Inclusion (D&I) Strategy has driven our objective of increasing the number of women employed by the Company. In this traditionally male-dominated industry, female representation in our workforce has risen from 8.6% in 2018 to 23.6% today.

Our 2025 target	What we achieved in 2023		Board diversity
30% of personnel to be women	**23.6%** of personnel are women	**568** women hired in 2023, representing 52% of the total.	**45%** of Board members are women (as of 29.1.2024)

Female representation in management

	Executive Committee		Direct reports to the Executive Committee		Senior management*	
	n.*	%	n.*	%	n.*	%
Male	9	82	59	81%	14	88%
Female	2	18	14	19%	2	12%

* Includes directors of subsidiaries as defined in The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013

In 2023, we prioritised initiatives to boost our female talent retention, including the women maintenance apprentices programme to train young mining maintenance operatives, and specific programmes to strengthen the skills of female supervisors.

Our programmes

- Women's mentoring
- Training supervisors and Shift leaders: both involve attracting, training and mentoring women until they are fully installed in their role
- Respectful environment workshops deployed in all companies (1,500+ participants)

We operate long-term partnerships with universities that are strong on science, technology, engineering and mathematics (STEM), in order to increase female participation through our scholarship programmes. In addition, we attract women from local communities through our apprentices programmes and encourage them to obtain technical qualifications. In most cases, this training leads to a permanent position.

In 2023, our Transport division (FCAB) achieved the greatest increase in the number of female employees within the Group, with women accounting for 17% of maintenance operatives, and 38% of executives.

FCAB's efforts to boost female inclusion in the sector saw them awarded third place in the transportation category in the IMAD – Women in Senior Management 2023 ranking. In addition, the General Manager of FCAB, Katharina Jenny, received the Women in Mining (WIM) Inspiring Women 2023 award for her achievements and leadership. Furthermore, the Company was recognised by WIM as a leading company in gender parity, and the third Women Railway Apprentices programme was launched to incorporate more women into operational roles and maintenance of wagons, locomotives, track, and water resources.

As part of our D&I strategy, a total of 75 women, including executives, supervisors and operators, continued to participate in professional development initiatives and in our Female Leadership Programme during 2023. This programme focuses on management enhancement, communication, and empowerment to promote effective female leadership and improve team performance.

Case study

Relevos Mining Shift programme

The Relevos Programme gives the women of the town of María Elena in the Antofagasta Region and the Choapa Valley the chance to work part-time and return home daily, enabling them to balance work and family life. This initiative, set up in conjunction with the Municipality of María Elena, does not require previous mining experience, reinforcing our commitment to employability and improving the quality of life of people in neighbouring communities.

People with disabilities

In 2023, people with disabilities accounted for 1.4% of our employees (2022: 1.3%) – above the minimum figure of 1% required by Chile's Workplace Inclusion Law.

Prioritising training and internal mobility

In 2023, we reorganised our learning and development structure with the aim of strengthening our leadership, diversity and inclusion, maintenance, and data decision-making academies.

124	54
executives participated in leadership courses	average hours of training per employee

We offer a formal Career Development process to boost our operator's training, focusing on the technical, behavioural, management and other skills required for their current roles, and with future development in mind. The process varies according to the requirements of each position.

Operators progress by achieving accreditation for the minimum skills required to perform their job function adequately and in alignment with the needs of the business and the qualification framework established by the Consejo de Competencias Mineras (CCM) or Mining Skills Council. The Competence Accreditation process is a periodic assessment during which the operator is evaluated and accredited at a development level relevant for their role. This tool supports internal mobility.

At Antofagasta, we always seek to develop our internal talent. Through the various stages of our Apprenticeship Programme, we aim to develop skills for people with limited industry experience. This guarantees operational continuity and encourages internal mobility, ensuring that future vacancies are filled swiftly and effectively.

Collective bargain agreements and labour relations

At Antofagasta, we promote a relationship with the Company's unions based on constant dialogue and mutual trust. We recognise and respect the unionisation and collective bargaining rights of our direct employees and contractors.

In 2023, we agreed 13 additional three-year collective contracts, negotiated in a respectful environment and without disruptions. Agreements were reached with the Centinela's workers and supervisors unions, workers' unions at Zaldívar and Los Pelambres, and a number of unions within the Transport division.

For further information on labour practices, please refer to our Sustainability Databook for 2023, which is available on our website (www.antofagasta.co.uk).

Operators in Centinela's maintenance workshops.

Our occupational health and safety culture

Safe production based on a sustainable internal culture is our main asset. We have been making steady progress in spreading this approach at our Company's grassroots level, supported by trust, planning and the principles of roles and responsibilities. As one of our five strategic pillars, health and safety is at the centre of our daily activities.

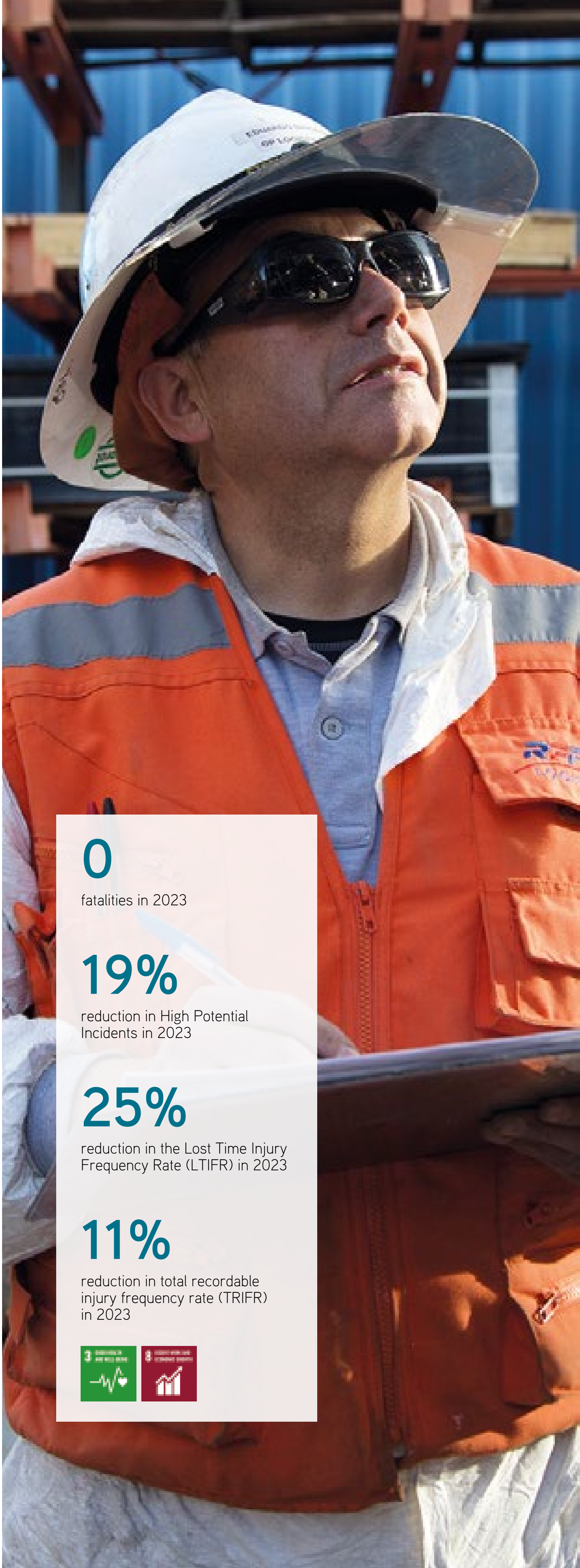
Case study

Innovation supports our safety – an example from Antucoya

With the acquisition of exoskeletons, technology and innovation are helping our personnel to mitigate potential musculoskeletal injuries. The equipment, made of carbon fibre, provides support to staff in the Haul Truck Maintenance area, when loading, and in tasks associated with the upper body.

The units are harness-like structures fitted to people's backs, arms, waist, hips and legs. Exoskeletons support personnel as they handle heavy loads and reduce their exposure to possible musculoskeletal disorders of the upper extremities.

The test plan operates with the support of the Company's Innovation and Occupational Health and Safety teams.



0
fatalities in 2023

19%
reduction in High Potential Incidents in 2023

25%
reduction in the Lost Time Injury Frequency Rate (LTIFR) in 2023

11%
reduction in total recordable injury frequency rate (TRIFR) in 2023

The four pillars of our Occupational Health and Safety Strategy

At Antofagasta, we strive to be a leader in occupational health and safety, where our own employees and collaborators promote and maintain a safe and healthy working environment. Robust health and safety management provides the foundations for our activities, and we are committed to continuous improvement through risk control and performance monitoring.

In 2023, we advanced the consolidation of our management system by incorporating occupational health and safety planning into our operational model, with the aim of ensuring the implementation of controls to prevent unwanted events. This framework is applicable to 100% of operations and to both our internal workforce and contractors.

1

Occupational health and safety risk management

There are four interrelated layers:

a. baseline definition (WRAC): identifies, analyses and evaluates occupational health and safety risks

b. control strategy: evaluates high- and critical-risk activities using the BowTie analysis tool

c. Planned Task Risk Assessment (PTRA): assesses tasks involved in high- and critical-risk activities.

d. "I say No": a slogan that promotes refusal to execute a task based on the PTRA.

2

Reporting, investigating and learning from our accidents

To prevent the repetition of unwanted health and safety events, the "Learning from Accidents" tool promotes collective learning from accident investigations and preventive implementation of crosscutting corrective actions. In 2023, we updated the parameters for the reportability of health events.

3

Leadership

The "Visible Leadership" initiative has continued, where the Executive Committee visits the different sites to observe the health and safety performance of its workers and contractors.

During 2023, three activities were carried out and more than 20 Antofagasta Minerals executives participated.

4

Contractor management

Our health and safety performance data includes contractors and subcontractors, who must all comply fully with our standards and procedures. In 2023, we implemented a digital platform to evaluate compliance on the part of our Special Regulations for Contractor Companies and Subcontractors (RECSS).

Occupational health and safety: Our action plan

In 2023, we continued with our five-year working plan, which was launched in 2022 and focused on boosting a health and safety supervisory leadership programme. We prioritised planning and effective supervision by standardising high-risk task working practices using our Planned Task Risk Assessment tool (levels 3 and 4), integrating them into our Operating Model and ultimately making them part of our operational excellence management system.

We intend to combine planning-based production and safety according to deadlines and allocated resources. Planning is becoming a key part of this framework, and we are integrating health and safety into our operational excellence.

The objective is to standardise working practices at all our mining sites. Minera Antucoya in Antofagasta has become a leading example of implementing this process through the health and safety supervisory leadership programme. Antucoya's high levels of production in 2023 are the result of appropriate and timely risk management based on planning and empowered supervision. This achievement promotes safer jobs and operational stability, enabling sustained improvement in all dimensions of our mining business.

In addition, we designed a four-tool culture transformation programme to enhance supervisor skills:

- Planned task risk assessment incorporated into the operating model.
- Working shift change to ensure effective transfer of information.
- Role confirmation to shape expected practices or behaviours.
- Process confirmation to identify opportunities for improvement in key areas of occupational health and safety, and to ensure the closure of the task execution process.

In addition, we made significant progress with occupational health risk management processes, isolating or eliminating exposure of our personnel to occupational health risks in 2023. Each operation presented and implemented a project that contributed to a reduction in the exposure of personnel to health risks.

Safety briefing with operators at Centinela.

Health and safety training

We have developed training courses on occupational health and safety for our employees, contractors and subcontractors, covering potential risks associated with particular working environments or the execution of certain tasks, and other issues. As part of the training cycle, we identify the needs of supervisors and executives through the DNA process (Learning Needs Detection).

Alignment and definition of the training plan is carried out by the appropriate area in conjunction with the organisation's various management bodies, based on legal and regulatory requirements, and on local challenges in occupational health and safety issues.

In parallel with this model, we provided our employees with in-person training in control strategies, drawing on knowledge available for all companies, including our collaborating entities. Other topics that we have taught both in-person and remotely are the ODI (Obligation to Inform) specific to each area, and the New Person Induction, available for all internal staff and collaborators.

Within the framework of the OHS Leadership Programme for Supervision, we imparted training on the Planned Task Risk Assessment (PTRA) tool. This deployment was carried out in all companies during 2023 through in-person training conducted on site and in virtual classrooms.

We then worked on digitising the content on our platforms to make it available to the entire organisation. This digital training material is part of the Training Plan on mandatory transversal topics, which were defined by the Mining Group as a whole.

In line with our continuous improvement process at Antofagasta, we have implemented Collision Avoidance Systems (CAS) in all mobile equipment at our mines. CAS is capable of detecting objects in a defined collision risk zone and warns equipment operators to avoid unwanted interactions.

Health and safety Indicators

	2023	2022	2021	2020	2019
Number of fatalities					
Chilean mining industry		N/A[4]	N/A[4]	13	14
Mining division	0	0	1	0	0
Transport division	0	0	0	0	0
Group	0	0	1	0	0
Lost Time Injury Frequency Rate (LTIFR)[1]					
Chilean mining industry		N/A[4]	N/A[4]	1.41	1.54
Antofagasta – Mining division	0.61	0.76	1.12	0.73	0.75
Antofagasta – Transport division	0.90	2.15	4.60	2.37	4.03
Antofagasta – Group	0.63	0.84	1.34	0.86	1.01
Total Recordable Injury Frequency Rate (TRIFR)[2]					
Antofagasta – Mining division	1.74	1.86	2.29	2.77	2.71
Antofagasta – Transport division	2.94	5.01	7.26	7.57	8.53
Antofagasta – Group	1.81	2.04	2.61	3.14	3.17
Occupational Illness Frequency Rate (OIFR)[3]					
Mining division	0.91	2.26	0.18	0.00	0.29
Transport division	0.35	1.40	0.00	0.00	1.30
Group	0.80	2.09	0.14	0.00	0.52

1. Number of accidents with lost time during the year per million hours worked.
2. Number of accidents in the year with and without lost time per million hours worked (note: figures in previous Annual Report provided on basis of 200,000 hours worked).
3. Number of occupational illnesses during the year per million hours worked, these figures only take into account employees. Our OIFR increased significantly in 2022 as we identified those whose medical conditions had changed or who had developed occupational illnesses during the two years of the pandemic that were not adequately treated.
4. Not available.

Our focus on security issues

The real and potential negative impacts of external criminality perpetrated against our facilities, possibly with the threat of violence, can affect personnel both physically and psychologically. Strengthening the protection of our personnel will help to mitigate or prevent any serious impact.

At the administrative level, our recently created Industrial Protection Deputy Management team has had a productive year. Following stringent diagnosis of risks at each mining site and on our railways, we have begun to apply a range of measures focused on protecting our personnel and infrastructure.

Fostering communities

Shared social value is key to our sustainable approach. We seek to contribute to social and economic development in the local communities in which we operate through proactive engagement based on trust, transparency, respect and diversity, and in collaboration with local organisations and authorities.

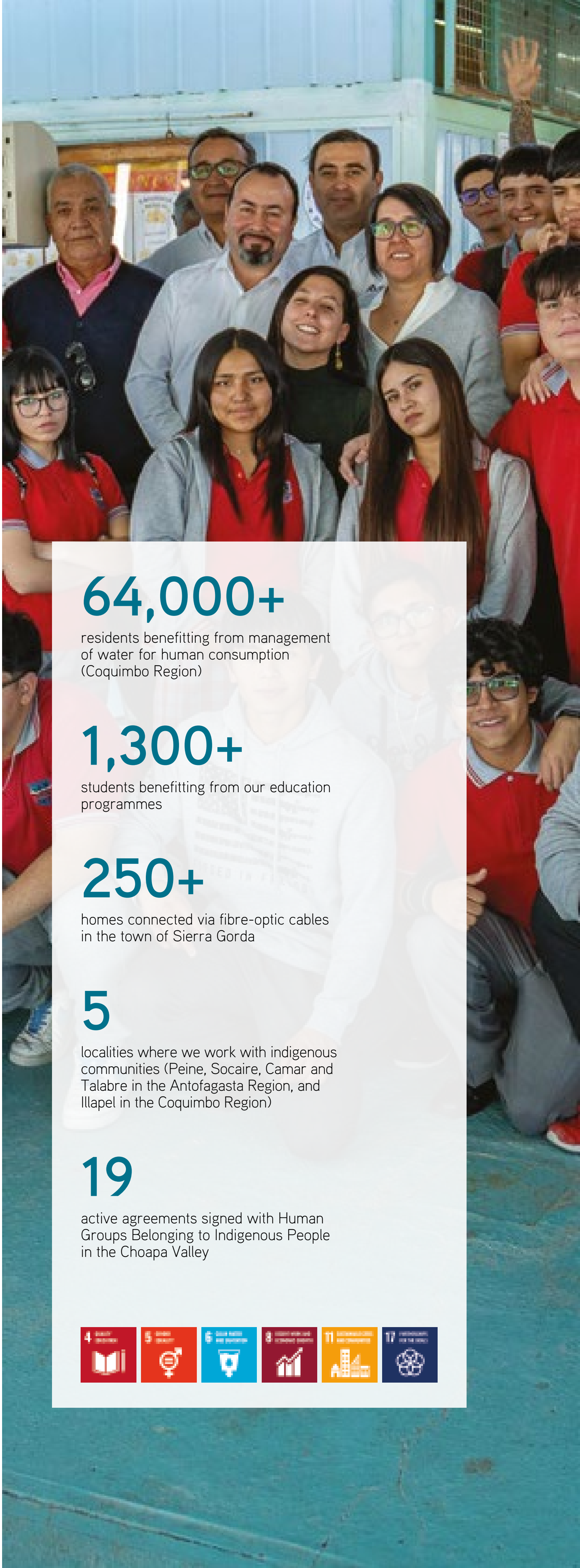
In 2023, we focused on defining a 2024 strategy that marks a new cycle of community relations programmes at Los Pelambres, Somos Choapa (We are Choapa), and across our three companies in the Antofagasta region, Diálogos para el Desarrollo (Dialogues for Development), in order to ensure compliance with the standards we defined as a Group for the development of a productive and long-term relationship with the neighbouring communities..

Social investment

We use a multi-stakeholder, open dialogue engagement approach to ensure that local communities participate in the selection of our social investment projects through our Somos Choapa (We are Choapa) and Diálogos para el Desarrollo (Dialogues for Development) engagement mechanisms in the Choapa Province and the Antofagasta Region respectively. Projects and programmes are usually implemented in alliance with third parties, such as organisations and state institutions.

We have two relationship programmes. Somos Choapa (We are Choapa) is a public-private strategic partnership between Los Pelambres and the Choapa province's four municipal districts – Salamanca, Illapel, Canela and Los Vilos – through which we seek to contribute to the area's sustainable development. The programme focuses on four main areas of social investment: water management, education and culture, economic development, and community infrastructure. Diálogos para el Desarrollo (Dialogues for Development) is the engagement framework to work with the communities and local authorities of María Elena, Sierra Gorda and Michilla, the neighbours' communities of Antucoya and Centinela, respectively, and other strategic partners to foster local peoples' social and economic quality of life. Community members actively participate in the selection of initiatives to develop jointly between companies and neighbours, as well as in working groups to oversee their implementation.

	2023
Mining division	$47.9m
Transport division	$0.6m
Total social investment	$48.5m



64,000+
residents benefitting from management of water for human consumption (Coquimbo Region)

1,300+
students benefitting from our education programmes

250+
homes connected via fibre-optic cables in the town of Sierra Gorda

5
localities where we work with indigenous communities (Peine, Socaire, Camar and Talabre in the Antofagasta Region, and Illapel in the Coquimbo Region)

19
active agreements signed with Human Groups Belonging to Indigenous People in the Choapa Valley

Our relationship with indigenous peoples

Our relationship with the communities of the Salar de Atacama, in the Antofagasta region, applies the methodology of dialogue and participation established by ILO Convention 169 on Indigenous and Tribal Peoples. Based on this, we signed social investment agreements with the communities in the Salar de Atacama (Peine, Socaire, Camar and Talabre) in 2023, and these are currently being implemented.

We apply an Indigenous Peoples Engagement Standard to ensure that all of Antofagasta Minerals' operations and projects consistently employ development processes and practices that fully respect the human rights of indigenous peoples. At Zaldívar, we are working with communities around the Salar de Atacama, within the extension project's EIA module, which aims to replace our use of continental water with other sources by 2028.

In 2023, we strengthened the Los Pelambres community relations team with professionals experienced in indigenous community relations, bolstering our commitment to respecting these communities' identity, traditions and interests. Los Pelambres has been working closely with indigenous communities to settle formal joint working agreements, primarily with the Chango people, but also with other communities in the Choapa Valley, such as the Diaguita Taucán and Mapuche peoples.

Human Groups Belonging to Indigenous Peoples at Los Pelambres

19 agreements in total

10	4	1	2	2
signed	in negotiation	inactive	unavailable to discuss	recently formed

In 2023, the ICMM updated its Human Rights Due Diligence Guidance, an important resource that helps member mining companies to better integrate human rights into existing risk management approaches. The guide stresses the fact that every person deserves to be treated with dignity and respect, and that all businesses, regardless of where they operate, have a responsibility to respect human rights.

Our main input for development of our human rights policy hinges on the first Due Diligence exercise implemented in 2018 at all our companies. We are currently working on our second Due Diligence exercise, which we expect to complete in 2024, in order to bridge the gaps we identified in our first process and establish new action plans.

Grievance mechanism

In 2023, we worked on an improvement plan for management of the Community Grievances Channel, its investigation process, governance and external disclosure. The channel was updated in 2022 for the reporting of concerns, complaints and grievances linked to our operations in neighbouring communities. Grievances can be presented confidentially and are monitored until a resolution is reached, usually within a 30-day period.

Number and classification of community grievances

Submitted	Transferred	Addressed Administrative	Addressed Coexistence	Addressed Environmental	Addressed Others
179	8	125	36	3	7

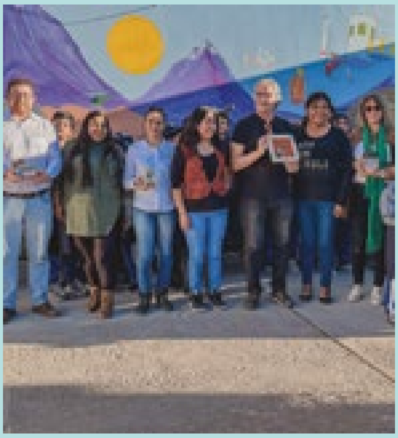
Community members without internet access can submit their complaints by letter or in person to the operation in question or to the local community relations co-ordinator. Complaints are then entered into the complaints system to allow follow-up and progress monitoring.

The mechanism was designed in line with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the ICMM's Good Practice Guide for the Handling and Resolving Local-level Concerns and Grievances.

Measuring our social investment programmes

Since 2018, as part of our Impact Ecosystem, we have regularly measured the impact of our social programmes in our territories of operation in the Antofagasta Region and Choapa Province. For this, we use tools from the Theory of Change and the Social Return on Investment (SROI).[1] At the Group level, we have so far measured the impact of 18 initiatives and three relationship processes.

During 2023, we carried out impact evaluations for the APRoxima (water for human consumption in Choapa) and Minera Los Pelambres scholarship programmes. In the northern zone, we measured the community relationship process, evaluating the Dialogues for Development (Diálogos para el Desarrollo, the main mechanism for dialogue and participation) programme in the towns of María Elena and Sierra Gorda. In all cases, we identified a positive SROI, meaning `that the social return on investment was greater than 1, thus qualifying interventions as successful. In addition, based on the results obtained from the Theory of Change and the SROI evaluation, improvement plans have been developed for each programme that will allow us to monitor and continuously improve the initiatives deployed in the territories examined.



Case study

Recovering *Lickanantay* heritage

In June 2023, the school in the town of Peine in the Antofagasta Region became the focus of an unprecedented initiative to recover the heritage and native language of the *Lickanantay* people (atacameños).

Titled "Let's talk in Ckunsa", the project seeks to highlight the efforts that the educational community of this town in the Salar de Atacama is making to bring about a revival of their traditions and mother tongue through art.

This project, one of the key activities led by Minera Zaldívar in relation to local identity, took place over the course of five months and was captured through the painting of a mural by the students in conjunction with the New York-based Chilean artist, Sebastián Gross. The artwork was included in a retrospective exhibition of his work at the Centro Cultural Gabriela Mistral (GAM) in Santiago.

1. SROI allows the measurement of values that are not traditionally reflected in financial statements, including social, economic and environmental elements. This method provides an indication of how effectively a company uses its capital and other tools to create value for its stakeholders, and the community in particular. Theory of Change measures the way in which a desired change is expected to occur in a given context.

En Red digital transformation

Our "En Red – Digital Community" programme consists of more than 20 initiatives and aims to address the digital infrastructure and skills deficit in rural and vulnerable communities located in the vicinity of our operations, through close co-operation with companies and local organisations.

Objective

To promote – through digitalisation and technology adoption – the development of new possible life trajectories linked to the cultural, productive and identity vocations of the territories in which we operate.

Main targets

- Connectivity in rural areas
- Telemetry for water management
- Telemedicine in rural healthcare
- Digital literacy in communities

Update on key community engagement programmes

Fibre-optic cables in Sierra Gorda	"APRoxima en red" initiative	Digital platform training for local suppliers
• Connection of Sierra Gorda district with fibre-optic cables and installation of 6 free Wi-Fi access points through a partnership between the municipality and Mundo TV. • 2-year flat-rate telephone, internet and TV service plan. • 250+ homes connected.	• Telemetry (monitoring, transmission) and Big Data (storage, visualisation and analysis) to optimise the management of the 80 Rural Sanitary Services (RSSs) in Choapa province and allow integrated basin monitoring. • Focus on water management for human consumption. 64,000+ residents benefited. • 115 RSSs operators received digital training and 80 tablets were distributed, covering 95% of all systems in the programme (76).	• Training of local suppliers to promote commercial links with Antofagasta according to the Suppliers for a Better Future programme. • Digital platform providing courses on general and company-specific topics. • 500 potential supplier beneficiaries.

Education

We foster education opportunities through scholarships and grants to cover the costs of higher education. In 2023, more than 1,300 students benefitted directly from our education programmes in the Antofagasta and Coquimbo regions.

In 2023, nearly 2,500 students in communities close to our sites of operation benefitted indirectly or directly from local employment and business development programmes.

Los Pelambres	
Scholarships	Number of enrolled students in Centre for technical education CEDUC UCN, Choapa Campus (Los Vilos)
1,271	**591**

Improving water stewardship

Climate change adaptation is key to what we do with respect to water stewardship. In line with our Climate Change Strategy and our Water Policy,[1] we support our neighbouring communities in adjusting to climate change through water stewardship. Water has become critical not only operationally but in terms of its key social value.

In 2023, we further expanded our efforts through our APRoxima and Confluye programmes to ensure continuous availability of water for human consumption and irrigation in the severely drought-hit Choapa Province. Managed by Minera Los Pelambres and its Foundation, and with technical support from Universidad de La Serena, APRoxima seeks to contribute to the development of rural drinking water systems.

Confluye looks to promote projects with the Water Users' Boards of towns and public services in Choapa. The programme has supported the improvement of 102.23 km of irrigation canals that ensure the availability of over 200,000 m^3 of water to irrigate 508 productive hectares, benefitting over 4,300 farmers.

Community infrastructure delivery

- Inauguration of the Los Vilos stadium.
- Financial contribution to set up the Chillepín Family Health Centre (Cesfam), a development covering an area of 1,450m^2 that will meet the needs of approximately 6,700 residents from surrounding towns.
- Inauguration of the Zapallar sewage works and the Lord Willow and Uno Sur steps down to the seafront in Los Vilos.
- Shade structure at Abastos Square in Illapel.
- Purchase of land for the Quilimarí Cesfam.
- Inauguration of the Conservation and Research Centre at the Archaeological Museum of La Serena. The project includes a building covering 450m^2 to contain quarantine, preservation and conservation areas, laboratories, a warehouse, toilet facilities, a research office, and a residential complex for receiving research interns. The new facilities will protect the 1,462 boxes of archaeological material recovered from the El Mauro sector, which remain under the custody and administration of the heritage site.

1. For further Information, please visit our Climate Change Strategy and Water Stewardship sections.

Comprehensive agricultural support

Focused on peasant family farming, the Apoyo Integral a la Agricultura or Comprehensive Support for Agriculture programme, launched in the municipality of Salamanca in 2014, has contributed to the financing of 504 agricultural input projects and works to achieve efficient use of available irrigation water (accumulation and distribution) in 2023.

The Programa de Fortalecimiento Agrícola (PFA) or Agricultural Strengthening Programme has been focused on water efficiency (technology-based irrigation, photovoltaic drive and intra-farm dams) and the Cooperativa Tres Ríos production chain. This initiative has enabled the modernisation of more than 145 hectares, including the collection of over 75m³ of water.

Land reconversion in Antofagasta

In November, Ferrocarril de Antofagasta (FCAB), our Transport division, began the first stage of a 48-hectare land reconversion plan. The scheme will focus on the rail yards in central Antofagasta and consist of three projects: Land Rehabilitation, Progressive Relocation of Operations and Urban Development.

The plan will improve connectivity, create new residential and commercial spaces, enhance railway heritage and generate more safe, public spaces for the community.

Boosting local economic development

Minera Los Pelambres, through its Foundation in Choapa province, runs the Cosecha and Emprende local economic development programmes to improve the productive conditions of small-scale entrepreneurs and rural producers, helping to reduce gaps in relation to the quality of products and services and highlighting the productive tradition of the territory.

674

micro and small businesses benefitted from the Cosecha and Emprende programmes

These initiatives provide financial and training support to improve business management, and we have created partnerships with regional universities, public services and the four local governments to implement these programmes effectively.

Additional efforts have been made during 2022 and 2023 to strengthen female entrepreneurship, with initiatives focused on boosting capabilities and the creation of collaboration networks and marketing programmes that have allowed us to open new growth spaces for the territory.

Santiago 2023
Juegos PanAm | ParapanAm

Supporting the Pan American and Parapan American Games

In line with our values and the community's participation in sport, we were proud to become sponsors of the Pan American and Parapan American Games, which were held for the first time in Chile. This is one of the largest multidisciplinary international sporting events in which athletes from all over the Americas participate, second only to the Olympic Games.

We supplied 3,000 medals, each with a solid core of copper from our mining sites, representing this key element of our Chilean identity. The medals were unveiled at Centinela last August.

As a sponsor of the Pan American and Parapan American Games, Antofagasta Minerals was given the opportunity to bring the flame to Antucoya, Los Pelambres and the towns of María Elena and Salamanca in an open community activity that became a milestone in the localities and in our companies.

For further information, please visit "Copper is at the heart of the Pan American and Parapan American Games medals" on the Company's website (www.antofagasta.co.uk).

'Heart of Copper' medals for Pan American and Parapan American games, 2023.'

Our suppliers

Our suppliers are at the heart of our sustainable business. They are a driver of continuous improvement to our high-quality service and products. We support them collaboratively through mechanisms that comply with the highest standards in relation to their performance and respect for human rights.

At Antofagasta, we have a close relationship with a wide range of suppliers. We interact with local suppliers from our communities, global suppliers, banks (in relation to our asset development strategy), investors, and many others.

Prior to signing contracts, we conduct due diligence on all potential suppliers in areas such as company ownership, involvement of politically exposed persons, antitrust issues, commercial behaviour, legal cases, conflicts of interest, compliance models and procedures for the prevention of slavery and human trafficking.

All contracts include clauses relating to ethics, bribery, asset laundering, and compliance with Chilean Law No. 20,393 on the criminal liabilities of legal entities, and with the UK's Bribery Act and Modern Slavery Act. Continuing with the process initiated in 2022, we carried out an audit to verify compliance with minimum and general standards on the part of contractor companies. The results will be available in 2024.

Since 2022, we have applied sustainability criteria to evaluate bids for contracts with a value in excess of $10 million, complementing our existing energy efficiency and safety standards. Higher scores are awarded to companies with clear carbon emission reduction strategies and targets, robust governance, local recruitment, and diversity and inclusion.

At Antofagasta, we have been developing specific strategies, consistent with our Climate Change Strategy, to support our larger suppliers in tackling, for example, Scope 3 emissions reduction (indirect carbon emissions that occur within a company's value chain), in line with the ICMM Scope 3 Emissions Accounting and Reporting Guidance, published in September 2023.

We launched the sustainability criteria application guide for tenders made to our Mining division, consolidating the application guidelines on energy efficiency, internal carbon price and sustainability performance evaluation. The guide also expands the scope of application to new categories and amounts.

Additionally, as climate-related risks and opportunities have impacted our supply chain and with the increasing severity of sea swells, which have delayed the delivery of some critical resources, Antofagasta has decided to strengthen its resilience by increasing its storage capacity and revising some of its supply chain strategies, particularly for diesel and acid.

75%
of our workforce are contractors

1,716
Supplier companies

13%
Of payments made to SMEs

20,000+
contract personnel

$678 million
supply chain value in Coquimbo and Antofagasta

15 days
invoice payment term for c.90% of SMEs

Suppliers for a Better Future programme progress

In 2023, we implemented our Suppliers for a Better Future programme. Launched in December 2022, the initiative seeks to align contractor best practices with our main purpose and standards. This is a collaborative project with a focus on the development of people, communities, sustainability, competitiveness and innovation.

Our programme's priorities

• Promote local employability and hiring of women, enhance diversity and inclusion (D&I) and respect of human and labour rights.	• Reduce carbon footprint and promote circular economy solutions.	• Strengthen the culture of productivity and integrity in our suppliers' processes.

The programme has given suppliers the tools to become world-class companies, to increase competitiveness and their capacity of growth, and to incorporate themselves into the industry in an effective and efficient manner. This is particularly the case for local small and medium-sized companies (SMEs) in the Antofagasta and Coquimbo regions.

2025 goals

18%	45%	25%
Spent on local suppliers	Local employment	Female employment by suppliers
Progress in 2023: 14%	Progress in 2023: 50%	Progress in 2023: 13%

We defined targets for 2025 in the categories of regional suppliers, market development for regional suppliers, and expenditure and regional supplier recruitment. We have also been working with Universidad Católica del Norte (UCN) on a competitiveness study and a plan to bridge existing gaps in sustainability. In December, UCN gave training to over 50 suppliers on sustainability and associated strategic topics.

2023 regional suppliers programme

50	100%
SMEs companies in the Antofagasta and Coquimbo Regions	progress on plans to bridge existing gaps in sustainability

In 2023, we carried out a risk screening of more than 2,500 suppliers based on their type of industry and geographical location. We invited those with a "high" or "very high" sustainability risk to complete a 360° evaluation of categories, such as water, biodiversity, local pollution, materials, chemical products and waste, safety, energy consumption, GHG emissions, diversity and inclusion, and corruption.

21 criteria			
4 topics			
Environment	Human and labour rights	Ethics	Sustainable purchases

As part of our strategy, and before sharing any compliance goals with our suppliers, we approach entrepreneurial organisations in the Coquimbo and Antofagasta Regions, such as the Asociación de Industriales de Antofagasta (AIA) or Antofagasta Industrial Association and the Sistema de Calificación de Empresas Proveedoras de Bienes y Servicios (SICEP) or Supplier Qualification System, in order to evaluate the feasibility of our programmes, particularly at regional level.

In 2023, we required contractors to pay their employees an ethical gross monthly minimum wage of $741.4, 35% higher than the minimum wage established by Chilean law, and to provide them with health and life insurance. Los Pelambres and Centinela also support the further education of contractors' children.

For further information on suppliers, please refer to our Sustainability Databook for 2023, available on our website (www.antofagasta.co.uk).

Case study

Collaborative emission reduction initiatives with our suppliers

- New explosives contract, which made available 25,000 tonnes of certified blue ammonium nitrate in 2023. This material undergoes an additional manufacturing step that internalises the CO_2 emitted in gas wells, generating a reduction of carbon emissions in the raw material and in the final product (explosives).
- Operation of electric vans and electrical auxiliary equipment for soil movement.
- Within the framework of the agreement signed with OEM in 2022, a formal assessment of the model required for the decarbonisation transformation at Minera Los Pelambres was carried out in 2023.

Case study

Our tools

- A supplier academy to explain the relevance of sustainability through training and skills development.
- Aprende En Red: a digital learning platform where local suppliers can access training on general and company-specific topics to enhance their skills and expand their knowledge to become more competitive when participating in bids.
- Business roundtables to connect supply and demand between our Mining division and potential suppliers.
- Forums to present our Group initiatives and improvement opportunities for suppliers.
- Regional supplier development project Suppliers for a Better Future.

Sustainable production

We strive to produce in a sustainable way based on a long-term vision. Our priority is to prevent, minimise and mitigate any impact on the environment in which we operate. Through regular reports and reviews, we periodically evaluate our performance and make improvements as required. Our four operations meet all the criteria of The Copper Mark and the ICMM Performance Expectations standards for responsible mining.

We seek to support each of our operations in the effective implementation of the Environmental Management Model, with a focus on the identification and mitigation of risks, and in order to ensure compliance with the relevant environmental regulations across the Group, including our current operations, development and exploration projects. As part of this process, the Company aims to identify learning opportunities centrally, which are shared across the Group.

In addition, we work towards standardising the process to initiate each project's design, to deliver environmental and sustainability improvements, particularly regarding early dialogue with local communities close to each project. Through this approach, the Company aims to facilitate the processes to apply for environmental permits.

Finally, we have a focus on biodiversity and the circular economy.

Our environmental performance is reported on a monthly basis to the Executive Committee, and twice a year to the Sustainability and Stakeholder Management Committee. Based on an Annual Audit Plan, the Company's Internal Audit function performed environmental audits on all of our operations in 2023 to verify the effectiveness of our internal controls and governance, compliance with environmental requirements, and the measures committed to by our operations within the framework of their environmental permits. No significant audit findings were reported during 2023.

46%

Increase in the recovery of industrial waste by the Mining division in 2023

310 tonnes

of anodes recycled by Antucoya in 2023

0

operational events with significant environmental consequences

The Copper Mark validation seal

currently held by all our mines

400 l/s

Capacity of the newly-constructed desalination plant for Los Pelambres, helping to substantially increase water availability in 2023.

Electric buses for transporting mine workers at Centinela.

Environmental Management Model

Environmental compliance in Chile

In Chile, large-scale projects must be assessed by the Servicio de Evaluación Ambiental (SEA) or Environmental Evaluation Service and awarded an environmental permit called a Resolución de Calificación Ambiental (RCA) or Resolution of Environmental Qualification. These RCAs include legally binding commitments on matters relating to the prevention and mitigation of the projects on any significant impacts on the environment and communities, and if applicable any necessary compensation actions.

78	10,000+	4
RCAs (environmental permit), including our Transport division	commitments	main areas (water use, air quality, biodiversity, and project construction, operation and closure)

Operational incidents with environmental consequences are classified as Actual (high, medium or low) or Potential (high or low) according to the specific features of each. A dedicated internal committee investigates actual high- or medium-severity incidents. According to the criteria established in the environmental assessment of each operation or project, we had zero operational incidents with significant environmental consequences. A total of 28 incidents with no severe environmental consequences were reported to the SMA.

In 2023, the Transport division (FCAB) obtained a new environmental permit to move part of its operations from the city of Antofagasta to the nearby port of Mejillones. The work, which commenced in November, includes the development of a 48-hectare urbanisation project in the city. This is an important step in the Transport division's plans to update its facilities, increase its capacity, and boost quality of life in the city (see the Fostering Communities chapter).

Tailings management

Tailings deposits are a key factor in our environmental policy, and accountability for them lies at the highest levels of the Company's management. We have four main tailings storage facilities (TSFs): the El Mauro and Los Quillayes conventional dams at Los Pelambres, a thickened tailings deposit at Centinela, and a small thickened tailings deposit at Zaldívar.

Our Tailings Policy is aligned with the Global Industry Standard on Tailings Management (GISTM), and we prioritise the health and safety of our personnel, our neighbouring communities and the environment. In August 2023, we announced compliance with the GISTM at our main tailings storage facilities. The process was completed at El Mauro (Los Pelambres) and Centinela in 2023. The remaining facilities – Los Quillayes (Los Pelambres) and Zaldívar, will be finished within the August 2025 compliance deadline.

GISTM framework	Areas covered
The GISTM provides a framework for safe management of tailings facilities. The standard is classified by topic, covering various areas that together require assignment of responsibilities and prioritisation of the safety of each tailings facility throughout all phases of the project lifecycle, including closure and post-closure.	• communities • knowledge base • design • construction, operation, monitoring and closure • management and governance • emergency response • public disclosure • principles and criteria

Implementation of the standard requires collaboration between various areas of the companies, which must conduct studies and update information on each tailings facility, as well as stronger relationships with communities through the transparency and sharing of information. Currently, the El Mauro dam and the Centinela thickened tailings deposit comply with the GISTM based on a self-assessment, which will undergo third-party validation as soon as reasonably practicable.

Centinela has also worked on a preventive emergency plan with the community of Sierra Gorda, the first municipality to engage in a natural hazard emergency simulation.

Responsible Mining Standard

At Antofagasta, we have worked to achieve the highest sustainability standards by consistently updating our policies, strategies and practices. We address transparency and reliability through third-party accreditation of responsible copper production at our four mining sites.

In 2023, for example, Antucoya and Los Pelambres received accreditation for implementation of the action plans to which they committed in 2022 and obtained The Copper Mark validation seal. The latter lasts until 2025, demonstrating and reaffirming our approach to producing copper in accordance with the UN's sustainable development criteria. All our companies hold this certification. The Copper Mark is an independent external assurance of mining site compliance with strict and internationally recognised standards of sustainable production. Sites must partially meet all criteria and commit to tackling any existing gaps within 12 months. As participants, we are committed to conducting a third-party review every three years. Centinela and Zaldívar must carry out the assurance process again in 2024.

As members of the International Council on Mining and Metals (ICMM), our four mining sites also underwent independent audits on compliance with the ICMM's Performance Expectations. All our sites complied with the ICMM's Performance Expectations.

In 2023, we also submitted updated information to renew our registration with LMEpassport, the sustainability credentials register at the London Metal Exchange (LME), including an executive summary of The Copper Mark, which is recognised by the LME. Our subsidiaries Minera Centinela and Minera Zaldívar are registered with the LME.

Monitoring air quality

Each of our mines operates comprehensive programmes to control dust emissions (PM10 and 2.5). These emissions are subject to periodic surveillance, in some cases involving the local community. Air quality data is regularly reported to the regional authorities to ensure compliance with environmental regulations.

Los Pelambres is under way with a project to plant 96,000 native trees and shrubs on a 300-hectare site at the Los Quillayes tailings storage facility. So far 120 hectares have been planted, with vegetation selected on the basis that it requires little irrigation, can easily adapt to extreme environments, and serves to control particulate material events while blending the dam with its surroundings.

For further information on the flora in the surrounding areas, please visit the Biodiversity section on page 68.

Implementing our Circular Economy Strategy

Pillars		
Reducing resource usage	Expanding the lifecycle of material and equipment	Converting waste into new resources

+21

initiatives in progress

In 2023, each operation within the Mining division was requested to share solutions and proposals to co-ordinate the environmental, supply and innovation areas within the Company, with a goal of increasing the visibility of what we do and promoting new initiatives within the circular economy. Through this initiative, the Company's aim is to facilitate the implementation of solutions, projects and partnerships according to the features and capabilities of our operations.

For further information on sustainable production, please refer to the Environmental Excel sheet in the Company's Sustainability Databook.

Circular economy initiatives

- Los Pelambres recovers steel from haul truck tyres for recycling into grinding balls that are reintroduced into the mine's production process. This initiative – carried out in conjunction with tyre disposal company Atlas Morgan and grinding ball supplier Magotteaux – aims to produce 97 tonnes of steel balls from 156 haul truck tyres during the test project.
- Antucoya is working on the recovery of lead waste (anodes) and in 2023 recovered 309 tonnes of material. The company also signed a contract for the recovery of 600 tonnes of rubber waste (conveyor belts) and is working with mining tyre suppliers to manage end-of-use tyres, recycling around 150 tonnes of this waste. The three initiatives together captured more than 1,000 tonnes of waste in 2023.
- FCAB sold 1,794 tonnes of parts and pieces of locomotives, engines, bogies, and rails as scrap in 2023. In addition, they donated wooden sleepers that have reached the end of their lifecycle for reuse in parks, urban squares and social venues in Antofagasta, Calama and Ollagüe, and installed 25 recycling points for the collection and recycling of plastic bottles, aluminium cans and office paper.

Our Climate Change Approach

Through innovation, planning and resilience, we are transforming our production processes and managing risks associated with climate change. As a copper producer, we provide a raw material critical for low-carbon technologies and have proactively adopted measures to mitigate the carbon footprint of our operations.

Our long-term Climate Change Strategy

1. Development of climate change resilience
2. Reduction of GHG emissions
3. Efficient use of strategic resources
4. Management of the environment and biodiversity
5. Integration of stakeholders

Scope 1 and Scope 2 2035 goal

50%

emissions reduction with 2020 as baseline

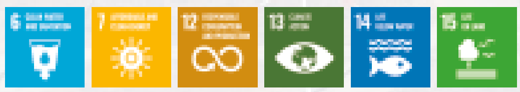
Scope 3 2030 goal

10%

emissions reduction using 2022 as a baseline for projecting 2030 emissions.

43%

Reduction in absolute Scope 1 and 2 emissions since baseline year of 2020.



El Arrayán Wind Farm, the largest such facility in Chile.

Climate-related governance

Board of Directors

SUSTAINABILITY AND STAKEHOLDER MANAGEMENT COMMITTEE	AUDIT AND RISK COMMITTEE	REMUNERATION AND TALENT MANAGEMENT COMMITTEE

Climate change is an intrinsic element of our risk management and decision-making. Our Board of Directors has ultimate responsibility for our climate-related goals and strategy.

As one of the main threats facing the Company, there is greater and more profound awareness of the need to compensate for its ramifications in our decision-making processes.

Our corporate Climate Change Committee, formed in 2021, is responsible for supporting the implementation, monitoring and continuous improvement of the Strategy. One of the Committee's objectives is to maximise the participation of the different areas and levels of the organisation.

At the executive level, Climate Change Strategy responsibilities are assigned to specific positions. The Chief Executive Officer (CEO) is responsible for approving targets and monitoring their progress. The Vice President of Corporate Affairs and Sustainability, the Chief Financial Officer (CFO), and the Vice President of Strategy and Innovation are responsible for proposing targets and reporting on adaptation and mitigation issues.

The Board's Remuneration and Talent Management Committee, among other functions, ensures that the Group's remuneration provisions are aligned with its strategic priorities. Using the Climate Change Strategy as a framework, it evaluates the short- and long-term incentive scorecards of the Group's employee bonus plans, among which the Key Performance Indicators (KPIs) related to climate change have had greater weight in recent years. In 2023, climate-related KPIs for the Short Term Incentive at the Group level had a weight of 7.5%. In the case of the CEO, the environment category – which includes climate change – has a weighting of 10% in the annual bonus.

At Antofagasta, in line with the objectives of the Paris Agreement, we have the ambition of reducing our Greenhouse Gas (GHG) emissions in the short- and medium-term and to achieving carbon neutrality in Scope 1 & 2 emissions by 2050 (or sooner, if technology allows).

Since 2019, we have been implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aligning our metrics and targets with the TCFD's seven cross-industry climate-related metric categories, including GHG emissions and internal carbon prices.

We give special priority to the potential financial impact of the transition and the physical risks involved, as well as to mitigation and adaptation measures, such as the opening of a desalination plant at Los Pelambres, which has become the first mining operation in central Chile to use sea water.

Our decarbonisation approach

At Antofagasta, our holistic approach to decarbonisation involves both our mining site operational teams and our corporate teams, who together deploy measures that aim to reduce GHG emissions from our productive processes.

Given the importance and relevance of our decarbonisation approach, in July 2023 we created the Decarbonisation Project Management area within the Vice Presidency of Strategy and Innovation.

In accordance with our Energy Policy framework, implemented in 2022, we have incorporated the role of Energy Administrator at each mining site. The role consists of leading and ensuring the implementation and improvement of the Energy Management System according to Chilean Law No. 21,305 on Energy Efficiency. In addition, Energy Administrators supervise the achievement of decarbonisation and energy targets through energy efficiency plans and GHG reduction.

Since April 2022, all our mining operations have operated exclusively under renewable energy power supply contracts, reducing our Scope 2 emissions to zero.

During 2023, we have worked with the Communication and Supply teams to incorporate suppliers into our decarbonisation target (Scope 3) with the aim of formulating a joint emissions mitigation plan.[2]

Mining industry power consumption	Our energy consumption	Our bill	% of our operational cost
25% of Chile's total energy	**4.5%** of Chile's total energy consumption	**$0.5 billion (annually)**	**c.21%**

Scope 1 (Direct emissions)

Direct CO_2 emissions from diesel or petroleum consumption across our operations

90%

of our Scope 1 emissions come from our mining equipment

New 2035 reduction goal for Scopes 1 and 2 emissions:

50%

reduction (with the year 2020 as a baseline)

Scope 2 (Indirect emissions)

Indirect emissions from energy consumption across our productive processes

100%

all of our mining operations are contracted to use energy from renewable sources.

Scope 3 (Value chain emissions)[2]

Other indirect emissions from our suppliers, such as ships transporting our product, the smelting process, and manufacturing serving our production processes

Represents around

75%

of the Group's carbon footprint,[1] with an inaugural Scope 3 estimate published in 2023

New 2030 reduction goal for Scope 3: reduce our emissions by

10%

with 2022 as baseline

In 2023, we continued work to incorporate carbon emission indicators into our large project decisions, thus integrating the entire organisation into our decarbonisation plan. We conduct thorough analyses to establish whether a given purchase may have a positive or negative impact on our path to decarbonisation or in relation to bank credits. Decarbonisation initiatives are becoming an increasingly relevant aspect of financial evaluation packages.

We strive to reduce our carbon footprint. As part of these efforts, we have worked with:

- Equipment manufacturers to incorporate technology solutions within the Group, targeting a reduction in our direct emissions; and
- Our suppliers within Scope 3 to include sustainability and carbon footprint reduction in their processes.

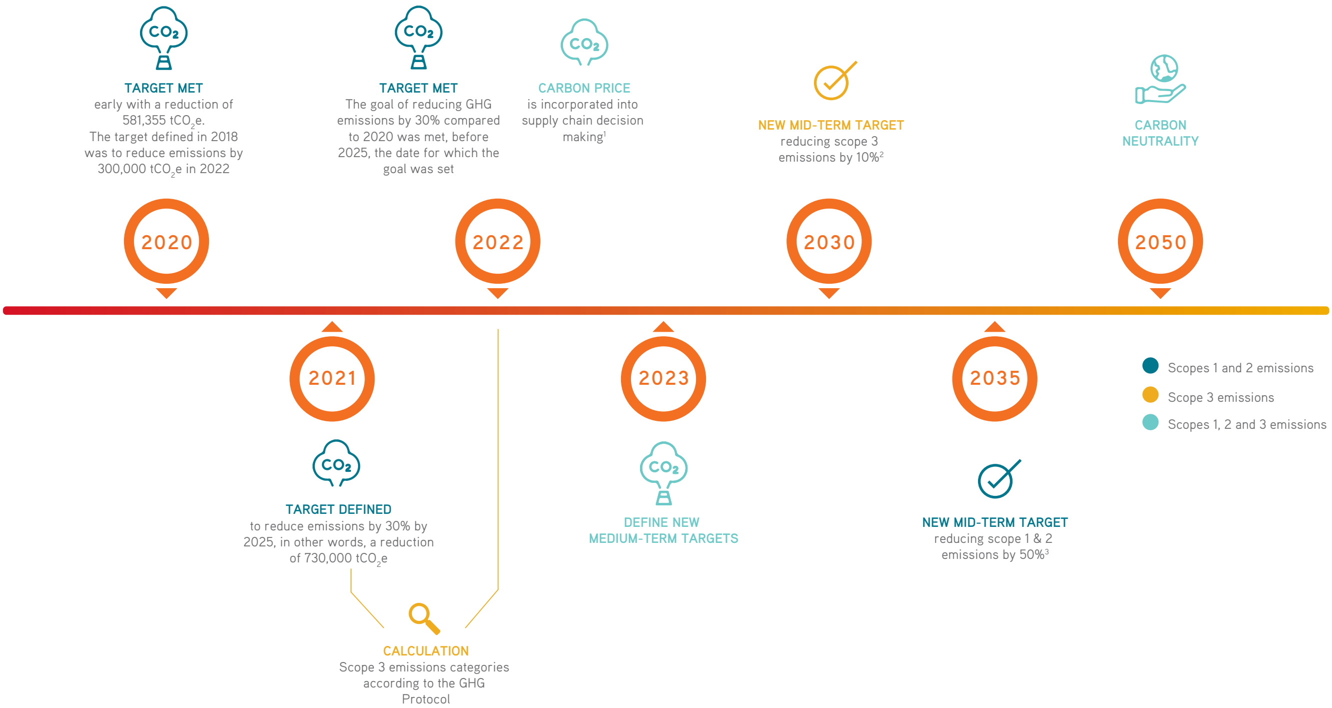
1. This percentage encompasses Scope 2 location-based emissions.
2. Information available in our Second Climate Change Report, p. 42, including a breakdown of 15 categories of this type of emissions.

A pioneering joint effort to measure Scope 3 emissions

In August 2023, our Mining division, together with other major mining companies operating in Chile, formed the first Scope 3 Emissions Traceability Roundtable. This is a pioneering initiative in the mining industry in Chile and seeks to unify efforts concerning the measurement of emissions within the value chain.

One of the main objectives of this initiative is to advance the homologation of existing standards and methodologies and to promote capacity building through collaborative work between mining companies and their suppliers.

Antofagasta emissions targets



1. See our Second Climate Change Report on our website for further details.
2. Against 2022 no action scenario projection.
3. Against 2020 baseline.

Electromobility for decarbonisation

In 2023, we made progress in one of the next five years' most innovative decarbonisation projects: electromobility at mining sites and our haul truck replacement plan.

In June 2023, Centinela put into operation the largest fleet of electric pickup trucks in Chile. A total of 50 vehicles began work on the site using energy from 100% renewable sources[1]. In addition, we acquired eight units of electric mining equipment for ancillary activity, which will operate in the Esperanza Sur autonomous pit. This equipment will reduce emissions by a further 5,200 tonnes of CO_2 annually.

The initiative is part of Centinela and Antofagasta's Climate Change Strategy, which has contributed to a 30% reduction in total direct and indirect GHG emissions (combined basis) ahead of the original deadline of 2025, and has become a driver to achieve the new 2035 goal of a 50% reduction in scope 1 and 2 emissions. Implementation of this electric fleet involves the construction of 12 electric charging stations, with more than 50 fast charging points.

In addition, FCAB incorporated a new fleet of 100% electric vehicles as part of their strategy to reduce the environmental footprint. These vehicles, which will operate under lease, are more compact and efficient, considerably quieter, and can be charged via a household socket or wall charger at the company's premises.

During 2023, the Mining division has been reviewing the suitability of our four companies' energy nodes for electrification of our vehicles and distribution centres, in an attempt to establish whether network and distribution points in northern Chile are prepared for this simultaneous demand. At the national level, infrastructure availability is critical to a timely energy transition.

Even though we do have the capacity for energy transition at Antofagasta, energy cost in the mining industry is becoming an issue. Within the Latin American region, we have very competitive costs that combine the price of the energy itself with capacity and transmission.

In 2023, following the three-fold drop in the cost of green energy over the past decade, we began the manufacturing and pilot implementation of electric-powered trolleys, and will commence testing dynamic charging solutions for haul trucks at Los Pelambres. The initiative was approved by the Board, and consequently, we have begun to implement this project.

1. Centinela is contracted to receive 100% renewable energy.

Operational CO_2e emissions (tCO_2e)[1]

	Los Pelambres	Centinela	Zaldívar	Antucoya	Corporate Offices (Santiago and London)	Mining division	Transport division (FCAB)	**Total**
Scope 1								
Direct emissions								
2023	**271,281**	**551,766**	**132,813**	**232,316**	**210**	**1,188,386**	**87,962**	**1,276,348**
2022	250,545	529,075	128,440	205,332	189	1,113,581	91,068	**1,204,649**
2021	226,199	439,484	156,500	165,641	124	987,948	90,778	**1,078,726**
2020	257,801	492,496	152,340	152,577	108	1,055,322	88,936	**1,144,258**
Scope 2								
Indirect emissions								
2023	**0**	**0**	**0**	**0**	**16**	**16**	**514**	**530**
2022	93,142	1,634	0	0	460	95,236	717	**95,953**
2021	286,848	556,616	0	124,467	894	968,825	823	**969,648**
2020	334,376	542,020	86,563	120,087	603	1,083,649	858	**1,084,507**
Total emissions (Scope 1 and Scope 2)								
2023	**271,281**	**551,766**	**132,813**	**232,316**	**226**	**1,188,402**	**88,476**	**1,276,878**
2022	343,687	530,709	128,440	205,332	649	1,208,817	91,785	**1,300,602**
2021	513,047	996,100	156,500	290,108	1,018	1,956,773	91,601	**2,048,374**
2020	592,177	1,034,516	238,903	272,664	711	2,138,971	89,794	**2,228,765**
CO_2e emissions								
tCO_2e/t[2]								
2023	**0.90**	**2.28**	**1.64**	**2.99**	–	**1.69**	**0.01**	**–**
2022	1.25	2.14	1.44	2.59	–	1.75	0.01	**–**
2021	1.58	3.63	1.78	3.69	–	2.56	0.01	**–**
2020	1.65	4.19	1.79	3.44	–	2.79	0.01	**–**

1. Tonnes of carbon dioxide equivalent.
2. Tonnes of CO_2 equivalent per tonne of copper produced or per tonne transported in the case of the Transport division. Re-expressed intensity indicator. Corrections were made to the unit of measure of the denominator. Previously, the unit was in thousands of transported tonnes, and now the value is expressed in transported tonnes directly.

Scope 3 Emissions

In November 2023, the Company published its Second Climate Change Report, covering 2022, which included an inaugural estimate of Scope 3 emissions. This report includes a breakdown of the 15 categories of Scope 3 emissions and is available on the Company's website at the following location:

www.antofagasta.co.uk/media/4601/climate-change-report_fv3-1.pdf

As detailed on page 42 of the above report, total Scope 3 emissions for 2022 were 5,692,874 tonnes CO_2e (2021: 5,242,777 tonnes CO_2e). A full breakdown of these totals is provided on the same page of this report. The Scope 3 totals include all material/relevant categories of emissions.

An estimated Scope 3 emissions in 2023 is not available as of the date of this report due to the complexity of data collection, validation and analysis required for this category of emissions. The Company expects to be able to publish an estimate for Scope 3 emissions for 2023 later in 2024, once the relevant data is available and fully validated.

Our TCFD progress

The Group's Task Force on Climate-related Financial Disclosures (TCFD) recommendations are integrated into this report in accordance with the Financial Conduct Authority Listing Rule LR.9.8.6(8). Progress against the recommendations is summarised below, together with an index showing where more detailed disclosures can be found. In 2023 our disclosures are fully consistent with all the TCFD recommended disclosures, following progress on Strategy and Metrics & Targets, which has meant that the Group is consistent with the TCFD recommendations in all areas, including the following areas where we completed the recommendations during the year:

- **Strategy, impact on business – Decarbonisation Plan:** We have assessed and reported in our Climate Change Report for 2022 which was published in November 2023, how our emission reduction plans aim to achieve our decarbonisation targets at our operations. In addition, our climate action plan considers our path towards decarbonisation.
- **Metrics and Targets, climate-related metrics – Climate Metrics & Targets:** We have estimated the capital expenditure we expect will be required to mitigate and adapt to climate change. As part of the necessary engineering studies, this figure will be refined throughout the cycle until final investment decision.
- **Metrics and Targets, GHG emissions and related risks – Scope 3:** We disclosed in our Climate Change Report for 2022, which was published in November 2023, our Scope 3 emissions and breakdown split in 15 categories and the main areas of work to achieve our goal of a 10% reduction by 2030 (against a baseline year of 2022). Our Climate Change Report and Climate Action Plan also outlines key ways in which we aim to work with suppliers. The 2023 Scope 3 emissions figure is not yet available due to the time delay in collecting data/updating the estimate.

This report integrates the Group's Task Force on Climate-related Financial Disclosures (TCFD) recommendations in accordance with the Financial Conduct Authority Listing Rule LR.9.8.6(8). The Company has provided a summary of its decarbonisation plan in this Annual Report, and the Climate Change Report for 2022 is complementary to this summary.

Recommended disclosures	Progress
Governance	
• Board oversight • Management role	• We created the Decarbonisation Project Management area as part of the Vice Presidency of Strategy and Innovation. • Climate change scenario analysis (scenarios SSP5-8.5[1] "fossil-fuelled development" for physical risk analysis and IEA's NZE by 2050[2] for transition risk analysis) was presented to the Board and the results of this analysis informed the annual long-term financial planning process. We have separately reported on Board members' experience relating to climate change issues. • Since the establishment of the corporate Climate Change Committee in 2021, it has continued to enhance the understanding and appreciation of the importance of our Climate Change Strategy within the organisation and provide advice to our Executive Committee.
Strategy	
• Identified risks and opportunities • Impact on business • Business resilience	• Minera Los Pelambres: Los Vilos desalination plant operation start (400 l/s water capacity) and environmental approval to double its capacity to 800 l/s). • Communities' activities related to resilience have been in place during 2023, mainly working in an infrastructure plan and emergency programme. • In transition risk analysis this year, we incorporated the valuation of a new decarbonisation plan, and the analysis of energy efficiency measures. An improvement in the analysis was to explore the potential benefit brought by a higher copper price driven by the energy transition. • We reviewed the impact of climate change risks and opportunities as part of our 2023 long-term financial planning process allowing us to assess the impact of climate change risks during the life-of-mine (LOM) of each operation. • Following our evaluation of climate change issues that could affect our supply chain, we have strengthened the resilience of our supply chains for some of our critical resources, such as diesel and acid. • This year, to improve our understanding of the financial impact of the physical risks of climate change, we used the "fossil-fuelled development" climate change scenario (SSP5-8.5[1]), rather than the scenario we used in our 2022 analysis (SSP2-4.5[2]). For transition risk, we used the "net zero emission by 2050" scenario from the IEA.
Risk management	
• Identifying and assessing risks and opportunities • Managing risks and opportunities • Integrating climate change into overall risk management	• Climate change physical risks were assessed using the SSP5-8.5 scenario.[1] The estimated financial impact on operating costs and capital expenditure was calculated for three situations: no mitigation or adaptation; controls already in place; and plans and actions implemented in the future. • Climate change transition risks were assessed using the "net zero emission by 2050" scenario. The estimated financial impact on operating costs and capital expenditure was calculated for three situations: no mitigation or adaptation; controls already in place; and plans and actions implemented in the future. • Controls and action plans for transition risks were updated. The risk of carbon tax was assessed using the "net zero emission by 2050" scenario, considering our decarbonisation plan as an input for this analysis. • The impact of physical risks on the communities was reviewed, and action and control plans were established.
Metrics and targets	
• Climate-related metrics • GHG emissions and related risks • Targets and performance	• During 2023, the Board approved a new Scope 1 and Scope 2 reduction target: To reduce our Scope 1 and 2 emissions by 50% by 2035, with the year 2020 as a baseline. Our Scope 3 reduction target, which will be achieved through collaboration with industry, is to achieve a 10% reduction in Scope 3 emissions by 2030, with the year 2022 as a baseline. • We have estimated the amount of capital that we anticipate will be required to achieve these targets, assuming trolley and battery based technologies, understanding these technologies may change and/or evolve before we achieve our decarbonisation goals. As part of the necessary engineering studies, this figure will be refined throughout the cycle until final investment decision. In 2024, we are planning to complete prefeasibility studies as part of our ongoing evaluation of decarbonisation technologies and key enablers.

1. Shared Socioeconomic Pathway in which CO_2 emissions hover around current levels before starting to fall mid-century, but do not reach net-zero by 2100. Used by the Intergovernmental Panel on Climate Change (IPCC) in its 2021 Sixth Assessment Report.
2. Representative Concentration Pathway 8.5 assumes emissions continue to increase for the rest of the 21st century. Considered as a very unlikely and worst-case scenario.

TCFD index

The Company has considered the relevant sections of the TCFD all-sector guidance. Additional information relating to the required disclosures can be found on the pages indicated in the table below:

Pillar	Disclosure	Page
Governance	Description of the Board's oversight of climate-related risks and opportunities.	121
	Description of management's role in assessing and managing climate-related risks and opportunities.	57
Strategy	Description of the climate-related risks and opportunities the Company has identified over the short-, medium- and long-term.	57 and 64
	Description of the impact of climate-related risks and opportunities on the Company's businesses, strategy and financial planning.	29-31, 57-64 and 80
	Description of the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	63-64
Risk Management	Description of the Company's processes for identifying and assessing climate-related risks.	63 and 80
	Description of the Company's processes for managing climate-related risks.	57-64
	Description of how processes for identifying, assessing and managing climate-related risks are integrated into the Company's overall risk management.	80
Metrics and Targets	Disclosure of the metrics used by the Company to assess climate-related risks and opportunities consistent with its strategy and risk management process.	57-62
	Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 Greenhouse Gas (GHG) emissions and the related risks.	61
	Description of the targets used by the Company to manage climate-related risks and opportunities and performance against targets.	57 and 61

Climate change scenario analysis

In 2023, Antofagasta enhanced its understanding of the financial impact of the physical risks of climate change by considering a "fossil-fuelled development" climate change scenario (SSP5-8.5). This scenario takes advantage of the latest generation climate models (CMIP-6) and is considered an extreme scenario , leading to warming by 2100 of 3.6 to 6.2 °C compared to pre-industrial temperatures. To better understand how physical climate changes could impact our business, we have focused on particular climate change vectors, such as higher temperatures, water stress, extreme rainfall events, conditions that generate particulate matter, storm surges and wave events. Each of our operations analysed the potential effect of these factors on their production, cost performance, and the cost of adaptation measures and control options.

To understand the financial impact of transition risks, we used the new International Energy Agency's "Net Zero Emission by 2050" or IEA's NZE scenario (2 degrees or lower scenario), an ambitious and widely recognised scenario that provides a global view and context on a low-carbon transition. In the IEA's NZE , fossil fuel prices decline due to low demand and lower costs are offset by the introduction of carbon taxes to encourage the low-carbon transition. In alignment with this scenario, we have quantified the potential financial impact of the introduction of a carbon tax, including an analysis of our decarbonisation plan and identifying opportunities such as higher copper price.

To align the potential impact of both physical and transition risks to the lifetime and planning cycle of our mining operations, we defined short term as 0–5 years, medium term as 5–15 years and long term as 15–50 years. Once the risks and opportunities were identified, the most material risks and opportunities were screened and quantified at an operational level, and their financial impact was estimated using assumptions from these scenarios. We also assessed the financial impact of climate change across the lifetime of each mine and for a 25-year period for the Transport division (see page 98). Climate scenario analysis was used to better understand and assess the likelihood and impact of risks and opportunities and was integrated into our risk assessment processes using ISO 31000 and best practice methodology (Bow Tie which considers cause, consequences and controls). The estimated financial impact on operating costs and capital expenditure was calculated against three views: 1) no mitigation or adaptation, 2) controls already in place, and 3) plans and actions implemented in the future. We will continue to improve our maturity through the studies necessary to refine capital deployments in mitigation and adaptation. For further information regarding Climate Change risk descriptions, please see pages 24 and 25 of our Climate Change Report for 2022, which was published in November 2023 and in the Company's Climate Action Plan.

Results of climate scenario analysis, excluding copper market benefit

Impact calculated over operations' Life-of-Mines (LOMs)

To improve our understanding of how climate risks may develop and impact our operations, we carried out a new climate scenario analysis exercise in 2023. This also helped us develop our investment plans and enhance our prevention and recovery control measures.

In general, our 2023 analysis showed that the potential exposure of our business under the physical risks scenario does not have major changes compared to the analysis done in 2022, despite carrying out the 2023 analysis using the more extreme scenario. The changes in relation to the 2022 analysis are based on a better understanding of the impacts of climate change, and the absence of major differences between the scenarios can be explained by the fact that the changes in the climate variables occur after the end of the LOM of each operation. In addition, the investments in the closure works already consider potential impacts due to adverse weather conditions.

To analyse the potential financial impact of transition risks we have considered the following factors: **Carbon Tax** to be paid if investment in mitigation is not made, then **investment in mitigation** necessary to meet our targets (aligned with our Climate Action Plan), **Change in the price of Diesel** delivered by the NZE by 2050 transition scenario (2 degrees or lower scenario), **Change of Energy Source** due to investments in mitigation, **Carbon Tax avoided** that represents one of the benefits after investing in mitigation measures and finally **operational costs** associated with the different operational costs that green technologies bring. Finally, **a higher copper price** opportunity, associated with the energy transition is analysed, and energy efficiency considerations were also included.

The change in the financial impact of transition risk, compared with 2022, is mainly due to the better-quality information used in the 2023 analysis and the longer LOM plans incorporated into the modelling. Although the likelihood of value-at-risk is uncertain, the analysis provides a useful reference point against which to assess and prioritise the mitigation and adaptation measures we need to reduce our exposure and strengthen our resilience. This year we included concepts of operating costs to reflect the positive benefits of the use of new technologies and the analysis of energy efficiency measures. Currently, long-term investment in mitigations is estimated in the range of $1,000 – 1,500 million, including the decarbonisation plan, and the investment required to support the energy transition, however, we expect that as technologies develop and our understanding of their implementation grows with trials, this estimate will evolve. Investment in decarbonisation will be part of our sustaining capex as we move forward with our plan. The estimated impact reflects incremental costs of enabling technologies to be evaluated as part of the normal renewal cycle of our fleets of haul trucks, and potential improvements to the in-pit electrical systems, among others.

It is anticipated that some of the actions and investments envisaged by the Climate Action Plan may in future lead to cost savings. For example, a potential reduction in operational costs, such as diesel consumption and maintenance costs, may offset some or all of the investments, as well.

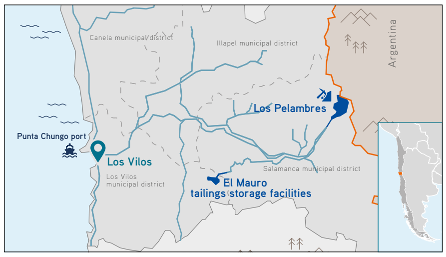
Transition: IEA NZE by 2050

1,500-2,000 Carbon Tax	1,000-1,500 Investment in mitigation	500-1,000 Change in diesel price	1,000-1,500 Change in energy costs due to mitigation	1,000-1,500 Carbon tax avoided by mitigation
0-500 Operating costs	0-500 Investment in energy efficiency	0-500 Energy efficiency cost	2,000-3,000 Copper price opportunity	Transition risks and opportunities have been identified over the short, medium and long term

Physical:[1]
IPCC's SSP2-4.5

Northern Zone
(Centinela, Antucoya, Zaldívar, FCAB)

Central Zone
(Los Pelambres)



	Northern Zone	Compared with 2022 analysis	Risk timeline	Central Zone	Compared with 2022 analysis	Risk timeline
Decrease and/or loss of water supply	0-50	=	Medium term	100-200	=	Medium and long term
Extreme rainfall events	50-100	=	Short and medium term	0-50	=	Medium and long term
High and/or sustained temperatures	0-50	=	Short term	0-50	=	Medium and long term
Particulate matter	50-100	=	Short term	0-50	=	Long term
Logistics disruption	50-100	=	Short term	0-50	=	Medium and long term

● Net Present Value Positive Exposure ● Net Present Value Negative Exposure. All figures presented are in millions of US dollars.

1. Physical changes in climate and the associated impacts vary by geography and will impact Antofagasta's operations in different ways. Examples of adaptation to the short-term impact of physical risks are shown in the section on "Water consumption" (desalination plant), and "ESG in the supply chain" (increase in acid and diesel autonomy).

For further information on climate change, please refer to the Environment Excel sheet in our Sustainability Databook for 2023, available on our website (www.antofagasta.co.uk)..

Water stewardship

As part of the third pillar of our Climate Change Strategy, water stewardship has become a critical aspect of our operations due to the nature and geographical location of our mining activities. Three of our four mining operations are in the Atacama Desert, and the fourth, Los Pelambres is located in the Choapa Valley.

With the aim of safeguarding the availability of water resources across our operations, communities and the environment, we apply practices aligned with the Water Stewardship Framework of the International Council on Mining and Metals (ICMM). The creation of dedicated roles for the management of water use at each company was in response to a steady development of skills and governance over the last two years.

In 2023, in acknowledgement of the strategic value of water for our Company, we created the Water Resources Management area within the Vice Presidency of Planning and Technical Services to improve technical advice and our role in planning. We assigned a water lead at each mining site to increase water efficiency.

Considered a milestone in our water management policy, this new structure allows the incorporation of decisions on water use into new projects and the standardisation of processes. Our water leads are promoting a cultural change based on water stewardship at each company. Improving upon our annual water report, we now report monthly with the support of skilled professionals and in accordance with regulations. Our objective is to keep working to strengthen the Group's expertise in water management.

We promote transparency through quantitative information in our Sustainability Databook, sustainable and responsible environmental water management, and the water safety of our communities. As a company, we are intensifying efforts to protect limited freshwater resources in the communities in which we operate. We work hard alongside the community and the authorities to define the future use of their water rights with the objective of sustainability (see Fostering Communities section).

60%

of Group water withdrawals coming from sea water in 2023.

48%

Increase in sea water withdrawals following construction of the Company's desalination plant in 2023.

81.9GL

Total water withdrawals in 2023.

Test work on pumps at the Company's desalination plant, Los Vilos.

Our approach		
Evolution of the water matrix	**Efficiency, recirculation and reuse measures**	**Procedure**
Strengthen the strategy for reducing use of continental water in areas where water is scarce, establishing targets and actions based on climate scenario analysis results.	Strengthen efficiency in the use of water and other strategic resources, improving their recirculation, recovery, reuse and protection in the Company's areas of influence.	Guidance for compliance with the Water Policy's commitments and the requirements established in the Water Management Standard.

According to our Water Policy and Climate Change Strategy, each Company must have a Water Efficiency and Implementation of New Technologies Plan in place. The objective is to promote the efficient use of water resources from continental sources, sea water or other alternative sources, analysing water use indicators and promoting the implementation of industry best practices. Since 2022, all of our mining sites have a water efficiency plan.

In 2023, we set a policy that all Group companies should achieve at least 70% of the water management standard goals. By the end of 2023, the Mining division's progress in implementing the standard had reached 80%.

In addition, two water efficiency projects were approved to increase water recovery from tailings. We understand that protection of the environment and biodiversity is an essential element of climate action. As such, we focus on the role of nature-based solutions in climate change mitigation and adaptation to its impacts.

Water Policy

Water Management Standard

Water Resources Procedure

Our pillars

Water Policy

Increase water efficiency in our operations

We aim to progressively reduce water use per tonne of copper produced and are seeking multiple alternative sources of water supply.

Apply robust and transparent water governance

We use consistent industry metrics and widely accepted approaches to report our water management performance.

Co-operate to achieve environmentally responsible, sustainable water management

We work with local communities to co-operate in the management of their water needs, contributing to enhanced water security.

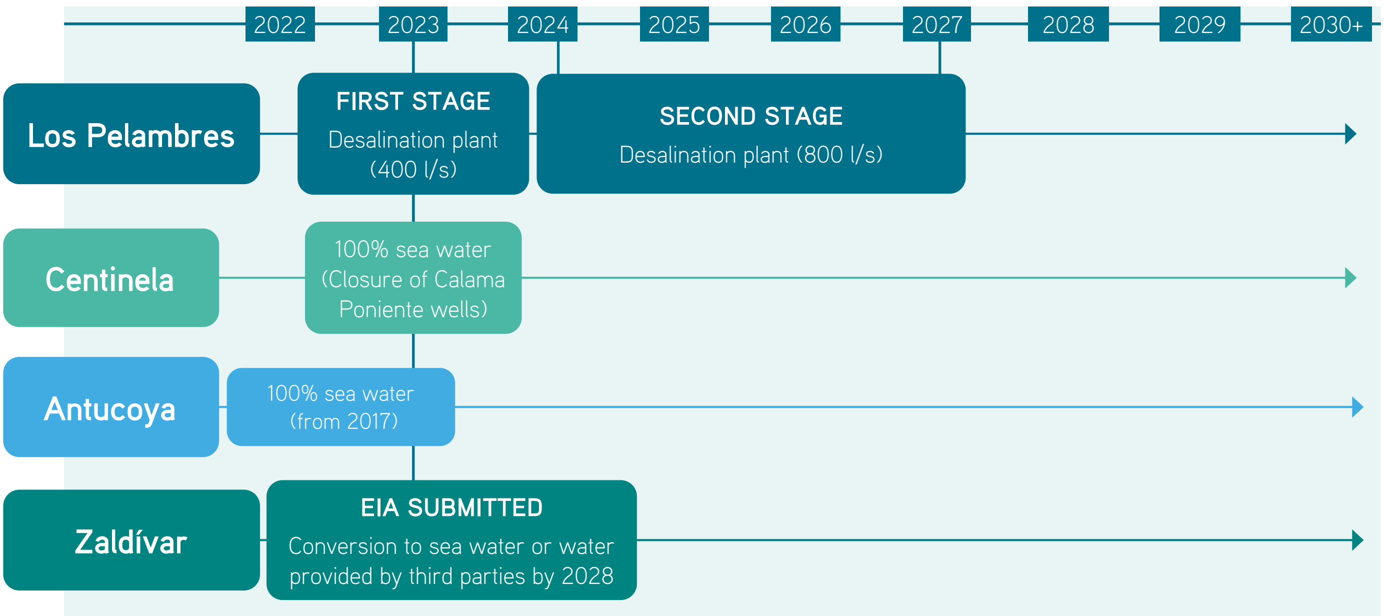
Water Management Standard

Defines the minimum requirements that allow Antofagasta Minerals and its mining operations to ensure a safe, economical, efficient and sustainable water supply throughout the entire lifecycle of a site. It covers the exploration, design, operation and closure phases, along with development projects.

Water Resources Procedure

Technical reference document detailing best practices and recommendations.

Provides guidance for compliance with Water Policy commitments and the requirements established in the Water Management Standard.



Leading sea water use

Our 2023 achievement	Our goal
60% 2023 represented the year when sea water use has overtaken continental sources of water for the Company, a first in our history.	**+90%** of the water used by our operations should be sea water or recirculated once our desalination plant at Los Pelambres reaches its expanded capacity of 800 l/s.

We are moving away from dependence on continental water sources and increasing sea water use. In 2023, we achieved two milestones: completion of the Los Pelambres desalination plant as the first of its type in central Chile, and operations at Centinela are now using 100% sea water.

The Los Pelambres desalination plant has a production capacity of 400 l/s of industrial-quality desalinated water. The plant is located at the Los Pelambres industrial facilities at the Port of Punta Chungo in Los Vilos district, Coquimbo Region. It includes marine works for capturing sea water and discharging brine, and an underground system stretching approximately 61 km to convey desalinated water between the pumping station and the existing recirculation station at the El Mauro Tailings industrial area, before continuing to the mining site in Chacay.

The EIA to expand the Los Pelambres desalination plant to 800 l/s, in addition to the replacement of the concentrate pipeline and enclosures at the El Mauro tailings dam, was approved by the environmental authority in October 2023.

At Centinela, following two years of work, operations began to function with 100% sea water in 2023, following the closure of the water wells in Calama. It was the result of various projects, investment in which totalled approximately $130 million. In a challenging operation, the water is transported along a 145-kilometre aqueduct to the mining site, located at 2,200 metres above sea level in the Sierra Gorda district, Antofagasta Region. In total, Centinela requires approximately 900 l/s of water supply, which is now sourced entirely from sea water.

For further information on operational water extraction by source (2019-23), Mining division, please refer to our Sustainability Databook (2023).

Biodiversity protection

Biodiversity protection is part of our long-term sustainability approach and policy. In accordance with our Biodiversity Standard and aligned with the ICMM's position statement on Mining and Protected Areas, we seek to protect wildlife around our mining sites. We ensure a net zero loss of biodiversity by minimising our impact and mitigating and compensating for any potential negative effects. We operate in accordance with the mitigation hierarchy established by The Copper Mark.

Both Centinela and Los Pelambres monitor the marine environment near their port facilities, regularly analysing the water column, sediments and marine fauna. Los Pelambres supports R&D projects to repopulate the area near its marine facilities with sea urchins, abalones, red kingklip and other species. In addition, we periodically implement programmes to protect animal, bird and plant species.

Centinela operates an initiative to safeguard the Gaviotín Chico, a species endemic to Chile and Peru and classified as endangered. Zaldívar is developing the Desierto Verde project to increase knowledge of species that might be adaptable to desert living conditions.

Our Climate Change Strategy's fourth pillar defines two priorities in relation to biodiversity: nature-based solutions for CO_2 capture and to address adaptation to acute and chronic physical risks. Nature-based solutions seek to use nature's own resources to address environmental challenges such as the protection and replanting of woodland and the restoration of wetlands.

In 2023, we began to implement the first stage of our biodiversity standard. Its primary objective is to provide the necessary guidelines for the proper management of biodiversity throughout the different phases of the mining cycle (exploration, projects, operations and closure) and in relation to transport.

Los Pelambres

27,440 hectares

Los Pelambres protected area in the Coquimbo Region

6

times larger than the area used by the mine

4

nature sanctuaries

Laguna Conchalí

Monte Aranda

Quebrada Llau-Llau

Cerro Santa Inés

As part of our initial implementation efforts, we conducted a comprehensive site coverage analysis, along with spatial mapping to delineate operational zones and identify areas of high biodiversity value, along with their principal conservation attributes. To safeguard this vital biodiversity value, we are committed to specific courses of action, including ongoing monitoring, verification and reporting activities.

We focused on the analysis of a base line across the Group as a whole, in order to make the necessary adjustments and move forward in 2024. We also continued to define our conceptual nature-based solution framework, in addition to identifying potential tests to be implemented in the short and medium term.

Only Los Pelambres has mining operations near nature sanctuaries. Laguna Conchalí and Quebrada Llau-Llau have specific management plans in place. The sustainable closure plan for the Los Quillayes tailings dam at Los Pelambres includes a process of phytostabilisation[1] through the planting of native trees and shrubs over an area of 300 hectares.

120 hectares are already planted with more than 20 native species, which are closely monitored to review their behaviour and survival. In 2023, we planted 96,000 individual shrubs and native trees. The phytostabilisation process is a pioneering initiative in the large-scale mining industry in Chile. We plan to continue planting different species on the tailings wall during 2024.

In addition to our work on species and ecosystem protection, we conduct research and provide education. In northern Chile, we have worked on the educational potential of the Morro Moreno National Park near Mejillones, in a joint initiative with Universidad Católica del Norte (UCN) and the National Forest Corporation (CONAF).

1. Phytostabilisation is the use of plant species that help to immobilise contaminants in soil, sediments and sludge; prevent and reduce the mobility and migration of contaminants through erosion; and reduce the bioavailability of metals.

Governments and regulators

Mining is a long-term business in which timescales can run into decades. Political cycles are typically far shorter and material developments and changes to policy, legislation or regulations can have a major impact on our business.

View of our operations at Centinela.

Our operations, projects and exploration are mainly located in Chile, where we interact with both the central government and the governments of the Antofagasta and Coquimbo Regions, as well as with the municipalities that are part of our areas of direct influence.

The relationship with governments and regulators is subject to their strict engagement mechanisms, which in Chile are clearly defined under Lobby Law No. 20.730. This law seeks to regulate the activity of lobbying and other efforts to represent particular interests, in order to strengthen transparency and honesty. It applies to the officials of central and local administrations who regulate activities such as the issue, modification and repeal of administrative acts and laws, and the decisions of the authorities and officials.

Outside Chile, we comply with our own policies and with the laws and regulations of the host countries, at all times maintaining high standards of engagement.

Payments to governments

Antofagasta makes payments to governments relating to our activities involving the exploration, discovery, development and extraction of minerals, and our Transport division. These payments are primarily taxes paid to the Chilean government and mineral licence fees, which in 2023 totalled $538 million, of which over 99% was paid in Chile.

Chilean law allows political donations to be made subject to certain requirements, but Antofagasta made no political donations in 2023. However, we often contribute towards the financing of projects benefitting local communities, in alliance with local municipalities and the government. These contributions are regulated by specific laws and are reviewed by the Chilean Internal Revenue Service (SII).

Public-private alliances

Since mining is a long-term business, we seek to contribute to Chile's development and prosperity, including through public-private alliances with local government. Examples include our active participation in a workshop jointly organised by the Mining Ministry and the Women and Gender Equality Ministry to encourage female participation in the mining industry, and our commitment to the Mining Cluster in northern Chile, a public-private alliance to promote local employment, technology and skills development.

Another example of our active participation in a public-private alliance is the Provincial Water Working Group, organised by the Coquimbo Region government to identify and implement collective solutions that can contribute to the area's water security in the short, medium and long term.

Chilean constitutional reform process

In December 2023, Chileans voted to reject a proposed constitution, and as a result the country will now continue with the existing constitution, which has been in place for several decades.

Mining royalty

In May 2023, both the Chilean Senate and lower house of Congress approved the proposed revision to Chile's mining royalty bill, with Presidential approval confirmed in August 2023. The terms include a 1% ad valorem royalty on copper sales, and a royalty ranging from 8% to 26% on operating profits depending on each mining operation's level of profitability, combined with a provision establishing that total taxation (including corporate income, the new royalty tax and tax on dividends) should not exceed 46.5% of profitability.

This new law came into effect at the beginning of 2024. Since Centinela and Antucoya have tax stability agreements, the new royalty rates will only apply from 2030. As a result of the approval of the new mining royalty, a one-off adjustment has been recognised to the deferred tax balances of the Group's mining operations, resulting in an increase in the deferred tax liability balance of $34.3 million, with a corresponding deferred tax expense.

Shareholders

The Company is listed on the main market of the London Stock Exchange and is included in the FTSE100 and FTSE4Good indexes.

As explained on page 179 of the Directors' Report, the controlling shareholder of the Company holds approximately 65% of the Company's total capital. The majority of the Company's ordinary shares not held by the controlling shareholder are held by institutional investors based in the UK, Continental Europe and North America.

We actively engage with the investment community as a key stakeholder in our business, including institutional investors, sell-side analysts and retail investors. As a modern business, engagement is conducted via a range of activities. At the Company's Annual General Meeting, the Board of Directors can engage directly with shareholders. During financial roadshows related to the reporting of financial results, senior management conduct a series of face-to-face meetings and calls with investors and sell-side analysts. Investor engagement activities are conducted principally in London, North America and Santiago, reflecting the Company's shareholder base.

Engagement with shareholders is increasingly conducted via a more diverse and proactive range of channels, ranging from direct engagement through calls and meetings, to engagement via the Company's suite of reporting, website and social media platforms.

Through an active engagement programme, the Company's management team can liaise directly with existing shareholders and broader engagement is conducted through industry conferences and other events that help to improve the profile of our business within the investor community.

In addition, roadshows were held with the investment community on topics other than our financial results: our Vice President of Corporate Affairs and Sustainability hosted a series of meetings with investors and ratings agencies to discuss the Company's recent progress on issues of sustainability. In line with previous years, the Board's Senior Independent Director (SID), Francisca Castro, hosted a series of meetings with the Company's largest shareholders to provide an update on corporate governance and to facilitate direct engagement between the Board of Directors and shareholders.

As a modern business, we understand the need for detailed engagement on a broad range of topics, ranging from financial results to sustainability topics and corporate governance. Our annual reporting suite includes standalone reports on sustainability, climate change, our tax contribution, and activities supporting local communities. These are available in both English (www.antofagasta.co.uk) and Spanish (www.aminerals.cl), enabling a broad level engagement across our investor base and with other stakeholder groups.

2023 Shareholder engagement calendar

Q1	Presentation of full-year 2022 results by the CEO, CFO and Vice President of Corporate Affairs and Sustainability (VPACS), followed by a question and answer session open to all investors, and a roadshow with investors in the UK and the US.
	Publication of our Annual Report and Accounts and Sustainability Report.
	Attendance at a mining-focused investor conference in North America by the CEO, CFO and VPACS.
	Additional attendance at investor conferences in London.
	Numerous direct engagement meetings (in person and virtual) with investors, prospective investors and sell-side analysts.
Q2	Annual General Meeting held in London.
	CEO presented at an industry conference for institutional investors.
	Attendance of a mining-focused investor conference in Continental Europe, including the CEO, CFO and VPACS, with a presentation by the CEO to delegates.
	Additional attendance by the CFO at an investor conference in Miami.
Q3	Virtual presentation of half-year 2023 results by the CEO, CFO and VPACS, followed by a question and answer session.
	Results roadshows hosted with investors and other stakeholders in London (CEO) and North America (CFO).
	Roadshow hosted in London to discuss sustainability topics with our VPACS.
	Publication of the Company's latest standalone reports on Tax and Social Value Generation.
Q4	Corporate Governance roadshow with the Company's Senior Independent Director (Francisca Castro).
	Publication of Second Climate Change Report
	The Investor relations team attended one investor conference in London
	Centinela Second Concentrator announcement: Presentation hosted by the CEO and CFO.

What did investors focus on most in 2023?

- Production levels and cash costs at each of our operations.
- The construction and ramp-up of our Phase 1 Expansion at Los Pelambres, which includes a 400 l/s desalination plant and fourth concentrator line.
- The Second Concentrator Project at Centinela.
- The progress and potential impact of the planned revisions to the Chilean mining royalty and tax legislation, and proposals to amend the Chilean constitution.
- The Company's capital allocation framework and plans following the receipt of funds relating to our exit from the Reko Diq project in Pakistan.
- Sustainability topics, including water availability and greenhouse gas emissions.
- Our pipeline of growth projects, with a particular focus on the Company's suite of exploration projects in Chile.

Customers

Successful management of our relationships with our customers contributes to our long-term success

Most copper and molybdenum sales are made under annual contracts or longer-term framework agreements, with sales volumes agreed for the coming year. Gold and silver are contained in the copper concentrates and are therefore part of copper concentrates sales.

Most sales are to industrial customers who further process the copper into more value-added products – smelters, in the case of copper concentrate production, and copper fabricators and trading companies in the case of cathode production. We build long-term relationships with these key smelters and fabricators, while ensuring customer diversification. We also maintain relationships with trading companies that participate in shorter-term sales agreements, or in the spot market.

About 70% of our mining sales are under contracts of a year or longer and metals sales pricing is generally based on prevailing market prices.

Structure of sales contracts

Typically, our sales contracts set out the annual volumes to be supplied and the main terms for the sale of each payable metal, with the pricing of the contained copper in line with LME prices. In the case of concentrates, a deduction is made from LME prices to reflect TC/RCs, the smelting and refining costs to process the concentrate into refined copper. These TC/RCs are typically determined annually, in line with market developments and the parties' assessments of the copper concentrate market at the time of the negotiation of the terms.

In the case of copper cathode transactions, a premium, or in some cases a discount, on the LME price is negotiated to reflect differences in quality, logistics and financing compared with the metal exchange's standard copper contract specifications.

Similarly, our molybdenum contracts are made under medium- and long-term framework agreements, with pricing usually based on Platts' average prices for Technical Molybdenum Oxide, with a deduction to reflect the cost of converting molybdenum sulphide concentrate into molybdenum oxide.

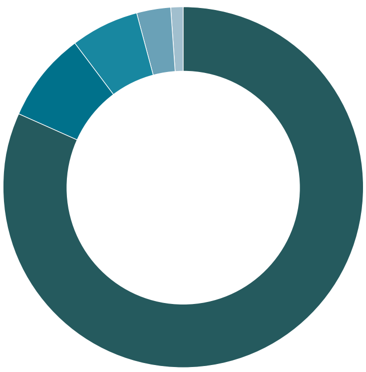
Across the industry, neither copper producers nor consumers tend to make annual commitments for 100% of their respective sales or purchases, and normally retain a portion to be sold or purchased on the spot market during the year.

In line with industry practice, our sales agreements generally provide for provisional pricing at the time of shipment, with final pricing based on the average market price in the month in which settlement takes place.

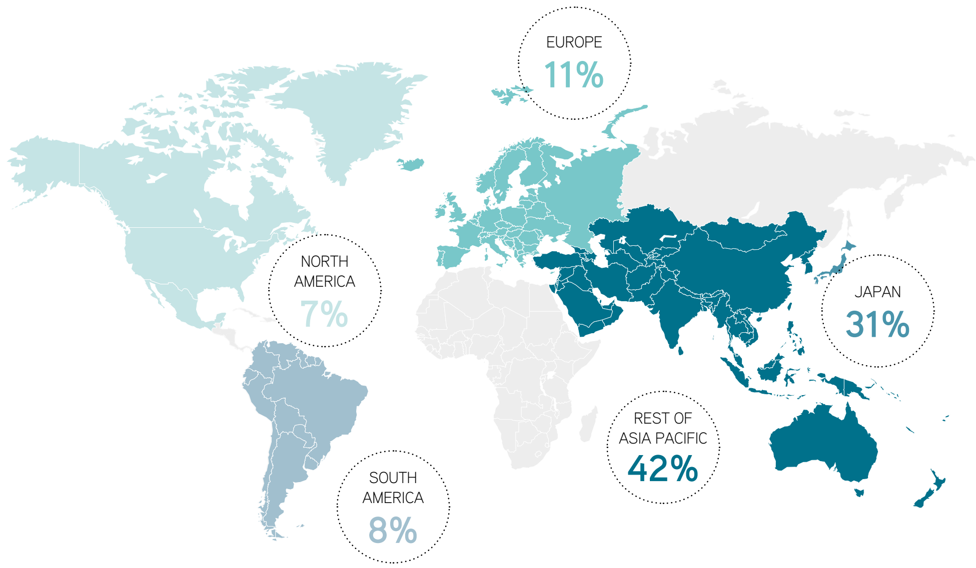
For copper concentrates, the final price remains open until settlement occurs, on average four months from the shipment month. Settlement for the gold and silver contained in the copper concentrates occurs approximately one month after shipment. Copper cathode sales remain open for an average of one month from the month of shipment.

Settlement for copper in concentrate sales is later than for copper cathode sales, as copper in concentrate requires more processing to produce refined copper for sale. Molybdenum sales generally remain open for two or three months after the month of shipment.

Revenue by product and customer location



Copper	81%
Molybdenum	8%
Gold	6%
Transport	3%
Silver	1%



Note: Percentages shown here in the chart and map above are rounded.

Non-financial and sustainability information statement

At Antofagasta, we have been working to prepare for the implementation of the UK Corporate Governance Code, a set of principles of good corporate governance aimed at companies listed on the London Stock Exchange.

The Code is divided into five sections:

- Board Leadership and Company Purpose
- Division of Responsibilities
- Composition, Succession and Evaluation
- Audit, Risk and Internal Control
- Remuneration

The table below classifies non-financial information in this Strategic Report as required by the Non-Financial Reporting Directive. As indicated in this report, the effective application of these Policies and Standards underpins the Group's management of the risks and opportunities associated with these matters.

Climate-related financial disclosures

- Our TCFD disclosures can be found on page 62
- Our Sustainability framework and governance can be found on page 151
- Our Sustainability and Stakeholder Management Committee has Terms of Reference which have been approved by the Board and are reviewed annually

Reporting requirement	Relevant policies and standards	Content	Page
Sustainability	Value Chart	Letter from the Chair	8
	Sustainability Policy	Letter from the CEO	11
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		How we engage with our stakeholders	38
		Sustainability and Stakeholder Management Committee	151
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Environmental matters	Environmental Management Model	Environmental management	54
	Climate change standard	Environmental compliance	54
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Reporting requirement	Relevant policies and standards	Content	Page
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	Regulation for Contractors and Subcontractors (RECCS)	Safety risk management	79
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Risk management framework

Effective risk management is an essential part of our culture and strategy.

The accurate and timely identification, assessment and management of principal risks give us a clear understanding of the actions required to achieve our objectives.

Key elements of integrated risk management

We recognise that risks are inherent to our business

Only through adequate risk management can internal stakeholders be supported in making key decisions and implementing our strategy.

Exposure to risks must be consistent with our risk appetite

The Board defines and regularly reviews the acceptable level of exposure to emerging and principal risks. Risks are aligned with our risk appetite, taking into consideration the balance between threats and opportunities.

We are all responsible for managing risks

Each business activity carries out risk evaluations, to ensure the sound identification, management, monitoring and reporting of risks that could impact the achievement of our goals.

Risk is analysed using a consistent framework

Our risk management methodology is applied to all of our operating companies, projects, exploration activities and support areas, so that we have a comprehensive view of the uncertainties that could affect the achievement of our strategic goals. The framework is based on ISO 31000 and COSO ERM.[1]

We are committed to continuous improvement

Lessons learned and best practices are incorporated into our procedures to protect and unlock value sustainably.

Areas of focus and development during 2023

Our main focus in 2023 was on the sociopolitical environment, monitoring conflicts in Europe and the Middle East, as well as the political situation in Chile. Following the rejection of the proposed draft constitution in December 2023, it is understood that the Government of Chile will not seek a third process to draft a revised Constitution, providing a greater degree of certainty in the short term.

The war in Ukraine has affected the sourcing of some of our strategic supplies, which remains a concern, although our risk analysis of the war allowed us to mitigate the impact of this factor on our business.

During the year, the Chilean mining royalty bill was approved; through continuous monitoring of this process, we have been sufficiently informed to be able to make strategic decisions.

In August, the "Ley de Delitos Económicos" (Economic Crimes Law) was published in Chile. This new legislation, which will come into force in September 2024, establishes a new legal regime applicable to natural persons (individuals) and another to legal entities (companies). Although we are confident that we have robust controls in place, we have reassessed and are updating our risk matrix in order to identify any improvement in our controls with a greater focus on the environmental areas whereby new offences have been included in the updated legislation.

We have maintained our commitment to review and update our principal risks according to our risk methodology. The following represent a number of the actions that our Risk and Compliance Management Department undertook during 2023:

- Defined the methodology for identifying and updating our emerging risks, which will assist with the continuous monitoring process.
- Continuation of on-site risk reviews of selected risk areas whilst accompanied by senior management, increasing the Company's risk maturity level.
- Co-coordinated Contingency Committees in line with our risk management process.
- Updated the Company's risk appetite statement, including the sections relating to Environmental Management, Corruption and Political, Legal and Regulatory. The updated statement was approved by the Board in November, with the level of risk appetite for all risk areas remaining unchanged.
- Reported monthly to both the Company's Executive Committee and individual risk owners, in order to identify and manage any deviation from expected performance.
- Updated the Business Continuity Plan for each operating company, with considerations made for any new challenges encountered during 2023, and ensuring the incorporation of the lessons learned.
- Continued monitoring of controls identified during the assessment of the impact of the conflict in Ukraine, with additional monitoring of the conflict in the Middle East.
- Participated in the review of the FQAR (Functional Quality Assurance Review) project.
- Continued training of risk owners and main users.
- Updated and monitored critical controls and action plans.
- Prepared new action plans to maintain risk exposure within acceptable limits.
- Embedded timely and comprehensive risk analysis into each relevant decision-making process.
- Shared best practices across our operating companies.

Governance

The Board has overall responsibility for risk management and determines the nature and extent of the principal and emerging risks that we will accept to achieve our strategic objectives.

The Board receives a detailed analysis of each key matter in advance of Board meetings. This includes reports on our operating performance including health and safety, financial, environmental, legal and social matters; key developments in our exploration, project and business development activities; and information on the commodity markets, updates on talent management and analysis of financial investments.

The provision of this information allows for the early identification of potential issues and the assessment of any necessary preventive and mitigating actions.

The Audit and Risk Committee assists the Board by reviewing the effectiveness of the risk management process and monitoring principal and emerging risks, preventive and mitigation procedures, and action plans. The Chair of the Committee reports to the Board following each Committee meeting and, if necessary, the Board discusses the matters raised in more detail.

These processes allow the Board to effectively monitor Antofagasta's major risks, any preventive and mitigating procedures, and to assess whether the level of actual risk exposure is consistent with the Company's defined risk appetite. If a gap is identified, an action plan is prepared to fill it.

1. The Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management framework.

The Risk and Compliance Management Department is responsible for the Company's risk management systems. It implements the Company's risk management policy, vision and purpose, to ensure there is a strong risk management culture at all levels of the organisation.

The Risk and Compliance Management Department supports business areas in analysing their risks, identifying existing preventive and mitigating controls and defining further action plans. It maintains and regularly updates the Company's risk register.

The General Manager, with the Risk and Compliance Management Department support, reports twice a year to the Audit and Risk Committee on the overall risk management process, with detailed updates on principal risks, mitigation activities and actions taken in each subsidiary of the Company.

The General Manager of each operation has overall responsibility for leading and supporting risk management. Risk owners within each operation have direct responsibility for the risk management processes and for regularly updating individual business risk registers, including relevant mitigation activities. The individual owners of the risks and controls at each business unit are identified, in order to provide effective and direct risk management.

Each operation holds an annual workshop on risk, at which the business unit's risks and mitigation activities are reviewed in detail and updated as necessary. Workshops are used to assess principal risks that may affect relationships with stakeholders, limit resources, interrupt operations and/or negatively affect potential future growth.

Mitigation techniques for significant strategic and business unit risks are reviewed quarterly by the Risk and Compliance Management Department.

We promote a consistent risk management process across our different business units, ensuring risk is considered at all levels of the organisation. Risk information flows from the business units to the centre and from the Board back to the business units.

Risk Management Cycle

Risk appetite is the expression of the acceptable exposure to uncertainties that the organisation is willing to assume in the pursuit of its objectives. Our risk management cycle has four stages, and is designed to identify, assess, manage and follow up our risks.

Our risk management structure

Board of Directors

- Has overall responsibility for risk management and its alignment with Antofagasta's strategy.
- Approves the Risk Management Policy.
- Defines risk appetite.
- Reviews, challenges and monitors principal risks.

Board Committees

- Support the Board in monitoring principal risks and exposure relative to our risk appetite.
- Make recommendations to the Board on the risk management system.
- Review the effectiveness and implementation of the risk management system.

Executive Committee

- Assesses risks and their potential impact on the achievement of our strategic goals.
- Promotes our risk management culture in each of the business areas.
- Ensures there is transparent and satisfactory dialogue with stakeholders.

Third line of defence

The Internal Audit Department provides assurance on the risk management process, including the effectiveness of the performance of the first and second lines of defence.

Second line of defence

The Risk and Compliance Management Department is accountable for monitoring our overall risk profile and risk management performance, registering risks and issuing alerts if any deviation is detected.

First line of defence

Each person is responsible for identifying, preventing and mitigating risks in their business area and escalating their concerns to the appropriate level if required.

Principal risks

We maintain a risk register through a robust assessment of the potential principal risks that could affect the Company's performance. This register ensures that principal risks are identified in a thorough and systematic way and that agreed definitions of risk are used.

Risk management

We are aware that not all risks can be eliminated and that exposure to some risk is necessary in the pursuit of our corporate objectives.

Mining is a long-term business and, as part of the principal risks update and evaluation process, we identify new or emerging risks which could impact the Company's sustainability in the long run, even if there is only limited information available at the time of the evaluation.

Any identified new or emerging risks that could impact our long-term strategic objectives are included in the principal risk analysis and are reviewed and monitored periodically by the Board. As new information becomes available, based on research, expert analysis and internal investigations, suitable controls and action plans are defined and incorporated into the Company's risk matrix.

We identify, assess and manage the risks critical to the Company's success. Overseeing such risks protects our business, people and reputation. The risk management process provides reasonable assurance that the relevant risks are recognised and monitored, allowing the Company to achieve its strategic objectives and create value.

Because risks are periodically re-evaluated, the risk map shown here represents the position and controls in place at a specific point in time, as well as showing the changes that have taken place since 2022.

Throughout the year, the Board carried out an assessment of the Company's emerging and principal risks, which are set out on the following pages with related preventive and mitigation measures.

During 2023, the probability of the Health and Safety principal risk (3) was lowered from "Likely" to "Possible" following the decrease in the probability of occurrence of a fatal event in relation to the history of the last five years. The impact of the Strategic Resources principal risk (11) was reduced from "Severe" to "Significant" following the commissioning of the Los Pelambres desalination plant, which came into operation in 2023. The probability of the Political, Legal and Regulatory principal risk (7) was reduced from "Likely" to "Unlikely" following reduced uncertainty of the constitutional process, compared to last year. Furthermore, the impact of this risk was increased in 2023 from "Moderate" to "Significant" following significant adverse effects that could result from decisions by administrative or judicial authorities due to the new "Ley de Delitos Económicos" (Economic Crimes Law).

Risk area	Appetite	Risk level	Change in risk level vs 2022	Outlook
People				
1. Talent management				
2. Labour relations				
Safety and sustainability				
3. Health and safety				
4. Environmental management				
5. Climate change				
6. Community relations				
7. Political, legal and regulatory				
8. Corruption				
Competitiveness				
9. Operations				
10. Tailings storage				
11. Strategic resources				
12. Cyber security				
13. Liquidity				
14. Commodity prices and exchange rate				
Growth				
15. Growth of mineral resource base and opportunities				
16. Project development and execution				
Innovation				
17. Innovation and digitalisation				
Transversal				
18. External risks				

Key

	Risk appetite	Risk level
Low		
Medium		
High		
Very high		

Strategic pillars

Safety and Sustainability

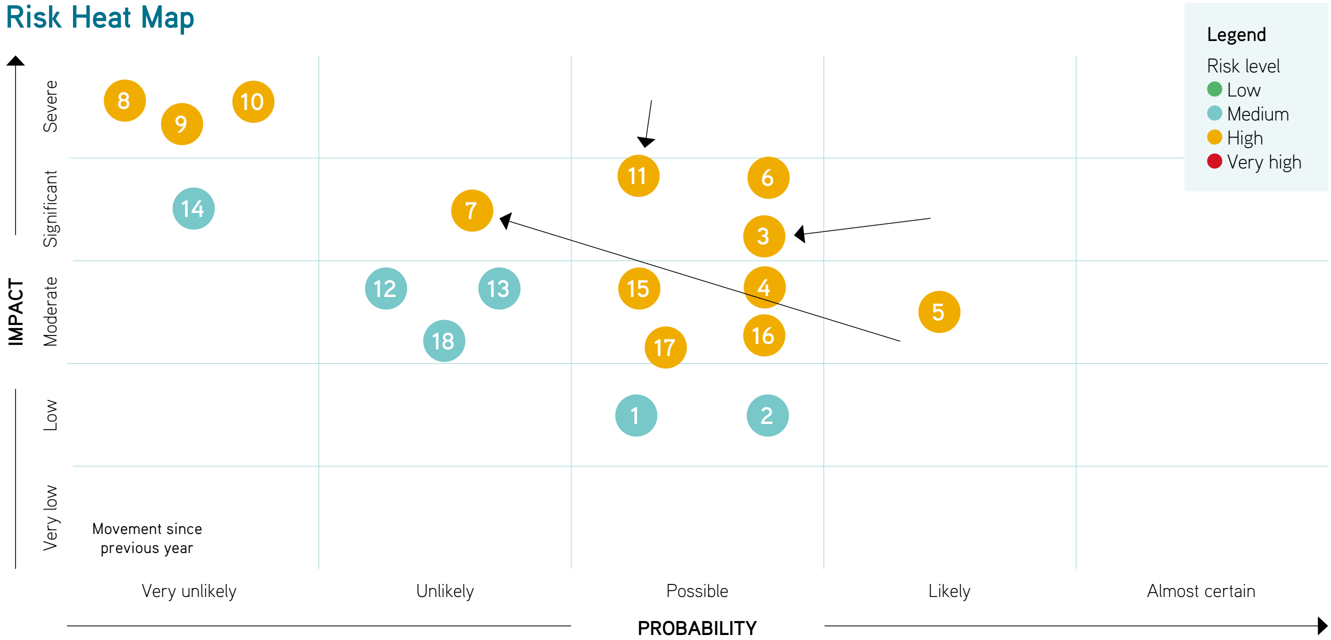
People and culture

Competitiveness

Innovation

Growth

Risk Heat Map



The risk impact scale rating has five levels of Probability and Impact:

Probability

Level	Quantitative	Qualitative
Almost certain	Once a week	Happens often
Likely	Once a month or more	Could happen easily and has occurred under similar conditions
Possible	Once or twice a year	Could happen and has happened in similar conditions
Unlikely	Once or twice every 10 years	Has not happened yet, but could happen
Very unlikely	Once or twice every 50 years	Only in extreme circumstances

Impact

Level	EBITDA / Health and Safety / Environment / Communities / Legal / Reputation
Severe	• Any incident with an impact of more than 50% of EBITDA. • Accident that causes multiple fatalities or permanent disabilities. • Irreversible environmental damage or serious incident that impacts a community, with long-term effects. • Regulatory breaches which may lead to a revocation of operating permits or a financial impact exceeding 20% of EBITDA. • Severe impact on Company's international reputation with long-term effects.
Significant	• Any incident with an impact of between 20% and 50% of EBITDA. • Accident that causes a single fatality or permanent disability. • Reversible environmental damage or major incident affecting a community, with medium-term effects. • Regulatory breaches which may lead to a criminal conviction or a financial impact of more than 20% of EBITDA. • High impact on the Company's national reputation with medium-term effects.
Moderate	• Any incident with an impact of between 10% and 20% of EBITDA. • Accident resulting in lost time. • Moderate environmental impact or small incident that affects a community, with short-term effects. • Regulatory breaches which may lead to criminal charges or a financial impact of between 0.05% and 3% of EBITDA. • Moderate adverse claims and in the national news for a medium-term period.
Low	• Any incident with an impact of between 5% and 10% of EBITDA. • Accident without lost time. • Minor environmental or community impact. • Regulatory breaches that may result in a financial impact of less than 0.05% of EBITDA. • Moderate claims and in national news for a short-term period.
Very low	• Any incident with an impact of less than 5% of EBITDA. • Minor occupational accident. • Very minor environmental or community impact, easily resolved. • Regulatory breaches that will not result in a financial penalty. • Claims that do not reach the formal media.

Defining risk appetite is key in embedding the risk management system into our organisational culture.

The Company's risk appetite statement helps to align our strategy with the objectives of each business unit, clarifying which risk levels are, or are not, acceptable. It promotes consistent decision-making on risk, allied to the strategic focus and risk/reward balance approved by the Board.

The principal risks, together with related prevention and mitigation measures, have been presented to the Board and are grouped in line with our strategic pillars: People and Culture, Safety and Sustainability, Competitiveness, Growth and Innovation. These pillars are supported by our corporate governance structures.

The principal risks are outlined in the risk heat map and table on the previous two pages, and in more detail below.

Description	Preventive and mitigation measures	Highlights
1. TALENT MANAGEMENT		Risk appetite / Risk level / Outlook ↑
Managing talent and maintaining a high-quality labour force in a fast-changing technological and cultural environment is a key priority for us. Any failures could have a negative impact on the performance of our existing operations and prospects for growth.	We develop the talents of our employees through training and career development, invest in initiatives to widen the talent pool and are committed to our diversity and inclusion policy. Through these actions we aim to increase employee retention and add to the number of women, people with disabilities and employees with international experience in the workplace. Our Employee Performance Management System is designed to attract and retain key employees by creating suitable and competitive reward and remuneration structures and providing personal development opportunities. We have a talent management system to identify and develop internal candidates for key management positions, as well as selecting suitable external candidates when appropriate.	Difficulties in finding and retaining talent have become a challenge and a cross-cutting risk, which is increasing as companies adopt new technologies and growth strategies are affected by these new competencies, as is the case of Antofagasta. Therefore, our strategic talent identification and management methodology is designed to identify the key competencies essential for ensuring the sustainability of our business. By identifying and developing people, we are empowered to fortify our workforce, ensuring they are well-equipped to meet and exceed our business goals. Due to the "40 hours" approval, to understand the effect of the reduced working hours on the organisation, a pilot was launched to evaluate the effectiveness of tasks and processes, team experience, workload and work dynamics. Based on the lessons learned from the pilot, change management will be defined for the organisation. This year, our Diversity and Inclusion Strategy has increased the proportion of our female employees to 23.6%, 3.2 percentage points higher than in 2022.
2. LABOUR RELATIONS		Risk appetite / Risk level / Outlook ↑
Our highly-skilled workforce and experienced management team are critical to our current operations, implementing development projects and achieving long-term growth without major disruption.	We maintain good relations with our employees and unions, founded on trust, regular dialogue and good working conditions. We are committed to safety, non-discrimination, diversity and inclusion, and comply with Chile's strict labour regulations. There are long-term labour agreements (usually three years) in place with all the unions at our operations, which helps ensure labour stability. We seek to identify and address any labour issues that may arise during the period covered by the labour agreements and to anticipate any potential issues in good time. Employees of our contractor companies are an important part of our workforce, and under Chilean law fulfil the same duties and are subject to the same responsibilities as our own employees. We treat contractors as strategic associates and build long-term, mutually beneficial relationships with them. We maintain constructive relationships with our employees and their unions through regular communication and consultation. Union representatives are regularly involved in discussions about the future of the workforce.	Three-year labour agreements were successfully negotiated with a supervisor union at Centinela, a workers union at Zaldívar, two workers unions at Los Pelambres and two workers unions at Centinela, all of them in a climate of mutual respect. In the case of contractor companies, the settlement of collective bargaining agreements were also carried out within the expected agreements and without conflict or impact for the Antofagasta Minerals companies, except for a contractor company in Antucoya who held a brief strike but it had no impact on operational continuity. In 2023, the psychosocial risks survey was carried out in all the companies, which is a legal obligation and is applied by the Superintendency of Social Security of the Ministry of Health. In all companies the survey result was "low risk", which corresponds to the best evaluation category of the survey.

Description	Preventive and mitigation measures	Highlights
3. HEALTH AND SAFETY		Risk appetite · Risk level · Outlook
Health and safety incidents could result in harm to our employees, contractors and local communities. Ensuring their safety and wellbeing is our ethical obligation, and one of our core values. A poor safety record or a serious accident could have a long-term impact on morale and on our reputation and productivity.	Our Safety and Occupational Health Strategy is based on four pillars: 1. Health and safety risk management: workers at all levels are trained to identify hazards and controls, so that all jobs are carried out safely. 2. Leadership: all employees and contractors are health and safety leaders and we demonstrate our commitment through each individual's responsible behaviour. 3. Contractor management: our contractors are an integral part of our safety team and safety culture, which we work together to improve. 4. Reporting, research and learning from our accidents: we share good practices and learn from our mistakes. The Strategy strives to achieve our four main goals: zero fatalities, zero occupational illnesses, the development of a resilient culture; and the automation of hazardous processes. Leadership visibility and strong use of Job Safety Analysis and Yo Digo No (I Say No) tools are part of our safety performance. Critical controls and verification tools are constantly strengthened through the verification programme and regular audits of critical controls for potential high-risk activities.	We had no fatalities during 2023. Our lagging indicators continue to fall and were below our targets for the year. This year we began the implementation of the "Leadership Programme for Supervisors" with the objective of strengthening leadership competencies, emphasising the planning process and standardisation of critical tasks. We developed more than 500 Planned Job Safety Analyses for our main high risk activities. Based on our Occupational Health Strategy, we strengthened our medical surveillance programme with a rigorous follow-up of workers exposed to health risk agents and also implemented engineering projects to reduce the exposure of workers to these agents.
4. ENVIRONMENTAL MANAGEMENT		Risk appetite · Risk level · Outlook
An operating incident that impacts the environment could affect our relationship with local stakeholders and our reputation, reducing the social value we generate. We operate in challenging environments, including the largely agricultural Choapa Valley and the Atacama Desert, where water scarcity is a key issue. Environmental issues directly related to climate change are considered under our specific Climate Change principal risk.	We have a comprehensive approach to incident prevention, aligned with the environmental management model applied by our operations and projects in progress. Risks are assessed, monitored and controlled to achieve our goal of zero events with significant environmental impact. We work to raise awareness in our employees and contractors by providing training to promote operating excellence related to the environment in which we operate. The potential environmental impact of a project is a key consideration when assessing its viability, and we encourage the integration of innovative technology in the project design to mitigate such impacts. We prioritise the efficient use of natural resources by using sea water, favouring the use of renewable power, and achieving higher rates of reuse and recovery of water by using thickened tailings technology. We recognise that environmental performance is key to our ability to generate social value and we perform regular risk assessments to identify our potential impact and develop preventive and mitigating strategies. Each site regularly updates their environmental emergency preparedness and detailed closure plans, complying with current legislation and applicable international guidelines. In the event of an environmental operational event, all appropriate control, containment or corrective measures shall be taken immediately.	We have continued to strengthen the environmental management model, with a deployment plan that considers engagement, learning and recognition activities for prominent workers or groups within the organisation, highlighting the execution of three cycles of cross-visible leadership. They review the strategic environmental risk among operations and the learning cycles established after environmental operational events, in order to articulate preventive environmental management.

Description	Preventive and mitigation measures	Highlights
5. CLIMATE CHANGE		Risk appetite / Risk level / Outlook
The effects of climate change have had an increasing impact on our operations. The drought in central Chile is affecting water availability at Los Pelambres, while higher than expected rainfall in the northern part of the country is impacting the infrastructure in the region. In addition, the increasing severity of sea swells leads to delays in the delivery of key supply materials and the export of our concentrates and cathodes. The Chilean government's increased climate ambitions may result in higher requirements for compliance and operating costs. We are committed to contributing to the reduction of greenhouse gas emissions and water scarcity. We do this by increasing the amount of power and water we obtain from renewable and sustainable sources.	We recognise that climate change is a threat to human life and the planet as we know it today. We measure and report our Scope 1, 2 and 3 greenhouse gas emissions and have committed to realistic reduction targets through a cost-effective decarbonisation roadmap. We continue to seek ways to decarbonise our operations and this requires greater investment in innovative solutions, including developing low-carbon technology, which can increase operating costs. Recognising water scarcity, we are reducing our dependence on continental water through more efficient water use and the increased use of sea water as a proportion of our total water consumption. As each phase of the Los Pelambres desalination plant construction is completed, the proportion of continental water used will decrease, particularly after Phase 2 of the project, significantly lowering the potential impact of water scarcity on the Group while freeing up water for local communities. We constantly seek to identify risks associated with climate change and to implement actions to adapt to and mitigate their potential impact, such as increasing our stocks of strategic resources. For each risk evaluated as "High" or "Extreme" we produce specific action plans and strategies. As part of our regular communication with local stakeholders, we discuss the material risks and our controls, action plans and related strategies.	Our Climate Change Strategy seeks to strengthen our capacity to adapt to and mitigate climate change. This enables us to take early action to manage the resulting risks and opportunities in such a way as to mitigate the effects of climate change and adapt to new scenarios. Since April 2022, all our power supply contracts for our mining operations are from renewable sources. This allowed us to meet the target early of reducing Scope 1 and 2 emissions by 30% by 2025 compared with 2020, equivalent to 730,000 tCO_2e. We also have an ambition of achieving carbon neutrality by 2050, or sooner if technology permits. In 2023, we established new targets: reducing Scope 1 and 2 emissions by 50% by 2035 compared with 2020, and engaging with the industry to achieve a 10% reduction in Scope 3 emissions by 2030.
6. COMMUNITY RELATIONS		Risk appetite / Risk level / Outlook
Failure to identify and manage local concerns and expectations could negatively impact the Company. Relations with local communities and stakeholders affect our reputation and impede our ability to grow and generate social value.	We have a dedicated team that establishes and maintains relations with local communities. These relationships are based on trust and mutual benefit throughout the mining lifecycle, from exploration to final remediation on closure. We seek to anticipate any potentially negative operating impacts and minimise these through responsible behaviour. This means acting transparently and ethically, prioritising the health and safety of our employees and contractors, avoiding environmental incidents, promoting dialogue, complying with our 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. We contribute to the development of communities in the areas in which we operate, starting with an assessment, undertaken together with the communities, of the existing situation and their specific needs, while looking to develop long-term, sustainable relations and evaluating the impact of our contributions. We also focus on developing the potential of members of local communities through education, training and employment. We work to communicate clearly and transparently with local communities in line with our Community Relations Plan. This includes a grievance management process, local perception surveys, and local media and community engagement.	We reinforced community programmes related to water for human consumption and irrigation to mitigate the impact of the drought in the Province of Choapa. We seek to stimulate the generation of economic, social and human capital in the regions where we operate by promoting local employment, fostering local suppliers and offering education and training opportunities. We run various programmes to support local entrepreneurs and micro and small businesses. We have launched a community grievance mechanism management system to report any issues caused by our operations on neighbouring communities. Concerns can be made confidentially and are tracked to monitor their progress. We made progress in measuring the impact of our social programmes deployed in the territory. With the measurements carried out, we have addressed the most relevant projects and programmes of all the Group's companies, which has allowed us to develop improvement plans aimed at optimising the performance of the initiatives and the social value of our operations in the territory.

Description	Preventive and mitigation measures	Highlights
7. POLITICAL, LEGAL AND REGULATORY		Risk appetite · Risk level · Outlook
Political instability could affect our operations, projects and exploration activities in the countries in which we operate. Issues regarding the granting of permits, or amendments to permits already granted, and changes to the legal environment or regulations, could also adversely affect our operations and development projects.	We constantly monitor political, legal and regulatory developments affecting our operations and projects. We comply fully with existing laws, regulations, licences, permits and rights in each of the countries in which we operate. We assess political risk as part of our evaluation of potential projects, including the nature of any foreign investment agreements. We monitor proposed changes in government policies and regulations, particularly in Chile, and belong to several associations that engage with governments on these matters. This helps to improve our internal processes and means that we are prepared to meet any new regulatory requirements.	We see a lower degree of political uncertainty in Chile. After the rejection of the new constitution draft proposed last December, the current constitution will remain in force. Government has announced that it will not pursue new constitutional reform within its term. During 2023, the new Chilean mining royalty bill was enacted, providing certainty on the new royalty tax framework. Companies without tax stability agreements start their new royalty payments during 2024. Those payments will increase the Group's consolidated effective tax rate by c.5 percentage points. In August, a new "Ley de Delitos Económicos" (Economic Crimes Law) was enacted in Chile. This new law establishes a new legal regime applicable to individuals and legal entities (companies); however, changes applicable to legal entities will come into force in September 2024. Although we are confident that we have robust controls in place we have reassessed and are updating our risk matrix, in order to identify any improvement we can make in our controls, with the main focus being on new environmental crimes. The Group continues supporting some Chilean industry associations, particularly the Consejo Minero (Mining Council) and SONAMI in its representation of the mining industry and its responses to proposed new regulations.
8. CORRUPTION		Risk appetite · Risk level · Outlook
Our 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". The level of such risks depends, in part, on the economic or political stability of the country in which we are operating.	We have zero tolerance for any activity that would contravene anti-bribery and corruption legislation. We maintain a robust governance regime, open channels of communication, Group-wide training programmes, and multiple layers of controls at all our operations, projects and exploration activities, as well as in our third-party relationships using enhanced due diligence procedures. A strong, appropriate culture is one of the key aspects of the Group's strategic framework. This is emphasised by messaging from the Board downwards that inappropriate, corrupt, illegal or unethical behaviour is totally unacceptable. The Group's Code of Ethics sets out the Group's commitment to conducting business in a responsible and sustainable manner. The Code requires honesty, integrity and accountability from all employees and contractors. Our Compliance Model is set to prevent actions which may involve us directly or indirectly in any potential irregularities (including any kind of bribery), detect possible risks in a timely fashion and respond to any misconduct in an adequate manner. Internal policies, procedures and controls have been implemented to prevent corruption. An anonymous whistleblowing hotline is available to employees and external parties to report compliance-related concerns, which are investigated and followed-up by an expert team and reviewed by a senior management Ethics Committee.	The Group's Compliance Model applies to both employees and contractors. It is clearly defined and is communicated regularly through internal channels, as well as being available on the Group's website. New employees are trained in the Compliance Model as part of their induction programme. The Group's Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile and is certified by an external entity. In August, a new "Ley de Delitos Económicos" (Economic Crimes Law) was enacted and will come into force in September 2024. Although we are confident that we have effective controls in place, we have reassessed our risk matrix and the Compliance Model and they are being updated considering the new risk matrix.

Risk management *continued*

Description	Preventive and mitigation measures	Highlights
9. OPERATIONS		Risk appetite · Risk level · Outlook
Our operations are subject to a number of circumstances not wholly within our control. These include damage to or breakdown of equipment or infrastructure, unexpected geological variations, or technical issues, any of which could adversely affect production and/or costs.	Principal risks relating to each operation are identified as part of the regular risk review processes they undertake. This process also identifies mitigation measures 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 to prevent unplanned downtime. Our focus is on maximising the availability of equipment and infrastructure and ensuring the effective use of our assets in line with their design capability and technical limits. We keep the variation of processes within defined tolerance limits, and we have Business Continuity and Disaster Recovery Plans for all key processes within our operations to mitigate the consequences of a crisis or natural disaster. We also have property damage and business interruption insurance to provide protection from some, although not all, of the costs that may arise from such events.	Lessons learned from previous cases of community concern have improved the resilience of our operations and minimised the impact of incidents this year. Many years of drought at Los Pelambres has reduced production in recent years. This climate change impact is being mitigated with the desalination plant in Los Pelambres, which came into operation with its commissioning during 2023. The fourth concentrator line at Los Pelambres is successfully completing its commissioning phase, with an additional two million tonnes of ore processed as of the end of the year.
10. TAILINGS STORAGE		Risk appetite · Risk level · Outlook
Ensuring the stability of our tailings storage facilities (TSFs) during their entire lifecycle is central to how we operate. A failure or collapse of any of our TSFs could result in fatalities, damage to the environment, regulatory violations, reputational damage and disruption of the quality of life of neighbouring communities, as well as the running of our operations.	We manage our TSFs to allow the effectiveness of their design, operation and closure to be monitored at the highest level of the Company. All our TSFs are built using the downstream construction method and are designed to withstand earthquakes and extreme weather. Catastrophic failures of TSFs are unacceptable. Their potential for failure is evaluated and addressed throughout the life of each facility. Our TSFs are constantly monitored, and all relevant information is provided to the authorities, regulating bodies and the communities that could be affected. We manage our TSFs using data, modelling, and construction and operating methods validated and recorded by qualified technical teams and reviewed by independent international experts, whose recommendations we implement to strengthen the control environment. Risk management includes timely risk identification, control definition and verification. Our controls are based on the consequences of the potential failure of the tailings facilities.	The Global Industry Standard on Tailings Management (GISTM) was published in 2020. We are implementing this standard at all our operations. Our El Mauro and Centinela TSFs are in compliance with this standard (based on self-assessment) since August 2023. Our 2021 tailings policy sets out the guiding principles for the management of our TSFs and any potential or actual impact on the environment, using sound governance and open communication with stakeholders. In accordance with this standard, we continue to update our risk assessment methods, focusing on more detailed risk identification, failure modes and controls, in order to avoid catastrophic failures.
11. STRATEGIC RESOURCES		Risk appetite · Risk level · Outlook
Disruption or restriction of the supply of any of our key strategic inputs, such as electricity, water, fuel, sulphuric acid or mining equipment, could negatively impact production. In the longer term, restrictions to the availability of key strategic resources, such as water and electricity could also affect our growth opportunities.	Contingency plans are in place to address any short-term disruptions to strategic resources and maintain our security of supply. We negotiate early with suppliers of key inputs to ensure continuity. Certain key supplies are purchased from several sources to mitigate potential disruption arising from exposure to a single supplier. To achieve cost competitiveness, we endeavour to buy the highest possible proportion of our 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. We maintain a rigorous, risk-based supplier management framework to ensure that we engage solely with reputable product and service providers, keeping in place the controls necessary to ensure the traceability of all supplies (including the avoidance of any conduct related to modern slavery). We are committed to incorporating sustainable technological and innovative solutions, such as the use of sea water and renewable power when economically viable, to mitigate exposure to potentially scarce resources.	The war in Ukraine is an issue that currently has no material impact on the supply of our key inputs, however, it is something that must continue to be monitored. Thanks to our stock policy and that of our suppliers, the impact of the issues in the navigation channels ("Canal de Panamá" and "Canal de Suez") was prevented or mitigated, resulting in almost no impact. The exposure related to water scarcity at Los Pelambres due to the drought is being mitigated with the desalination plant that came into operation with its commissioning during 2023. We worked closely with the Vigilance Board for the Choapa River to establish a water redistribution agreement that is now awaiting approval by the General Directorate of Water of the Ministry of Public Works. Our joint approach has focused on avoiding disputes and conflicts around this vital resource. Minera Zaldívar submitted an EIA application that includes a plan to change the mine's water source from the local aquifer to either sea water or water provided by third parties by 2028.

Description	Preventive and mitigation measures	Highlights
12. CYBER SECURITY		Risk appetite · Risk level · Outlook
Breaches in, or failures of, our information security management could adversely impact our business activities. Malicious interventions (hacking) of our information or operations' networks could affect our reputation and/or operational continuity.	Our Information Security Management Model provides defensive structural controls to prevent cyber risks and mitigate their effects. It employs a set of rules and procedures, including a Disaster Recovery Plan, to restore critical IT functions in the event of an attack. Our systems are regularly audited to identify any potential weaknesses or threats to our assets, and specific systems are in place to protect them and our data.	We have further strengthened our protective controls and regularly communicate with users to prevent cyber attacks. To reinforce our controls we organised "ethical phishing" and "ethical hacking" exercises during the year. A cyber security e-learning was launched for all employees, and some prevention activities were also implemented in operating companies.
13. LIQUIDITY		Risk appetite · Risk level · Outlook
Restrictions in financing sources available for future growth could prevent us from taking advantage of growth or other opportunities in the market.	Security, liquidity and return are the order of priorities for our treasury investment strategy. We maintain a strong and flexible balance sheet, consistently returning capital to shareholders while leaving sufficient funds to progress our short-, medium- and long-term growth plans. This gives us the financial flexibility to take advantage of opportunities as they may arise. We have a risk-averse investment strategy, managing our liquidity by maintaining adequate cash reserves and a revolving credit facilities through the periodic review of forecast and actual cash flows. We choose to hold surplus cash in demand or term deposits or highly liquid investments.	We maintained our solid balance sheet and financing ratios, safeguarding our capability to raise debt. We have focused on diversifying our sources of funding, retaining a high level of interest from financial institutions offering to provide finance on competitive terms. During 2023, we executed debt transactions and included new lenders, diversifying the sources and term of our debt financing.
14. COMMODITY PRICES AND EXCHANGE RATES		Risk appetite · Risk level · Outlook
Our results are heavily dependent on commodity prices – principally those of copper and, to a lesser extent, gold and molybdenum. The prices of these commodities are influenced by many external factors, including world economic growth, inventory balances, industry supply and demand, possible substitution, etc. Our sales are mainly denominated in US dollars, although some of our operating costs are in Chilean pesos, and any strengthening of the Chilean peso may negatively affect our financial results.	We consider exposure to commodity price fluctuations an integral part of our business and our usual policy is to sell our products at prevailing market prices. We monitor commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows. Very occasionally, when we feel it is appropriate, we use derivative instruments to manage our exposure to commodity price fluctuations. We run our business plans under various commodity price scenarios and develop contingency plans as required. As copper exports account for near 50% of Chile's exports, there is a strong correlation between the copper price and the US dollar/Chilean peso exchange rate. This natural hedge partly mitigates our foreign exchange exposure. However, we monitor the foreign exchange markets and the macroeconomic variables that affect them and occasionally implement a focused currency-hedging programme to reduce short-term exposure to fluctuations in the US dollar against the Chilean peso.	The divergence in the management of monetary policies between Chile and the US during the year, as well as the expectation of interest rate differentials between the two countries, often outweighed the typical correlation between the copper price and the US dollar/Chilean peso exchange rate. No new hedging positions were entered into during 2023.

Risk management *continued*

Description	Preventive and mitigation measures	Highlights
15. GROWTH OF MINERAL RESOURCE BASE AND OPPORTUNITIES		Risk appetite · Risk level · Outlook
We need to identify new mineral resources to ensure continued future growth. We do this through exploration and acquisition. We may fail to identify attractive acquisition opportunities or select inappropriate targets. The long-term commodity price forecast, and other assumptions used when assessing potential projects and other investment opportunities, will influence the forecast return of investments. Incorrect estimates could cause poor decision-making. Regarding exploration, there is a risk that we may not identify sufficient viable mineral resources.	Our exploration and investment strategy prioritises exploration and investment in the Americas. To reduce our risk exposure, we focus on growth opportunities in stable and secure countries. Our rigorous assessment processes evaluate and determine the risks associated with all potential business acquisitions and exploration opportunities, including stress-test scenarios conducted for sensitivity analysis. Each assessment includes a country risk analysis (including corruption) and analysis of our ability to operate in a new jurisdiction. At the very least, all joint ventures must operate in line with, or to the equivalent level of, our policies and technical standards. Our Business Development Committee reviews potential opportunities and transactions, approving or recommending them within authority levels set by the Board.	Our exploration activities continued to be focused on the Americas and our risk exposure level was unchanged. During 2023, three new exploration joint ventures with companies with interests in Peru were signed. The Company announced in December 2023 that, through a wholly owned subsidiary, it had entered into transactions in the secondary market to acquire beneficial ownership of approximately 19% of the outstanding shares of Compañía de Minas Buenaventura S.A.A. ("Buenaventura"). Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru. Twin Metals' exploration plan obtained all necessary state approvals in October 2023. The goal of this exploration activity is to better understand our mineral resources and our potential to contribute critical minerals to support the transition to a clean energy future. For further information on Twin Metals, please see page 101 of this report.
16. PROJECT DEVELOPMENT AND EXECUTION		Risk appetite · Risk level · Outlook
Failure to effectively manage our development projects or transform our resources into reserves could result in delays to the start of production and cost overruns. Delays on information capture and/or not achieving required enablers could limit the conversion of resources into reserves.	We have a project management system to ensure that best practices are applied at each phase of a project's development. The project management system provides a common language and standards to support the decision-making process by balancing risk with the benefits of growth. In addition, all geometallurgical models are reviewed by independent experts. During the project development lifecycle, quality checks for each of the standards applied are carried out by a panel of experts from within the Company. This panel reviews each completed feasibility study to assess the technical and commercial viability of the project. It also assesses how the project can be developed safely and considers any relevant risks or opportunities that could potentially impact the schedule, cost or future performance of the project. Detailed progress reports on current projects are regularly reviewed and include assessments of progress against key project milestones and performance against budget. Project robustness is stress-tested under a range of copper price scenarios. Joint project/operation teams are established early in a project's development to ensure a smooth transition into the operating phase once construction is completed. All new reserves and growth projects must comply with our internal procedures and all applicable environmental and social laws and regulations.	Our projects are developed in accordance with the practices set out in our Asset Delivery System (ADS), including the Functional Quality Assurance Review (FQAR), and are reviewed by external experts. Project risks are proactively managed and frequently evaluated to minimise their impact on costs. Project estimates include a contingency provision, calculated using a probability-based method that considers the systemic and specific risks of each project. The risks associated with converting mineral resources to reserves are properly identified and managed by the teams to ensure accurate conversion.

Description	Preventive and mitigation measures	Highlights
17. INNOVATION AND DIGITALISATION		Risk appetite / Risk level / Outlook
Our ability to deliver on our strategy and our performance targets may be undermined by missed opportunities or delays in adopting new technologies or innovations.	We seek value-capturing innovations that realise cost savings and/or improve the efficiency, reliability and safety of our processes while supporting our corporate strategic pillars. We evaluate the potential of all ideas using our stage-gate approval process and Innovation Board. We maintain partnerships with academic institutions and companies specialising in technology and engineering – including peers, when there is no competitive barrier – to maximise the potential for improvements in our processes and systems. A dedicated team monitors, identifies and analyses external innovation trends that have potential applications in our business, including those in non-operational areas such as product sales and purchasing. The team also maintains and manages a portfolio of ongoing innovation projects. We have a recognition and incentives programme to encourage all staff to suggest innovative improvements to our day-to-day operating systems. We also dedicate resources to evaluating and implementing innovations which have the potential to positively impact our business and growth options.	As part of our Remote Operating and Autonomy Roadmap, Antucoya has successfully concluded the execution phase and deployed into production the remote operation of their spreader, currently operating the system. In Zaldívar, the last testing stage was concluded for the teleoperation in Line of Sight mode of their drilling rigs, and we are currently processing the permit to operate with Sernageomin. Los Pelambres will deploy a robotic solution in performing the liner replacement of their SAG mill, with the corresponding equipment expected to be on site by March next year. Centinela's Integrated Remote Operations Centre (IROC) in the city of Antofagasta has run effectively in its second year of operation. It enables management of the plant and the mine remotely, with real-time information and optimisation of all processes. Los Pelambres' IROC is located in Santiago and has been operating for one year, completing critical milestones for remote and integrated operation along the entire value chain. A successful heap heating pilot was conducted during 2023 in Zaldívar, enhancing the operational readiness of our Cuprochlor®-T technology. We are currently engaged in a range of operational recommendation and optimisation initiatives, complementing previously developed and successfully deployed solutions across the production value chain, as part of our SIRO programme, to enable better and data driven automated decision making. Some of the tools developed to date cover Flotation Optimisers, Milling Recommendations, Mineral Tracking and Advanced Maintenance.
18. EXTERNAL RISKS		Risk appetite / Risk level / Outlook
We must develop the ability to manage external threats that are complex to predict and can significantly impact the Group's strategic objectives and its operational continuity.	Changes in the global or Chilean economic or political environment can impact the Group's strategy. We maintain good practices and adopt lessons learned during periods of crisis. We recognise the volatility of the markets and proactively seek new business models and work to expand our client base. We regularly review our Business Continuity Plan. We use scenario analysis to challenge the principles on which we base our financial planning, identifying potential risks, costs and benefits of feasible action plans.	The controls for this risk were updated to incorporate lessons learned during the year, such as the geographical diversification of our suppliers, and the increase in our stocks of strategic resources, where the contingencies we had during 2023 were mitigated without having major impacts on the operation. During 2023, our Business Continuity Plan was updated in the Mining and Transport division.

Emerging Risks

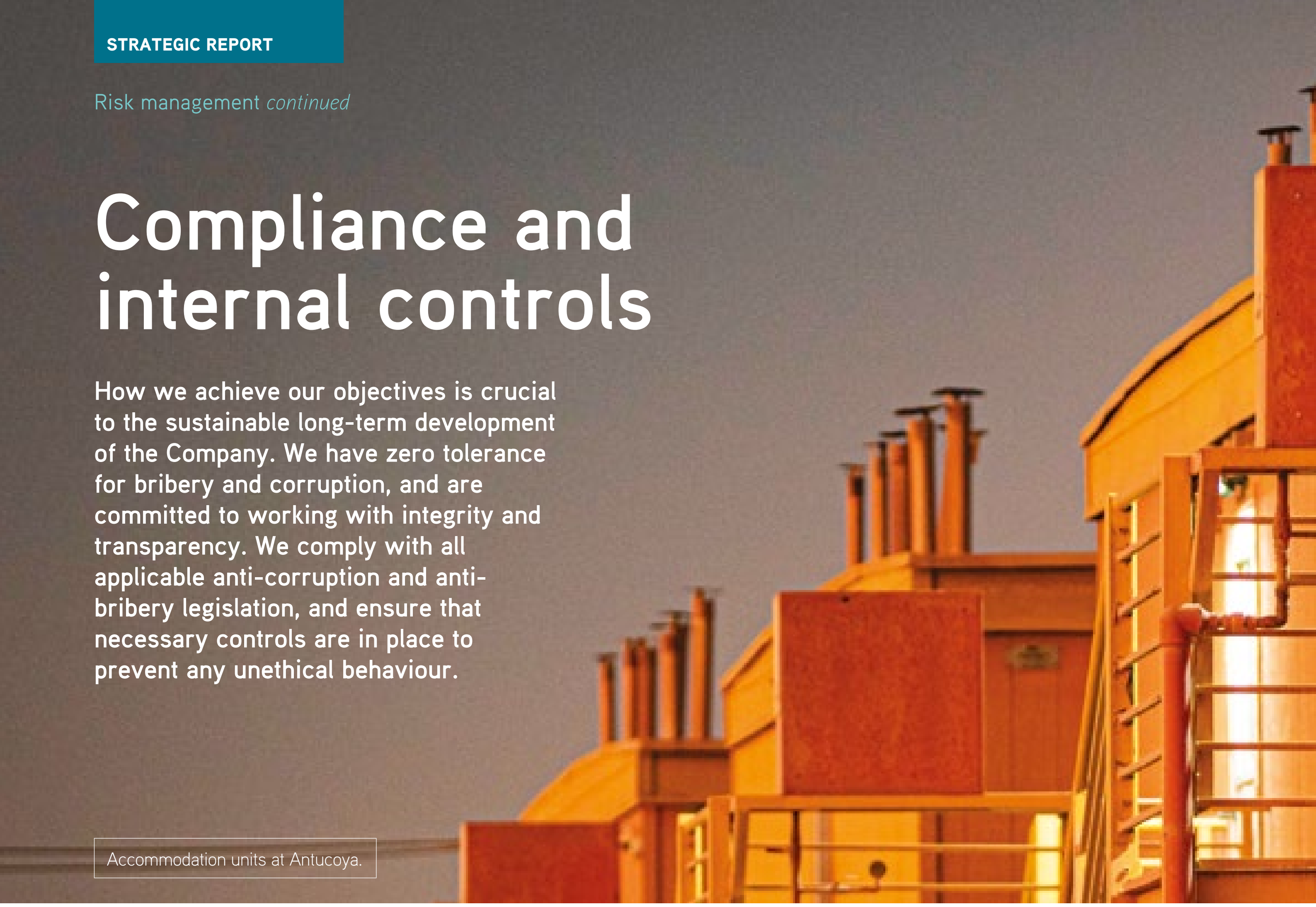
In addition to our principal risks, we are constantly on the lookout for emerging risks that may become new principal risks in the future. Current emerging risks are:

Emerging risk	Impact
Geoeconomic confrontation	Geoeconomic confrontation with impact on the logistics chain and Commodities market.
Commodity substitution	Lower demand for copper producing sustained oversupply in the medium-long term due, to a substitute product impacting the business strategy to date.
Widespread cyber crime and cyber security	Global or regional cyber crime with critical infrastructure breakdown impacting operational continuity.

The above risks are closely monitored and actively managed to minimise their threat.

Compliance and internal controls

How we achieve our objectives is crucial to the sustainable long-term development of the Company. We have zero tolerance for bribery and corruption, and are committed to working with integrity and transparency. We comply with all applicable anti-corruption and anti-bribery legislation, and ensure that necessary controls are in place to prevent any unethical behaviour.



Accommodation units at Antucoya.

Areas of focus and development during 2023

- In August, the "Ley de Delitos Económicos" (Economic Crimes Law) was published. This legislation, which establishes a new legal regime applicable to natural persons (individuals) and another to legal entities (companies), will come into force in September 2024. Although we have robust controls in place, we will reassess the group risk matrix in order to identify the need for any new controls or adjustments in current controls, with more focus on environmental areas.
- A proven due diligence process is in place, based on a risk analysis approach.
- The Company's Crime Prevention Model was recertified by an independent expert.
- Employees in high-risk areas completed additional in-depth training on ethics and compliance.
- New employees were trained in the Compliance Model and Code of Ethics as part of their induction programme.
- All employees updated their conflict-of-interest disclosures.
- A campaign "let's talk about integrity" was launched with a large-scale communication related to respect, health and safety, and environmental management.
- Anti-corruption events took place at all our operations to reinforce compliance with our integrity values.
- The Compliance team have been part of the approval process for social contributions, to strengthen monitoring and governance.
- The Compliance and Supply teams have started to invite their vendors to self-assess on the external platform and identify improvement opportunities from a sustainability perspective.
- A communication campaign was carried out as part of our focus on Prevention in our Compliance Model.
- As part of the "Suppliers for a Better Future" initiative, the Compliance team trained 150+ supplier representatives on respectful workplaces and sound compliance practices.
- Whistleblowing investigations, undertaken by a group of experts, were centralised and standardised, guaranteeing an independent process.
- The consultation process for revisions to the UK Corporate Governance Code was closely monitored. The updated Code, which was published in January 2024, introduces a new requirement (applicable from 2026 onwards) for the Board to make an annual declaration as to the effectiveness of the Group's material internal controls. A readiness assessment was undertaken and action plans were established in respect of the anticipated changes.

Code of Ethics

This sets out our commitment to conducting business in a responsible and sustainable manner. The Code requires honesty, integrity and accountability from all employees and contractors, and includes guidelines for identifying and managing potential conflicts of interest. It is at the core of our Compliance Model and supports the implementation of all related activities.

Our Code of Ethics is available on our website.

Compliance Model

The Compliance Model applies to both our employees and our contractors. It is clearly defined and is communicated regularly through internal channels as well as being available on our website. All contracts include clauses relating to ethics, modern slavery and crime prevention to ensure contractors' adherence to our Compliance Model.

We actively promote open communication with all our employees, contractors and local communities. This helps ensure that our corporate and value creation objectives are achieved in an ethical and honest way.

The Compliance Model is reviewed regularly, both internally and by third parties, and on corruption-related matters it is certified in accordance with Chilean anti-corruption legislation.

The Model has three pillars:

Prevention: Its main focus is to prevent the occurrence of any irregular or illegal situations. We provide a series of tools and training opportunities to all employees and contractors to support appropriate behaviour through:

- Internal policies and procedures
- Anti-trust guidelines
- The management and update of our Compliance Risk Matrix
- Our robust due diligence processes
- Anti-corruption clauses in suppliers' and employees' contracts
- Compliance training and communication
- Access Control and Governance, Risk and Compliance (GRC) tools are used as part of our segregation of duties controls

Detection: Detection of any potentially irregular or illegal situation is boosted by:

- Robust and open whistleblowing channels where individuals can present complaints and grievances anonymously in a context of our non-retaliation policy
- Data analysis
- Anti-corruption internal controls
- Normative instruments, such as internal policies, procedures or guidelines, which are continually reviewed
- Internal audit

Action: Immediate action is taken if an irregular or illegal situation is detected, and we investigate according to our internal procedures using fact-based, objective and professional standards. An Ethics Committee, which includes members of the senior management team, reviews the findings of every investigation and suggests remediation plans. The performance of the compliance programme is reported twice a year to the Audit and Risk Committee and to the Board. The anonymity of the whistleblowing channels is guaranteed to safeguard individuals and so achieve greater transparency and bolster our non-retaliation policy.

During the year, we received 609 allegations. Of these, 186 (31%) were ethics related and 423 (69%) were non-ethical concerns. The ethical allegations were classified as: 77.5% (144) fraud; conflicts of interest, and other misconduct; 22% (41) workplace and sexual harassment; 0.5% (1) regulatory non-compliance; and 0% (0) modern slavery. Remediation actions were defined and implemented for all substantiated allegations.

Our Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile, and is certified by an external entity.

Due diligence highlights

During the year, 6,110 suppliers were reviewed, of which 1.3% were rejected. Of these 97% were Chilean suppliers and 3% were international. The reasons for rejection were mainly due to high financial or tax risk, non-compliance with Group guidelines or non-compliance with Law 20.393 (Criminal Responsibility of Legal Entities).

Viability statement

To address the requirements of provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a period of five years.

Mining is a long-term business and timescales can run into decades. The Group maintains Life-of-Mine models covering the full remaining mine life for each mining operation. More detailed medium-term planning is completed for a five-year time horizon (as well as very detailed annual budgets). Accordingly, five years has been selected as the appropriate period over which to assess the prospects of the Group.

When taking account of the impact of the Group's current position on this viability assessment, the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the terms and remaining durations of the borrowing facilities in place. The Group had a strong financial position as at 31 December 2023, with combined cash, cash equivalents and liquid investments of $2,919.4 million. Total borrowings were $4,079.2 million, resulting in a net debt position of $1,159.8 million. Of the total borrowings, only 22% is repayable within one year, and 16% repayable between one and two years. 25% of the borrowings are repayable after more than five years, beyond the viability review period.

When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile and capital expenditure. These forecasts are based on the Group's budgets and Life-of-Mine models, which are also used when assessing relevant accounting estimates, including depreciation, deferred stripping and closure provisions, and accounting judgements including potential indicators of impairment. The copper price forecasts are based on consensus analyst forecasts, and include a long-term copper price forecast of $3.70/lb.

One scenario analysed as part of this assessment has only considered existing committed borrowing facilities in place as of 31 December 2023, and has not assumed that any new borrowing facilities will be put in place. Given the planned financing for the Centinela Second Concentrator project was not in place as at 31 December 2023, we have not included the planned development of that project within this scenario. As an additional scenario, we have forecast the impact of the development of this project, which assumes a typical financing environment which allows us to put in place our planned financing for the project. In addition, we have also modelled sensitivities reflecting the impact of potential overruns in the project costs.

The forecasts have assumed distributions in line with the Group's policy that the total annual dividend for each year would represent a payout ratio based on underlying net earnings (as defined in the Alternative Performance Measures section) for that year of at least 35%.

The Directors have assessed the principal risks which could impact the prospects of the Group over this period, and consider the most relevant to be risks to the copper price outlook, as this is the factor most likely to result in significant volatility in earnings and cash generation. Robust down-side sensitivity analyses have been performed in relation to the scenarios described above, assessing the standalone impact of each of:

- A significant deterioration in the future copper price forecasts by an average of approximately 15% throughout the five-year period.
- An even more pronounced short-term reduction of 50 c/lb in the copper price for a period of three months, in addition to the above general deterioration in the copper price throughout the review period.
- The potential impact of the Group's most significant individual operational risks materialising.
- A shutdown of any one of the Group's operations for a period of three months, or a shutdown of all of the Group's operations for a period of one month.

The stability of tailings storage facilities represents a potentially significant operational risk for mining operations globally. The Group's tailings storage facilities are designed to international standards, constructed using downstream methods, subject to rigorous monitoring and reporting, and reviewed regularly by an international panel of independent experts. Given these standards of design, development, operations and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.

The above downside sensitivity analyses indicated results which could be managed in the normal course of business, including the aggregate impact of a number of the above sensitivities occurring at the same time. The analysis indicated that the Group is expected to remain in compliance with all of the covenant requirements of its borrowings throughout the review period and retain sufficient liquidity. Based on their assessment of the Group's prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Drill rig at Centineta.

Mining division

Antofagasta owns and operates four mines. Los Pelambres is located in the Coquimbo Region of central Chile and Centinela, Antucoya and Zaldívar are in the Antofagasta Region of northern Chile.

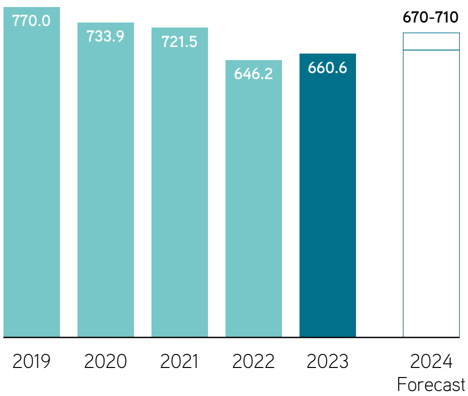
"Our operations delivered strong operational performance in 2023. Copper production rose by 2% to 660,600 tonnes, with increasing water availability and throughput rates at Los Pelambres, and costs remaining in line year-on-year despite industry-wide cost inflation."

OCTAVIO ARANEDA
Chief Operating Officer

Production highlights

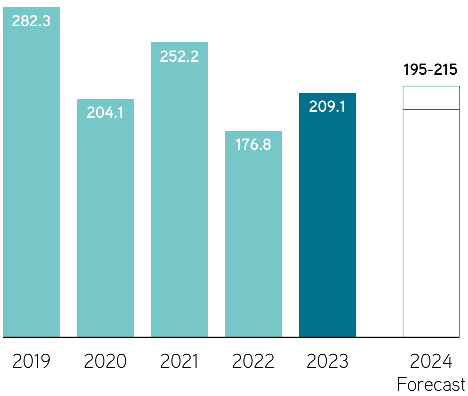
660.6kt

of copper produced



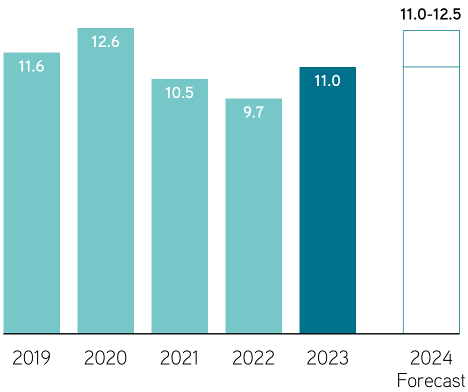
209.1k oz

of gold produced



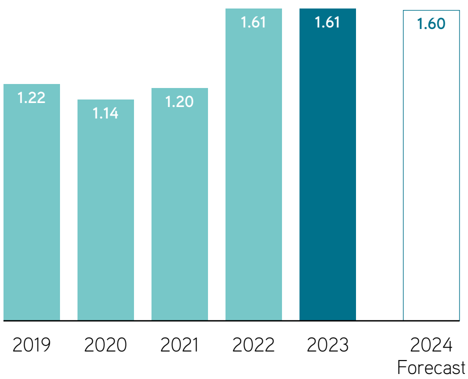
11.0kt

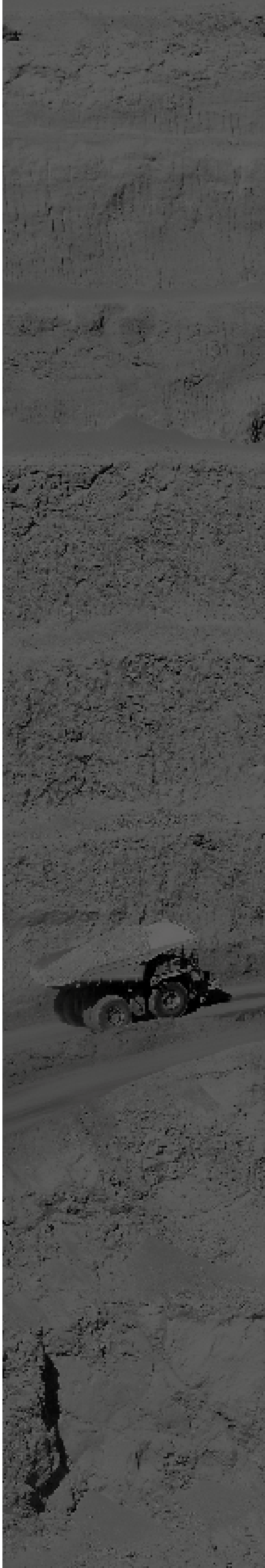
of molybdenum produced

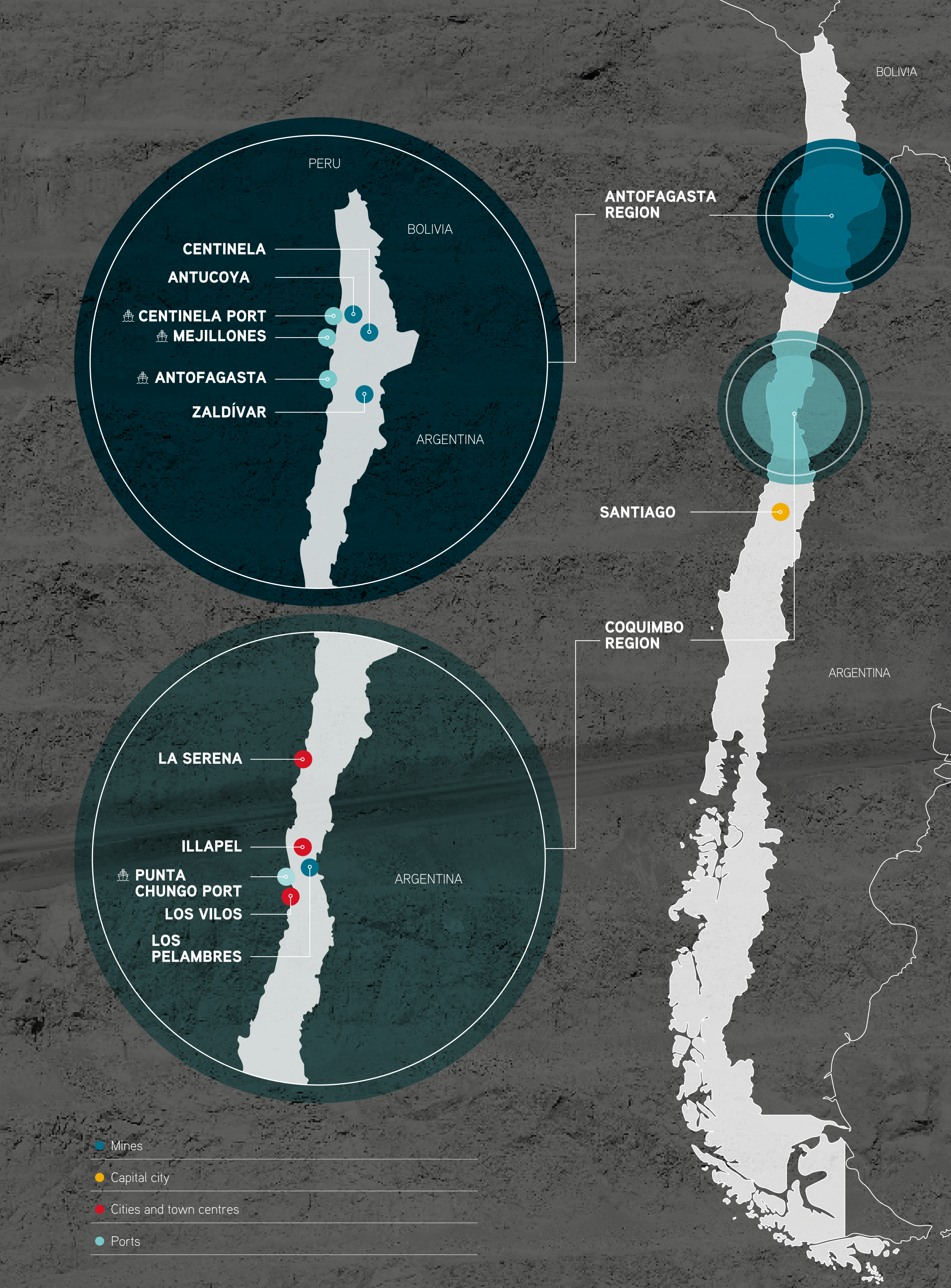


$1.61/lb

Net cash costs







PERU
BOLIVIA
CENTINELA
ANTUCOYA
CENTINELA PORT
MEJILLONES
ANTOFAGASTA
ZALDÍVAR
ARGENTINA
LA SERENA
ILLAPEL
PUNTA CHUNGO PORT
LOS VILOS
LOS PELAMBRES
ARGENTINA
BOLIVIA
ANTOFAGASTA REGION
SANTIAGO
COQUIMBO REGION
ARGENTINA
Mines
Capital city
Cities and town centres
Ports

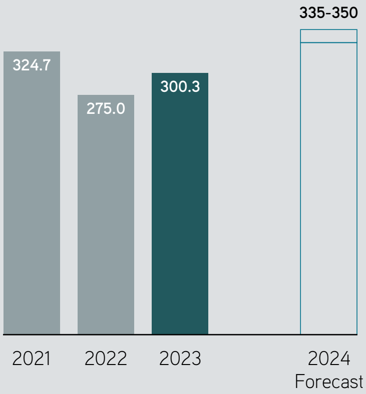
Mining division: Los Pelambres

Los Pelambres is a sulphide deposit in Chile's Coquimbo Region, 240 km north of Santiago. It produces copper concentrate (containing gold and silver) and molybdenum concentrate through a milling and flotation process.

Mining Operations at Los Pelambres.

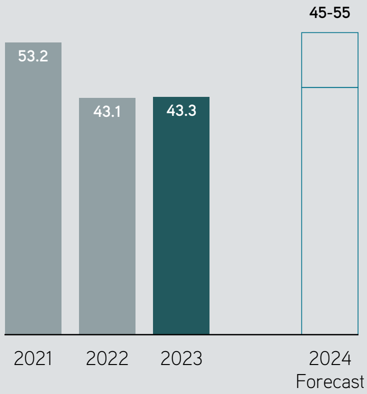
Copper production

300.3k tonnes



Gold production

43.3k ounces



Revenue

$2,924m

+14%

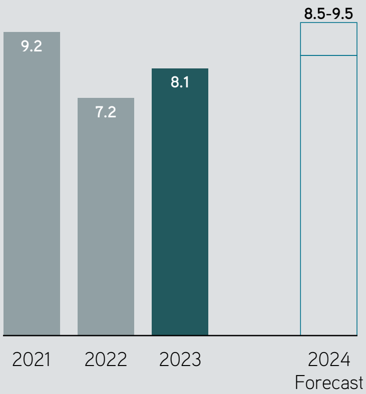
EBITDA

$1,725m

+17%

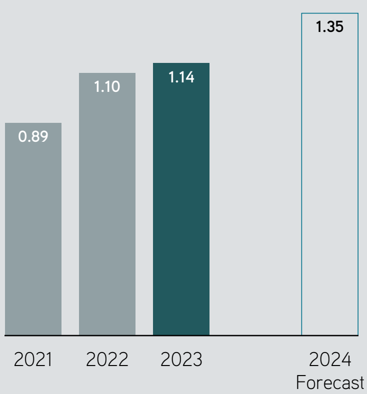
Molybdenum production

8.1k tonnes

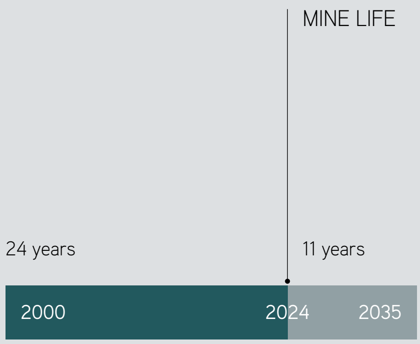


Net cash costs

$1.14/lb



Lifecycle of the mine



2023 Performance

Operating performance

Production at Los Pelambres increased in 2023 as a result of increased water availability following the completion of construction of the Company's desalination plant during the year, and subsequent ramp up.

EBITDA was $1,725 million, compared with $1,473 million in 2022, reflecting higher production and sales volumes, and higher realised prices for copper and by-products.

Production

Copper production for 2023 was 300,300 tonnes, 9% higher than the prior year. This increase was driven by increased throughput rates in 2023, which resulted from increasing availability of water from the Company's desalination plant as it successfully progresses its ramp up, and additional ore processing capacity provided by the fourth concentrator line. Molybdenum production in 2023 was 8,100 tonnes, representing a 13% increase year-on-year, which was the result of higher throughput rates. Gold production in 2023 rose by 0.5%, reflecting a balance of lower gold grades and higher ore processing rates.

Cash costs

For the full year, cash costs before by-product credits were $1.92/lb, 4% higher than in 2022. The key drivers behind this increase in 2023 are appreciation of the Chilean peso, local inflation, and the conclusion of 3-year labour agreements, partially offset by higher production and lower input costs.

Net cash costs were $1.14/lb for the full year, 4% higher than in 2022, reflecting a similar increase in the underlying cash costs and higher production and pricing for molybdenum.

Capital expenditure

Capital expenditure was $897 million, including $193 million of mine development, $361 million of sustaining capital expenditure and $344 million of development capital expenditure.

Outlook for 2024

The forecast production for 2024 is 335–350,000 tonnes of copper, 8,5–9,500 tonnes of molybdenum and 45–55,000 ounces of gold. Higher production is expected due to higher throughput, with increased water availability and ore processing capacity with the Los Pelambres Phase 1 Expansion ramping up.

Cash costs before by-product credits are forecast to be approximately $2.05/lb and net cash costs $1.35/lb, reflecting higher production, offset by lower expected grades.

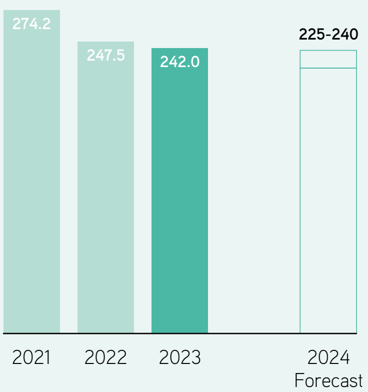
Mining division: Centinela

Centinela mines sulphide and oxide deposits 1,350 km north of Santiago in the Antofagasta Region, one of Chile's most important mining areas. Centinela produces copper concentrate (containing gold and silver) through a milling and flotation process, and molybdenum concentrate. It also produces copper cathodes, using the solvent extraction and electrowinning (SX-EW) process.

View of the Esperanza Sur pit, Centinela.

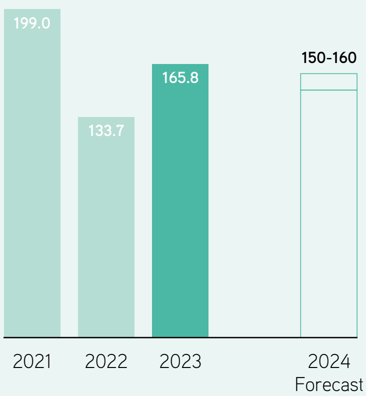
Copper production

242.0k tonnes



Gold production

165.8k ounces



Revenue

$2,533m

+5%

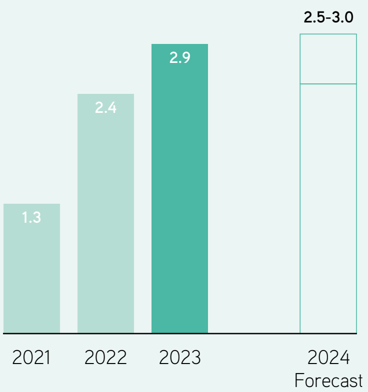
EBITDA

$1,219m

+5%

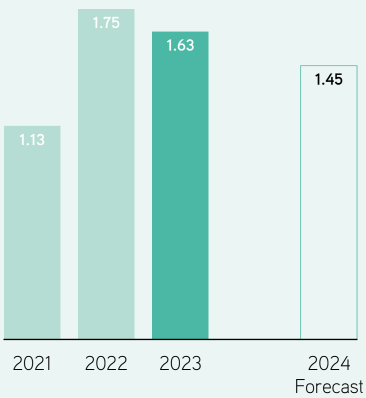
Molybdenum production

2.9k tonnes

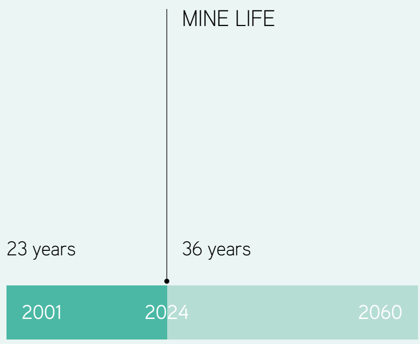


Net cash costs

$1.63/lb



Lifecycle of the mine



2023 Performance

Operating performance

Ore throughput remained consistent in 2023 with levels seen in the previous year, with operations maintaining a strong level of operational performance in line with the plant's design capacity for the entire year. Higher production at Centinela Concentrates, driven by improved ore grade, was counterbalanced by lower ore grades at Centinela Cathodes.

EBITDA at Centinela was $1,219 million in 2023, compared with $1,157 million in 2022, on higher copper, molybdenum and gold sales volumes and higher molybdenum and gold realised prices partially offset by higher unit costs.

Production

In 2023, copper production was 242,000 tonnes, 2% lower than last year. This reduction in output reflects lower ore grades at Centinela Cathodes, which was partially offset by higher ore grades at Centinela Concentrates.

Production of copper in concentrate was 162,700 tonnes, 9% higher than in 2022, reflecting a combination of higher ore grades and copper recoveries, with the concentrator operating in line with its design capacity. Copper cathode production was 79,300 tonnes, 19% lower than in 2022 due to lower copper grades, offset by higher throughput rates. Gold production during the year was 165,800 ounces, 24% higher than in 2022 due to higher gold grades (which are positively correlated to copper grades). Molybdenum production in 2023 reached 2,900 tonnes – a record for Centinela, with this year-on-year increase of 21% reflecting higher molybdenum recoveries during the year.

Cash costs

Cash costs before by-product credits in 2023 were $2.57/lb, 5.3% higher than in 2022 due to lower copper production, the conclusion of 3-year labour agreements and higher contractor costs related to mining.

By-product credits were $0.94/lb, 25c/lb higher than in 2022 due to higher production and pricing of both gold and molybdenum.

During the full year, net cash costs were $1.63/lb, 12c/lb lower than 2022 due to higher by-product credits.

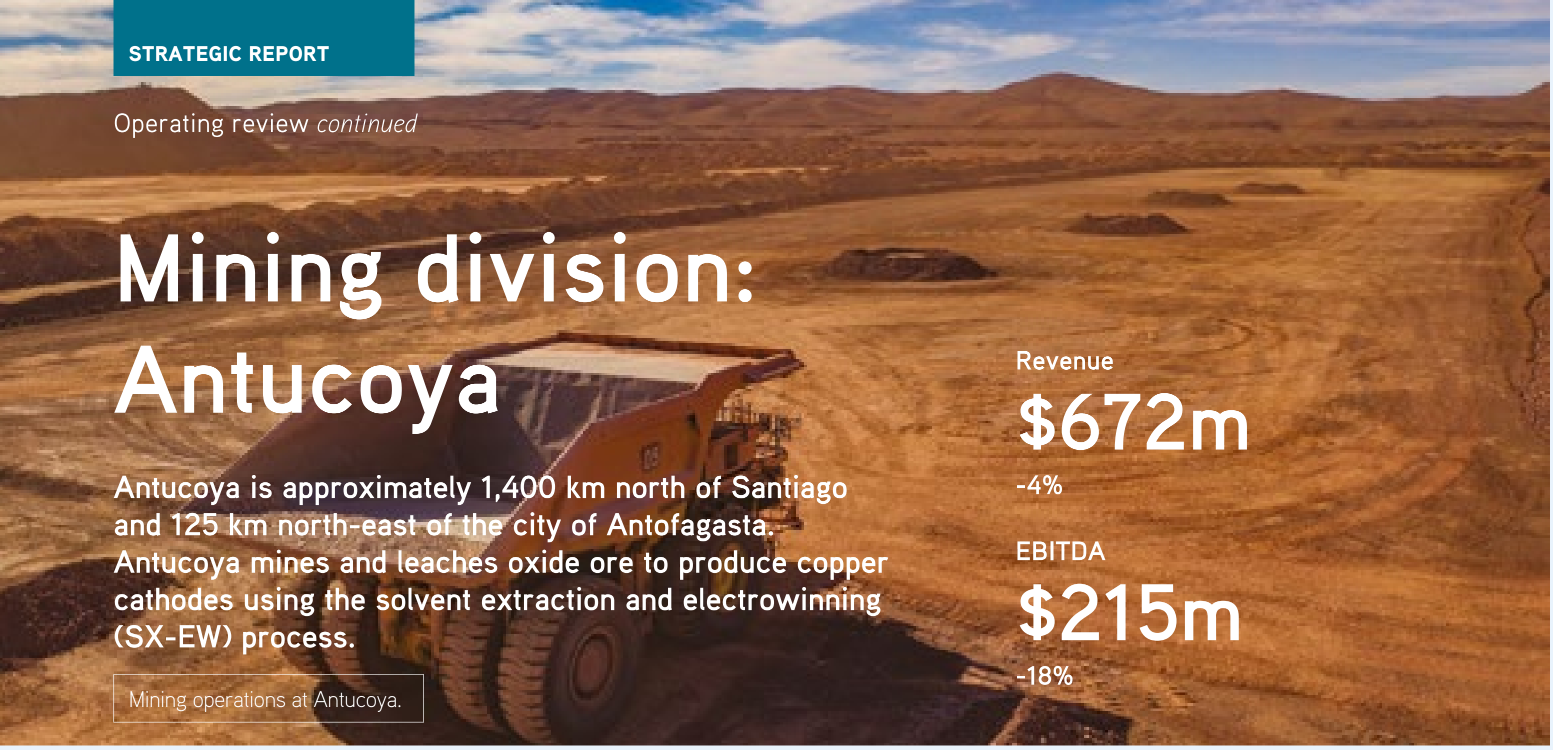
Capital expenditure

Capital expenditure was $1,045 million, including $569 million of mine development, $310 million of sustaining capital expenditure and $166 million of development capital expenditure.

Outlook for 2024

Production is forecast at 225–240,000 tonnes of copper, 150–160,000 ounces of gold and 2.5–3,000 tonnes of molybdenum. Copper production is expected to decrease compared with 2023 as a result of lower grades at Centinela Concentrates during the year.

Cash costs before by-product credits are forecast to be approximately $2.30/lb, with net cash costs of $1.45/lb.



Mining division: Antucoya

Antucoya is approximately 1,400 km north of Santiago and 125 km north-east of the city of Antofagasta. Antucoya mines and leaches oxide ore to produce copper cathodes using the solvent extraction and electrowinning (SX-EW) process.

Mining operations at Antucoya.

Revenue

$672m

-4%

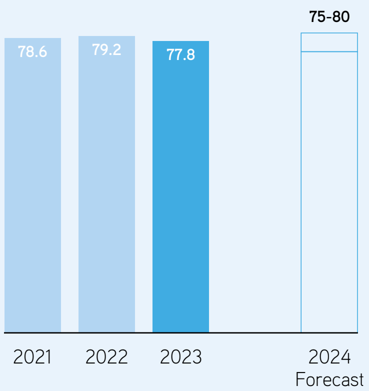
EBITDA

$215m

-18%

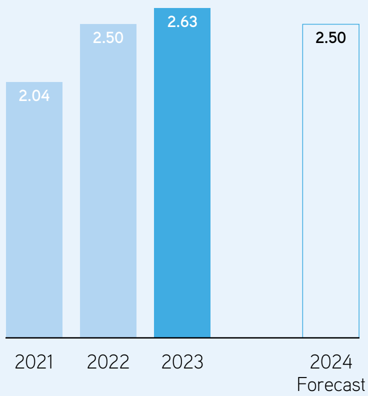
Copper production

77.8k tonnes

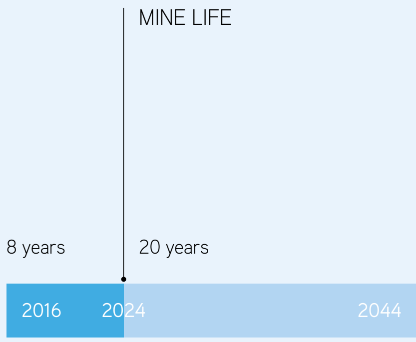


Net cash costs

$2.63/lb



Lifecycle of the mine



2023 Performance

Operating performance

Antucoya continues to operate in line with its design throughput, sustaining the consistent performance and improved reliability that was achieved in the previous period.

EBITDA was $215 million in 2023, compared with $261 million in 2022, reflecting higher operating costs and the lower realised copper price.

Production

Production for the full year was 77,800 tonnes, 1.8% lower than last year due to a combination of marginally lower ore grades and recoveries.

Cash costs

Costs during the full year were 5% higher at $2.63/lb, reflecting local inflation, appreciation of the Chilean peso, higher consumption rates of sulphuric acid in line with expectations, with lower input costs serving to partially offset these effects.

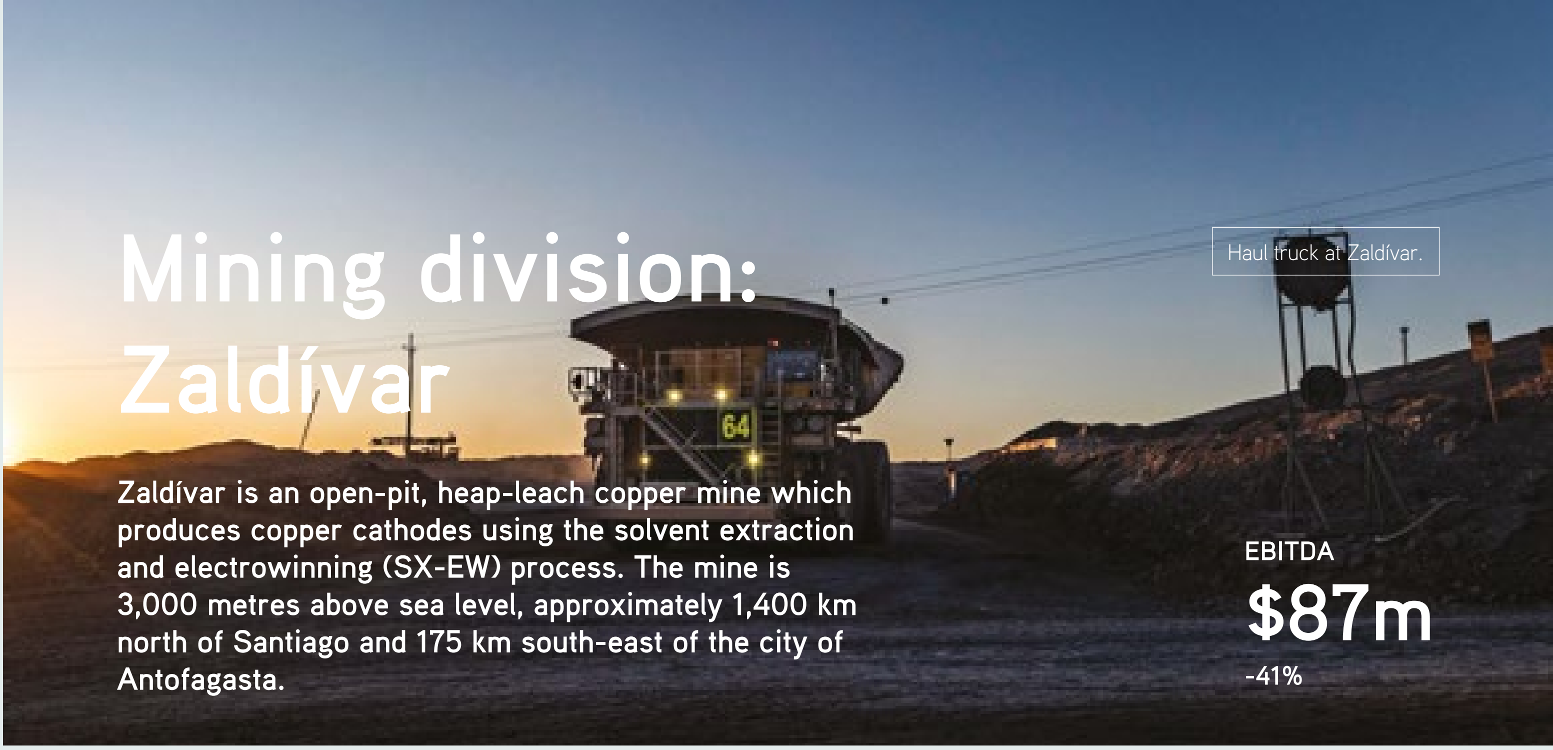
Capital expenditure

Capital expenditure was $122 million, including $88 million on sustaining capital expenditure.

Outlook for 2024

Production is forecast to be 75–80,000 tonnes of copper and cash costs are expected to be approximately $2.50/lb.

Mining division: Zaldívar



Haul truck at Zaldívar.

Zaldívar is an open-pit, heap-leach copper mine which produces copper cathodes using the solvent extraction and electrowinning (SX-EW) process. The mine is 3,000 metres above sea level, approximately 1,400 km north of Santiago and 175 km south-east of the city of Antofagasta.

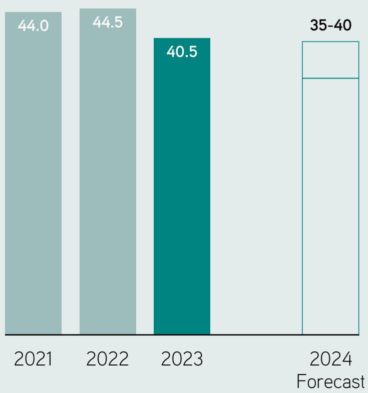
EBITDA

$87m

-41%

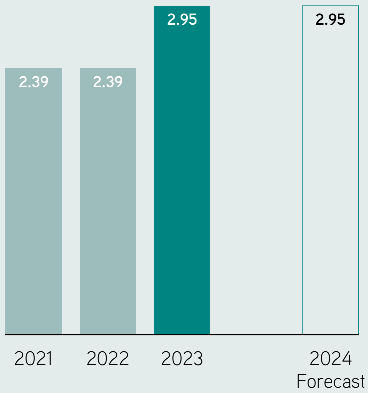
Copper production

40.5k tonnes



Net cash costs

$2.95/lb



Lifecycle of the mine

2023 Performance

Operating performance

During the year, a range of operational initiatives continued to be implemented, in light of the operational challenges faced in 2022, with an improvement in copper recoveries seen during 2023 as a result. The Company's operating teams are implementing an operational improvement programme aimed at increasing productivity and throughput rates at Zaldívar, given throughput levels were lower than expected in 2023, which are expected to lower cash costs over time. Attributable EBITDA[1] was $87 million compared with $147 million in 2022.

Production

Attributable copper production for the year was 40,500 tonnes, 9% lower than in 2022 mainly due to lower ore processing rates, which were partially mitigated by improved recoveries during the year.

Cash costs

Cash costs for the full year were $2.95/lb, 23% higher than the previous year's costs due to lower production, local inflation, increased costs for maintenance and utilisation of stocks from the prior period.

Capital expenditure

Attributable capital expenditure in 2023 was $46 million, of which $34 million was sustaining capital expenditure.

1. Attributable EBITDA reflects the Company's 50% ownership

Outlook for 2024

Attributable copper production is forecast to be 35–40,000 tonnes at a cash cost of approximately $2.95/lb.

Other matters

In June 2023, Zaldívar submitted an EIA application to extend its mining and water environmental permits through to 2051. This includes a proposal to develop the primary sulphide ore deposit and extend the current life-of-mine at an estimated investment over the mine life of $1.2 billion. It also includes a plan to change the mine's water source from the local aquifer to either sea water or water provided by third parties. This is proposed to follow a transition period during which the current continental water extraction permit is extended from 2025 to 2028.

In early 2024, approval was received from the authorities for the separate DIA (Declaration of Environmental Impact) to extend the mining permit and, therefore, align the water and mining permits at Zaldívar. This approval ensures that this operation has rights to mine ore and extract water until 2025. The mine life after 2025 is, therefore, subject to the approval of the EIA.

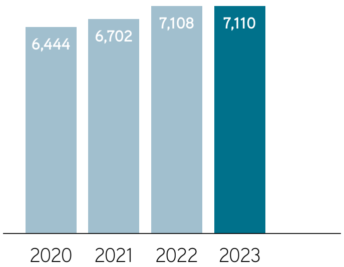
Zaldívar's final pit phase, which represents approximately 20% of current ore reserves, impacts a portion of Minera Escondida's mine property, as well as infrastructure owned by third parties. Mining of the phase will be subject to agreements or easements to access these areas and relocate the infrastructure, and related permits. In 2023, Zaldívar reached an agreement with Escondida in respect to mining matters and certain cost sharing. The current mine plan assumes that the additional necessary agreements, easements and permits will be obtained to allow the mining of the final pit phase.

Transport division

Our Transport division is known as Ferrocarril de Antofagasta a Bolivia (FCAB) and provides rail and truck services to the mining industry in the Antofagasta Region, including our own mining operations.

2023 Tonnage transported

7,110k tonnes



Revenue

$196m

+1%

EBITDA

$82m

+2%

2023 Performance

The Transport division has continued to refine its operational activities through the implementation of its Management Model, based on five fundamental pillars: operational excellence, growth, transformation, community, and urban development.

Operating performance

Total transportation volumes in 2023 remained broadly consistent with those of 2022, with the 7.1 million tonnes of transported material marginally ahead of the record set in 2022. EBITDA reached $82 million, a 2% increase versus 2022, primarily due to improvements in the pricing of some contracts.

Costs and operating efficiency

The division has implemented various operational efficiency improvements, optimising costs to ensure long-term competitiveness with a continuation of the Transport division's Cost and Competitiveness Programme. Through this, we achieved significant improvements in cost structure, cash flow, and operational standards, with cumulative benefits of approximately $6.6 million over the year.

Sustainability

The Transport division made significant progress in its safety performance in 2023, reducing the Lost Time Injury Frequency rate across its operations by more than half to 0.9 in 2023 (2022: 2.2).

In respect of diversity and inclusion, the Transport division made further progress in 2024, with gender diversity in the workforce increasing to 23.1% (2022: 19.9%), and the percentage of people with disabilities employed continues to exceed the legislative requirement for 1%, with a figure of 1.4% in 2023 (2022: 1.4%).

Outlook for 2024

In 2024, the division intends to maintain the progress made in 2023, when a number of contracts were either awarded or renewed. Looking ahead, the division has a robust portfolio of projects that we expect will facilitate an increase in bulk material transportation volumes.

Concurrently, the division continues to advance its strategy to transform its lands, located in the centre of Antofagasta city, from industrial to urban use. Remediation works began at the end of 2023, marking a significant milestone in this development process. Another important milestone for 2024 is the arrival of the first hydrogen locomotive, which will allow for a reduction in CO_2 emissions in the coming years.


BOLIVIA
Tocopilla
María Elena
Calama
Sierra Gorda
Mejillones
Antofagasta Region
Antofagasta
Taltal
ARGENTINA
Customer map
Road route
Rail route
FCAB customers

Growth projects and opportunities

Our approach to considered growth means that we focus on value, controlling capital costs and optimising production at our existing operations and developing new mining operations to deliver production in the future. We achieve this through careful project management and constant monitoring of the efficiency of our mines, plants and transport infrastructure.

The Los Pelambres desalination plant and concentrator expansion were completed in 2023 and moved forward to operational ramp up, contributing to water supply and ore treatment. After an extensive review, the construction of the Centinela Second Concentrator Project was approved by the end of 2023. Critical path works began immediately after announcement, with full construction commencing after the execution of definitive project finance documentation during Q1 2024.

Los Pelambres Expansion Phase 1

This phase of work was designed to optimise throughput within the limits of the existing operating, environmental and water extraction permits.

As mining progresses at Los Pelambres, ore hardness will increase. The expansion aims to compensate for this, increasing plant throughput from its current capacity of 175,000 tonnes of ore per day to an average of 190,000 tonnes of ore per day. The Phase 1 Expansion was divided into two sub-projects: the construction of a desalination plant and water pipeline from the coast to the El Mauro tailings storage facility, and the expansion of the concentrator plant, which includes the installation of an additional SAG mill and ball mill and six additional flotation cells.

As of the end of 2023, the desalination plant and the water pipeline continued to successfully ramp up, with four million cubic metres delivered to the Company's operations at Los Pelambres. At the processing plant, mechanical completion of the concentrator plant expansion was successfully achieved in October 2023. As at year end, commissioning work is under way with results being consistently ahead of schedule and with two million tonnes of additional material processed.

Los Pelambres Expansion – Desalination plant expansion

The desalination plant expansion to 800l/s, which is part of the Los Pelambres water strategy, required a separate Environmental Impact Assessment (EIA).

This project is designed to contribute to enhancing the resilience of Los Pelambres from the future impact of climate change and the deteriorating availability of water in the region. The project includes the expansion of the desalination plant and the construction of a new water pipeline from the El Mauro tailings storage facility to the concentrator plant. The project cost will be reported as part of the Group's sustaining capital expenditure. Construction is due to start in early 2024 and is expected to be completed in 2027.

In 2021, Los Pelambres submitted the EIA required for this project, which includes the desalination plant expansion and two other sustaining capital infrastructure projects:

1. The replacement of the concentrate pipeline. The new pipeline will follow the route taken by the existing water pipeline from the desalination plant to the mine. This revised route for the concentrate pipeline will avoid interactions with communities along the Choapa Valley, and reduce the risk of unplanned downtime from the existing pipeline which has been in operations over 20 years, and is planned to be in operation from 2027; and
2. Construction of certain planned enclosures at the El Mauro tailings storage facility.

The Company received approval of the EIA for the above projects in late 2023.

The sustaining capital infrastructure projects indicated above will commence construction in 2024, which will provide a platform for the Phase 2 projects that are outlined below.

Los Pelambres Expansion Phase 2 – Mine life extension

The current mine life of Los Pelambres is limited by the capacity of the El Mauro tailings storage facility, with sufficient storage capacity for a further 12 years. This project will require an EIA, with a scope that will include increasing the capacity of the El Mauro tailings storage facility, additional storage capacity for mine waste at Los Pelambres and any water requirement for the enlarged capacity of this operation. This will extend the mine's life by a minimum of 15 additional years, accessing a larger portion of Los Pelambres' six billion tonnes of mineral resources. This EIA will also provide for the option to increase throughput to 205,000 tonnes of ore per day (from the current capacity of 190,000 tonnes of ore per day).

Key studies on tailings and waste storage capacity have advanced and a community consultation is under way. The environmental and social studies associated with this project are being prepared, including the voluntary public consultation with communities and informative engagement with key authorities, which should be submitted to evaluation by the relevant authorities in Chile during 2024 as part of the EIA application.

View of the existing concentrator at Centinela.

Centinela Second Concentrator

After an extensive review, approval of the construction of the Centinela Second Concentrator Project was announced at the end of 2023. Following announcement, critical path works began immediately, with full construction commencing after the execution of definitive project finance documents during Q1 2024.

The project includes the construction of a second concentrator and tailings deposit, approximately 7 km from the existing concentrator, to take place in two phases. The EIA for both phases was approved by the authorities in 2016. Detailed engineering plans and costings were updated for Phase 1 of the project and key contracts finalised.

Following Phase 1, the capacity of the new concentrator will be 95,000 tonnes of ore per day, producing on average approximately 170,000 tonnes of copper equivalent (copper, gold and molybdenum) a year over the first ten years of operation. This is expected to move Centinela towards the first cost quartile of global producers.

The Phase 1 capital cost is $4.4 billion, including the cost of the new water supply system. This updated and approved capital cost estimate (previously $3.7 billion – announced in August 2022) is based on advanced detailed engineering and includes escalation for inflation during construction, the estimate of a stronger local currency against the US dollar, updates to local labour regulations and additional contingency provisions. The phasing of the project's capital expenditure is expected to be weighted towards 2025, with similar expenditures in adjacent years. The estimate includes a concentrator plant, capitalised stripping, mining equipment, a new tailings storage facility, a water pipeline and other infrastructure, pre-commercial production operating costs, and owner's and other costs.

Phase 2 is an optional growth step and work on this phase will only start once construction of Phase 1 is completed and it is operating successfully.

The second concentrator (and its potential Phase 2 expansion to 150,000 tonnes of ore per day) will source ore initially from the recently opened Esperanza Sur pit and later also from the Encuentro pit. The sulphide ore in the Encuentro pit lies under the Encuentro Oxides reserves. Fully exposing the sulphide ore in the optimal sequence required to initiate feed to the second concentrator from the Encuentro Pit is expected to require separate investments in infrastructure, mining equipment and mine development activities, which will materially commence half-way through the construction phase of the second concentrator and will span a period of 3-4 years. As announced in December 2023, the combined investment in mine development and sustaining capital for the expansion of the Encuentro pit is estimated to be approximately $1 billion. This expansion in mining activities will further enable Centinela to achieve the development potential of its extensive mineral resource base.

Detailed terms and conditions have been substantially completed for the option to provide water for Centinela's current and future operations, with a third party potentially acquiring the existing water supply system and building the new water pipeline expansion. A decision to proceed with the planned outsourcing of the water supply was announced alongside the execution of definitive project finance documents during Q1 2024, subject to the acquiring consortium closing its financing.

Twin Metals Minnesota

Twin Metals Minnesota (Twin Metals) is a wholly owned copper, nickel, and platinum group metals (PGM) underground mining project, which holds copper, nickel/cobalt, and PGM deposits in north-eastern Minnesota, United States (US). The planned project is over a portion of the total resource and envisages mining and processing 18,000 tonnes of ore per day for 25 years to produce three separate concentrates – copper, nickel/cobalt and PGM. However, further development of the current project, as configured, is on hold while litigation takes place to challenge several actions taken by the US federal government to deter its development.

In 2022, Twin Metals filed a lawsuit in the US District Court for the District of Columbia (District Court) challenging the administrative actions resulting in the rejection of Twin Metals' preference right lease applications (PRLAs), the cancellation of its federal mining leases 1352 and 1353, the rejection of its Mine Plan of Operation (MPO), and the dismissal of the administrative appeal of the MPO rejection. Twin Metals claimed that the government's actions were arbitrary and capricious, contrary to the law, and in violation of its rights. In September 2023, following a motion to dismiss filed by the government, the District Court dismissed Twin Metals' claims. In November 2023, Twin Metals appealed the District Court's order to the US Court of Appeals for the District of Columbia Circuit. This action is pending.

Exploration activities

Our aim is at least to replace the mineral resources mined at our operations each year, and to help provide a platform for Antofagasta's sustainable and long-term growth. In 2023, we continued our efforts to make progress in consolidating our latest discoveries and adding new targets to our portfolio, maintaining our pipeline of exploration opportunities for the coming years.

Exploration remains a key contributor to the sustainable and long-term embedded growth of the Group´s copper business.

This year all exploration activities have been executed as normal. We remain focused on favourable jurisdictions in the Americas, particularly in Chile, Peru, Canada and the USA.

In Chile, we are pursuing brownfield and greenfield projects, and in the other countries we have generative programmes, identifying early-stage projects, while remaining open to M&A opportunities.

The Global Exploration Management (GEM) team, which is based in Santiago, Chile, leads all of the Group's exploration activities with the local offices in Lima (Peru) and Toronto (Canada) reporting to the GEM team on progress in Peru and North America respectively.

Exploration was conducted using in-house teams, with work completed on a well-balanced portfolio of land holdings in Chile, Peru and Canada, while also pursuing third-party opportunities in the rest of the Americas, with the aim of building a portfolio of long-term copper projects.

The Group's exploration and evaluation expenditure, which includes expenditure on pre-feasibility studies, increased by $28 million to $141 million, reflecting geotechnical drilling at Centinela and evaluation work at Los Pelambres. Overall expenditures across the Company's exploration projects remained in line year-on-year.

Chile

Our exploration programme in Chile remains focused on highly prospective areas in northern and central Chile, mainly in metallogenic belts hosting porphyry, manto and IOCG (Iron Oxide Copper Gold) deposit types.

During the year, the Company completed a total of 77,000 metres of drilling, 3% less than in 2022, with work primarily focused at two advanced projects: Cachorro and Encierro.

The Cachorro project is located in the western Atacama Desert in northern Chile, 100 km north-east of the city of Antofagasta and 1,100 km north of Santiago. Work at Cachorro in 2023 has enabled the Company to report a second inferred mineral resource estimate, increasing by 8% to 250 Mt, with a copper grade of 1.26% (using an unchanged cut-off grade of 0.5% copper). This increase in size and grade is attributable to an increase in the number of holes drilled, with work in 2023 being a combination of step out and infill drilling. The results reported to date by the Company make this project one of the most important manto-type deposits in the northern coastal belt in Chile. Cachorro lies between Antucoya and Centinela, which may enable the project to benefit from the use of existing facilities.

The Encierro project is in the Chilean High Andes, 100 km east of the city of Vallenar and 600 km north of Santiago. The deposit is a complex Cu-Au-Mo Miocene porphyry copper, and the Company announced an inaugural inferred mineral resource estimate in June 2022 of 522 Mt at 0.65% copper, 0.22 g/t gold and 74 ppm molybdenum (using a cut-off grade of 0.5% copper). During the year, new targets were identified within the property, along with additional drilling of potential new targets located close to the main ore body, with preparatory administrative work completed ahead of the next phase of exploration at Encierro.

Americas

In line with our strategy to focus on exploration within the Americas during 2023, additional joint venture exploration agreements were signed with a Peruvian company. These agreements will provide access to properties with high exploration potential, with exploration work to be controlled and led by the GEM team, starting in 2024.

Drilling activity at the Cachorro exploration project, Chile.

Key costs

Our mining operations depend on a number of key inputs, including energy, labour, sulphuric acid and fuel, the most important of which are reviewed below.

Contractor services, maintenance and spare parts account for 44% of the Mining division's total production costs, and energy and labour are the largest direct costs, each accounting for 11%. As concentrate producers, Los Pelambres and Centinela require reagents and grinding media. As cathode producers, Centinela, Antucoya and Zaldívar use the SX-EW process that requires the consumption of sulphuric acid. The availability, cost and supply reliability of these inputs are central to our cost management strategy, which focuses on cost control and security of supply.

Energy

Energy is a strategic resource for our Group and supply is maintained through a strategy that considers four factors: safety, cost, efficiency and source. For this reason, in addition to reducing the cost of our electricity, we are working on improving our energy consumption efficiency and reducing our emissions.

All of our operations are on the country's main grid, the National Electrical System (Sistema Eléctrico Nacional, SEN), and source power under medium- and long-term contracts called Power Purchase Agreements (PPAs).

In recent years, renewable technologies have significantly reduced in cost and many renewable power plants are being built in Chile, mainly in the north of the country, alongside a significant improvement in Chile's transmission network. The cost of renewable power is significantly lower than power from conventional sources.

The transition to using solely renewable power was completed in 2022, with lower costs and emissions, and has been important for both the Company's carbon footprint and its costs. Energy accounted for 11% of our total production costs in 2023.

In accordance with our Energy Policy framework that was implemented in 2022, as of 2023 we have now incorporated the role of Energy Administrator at each mining site. The role consists of leading and ensuring the implementation and improvement of the Energy Management System according to Chilean Law No. 21,305 on Energy Efficiency.

Labour

Accessing a diverse and talented workforce is key to our success.

Our employees accounted for 11% of our production costs in 2023. Labour agreements are in place with each of the unions at our operations and generally last for a period of three years, at the end of which they are renegotiated.

Our employees' wages are adjusted quarterly for inflation. As a result, labour costs typically increase by more than inflation (once labour agreements are considered), but we aim to compensate for this with productivity improvements.

Service contracts and key supplies

For key commercial contracts, such as mining equipment, fuels, lubricants, tyres, grinding balls, explosives and mine maintenance, negotiations are managed centrally to generate synergies and economies of scale. The significant savings achieved allow us to implement new controls that improve competitiveness and productivity from our contractor companies. We have linked our supply prices to the respective underlying commodity, to minimise the impact on our margins.

We have an optimisation programme that aims to improve the administration, control, and risk management of our service contracts. The procurement team, using standardised work methods and considerable technical knowledge, has developed effective approaches to managing the purchase of goods and services. Depending on the strategic position of the supplier, these range from pure price competition with e-auctions to long-term Group-wide agreements with mechanisms and incentives that provide benefits for both parties.

The successful management of supplier relationships contributes to our long-term success, which is why we hold strategic meetings with our key suppliers to address operational challenges, while also taking a long-term view.

Scheduling maintenance activities at Los Pelambres.

In 2023, we continued to implement plans to maintain the quality and timely delivery of spare parts and materials, thus ensuring operational continuity and cost containment. As disruptions continue as a result of the war in Ukraine, we have strengthened the control of our supply chains by adopting new technologies for the continuous monitoring of our sources of supply.

In 2023, we had approximately 3,700 different suppliers of goods and services, of which 93% are based in Chile.

Fuel and lubricants

Fuel and lubricants represent approximately 9% of our production costs and are used mainly by mine haulage trucks. Oil prices depend on international market prices, based on supply and demand, and affect other oil-based products, such as freight, the cost of rubber and chemicals.

Due to the Russia-Ukraine war, diesel prices rose in 2022 and brought the annual WTI average to $95 per barrel and diesel prices even higher than in other periods with similar WTI values. This situation has stabilised during the second quarter of 2023, reaching a WTI 2023 of $78 per barrel, representing a price level 17.5% lower than in 2022, which includes lower refining costs and other diesel import factors that directly impact the diesel price.

Explosives

Prices for explosives primarily depend on international market prices for ammonia and overall availability. Ammonia is produced by natural gas, and therefore the Russia-Ukraine war significantly impacted prices in 2022, whereby ammonia pricing reached historically high levels. During 2023, prices have trended lower, reaching a low of $287 per tonne in June 2023, before returning to a level of around $600 per tonne, similar to the average price seen in 2021.

A modified form of ammonia – blue ammonia – which includes an extra process to capture CO_2 emissions in gas wells, is being introduced into the global market, but with an added associated cost.

Ongoing assessments are under way for the feasibility of HyEx, a project led by a multinational energy company and a Chilean explosives company, aimed at producing green ammonia in northern Chile. This is intended to be a low-carbon approach to ammonia production, using renewable energy to source nitrogen from air.

Grinding balls and mill liners

Steel is used in the manufacture of grinding balls and of some mill liners, which accounts for approximately 7% of a concentrator plant's costs and 2% of the Group's production costs. Steel prices showed a downward trend during 2023, after the peak that was reached in 2022. The market for mill liners is moving from steel to steel-rubber mill liners, which will provide incremental benefits in the form of increased safety, diminished maintenance hours and increased availability of mills.

The Group continues to work on the implementation of circular economy initiatives, with a focus on steel recycling, in order to mitigate rising costs and reduce carbon emissions.

Tyres

Tyre prices depend on international market prices and are based on the supply and demand of key input materials such as natural rubber, synthetic rubber, steel and black carbon. During the second half of 2023, prices rose by 4% compared to the second half of 2022.

Sulphuric acid

Sulphuric acid is one of the main inputs for the SX-EW leaching process used to produce copper cathodes, and in 2023, this cost accounted for approximately 6% of the Company's overall production costs.

Each year, Centinela, Antucoya and Zaldívar use a combined total of approximately 1.5 million tonnes of sulphuric acid, mainly contracted under one-year agreements to secure supply.

During 2023, the annual acid price was approximately $183 per tonne, while spot prices ranged from $90 to $148 per tonne, compared to an annual price $245 per tonne in 2022 and spot range of between $115 and $290 per tonne.

Mining equipment

During 2023, we signed important agreements with Caterpillar and Finning, which will enable us to remain competitive during the coming years.

Exchange rate

The Chilean peso/US dollar exchange rate generally has a strong correlation with the copper price as copper exports generate nearly 50% of Chile´s foreign currency earnings, therefore if the copper price strengthens so does the Chilean peso, and vice-versa, providing a natural hedge for the Company. During 2023, the market price for copper price weakened, and the US dollar strengthened, largely explained by decreases in the Chilean interest rate by Central Bank in response to lower inflation, decreasing the spread with the US Fed Fund Rate. The Chilean peso weakened 2.5% over the US dollar, closing the year at Ch$877/$1, in part explained by the decrease in copper price, offset by less political uncertainty in Chile than the previous year.

Cost and Competitiveness

The Cost and Competitiveness Programme (CCP) was introduced in 2014 to capture the gains from initiatives introduced to reduce our cost base and improve our competitiveness. The programme focuses on five areas designed to deliver sustainable cost reductions and productivity increases: streamlining goods and services procurement; improving operating efficiency and asset reliability; energy efficiency; corporate and organisational effectiveness; and working capital, capital expenditure and services efficiency. During 2023, we achieved benefits of $135 million, equivalent to $9c/lb for the year.

In 2023, the Company has developed an expanded approach to costs and competitiveness, with the Competitiveness Programme being an evolution of the existing CCP. Through the application of an Operational Excellence Management System (OEMS), in tandem with lean management principals, the Competitiveness Programme is expected to deliver our next phase of savings and efficiencies. The Competitiveness Programme is based on multiple improvement initiatives with a focus on continuous improvement, process automation and new technologies implementation, covering areas of the business such as labour productivity, mining and processing. Through a focus on production, costs and adding value, the Competitiveness Programme is designed to competitively position the Company on the global cash cost curve.

Operating excellence and innovation

Innovation is one of our five strategic pillars, designed to create and add value across the Group by constantly challenging ourselves to develop new techniques and a more effective operating model.

Our innovation programme remains focused on two key objectives. The first is to achieve the full potential of our operations by seeking new ways of using the best digital technology. We are doing this through the integration of data with advanced analytics and by improving operational performance with automation and robotics. The second objective is longer-term: to enable business growth and to develop the next generation of mining practices, including modern technologies and advances to reduce our environmental footprint.

Digital roadmap

Our digital roadmap covers the adoption of new technologies to improve safety and productivity, with focus on the advanced analytics and transformational initiatives needed to progress with our integrated managed operations and automation programme.

During 2023, the use of advanced analytics solutions added $12.7 million in incremental value by developing the required vision and strategy and a corporate roadmap tailored to each mine's operational challenges.

Achievements to date with respect to our Digital Roadmap include the successful deployment of an Agile Decision Assistant (ADA) in our operations at Los Pelambres, AI-assisted fleet management at Centinela (referred to as Project Octopus), and mineral tracking to optimise acid consumption management at Antucoya. The Agile Decision Assistant (ADA) is an analytical solution integration system designed to identify and resolve operational bottlenecks. It aids decision-making by offering recommendations for efficient problem-solving, enhancing productivity and managing day-to-day challenges in various operational scenarios.

Future efforts on advanced analytics will be focused mainly on deploying existing and new technologies, such as the Integrated System of Operational Recommendations (SIRO), Agile Decision Assistant (ADA) and Predictive Maintenance tools into each of our operations, reinforcing our leading position in the integration of advanced data analytics in the mining industry. At one of our 2024 automation projects, Los Pelambres will employ a robotic solution to perform the replacement of a SAG mill liner, improving safety by eliminating workers' exposure to this hazardous task.

In Remote Operations, Centinela's Integrated Remote Operations Centre (IROC), which is located in the city of Antofagasta, had a successful second year of operation. The work at Centinela's IROC allows the remote management of the plant and the mine, with real-time information and optimisation of all processes. As of 2023, Los Pelambres also now has an IROC, which is located in Santiago. Since inauguration in early 2023, this facility has achieved several critical milestones for remote and integrated operation throughout Los Pelambres' value chain. Finally, Antucoya has initiated a feasibility study to review the options for remote operations at this mine.

In 2023, we continued to execute our "Teleoperation Roadmap", designed to assess the implementation of this technology in auxiliary mining equipment, which is set to take place between 2023 and 2025. Also, with the safety of our operators in mind, we installed anti-collision technology in all mining equipment and vehicles entering each mining area across the Group.

Finally, on the subject of autonomy, the recently approved Centinela Second Concentrator Project includes a 100% autonomous operation, with the newly built concentrator expected to be receiving ore feed from 2027.

Operational innovation

Our open innovation model enables our employees, contractors, and external parties, such as suppliers, to understand our main operational challenges. They can propose ideas and solutions promoting effective connection with the ecosystem through the online collaborative platform Innovaminerals and events, such as our "Supplier Pitch Days".

During 2023, as part of our participation in the MIT Industrial Liaison Program, we held the first international Innovation Symposium with sessions in Santiago and Antofagasta. Attendees participated both in person and online, showcasing 20 technology startups that have scaled and implemented their solutions to work with the Company's Mining division.

Initiatives previously implemented from this portfolio provided an impact of $19.4 million in incremental value during 2023.

Further recognition of our continuous efforts to develop mining for a better future came during 2023, when we were named "Most Innovative Mining Company" for our outstanding effectiveness for incremental value creation from innovation projects, recognised as part of Chile's "Circulo Da Vinci" by the ESE Business School at the Universidad de los Andes.

Strategic innovation

Our strategic innovation programme remains focused on adding alternative technologies to existing methods of tailings management, material handling, dust management and primary sulphide leaching, and gradually progressing towards the electrification of our operations. This strategic programme supports the adoption of new technologies to improve safety and productivity. A number of projects within the Company's Strategic Innovation work stream are presented below.

Tailings management

As part of our commitment to learning from previous industry experience and contributing to more sustainable mining practices, we began laboratory-scale testing of filtered tailings technologies in 2023. During 2024, we intend to conduct studies on the best approach to final disposal of filtered material.

Material handling

Innovation is a driver for competitiveness and sustainable production, and through this, we are incorporating new technologies to make the movement of materials more efficient and taking advantage of existing infrastructure by developing satellite deposits. This is particularly the case at Centinela, where testing of the first prioritised technology to improve ore sorting (as part of the material handling programme) is expected to complete by Q2 2024.

Drone survey, Los Pelambres.

Cuprochlor®-T – our patented primary sulphide leaching technology

Cuprochlor®-T is our proprietary technology, designed to extract copper from primary sulphides, with recoveries of 70% or more after approximately 220 days. It has the potential to unlock value from previously uneconomic mineral resources and its technical maturity level indicates that it is ready to deploy in an operational environment. Thus, Cuprochlor®-T is included in our long-term planning as the best solution to extending the life of our SX-EW plants.

As part of this programme, a pilot project to study heap heating was carried out during 2023 at Zaldívar, with promising results, further strengthening the operational readiness of the Cuprochlor®-T technology.

Patents have been granted to Antofagasta Minerals, a subsidiary of Antofagasta plc, in all jurisdictions of interest in 2023. During 2024, we will continue with an exploration phase with a view to also commercially validating Cuprochlor®-T in the wider market.

Decarbonisation

In line with our 2035 decarbonisation targets and ambition to achieve carbon neutrality by 2050, we are preparing to conduct a pre-feasibility study for the electrification of our main pits (Los Pelambres, Centinela, and Antucoya) during 2024.

We are also pleased to report that we have attained the ISO 50001 Energy Efficiency standards at all sites.

Advanced analytics

Los Pelambres

In 2023, Los Pelambres achieved notable success through the use of advanced analytics. Key accomplishments included the implementation of predictive maintenance for SAG mills, enhancing equipment availability, and the successful deployment of the Agile Decision Assistant (ADA) in the production environment – an analytical solution integration system specifically designed to identify and resolve dynamic operational bottlenecks. This transition to productive environments marks a significant step in ensuring higher reliability, cyber security, quality, and support, reinforcing Los Pelambres' commitment to operational excellence and technological innovation in mining. It is anticipated that the ADA's transfer will streamline operations, enhance efficiency, and provide robust support in operational decision-making processes.

Project Octopus

Centinela

A standout project at Centinela in 2023 was 'Project Octopus', which is an innovative optimisation model for shovel assignments. This model notably increased the material movement efficiency within the mine. Following its success, 'Project Octopus' has now been approved to be transferred for testing at our other mining operations, demonstrating our commitment to expanding and applying successful innovations across different operations.

Artificial intelligence applications

Antucoya

In 2023, Antucoya made good progress in intelligent leaching operations by developing technology to provide advanced mineral tracking, a stacking module, and initiating tests for optimising acid consumption. Future plans include the fine-tuning of the mineral tracker to align with new plant configurations and developing the Integrated System of Operational Recommendations (SIRO) for the recovery process. These efforts showcase Antucoya's commitment to enhancing operational efficiency and advancing sustainable, technologically-driven mining practices.

Machine learning algorithms to optimise mineral recoveries

Zaldívar

A key finding at Zaldívar in 2023 was the impact of heap height on recovery rates. Building on technical advances made through work at Antucoya, Zaldívar's management team initiated the development of the Integrated System of Operational Recommendations (SIRO) for its leaching process, starting with the traceability of minerals from the mine to the crushers. Looking ahead to 2024, the focus at Zaldívar will be on using this data to improve our understanding and processing of minerals in the leaching process, in order to develop better methods, including advancements in the stacking module, acid consumption, and a recovery recommendation system, showcasing Zaldívar's commitment to innovation and efficiency through advanced data analytics.

Financial review of 2023

"Following an 8% increase in revenue, the Company was able to deliver 5% higher EBITDA and a 21% increase in underlying net earnings. Our balance sheet remains strong, providing a platform for our projects and growth."

MAURICIO ORTIZ
Chief Financial Officer

Strong performance with higher year-on-year EBITDA

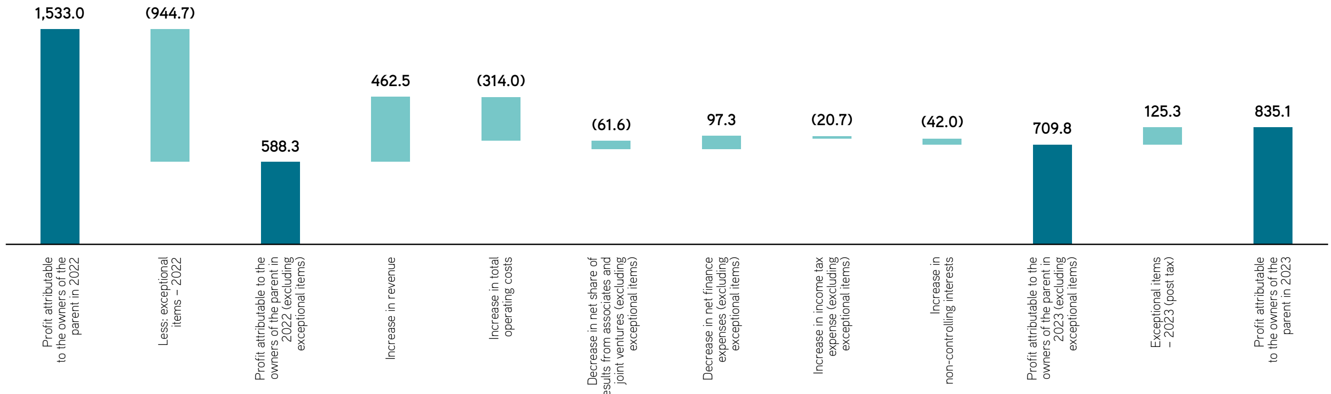
	Year ended 31.12.2023 (Audited)			Year ended 31.12.2022 (Audited)		
	Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional Items	Total
	$m	$m	$m	$m	$m	$m
Revenue	6,324.5	-	**6,324.5**	5,862.0	-	5,862.0
EBITDA (including share of EBITDA from associates and joint ventures)[1]	3,087.2	-	**3,087.2**	2,929.7	-	2,929.7
Total operating costs	(4,541.7)	-	**(4,541.7)**	(4,227.7)	-	(4,227.7)
Operating profit from subsidiaries	1,782.8	-	**1,782.8**	1,634.3	-	1,634.3
Net share of results from associates and joint ventures	(13.5)	-	**(13.5)**	48.1	-	48.1
Gain on disposal of investment in joint venture	-	-	**-**	-	944.7	944.7
Operating profit from subsidiaries, and share of total results from associates and joint ventures	1,769.3	-	**1,769.3**	1,682.4	944.7	2,627.1
Net finance income/(expense)	29.1	167.1	**196.2**	(68.2)	-	(68.2)
Profit before tax	1,798.4	167.1	**1,965.5**	1,614.2	944.7	2,558.9
Income tax expense	(624.3)	(41.8)	**(666.1)**	(603.6)	-	(603.6)
Profit from continuing operations	1,174.1	125.3	**1,299.4**	1,010.6	944.7	1,955.3
Profit for the year	1,174.1	125.3	**1,299.4**	1,010.6	944.7	1,955.3
Attributable to:						
Non-controlling interests	464.3	-	**464.3**	422.3	-	422.3
Profit attributable to the owners of the parent	709.8	125.3	**835.1**	588.3	944.7	1,533.0
Basic earnings per share	Cents	Cents	Cents	Cents	Cents	Cents
From continuing operations	72.0	12.7	**84.7**	59.7	95.8	155.5

The profit for the financial year attributable to the owners of the parent (including exceptional items) decreased from $1,533.0 million in 2022 to $835.1 million in the current year. Excluding exceptional items, the profit attributable to the owners of the parent increased by $121.5 million to $709.8 million.

1. EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group's subsidiaries, and the Group's proportional share of the EBITDA of its associates and joint ventures.

The full reconciliation of the profit attributable to the owners of the parent between 2022 and 2023, including exceptional items, is as follows:

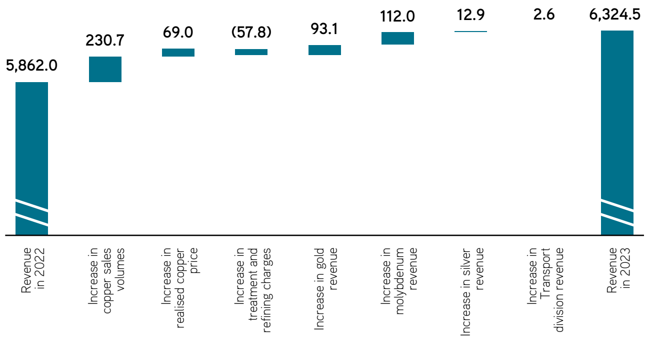
(All figures $, millions)



Revenue

The $462.5 million increase in revenue from $5,862.0 million in 2022 to $6,324.5 million in the current year reflected the following factors:

(All figures $, millions)



Revenue from the Mining division

Revenue from the Mining division increased by $460.0 million, or 8%, to $6,128.6 million, compared with $5,668.6 million in 2022. The increase reflected a $241.9 million increase in copper sales and a $218.1 million increase in by-product revenue.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales increased by $241.9 million, or 5%, to $5,147.4 million, compared with $4,905.5 million in 2022. The increase reflected the impact of $230.7 million from higher sales volumes and $69.0 million from higher realised prices, partly offset by $57.8 million due to the impact of higher treatment and refining charges on the prices invoiced.

(i) Copper volumes

Copper sales volumes reflected within revenue increased by 4.5% from 598,100 tonnes in 2022 to 625,300 tonnes in 2023, increasing revenue by $230.7 million. This increase was due to higher copper sales volumes at Los Pelambres (27,800 tonnes increase), reflecting higher throughput in the current year, which resulted from increasing availability of water from the operation's desalination plant as it successfully completes its ramp up, and additional ore processing capacity provided by the fourth concentrator line that is nearing the end of its commissioning phase.

(ii) Realised copper price

The average realised copper price increased by 1.3% to $3.89/lb in 2023 (2022 – $3.84/lb), resulting in a $69.0 million increase in revenue. The LME average market price decreased by 3.8% to $3.85/lb in 2023 (2022 – $4.00/lb). In 2023, there was a $81.3 million positive impact from provisional pricing adjustments, mainly as a result of a positive net impact in the settlement of sales invoiced and by the increase in the period end mark to market price to $3.87/lb at 31 December 2023, compared with $3.80/lb at 31 December 2022. Conversely, there had been a $169.7 million negative impact from provisional pricing adjustments in 2022, which mainly reflected the decrease in the year-end mark-to-market copper price to $3.80/lb at 31 December 2022, compared with $4.42/lb at 31 December 2021.

Realised copper prices are determined by comparing revenue (after adding back treatment and refining charges for concentrate sales) with sales volumes in the period. Realised copper prices differ from market prices mainly because, in line with industry practice, concentrate and cathode sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price in future periods (normally around one month after delivery to the customer in the case of cathode sales and four months after delivery to the customer in the case of concentrate sales).

Further details of provisional pricing adjustments are given in Note 7 to the financial statements.

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate increased by $57.8 million to $213.6 million in 2023, compared with $155.8 million in 2022 reflecting higher average TC/RC rates and the increase in concentrate sales volumes mainly at Los Pelambres.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount reflects the invoiced price (which reflects the net of the market value of fully refined metal less the treatment and refining charges). However, under the standard industry definition of unit cash costs, treatment and refining charges are regarded as part of cash costs.

Accordingly, the increase in these charges has had a negative impact on revenue in the year.

Revenue from molybdenum, gold and other by-product sales

Revenue from by-product sales at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased by $218.0 million or 28.6% to $981.2 million in 2023, compared with $763.2 million in 2022. This increase was mainly due to the higher molybdenum and gold sales volumes and realised prices.

Revenue from molybdenum sales (net of roasting charges) was $504.2 million (2022 – $392.2 million), an increase of $112.0 million. The increase was due to both the higher sales volumes of 11,100 tonnes (2022 – 9,200 tonnes) reflecting the higher production volumes mainly at Los Pelambres, as well as the 5.8% higher realised price of $22.0/lb (2022 – $20.8/lb).

Revenue from gold sales (net of treatment and refining charges) was $406.9 million (2022 – $313.8 million), an increase of $93.1 million which reflected an increase in volumes and a higher realised price. Gold sales volumes increased by 17.3% from 174,700 ounces in 2022 to 204,900 ounces in 2023, mainly due to higher gold grades at Centinela. The realised gold price was $1,989.5/oz in 2023 compared with $1,800.4/oz in 2022, reflecting the average market price for 2023 of $1,943.1/oz (2022 – $1,800.4/oz) and a positive provisional pricing adjustment of $9.2 million.

Revenue from silver sales increased by $12.9 million to $70.1 million (2022 – $57.2 million). The increase was due to higher sales volumes of 3.0 million ounces (2022 – 2.7 million ounces) and a 13.2% higher realised silver price of $24.0/oz (2022 – $21.2/oz).

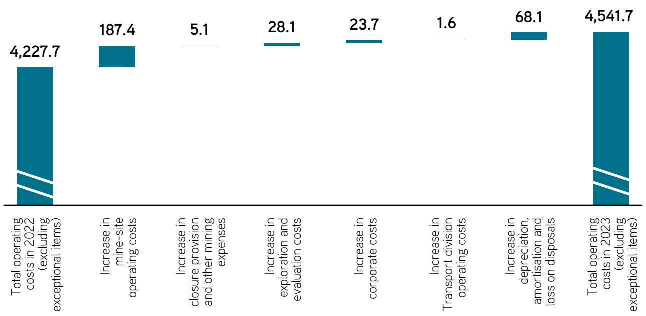
Revenue from the Transport division

Revenue from the Transport division (FCAB) increased by $2.6 million or 1.3% to $195.9 million (2022 – $193.4 million), mainly due to increased pricing in some contracts.

Total operating costs

The $314.0 million increase in total operating costs from $4,227.7 million in 2022 to $4,541.7 million in the current year reflected the following factors:

(All figures $, millions)



Operating costs (excluding depreciation, amortisation and disposals) at the Mining division

Operating costs (excluding depreciation, amortisation, loss on disposals and impairments) at the Mining division increased by $244.3 million to $3,209.7 million in 2023, an increase of 8.2%.

Of this increase, $187.4 million was attributable to higher mine-site operating costs, reflecting higher unit costs and increased sales volumes.

On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenues increased from $2.05/lb in 2022 to $2.14/lb in 2023. As detailed in the alternative performance measures section on page 239, for accounting purposes by-product credits and treatment and refining charges both impact revenue and don't therefore affect operating expenses. This increase largely reflected general inflation and the stronger Chilean peso, partially offset by the cost savings from the Group's Cost and Competitiveness Programme and lower key input prices and shipping costs.

The Cost and Competitiveness Programme was implemented to reduce the Group's cost base and improve its competitiveness within the industry. During 2023, the programme achieved benefits of $134.7 million in the Mining division, of which $106.5 million reflected cost savings and $28.2 million reflected the value of productivity improvements. Of the $106.5 million of cost savings, $101.2 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and $5.4 million related to Zaldívar (on a 100% basis) and therefore impacted the share of results from associates and joint ventures.

Closure provisions and other mining expenses increased by $5.1 million. Exploration and evaluation costs increased by $28.1 million to $141.1 million (2022 – $113.0 million), principally in respect of geotechnical drilling at Centinela and evaluation expenditure at Los Pelambres.

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division increased by $1.6 million to $120.7 million (2022 – $119.1 million), mainly due to general inflation and the stronger Chilean peso.

Depreciation, amortisation and disposals

The expense for depreciation, amortisation and loss on disposals increased by $68.1 million from $1,143.2 million in 2022 to $1,211.3 million. This increase is mainly due to higher depreciation of new assets at Centinela and Los Pelambres.

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries increased by $148.4 million or 9.1% in 2023 to $1,782.8 million (2022 – $1,634.3 million).

Share of results from associates and joint ventures (excluding exceptional items)

The Group's share of results from associates and joint ventures (excluding exceptional items) decreased by $61.6 million to a loss of $13.5 million in 2023, compared with a profit of $48.1 million in 2022. Of this decrease, $62.7 million was due to the lower profit from Zaldívar, reflecting decreased copper sales volumes, due to lower copper production (reflecting lower ore processing rates, which were partially mitigated by improved recoveries during the year), a lower realised copper price and higher cash costs.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation, and impairments) increased by $157.5 million or 5.4% to $3,087.2 million (2022 – $2,929.7 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division increased by $156.0 million or 5.5% from $2,849.7 million in 2022 to $3,005.7 million this year. This reflected the higher revenue, partially offset by the higher mine-site costs, exploration and evaluation expenditure, and corporate costs, as well as lower EBITDA from associates and joint ventures.

EBITDA at the Transport division increased by $1.5 million to $81.5 million in 2023 ($80.0 million – 2022), reflecting the higher revenue and slightly increased EBITDA from associates, partly offset by the higher operating costs.

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for 2023 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average US dollar/Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during 2023, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the year. These estimates do not reflect any impact in respect of provisional pricing or hedging instruments, any potential inter-relationship between commodity price and exchange rate movements, or any impact from the retranslation or changes in valuations of assets or liabilities held on the balance sheet at the year-end.

	Average market commodity price/average exchange rate during the year ended 31.12.23	Impact of a 10% movement in the commodity price/exchange rate on EBITDA for the year ended 31.12.23 $m
Copper price	**$3.85/lb**	566
Molybdenum price	**$24.1/lb**	59
Gold price	**$1,943/oz**	40
US dollar/Chilean peso exchange rate	**839**	161

Net finance income/(expense) (excluding exceptional items)

Net finance income (excluding exceptional items) of $29.1 million reflected a variance of $97.3 million compared with the $68.2 million expense in 2022.

	Year ended 31.12.23 $m	Year ended 31.12.22 $m
Investment income	**138.1**	40.2
Interest expense	**(105.6)**	(78.6)
Other finance items	**(3.4)**	(29.8)
Net finance income/(expense)	**29.1**	(68.2)

Investment income increased from $40.2 million in 2022 to $138.1 million in 2023, largely due to an increase in average interest rates.

Interest expense increased from $78.6 million in 2022 to $105.6 million in 2023, again mainly reflecting an increase in average interest rates and an increase in the average relevant borrowing balances (after taking account of borrowings where the interest is capitalised).

Other finance items were a net loss of $3.4 million, compared with a net loss of $29.8 million in 2022, a variance of $26.4 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a $12.5 million gain in 2023 compared with a $12.8 million loss in 2022. In addition, there was an expense of $15.8 million in respect of the unwinding of the discounting of provisions (2022 – expense of $16.9 million).

Profit before tax (excluding exceptional items)

As a result of the factors set out above, profit before tax (excluding exceptional items) increased by 11.4% to $1,798.4 million (2022 – $1,614.2 million).

Income tax expense

The tax charge for 2023 excluding exceptional items increased by $20.7 million to $624.3 million (2022 – $603.6 million) and the effective tax rate for the year was 34.7% (2022 – 37.4%). Including exceptional items, the tax charge for 2023 was $666.1 million and the effective tax rate was 33.9%.

As a result of the approval of the new mining royalty during 2023, a one-off adjustment has been recognised to the deferred tax balances of the Group's mining operations, resulting in an increase in the deferred tax liability balance of $34.3 million, with a corresponding deferred tax expense. Also, the withholding tax charge in the current period reflected a one-off adjustment to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances, reducing the provision balance by $34.7 million, with a corresponding reduction in the deferred tax expense. The net impact of these two one-off items was therefore a reduction in the tax expense of $0.4 million.

	Year ended excluding exceptional items 31.12.2023		Year ended including exceptional items 31.12.2023		Year ended excluding exceptional items 31.12.2022		Year ended including exceptional items 31.12.2022	
	$m	%	$m	%	$m	%	$m	%
Profit before tax	**1,798.4**		**1,965.5**		1,614.2		2,558.9	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(485.6)**	**27.0**	**(530.7)**	**27.0**	(435.9)	27.0	(691.0)	27.0
Mining Tax (royalty)	**(109.7)**	**6.1**	**(109.7)**	**5.6**	(94.5)	5.8	(94.5)	3.7
Deduction of mining royalty as an allowable expense in determination of first category tax	**29.5**	**(1.6)**	**29.5**	**(1.5)**	23.1	(1.4)	23.1	(0.9)
Effect of increase in future royalty tax on deferred tax balances	**(34.3)**	**1.9**	**(34.3)**	**1.7**	–	–	–	–
Items not deductible from first category tax	**(21.4)**	**1.2**	**(21.4)**	**1.1**	(33.9)	2.1	(33.9)	1.3
Adjustment in respect of prior years	**4.5**	**(0.3)**	**4.5**	**(0.2)**	(2.6)	0.1	(2.6)	0.1
Withholding tax	**(1.4)**	**0.1**	**(1.4)**	**0.1**	(73.0)	4.6	(73.0)	2.9
Tax effect of share of results of associates and joint ventures	**(3.6)**	**0.2**	**(3.6)**	**0.2**	13.0	(0.8)	13.0	(0.5)
Impact of unrecognised tax losses on current tax	**(2.3)**	**0.1**	**(2.3)**	**0.1**	0.2	–	0.2	–
Gain on disposal of investment in joint venture	**–**	**–**	**–**	**–**	–	–	255.1	(10.0)
Difference in overseas tax rate	**–**	**–**	**3.3**	**(0.2)**	–	–	–	–
Tax expense and effective tax rate for the year ended	**(624.3)**	**34.7**	**(666.1)**	**33.9**	(603.6)	37.4	(603.6)	23.6

The effective tax rate (excluding exceptional items) of 34.7% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $80.2 million/4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the one-off effect of the increase in future royalty tax rates on deferred tax balances (impact of $34.3 million/1.9%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $21.4 million/1.2%), the impact of the recognition of the Group's share of results from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $3.6 million/0.2%), the impact of unrecognised tax losses (impact of $2.3 million/0.1%) and the withholding tax relating to the remittance of profits from Chile (impact of $1.4 million/0.1%), partly offset by adjustments in respect of prior years (impact of $4.5 million/0.3%).

Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group.

Compañia de Minas Buenaventura S.A.A.

As detailed in Note 22, during 2023 the Group entered into an agreement to acquire up to an additional 30 million shares in Compañia de Minas Buenaventura S.A.A. Subsequent to the year-end, in March 2024, the agreement completed. An exceptional fair value pre-tax gain of $167.1 million ($125.3 million post tax) has been recognised during 2023 in respect of this agreement.

Disposal of investment in Tethyan joint venture

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. As a result, Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. Full details of the agreements and gain on disposal are set out in Note 17 to the financial statements.

Non-controlling interests

Profit for 2023 attributable to non-controlling interests was $464.3 million, compared with $422.3 million in 2022, an increase of $42.0 million. This reflected the increase in earnings analysed above.

Earnings per share

	Year ended 31.12.23	Year ended 31.12.22
	$ cents	$ cents
Underlying earnings per share (excluding exceptional items)	**72.0**	59.7
Earnings per share (exceptional items)	**12.7**	95.8
Earnings per share (including exceptional items)	**84.7**	155.5

Earnings per share calculations are based on 985,856,695 ordinary shares.

As a result of the factors set out above, the underlying profit attributable to equity shareholders of the Company (excluding exceptional items) was $709.8 million compared with $588.3 million in 2022, giving underlying earnings per share of 72.0 cents per share (2022 – 59.7 cents per share). The profit attributable to equity shareholders (including exceptional items) was $835.1 million (2022 – $1,533.0 million), resulting in earnings per share of 84.7 cents per share (2022 – 155.5 cents per share).

Dividends

Dividends per share proposed in relation to the period are as follows:

	Year ended 31.12.23	Year ended 31.12.22
	$ cents	$ cents
Ordinary dividends:		
Interim	**11.7**	9.2
Final	**24.3**	50.5
Total dividends to ordinary shareholders	**36.0**	59.7

The Board determines the appropriate dividend each year based on consideration of the Group's cash balance, the level of free cash flow and underlying earnings generated during the year and significant known or expected funding commitments. It is expected that the total annual dividend for each year would represent a payout ratio based on underlying net earnings for that year of at least 35%.

The Board has recommended a final dividend for 2023 of 24.3 cents per ordinary share, which amounts to $239.6 million and will be paid on 10 May 2024 to shareholders on the share register at the close of business on 19 April 2024.

The Board declared an interim dividend for the first half of 2023 of 11.7 cents per ordinary share, which amounted to $115.3 million.

This gives total dividends proposed in relation to 2023 (including the interim dividend) of 36.0 cents per share or $354.9 million (2022 – 59.7 cents per ordinary share or $588.3 million in total) equivalent to a payout ratio of 50% of underlying earnings.

Capital expenditure

Capital expenditure increased by $250.0 million from $1,879.2 million in 2022 to $2,129.2 million in the current year, mainly due to increased mine development at Centinela, Los Pelambres and Antucoya, and higher sustaining capex at Los Pelambres and Centinela, partly offset by lower expenditure on the INCO project at Los Pelambres.

NB: capital expenditure figures quoted in this report are on a cash flow basis, unless stated otherwise.

Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes. At 31 December 2023, there were no derivative financial instruments in place (2022 – nil).

Cash flows

The key features of the cash flow statement are summarised in the following table.

	Year ended 31.12.23 $m	Year ended 31.12.22 $m
Cash flows from continuing operations	**3,027.1**	2,738.3
Income tax paid	**(528.1)**	(787.1)
Net interest paid	**(48.8)**	(45.2)
Purchases of property, plant and equipment	**(2,129.2)**	(1,879.2)
Dividends paid to equity holders of the Company	**(613.2)**	(1,262.9)
Dividends paid to non-controlling interests	**(388.0)**	(80.0)
Dividends from associates and joint ventures	**–**	50.0
Disposal of JV	**944.7**	–
Investment in other financial assets	**(290.1)**	–
Acquisition of equity investments	**(60.7)**	(66.5)
Other items	**(0.8)**	0.1
Changes in net debt relating to cash flows	**(87.1)**	(1,332.5)
Other non-cash movements	**(187.6)**	(70.4)
Effects of changes in foreign exchange rates	**0.7**	(23.4)
Movement in net debt in the period	**(274.0)**	(1,426.3)
(Net debt)/net cash at the beginning of the year	**(885.8)**	540.5
Net debt at the end of the year	**(1,159.8)**	(885.8)

Cash flows from continuing operations were $3,027.1 million in 2023 compared with $2,738.3 million in 2022. This reflected EBITDA from subsidiaries for the year of $2,994.1 million (2022 – $2,777.5 million) adjusted for the positive impact of a net working capital decrease of $14.3 million (2022 – working capital increase of $12.7 million) and a non-cash increase in provisions of $18.7 million (2022 – decrease of $26.5 million).

The net cash outflow in respect of tax in 2023 was $528.1 million (2022 – $787.1 million). This amount differs from the current tax charge in the consolidated income statement (including exceptional items) of $586.8 million (2022 – $448.8 million) as the cash tax payments reflect payments on account for the current year based on prior periods' profit levels of $544.3 million (2022 – $435.6 million), the settlement of outstanding balances in respect of the previous year's tax charge of $14.7 million (2022 – $332.1 million) and withholding tax payments of $2.1 million (2022 – $24.5 million), partly offset by the recovery of $33.0 million relating to prior years (2022 – $5.1 million).

Contributions and loans to associates and joint ventures were $0.7 million (2022 – nil).

Capital expenditure in 2023 was $2,129.2 million compared with $1,879.2 million in 2022. This included expenditure of $1,044.6 million at Centinela (2022 – $857.0 million), $897.1 million at Los Pelambres (2022 – $889.7 million), $121.6 million at Antucoya (2022 – $66.9 million), $15.5 million at the corporate centre (2022 – $10.8 million) and $50.4 million at the Transport division (2022 – $54.8 million). The higher total capex compared with the prior year reflects increased mine development at Centinela, Los Pelambres and Antucoya, and higher sustaining capex at Los Pelambres and Centinela, partly offset by lower expenditure on the INCO project at Los Pelambres.

As detailed in Note 17, in December 2022 Antofagasta completed its disposal of its 50% interest in the Tethyan joint venture. It was agreed that the disposal proceeds would be distributed to Antofagasta during 2023. In May 2023, the disposal proceeds of $944.7 million, plus interest of $11.6 million, were received by the Group.

There was a cash outflow of $290.1 million in respect of investment in other financial assets in 2023 (2022 – nil).

Acquisitions of equity investments were $60.7 million in 2023 (2022 – $66.5 million).

Dividends paid to equity holders of the Company were $613.2 million (2022 – $1,262.9 million) of which $497.9 million related to the payment of the previous year's final dividend and $115.3 million to the interim dividend declared in respect of the current year.

Dividends paid by subsidiaries to non-controlling shareholders were $388.0 million (2022 – $80.0 million).

Dividends received from associates and joint ventures were nil for 2023 (2022 – $50.0 million).

Financial position

	At 31.12.23 $m	At 31.12.22 $m
Cash, cash equivalents and liquid investments	**2,919.4**	2,391.2
Total borrowings and other financial liabilities	**(4,079.2)**	(3,277.0)
Net debt at the end of the period	**(1,159.8)**	(885.8)

At 31 December 2023, the Group had combined cash, cash equivalents and liquid investments of $2,919.4 million (31 December 2022 – $2,391.2 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $2,490.5 million (31 December 2022 – $1,991.0 million).

Total Group borrowings and other financial liabilities at 31 December 2023 were $4,079.2 million, an increase of $802.2 million on the prior year (31 December 2022 – $3,277.0 million). The increase was mainly due to $1,062.2 million of additional senior loans at Los Pelambres ($797.2 million) and Centinela ($265.0 million) and $178.6 million of new finance leases, partly offset by a $381.7 million repayment of the senior loans at Los Pelambres ($210.3 million), Centinela ($111.1 million), Antucoya ($50.0 million), and the Transport division ($10.3 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was $2,948.3 million (31 December 2022 – $2,449.7 million).

These movements resulted in net debt at 31 December 2023 of $1,159.8 million (31 December 2022 – net debt $885.8 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of $457.8 million (31 December 2022 – net cash $458.7 million).

Going concern

The consolidated financial information contained in the financial statements has been prepared on the going concern basis. Details of the factors which have been taken into account in assessing the Group's going concern status are set out in Note 1 to the financial statements.

Cautionary statement about forward-looking statements

This Annual Report 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.

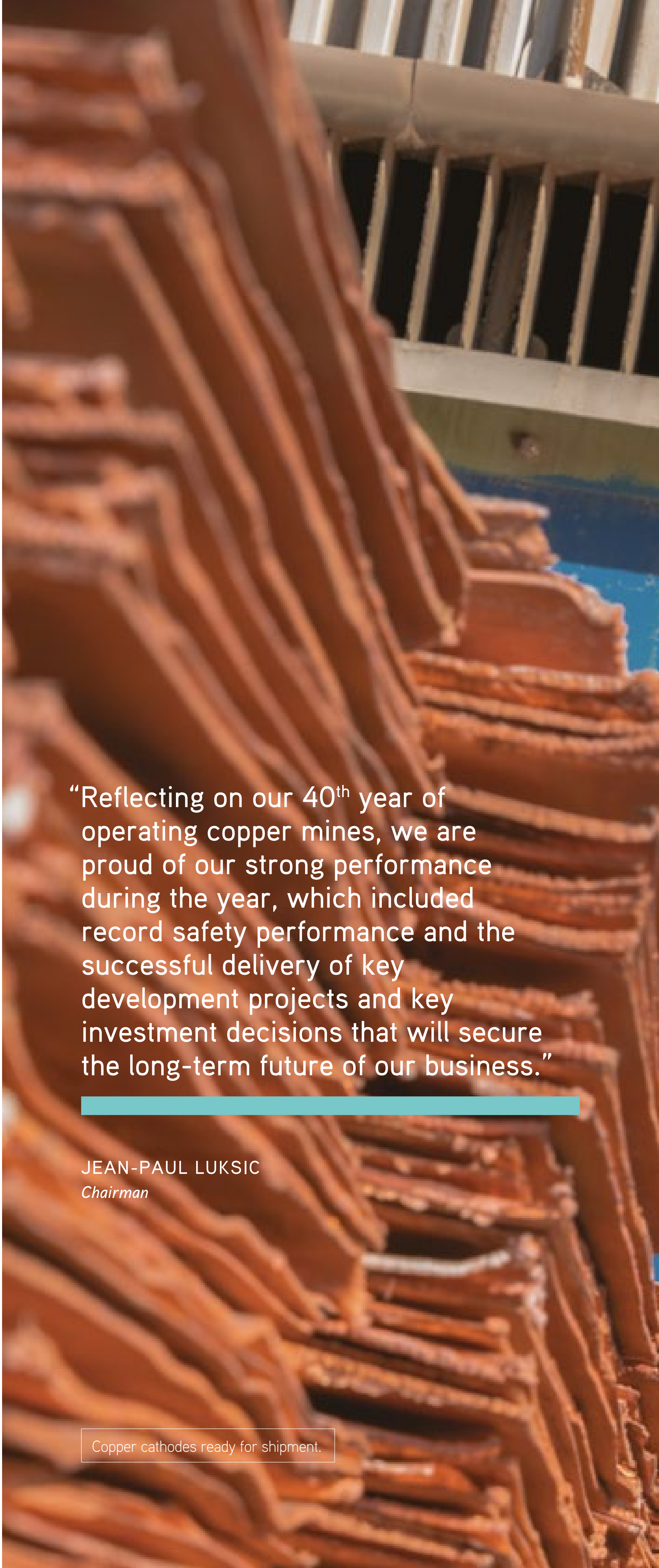
Past performance cannot be relied on as a guide to future performance.

The Strategic Report has been approved by the Board and signed on its behalf by:

JEAN-PAUL LUKSIC
Chairman

FRANCISCA CASTRO
Senior Independent Director

Governance



"Reflecting on our 40th year of operating copper mines, we are proud of our strong performance during the year, which included record safety performance and the successful delivery of key development projects and key investment decisions that will secure the long-term future of our business."

JEAN-PAUL LUKSIC
Chairman

Copper cathodes ready for shipment.

How we apply the Code

UK Corporate Governance Code compliance statement

The UK Corporate Governance Code issued by the Financial Reporting Council in July 2018 sets out the governance principles and provisions that applied to the Company during 2023.

The Code is not a rigid set of rules, it consists of principles and provisions. The Listing Rules require companies to apply the principles and report to shareholders on how they have done so. This Corporate Governance Report shows how these principles have been considered and applied to the Company's specific circumstances.

The Company complied with all the principles and detailed provisions of the Code in 2023 except for Code Provisions 9 and 19. Code Provision 9 recommends that the Chairman should be independent on appointment when assessed against the circumstances set out in Provision 10 and Code Provision 19 recommends that the Chairman should not remain in post beyond nine years from the date of first appointment to the Board.

The Company's Chairman, Jean-Paul Luksic, was appointed to the Board in 1990. He served as CEO of the Group's Mining division from 1998 until 2004 and was appointed Executive Chairman in 2004. In 2014, he stepped back from executive responsibilities to become Non-Executive Chairman, a role he has continued to hold since then. Mr Luksic's longstanding UK corporate governance and Chilean mining and business experience, coupled with his knowledge of the Group's businesses have been for many years, and continue to be, a cornerstone of the Company's continuing growth and success.

Mr Luksic is also a member of the family that is interested in the E. Abaroa Foundation, a controlling shareholder of the Company for the purposes of the UK Listing Rules and is therefore uniquely positioned to ensure that the interests of shareholders, together with the interests of other stakeholders (many of whom are based in Chile), are taken into account to promote the long-term sustainable success of the Company and to promote governance that the Board is convinced is best for the Company's particular circumstances in the long term.

Mr Luksic is committed to wider succession and diversity planning and, in his roles as Chairman of the Board and Chair of the Nomination and Governance Committee, he has overseen the design and implementation of succession plans to increase diversity, including gender, and continually refresh the Board. The Board and its Committees meet or exceed the Code's recommendations for independent composition and the Company complies with the new UK Listing Rules regarding diversity with 45% of the Board comprising women and a female Senior Independent Director. There is a Board approved succession plan for the Chairman in the event of an unforeseen departure.

The Board considers that Mr Luksic continues to demonstrate objective judgement and provide constructive challenge and leadership, and believes that his continued appointment is appropriate without fixing a limit to his length of service. The Company's major shareholders are regularly consulted on this subject, and in meetings with the Senior Independent Director in November 2023, continued to unanimously express their support for Mr Luksic's continued service as Chairman of the Board.

The composition of the Board and its Committees is entirely in line with the Code provisions and the Chairman is fully supported by the Board, the Nomination and Governance Committee and the Senior Independent Director in ensuring that, despite non-compliance with Code Provisions 9 and 19, good governance is maintained.

Further details on the composition of the Board and its Committees are set out on page 132 and further details of the role of the Senior Independent Director are set out on pages 122 and 135.

The UK Corporate Governance Code is available on the Financial Reporting Council website at www.frc.org.uk.

The Board has been monitoring developments culminating in the revised UK Corporate Governance Code issued by the Financial Reporting Council in January 2024, and plans to report against the relevant Principles and Provisions of this new version of the Code from 1 January 2025.

How the Code principles were applied in 2023

Board leadership and Company purpose

The role of the Board

- The Company is led by an effective and entrepreneurial Board, which is collectively responsible for promoting the Company's long-term sustainable success, generating value for shareholders and contributing to wider society as shown throughout this Corporate Governance Report.
- The Board has adopted and actively promotes the Group's purpose, vision, values and strategy, and has satisfied itself that they are aligned with its culture – pages 22-25 and 126.
- The Board has ensured that the necessary resources are in place for the Company to meet its objectives and measure performance against them. It has established both its risk appetite and a framework of prudent and effective controls, which enable risk to be appropriately assessed and managed – pages 74-85.
- The Board ensures effective engagement with, and encourages participation from, shareholders and other stakeholders to ensure that its responsibilities are met – pages 30-73, 120, 122, 128-129, 135, 157 and 174.
- The Board ensures that workforce policies and practices are consistent with the Company's purpose, vision and values and supports its long-term sustainable success. The workforce can raise any matters of concern anonymously through the Group's whistleblowing channels – pages 40-42, 86, 130, 149, 156-178.
- The Board considers the matters set out in section 172 of the Companies Act 2006 in Board discussions and decision-making – pages 40-73. Detailed examples can be found on pages 128-129.

Division of responsibilities

- The Board is structured to ensure that no one individual or small group of individuals dominates its decision-making, as demonstrated throughout this Corporate Governance Report.
- The CEO is not a Director of the Company and is therefore not a member of the Board – page 135.
- There is a clear division of responsibilities between the Board and the executive leadership of the Company's business – pages 124, 134-135.
- The division of responsibilities between the Chairman, the CEO and the Senior Independent Director is recorded in writing, and is available on the Company's website at antofagasta.co.uk.
- The roles of the Board and the Board Committees are recorded in the Schedule of Matters Reserved for the Board and the Terms of Reference for each of the Board's Committees, all of which are available on the Company's website at antofagasta.co.uk.
- The Board, supported by the Company Secretary, has the policies, processes, information, time and resources it needs in order to function effectively and efficiently – pages 125 and 141.

The Chairman

- The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. His responsibilities are set out on page 135.
- The Board considers that the Chairman demonstrates objective judgements and promotes a culture of openness, healthy challenge and debate – pages 118 and 122.
- The Chairman facilitates constructive Board relations and the effective contribution of all Directors. He is responsible for setting the Board's agenda and ensuring that Directors receive accurate, timely, relevant and clear information – pages 125, 135 and 141.

Non-Executive Directors

- The Non-Executive Directors provide constructive challenge and strategic guidance, offer perspectives across various specialisms and hold management to account – pages 132-134.

Commitment

- All Directors have confirmed that they are able to allocate enough time to meet the expectations of their role – page 132.
- Directors do not undertake additional external appointments without the Board's prior approval – page 132.
- Time commitment is considered during Board effectiveness reviews and when electing and re-electing Directors – pages 140-143.
- A review of Directors' external directorships is carried out annually – pages 123 and 180.

Information and support

- The Board is provided with appropriate information in a form and of a quality to discharge its duties – page 125.
- The Board has access to independent professional advice and to the advice and services of the Company Secretary – pages 135 and 141.
- The Board is regularly updated on the Group's performance between scheduled Board meetings – page 125.

Composition, succession and evaluation

Composition of the Board and Committees

- The Board has 11 Directors, comprising a Non-Executive Chairman and ten other Non-Executive Directors, six of whom are independent – page 132-135.
- All members of the Audit and Risk and Remuneration and Talent Management Committees are independent and two of the three Nomination and Governance Committee members are independent – page 132-133.
- The Board and its Committees comprise Directors with the requisite combination of skills, experience and knowledge to fulfil their roles – page 132-135.
- There is a diverse pipeline for succession. Consideration is given to the length of service of the Board as a whole and membership is regularly refreshed – page 134 and 140-143.

Appointments to the Board and succession planning

- There is a formal, rigorous and transparent process, led by the Nomination and Governance Committee, to identify and appoint new Directors – page 140-142.
- Independent external search consultancies are used for appointments to the Board – pages 141-142.
- An effective succession plan is maintained for Board and senior management appointments – pages 142-143 and 175.
- Appointments and succession plans are based on merit and objective criteria and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and experience – page 141.

Development

- New Directors receive a thorough induction upon joining the Board – pages 140-143.
- Directors are regularly updated with information and training and, as a minimum, receive an annual briefing on legal, regulatory, market and other developments relevant to Directors of UK-listed companies – page 141.

Evaluation

- An annual evaluation of the Board considers composition, diversity and how effectively members work together to achieve objectives – page 143.
- Individual evaluation is part of the annual Board evaluation and assesses whether each Director continues to contribute effectively – page 143.
- An internal Board and Committee effectiveness review was conducted in 2023 – page 143.

Re-election

- All Directors stand for re-election by shareholders annually.

Audit, risk and internal control

Governance

- The Board has established formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and to satisfy itself on the integrity of financial and narrative statements – page 144-149.

Financial and business reporting

- The Board considers that the Annual Report presents a fair, balanced and understandable assessment of the Company's position and prospects – page 181.

Risk and internal control

- The Board has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives – pages 74-85 and 148-149.

Experience and competence

- All Audit and Risk Committee members are considered to have recent and relevant financial experience and have competence relevant to the mining industry and one member is a Chartered Accountant – page 132-134.

Remuneration

Policy

- The Company has no executive Directors; however, the CEO's remuneration is disclosed as if he were a director.
- The Directors' and CEO's Remuneration Policy, which was approved by shareholders at the 2023 AGM, is aligned to the Company's purpose, vision and values and is clearly linked to the successful delivery of the Company's long-term strategy – pages 162-165 and 172.
- The Remuneration and Talent Management Committee Chair, Francisca Castro, served as a member of the Committee for more than 12 months before being appointed as Chair.
- The CEO's remuneration includes transparent, stretching and rigorously applied performance-related elements designed to promote the Company's long-term sustainable success – pages 156-177.

Procedure

- The Board has a formal and transparent procedure for developing policy on executive remuneration and determining Director and senior management remuneration – pages 156-178.
- No Director, nor the CEO, is involved in deciding his or her own remuneration.
- Directors exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance and wider circumstances including internal and external factors – pages 156-165.

Chairman's introduction

Effective Board leadership

JEAN-PAUL LUKSIC
Chairman

Dear shareholders

Welcome to the Corporate Governance section of our 2023 Annual Report.

My introductory letter on pages 8-10 of this Annual Report sets out some of the Group's key challenges and achievements in 2023 and my reflections on the outlook for 2024 and illustrates the Board's ability to navigate these scenarios supported by our strong and effective governance framework.

Reflecting on our 40th year of operating copper mines, we are proud of our strong performance during the year, which included record safety performance and the successful delivery of key development projects and key investment decisions that will secure the long-term future of our business.

Shareholder engagement

We were pleased to engage with shareholders at our AGM in 2023, with a return to normality following the pandemic years.

As the year progressed, our Senior Independent Director and Chair of the Remuneration and Talent Management Committee, Francisca Castro, met with shareholders and proxy advisers in a mix of in-person and virtual meetings. In the meetings, discussions centred on our approach to corporate governance and provided an opportunity for shareholders and proxy advisers to share their perspectives on the Company, with a particular focus on corporate governance.

Details of these meetings can be found in the Senior Independent Director's introduction on page 122 and the Remuneration and Talent Management Committee Chair's introduction on page 156.

Diversity and Inclusion

An issue that was discussed with shareholders, which is important to our Board, was diversity – particularly gender diversity. Since 2014, more than half of our appointments to the Board have been female and women now make up 45% of our Board. We were delighted that Francisca Castro took on the role of Senior Independent Director during the year. Francisca has been a Director since 2016 and has Chaired the Remuneration and Talent Management Committee since 2017. She has a strong understanding of shareholder corporate governance expectations and close connection with the Group's businesses in Chile. We aim to continue to meet the UK's targets on gender diversity, while also continuing to build a pipeline of female talent across the organisation, particularly at the Group's mining operations where the recruitment of female talent has historically been particularly difficult.

Further information on the Board's diversity policy can be found in the Nomination and Governance Committee Report on page 140.

Audit and Risk Management

Deloitte will take over the external audit from PwC for the 2024 financial year onwards and shareholders will be asked to confirm this appointment at the 2024 AGM. The Board, led by the Audit and Risk Committee, conducted a tender process for the appointment of the Group's auditor in 2022 and has continued to oversee the transition plans and progress during 2023. I would like to thank Simon Morley and the PwC teams in the UK and Chile for their excellent performance over the last nine years and we look forward to working with Chris Thomas and the Deloitte teams in the UK and Chile in the coming years.

Our Commitment to Sustainability Issues

Our efforts on climate change are an integral part of our Sustainability strategy, but far from the only ones. The copper we produce has a key role to play in a net-zero world: our responsibility is to produce it sustainably, efficiently, and with respect for local communities and the environment.

Having achieved our emissions reduction target in 2022, efforts in 2023 were focused on developing a detailed decarbonisation strategy and associated emissions reduction targets that would guide the next phase of our development. Following this work, we were able to publish updated targets covering Scope 1, 2 and 3 emissions in early 2024.

Stakeholder engagement

Our Directors visited our operations, including the desalination plant and concentrator plant expansion projects throughout the year. The insights from these visits were shared at Board and Committee meetings, deepening the Directors' understanding of our activities and providing direct feedback to the Board from our stakeholders at site. These insights were particularly important in monitoring progress towards completion of the Los Pelambres expansion project and the integration between project and operations teams and relations with our stakeholders in the Choapa Valley.

Board evaluation

We always seek continuous improvement in all that we do, and the Board and its governance are no exception. During 2023, we carried out an internal evaluation of the Board and Committees which followed on from the 2022 external comprehensive independent Board evaluation.

Further details regarding the evaluation and our progress can be found on page 143.

Board changes and succession planning

Jorge Bande reached nine years of service in December 2023 and has retired from the Board. We appreciate Jorge's contribution to the Company over these years and thank him for his continued support of our vision. Heather Lawrence and Tracey Kerr joined the Board in April 2023 and January 2024, respectively. We are delighted with the skills, experience and additional diversity of perspective that they bring to the Board. Heather is a qualified chartered accountant with corporate finance and investment banking experience and Tracey brings extensive experience in safety, sustainability, operations and exploration in global mining businesses. Both Heather and Tracey have strong governance experience in UK listed companies.

At its core, Antofagasta is a long-term business. Our mines operate on decades-long timelines, and our governance structures and processes are designed to help us achieve long-term sustainable success.

Thank you for your ongoing engagement. I look forward to having the opportunity to meet with you at our AGM.

JEAN-PAUL LUKSIC
Chairman

Board oversight of climate-related risks and opportunities

The Board has ultimate responsibility for the Group's climate-related objectives and strategy. The Board's oversight of climate-related risks and opportunities is fully integrated within our governance structures. This responsibility and oversight includes specific climate related activities such as approving the Group's Climate Change Strategy, approving emission reduction targets, monitoring implementation of the Climate Change Strategy and approving the Company's TCFD disclosures. This also includes more general approval and oversight responsibilities which incorporate climate-related risks and opportunities such as reviewing and approving the Group's capital allocation framework which includes criteria relating to climate resilience and an internal carbon price, reviewing and approving the Group's base and development case models which include adjustments for physical and transition risks associated with climate change, approving the Group's annual budget, reviewing the Group's principal and emerging risks which include climate change and approving KPIs in the Group's remuneration structures that reward our employees for progress in achieving the Group's climate-related objectives.

In 2023, the Board allocated time to specifically review the financial implications of climate change on the Group using the TCFD framework, considering a detailed and updated evaluation of the costs of mitigation and adaptation as well as opportunities. Further details are set out on page 144.

During 2023, the Board approved the Company's second climate change report which provided a detailed overview of the Company's efforts and progress in addressing climate change and reducing its environmental footprint. The report includes the Company's inaugural summary of Scope 3 emissions which was reviewed by the Board and which followed a two-year process to improve the understanding of the emissions that relate to the Company's value chain. The report is available on the Company's website at www.antofagasta.co.uk.

The Board also approved new carbon emissions reduction targets to: (1) reduce the Group's Scope 1 and Scope 2 emissions by 50% by 2035 considering 2020 emissions as a baseline; and (2) engage with the industry to achieve a 10% reduction in Scope 3 emissions by 2030. The Board also agreed that decarbonisation targets will be revisited in 2025.

The Board is supported by all of the Board's committees in ensuring that climate-related considerations are fully integrated into the Board's governance structures. For example:

- As shown on pages 140-143, the Nomination and Governance Committee considers the Board's skills matrix when making appointments to the Board. This matrix includes sustainability experience (which includes competence on climate-related issues) as a key skill and the Board ensures that there is an adequate depth of climate change knowledge and awareness on the Board when making new appointments.
- As shown on pages 144-149, the Audit and Risk Committee assists the Board in overseeing the Group's risk management framework, including climate change risk and the financial implications of climate change.
- As shown on pages 151-153, the Sustainability and Stakeholder Management Committee considers climate change when reviewing and monitoring relevant strategy, policies and performance matters. In 2023, this included reviewing a progress report on the development of an inventory of Scope 3 emissions and next steps and reviewing a proposal that was approved by the Board to incorporate all of the Group's operating companies to the UN Global Compact, reviewing the Group's environmental Management Model and Organisation, including in relation to climate change and reviewing the water situation in the Choapa Valley after 14 years of lower-than-normal rainfall and Los Pelambres' water strategy.
- As shown on page 154-155, the Projects Committee considers climate change when reviewing and monitoring the Group's major capital projects.
- As shown on page 156-177, the Remuneration and Talent Management Committee monitors executives and managers' short- and long-term incentive plans which include KPIs relating to climate change such as the implementation of the Company's Decarbonisation Plan, which was created following studies completed during 2023.

Senior Independent Director's introduction

Board balance

"The feedback I received from shareholders was reported to the Board and is reflected in the decisions that have been made in the preparation of this Corporate Governance report."

FRANCISCA CASTRO
Senior Independent Director

Q. What are your responsibilities as Senior Independent Director?

I am delighted to have taken on the role of Senior Independent Director following my appointment in August 2023.

I have three main responsibilities as Senior Independent Director. First, I must be available to shareholders to ensure that the Board considers their views, interests and concerns. Second, I provide support to the Chairman, ranging from advice on corporate governance matters to presiding over potential conflict of interest decisions by the Board, and making sure that the views of the other Directors are conveyed to him and reflected in Board discussions. Third, I lead the annual review of the Chairman's performance and oversee the closure of any gaps identified by internal and externally facilitated reviews of the Board's and the Committees' performance.

I discharge these responsibilities through close co-ordination with the Chairman, Directors, Company Secretary and the management team. I met with various shareholders and proxy advisers during the year to understand their views of the Company. This has helped me ensure that the Chairman, the Board and the management team receive a balanced view of issues that are relevant and important for our shareholders.

Q. Why did you meet with shareholders and proxy advisers during the year and what issues were discussed?

As Senior Independent Director and Chair of the Remuneration and Talent Management Committee, I aim to meet with shareholders every year to gain a first-hand understanding of the subjects that matter to them. This year I invited the Company's 20 largest investors as well as the Investment Association, Glass Lewis and Institutional Shareholder Services to meet to discuss Corporate Governance matters and to allow shareholders to raise any concerns that they would like to discuss without the presence of the senior management team. The feedback I received was very positive and no major concerns were raised. We engaged in discussions relating to the Board's independence and the role of the controlling shareholder in the Board's governance arrangements, the key issues and risks considered by the Board to be relevant, the Board's diversity policy and progress towards achieving the new targets set out in the Listing Rules, and the Board's oversight of other sustainability matters, such as carbon emission reduction targets. The feedback I received from shareholders was reported to the Board and is reflected in the decisions that have been made in the preparation of this Corporate Governance report.

Q. What impact does the controlling shareholding have on Company decisions?

Members of the Luksic family have been involved in the Company for over 40 years. During this time, the Company has demonstrated an excellent track record in terms of safety, operational performance and financial strength.

I have discussed the role of the controlling shareholders with shareholders. The widely held view is that the substantial controlling interest is positive, with shareholders satisfied that the interests of the controlling shareholders are aligned with theirs, many having invested based on this interest. They have expressed their appreciation of the members of the Luksic family who serve on the Board, commending their long-term vision, which has contributed to the Company's prudent operating, financial and growth strategy, as well as its stability.

Shareholder support is, of course, conditional on the strength of the current corporate governance framework, which rigorously protects the interests of all shareholders equally.

I, and all the other Independent Directors, guard our independence and place a strong emphasis on maintaining this governance and protection regime. We are supported and encouraged by the other Directors who – like the Independent Directors – bring their own perspectives and opinions and are committed to the long-term sustainable success of the Company.

The controlling shareholders and the members of the Luksic family who serve on the Board (including the Chairman), actively support this framework and encourage the Independent Directors to provide the independent input and challenge that, we are convinced, proves invaluable in Board decision-making.

FRANCISCA CASTRO
Senior Independent Director

Relationship agreement

The E. Abaroa Foundation is a controlling shareholder of the Company for the purposes of the Listing Rules and certain other shareholders of the Company (including Aureberg Establishment) are also treated as controlling shareholders. Details of the Company's substantial shareholders are set out on page 180.

In 2014, the Company entered into relationship agreements with each controlling shareholder, which contain the mandatory independence provisions required by the Listing Rules. The Company complied with and, so far as the Directors are aware, each controlling shareholder and its associates (including Metalinvest Establishment and Kupferberg Establishment) also complied with the mandatory independence provisions throughout 2023.

Related party transactions

Certain related party transactions outside the ordinary course of business must be subject to independent assessment and approval. The Company has for many years presented all such related party transactions between the Company and the controlling shareholders or their related entities to a committee of Directors independent from the controlling shareholders, to assess whether the Company should enter into such transactions and, if so, to oversee the negotiation process. In most cases, transactions of this nature will also be subject to independent review by third-party shareholders in each of the Group's mining operations.

Any proposed related party transaction over $40 million, whether or not in the ordinary course of business, is also tabled for Board approval. Any Director with a potential conflict or connection with the related party does not take part in the decision on that transaction.

Related party governance in practice

There are several checks and balances to ensure that there is full transparency in the handling of related party transactions by the Board. The following table summarises the approach taken to identify and manage related party transactions and actual or potential conflicts of interest.

Identifying Directors' interests

Process	How this is managed	Responsibility
Monitoring of directors' interests	If a Director has an interest in any other entity, the Board will normally consider that interest under its arrangements for authorising potential conflicts of interest under section 175 of the Companies Act. See page 180 for more information.	Directors

Managing related party transactions

Process	How this is managed	Responsibility
Proposed transaction	Ongoing monitoring of Directors' interests and the Company's related parties provides information to determine whether a related party approval is required for a proposed transaction.	Company Secretary, senior management and the Executive Committee
Contract negotiation and verification	The Executive Committee seeks to ensure that the best possible terms are achieved for a proposed transaction and that, where appropriate or necessary, they are verified by industry benchmarking reports or independent third-party valuation or assessment. If the potential transaction is between the Group and a controlling shareholder or its associates and is a transaction to which the UK Listing Rules related party transaction rules apply, a committee of Directors independent from the controlling shareholder and its associates is formed to oversee and support management with this process and to ensure compliance with the corresponding Relationship Agreement.	Senior management and the Executive Committee and, if involving a controlling shareholder, Independent Directors
Approval by independent directors	Potential related party transactions outside the ordinary course of business that involve a controlling shareholder, or its associates, are reviewed and if appropriate, approved by Directors independent from the controlling shareholders. All potential related party transactions over $40 million, whether or not in the ordinary course of business, are approved by the Board. Any Director with a potential conflict or connection with the related party will not take part in that decision. Transactions within the ordinary course of business that are below $40 million require approval by the relevant operating Company Board. All the operating company boards in the Mining division have Directors representing third-party shareholders.	Independent Directors

Our governance framework

Antofagasta plc Board

The Board's role is to promote the long-term, sustainable success of the Company, generating value for shareholders and contributing to wider society. The Board has established the Company's purpose, values, strategy and risk appetite and monitors the culture of the Group as well as its performance against defined measures.

The schedule of matters reserved for the Board is available on the Company's website at antofagasta.co.uk.

Key responsibilities

- Culture
- Strategy and management
- Governance
- Shareholder engagement
- Internal controls, risk management and compliance
- Financial and performance reporting
- Structure and capital
- Approving material transactions

Board Committees

The Board is assisted in discharging its responsibilities by five Board Committees.

The Board has delegated authority to these Committees to perform certain activities as set out in their terms of reference, which are available on the Company's website at antofagasta.co.uk.

The Chair of each Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters in detail and to consider the Committee's recommendations.

Key responsibilities

The key responsibilities of each Committee and their focus areas for 2023 are set out on page 138.

- Nomination and Governance
- Audit and Risk
- Sustainability and Stakeholder Management
- Projects
- Remuneration and Talent Management

CEO and Executive Committee

The Board has delegated day-to-day responsibility for implementing the Group's strategy and fostering the corresponding organisational culture to the Company's CEO, Iván Arriagada.

Mr Arriagada is not a Director of the Company but attends all Board meetings and Board Committee meetings, and is supported by the members of the Executive Committee, each of whom has executive responsibility for his or her respective function.

Mr Arriagada chairs the Executive Committee.

The Executive Committee reviews significant matters and approves expenditure within designated authority levels.

The Executive Committee leads the annual budgeting and planning processes, monitors the performance of the Group's operations and investments, evaluates risk and establishes internal controls, promoting the sharing of best practices across the Group.

Subcommittees of the Executive Committee

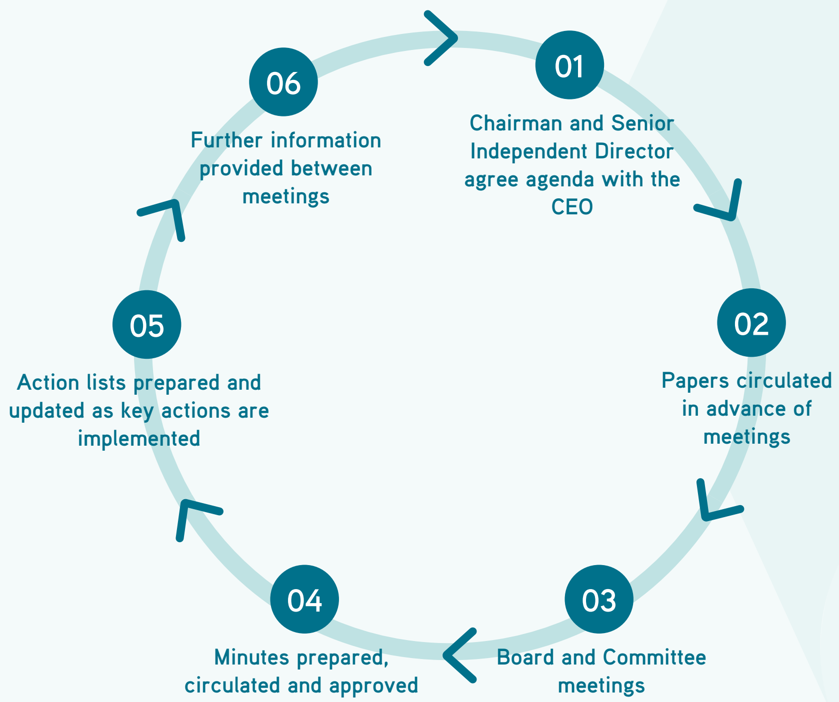
Members of the Executive Committee also sit on the boards of the Group's operating companies and report on the activities of those companies to the Board, Mr Arriagada and the Executive Committee.

The Board has delegated to the Disclosure Committee primary internal responsibility for identifying information that may need to be disclosed to the market and for managing its disclosure in line with the Group's current Disclosure Procedures Manual.

The Executive Committee is assisted in its responsibilities by the following Subcommittees:

- Business development
- Climate change
- Disclosure
- Ethics
- Operating performance review
- Project steering
- Water, energy & emissions management

Board and Board Committee information flows



01

Chairman and Senior Independent Director agree agenda with the CEO and the Company Secretary

The Chairman and Senior Independent Director, in consultation with the CEO and the Company Secretary, maintain an agenda of standing topics to be considered by the Board and Committees each year, which is then supplemented, during the year, with agreed key topics and events requiring consideration.

Ad hoc Board and Committee meetings are also called, as appropriate.

02

Papers circulated in advance of meetings

Materials are sent to Board and Committee members a week in advance of each meeting.

Presentations include a summary of the objective, background, proposal, justification, risk analysis and next steps associated with that topic. Materials include the CEO's report, which is an open and candid summary of his views on evolving strategic challenges, changes in risk assessments and emerging issues, as well as the management report which includes detailed information on the Group's performance against key safety, health, environmental, community, financial, workforce, project development and organisational culture indicators.

03

Board and Committee meetings

Board and Committee meetings include regular in-camera sessions without management present to allow Directors to set expectations for the meeting and to reflect on and evaluate the meeting's progress. The CEO provides timely updates to the Board on emerging issues, while executives present to the Board and its Committees on operating and development matters, allowing close interaction between Directors and a wide range of executive management.

04

Minutes prepared, circulated and approved

The Company Secretary minutes all Board and Committee meetings, which are circulated and reviewed by the Board and management, updated as necessary and tabled for approval at the following meeting.

05

Action lists prepared and updated as key actions are implemented

The Board and each Committee maintain an action list that is reviewed at the beginning of each meeting to ensure that Directors' enquiries and concerns are clearly identified and timely addressed.

06

Further information provided between meetings

Between Board meetings, Directors receive flash reports with monthly and year-to-date production and financial results, ensuring that the Board is regularly updated on the Group's progress. The Board also receives a detailed operations report every six months which provides a detailed explanation of the Group's health and safety and operational performance in the different areas within the business.

Where appropriate, Directors may receive general information on the commodity markets and additional reports highlighting key developments in the Group's exploration, projects, business development and innovation activities.

The Group's management team, led by Iván Arriagada, performs an essential role in ensuring that the Board has the information required to make effective decisions, reporting in real time on the implementation of the Group's strategy and the Company's performance.

Board oversight in 2023

During 2023, the Board provided oversight on the pursuit of the Group's strategy, addressed critical issues in a timely manner and advised management on the development of strategic priorities and plans, while seeking to align these with the values of the Group and stakeholders' best interests.

Our strategic framework

The Board has strengthened our commitment to Developing Mining for a Better Future as the purpose that mobilises us and gives meaning to everything we do.

We are an international mining Company focused on copper and its by-products, known for our operating efficiency, creation of sustainable value, high profitability and as a preferred partner in the global mining industry.

We want to generate a diverse and inclusive culture, with key values shared by all. We have a Code of Ethics and our own way of doing things, while responsibly managing our risks. To achieve this, we rely on the talent and capabilities of our workforce. Our flexible and resilient organisation allows us to overcome current and future challenges.

Below are examples of how the Board's activities in 2023 have furthered the Group's strategy.

Read more about our strategic framework on page 22.

Culture

- Monitored operational and projects performance and its link with the Group's culture, particularly concerning health and safety.
- Oversaw the continued implementation of the Group's strategic framework, including the Group's purpose, vision, values and culture.
- Monitored progress on the implementation of the Group's Diversity and Inclusion Strategy.
- Reviewed workforce engagement survey results.
- Received feedback on meetings with representatives of the Group's labour unions.

Governance and engagement

- Reviewed Board and Executive Committee succession plans.
- Interviewed potential future Board candidates.
- Reviewed Directors' independence and skills on the Board.
- Reviewed Directors' conflict of interest declarations.
- Oversaw the 2023 Board and Committees internal effectiveness review.
- Monitored feedback from investors and proxy agencies regarding the Group's corporate governance arrangements.
- Reviewed and approved the Company's Modern Slavery Act statement.

Internal controls, risk management and compliance

- Reviewed the Group's principal and emerging risks; conducted the annual review of the Group's risk appetite statements, which are aligned with the Group's strategic pillars and approved amendments to risk appetite declarations.
- Reviewed and updated the Group's risk matrix, materialised risks and risk mitigation activities.
- Reviewed budgets for initiatives designed to mitigate material identified risks.
- Reviewed physical and transition risks associated with climate change and incorporated their impact as a sensitivity to the Group's Base Case and Development Case.
- Attested to the effectiveness of the Group's risk management and internal control systems.
- Reviewed actions planned for 2024 to prepare for the UK Government's corporate governance reforms.
- Reviewed half-yearly compliance reports.
- Reviewed results of the Group's whistleblowing processes.
- Reviewed Internal Audit's progress on audits planned for 2023 and approved the 2024 audit plan.
- Oversaw plans designed to ensure a smooth transition from PwC to Deloitte as the new external auditor for the 2024 financial year onwards.

Financial and performance reporting

- Approved the Group's 2022 full-year and 2023 half-year results and corresponding announcements.
- Recommended and declared dividends paid to shareholders during 2023.
- Reviewed and approved going concern and viability statements, including stress tests.

Further information relating to these matters and how the Board had regard to the stakeholders and matters set out in s. 172(1) of the Companies Act 2006 are set out on pages 128-129.

Our strategy is designed to enable us to achieve our purpose. It is supported by five pillars: safety and sustainability, people, competitiveness, innovation and growth and each has defined short- and medium-term goals.

Safety and Sustainability

The health and safety of our employees and contractors is our first priority. We are committed to achieving zero fatalities at our operations and continuing to reduce the number and seriousness of accidents and occupational health issues. We view sustainability as a source of value creation that is central to our decision-making processes.

- Reviewed and monitored the Group's health and safety performance.
- Reviewed the Group's compliance with its environmental commitments.
- Monitored the Group's implementation of its Climate Change Strategy.
- Reviewed the implementation of water conservation and efficiency measures at Los Pelambres, addressing the water shortage generated by a 14-year drought.
- Continued to monitor independent reviews of the safety of the Group's tailings storage facilities and assessed it versus industry best practice and the ICMM's GISTM standard.
- Continued to monitor the Group's community engagement model including the Somos Choapa programme at Los Pelambres.
- Assessed progress in the renewal of key water extraction and mining permits at Zaldívar.

People

People are central to our business. We want our employees to feel recognised and to maximise their opportunities for personal and professional growth. We seek to generate a culture of diversity and inclusion which allows our employees to achieve their full potential. Our goal is to be the best employer in the Chilean mining industry. To achieve this, we understand the importance of creating an environment of trust and collaboration focused on the long-term.

- Continued to oversee the implementation of the "New Ways of Working" initiatives to facilitate flexible on-site, home-based and hybrid working arrangements, with the goal of creating a more flexible, adaptable and resilient organisation.
- Reviewed the results of employee engagement surveys.
- Reviewed the annual talent management exercise, including succession plans for Directors, the CEO and the Executive Committee.
- Reviewed employee performance, including the Company's short-term and long-term incentive scorecards.
- Monitored progress on the implementation of the Group's Diversity and Inclusion Strategy with the goal for women to represent 30% of the workforce by the end of 2025.
- Monitored labour relations at the Group's mining and transport operations and reviewed results of collective bargaining negotiations, which were completed in an atmosphere of respect and trust.
- Monitored progress of the annual Human Resources plan.
- Reviewed development of the 2023 Directors' and CEO's Remuneration Policy, which was approved by shareholders at the 2023 AGM.

Competitiveness

Competitiveness is based on productivity gains, controlling costs and streamlining our processes.

- Monitored results of the Group's Cost and Competitiveness Programme, including estimated future savings.
- Approved key procurement and sales contracts.
- Reviewed and monitored the Group's operating and financial performance.
- Reviewed the impact of the new mining royalty in Chile.
- Monitored the impact of the new Chilean law on economic and environmental crimes.
- Reviewed actions taken to enhance cyber security.
- Reviewed and approved the Group's 2024 budget.

Innovation

We innovate as a means of improving social, environmental and economic performance while delivering strong returns for our shareholders. Innovation is key to improving productivity and efficiency and promoting growth, especially in the medium and longer term.

- Oversaw progress on the Group's innovation portfolio, including operational and data analytics initiatives.
- Reviewed progress on the implementation of the Group's digital transformation programme.
- Monitored progress on Centinela's and Los Pelambres' integrated remote operations centres.
- Reviewed and approved Centinela's in-pit tailings deposition project which aims to allow for tailings deposition in pits no longer in use.
- Reviewed the potential application of the Group's proprietary Cuprochlor®-T primary sulphide leach technology.
- Reviewed an independent assessment of the Group's innovation maturity, evaluating strategy, governance, impact, innovation and visibility.

Growth

We have a portfolio of growth projects that allows us to remain competitive by developing sustainable operations over the long term.

- Approved the acquisition of a 19% interest in Compañía de Minas Buenaventura S.A.A., Peru's largest publicly traded precious and base metals company.
- Reviewed progress on the Los Pelambres Expansion project.
- Reviewed progress on Phase 2 of the Los Pelambres Expansion project.
- Approved the execution of the Centinela Second Concentrator project.
- Reviewed Zaldívar's permitting strategy to extend its water extraction permit beyond 2025.
- Monitored actions to advance alternatives at the Twin Metals project in Minnesota.
- Reviewed business development and exploration opportunities and activities.
- Reviewed progress on the Group's material Environmental Impact Assessments.
- Reviewed and approved the divestment of mining properties in Chile that are not considered sufficiently prospective for future exploitation by the Company.
- Reviewed and approved the Group's long-term price assumptions and commercial parameters.
- Reviewed and approved the base case and development case for the Group's assets, including a sensitivity for climate change effects.
- Reviewed the Group's mineral resources and ore reserves statement.

Stakeholder engagement to ensure delivery of our purpose

The Group maintains ongoing dialogue with stakeholders to understand their expectations and concerns, and their views are carefully considered in the Board's deliberations. A description of the Group's key stakeholders, their importance to the Group's long-term sustainable success and the key initiatives that are in place to recognise their interests and concerns, is set out in detail within the Strategic Report on pages 1-117.

Further details on the Board's workforce engagement mechanisms are set out on pages 130-131.

Examples of key Board decisions in 2023 are provided here as examples of how stakeholder considerations, and the factors set out in section 172(1) of the Companies Act 2006, were central to the decision-making processes. The Board took into account the different interests of stakeholders but with an overarching focus, as required by section 172(1), on acting in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole. The likely long-term consequences of each decision were, among other things, key considerations for the Board.

Centinela Second Concentrator Project

The Board has ultimate responsibility for the Group's growth strategy and objectives. The pursuit of robust economic growth options embedded in the large mineral resources of our first-tier sites is a key pillar of this strategy. In December 2023, after extensive review, the Board approved the Company's investment in the Centinela Second Concentrator Project.

This brownfield expansion project is an investment of $4.4 billion to construct an additional concentrator at Centinela, which will effectively double the sulphide ore processing capacity at this operation, adding an average of 170,000 tonnes of copper-equivalent production to the Company's portfolio.[1] It is envisaged that construction will take approximately three years, and the Board has overseen the arrangement of a financing package that comprises a direct funding component from the project's shareholders (being Antofagasta plc and Marubeni Corporation) and project finance provided by lenders.

Critical path activities commenced following the project's approval, with full construction commencing after the execution of definitive project finance documents during Q1 2024.

How the Board considered, and had regard to, the interests of key stakeholders and the requirements of section 172(1)

The Board has monitored closely the advancement of this project, considering the likely consequences of this decision on the long-term interests of the Company's shareholders and the Group's employees and contractors, suppliers, customers and other business partners.

- In making this decision, the Board had regard to the need to foster the Group's business relationships with the workforce that will work to construct the project, the local and international suppliers from who will deliver the products required for construction, customers, including off-takers who have committed to acquire the copper concentrate that will be produced once the project has been completed and the group of international lenders who have signed a $2.5bn term loan to facilitate the construction of this project.
- The Board also had regard to the impact of the project on the community and the environment, securing a long term power contract that ensures 100% electricity supply from renewable sources, committing to the use of raw sea water and overseeing the decision to use high-pressure grinding rolls which are expected to reduce energy consumption. The project will leverage more than 20 years of operational experience, utilizing existing infrastructure and building on long-established relationships with Centinela's local communities.

1. Average over the first ten years of production.

Updated decarbonisation strategy and emissions reduction targets

The Company met its previous emissions reduction target in 2022. This was predominantly achieved by contracting renewable power at all of the Group's operations and facilitating a material reduction in Scope 2 emissions. Following this achievement, the Board oversaw work to develop a detailed decarbonisation pathway in 2023. This work included the establishment of the relevant team within the organisation, to review the Group's existing emissions footprint, understand modern technologies that may be relevant in reducing emissions, and mapping a pathway to carbon neutrality.

As a result of the work carried out in 2023, the Board approved new carbon emission reduction targets that were published in February 2024, with the Company's detailed decarbonisation plan expected to be announced in the first half of 2024.

The new targets set cover Scope 1, 2 and 3 emissions of greenhouse gases, and the publication of updated targets follows the publication of the Company's inaugural Scope 3 emissions estimate in 2023. For Scope 1 and 2 emissions combined, the Company is targeting a 50% reduction in its absolute emissions by 2035, which factor into account the Company's planned increase in production during this time and using 2020 as the baseline year. In relation to Scope 3 emissions, the Company has set a target of a 10% reduction by 2030, with this reduction on a projected basis.

How the Board considered, and had regard to, the interests of key stakeholders and the requirements of section 172(1)

Combatting climate change is an integrated part of Antofagasta's strategy and the decision to approve new emissions reduction targets considered the broad impact that climate change could have on the long-term success of the Company. The effects of climate change on the environment in Chile are clear, with changing environmental conditions and water availability key concerns, and therefore the Board understands the need to continue to build climate resilience into its business model and activities.

- In developing these targets, the Board was regularly updated on the views, expectations and challenges facing the local communities near our operations, suppliers and customers to understand the current and future impact of climate change on these stakeholders and their own capabilities, objectives, capacity and and ambitions to address this global challenge.
- The Board considered the specific actions that would allow these emissions reduction targets to be achieved and the impact on stakeholders including suppliers.
- The Senior Independent Director (SID) of the Company hosts a roadshow on an annual basis to understand the key concerns relating to the governance and strategy of the Company. In 2023, the Company's SID, Francisca Castro, hosted a series of meetings in both the United Kingdom and the Republic of Ireland, with shareholders and proxy advisers. Feedback from these meetings included a clear interest in the Company's decarbonisation strategy and future emissions targets, which was duly reported to the Board.
- In setting the strategy of the Company relating to climate change, and therefore the scale and scope of emissions targets that are selected, the Board considers the expectations of different stakeholder groups, with different levels of ambition shown by individuals and groups. This is assessed against the practical aspects of delivering emissions reduction targets, such as the associated costs, availability (and affordability) of relevant technologies and relevance in the settings where the Company's operations are located, with a suitable balance required to ensure that the Company is responding appropriately to climate change, but while also setting itself deliverable goals.

Board oversight of mining royalty and tax reform bills in Chile

The Board continued to monitor government proposals relating to the mining royalty in Chile, which concluded in August 2023 following Presidential approval.

As announced by the Company in August 2023, the terms of the revised royalty include a 1% ad valorem royalty on copper sales, and a royalty ranging from 8% to 26% on operating profits depending on each mining operation's level of profitability, combined with a provision establishing that total taxation (including corporate income, the new royalty tax and tax on dividends) should not exceed 46.5% of profitability. This new law came into effect at the beginning of 2024. Since Centinela and Antucoya have tax stability agreements, the new royalty rates will only apply to those operations from 2030.

How the Board considered, and had regard to, the interests of key stakeholders and the requirements of section 172(1)

Throughout the process to review and amend the mining royalty in Chile, the Board has closely monitored the progress of each legislative proposal, with consideration of the likely consequences of each proposal on the decisions that the Board makes for the long term on the interests of the Company's shareholders and the Group's employees and contractors, suppliers, customers and other business partners.

Following the implementation of the new mining royalty in 2024, and the associated increase in the financial burden imposed on mining companies in Chile, the Board is continuing to review the fiscal impacts of this legislation on the business environment in Chile.

The Board will continue to take the potential impacts on stakeholders into account in its broader decision-making.

Investment in Compañía de Minas Buenaventura S.A.A. ("Buenaventura")

During 2023, the Board oversaw the approval by a wholly owned subsidiary of the acquisition of a 19% interest in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"). Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.

This investment, which complements the Group's exploration activities in recent years and significantly increases the Company's exposure to Peru's highly prospective geology, was made in line with the Company's strategy of prioritising exploration and investment in the Americas.

How the Board considered, and had regard to, the interests of key stakeholders and the requirements of section 172(1)

The Board has ultimate responsibility for the Group's growth strategy and objectives. This strategy considers both organic and inorganic growth opportunities. Growth is understood to be a key priority of a number of stakeholders, with value accretive growth an enabler for the Company to achieve its purpose.

Inorganic growth, which is growth in the Company's asset base through investments outside of the existing portfolio of assets, is considered on a case by case basis as to whether it would provide additional value, either financial or strategic, over the cost of acquisition.

The Company's strategy has been to consider opportunities focused on copper (and its by-products) in the Americas, with a particular focus on Chile, Peru, the United States and Canada, as these are locations that are highly attractive due to their geological potential, mining activity, relative proximity, political and administrative similarities, culture and language. The Board's oversight of this decision involved a close consideration of the likely consequences in the long term. It was considered that this investment would help deliver value to the Company's stakeholders through geographical diversification, an increase in the Company's footprint in Peru's prospective geology, and exposure to a range of prospective projects at different development stages.

The Board will continue to evaluate opportunities to deliver value to all stakeholders.

Fostering a positive culture

Mining is a long-term business with decades-long timescales. Our relationships with our stakeholders are central to our long-term success and to our purpose of developing mining for a better future. The Group's governance structures ensure that the views and interests of stakeholders, including our employees and contractors, are discussed in the boardroom and considered as part of the Board's deliberations.

The Group maintains strong relations with its workforce, based on trust, continuous dialogue and favourable working conditions. The Board has carefully considered and reviewed the mechanisms in place to allow the Board to understand the views of the Group's workforce. Ultimately, the Board has decided not to adopt any of the three workforce engagement mechanisms recommended in the UK Corporate Governance Code (a Director appointed from the workforce, a formal workforce advisory panel or a designated non-executive director). The Board considers that adopting any of these mechanisms would interfere with the effective, structured and formal combination of mechanisms already in place with a highly unionised workforce.

The Group's workforce comprises 29,705 people, including employees, permanent contractors and temporary contractors associated with projects. Approximately 25% of the workforce are Group employees and 75% are employees of contractor companies. More than 99% of the Group's employees are in Chile, and approximately 61% are based in the Antofagasta and Coquimbo Regions of Chile, where the Group's operating companies are located.

Approximately 79% of the Group's employees are unionised. This number is close to 100% at the operator level. The Group maintains ongoing dialogue with labour unions and key issues are raised with, and discussed by, the Remuneration and Talent Management Committee and the Board.

The Group has established control mechanisms to ensure that contractor companies', whose employees are often members of their own labour unions, meet the Group's standards and guidelines on labour, environmental and social and ethical matters and adopt good practices with regard to safe workplaces and the quality of employment. Contractors' employees receive the same minimum protections as the Group's employees under Chilean labour law and the Group requires contractors to pay their employees ethical wages – which as of December 2023 were 35% higher than the Chilean legal minimum – and to provide other basic benefits, including life and health insurance. These protections are subject to regular audits by independent third parties to ensure full compliance with these standards.

Below is a selection of the workforce engagement mechanisms that the Board currently has in place:

- Directors regularly visit the Group's operations either individually or in small groups throughout the year and engage informally with the workforce and other parties to gauge overall workforce culture. Impressions and views arising from these visits are reported to the Board and its Committees, and related questions are raised with the management team.
- Labour relations matters, proposed labour negotiation limits and feedback from labour negotiations are reported directly to the Remuneration and Talent Management Committee and the Board throughout the year as a key part of the CEO's general updates to the Board.
- The CEO, the Chief Operations Officer, Vice President of Los Pelambres, Vice President of Human Resources, and the General Managers and HR Managers of each relevant operation meet with union representatives during the year to share relevant information and listen to concerns and suggestions, the results of which are shared with the Remuneration and Talent Management Committee and the Board.
- The CEO met with union representatives during 2023, enabling the CEO to share business performance and challenges associated with the Group's strategic framework, reinforce shared culture and values and listen to concerns and ideas. The purpose of these meetings is to foster a collaborative dialogue and working environment.
- Group-wide employee engagement surveys are conducted every two or three years. These surveys are conducted by independent third parties on behalf of the Group, and the results are reported to the Remuneration and Talent Management Committee and the Board. Engagement surveys were conducted across the Mining Division in 2022, and the results were reviewed with the Remuneration and Talent Management Committee and the Board. During 2023, the Group conducted a psychosocial survey for all employees and the results were reviewed with the Remuneration and Talent Management Committee, and in general the risks reported for Group employees were considered to be low. The results of these activities are overseen by the Executive Committee and reported to the Remuneration and Talent Management Committee and the Board.
- The Group's workforce is encouraged to report any concerns to the Ethics Committee through the confidential whistleblowing hotline. Reports may be made anonymously. All reports are investigated and reported to the Audit and Risk Committee and the Board.

During 2023, the Board applied feedback received from the workforce to decisions related to talent retention initiatives, the oversight of labour negotiations and the development of the Group's Diversity and Inclusion Strategy.

29,705
Total workforce

99%
Live in Chile

61%
Live in the Antofagasta and Coquimbo Regions

Board of Directors

Biographical details for each Director are set out on the following pages. All Directors have confirmed that their other commitments do not prevent them from devoting sufficient time to their roles and the Board acknowledges that the skills and experience gained by the Directors from these external appointments are of benefit to the Group. Additional external appointments cannot be undertaken without the prior approval of the Board. The Directors' attendance at regular and ad hoc meetings held throughout the year demonstrated their commitment.

KEY TO COMMITTEES

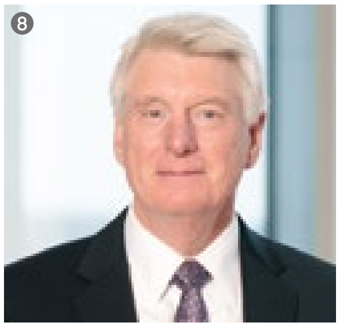
- NG Nomination and Governance
- AR Audit and Risk
- ST Sustainability and Stakeholder Management
- PC Projects
- RT Remuneration and Talent Management
- Committee Chair
- Chairman of the Board

ANTOFAGASTA PLC DIRECTORS' BOARD MEETING ATTENDANCE

	Number attended
Jean-Paul Luksic	10/10
Francisca Castro	10/10
Ramón Jara	10/10
Juan Claro	10/10
Andrónico Luksic C	7/10
Vivianne Blanlot	10/10
Jorge Bande	10/10

	Number attended
Michael Anglin	10/10
Tony Jensen	10/10
Eugenia Parot	10/10
Heather Lawrence	6/6

Heather Lawrence joined the Board on 18 April 2023.
Jorge Bande retired from the Board on 31 December 2023.
Tracey Kerr joined the Board on 29 January 2024.



1 Jean-Paul Luksic NG
Chairman

Independent: No

Appointed to the Board: 1990

Appointed Chairman: 2004 (Non-Executive since 2014)

Over 30 years' experience with Antofagasta, including responsibility for overseeing development of the Los Pelambres and El Tesoro (Centinela Cathodes) mines

Current positions
- Member of the Board of Consejo Minero
- Non-Executive Director of Quiñenco SA and Quiñenco group listed companies Banco de Chile and Sociedad Matriz SAAM SA
- Member of the Board of Centro de Estudios Públicos, a not-for-profit academic foundation in Chile
- Member of the Board of the Centre of Arbitration of the Chilean Chamber of Commerce
- Chairman of the Chile Australia Business Committee and Vice Chairman of the Chile Japan Business Committee of Sociedad de Fomento Fabril (Chilean Industrial Council)
- Member of the APEC Business Advisory Council (ABAC)

Previous roles
- Chairman of Consejo Minero, the industry body representing the largest mining companies in Chile
- CEO of the Group's Mining division
- Partner, Jara del Favero Abogados
- Director of Empresa Nacional del Petróleo (ENAP)
- Vice President, SONAMI (National Mining Association)

2 Francisca Castro NG AR RT
Non-Executive Director

Independent: Yes

Appointed to the Board: 2016

Commercial engineer with over 25 years' experience in industry, including mining, energy, finance and public/private infrastructure projects in the United States and Chile

Current positions
- Member of the Chilean Pension Funds Risk Classification Committee
- Director of SalfaCorp SA
- Director of the Fraunhofer Chile Research Foundation
- Independent Director of Conexión Kimal-Lo Aguirre S.A., a power transmission Company in Chile

Previous roles
- Executive Vice-President of Business and Subsidiaries at Codelco
- General Co-ordinator of Concessions at Chile's Ministry of Public Works
- Various roles within Chile's Finance Ministry and the World Bank, Washington DC
- Member of the independent Technical Panel of Chile's Public Works Concessions

3 Ramón Jara ST PC
Non-Executive Director

Independent: No

Appointed to the Board: 2003

Lawyer with considerable legal and commercial experience in Chile

Current positions
- Chairman of Fundación Minera Los Pelambres (charitable foundation)
- Director of Fundación Educacional Luksic (charitable foundation)
- Member of the Advisory Council of Centro de Estudios Públicos, a not-for-profit academic foundation in Chile

4 Juan Claro ST
Non-Executive Director

Independent: No

Appointed to the Board: 2005

Extensive industrial experience in Chile, including an active role representing Chilean industrial interests nationally and internationally

Current positions
- Chairman of Coca-Cola Andina SA
- Director of Melón SA and Agrosuper SA
- Member of the Board of Centro de Estudios Públicos, a not-for-profit academic foundation in Chile
- Country Adviser, Goldman Sachs

Previous roles
- Chairman of Energía Coyanco SA
- Chairman of the Sociedad de Fomento Fabril (Chilean Industrial Council)
- Chairman of the Confederación de la Producción y del Comercio (Chilean Business Confederation)
- Chairman of the Consejo Binacional de Negocios Chile-China (Council for Bilateral Chile-China Business)

5 Andrónico Luksic C
Non-Executive Director

Independent: No

Appointed to the Board: 2013

Extensive experience across a range of business sectors throughout Chile, Latin America and Europe

Current positions
- Member of the International Business Leaders' Advisory Council for the Mayor of Shanghai; the Chairman's International Advisory Council at the Council of the Americas; the Global Board of Advisors at the Council of Foreign Relations; and the Brookings Institution's International Advisory Council

Previous roles
- Director of Nexans SA, a Company listed on Euronext Paris and part owned by Quiñenco SA
- Chairman of Quiñenco SA and Compañía Cervecerías Unidas SA, and Vice Chairman of Banco de Chile and Compañía Sudamericana de Vapores SA, all of which are listed companies in the Quiñenco group

6 Vivianne Blanlot ST PC
Non-Executive Director

Independent: No (since 27 March 2023)

Appointed to the Board: 2014

Economist with extensive experience in public and private energy, mining, water and environmental sectors in Chile

Current position
- Director of Colbún SA, an energy company listed in Chile

Previous roles
- Executive Director of the Comisión Nacional de Medio Ambiente (Chile's Environmental Agency)
- Undersecretary of the Comisión Nacional de Energía (Chile's National Energy Commission)
- Chile's Minister of Defence
- Director of Scotiabank Chile
- Director of Empresas CMPC SA, a pulp, paper and packaging Company listed in Chile
- Director of Instituto Chileno de Administración Racional de Empresas (ICARE), a business think tank in Chile
- Member of Consejo para la Transparencia (Transparency Council), the Chilean body responsible for enforcing transparency in the public sector

7 Michael Anglin ST PC RT
Non-Executive Director

Independent: Yes

Appointed to the Board: 2019

Mining engineer with over 30 years' experience in base metals, including the development, construction and operation of large-scale mining operations in the Americas.

Current positions
- Lead Independent Director of SSR Mining Inc
- Adviser to IntelliSense.io

Previous roles
- Vice President Operations and Chief Operating Officer of BHP Base Metals
- Director of EmberClear Corp
- Director of Tulla Resources, Australia

8 Tony Jensen NG AR PC
Non-Executive Director

Independent: Yes

Appointed to the Board: 2020

Mining engineer with over 35 years' mining experience in the United States and Chile in operational, financial, business development and management roles.

Current positions
- Director of Black Hills Corporation

Previous roles
- Director of Golden Star Resources Limited
- President, CEO and Director of Royal Gold Inc
- Mine General Manager of the Cortez joint venture in Nevada and in treasury, business development and a wide range of other operating roles with Placer Dome in the USA and Chile
- Member of the University Advisory Board for the South Dakota School of Mines and Technology

9 Eugenia Parot ST PC RT
Non-Executive Director

Independent: Yes

Appointed to the Board: 2021

Civil biochemical engineer with over 35 years' experience, working for leading engineering and consulting companies providing services to some of the largest mining projects in Latin America in the areas of environment, sustainability and mine waste management.

Previous roles
- Vice President of Latin America, Regional President for South America and Managing Director for Chile, Golder Associates
- Director on Golder's holding Company board and member of the Audit and Finance and Investments Committees.
- Member of the Boards of Golder South America, Chile, Peru and Argentina.

10 Heather Lawrence AR RT
Non-Executive Director

Independent: Yes

Appointed to the Board: 2023

Qualified chartered accountant with over a decade working in senior roles within corporate finance and investment banking, with particular experience across industrial and transportation businesses.

Current positions
- Non-executive director and audit committee chair of Melrose Industries plc

Previous roles
- Non-executive director of Wizz Air Holdings
- Non-executive director and audit committee chair of FlyBe Group plc

11 Tracey Kerr ST
Non-Executive Director

Independent: Yes

Appointed to the Board: 2024

Geophysicist with extensive experience in safety, sustainability, operations and exploration in global mining businesses.

Current positions
- Non-executive director at Hochschild Mining plc
- Non-executive director at Jubilee Metals Group plc
- Non-executive director at Weir Group plc

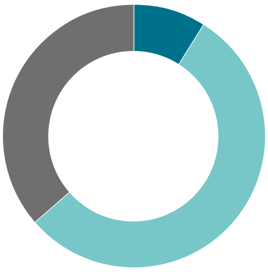
Previous roles
- Non-executive director at Polymetal International Plc
- Senior Executive at major mining companies including Anglo American, Vale and BHP

A balance of skills and experience

The Board comprises 11 Directors with a broad and complementary set of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives.

Board balance

Independence[1]



Chairman	1
Independent	6
Non-Independent	4

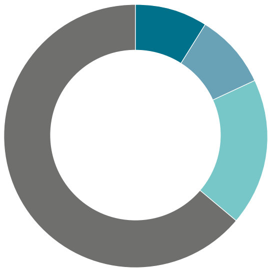
Gender diversity[2]

Male	6
Female	5

Tenure

0-5 years	5
6-10 years	3
11+ years	3

Nationality[3]



UK	1
Australia	1
USA	2
Chile	7

1. The Board reviews the independence of Directors annually. The Board has carefully considered the independence of all Directors and is satisfied that Francisca Castro, Michael Anglin, Tony Jensen, Eugenia Parot, Heather Lawrence and Tracey Kerr continue to be independent in character and judgement and that there are no relationships or circumstances that are likely to affect, or could appear to affect, their judgement. Further details are provided on page 135.
2. Further details on the Board's diversity policy can be found on pages 141-143.
3. The Company has met the Parker Review target and in 2023 more than half the Board identified as being from an ethnic minority background according to the criteria in the Parker Review survey, as shown on page 143. As noted throughout this Annual Report, the Group's footprint is primarily in Chile, where ethnicity profiles and representation in society differ significantly from those in the UK. Nevertheless, the Board recognises that the mining industry is international, and therefore the Board includes several Directors from outside Chile in support of its vision and strategy.

Board skills matrix

Director[1]	Independence	CEO experience	Mining industry experience	Mining operations	Board governance	Financial	Legal or Accounting[2]	Executive compensation	Latin American experience	UK market	Project management	Sustainability[3]	Energy experience	Government relations	Communication
Jean-Paul Luksic		✓	✓		✓	✓		✓	✓	✓	✓			✓	
Francisca Castro	✓		✓		✓	✓		✓	✓		✓		✓	✓	
Ramón Jara			✓		✓	✓	✓		✓			✓	✓	✓	✓
Juan Claro		✓			✓			✓	✓			✓	✓	✓	✓
Andrónico Luksic C		✓			✓	✓		✓	✓					✓	✓
Vivianne Blanlot					✓	✓		✓	✓		✓	✓	✓	✓	✓
Michael Anglin	✓	✓	✓	✓	✓			✓	✓		✓	✓			
Tony Jensen	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Eugenia Parot	✓	✓			✓	✓		✓	✓		✓	✓		✓	✓
Heather Lawrence	✓				✓	✓	✓	✓		✓					✓
Tracey Kerr	✓		✓		✓			✓	✓	✓		✓		✓	✓

1. Heather Lawrence joined the Board in April 2023, Jorge Bande retired from the Board in December 2023 and Tracey Kerr joined the Board in January 2024.
2. Ramón Jara is a Lawyer. Heather Lawrence is a Chartered Accountant.
3. Directors considered to have sustainability skills have self-certified that they are, or have been, responsible for sustainability as an executive or as a member of a sustainability committee of a board. This includes competence on climate-related issues.

Board and senior management's roles and responsibilities

The Group's CEO, Iván Arriagada, is not a Director, reflecting the law and practice in Chile.[1] Despite this, interaction between the Board and executive management is as you would expect between Non-Executive Directors and management in a typical UK-listed Company. The Board considers that there are considerable benefits associated with having a Board of exclusively Non-Executive Directors; it provides a broad range of perspectives and encourages robust debate with, and independent oversight of, the Group's executive management.

Non-Executive Chairman

Jean-Paul Luksic

Leads the Board and ensures its effectiveness overall.

- Promotes the highest standards of integrity, probity and corporate governance.
- Sets the agenda for Board meetings in consultation with the Senior Independent Director, CEO and the Company Secretary.
- Chairs meetings and ensures that there is adequate time for discussion of all agenda items, focusing on strategic, rather than routine, issues.
- Promotes a culture of openness and debate within the Board by facilitating constructive Board relations and the effective contribution of all Directors.
- Oversees Director induction, development and performance reviews.
- Leads relations with shareholders, including the Group's controlling shareholders.

Independent Non-Executive Directors[2]

Francisca Castro

Michael Anglin

Tony Jensen

Eugenia Parot

Heather Lawrence

Tracey Kerr

Ensure that no individual or small group of individuals can dominate the Board's decision-making.

- Meet the independence criteria set out in the UK Corporate Governance Code.[2]
- Have no connection with the Group or any other Director which could be perceived to compromise independence.
- Provide a range of outside perspectives to the Group and encourage robust debate with, and challenge of, the Group's executive management.

CEO

Iván Arriagada

Leads the implementation of the Group's strategy set by the Board.

- Manages the overall operations and resources of the Group.
- Leads the Executive Committee and ensures its effectiveness in all aspects of its duties.
- Provides information and makes recommendations to the Board regarding the Group's day-to-day activities and long-term plans.

Executive Committee members

Present proposals, recommendations and information to the Board within their areas of responsibility.

- Support the CEO in the implementation of the Group's strategy set by the Board.

Non-Executive Directors[3]

Ramón Jara

Juan Claro

Andrónico Luksic C

Vivianne Blanlot[4]

Provide a range of outside perspectives to the Group and encourage robust debate with, and challenge of, the Group's executive management.

- The Board does not consider these Directors to be independent because they do not meet one or more of the independence criteria set out in the UK Corporate Governance Code.
- Ensure that no individual or small group of individuals can dominate the Board's decision-making.

Senior Independent Director

Francisca Castro

Provides a sounding Board for the Chairman and supports the Chairman in the delivery of his objectives as required.

- Where necessary, acts as an intermediary between the Chairman and the other members of the Board or the CEO.
- Acts as an additional point of contact for shareholders, focusing on the Group's governance and strategy, and gives shareholders an alternative means of raising concerns other than with the Chairman or senior management.

Company Secretary

Julian Anderson

Ensures that Directors have access to the information they need to perform their roles.

- Provides a conduit between Board and its Committees and a link between the Board and management.
- Advises the Board on corporate governance and supports the Board in applying the UK Corporate Governance Code and complying with the UK listing regime and obligations.

The division of responsibilities between the Chairman, the CEO, and the Senior Independent Director is available on the Company's website at antofagasta.co.uk.

1. Chilean law prohibits CEOs of listed companies from being Directors of those companies. The CEO and CFO attend all Board meetings. The CEO also attends all Board Committee meetings and there is regular formal and informal dialogue between management and the Board.
2. The Board reviews the independence of Directors annually. The Board has carefully considered the independence of all Directors and is satisfied that Francisca Castro, Mike Anglin, Tony Jensen, Eugenia Parot, Heather Lawrence and Tracey Kerr continue to be independent in character and judgement and that there are no relationships or circumstances that are likely to affect, or could appear to affect, their judgement.
3. Ramón Jara provides advisory services to the Group. Andrónico Luksic C is the brother of Jean-Paul Luksic, the Chairman of the Company, and until 31 December 2023 served as Chairman of Quiñenco SA and Chairman or Director of certain of Quiñenco's other listed subsidiaries. Jean-Paul Luksic is a Non-Executive Director of Quiñenco and some of its listed subsidiaries. Like Antofagasta plc, Quiñenco is controlled by a foundation in which members of the Luksic family are interested. Ramón Jara, Juan Claro and Vivianne Blanlot have served on the Board for more than nine years from the date of their first election.
4. Vivianne Blanlot was an independent Non-Executive Director until 27 March 2023, the ninth anniversary of her appointment to the Board.

Members of the Executive Committee

IVÁN ARRIAGADA

CEO appointed in 2016

Joined the Group in 2015

- Commercial engineer and economist with more than 30 years' international experience in the mining and oil and gas industries

Previous roles

- Chief Financial Officer of Codelco
- Various positions over six years at BHP Base Metals, including President of Pampa Norte (Spence and Cerro Colorado), Vice President Operations and Chief Financial Officer of the Base Metals division
- Almost 15 years' experience with Shell in Chile, the United Kingdom, Argentina and the United States

OCTAVIO ARANEDA

COO appointed in 2023

Joined the Group in 2023

- Mining engineer with a Master's Degree in Minerals Economics with more than 30 years' experience in the mining industry

Previous roles

- CEO of Codelco
- Operations Vice President (Center-South and North) at Codelco, General Manager El Teniente Division of Codelco

MAURICIO ORTIZ

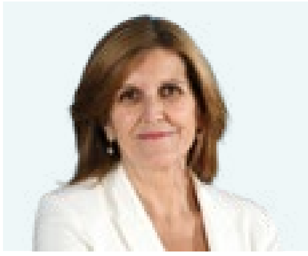
CFO appointed in 2020

Joined the Group in 2015

- Electrical engineer with two Master of Sciences degrees (Metals and Energy Finance and Electrical Engineering) and 15 years' experience in the energy, mining and railway industries

Previous roles

- General Manager of FCAB (Transport division)
- Business Development Manager of Antofagasta Minerals
- Finance Manager at Codelco – Chuquicamata
- Business Development Principal at Rio Tinto plc, London
- Various operating project roles at BHP



GEORGEANNE BARCELÓ

Vice President of People and Organisation appointed in 2022

Joined the Group in 2021

- Human resources specialist with a degree in Law and a Master's degree in Strategic Human Resources Management and more than 20 years' experience in international and national companies across a range of sectors, including insurance and industry

Previous roles

- Labour Relations Manager of Antofagasta Minerals
- Corporate Director of People at Bupa Chile
- Human Resources Vice President at Komatsu Latin America

GONZALO SÁNCHEZ

Vice President of Sales appointed in 2004

Joined the Group in 1996

- Civil engineer with over 25 years' experience in marketing and metals hedging

Previous roles

- Deputy Commercial Director of Antofagasta Minerals
- Copper sales at Codelco

JORGE BERMÚDEZ

Vice President of Projects appointed in 2024

Joined the Group in 2024

- Mining engineer with over 40 years' experience in open pit and underground mining and engineering

Previous roles

- COO Latin America & Caribbean at Canadian consulting firm WSP Global
- VP & GM M&M Americas at American international technical professional services firm Jacobs
- Numerous roles over 20 years at Fluor Corporation

KATHARINA JENNY

General Manager – FCAB (Transport division) appointed in 2019

Joined the Group in 2016

- Mining engineer and MBA, with over 15 years' experience in mining

Previous roles

- Health and safety Manager at Antofagasta Minerals
- Productivity and Costs Manager, and Safety Manager at Codelco
- Various roles at BHP, including mine planning, health and safety and environment

MAURICIO LARRAÍN

Vice President of Planning and Technical Services appointed in 2023

Joined the Group in 2017

- Civil mining engineer and Master of Sciences (Mineral Economics) with over 25 years' experience in mining

Previous roles

- Vice President of Northern Operations
- General Manager of Los Pelambres
- General Manager at Codelco's El Teniente Division
- Operations Manager at El Teniente
- Mine Planning Corporate Manager of Codelco
- Various positions at Codelco and Los Pelambres

Members of the Executive Committee that do not report directly to the CEO

RENÉ AGUILAR

Vice President of Corporate Affairs and Sustainability appointed in 2017

Joined the Group in 2017

- Industrial psychologist with 20 years' experience in mining, including in sustainability, safety, human resources and corporate affairs

Previous roles

- Group Head of Safety at Anglo American, London
- Vice President of Corporate Affairs and Sustainability at Codelco
- Health and Safety Director of the International Council on Mining and Metals (ICMM), London

PATRICIO ENEI

Vice President of Legal appointed in 2014

Joined the Group in 2014

- Lawyer and MBA, with over 20 years' experience in mining

Previous roles

- General Counsel at Codelco
- Corporate Affairs Manager at Escondida
- Senior lawyer at BHP Billiton in Chile
- Chief Legal Counsel at Collahuasi
- Lawyer at the Instituto de Normalización Previsional and in private practice

ANDRÓNICO LUKSIC L

Vice President of Development appointed in 2015

Joined the Group in 2006

- Business administrator with broad mining experience in sales, exploration, business development and general management

Previous roles

- Corporate Manager in the Mining division
- Director, Antofagasta Minerals, Toronto Office
- Various positions at Banco de Chile

ALAN MUCHNIK

Vice President of Strategy and Innovation appointed in 2021

Joined the Group in 2016

- Civil engineer, Master's degree in engineering and MBA

Previous roles

- Group Innovation and Energy Manager, and Growth Assets, Energy and Innovation Portfolio Manager of Antofagasta Minerals
- Several positions in strategy, planning, studies and business development over 10 years at BHP (Chile and the USA)

ALEJANDRO VÁSQUEZ

Vice President of Los Pelambres Operations appointed in 2022

Joined the Group in 2022

- Civil mining engineer with over 30 years' experience in mining

Previous roles

- Vice President, South America at Teck Resources
- President of Pampa Norte (BHP's Spence and Cerro Colorado operations)
- General Manager of the Yandi iron ore operation in Australia
- Vice President of Operations at Escondida

CARLOS ESPINOZA

General Manager – Centinela appointed in 2020

Joined the Group in 2010

- Civil mining engineer and MBA, with over 25 years' experience in mining

Previous roles

- Planning and Development Manager at Centinela
- Head of Mining Operations at Centinela
- Operations Manager at Michilla
- Planning positions at Minera Escondida and Minera Spence

IVO FADIC

General Manager – Antucoya appointed in 2023

Joined the Group in 2016

- Mechanical engineer and Master in Asset Management and Maintenance, with nearly 20 years' experience in mining

Previous roles

- Operations Manager at Los Pelambres
- Maintenance Manager at Los Pelambres
- Maintenance Manager – Concentrator Plants at Minera Escondida
- Engineering Manager – Concentrador Plants at Minera Escondida

LEONARDO GONZÁLEZ

General Manager – Zaldívar appointed in 2023

Joined the Group in 2015

- Civil mining engineer and MBA, with 25 years' experience in mining

Previous roles

- General Manager at Antucoya
- General Manager at Zaldívar
- Operations Manager at Zaldívar
- Mining Superintendent at Minera Doña Inés de Collahuasi

Board committees

The Board's Committees ensure that Board deliberations are focused on key issues and that proposals are submitted after thorough debate and rigorous challenge.

Each Committee provides a forum to allow the views and perspectives of stakeholders to be discussed so that they are represented in the Board's deliberations.

Nomination and Governance Committee

Key responsibilities

- Corporate governance framework
- Succession planning for the CEO and the Board
- Board and Committee composition
- Board nominations
- Board effectiveness reviews

Focus areas for 2023

- Monitoring shareholder and proxy adviser feedback on Governance
- Reviewing succession planning for Board and Committee roles
- Reviewing Board and Committee composition
- Reviewing Directors' conflict of interest disclosures
- Reviewing Board and Committee evaluations
- Reviewing Governance reporting

Audit and Risk Committee

Key responsibilities

- Financial reporting
- External audit
- Internal audit
- Risk management
- Internal control
- Compliance

Focus areas for 2023

- Monitoring proposed regulatory changes relating to internal controls
- Reviewing the Company's half-year and year-end financial results
- Reviewing accounting and tax matters
- Assessing financial controls and reporting
- Monitoring risk management and compliance
- Assisting the Board with updates to the Group's risk appetite assessment
- Monitoring Internal Audit and the external auditor
- Overseeing plans for a smooth transition from PwC to Deloitte as external auditor for the 2024 financial year

Sustainability and Stakeholder Management Committee

Key responsibilities

- Policies and commitments
- Health and safety
- Community relations
- Environmental and social matters
- Stakeholder engagement

Focus areas for 2023

- Reviewing key policies for the Group's long-term sustainable success
- Monitoring overall environmental compliance
- Reviewing social and territorial strategies
- Overseeing measures to protect the health and safety of the Group's workforce
- Reviewing climate change strategy implementation
- Reviewing the Group's water strategy
- Reviewing the Group's implementation of the Global Tailings Standard and reports on the Group's tailings storage facilities
- Reviewing sustainability reporting

Projects Committee

Key responsibilities

- Oversight of project standards, guidelines and best practices
- Project development lifecycle matters
- Project reviews
- Lessons learned from completed projects

Focus areas for 2023

- Monitoring preparations for the Centinela Second Concentrator project investment decision, including the final investment proposal
- Monitoring progress in the execution of the Los Pelambres Expansion Project and lessons learned
- Reviewing Centinela's in-pit tailings project
- Reviewing projects for the future growth of Los Pelambres

Find out more online at antofagasta.co.uk/bc

Maintenance workshops at Los Pelambres.

Remuneration and Talent Management Committee

Key responsibilities

- Remuneration governance
- Directors' remuneration
- Executive remuneration
- Group pay structures
- Talent management and succession planning for the Executive Committee
- Employee engagement
- Talent retention
- Diversity and inclusion
- HR Planning

Focus areas for 2023

- Monitoring remuneration-related regulatory changes
- Reviewing and approving the 2023 Directors' and CEO's Remuneration Policy and 2022 Directors' and CEO's Remuneration Report
- Monitoring Directors' and CEO's remuneration and reviewing proposed changes
- Applying the Group's executive remuneration framework including reviewing short-term and long-term incentive plans and market benchmark surveys
- Reviewing employee engagement survey results
- Reviewing talent management, retention mechanisms and Executive Committee succession plans
- Reviewing performance appraisals for the CEO and Executive Committee
- Reviewing the 2023 HR Plan
- Reviewing gender pay gap and CEO pay ratio

Nomination and Governance Committee report

Maintaining an effective Board

We are committed to promoting the participation of women on our Board, as well as in senior management positions and, just as importantly, in the Group's workforce. We believe that such an increase will benefit the Group, the industry and Chile.

2023 membership and meeting attendance

	Number attended
Jean-Paul Luksic (Chair)	4/4
Vivianne Blanlot	2/2
Tony Jensen	4/4
Francisca Castro	2/2

Vivianne Blanlot rotated off the Committee and Francisca Castro joined the Committee on 14 March 2023.

Other regular attendees included the Company Secretary.

The Committee meets as necessary and at least twice per year.

Except for the Chairman, all Committee members were independent while serving on the Committee in 2023.

Key responsibilities

The Nomination and Governance Committee supports the Board in ensuring that the Group has effective governance structures in place, and that the Board and its Committees are appropriately staffed and operate effectively. The Committee identifies qualified individuals to join the Board, recommends any changes to the composition of the Board and its Committees and monitors an annual process to assess Board effectiveness.

This involves:

- monitoring trends, initiatives and proposals in relation to corporate governance
- overseeing and facilitating annual reviews of the Chairman, the Board, its Committees and individual Directors, including externally facilitated reviews
- evaluating and overseeing the balance of skills, knowledge and experience on the Board and its Committees
- monitoring the independence of Directors
- overseeing Board succession plans and leading the process to identify suitable candidates to fill vacancies, nominating such candidates for approval by the Board and ensuring that appointments are made on merit and against objective criteria, including gender
- overseeing the induction of new Directors and the development of all Directors
- overseeing CEO succession plans
- reviewing the Group's governance reporting

Key activities in 2023

Corporate governance

- Monitored the fulfilment of the UK Corporate Governance Code (the Code) requirements.
- Monitored potential changes to the UK Corporate Governance Code.
- Reviewed Directors' declarations on potential conflicts of interest.
- Reviewed the Governance section of the 2022 Annual Report and recommended it to the Board for approval.
- Reviewed arrangements for the 2023 AGM and publication of the 2023 AGM Notice.
- Reviewed feedback from investors and proxy advisers on the shareholder resolutions tabled at the 2023 AGM.
- Reviewed shareholder and proxy adviser feedback on governance.

Succession planning

- Reviewed and endorsed detailed succession plans for the Board, the Senior Independent Director, the Committees, and the CEO.
- Continued to provide input to the Remuneration and Talent Management Committee in relation to succession plans for the Executive Committee (excluding the CEO).

Board and Committee composition

- Reviewed the independence of all Directors, making recommendations to the Board.
- Managed the global search carried out for two independent Non-Executive Directors.
- Interviewed and considered potential Board candidates and proposed the appointment of Heather Lawrence.
- Reviewed and proposed changes to Committees' composition.
- Reviewed and proposed the nomination of Francisca Castro as Senior Independent Director.
- Reviewed and endorsed updates to the Board's skills matrix.

Board effectiveness reviews

- Oversaw the implementation of recommendations arising from the 2022 external evaluation of Board and Committees' performance by Clare Chalmers Limited, an external Board evaluation consultancy.
- Oversaw the 2023 internal evaluation of the Board and Committees.
- Requested a performance review of the Chairman by Directors, led by the Senior Independent Director, and of individual Directors, led by the Chairman.

Diversity, inclusion and succession planning

Q.What is the Committee's role in relation to succession planning?

The Committee oversees and develops succession plans for the Board and the CEO. Succession planning for the Executive Committee (excluding the CEO) and broader employee talent management is overseen by the Remuneration and Talent Management Committee.

The activities of the Remuneration and Talent Management Committee are set out on page 156-178.

During 2023, the Committee reviewed the Board's succession plan and recommended changes to Committee memberships, the appointment of independent Non-Executive Director Heather Lawrence, the appointment of Francisca Castro to the position of Senior Independent Director and advanced with the process for the selection of Tracey Kerr to be appointed as an independent Non-Executive Director in 2024.

Q.How does the Committee address the process of CEO succession?

The Committee regularly reviews succession plans for the CEO in the case of either a planned or unplanned departure. This involves defining the character, skills, experience and expertise required to fulfil the role, as well as the assessment of potential internal candidates and their development needs. The consideration of both external and internal candidates for the role of CEO ensures a clear assessment of relative strengths and weaknesses and provides a useful international benchmark.

Q.What is the scope of the Board's succession planning?

The Board's succession plan is reviewed formally at least once a year and addresses Board size, Committee structure and composition, skills on the Board, Board and Committee members' tenure, independence of Directors, diversity (including gender), Board roles, Board policies and individual succession plans for all Board and Committee positions. Succession plans include contingency plans in the event of an unexpected departure, medium-term plans for orderly replacement of current Board members and long-term plans linking strategy with the skills needed on the Board in the future.

There is a Board approved succession plan for my Board roles in the event of an unexpected departure.

Q.How does the Board identify the appropriate skills for new Board candidates?

The Board maintains a Board skills matrix and the Committee reviews the balance of skills, experience and expertise on the Board at least annually. This process enables the Board and the Committee to identify the skills required when making new appointments to the Board and to instruct search firms to identify candidates who fit these criteria.

Q.What steps does the Committee take to identify and appoint new Directors?

The Committee discusses relevant profiles for future appointments and potential candidates, taking into account the results of Board effectiveness reviews, as shown on page 143, the Group's purpose, vision, values and strategy, as shown on page 126-127, the Board's diversity policy (below) and the core competencies and areas of expertise on the Board, as shown on page 134.

To assist with making new appointments to the Board, the Committee appoints independent external search consultancies with no connection to the Group. In 2023, the Committee appointed Spencer Stuart, a signatory to the voluntary code of conduct for executive search firms to address gender diversity on corporate practices for related search processes, to assist with the searches that resulted in the appointment of independent Non-Executive Directors Heather Lawrence and Tracey Kerr.

Spencer Stuart were briefed on the skills and experience of the existing Directors and asked to identify potential candidates who would best meet the required criteria including their relevant experience, skills, leadership capabilities, contribution to Board diversity and whether they had sufficient time to devote to the role. Also important for overall Board effectiveness is that potential candidates are proficient in Spanish and, preferably, have relevant mining or extractive industry experience.

The searches that resulted in these appointments aimed to identify candidates with UK market experience, recent and relevant financial experience, mining experience and sustainability experience. The external search consultancy was instructed to access the widest possible talent pool and, as has been the case for many years, to specifically identify potential female candidates.

Q.What support does the Company provide to facilitate induction and assist with professional development?

Induction

New Directors receive a thorough induction on joining the Board. This includes meetings with the Chairman, other Directors, the CEO and Executive Committee members; briefings on the Group's strategy, UK corporate governance, operations, projects and exploration activities; and visits to the Group's operations.

Continuing personal development

Directors receive an annual briefing on governance, legal, regulatory and market developments that are relevant to Directors of UK-listed companies, complemented by discussions on Board-related matters.

Directors have access to, and are encouraged to regularly attend, round-table discussions, seminars and other events that cover topics relevant to the Group and their roles.

Resources

The Company provides Directors with the necessary resources to maintain and enhance their knowledge and capabilities.

All Directors have access to management and to such information as they need to discharge their duties and responsibilities fully and effectively.

Directors are also entitled to seek independent professional advice concerning the affairs of the Group at the Company's expense.

Q.What is the Board's position in relation to diversity?

The Company's Diversity and Inclusion Policy reflects the Board's belief in the benefits of diversity and its conviction that more diverse companies attract and maintain the best talent and achieve stronger overall performance. The Board considers a broad definition of diversity when setting policies, and appointing Directors and staffing its Committees (including the Nomination and Governance, Audit and Risk and Remuneration and Talent Management Committees), including gender, disability, nationality, educational and professional experience, personality type, culture and perspective.

>40%
of Board members are women

100%
of our operating companies have female Board members

>50%
of our Board members identify as being from an ethnic minority background

The Committee has worked hard to ensure that the Board and its Committees are suitably diverse according to these criteria. The Board reviews its effectiveness in meeting diversity goals each year as part of the annual Board and Committees' evaluation process.

The Company has met the Parker Review target and more than half the Board members identify as being from an ethnic minority background according to the Parker Review and UK Listing Rules criteria as shown in the diversity tables on page 143. As noted throughout this Annual Report, the Group's activities are focused in Chile where ethnicity profiles and representation in society differ significantly from those in the UK. Nevertheless, the Board recognises that the mining industry is international, and in support of its vision and strategy also includes Directors from the United Kingdom, United States and Australia.

Gender diversity is a pillar of the Group's diversity and inclusion strategy. The Board supports the important work performed by the FTSE Women Leaders' Review in pursuing a 40% target for women on FTSE 350 boards and on executive committees and their direct reports and has met the Listing Rule targets for at least 40% of women on the Board and of at least one woman in the Chair, Senior Independent Director, CEO or CFO roles, as shown in the diversity tables on page 143.

Since 2014, five of the eight Board appointees (63%) have been women, while ensuring that appointments continue to be made on merit.

At the date of this report, there are five women on our Board of 11 Directors (45%).

Each of the Nomination and Governance, Audit and Risk and Remuneration and Talent Management Committees include female Directors and Directors from ethnic minority backgrounds and more than 50% of the members of the Audit and Risk and Remuneration and Talent Management Committees are female.

We are committed to promoting the participation of women on our Board, as well as in senior management positions and, just as importantly, in the Group's workforce. We believe that such an increase will benefit the Group, the industry and Chile.

Q.What policies are in place to promote a diverse pipeline of talent for the future?

The Group is committed to developing a diverse pipeline of talent that will widen the pool of female and other diverse candidates for Board and leadership positions in the future. In this, the Group is leading the way in Chile, particularly with female participation in the workforce, where Chile remains behind more developed economies despite considerable progress in recent years.

In 2019, we sponsored the creation of a Chilean chapter of the 30% Club, the campaign launched in the UK in 2010 to foster gender balance on companies' boards and in senior management positions. To further promote diversity at the Executive Committee level and below, the current Diversity and Inclusion Policy was approved following an in-depth exercise to assess whether the Group's existing diversity and inclusion model was appropriate. This included interviews with stakeholders, a benchmarking exercise and a comprehensive review of the Group's policies and processes. The review identified structural impediments that needed to be addressed to achieve a sustained improvement in the Group's diversity and inclusion model and these issues were addressed in the first years following approval of the new policy. A Diversity and Inclusion roadmap was developed to provide guidelines, best practices and objectives, seeking to integrate diversity and inclusion principles and values into the Company's practices. The roadmap includes alliances with relevant educational institutions and organisations that promote diversity and inclusion.

Metrics associated with the development of the Diversity and Inclusion Policy form part of the Group's Annual Bonus Plan and formal talent management and succession planning exercise, and performance is assessed by the Remuneration and Talent Management Committee at the end of each year. In 2023, Management recommended, the Committee endorsed, and the Board approved that the short-term incentive include a key performance indicator on the number of women in leadership positions versus a baseline.

The Remuneration and Talent Management Committee is also responsible for succession planning for the Executive Committee, which allows for ongoing monitoring of the impact of the Diversity and Inclusion Policy on new appointments and their progress within the Company, including at the level of those who report to the Executive Committee.

As part of the Policy, female members of senior management have served on the boards of all our operating companies for many years and we have two women on the Executive Committee, the General Manager of our Transport division and the Vice President of Human Resources.

It is important to acknowledge that culture plays a key role in this and we have therefore implemented actions and programmes to strengthen an inclusive culture, encompassing unconscious bias training, work-life balance measures, sexual harassment and domestic violence prevention, and information campaigns. Human resources processes, such as recruitment and the individual performance management system, have been reviewed and adjusted to ensure their inclusiveness and lack of bias.

Since 2017, we have more than doubled female participation to over 20% and recently set ourselves a goal of reaching 30% female participation by 2025. The gender balance at each level of the Group is monitored and reported monthly to the Executive Committee.

In 2023, women represent 29% of the executive and supervisory workforce; 56% of them are in operational roles.

The Suppliers for a Better Future Programme, which seeks to align contractor companies' practices with Antofagasta, includes targets on hiring women. Currently, only 13% of contractor employees are women, with 80% of them concentrated in 25 specific roles within the supplier network.

More detail on programmes we have introduced and the gender balance within the Group is given in the Our People section on page 40.

The Board will continue to monitor developments in 2024.

Board effectiveness review

In accordance with the Code, the Board undertakes an annual effectiveness review which is externally facilitated at least once every three years.

In 2022, the effectiveness review was facilitated by an external consultant, led by Clare Chalmers of Clare Chalmers Ltd, who is independent and, apart from also conducting the 2019 effectiveness review, has no other connection with the Group.

Ms Chalmers highlighted the Board's strengths in skills, coverage of mining and a good mix of other relevant experience and backgrounds; strong engagement from the CEO and good access to the senior team, who get airtime in meetings; thorough NED site visits, with high-quality feedback to the Board.

In 2023, an internal evaluation of the Board and its Committees was carried out to monitor progress against recommendations made in the external review and to identify further opportunities for improvement, using thorough anonymous questionnaires that were completed by the Directors. The survey results demonstrated how recommendations made in the 2022 external review had been addressed. Strengths that were highlighted included the Chairman's commitment to the Board, the Board's effective leadership and strong support framework and the effectiveness of, and value added by, the Board's Committees. Further opportunities for improvement centred on continuing to focus on balancing strategy and core business oversight discussions and continuing to improve presentations and pre-reading materials.

The annual effectiveness review is designed to recognise and raise key themes identified collectively by the Directors, along with suggestions for improvement and of good practice, and for the Directors to reflect on how these themes should be addressed going forward. Based on this review, the Directors were satisfied that the Board and its Committees operated effectively in 2023.

JEAN-PAUL LUKSIC

Chair of the Nomination and Governance Committee

Our review process

2022

The external review was a comprehensive assessment of how the Board is working, focused on evaluating the following key areas:

- Board composition and culture (composition, succession planning, training and inductions, leadership, dynamics and decision-making)
- Board oversight (strategy, performance, risk, people and executive succession and purpose, values and culture)
- Stakeholders (workforce engagement, shareholders, customers and suppliers, sustainability)
- Board efficiency (Board meetings, agendas and minutes and secretariat)
- The Committees
- Board and Committee papers

2023

The internal review was based on a thorough anonymous questionnaire completed by Directors that included specific questions relating to improvement opportunities identified in the 2022 external review to measure progress as well as fundamental questions to assure Directors' perceptions of the Board and Committee's culture, governance and performance.

- Internal evaluation of the Board and its Committees
- Individual evaluation of Directors
- Closure of gaps identified in the 2022 external evaluation
- Identification of further opportunities to improve in 2024

Diversity tables[1]

as at 31 December 2023[2]

Ethnic group	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)[3]	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	3	30%	–	5	45.5%
Mixed/Multiple Ethnic Groups	5	50%	2	5	45.5%
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	1	10%	–	1	9.1%
Not specified/prefer not to say	1	10%	–	–	–

Gender	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management
Men	6	60%	1	9	81.8%
Women	4	40%	1	2	18.2%
Non-binary	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Data collected via questionnaire.
2. Jorge Bande retired from the Board on 31 December 2023 and Tracey Kerr joined the Board in January 2024, and therefore neither of these directors are considered for the purposes of these tables.
3. The CEO and CFO are not Directors and therefore are also not considered for the purposes of this category.

Robust monitoring of financial processes and risks

TONY JENSEN
Chair of the Audit and Risk Committee

The Committee assists the Board in undertaking its assessment that the Annual Report is, when taken as a whole, fair, balanced and understandable and that it provides the necessary information to allow shareholders to assess the Group's position and performance, business model and strategy.

2023 membership and meeting attendance

	Number attended
Tony Jensen (Chair)	6/6
Jorge Bande	6/6
Francisca Castro	6/6
Heather Lawrence	4/4

Heather Lawrence joined the Board and the Committee on 18 April 2023.

Jorge Bande retired from the Board on 31 December 2023.

Other regular attendees included representatives from PricewaterhouseCoopers (PwC), the Group's external auditor, the CEO, the CFO, the Group Financial Controller, the Head of Internal Audit, the Head of Risk, Compliance and Internal Control and the Company Secretary.

The Committee meets as necessary and at least twice a year. It works within the framework of a detailed annual work plan. Committee members participate in all other Board Committees, allowing the Committee to consider the full spectrum of risks faced by the Group.

All Committee members are independent and are considered to have recent and relevant financial experience; a majority of Committee members have significant experience relevant to the mining sector.

Key responsibilities

The Audit and Risk Committee assists the Board in meeting its responsibilities relating to financial reporting and control, and to risk management.

The Committee's main responsibilities include:

- monitoring the overall financial reporting process, which includes responsibility for reviewing the year-end and half-year financial reports,
- overseeing the external audit process and managing the relationship with PwC, the Group's external auditor,
- reviewing and monitoring PwC's independence and objectivity,
- overseeing internal audit, including monitoring and reviewing the effectiveness of the Group's internal audit function, plans, processes and findings,
- assisting the Board with its responsibilities in respect of risk management, including reviews of the Group's risk appetite and key risks, and
- monitoring the performance of the Group's compliance and crime prevention models.

Key activities in 2023

Financial reporting

- Reviewed the 2022 year-end and 2023 half-year financial reports, focusing on significant accounting matters relating to the Group's results.
- Reviewed accounting matters likely to impact the 2023 year-end results.
- Reviewed the Group's 2022 Reserves and Resources Statement and highlights of the 2023 statement.
- Assisted the Board in ensuring that the 2022 Annual Report was fair, balanced and understandable.
- Reviewed analysis for the 2023 going concern and long-term viability statements.
- Reviewed reporting under the Task Force on Climate-related Financial Disclosures (TCFD) framework, with disclosures appropriately reflecting the Group's position.
- Reviewed the Group's tax strategy and tax position, including the effective tax rate, and the impact of the new mining royalty in Chile.
- Reviewed regulatory changes including FRC guidance on accounting and reporting matters.

External audit

- Reviewed and approved the 2023 audit plan, including fees. Validated that PricewaterhouseCoopers (PwC) incorporated feedback from both the Committee and management on the 2022 audit and engaged extensively with management to align on critical success factors.
- Assessed the effectiveness of the external audit process, reviewed PwC's independence and performance. Reviewed non-audit services provided by PwC.

- Reviewed the key audit findings in respect of the 2022 audit and reviewed PwC's progress reports in respect of the 2023 audit.
- Monitored Deloitte's audit transition activities, to ensure a smooth transition from PwC to Deloitte as external auditor for the 2024 financial year.
- Reviewed the results of the FRC's Audit Quality Review. PwC's audit of Antofagasta plc for the year ended 31 December 2022 was selected for review by the FRC's Audit Quality Review Team.

Internal audit

- Reviewed key findings from the internal audit reviews conducted during 2023.
- Reviewed the quality, experience and expertise of the internal audit function, confirming its suitability for the business.
- Reviewed actions to co-ordinate audit scope with PwC to avoid duplication or double testing.
- Agreed the scope and focus areas for the 2024 internal audit plan including new audit methodologies such as cross-organisational audits to test internal controls over all relevant entities simultaneously and continuous audits of capital projects.

Risk and internal control

- Monitored the consultation process for the revisions to the UK Corporate Governance Code.
- Reviewed a readiness assessment and action plans to prepare for the future requirement for the Board to confirm the effectiveness of internal controls.
- Assisted the Board with its assessment of the Group's key risks and its review of the effectiveness of the risk management and internal control processes.
- Assisted the Board in conducting the annual review of risk appetite statements.
- Conducted detailed reviews with the General Managers of each of the Group's operations, covering the operations' key risks, risk matrix and residual risks. Reviewed climate change and the financial impact of physical and transition risks and opportunities.
- Reviewed the potential impact of the proposed new Chilean constitution on key risks. In December 2023, Chile voted to reject the proposed constitution, and as a result the country will now continue with the existing constitution, which has been in place for several decades.
- Reviewed the latest developments in cyber security and updated action plans to enhance the Group's risk management maturity in this key area.
- Reviewed the activities undertaken during the year to further develop the maturity of the Group's risk management processes.
- Reviewed the steps taken to ensure that slavery and human trafficking are not occurring in any part of the Group's business, including in its supply chains.

Compliance

- Reviewed the Group's whistleblowing arrangements, including details of the most significant reports and actions taken, along with plans to strengthen the function.
- Reviewed the process to identify and manage Group employees' potential conflicts of interest.
- Reviewed the due diligence process conducted in respect of the Group's suppliers.
- Reviewed training on the Group's compliance model, crime prevention model and Modern Slavery Policy. Reviewed activities undertaken during the year to develop their maturity.
- Monitored the functioning of the Group's crime prevention model, considering upcoming changes in the UK Corporate Governance Code and the new Chilean law on economic and environmental crimes.

Q.What were the key areas of focus for the Committee in 2023?

The Committee focused its work on internal controls, risk management and financial reporting. In preparation for changes in the UK Corporate Governance Code and following the implementation of a new law in Chile on economic and environmental crimes, the Committee reviewed a high-level readiness assessment on risk management and internal control processes. At the same time, the Committee reviewed plans designed to ensure a smooth transition from PwC to Deloitte as external auditor.

Financial reporting

Q.What were the Committee's main activities in respect of the Group's financial reporting?

The Committee reviews the year-end financial statements and half-year financial reports and ensures that the key accounting policies, estimates and judgements applied in those financial statements are reasonable. We also monitor the overall financial reporting process to ensure that it is robust and well-controlled. This includes ensuring that the Group's accounting and finance function is adequately resourced, with the appropriate segregation of duties and internal review processes, that the Group's accounting policies and procedures are appropriate and clearly communicated, and that the Group's accounting and consolidation systems operate effectively.

The 2023 Annual Report includes the third report under the Task Force on Climate-related Financial Disclosures (TCFD) framework, with disclosures appropriately reflecting the Group's position.

We continued building our capability to prepare for new potential regulations regarding the Board's confirmation of the effectiveness of internal controls over financial reporting.

The Committee assists the Board in undertaking its assessment that the Annual Report is, when taken as a whole, fair, balanced and understandable and that it provides the necessary information to allow shareholders to assess the Group's position and performance, business model and strategy. As part of this assessment, we used our detailed knowledge of the Company, its financial results and the key accounting judgements applied in the financial statements to ensure that the tone and content of the narrative fairly reflected the financial results for the year.

We also reviewed the ore reserves and mineral resources statement included in the Annual Report and the corresponding reserve and resource independent audits.

The Committee reviewed the going concern basis adopted in the financial statements, as well as the detailed long-term viability statement in the Annual Report.

The Committee reviewed the Group's tax strategy and tax position, including the effective tax rate, tax claims, the status of the recovery of tax refunds, tax-disallowed expenses and the impact of the new mining royalty in Chile.

Q.What significant accounting issues in relation to the financial statements were considered by the Committee during 2023?

The main accounting issues we considered were:

- Asset valuations: The Committee's analysis did not identify indicators of a potential impairment at the 2023 year-end at the Group's operations. Accordingly, we have not performed any impairment reviews. Particular focus was placed on Zaldívar, given the importance of the ongoing permits renewal process, and the operational challenges in 2023. An indicative valuation and sensitivity analysis was performed in order to assess the sensitivities of the Group's mining operations to key assumptions such as the copper price and the Chilean peso exchange rate, and to make appropriate disclosures within the financial statements. As part of this analysis, we considered the appropriate copper price forecasts to use, with reference to consensus analyst forecasts of the long-term copper price. We have also reviewed the key operating assumptions in the indicative valuation models. In the case of Zaldívar, we considered the importance of the renewal of the permits for water extraction and general mining activities to the indicative valuation, and the disclosures in respect of these aspects. We also reviewed the additional sensitivity disclosures included in the financial statements, including in relation to operational performance.
- Accounting for transactions in the secondary market to acquire beneficial ownership of approximately 19% of the outstanding shares of Compañía de Minas Buenaventura S.A.A.
- Reviewing the position in respect of the claims and queries with Minera Centinela in respect of approximately $85 million of tax deductions recognised in relation to the amortisation of start-up costs relating to the Encuentro pit.
- Impact of new mining royalty: the new mining royalty was approved in August 2023. Los Pelambres and Zaldívar's tax invariability agreements expire in 2023, so the new royalty will apply from 2024 onwards. The new royalty will apply to Antucoya from 2030 onwards. Centinela has a number of tax invariability agreements, most expiring in 2029, and the Encuentro invariability agreement expires in 2031. Accounting regulations require that deferred tax balances be calculated using the tax rates which are expected to apply in the period in which the temporary differences are expected to reverse. This has resulted in an overall increase in the Group's consolidated deferred tax liabilities as at 31 December 2023, with a corresponding deferred tax expense reflected in the 2023 results.
- Distributable reserves and related withholding tax provisioning: the withholding tax charge in the current period reflected a one-off adjustment of $34.7 million to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances, essentially offsetting the increase in deferred tax liabilities resulting from the approval of the new royalty.
- Going concern and viability: we reviewed the going concern and viability assessments and related disclosures. In particular, we considered the Group's current strong financial position, its forecast future performance, the key risks which could impact the future results and reviewed robust down-side sensitivity analyses which all indicated outcomes that could be managed in the normal course of business.

External audit

Q.What are the Committee's responsibilities in respect of the external audit process?

The Committee is responsible for overseeing the Company's relationship with PwC, the Group's external auditor. As the Chair of the Audit and Risk Committee, I have established an effective direct relationship with Simon Morley, PwC's lead audit partner.

The Committee reviews and approves the scope of the external audit, terms of engagement and fees. The Committee monitors the effectiveness of the audit process and is responsible for ensuring the independence of the external auditor. The Committee informs the Board of the outcome of the external audit and explains how the external audit contributes to the integrity of the Group's financial reporting. The Committee formally meets with PwC without management present at least once a year. We oversee the performance of the external auditor. The Committee makes recommendations to the Board in respect of the appointment, reappointment, or removal of the external auditor.

Following a tender process, the Committee recommended to the Board that, in respect of the 2024 financial year audit, Deloitte becomes the external auditor. Plans are well progressed to enable a smooth transition from PwC to Deloitte.

Q.How do you assess the effectiveness of the external audit process?

We work closely with PwC to ensure that external audit quality is maintained throughout the year. PwC incorporates feedback from both the Committee and management on the prior audit and engages extensively with management to align on critical success factors.

The Committee considers the following factors as part of its review of the effectiveness of the external audit process during the year:

- the appropriateness of the proposed audit plan, the significant risk areas and areas of focus, and the effective performance of the audit
- the technical skills and industry experience of the audit engagement partner and the wider audit team
- the quality of the external auditor's reporting to the Committee
- the effectiveness of the co-ordination between the UK and Chilean audit teams
- the effectiveness of the interaction and relationship between the Group's management and the external auditor
- feedback from management in respect of the effectiveness of the audit processes for the individual operations and the Group overall
- the review of reports from the external auditor detailing its own internal quality control procedures, as well as its annual transparency report, and
- the review of the FRC's annual Quality Inspection Report on PwC.

In light of this assessment, the Committee considered it appropriate that PwC be reappointed as external auditor for 2023. However, as noted on page 120, Deloitte will take over the external audit from PwC for the 2024 financial year onwards and shareholders will be asked to confirm this appointment at the 2024 AGM.

Q.How do you assess the independence and objectivity of the external auditor?

The Committee regularly monitors the external auditor's independence and objectivity in line with the Group's policy in respect of auditor independence and non-audit services.

New regulatory requirements have applied since 2020 in respect of non-audit services. The FRC issued a "white list" of specifically-permitted services, with all other services prohibited. Permitted services relate to specific activities required by law or regulation and a limited number of types of review or verification work, such as half-year reviews, verification of additional information contained within the Annual Report or cross-referenced from the Annual Report, and work as a reporting accountant on transactions or debt issuances. The provision of non-audit services is also subject to a cap, so that the total annual fees from non-audit services may not exceed 70% of the average audit fee over the prior three years.

A breakdown of the audit and non-audit fees is disclosed in Note 8 to the financial statements. PwC did not provide any non-audit services (excluding audit-related services) during 2023.

In general, where the external auditor is selected to provide non-audit services, it is because it has specific expertise or experience in the relevant area and is considered the most suitable provider. Pre-approval from the Committee is required before non-audit services can be performed by the external auditor, other than for services which are considered to be clearly trivial. The Committee has reviewed the level of these services over the year and is confident that the objectivity and independence of the auditor are not impaired by such non-audit work.

The external auditor provides a report to the Committee at least once a year, setting out its firm's policies and procedures for maintaining its independence.

The Committee considers that PwC remained independent and objective throughout 2023.

The UK regulatory requirements in respect of competitive audit tendering and other related audit committee responsibilities in respect of the external auditor are set out in the Competition & Markets Authority's "The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014" ("the Order"). The Company complied with the provisions of the Order during 2023.

Q.How long has PwC been the Group's auditor?

We carried out a tender process during 2014, which resulted in PwC replacing Deloitte, the previous auditor, and being appointed with effect from 2015 onwards. Jason Burkitt was the lead audit partner at PwC for five years from 2015 to 2019 and, in line with normal regulatory requirements rotated off the engagement, with Simon Morley assuming the role as lead audit partner from 2020 onwards.

Q.What are the plans for external auditor rotation?

Under UK regulations the Company's next mandatory tender would have been in respect of the 2025 audit, marking the 10-year anniversary of the original audit rotation regulations. Other FTSE 100 companies are facing similar anniversaries, which could result in an increased demand for audit tenders over the coming years. As previously disclosed, it was therefore determined that the optimum approach was to conduct an audit tender process during the second half of 2022 in respect of the 2024 audit to allow for a "cooling-in" period during 2023 and to provide a significant transition period.

> "In 2023, we assisted the Board with its annual update of the Group's risk appetite assessment and evaluation of emerging and principal risks."

PwC, Deloitte, EY and BDO participated in the tender process. KPMG declined our invitation to participate. BDO met the mid-tier "challenger" criteria that UK regulators are seeking to promote. Tendering firms held over 50 meetings with management and in my role as Chair of the Audit and Risk Committee, I participated in meetings with all tendering firms in advance of their formal tender presentations.

The Committee reviewed proposals and recommended Deloitte to the Board as first choice, along with a second-choice recommendation. The Board selected Deloitte as the next external audit firm for the 2024 audit onwards.

Internal audit

Q.What are the Committee's main activities in relation to internal audit?

The Committee monitors and reviews the effectiveness of the Group's internal audit function. The Head of Internal Audit reports directly to the Committee and a meeting is held without management present at least once a year.

We also monitor succession planning and the resources available to the Internal Audit team so that it has an appropriate mix of skills and experience for the Group's businesses. Internal Audit utilises a mix of permanent team members, temporary secondees from elsewhere in the Group and third parties, particularly for areas such as IT-related reviews. The permanent team includes members with specific expertise in some of the most relevant areas for the Group, including technical mining experience, IT, risk, compliance, internal control, sustainability and cyber security.

The Committee reviews and approves Internal Audit's work plan for the coming year, including its focus areas as well as budget, headcount, methodology and other resources. Internal Audit takes a risk-focused approach when planning its work, using the risk registers maintained by each business to monitor and control their key risks. We ensure the plan is flexible and has sufficient resources to allow for special reviews that may be required during the year. During 2023, the Committee stewarded the completion of planned audits and approved the 2024 internal audit plan.

Internal Audit presents to the Committee summaries of the key findings from the reviews conducted during the year and any actions that have been taken or proposed. All Internal Audit reports, when finalised, are distributed to Committee members.

The Committee reviewed actions to co-ordinate internal audit scope with PwC to avoid duplication or double testing, to ensure an efficient relationship between the internal and external audit processes, and achieve the effective and timely sharing of findings.

Risk management, compliance and internal control

Q.What are the Committee's responsibilities in relation to risk management and internal control?

The Committee plays an important role in assisting the Board with its responsibilities regarding risk management and related controls. The Board has ultimate responsibility for overseeing the Group's emerging and principal risks and its risk appetite, as well as maintaining adequate control systems which were in place throughout the year and up to the date of this report. The Committee's terms of reference incorporate the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and the Board is satisfied that the Company's risk management and internal control systems accord with this guidance. In order to achieve our business objectives, internal control systems are designed to identify and manage, rather than eliminate, the risk of failure, but can only provide reasonable, not absolute, assurance against material misstatement or loss.

Q.What were the Committee's main activities in 2023 relating to risk management?

We continued to monitor actions designed to enhance the maturity of our risk management processes.

We assisted the Board with its annual update of the Group's risk appetite assessment and evaluation of emerging and principal risks. Emerging risks are identified through the reporting of events that have had an impact on the Group's operations and budgets during the year and whether and by how much the risk has impeded the budget for each risk mitigation objective, complemented by a benchmarking review of emerging and principal risks that have been identified by our peers. During 2023, the Committee and the Board reviewed the Group's 18 key risks, sub-risks, preventative controls and action plans. While risk appetite levels have not changed, the Committee reviewed and the Board approved updates to the risk appetite statements for the principal environmental; political, legal and regulatory; and corruption risks and approved a wording change on tailings risk.

Active risk identification and management took place. Actions were taken during 2023 to strengthen the Group's risk management culture including simplifying the risk management methodology, carrying out on-site verification, identifying new risks, updating business continuity plans, and implementing a methodology to monitor emerging risks. The focus in 2024 will be on the effectiveness of critical controls, in partnership with Internal Audit.

The risk, compliance and internal control function presented to the Committee several times during the year on developments in the Group's risk management processes and Group-level strategic risks. The General Managers of the Group's operations presented to the Committee their assessments of their respective operations' top three risks, risk matrix and residual risks. The meeting served as a forum for sharing experiences and action steps.

The analysis of emerging and principal risks includes an assessment of the significance of the risks based on the probability of the risk materialising and the potential impact of the risk, as well as an evaluation of the quality of the controls in place in respect of those specific risks. The evaluation of the potential impact is not limited to economic factors but includes issues such as safety, health, environmental, regulatory, community and reputational issues. We also examine whether those risks have been increasing or decreasing in significance and the budget for each risk mitigation objective to assist with the identification of emerging risks. The General Managers present their forecasts of any expected change in principal risks over the coming 12 months. If there is a specific issue at one of the operations that requires more detailed understanding, we ask the General Manager to attend the next meeting to discuss that issue. This direct interaction between the Committee and the General Managers is extremely valuable – not just in terms of the direct insight into each operation it affords the Committee, but in allowing us to emphasise the importance we attach to strong risk management processes.

The Committee reviewed climate change and the financial impact of physical and transition risks and opportunities.

We reviewed steps taken to ensure that slavery and human trafficking are not occurring in any part of the Group's business including its supply chains.

The Committee held a specific review of the latest developments in cyber security and updated action plans to enhance the Group's maturity in this key risk area.

Q.How does the Committee interact with the Board and other Committees on risk-related matters?

I report to the Board following each Committee meeting, summarising the main matters reviewed. These regular reports allow Directors to understand the main issues under consideration and, when relevant, to discuss them in more detail with the Board.

The Risk Management function presents directly to the Board, providing updates of the analysis of the Group's principal risks and mitigating actions.

We try to ensure that the review of risk by the Board is not compartmentalised into isolated sessions but is integrated into everything considered by the Board. To this end, the overall report provided by the CEO to the Board at each meeting covers any significant materialised risks. Each proposal presented to the Board incorporates an analysis of its impact on the principal risks.

These processes have assisted the Board in carrying out a robust assessment of the emerging and principal risks facing the Company, including those that could threaten its business model, future performance, solvency, or liquidity and to assess the acceptability of the level of risks that arise from the Group's operations and development activities.

The Board, with the support of the Committee, reviews the effectiveness of the Group's risk management and internal control systems each year. The review covers all material controls, including financial, operating and compliance controls. The 2023 review considered a readiness assessment in preparation for changes in the UK Corporate Governance Code in respect of risk management and internal control processes which included: (1) the control framework and systems in place across the Group; (2) the nature of risk and control documentation currently in place and the processes for their regular review and update; (3) internal testing of the effectiveness of the relevant internal controls; and (4) integration of Internal Audit with risk management processes. The review concluded that there is a robust three line of defence model implemented which ensures several layers of internal responsibility and verification; there are standardised frameworks and systems used consistently across the Group's operations; there is an appropriate analysis and documentation of key risks and controls, with regular reviews and updates; internal verification is performed across all areas on a regular basis; and Internal Audit is highly integrated into the Group's risk management and internal control processes. Nevertheless, the Committee will continue to oversee specific areas of focus so that the

Board is in a strong position to consider the effectiveness of the Group's management and internal control systems in relation to the new Code requirements that will apply in 2026.

Members of the Audit and Risk Committee participate on all the other Board Committees, allowing the Committee a good understanding of risks being considered by these Committees and the full spectrum of risks faced by the Group.

Compliance

Q.What are the Committee's main responsibilities relating to compliance?

The Committee ensures that appropriate compliance policies and procedures are observed throughout the Group. The risk, compliance and internal control function makes regular presentations to the Committee covering developments in the Group's compliance processes and significant compliance issues. Chilean law requires the Mining division's holding Company, Antofagasta Minerals SA, and each of the operations, to appoint a Crime Prevention Officer. The Committee makes recommendations regarding these appointments as well as monitoring and overseeing the performance of these roles. The Crime Prevention Officer for Antofagasta Minerals SA is currently Patricio Enei, the Vice President of Legal. As the compliance function reports to the CFO, this arrangement provides for the appropriate segregation of duties.

The Committee receives reports from the risk, compliance and internal control function in respect of the Group's crime prevention model, in accordance with Chilean and UK anti-corruption legislation.

The Crime Prevention Officer presents a report directly to the Board every six months.

Q.What were the Committee's main activities in 2023 relating to compliance?

The Committee monitored the functioning of the Group's crime prevention model, in accordance with Chilean and UK anti-corruption legislation. Compliance activities centred on the three pillars of prevention, detection and action. The crime prevention model was recertified. We reviewed training and communications on the Group's compliance model, crime prevention model and Modern Slavery Policy. We reviewed activities undertaken during the year to develop compliance maturity.

The Committee reviewed the Group's whistleblowing arrangements, which encourage employees and contractors to raise concerns in confidence about possible improprieties or non-compliance with the Group's Code of Ethics. We received regular reports on reported whistleblowing incidents, detailing the number and type of incidents and outlining the most significant issues and the actions resulting from their investigation, along with plans to strengthen the function. The Committee reviewed the process to identify and manage Group employees' potential conflicts of interest and reviewed the due diligence process conducted in respect of the Group's suppliers.

Q.What were the Committee's main activities in 2023 relating to internal control?

During 2023, the Committee reviewed the Company's internal control framework which consists of three lines of defence.

First, business units identify and manage risks. Second, the risk management function provides oversight and support. Third, Internal Audit provides independent assurance. In addition to regular reviews, a session was held to review the effectiveness of risk management, compliance and internal control, the effectiveness of internal controls over financial reporting, and the effectiveness of internal audit and the relationship with external audit. We feel confident that the reviews undertaken by the Committee during 2023 have allowed it to perform an appropriate review of the effectiveness of the Group's risk management and internal control systems during the year. The reporting of these activities by the Committee to the Board supports the Board's confirmation that it has undertaken a review of the effectiveness of the Group's risk management and internal control systems during the year as required by the UK Corporate Governance Code.

TONY JENSEN

Chair of the Audit and Risk Committee

Audit and Risk Committee, Board, and risk management function interaction

BOARD

The Chair of the Audit and Risk Committee reports to the Board following each Committee meeting, allowing a wider discussion of the risk and compliance issues reviewed in detail by the Committee. The Board also provides feedback on the analysis of emerging and principal risks for Board agenda items which is incorporated into the Board's review of the effectiveness of the Group's risk management and internal control systems. Every presentation to the Board includes a risk analysis.

AUDIT AND RISK COMMITTEE

The Committee supports the Board in its review of the effectiveness of the Group's risk management and internal control systems.

GENERAL MANAGERS OF THE OPERATIONS

General Managers are responsible for the risks relating to their operation and give detailed presentations to the Committee at least once a year, including on each operation's emerging, principal and materialised risks.

RISK MANAGEMENT FUNCTION

The risk management function provides regular presentations covering changes in the Group's emerging and principal risks, major materialised risks and updates on risk management and compliance processes.

There are detailed presentations at each Committee meeting covering the risk management process, significant whistleblowing reports and updates on compliance processes and activities.

Mining operations at Antucoya

Sustainability and stakeholder management

VIVIANNE BLANLOT
Chair of the Sustainability and Stakeholder Management Committee

"Committee meetings provide a forum for the detailed discussion of many of the key issues that matter to our stakeholders such as environmental matters including climate change, the health and safety of our workforce and other matters that support local communities where we operate."

2023 membership and meeting attendance

	Number attended
Vivianne Blanlot (Chair)	6/7
Ramón Jara	5/7
Juan Claro	6/7
Jorge Bande	7/7
Michael Anglin	7/7
Eugenia Parot	7/7

Jorge Bande retired from the Board on 31 December 2023.

Other regular attendees included the CEO, the COO, the Vice President of Corporate Affairs and Sustainability and the Company Secretary.

Sessions were also regularly attended by Directors who were not Committee members.

The Committee meets as necessary and at least twice per year.

The Sustainability and Stakeholder Management Committee supports the Board in providing guidance on the Group's safety, health, environmental and social responsibility strategies and policies, in the oversight of corresponding programmes and in making recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations.

The Committee reviews the Group's framework of safety, health, environmental, human rights and social policies, monitors the Group's performance in setting and meeting environmental, social, safety and occupational health commitments and provides guidance on how the Company should reflect the views and interests of stakeholders in relation to operational, projects and other business matters. The material subjects and results of this engagement are reported periodically to the Committee through standalone reports and as part of broader Committee discussions.

Key activities in 2023

Policies and commitments

- Reviewed the implementation plan to adopt the new Global Industry Standard on Tailings Management (GISTM), published by the ICMM in August 2020.
- Reviewed and endorsed a proposal to incorporate all Mining Operating Companies to the UN Global Compact whose principles cover human rights, labour relations, environmental and anti-corruption matters.
- Reviewed the Group's Sustainability, Social Value, and Climate Change (TCFD) reports, including the Sustainability Databook.

Health and safety

- Reviewed the Group's safety and occupational health strategy, performance in 2022, and 2023 plans covering risk management; learning; leadership; and contractors.
- Reviewed the results of the psychosocial risk analysis questionnaire which are being analysed by over 20 focus groups.
- Reviewed the 2023 report on the Company's tailings storage facilities, issued by the independent technical review board (ITRB) appointed to advise the Group on their operation.

Community relations

- Reviewed Los Pelambres' social strategy.
- Reviewed activities and initiatives carried out by Fundación Minera Los Pelambres, a strategic ally for the execution of relevant social management programmes and projects in line with Los Pelambres' social strategy.
- Reviewed the water situation in the Choapa Valley and Los Pelambres' water management strategy, including operational water management initiatives in order to best support operational, environmental and community requirements.
- Reviewed the early community participation initiative on Los Pelambres Phase 2 Expansion Project (Mine life extension).
- Reviewed Centinela's second concentrator project's social enablement strategy, community relations plan and social strategy action plan.
- Reviewed the results of community information sessions and site visits co-ordinated on safety and emergency preparedness in

relation to the Company's tailings facilities in line with GISTM requirements.

Environment

- Reviewed the EIA for Los Pelambres' desalination plant expansion and additional critical infrastructure projects, which was approved in October 2023.
- Reviewed proposals in relation to Zaldívar's water rights extension.

Q.How was the Group's safety performance in 2023?

This was a true highlight for 2023. We are very pleased to report that the Group recorded its strongest safety performance on record. During the year, there were no fatal accidents and the Group recorded only 34 High Potential Incidents, 19% fewer than in 2022. The Lost Time Injury Frequency Rate also improved by 25% to 0.63. The challenge in 2024 is to further improve on these results.

Q.What is the Committee's role in respect of the Company's policies that relate to sustainability and stakeholder management?

The Committee oversees the development of the Group's policies relating to sustainability and stakeholder management. The Committee does not review implementation – this is a matter for each individual Operating Company.

During 2023 the Committee provided input on the policy relating to the adoption of the new Global Industry Standard on Tailings Management (GISTM) which was published by ICMM in August 2020.

Q.How did the Committee consider climate change during the year?

As noted by the Chairman on pages 120-121, combating climate change sits at the centre of Antofagasta's strategy. In particular, lowering emissions and reducing continental water use remain two issues for which we have a Group-level strategy, Board-level focus and Company-wide initiatives.

The Committee assisted the Board in considering various climate change-related initiatives during the year, including those in the Board's assessment of the physical and transition risks of climate change and their impact on the net present value of the Group. The Group's Climate Change Strategy, reviewed by the Committee and approved by the Board in 2020, takes a multidisciplinary approach to the challenges posed by climate change, focusing on the development of climate change resilience, the reduction of greenhouse gas emissions, the efficient use of strategic resources, the management of the environment and biodiversity, and the integration of stakeholders.

The Committee reviewed the community water situation in the Choapa Valley, Los Pelambres' water management strategy and operational water management initiatives.

The Board reviewed the Company's carbon footprint, approved the Company's decarbonisation plan, set emissions reduction targets and committed to revisiting them in 2025.

Q.How does the Committee ensure that the Board considers the views and interests of stakeholders?

The Committee does not get involved in the day-to-day management and implementation of the Group's policies and procedures. However, meetings provide a forum to discuss key trends and issues that matter to local communities, our workforce, national and local governments, regulators and other stakeholders. Many of these issues are identified as part of each operating companies' risk management and community engagement processes, which are submitted by management to the Committee for their information.

Communicating with our stakeholders during difficult times has been key to strengthening mutual trust and understanding. We work hard to respect their interests and ensure that they understand our ambitious safety, occupational health, environmental and social commitments.

As Chair of the Committee, I report to the Board following each Committee meeting, summarising the main matters reviewed by the Committee.

Q.How does the Committee ensure that the Group's tailings storage facilities are safe?

The stability and safety of our tailings storage facilities (TSFs) is a primary concern for us and many of our stakeholders, and the Committee and the Board are focused on ensuring that the policies and procedures implemented by our operating companies ensure that the TSFs continue to be stable and safe.

Chile experiences a significant amount of seismic activity and as a consequence there are strict regulations governing the construction of TSFs in the country. These regulations apply to all mining and other construction, including the storage facilities where tailings are deposited. Chilean standards have prohibited the construction of TSFs using the upstream method, which is commonly used in other countries but can pose significant safety risks. Current Chilean legislation also requires a stability analysis of TSFs' walls, a review of safety measures and the development of detailed emergency plans in the event of a major incident.

The Group's governance structures are designed to encourage the independent management and monitoring of our TSFs: internal teams have reporting lines not linked to the mine operation and an independent tailings review board (ITRB) visits our TSFs regularly, assessing risks and making recommendations to ensure their continued safety. The Committee and the Board review these reports and challenge management on their recommendations.

The Committee and the Board also receive regular reports on the operation of the Group's TSFs. Following the Group's adoption in 2020 of a tailings management policy aligned with the Global Industry Standard on Tailings Management (GISTM), the Committee has monitored operating companies' policies, along with reports from management and the ITRB. Operating companies have established their own governance structures, plans, tailings management systems and implementation timelines.

The Group committed to fulfil GISTM requirements by August 2023 for its critical tailings' deposits and by August 2025 for its lower-risk ones. On 5 August 2023, companies in the Group announced that they had complied with GISTM requirements for El Mauro, its only critical tailings deposit and for Centinela, classified as significant, two years ahead of the commitment. Dam safety reviews, required by GISTM, were conducted prior to the GISTM fulfilment declaration in August 2023. The Committee reviews executives' reports on an annual basis.

Further information on our TSFs, including the risks and the governance measures in place, can be found on page 55.

Q.How are community relations managed throughout the Group?

Dialogue with local communities is crucial for aligning views, preventing disputes and addressing concerns. To strengthen this, our operating companies use various engagement mechanisms, including conversations with members of the community, round tables, community meetings, participatory environmental monitoring with the community and site visits to our operations, as well as communicating through the media and on websites and social networks.

The material subjects and results of this engagement are reported periodically to the Committee through standalone reports and as part of broader Committee discussions.

Q.What are the Committee's priorities in 2024?

Our number one priority continues to be the health and safety of our employees, contractors and local communities. We will continue to provide feedback to our mining operations, encouraging them to further improve upon the Company's record safety performance in 2023 and continue to reinforce the practices that resulted in this strong performance.

The Committee will continue to receive feedback from our mining operations on the implementation of the Group's environmental management system and we will continue to oversee the implementation of our Climate Change Strategy, aimed at meeting our greenhouse gas targets for reduced carbon dioxide emissions.

The Committee will continue to oversee the progress towards obtaining material environmental permits for the Group's major development projects during the year and will monitor whether the Group's social programmes and the work done with communities close to our operations is in accordance with the Group's Social Management Model.

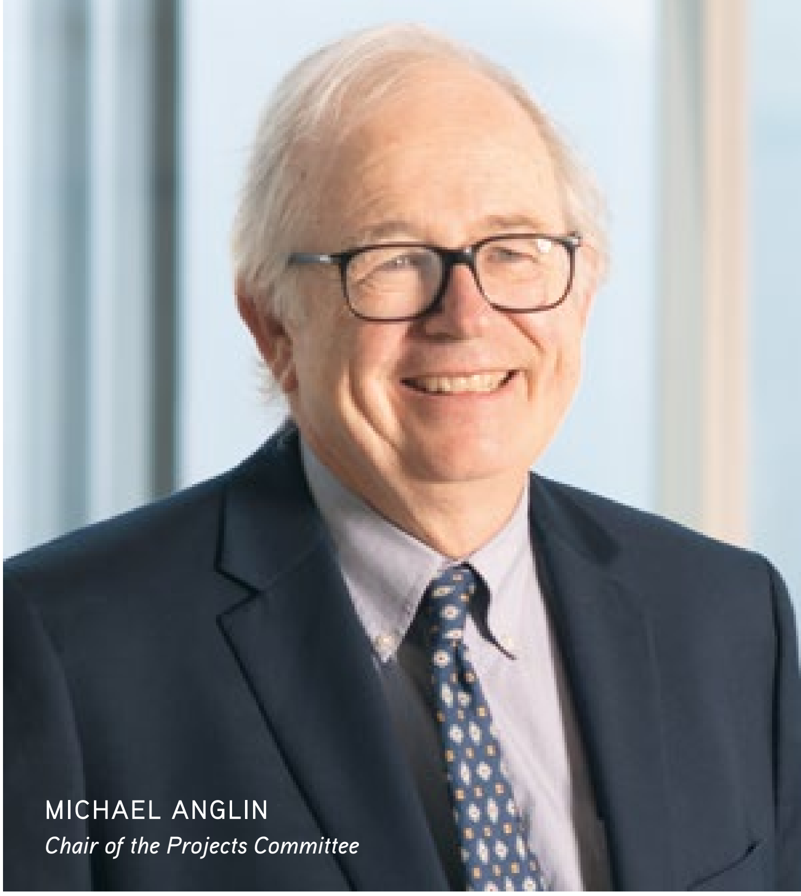
VIVIANNE BLANLOT

Chair of the Sustainability and Stakeholder Management Committee

> "The Committee makes recommendations to the Board to ensure the views and interests of the Group's stakeholders are considered in the Board's deliberations."

Projects Committee report

Facilitating disciplined growth



"The Committee monitors projects in execution, ensuring that lessons learned are applied from previous projects and that the relevant considerations are tabled for discussion by the Board."

2023 membership and meeting attendance

	Number attended
Michael Anglin (Chair)	6/6
Jorge Bande	6/6
Ramón Jara	6/6
Eugenia Parot	6/6
Vivianne Blanlot	3/4

Vivianne Blanlot joined the Committee on 14 March 2023.
Jorge Bande retired from the Board on 31 December 2023.
Other regular attendees included the CEO, the CFO, the Vice President of Projects, the Corporate Projects Manager and the Company Secretary.
Sessions were also regularly attended by Directors who were not Committee members.
The Committee meets as necessary and at least twice per year.

Key responsibilities

The Projects Committee reviews all aspects of major projects to be submitted for Board approval, highlighting key matters for the Board's consideration throughout the project's development and making recommendations to management to ensure that all projects submitted to the Board are aligned with the Group's strategy and risk appetite.

The Committee adds an important level of governance and control to the evaluation of the Group's projects and plays a key role in providing the Board with additional oversight of the Group's projects portfolio. This includes overseeing the establishment of project development guidelines, drawing from best practice, industry experience and lessons learned from other Group projects.

Key activities in 2023

Policies and commitments

- Reviewed the Group's projects portfolio, including budgets and schedules.

Project reviews – studies phase

- Reviewed an update on Los Pelambres' plans to further expand the Company's desalination plant, in addition to a new concentrate pipeline and work to develop enclosures at the El Mauro tailings facility.
- Reviewed an update on Los Pelambres' Phase 2 Expansion Project.
- Monitored steps leading up to the Board's consideration of the Centinela Second Concentrator project investment decision.
- Reviewed Centinela's in-pit tailings deposition project.

Project reviews – execution phase

- Monitored progress in the execution of the Los Pelambres Phase 1 Expansion Project.

Q.What is the Projects Committee's approval authority?

The Committee is not responsible for approving projects – that is for the Board to decide. Our role is to assist the Board by ensuring that projects are following a standard, structured process using consistent analysis, execution and evaluation practices. The Committee oversees the full project development, from the early stages to the start of operations, carefully assessing and robustly challenging investment proposals prior to submission to the Board, monitoring development and construction progress and ensuring lessons learned are applied to future proposals. The Committee invites management to consider different perspectives, ideas and improvements to enhance the value of the Group's projects, enabling focused deliberation when the project is presented to the Board.

Q.What tools does the Committee use?

The Committee provides guidance to each project manager, from the early stages of project planning through to completion, to ensure that policies, strategies and the Group's Asset Delivery System (ADS) implementation framework are applied.

ADS is a project management system whose processes and practices are widely used in the mining industry. ADS sets standards and common criteria, including governance by a steering committee, functional quality assurance reviews and risk management.

In some cases, the Committee may recommend additional measures, including independent peer reviews, trade-off studies or further analysis in relation to the incorporation of potential new technologies or processes.

Q.What were the Committee's key activities in 2023?

Execution – Phase 1 of the Los Pelambres Expansion project

The Committee monitored progress in the execution of the Los Pelambres Expansion, including a detailed review of issues associated with the closing of the project and lessons learned.

See page 29 for more information on Phase 1 of the Los Pelambres Expansion project.

Studies – Future development of Los Pelambres

The Committee reviewed an update on Los Pelambres' planned expansion of its desalination plant, which seeks to fulfil production commitments by ensuring water supply through an expansion of the desalination plant to 800 l/s, in addition to the construction of a new concentrate pipeline. The project was approved at the beginning of 2024.

The Committee also reviewed an update on the next phase of investment at Los Pelambres which included early community participation to enable the submission of the EIA.

See page 100 for more information on further development of Los Pelambres.

> "The Committee supports the Board by ensuring that the Group's projects portfolio follows approved and consistent guidelines and that project execution decisions have been thoroughly reviewed before being put forward for Board approval."

Studies – Centinela Second Concentrator project

The Committee reviewed progress in the commitment phase of Centinela's Second Concentrator project.

The Committee reviewed the project's sustainability profile, noting that 100% of the power will come from renewable sources, and that it will use sea water and thickened tailings. Environmentally, the project seeks to avoid and, if necessary, control any environmental impact associated with its development, including air quality, archaeological preservation and biodiversity. Socially, the project seeks to generate positive externalities and benefits in the supply chain and manage reputational risks. It has identified all relevant stakeholders, established a community relations strategy and is developing stakeholder, community and communications plans. With respect to climate change, the objective is to facilitate early action and adaptation in relation to risks and opportunities.

The Committee monitored preparation for the Centinela Second Concentrator project including reviewing progress on engineering, contracting, and financing. The Committee reviewed the partial cancellation of mining easements, fulfilling the project's environmental resolution (RCA). The Committee also reviewed the awarding of contracts for the project and a potential build-own-operate-transfer (BOOT) contract for Centinela's current and future water infrastructure.

The Board approved the investment decision in December 2023.

See page 15 for more information on Centinela's Second Concentrator project.

Studies – In-pit tailings deposition project

The Committee reviewed Centinela's in-pit tailings deposition project, which considers using the Tesoro Central pit to cover Centinela's tailings management needs for 9–10 years; to be followed by the Tesoro North East and Esperanza pits, to cover Centinela's tailings management needs for 15 years and possibly for the life-of-mine. This project would defer investment in raising the height of the walls of the current tailings storage facility.

Q.What are the Committee's priorities in 2024?

The Committee will continue to monitor the Group's key projects.

The Committee will oversee the ramp up of Phase 1 of the Los Pelambres Expansion project.

The Committee plans to monitor the progress of Centinela's Second Concentrator project and the next phase of investment at Los Pelambres, including monitoring progress of the licencing application process for the Los Pelambres' Phase 2 Expansion Project (Mine Life Extension).

MICHAEL ANGLIN

Chair of the Projects Committee

Remuneration and Talent Management Committee Chair's introduction

Rewarding and empowering management to strengthen the organisational capabilities needed to deliver our strategy

FRANCISCA CASTRO
Chair of the Remuneration and Talent Management Committee

"The Committee seeks to ensure that pay practices are fair and appropriate, taking into account the experience of key stakeholders and the wider economic environment."

2023 Membership and meeting attendance

	Number attended
Francisca Castro (Chair)	5/5
Michael Anglin	5/5
Vivianne Blanlot	2/2
Tony Jensen	5/5
Eugenia Parot	3/3

On 14 March, 2023 Vivianne Blanlot rotated off the Committee and Eugenia Parot joined the Committee.

Other regular attendees include the CEO, the Vice President of Human Resources and the Company Secretary.

At least one Committee member serves on each of the other Board Committees, which allows the Committee to consider strategic priorities and the views of all stakeholders in its deliberations.

The Committee meets as necessary in practice and at least four times a year.

All Committee members were independent throughout 2023.

Key report sections:

Dear shareholders

I am pleased to present the Directors' and CEO's Remuneration Report for the year ended 31 December 2023.

This report comprises:

- this letter
- an 'at a glance' section, and
- the Annual Report on remuneration. This details the implementation of our pay policy in 2023 and the proposed implementation of our pay policy for 2024. This section also contains a summary of the 2023 Directors' and CEO's Remuneration Policy as approved by shareholders at the AGM in 2023. Details of the full policy are available on our website (www.antofagasta.co.uk).

I would like to thank shareholders for their support at the 2023 AGM where our remuneration policy received 94.33% votes in favour, and the Directors' remuneration report received 95.17% votes in favour. We continue to seek to engage shareholders for their views and feedback on Antofagasta's remuneration arrangements.

CEO and Directors' remuneration in context

The Committee considers a range of factors and KPIs when making decisions on remuneration, including the views of stakeholders (including shareholders and employees) and the Company's performance. A summary of these factors and KPIs is set out in the "at a glance" section on page 160. However, I would like to highlight a number of important aspects of this report:

- Despite challenging headwinds, 2023 was a year of significant progress, and we are pleased to be moving forward into the next phase of development and growth. Financial performance in 2023 was solid, revenue was 8% higher than 2022, EBITDA grew 5%, cash flow from operations increased 11% and net cash costs were consistent year-on-year. Operational performance highlights include a 2% increase in Group copper production and finalising the delivery of the Phase 1 Expansion Project at Los Pelambres, which will help to maintain this asset's future production. The financial and operational performance of the Group was carefully considered when reviewing the incentive outturns in respect of 2023.

- The health and safety of people remains our top priority and our Board sets the standard in prioritising the safety and wellbeing of our employees and contractors. In 2023, we recorded another strong year of safety performance, with no fatalities and a Lost Time Injury Frequency Rate of 0.63, a 25% reduction year-on-year. In 2023 management focused on strengthening risk monitoring and targeting safety initiatives in high-risk areas. We also monitored and targeted reduction of occupational hazard risks (e.g. excessive noise, pollutants), as well as addressing physical and mental wellbeing.
- We are committed to creating a diverse and inclusive culture that fosters wellbeing and supports retention and development of a range of talents. In 2023, the proportion of women employed increased to 23.6%, exceeding our target for the year. Our apprenticeship scheme accepted a total of 247 candidates, mostly from local communities, 83% of whom were women. We continue to focus on increasing the number of employees with disabilities and in 2023 disabled employees represented 1.4% of the workforce, a 15% increase on last year.
- We maintain excellent relations with our workforce and six new collective bargaining agreements were successfully concluded by the end of December 2023. These agreements are on top of the inflation linked increases that are already built into agreements and employees' contracts providing financial security in periods of higher inflation.
- During 2023, in my capacity as the Senior Independent Director and Chair of the Remuneration and Talent Management Committee, I travelled to our operations at Los Pelambres, Centinela and Zaldívar with other members of the Board to speak with employees and contractors of the Group to understand their day-to-day experiences and to hear their views and ideas. I met with groups of female employees to understand the challenges they face, working in a predominantly male dominated industry and working environment. I am grateful for the valuable insights shared by all those we met with and have reported these back to the rest of the Board. The Remuneration Committee will keep these insights in mind through 2024 when decision-making.
- During 2023 we developed a decarbonisation strategy, and through this work, the Company has been able to publish updated emissions reduction targets.
- We are strongly positioned to supply the much-needed copper that plays an integral role in the world's transition to a low carbon economy. We endeavour to meet that demand in a responsible and sustainable way, ensuring we create value not just for our shareholders, but also for our employees, our communities, our partners, and our planet as a whole.

CEO's performance and incentive outcomes for the year

Overall, the Committee is comfortable that the range of incentive outcomes described below adequately reflects the performance of the Group and CEO and demonstrates the balanced nature of the incentive plan measures and targets in operation.

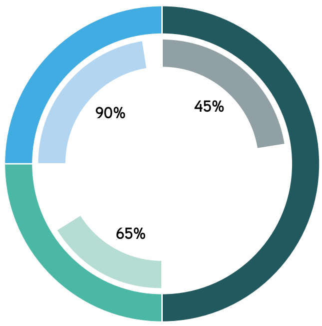
Annual bonus outcome

The overall bonus for the CEO was 78.7% of the maximum.

Group performance (70% of bonus)

The result for Core Business targets was 45% of the maximum target, recognising the challenging headwinds of higher inflation and input costs during the year, as well as water scarcity due to the delay in the desalination plant impacting copper production. Despite these challenges, copper production increased 2% year-on-year and EBITDA results were solid, between target and maximum of our original STI (short term incentive) targeted performance supported by the higher commodity prices of our secondary metals. The result for the Business Development targets was 65% of maximum, and the Sustainability and Organisational Capabilities targets was 90% of maximum, with safety being met in full. The outcome of 60% of maximum was automatically adjusted upwards in line with our remuneration policy, as there were no fatal accidents during the year. This safety adjustment to the performance score outcome was equal to +10 percentage points.

Annual bonus for 2023



The total bonus payout in relation to Group performance was therefore 70% of the maximum.

Individual performance (30% of bonus)

The CEO met 100% of his individual performance objectives.

Find out more on page 168.

LTIP outcome

The anticipated vesting level for the 2021 LTIP awards is 81.3% of the maximum. The outcome of the relative total shareholder return measure of the LTIP performance targets will not be known until after the Annual Report is published, but it is anticipated that the achievement will be 62.6% of the maximum. 100% of the Mineral Resources Increase target was achieved, as well as 100% of the Environmental and Social commitments targets and 100% of the Projects' portfolio performance targets. The actual final vesting for the LTIP will be included in next year's report.

Find out more on page 169.

Mineral Resources Increase target met	Environmental and Social commitments targets met	Projects' portfolio performance targets met
100%	100%	100%

Our approach to the CEO's remuneration in 2024

Base salary

The CEO's annual base salary is paid in Chilean pesos, and presented in this report in US dollars. The CEO's annual base salary will be $1,284,017 from 1 January 2024. During 2023, the CEO's base salary was periodically reviewed and adjusted for inflation, in line with our remuneration policy and the CEO's employment contract. The CEO's base salary is also periodically reviewed and adjusted to reflect exchange rate adjustments, however, the exchange rate hurdle of 5% was not met in November 2023, therefore no related adjustment was made. The Chilean peso/US dollar exchange rate will continue to be monitored during 2024. The Committee continues to monitor the value of the overall remuneration package of the CEO in comparison to peers in the FTSE 100 mining industry and our core global copper mining peer group.

Find out more on page 176.

Annual bonus

The Committee continues to agree that the annual bonus balanced scorecard works well and focuses on the right KPIs for the business.

The scorecard for 2024 reflects the scorecard for 2023, with some minor changes that are intended to optimise performance assessment and focus management on our key goals. Core Business objective weightings have been adjusted to allow for the inclusion of Innovation. Innovation was previously part of the Business Development objectives; however, the Committee believe that Innovation is key to our day-to-day operations and success, and henceforth should be a Core Business focus.

Find out more on page 176.

LTIP

Our fundamental LTIP structure and KPIs remain unchanged with a balanced scorecard measuring relative returns to shareholders, focusing on critical aspects of our projects portfolio, environmental and sustainability commitments.

For 2024 we have adjusted the weightings associated with Mineral resources (formerly 25%, reduced to 12.5%) and Projects' performance (formerly 12.5%, increased to 25%) to enhance the focus on, and visibility of, Projects' performance, as we strive to meet the challenges set out in our Group strategy over the next 3 years.

In addition, for 2024, to reflect the importance of safe environmental practices to the Group, we have introduced compliance with the Global Industry Standard on Tailings Management as a target in the sustainability commitments. Under our remuneration policy the Committee has the ability exceptionally to make an LTI award up to 325% of base pay. The Committee has decided to award the CEO an LTIP award of 300% for 2024, to maintain the competitiveness of our CEO remuneration package and ensure continued leadership stability of the organisation at this time of growth. Our company is a world leading copper company and we have a world leading CEO, recognised in many markets for his expertise and experience and we compete for talent on a global stage including companies in the US, UK, Australia and local companies in South America and Chile. The Committee is conscious of increasing pressure on levels of pay for top talent in the global mining market and recent changes and proposals in the UK FTSE 100 market. Retaining our CEO and leadership team is essential to the delivery of our long term goals and delivery of shareholder value. Even with this increased exceptional award and the 2024 base pay, the level of total target remuneration, using 2023 comparative peer pay data, remains below the lower quartile of both the FTSE 100 mining peer group and our global copper mining peers.

Find out more on page 177.

Directors' fees

No fee changes are anticipated for Directors in 2024.

Find out more on page 178.

The remuneration policy operated as intended for 2023 and no changes to the policy are considered necessary for 2024. The implementation of the remuneration policy in 2024 will be in line with the remuneration policy approved by shareholders at the AGM in 2023.

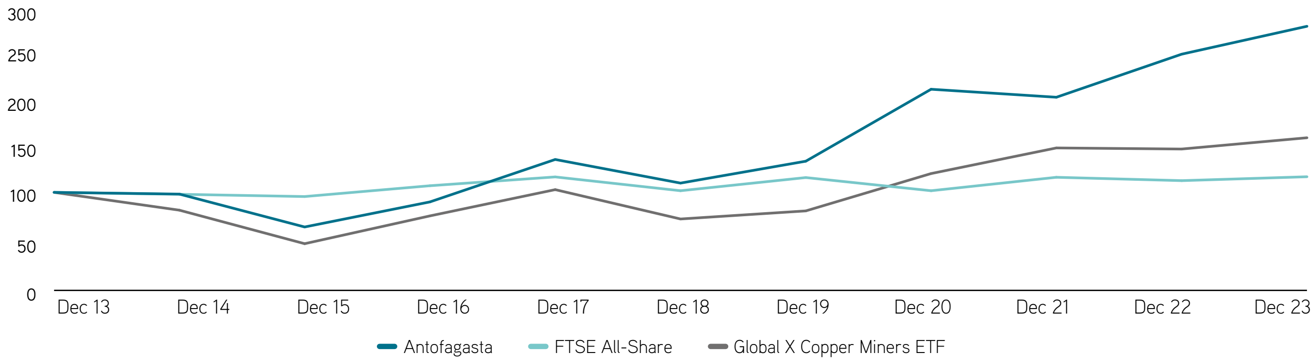
FRANCISCA CASTRO

Chair of the Remuneration and Talent Management Committee

Remuneration at a glance

Summary of business performance (strategic performance outcomes in 2023)

TSR performance



660.6k tonnes
Copper production

$0.72/share
EPS performance

Zero fatalities
Safety record for the year

23.6%
Female direct employee participation

2050 carbon neutral
Group sustainability objective

CEO's pay outcome for 2023

$4,836k
Total remuneration for the CEO

100%
CEO's individual performance

2023 Annual Bonus

			2023 Annual Bonus		
Element	Measure	Weighting	Level required for maximum vesting	Actual achievement	Achievement (% of STI maximum)
Core business	EBITDA ($m)	15%	3,108	3,009	**85%**
	Production	22%	702.9	660.6	**25%**
	Cash Costs	13%	211.6	230.7	**30%**
Business development	Growth	15%			**55%**
	Exploration	5%			**80%**
	Innovation and digital transformation projects	5%			**95%**
Sustainability and organisational capabilities	Safety	5%	*Further details provided on page 166		**100%**
	People	5%			**90%**
	Environment	10%			**75%**
	Social	5%			**100%**
Total outcome – pre-adjustments					**60%**
Adjustment for meeting zero fatality target					**10%**
Total Group Performance (70% of Annual Bonus)					**70%**
Individual Performance (30% of Annual Bonus)					**100%**
Total Annual Bonus Outcome					**78.7%**

LTIP: vesting in 2024

Element	Measure	Weighting	Achievement (% of maximum)
Relative total shareholder value	TSR v Global X Copper Miners ETF over three years (estimated)	50.0%	**62.6%**
Mineral resources	Increase over three years	25.0%	**100%**
Projects' performance	Key projects' milestones	12.5%	**100%**
Sustainability commitments	Compliance with social management plan initiatives, and climate change and environment commitments	12.5%	**100%**
Total outcome			**81.3%**

How the Policy will be implemented in 2024

2024 Annual Bonus

Element	Pillar of strategy	Measure	Weighting (as % of total bonus)
Mining division's performance (70% of bonus opportunity)			
Core Business	Competitiveness	EBITDA, Copper Production, cash costs and innovation	35%
Business Development	Growth	Growth and Exploration	17.5%
Sustainability and organisational capabilities	Safety and sustainability	Safety and Health, People, Environment and Social	17.5%
Individual Performance (30% of bonus opportunity)			
Individual performance	People Safety and sustainability Competitiveness Growth Innovation	The individual objectives for the CEO are based on critical strategic areas as part of our vision for the company – talent, culture, core business, growth, competitiveness, safety & sustainability and innovation.	30%

2024 Long-term incentive plan – performance award KPIs

The Committee has decided to award the CEO an increased exceptional award of 300% for 2024.

Element	Pillar of strategy	Measure	Weighting
Relative total shareholder return	Competitiveness	Antofagasta's Total Shareholders Return (TSR) compared to Global X Copper Miners ETF (CopX Index) over three year period.	50.0%
Project portfolio progress	Growth	Progress of key projects portfolio, including Los Pelambres Concentrate Pipeline and Desalination Plant Expansion, Los Pelambres Expansion Phase 2 – Future expansion, Centinela Second Concentrator and Zaldívar's Primary Sulphide Project.	25.0%
Mineral resources	Growth	Mineral resources at the end of the performance period	12.5%
Sustainability Commitments	Safety and sustainability	Social agreements commitments (40%) Climate change & Environment (60%) • Water Efficiency Strategy • Circular Economy Strategy • Decarbonisation Plan Implementation • Global tailings standard (new this year)	12.5%

Summary of the 2023 Directors' and CEO's remuneration policy

The tables below set out a summary of the Remuneration Policy that was approved by shareholders at the Company's AGM that took place on 10 May 2023. The full Policy is available on the Company's website (www.antofagasta.co.uk).

Policy table for the CEO

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary			
To retain and attract high-calibre executives by offering globally competitive salary levels.	Typically, base salaries are reviewed annually. Base salaries and any increases take into account: • the individual's role, performance and experience, • the Company's performance, the external environment and cost, • salary increases for the wider workforce, and • salary levels for comparable roles at relevant comparator companies.	There is no prescribed maximum, although salary increases consider those of the wider workforce. Chilean labour contracts are adjusted periodically to reflect Chilean inflation, and adjustments may also be made due to union labour negotiations. In addition to the salary increases already mentioned, there may be additional increases when the Committee considers it appropriate, including (but not limited to): • a significant increase in the scale, market comparability or responsibilities of the role, and • individuals appointed on a salary lower than market levels, where increases above those of the wider workforce may be made to recognise experience gained and performance in the role. Such increases will be explained in the relevant Annual Report.	Individual and mining division performance is considered when determining base salaries and increases.
Benefits			
To provide market competitive benefits.	Benefits typically include life and health insurance. Other benefits may be offered where appropriate, including, but not limited to, car allowance, pension contribution, professional fees and relocation allowances.	Benefits are reviewed periodically. There is no maximum overall.	None

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual Bonus Plan			
To focus on delivering annual financial and non-financial targets designed to align remuneration with the Company's strategy and to create a platform for future sustainable performance.	The bonus is earned based on achieving one-year performance targets. It is paid in cash.	Maximum of 200% of salary	The bonus is based on financial, operational, strategic and individual measures. Performance measures and weightings are reviewed annually to ensure they continue to reflect the Company's strategic priorities. At least 50% of the bonus will be based on the Mining division's financial, operational and strategic performance. Other metrics include, but are not limited to, business development, organisational capabilities, sustainability and safety. In addition, an automatic adjustment applies to the Mining division's performance score under the Annual Bonus Plan, downwards if there is a fatality during the year and upwards if there is no fatality. This further aligns the Mining division's incentives with the core value of safety and our goal of zero fatalities. The Committee will consider whether this should continue to apply annually, considering the Mining division's safety culture and performance. The annual bonus starts accruing at 'threshold' performance (0% payout), with a payout of 50% of the 'maximum' when 'on-target' performance is achieved. The Committee retains the discretion to adjust bonus outcomes to ensure they reflect underlying business performance, the impact of the commodity price and any other relevant factors.
Long-Term Incentive Plan (LTIP)			
To align with the shareholders' experience and focus on long-term, sustainable performance.	Awards under the LTIP will typically comprise: • Performance Awards – performance is measured over a three-year period with vesting, thereafter, comprising at least 70% of the total LTIP awards. • Restricted Awards – vest one-third each year over a three-year period, comprising a maximum of 30% of the total LTIP awards. Awards will usually be made in the form of a conditional right to receive a cash payment by reference to the value of a specified number of the Company's shares. Malus may be applied in exceptional circumstances, as detailed in the notes to the Policy table in the 2022 Annual Report.	Maximum of 200% of salary, increased to 325% in exceptional circumstances.	Performance Awards will be based on a combination of shareholder return and strategic performance measures aligned with the business priorities. The targets, measures and weightings are determined by the Committee annually. The shareholder return measures are at least 50% of the Performance Awards. Performance Awards begin vesting at 'threshold' performance, with the amount depending on the performance metric. This level is intended across all metrics to be 0% at the threshold and an aggregate average of approximately 50% of the maximum at 'on-target' performance. No performance conditions usually apply to Restricted Awards. The Committee retains the discretion to adjust payments to ensure they reflect underlying business performance, the impact of the commodity price and any other relevant factors.

Policy table for the Chair and Non-Executive Directors

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fees			
To attract and retain high calibre, experienced Directors by offering globally competitive fee levels.	The Chair receives an annual base fee. Non-Executive Directors receive an annual base fee. Directors may receive further fees for serving as Senior Independent Director, a Board Committee Chair or a Committee member. Separate base fees are paid for serving on the Antofagasta Minerals Board or as a Director or Chair of any subsidiary or joint-venture company. Ramón Jara also receives a base fee (adjusted for Chilean inflation) for advisory services provided to Antofagasta Minerals pursuant to his service agreement. Fees are subject to review, which will take into account time commitment, responsibilities and market practice.	Total fees paid will be within the limit stated in the Company's articles of association. Changes may be made to Chilean-peso-denominated fees to adjust for Chilean inflation.	None
Benefits			
To provide appropriate benefits and reimburse appropriate expenses that Directors incur in the performance of their duties.	Non-Executive Directors are entitled to reimbursement for reasonable expenses incurred during the performance of their duties, including any tax due on the reimbursements. Benefits may include the provision of life, accident and health insurance, professional advice and other minor benefits, including occasional spousal travel in connection with the business.	Benefits are set at a level appropriate to the individual's role and circumstances. The maximum will depend on the type of benefit and cost of its provision.	None

Our remuneration philosophy

Our remuneration philosophy reflects local regulations and market practices while aligning with UK best practices and governance.

Local regulations, market practices and remuneration structures available in Chile are a central consideration when structuring the CEO's remuneration. Real share awards have not been part of the executive remuneration structure for employees since the LTIP was first implemented a decade ago because, until recently, in Chile they were taxable in full at the date they were granted. Considering the potential future uncertainty on taxation and as the use of real shares continues to be uncommon in Chile, all the Company awards continue as cash awards linked to a notional number of shares and share price performance.

Although our CEO is not a Director of the Company, we have voluntarily disclosed his remuneration since 2014 and provided details throughout the remuneration report to allow shareholders to understand how these structures support the strategy and promote long-term sustainable success. Since the implementation of the European Shareholders' Rights Directive II in 2019, these disclosures have become mandatory and are included in this report. The final decisions in respect of the CEO's remuneration are always made by the Committee and the CEO is not present for this part of the meeting, ensuring that the Committee makes independent decisions in the best interest of Antofagasta.

The Committee follows the UK Corporate Governance Code. The table below summarises how we have considered Code provision 40 when developing and implementing our remuneration strategy.

Factor	How the Committee addresses the factor
Clarity Remuneration arrangements are transparent and promote effective engagement with shareholders and the workforce.	Our rationale for operating two long-term (performance and restricted) incentive awards is straightforward and well-communicated. The performance measures used in the Annual Bonus Plan and LTIP are used internally and externally in tracking and communicating business performance, ensuring that participants understand them well. We are careful not to make unnecessary changes to the executive remuneration policy; we seek year-on-year consistency which enhances the policy's simplicity and effectiveness. The Committee Chair engages with and seeks the views of our shareholders on material changes to executive remuneration. Shareholder views were obtained and are reflected in the current remuneration policy. Views of the workforce are considered via the Company's workforce engagement mechanisms described in more detail on page 165. Remuneration-related topics on which employee views are sought include benefits, pay fairness, alignment between individual performance and pay and sharing in the Company's success.
Predictability The range of possible values of rewards for the CEO is identified and explained at the time of approving the policy.	Target ranges and potential payout levels are disclosed in advance, allowing shareholders and participants to understand the potential value of the package in different performance scenarios. The Committee carefully considers the performance measures for the annual bonus and LTIP each year and seeks to achieve consistency (when appropriate), with only necessary changes being made so that the plans are sufficiently predictable. When setting performance targets, the Committee considers the same range of internal and external factors each year. This provides consistency in policy implementation.
Simplicity Remuneration structures are uncomplicated, and their rationale and operation are both easy to understand and consistent for the CEO and, where applicable, those below him.	Each element of pay is clearly communicated. Our incentive plans are market typical designs, making it easier for participants to understand. Where appropriate, incentive arrangements flow down through the organisation to align the interests of employees and senior management with those of our shareholders and to encourage and share value creation.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company is clear.	Performance conditions in the annual bonus and performance share awards require a minimum level of performance before any payment is made to senior management, and performance targets are aligned with our business plan and strategy. Remuneration is considered in the context of the wider employee population, including pay gap information, to assess its appropriateness. Truly stretching performance is required for the maximum to payout under our incentive plans. This ensures that executive rewards align with the experience of shareholders. There are clearly defined maximum opportunities, as set out in our 2023 Policy.
Risk Reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Incentive plan performance measures are balanced to promote the right behaviours and appropriate safeguards are put in place, including adjustments for safety performance. While clawback has not been introduced due to uncertainty around its legal validity in Chile, LTIP awards are subject to malus. The Committee retains the discretion to adjust outcomes under the plans for variable remuneration.
Alignment to culture Incentive plans drive behaviours consistent with the Company's purpose, values and strategy.	Our 2023 Policy continues to be aligned with the business objectives to create sustainable value and high profitability. We reward strong performance aligned with our business objectives, but only if the methods used align with our safety and sustainability objectives. In 2024, all executive and supervisor performance bonuses, including the CEO's, include an assessment of individual performance related to the Group's Leadership Model which defines the behaviours that we require all employees to demonstrate, and is intended to connect and enhance our excellence management system and the strength of inclusive leadership.

CEO's single figure of remuneration (audited)

The table below sets out the remuneration received by the CEO in respect of the years ended 31 December 2023 and 31 December 2022.

	Salary/Fees $'000[2]	Benefits $'000[3]	Bonus $'000[4]	Restricted Awards $'000[5]	Performance Awards $'000[6,7]	Total remuneration $'000	Total fixed remuneration $'000	Total variable remuneration $'000
Iván Arriagada[1] 2023	**1,307**	**136**	**2,020**	**802**	**571**	**4,836**	**1,443**	**3,393**
Iván Arriagada[1] 2022	833	115	1,846	520	1,978	5,292	948	4,344

1. Mr. Iván Arriagada's remuneration was calculated based on amounts paid in Chilean pesos each month of the relevant year, converted into US dollars at the closing exchange rate for the month it was paid.
2. As explained in last year's annual report there were a number of increases to the CEO's base salary during 2022 and 2023, impacting the 2023 salary figure shown. Firstly in accordance with the CEO's contract there was a 17.6% exchange rate increase, plus a 2.8% inflation increase in 2022. Secondly, at the start of 2023 as disclosed in the 2022 annual report, the CEO's base salary increased by a further 20% from January 2023. During 2023 an inflationary increase of 4.8% has been applied in December 2023.
3. Benefits include life and health insurance. Other benefit values are based on what the Company believes would be deemed by HMRC to be taxable benefits in the UK. These principally relate to the cost of attending Board and other meetings and the Company's Annual General Meeting in London (which comprise $93,000 of the total expenses shown above, including the related tax effect). The Company also pays the professional fees incurred to complete the CEO's tax returns and the actual tax incurred by the CEO on these benefits, which are received in connection with fulfilling his duties. The Company makes no pension contributions on behalf of the CEO. HMRC has deemed certain services to be taxable in the UK. The Company has agreed to compensate the CEO for any double taxation that is not eventually recoverable from the Chilean revenue under the UK/Chile Double tax treaty. This tax equalisation benefit in respect of 2023 is a benefit of $9,892 and in 2022 was a benefit of $6,505.
4. Mr Arriagada's bonus is paid in Chilean pesos and reported in US dollars. The 2022 annual bonus was paid following the date of publication of the 2022 Annual Report and the exchange rate used has been updated with the rate applicable at the date the bonus was paid. The exchange rate as of March 2023, which was used to update the 2022 annual bonus, is Ch$/USD 790.41 vs Ch$/USD 855.86 in January 2023.
5. Restricted Award amounts are reported in the year of the grant based on the face value of the awards on the date of the grant.
6. Performance Awards are reported in the year the performance period ends. The Total Shareholder Return (TSR) performance is an estimate based on the substantial completion of the performance period, determined after this report's publication. The share price used to value these awards is the three-month average share price to the end of the 31 December 2023 performance period of £14.36/share and USD/GBP 1.24. Performance awards are cash awards linked to a notional number of shares (39,442) and the Company's share price performance. There was no entitlement to dividends or dividend equivalents.
7. The Performance Awards included in the 2022 total vested on 27 March 2023. 50% of the award was based on the TSR performance, which was determined after the publication of last year's report. The figure included in the table has been updated to reflect the TSR performance outcome that was 100% of the maximum, leading to a total award outcome of 100% of the maximum. The increase in the value reported for the 2020 LTIP reflects the change in share price and exchange rate at vesting. The share price and exchange rate used to value this award are £15.31/share and USD/GBP 1.23. For the 2020 LTIP, the value attributable to an increase in the Company's share price is $343,767. The value at the time of the grant reached based on $868,000 with a £6.98/share and USD/GBP 1.18 with an increase in the value reported as $1,110,271. The notional number of shares over which the performance awards were granted was 105,295. There was no entitlement to dividends or dividend equivalents.

Annual bonus – audited

Group performance (70%)

The targets and achievements for the 2023 annual bonus are set out below. 70% of the CEO and Executive Committee's 2023 annual bonuses were calculated based on the Group's performance against these criteria in 2023:

Measure	Weighting %	Threshold (0% vesting)	On-target (50% vesting)	Maximum (100% vesting)	Actual achievement	Achievement (% of maximum)
Core business	**50%**					**45%**
EBITDA – Mining division[1] ($m)	15%	2,543	2,825	3,108	3,009	85%
Copper production[2] (kt)	22%	650.9	671.7-692.5	702.9	660.6	25%
Cash costs before by-product credits[3] (c/lb)	13%	238.6	225.1	211.6	230.7	30%
Business development	**25%**					**65%**
Growth projects[4]	15%	Measured according to the schedule and budget, as described in more detail in the footnotes.				55%
Exploration programmes[5]	5%					80%
Innovation and digital transformation projects[6]	5%					95%
Sustainability and organisational capabilities	**25%**					**90%**
Safety – Mining division[7]	5%	Measured according to the KPIs and milestones as described in more detail in the footnotes.				100%
People – Diversity and Inclusion Strategy[8]	5%					90%
Environmental performance[9]	10%					75%
Social performance[10]	5%					100%
Total outcome – pre-adjustments		Adjustments are described in more detail in the footnotes.				**60%**
Adjustment for meeting zero fatality target[11]						10%
Board discretion applied[12]						0%
Total outcome – post-adjustments						**70%**[13]

1. The EBITDA targets were adjusted for exchange rate, inflation and copper price fluctuations, and explosives price fluctuations, and the effect of one-off bonuses paid on conclusion of labour negotiations at Minera Centinela, Los Pelambres, and Zaldívar, which were not included in the Group's budget.
2. The copper production outturn level (which includes 50% of Zaldívar) reflects the stretching targets set at the beginning of the year in line with expectations of greater water availability through our desalination plant. As the desalination plant was delayed beyond the original schedule this impacted production, but despite this our Mining Division successfully produced 660,600 tonnes of copper, representing a 2% increase year-on-year.
3. The cash cost targets were adjusted for the same factors as the EBITDA targets (except for copper price fluctuations, which do not impact this measure).
4. Split between: Los Pelambres Phase 1 Expansion Project (4%), Los Pelambres critical infrastructure projects, including desalination plant increase, concentrate pipeline and El Mauro enclosures (collectively PAO), and Los Pelambres – mine life extension (EVU) (2%), Centinela: Second Concentrator Detailed Engineering (5%), Zaldívar: CMZ II Enablers (2%) and Permission Strategy Zaldívar (2%). The overall result for this measure was 55% of the maximum. The underlying performance targets and outcomes are set out below.
   - Los Pelambres Phase 1 Expansion Project: the result was that the threshold target was not achieved. Threshold (50%) beginning production less than 30 days late and (50%) beginning production on 400 lt/s less than 60 days late.
   - PAO/EVU: The result was between threshold and target performance. Threshold (100%) presenting the investment for approval within 120 days of approval from the PAO EIA. Target (70%) at least 85% progress of the approved PAO programme, (30%) finalising the processing strategy for entry to the EVU with reference to the PAO EIA.
   - Centinela Second Concentrator Detailed Engineering: The result was between target and maximum performance. Target (100%) progress according to the approved programme (investment decision during 2023). Maximum (50%) renegotiation of Purchase Orders for critical equipment due to deadline extension to 2023 with no impact on the execution of the project, and (50%) negotiations for the term extensions of the vertical packages of work not impacting capex by more than 2.5%.
   - Zaldívar II Enablers: The result was between target and maximum performance. Target (50%) documentation is ready to start bidding for the design and construction of the Pioneer Camp at Zaldívar in Q4 2023 and (50%) documentation is ready for a tender process in Q4 2023 for the Engineering, Procurement and Construction (EPC) of Zaldivar's conversion to either sea water or third party water sources. Maximum (100%) all critical milestones met in 2023.
   - Zaldívar permission strategy: Maximum (100%) approval for the DIA bridge in Q4 2023. Management completed all works required for approval of the DIA bridge and submitted for final approval in Q4 2023. The government finalised this approval in January 2024. The Board therefore determined the result was maximum performance.
5. Includes targets to assess the progress of exploration programmes and consolidation of exploration ownership interests, split between Cachorro deposit (60%), Encierro deposit (20%) and international exploration (20%). All the programmes were advanced according to the plan. The result was 80% of the maximum.
6. Split between compliance with the Innovation Roadmap (50%) and Data Analytics (50%). Milestones for the Innovation Roadmap measure at target was 50% based on IROC Minera Los Pelambres and 50% based on IROC Centinela. The overall result for Innovation and digital transformation projects was 95% of maximum, made up of 85% of maximum achievement for the Innovation Roadmap measure and 100% of maximum achievement for the Data Analytics measure.
   - IROC Minera Los Pelambres: (50%) Operating with a 85% value capture in 2023 and (50%) achievement by Q2 of 200l/s then 400l/s at the desalination plant for target achievement.
   - IROC Centinela: becoming compliant with Value Levers in Budget for Concentrator Plant – copper recovery 85.98%, mineral ore processed 107 Ktpd, and Hydrometallurgy Plants – copper recovery 62.31%, for target achievement.
   - To achieve maximum payout on the Innovation Roadmap measure, milestones were 25% based on IROC Minera Los Pelambres: (50%) Operating with value capture over 105% of expected 2023 and (50%) Q3 – 2023 start of fourth milling line from IROC. 25% based on North Zone: approval to advance to feasibility stage and incorporation into 2024 budget of next phase. 25% based in IROC Centinela: Fulfilment of Value Levers 2023 budget: Concentrator Plant (1/3) Cu Recovery: > 85.98%. (1/3) Ore Processed: > 107 Ktpd Hydrometallurgy Plants (1/3) Cu Recovery: > 62.31%, and Autonomy Control Room transfer to IROC. 25% Standardisation of IROC development model.
   - Milestones for the Data Analytics measure were related to the level of materialisation of active advanced analytics tools, requiring $11.5 million for maximum achievement.
7. Split between performance against targets for reducing high potential incidents (50%) and decrease in similar exposure group (SEG) of occupational hazards (50%). These metrics were met in full, and the Lost Time Injury Frequency Rate (LTIFR) trigger which applied for a LTIFR of higher than 1 was not triggered.
   - Reduction in High Potential Incident (HPI) rate targets were: maximum: 0.09.
   - The SEG targets were: maximum: 10% or more.
8. Performance against targets for implementation of the Diversity and Inclusion Policy. (50%) of the target was based on the D&I Roadmap implementation and (50%) was based on an increase in the percentage of female direct employees by the year's end. Performance was between target and maximum for this measure with 90% of objectives being met. A 15% negative trigger would apply if the overall target of 1% of people with disabilities is not met, however, this target was met during the year and so no negative trigger applies.
   - On-target: implementation of roadmap by April 2023 and 22.0% female direct employees.
   - Maximum: meet all implementation objectives and at 23.1% female direct employees.
9. Split between compliance with a regulatory requirements action plan (40%), and implementation of the Climate Change Roadmap (60%). This metric was met 75%.
   - Regulatory requirements action plan: This measure was achieved in full with 100% payout. Maximum: obtaining the Copper Mark ratification at Antucoya by June 2023 and at Los Pelambres by August 2023; and the internal evaluation for Centinela and Zaldívar by December 2023.
   - Implementation of the Climate Change Roadmap: This measure was partially achieved at 60% of the maximum. Target: (25%) Pillar 1: Implementation of Circular Economy Strategy, (25%) Pillar 2: (25%) Comply with the Energy Performance Indicators of the 2023 budget, (25%) Incorporate into the Climate Change scenario, of the 2023 annual planning process, the action to implement energy efficiency measures, for each Company, (25%) Incorporation of the 2022 Decarbonisation Plan in the annual planning process and incorporation of the scenario in the 2024 Budget and development of the Second Stage of the Plan. (25%) Target definition of Scope 3 (% to be defined during 2023), (25%) Pillar 3: (34%) Increase the water efficiency of the Mining Group by 0.25%, which is equivalent to decreasing the consumption at ~35 l/s as a whole for the Group. (33%) Develop a pre-feasibility study of a technological initiative in all Mining Group Companies. (33%) Achieve an average of 70% compliance with the Water Management Standard by 2023 for the global GM Companies. (25%) Pillar 4: Climate Change Standard Approval in H1. Maximum: (25%) Pillar 1: Implementation of Circular Economy Strategy, (25%) Pillar 2: (50%) Compensation Strategy Definition, (50%) Reduction of 1.5% with the implicit Energy Performance Indicators of the 2023 budget, (25%) Pillar 3: (50%) Increase the water efficiency of the GM by 0.5%, which is equivalent to reducing consumption at ~70 l/s as a whole for the Group. (50%) Achieve by 2023 an average of 75% compliance with the Water Management Standard for the global Mining Group Companies, (25%) Pillar 4: Definition of Baseline for implementation of the Climate Change Standard (identification of gaps and definition of an action plan).
10. Performance against the planned execution of social initiatives. This metric was met in full. Maximum: (40%) 3% savings in Social Initiatives budget, (40%) Minera Los Pelambres/North District measurement tools implementation, (20%) Positive results in the application of the reputation perception tool defined in 2023.
11. A standalone adjustment trigger of 15% of the calculated outcome is applied to the Annual Bonus Plan, upwards if there are no fatalities during the year or downwards if there are one or more fatalities. As there were no fatalities in 2023, the final Mining division's outcome was increased by 10% (from 60% of maximum to 70% of maximum).
12. The Board did not make any discretionary adjustments to the bonus.
13. For the purposes of calculation of outturn results, one decimal place has been used, but for simplicity in reporting, above figures have been shown as rounded to the nearest whole figure. Performance objectives are evaluated on a twenty-point scale with the minimum (90), target (100) and maximum (110), each point from 90 to 110 corresponding to 5% of the maximum objective.

Individual performance (30%)

The individual objectives for the CEO were based on critical strategic areas as part of our vision for the Company – organisation, leadership, culture, people, growth, competitiveness, safety and sustainability and innovation. Based on individual feedback from Directors, the Committee assessed Iván Arriagada's performance against his personal objectives as 100% of the maximum for his contribution to the individual strategic business goals during the year. All his objectives were exceeded, which count towards 30% of his annual bonus. This outcome reflects exceptional performance during a challenging year in continuing to deliver a culture of excellence as well as develop the business across its core strategic growth areas establishing a stronger foundation to build future value for all our stakeholders. Iván Arriagada's performance against each of his objectives is summarised below:

Key Goals	Performance
Keeping the Board well-informed and responding to feedback received during the year.	Kept the Board well-informed of key issues and developments, demonstrating a strong professional working relationship, patience, respect and responsiveness to ideas, suggestions and feedback, ensuring that the Board's perspectives were incorporated in decision-making throughout the Group.
Leading the Group's core values and developing a culture of excellence.	Strong visible and proactive leadership, exemplifying the Group's core values, with effective leadership continuing to foster a corporate culture of excellence. Outstanding 2023 safety performance supported by strong environmental performance and people and organisation initiatives.
Implementing strategy including in relation to long-term growth	Demonstrated strategic vision to strengthen the Group's operations, projects and project capabilities to support the advancement of key projects at Los Pelambres and Centinela during the year.
Focusing on the Group's core business	Maintained focus on the core business in a year with significant activity in various areas. This included the successful implementation of projects that continue to improve operational performance
Developing talent, ensuring appropriate succession planning and performance management.	Demonstrated continued improvements in succession planning and talent initiatives with a consistent and more diverse talent pool across the business. Successfully restructured the Executive Committee and senior management positions with the promotion of internal talent and by attracting internally diverse talent to prepare the business for current challenges.
Pursuing exploration and business development opportunities.	Promoted and executed a growth strategy that balanced brownfield growth and internationalisation. This included completion of the Desalination Plant project at Los Pelambres, the approval of Centinela's Second Concentrator and Minera Los Pelambres' key infrastructure projects and the Group's investment in exploration and Buenaventura in Peru.
Promoting the Group's reputation, working with key stakeholders and local communities	Outstanding contribution to the visibility and reputation of the Group in Chile, with stakeholders, investors and in the international mining industry.

Performance adjustments, discretion and CEO's total annual bonus for 2023

Based on Iván Arriagada's performance achieved against his 2023 targets, the Committee determined that he would receive a bonus payment of $2,020k. This figure was determined as follows:

Overall performance score (70% x 70%) + (30% x 100%) = 78.7% of the maximum

(As a percentage of the maximum) 78.7% of $2,568k

Gross annual bonus = $2,020k

Calculated in US dollars using the exchange rate as of 31 December 2023 of $1 = **Ch$877.12**

Because the annual bonus is calculated and paid in Chilean pesos, it is subject to exchange rate movements when reported in US dollars.

The amount of bonus paid was not linked to share price appreciation.

Long-term incentive – audited

Anticipated vesting in 2024

As noted in the single-figure remuneration table on page 166, performance against the Performance Awards granted in 2021[1] will not be finally determined by the Committee until after the date of this report. The performance criteria attached to these Performance Awards and the anticipated performance against these criteria, based on estimates as of the date of this report, are as follows:

Measure	Weighting %		Threshold	On-target	Maximum	Performance	Achievement %	Discretion applied
Relative total shareholder return over three year period **ESTIMATED**	50%	Global X Copper Miners ETF (CopX Index)	Below index	Equal to index	≥5% above index	This KPI will vest on or after 29 March 2024. The estimate is based on a performance of 2.21%[2] higher than the index as of 23 February 2024.	62.6%	No
		% Score	0%	33%	100%			
Mineral resources increase	25%	Tonnes of contained copper	82.6m	85.6m	86.6m	Resources increased to 92.1 million tonnes of contained copper as of 31 December 2023.	100%	No
		% Score	0%	50%	100%			
Projects' performance[3]	12.5%	(1) Los Pelambres pipeline (2) Desalination plant expansion (3) Centinela Second Concentrator	(1) and (2) feasibility study not started (3) Not submitted for Board approval	(1) and (2) feasibility study 75% complete. (3) Submitted for Board approval and construction underway	(1) and (2) feasibility study 100% complete. (3) Construction progress in accordance with the approved plan	All goals achieved	100%	No
		% Score	0%	75%	100%			
Sustainability commitments[4]	12.5%	Choapa Valley (30%) North District (10%)	50% compliance with the social management plan initiatives. Final compliance is calculated as the average compliance of all initiatives.	75% compliance	> =85% compliance. Considers existing initiatives as of 31 March 2021 and those that may be added by 31 December 2023. 100% includes compliance with the implementation timelines and budget	All goals achieved.	100%	No
		Climate change & environment (60%)	50% compliance with the emissions budget. 50% compliance with the climate change strategy roadmap. 50% compliance with the internal plan for extreme, high and moderate risk regulatory requirements.	75% compliance.	100% compliance			
		% Score	0%		100%			
						Total outcome	**81.3%[5]**	

1. The number of shares and share price used and the impact of vesting % for this award is available in the notes to the single figure table on page 166 and the table setting out long-term incentive awards outstanding for the CEO from prior periods on page 172.
2. The TSR outcome is an estimate as the performance period ends after this report is published. The actual outturn will be included in next year's Annual Report.
3. The Los Pelambres pipeline and desalination plant expansion feasibility study is 100% complete. The PAO project had Basic Engineering completed in Nov 2022 for the piping systems and made significant progress in engineering and construction works carried out for the 800 lt/s desalination plant by the Los Pelambres Phase 1 Expansion Project. Additionally, in December 2022 the budget was approved to commence activities of the execution stage, corresponding to detailed engineering, critical purchases (long lead), some early works, bidding of main contracts and training of the project team, which has been taking during 2023. Finally, in October 2023, environmental approval was obtained for the project with a favourable RCA, a milestone that enables the start of definitive construction, whose request for an investment decision is expected to be submitted to the Board of Directors in the first quarter of 2024. Centinela Second Concentrator project was approved on 19 December 2023 with a three-year construction schedule, with critical path works commencing immediately in Q4 2023 and full construction to commence after definitive project finance documents have been executed during Q1 2024. The Board approved plan was updated based on the Board's decision to postpone the approval decision until certain national regulatory conditions were met in 2023.
4. One hundred percent (100%) compliance means agreements reached with the communities near the Company's operations, CO_2 emissions reduction following forecasts set on the grant date equivalent to 928,163 tCO_2e, 100% compliance with the climate change strategy roadmap and 100% compliance with the internal plan to address regulatory requirements.
5. The impact of this vesting level on the CEO's 2023 remuneration is set out in footnote 6 of the CEO single-figure total remuneration table on page 166.

Performance adjustments and discretion

No discretion has been applied to any of the performance calculations for the 2021 LTIP outcome.

Directors' single figure of remuneration (audited)

The Directors' remuneration for 2023 and 2022 is below in US dollars. Unless otherwise noted, amounts paid in Chilean pesos have been converted at the exchange rate on the first working day of the month following the payment date. Any additional fees payable for serving on subsidiary and joint venture company boards are also included in the amounts below.

	Fees		Benefits[2,3]		Total[4,5]	
	2023 $000	2022 $000	**2023 $000**	2022 $000	**2023 $000**	2022 $000
Chairman						
Jean-Paul Luksic	**1,015**	1,015	**19**	16	**1,034**	1,031
Non-Executive Directors						
Ramón Jara[1]	**1,133**	927	**99**	85	**1,232**	1,014
Juan Claro	**280**	280	**17**	3	**297**	283
Andrónico Luksic C	**260**	260	**6**	3	**266**	263
Vivianne Blanlot	**317**	325	**18**	3	**335**	328
Jorge Bande (departed 31 December 2023)	**320**	320	**18**	13	**338**	333
Francisca Castro	**337**	315	**35**	21	**372**	336
Michael Anglin	**335**	335	**7**	7	**342**	342
Tony Jensen	**353**	365	**21**	12	**374**	377
Maria Eugenia Parot	**316**	300	**17**	6	**333**	306
Heather Lawrence (joined 18 April 2023)	**196**	-	**6**	-	**202**	-
Total Board	**4,862**	4,442	**263**	169	**5,125**	4,611

1. During 2023, $832,582 (2022 – $604,079) was paid to Asesorías Ramón F. Jara Ltda. for providing services. The increase is due to an inflation adjustment, a change in the Chilean service provision law and decrease in the Ch$/USD exchange rate. These payments are included in the fees attributable to Ramón Jara shown above.
2. Amounts for Jean-Paul Luksic include the provision of life and health insurance. Amounts for Ramón Jara include the provision of life insurance. No such insurance is provided for the other Directors.
3. Except as described in footnote 2, all "benefits" amounts included in this table arose in connection with the fulfilment of Directors' duties and, in particular, including the cost of attending Board and other meetings and the Company's Annual General Meeting in London (which comprise $189,000 of the total expenses shown above, including the related tax effect, of which $92,000 relates to Ramon Jara) . These calculations have been based on what the Company believes would be deemed by HMRC to be taxable benefits in the UK by the Non-Executive Directors or would be if the director was resident in the United Kingdom for tax purposes, alongside any personal incidental expenses. Given these expenses are incurred by Directors in connection with the fulfilment of their director duties, the Company also pays the professional fees incurred to complete individual tax returns and the actual tax incurred by Directors on these expenses. Figures are reported in the year that they are paid, or would be payable, by the Company.
4. Totals reflect the total fixed remuneration for each Director. Directors did not receive any variable remuneration.
5. Notes relevant to single-figure disclosures for 2022 can be found on page 159 of the 2022 annual report. These remain unchanged.

Payments to former directors (audited)

There were no payments made to past directors.

Payments for loss of office (audited)

There were no payments made for loss of office.

Directors and CEO's shareholding and share interests (audited)

The Directors who held office on 31 December 2023 had the following interests in the ordinary shares of the Company:

	Ordinary shares of 5p each	
	31 December 2023	1 January 2023
Jean-Paul Luksic[1]	**41,963,110**	41,963,110
Tony Jensen	–	–
Ramón Jara[2]	–	5,260
Juan Claro	–	–
Andrónico Luksic C	–	–
Vivianne Blanlot	–	–
Jorge Bande	–	–
Francisca Castro	–	–
Michael Anglin	–	–
Eugenia Parot	–	–

1. Jean-Paul Luksic's interest relates to shares held by Aureberg Establishment, an entity he ultimately controls.
2. Ramón Jara's interest relates to shares that were held by a close family member.

There have been no changes to the Directors' interests in the shares of the Company between 31 December 2023 and the date of this report.

The Directors and CEO had no interests in the shares of the Company during the year other than those set out on this page. No Director had any material interest in any contract (other than a service contract in the case of Ramón Jara) with the Company or its subsidiary undertakings during the year other than in the ordinary course of business.

The Group does not have shareholding guidelines or requirements for Directors, all of whom are Non-Executives.

The Chairman, Mr. Jean-Paul Luksic, and Non-Executive Director, Mr. Andrónico Luksic C., are members of the Luksic family. Members of the Luksic family are interested in the E. Abaroa Foundation, which controls Metalinvest Establishment and Kupferberg Establishment, which, taken together, hold approximately 60.66% of the Company's ordinary shares and approximately 94.12% of the Company's preference shares. In addition, Mr. Jean-Paul Luksic controls the Severe Studere Foundation, which, in turn, controls the Aureberg Establishment (which holds approximately 4.26% of the Company's ordinary shares as mentioned above). This creates significant alignment between these members of the Board and shareholders.

During the period, no Non-Executive Director was eligible for any short-term or long-term incentive awards, and no Non-Executive Director owns any shares as a result of the achievement of performance conditions.

Other relevant information

Long-term incentive plan awards made to the CEO during the financial year (audited)

As stated earlier in this report, all LTIP awards are cash awards linked to a notional number of shares and the Company's share price performance.

Type of award	Date of grant	Number of shares/options	Award as % of salary[1]	Face value (market value at date of grant)	Performance period	Vesting dates
Restricted Award	29 Mar 2023	42,567	60%	$801,490	N/A	29 Mar 2024 29 Mar 2025 29 Mar 2026
Performance Award	29 Mar 2023	99,321	140%	$1,870,142	29 Mar 2023 to 29 Mar 2026	29 Mar 2026

1. The number of awards was calculated according to the base salary at the grant date on 29 March 2023 with the total face value described in the table. The share price used to value these awards is £15.33/share and USD/GBP 1.23 as an average of the 5 last working days according to policy.

Performance conditions attaching to long-term incentive plan awards granted to the CEO in 2023 (audited)

Objective	Weighting	Threshold	Target	Maximum	Vesting at threshold	Vesting at target	Vesting at maximum
Relative total shareholder return vs. Global X Copper Miners ETF over three years. (CopX Index)	50%	Performance below index	Equal to index	≥ 5% above index	0%	33%	100%
Mineral resources (contained copper)	25%	83.6m tonnes	86.2m tonnes	88.1m tonnes	0%	50%	100%
Projects performance: (1) Los Pelambres Concentrate Pipeline (15%) (2) Los Pelambres Desalination Plant Expansion (15%) (3) Los Pelambres – Mine Life Extension (10%) (4) Zaldívar's Operational Continuity Solution (20%) (5) Centinela Second Concentrator (40%)	12.5%	(1), (2) and (5) progress of 40%. (3) Addendum 2 (Document that provides consolidated answers to the authority's questions) not started as of December 2025. Tailings filter tests not started as of December 2024. (4) Definition and approval of Zaldívar's operational continuity solution: 75% compliance with the roadmap defined as of December 2025.	(1), (2) and (5) progress of 74% (3) Addendum 2 in preparation with 50% progress as of December 2025 and tailings tests filtered with 50% progress as of December 2024. (4) Definition and approval of the Zaldívar operational continuity solution: 85% compliance with the roadmap defined as of December 2025.	75% completion of (1), (2) and (5) (3) Addendum 2 entry as of December 2025 and filtered tailings tests performed as of December 2024 (4) Definition and approval of Zaldívar operational continuity solution: 100% compliance with defined roadmap as of December 2025. (4) Progress in the feasibility of the Primary Sulphides Project >= 85% of the approved plan.	0%	75%	100%
Environmental and social commitments: (1) Social Management Plan (40%)	12.5%	Greater than 50% compliance	Greater than 75% compliance	Greater than or equal to 85% compliance[1]	0%	75%	100%
(2) Climate change and environment (60%)		50% compliance.	75% compliance.	Maximum is achievable for compliance with Decarbonisation Roadmap plan at 75%. 95% compliance with the water efficiency target. 100% for implementation of targets relating to the Circular Economy Strategy. Score 75% + 95% compliance with extreme, high and moderate risk regulatory requirements.	0%	75%	100%

1. Compliance with initiatives in the Group's social management plan, including initiatives existing as of 31 March 2023 and added before 31 December 2025, on time and within the budget.

The Committee set stretching targets which incentivise the CEO and Executive Committee members to deliver exceptional performance and to drive sustainable results. The Committee ensures that targets are appropriately stretching in the context of the business plan and prior year achievements and that there is an appropriate balance between incentivising the CEO to meet financial targets and to deliver specific non-financial goals.

The following LTIP awards with one or more outstanding tranches have been granted to Mr. Arriagada. The number of shares to which each grant relates is determined based on the limits set out in the LTIP rules, consideration around retention, and the share price at the time of the grant.

Year of grant	Type of award	Date of grant	Number of awards as at start of year	Vested during year	Lapsed during year	Under award as at 31 December 2023	Vesting date
2021	Performance Awards	29 Mar 21	39,442	N/A	0	39,442	29 Mar 24
2021	Restricted Awards	29 Mar 21	11,270	5,635	0	 5,635	29 Mar 23 29 Mar 24
2022	Performance Awards	29 Mar 22	52,686	N/A	0	52,686	29 Mar 25
2022	Restricted Awards	29 Mar 22	22,578	7,526[1]	0	 7,526[1] 7,526[1]	29 Mar 23 29 Mar 24 29 Mar 25
2023	Performance Awards	29 Mar 23	99,321	N/A	0	99,321	29 Mar 26
2023	Restricted Awards	29 Mar 23	42,567	0	0	14,189 14,189 14,189	29 Mar 24 29 Mar 25 29 Mar 26

The performance conditions and face values at grant for the awards granted in 2021 and 2022 are set out in the Annual Reports for 2021 and 2022. No variations to the original terms of the awards have been made.

Restricted Awards are not subject to performance conditions.

1. The number of restricted awards granted in 2022 that are under award at 7,526, has been updated due to an error in last year's report showing this figure as 7,256.

CEO pay history and Company performance

The total remuneration of the lead executives in the Group for the past ten years is as follows:

Single figure of remuneration for the Group's lead executive $000	2013	2014[1]	2015	2016[2]	2017	2018	2019	2020	2021	2022[4]	2023
Chairman – Jean-Paul Luksic	3,615	2,196	–	–	–	–	–	–	–	–	**-**
CEO – Diego Hernández	–	688	2,445	1,525	–	–	–	–	–	–	**-**
CEO – Iván Arriagada	–	–	–	681	1,790	2,513	2,458	4,675	4,134	5,292	**4,836**
Annual bonus payout (% of maximum)	–	69%	39%	61%	79%	66%	83%	93%	72%	81%	**78.7%**
LTIP payout (% of maximum)[3]	–	76%	16%	–	85%	60%	65%	99%	99%	100%	**81.3%**

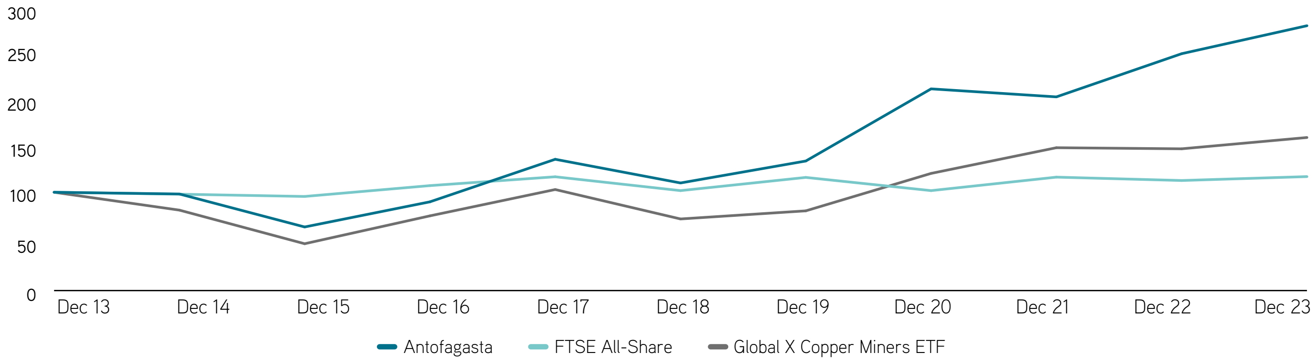
1. The single figure remuneration for the Group's lead executive in 2014 comprises Jean-Paul Luksic's remuneration until 1 September 2014 (when he became Non-Executive Chairman) and Diego Hernández's remuneration from 1 September 2014. The Chairman was not eligible for variable remuneration, so the 2014 percentage figures only relate to the 2014 annual bonus and LTIP awards vesting to the CEO.
2. The single figure remuneration for the Group's lead executive in 2016 comprises Diego Hernández's remuneration until 8 April 2016 (when he stepped down as CEO) and Iván Arriagada's remuneration from 8 April 2016 (when he became CEO). No Performance Awards were vested to the CEO in 2016.
3. Restricted Awards do not have a performance element, so they are not included in these calculations.
4. 2022 figures have been restated to reflect actual 2022 outcomes, as explained in the CEO single-figure remuneration table on page 166.

Relative TSR performance

The chart below sets out the TSR performance of the Company over the past ten years. The FTSE All-Share Index and the Global X Copper Miners ETF (CopX Index) have also been shown over the same period. The FTSE All-Share Index has been selected as an appropriate broad equity market index benchmark as it is the most broadly-based index to which the Company belongs and relates to the London Stock Exchange, where the Company's ordinary shares are traded. The Global X Copper Miners ETF is also shown because this index has been determined to be the most appropriate specific comparator group for the Company, and the Global X Copper Miners is one of the peer groups used in the Group's LTIP as set out on page 171. Previously the Group used the EMIX Global Mining Index.

Indexed total shareholder returns

The following graph shows the value of £100 invested in Antofagasta on 31 December 2013 compared with £100 invested in the comparative indices.



Change in remuneration of Directors and Employees

The table below sets out the percentage change in key elements of the remuneration of the directors, the CEO and employees.

	2023			2022			2021			2020		
	Percentage change in fees/base salary	**Percentage change in benefits[4]**	**Percentage change in annual bonus**	Percentage change in fees/base salary	Percentage change in benefits[4]	Percentage change in annual bonus	Percentage change in fees/base salary	Percentage change in benefits[4]	Percentage change in annual bonus	Percentage change in fees/base salary	Percentage change in benefits[4]	Percentage change in annual bonus
Non-Executive Directors[1]												
Jean-Paul Luksic	**0%**	**21%**	**N/A**	0%	-5%	N/A	1%	15%	N/A	0%	28%	N/A
Ramón Jara	**22%**	**17%**	**N/A**	-4%	1,054%	N/A	7%	2%	N/A	-4.3%	17%	N/A
Juan Claro	**0%**	**548%**	**N/A**	1%	9%	N/A	2%	-32%	N/A	0%	-64%	N/A
Andrónico Luksic C	**0%**	**129%**	**N/A**	0%	9%	N/A	0%	-32%	N/A	0%	23%	N/A
Vivianne Blanlot	**-2%**	**586%**	**N/A**	2%	9%	N/A	4%	-32%	N/A	0%	-45%	N/A
Francisca Castro	**7%**	**67%**	**N/A**	2%	771%	N/A	6%	-73%	N/A	1%	-29%	N/A
Michael Anglin	**0%**	**7%**	**N/A**	8%	-	N/A	9%	-	N/A	1%	-75%	N/A
Tony Jensen	**-3%**	**74%**	**N/A**	10%	-	N/A	34%	-	N/A	-	-	N/A
Maria Eugenia Parot (appointed 20 April 2021)	**5%**	**182%**	**N/A**	5%	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CEO[4]	**57%**	**18%**	**9%**	10.4%	218%	38.5%	28.3%	51.5%	-5.7%	-8%	-65%	38.8%
Company employees[2]	**1.7%**	**-26.6%**	**17.1%**	-10.3%	2.2%	-20.3%	1.6%	-0.3%	19.7%	1.8%	19.9%	7.5%
Mining division employees[3]	**15.7%**	**22.2%**	**22.1%**	-5.8%	-11.4%	-7.1%	7.2%	16.3%	-10.6%	-9.8%	-10.1%	7%

1. The fee percentage change for Directors who served for only part of a comparator year has been annualised. Jorge Bande has not been included in the table as he departed 31 December 2023. Ollie Oliviera has not been included in the table as he left the Board on 31 July 2021. Heather Lawrence has not been included in the table as she was appointed on 18 April 2023.
2. The parent company, Antofagasta plc, has fewer than ten employees. Reporting these figures is mandatory, and the parent company is not considered to be an appropriate comparator group.
3. Mining division employees are considered a relevant comparator group, partly because the Mining division accounts for more than 97% of the Group's revenue and partly because the Annual Bonus Plan that applies to the Executive Committee is the same plan that applies to the Mining division employees at the management and professional levels. This annual bonus figure relates to the percentage change in the average annual bonus for the Mining division employees and does not include any one-off bonuses paid to employees due to the conclusion of collective bargaining agreements with labour unions. The reported increases on 2023 are due to a decrease in the Ch$/USD exchange rate, partially offset by an annual adjustment for inflation in Chile.
4. Directors' benefits for 2020, 2021, 2022 and 2023 are all reported in accordance with footnote 3 at the Directors' single figure of remuneration on page 170.
5. Antofagasta has fewer than 10 employees in the UK, and therefore there is not a requirement to disclose a CEO pay ratio.

The relative importance of remuneration expenditure

The table below shows the total expenditure on employee remuneration, the distributions to shareholders and tax expenses in 2022 and 2023.

	2023 $m	2022 $m	Percentage change
Employee remuneration[1]	**619.9**	476.6	30%
Distributions to shareholders[2]	**354.9**	588.3	-40%
Taxation[3]	**586.8**	448.8	31%

1. Employee remuneration includes salaries and social security costs, as set out in Note 9B to the financial statements. The percentage change in employee remuneration reflects several factors including exchange rate, inflation and headcount changes. There were significant increases in bonus levels and salary levels (beyond normal inflationary increases). Increased bonuses largely reflect the impact of the one-off bonuses paid in respect of the completion of the labour negotiation at Centinela.
2. Distributions to shareholders represent the dividends proposed and approved for payment in relation to the year as set out in Note 13 to the financial statements.
3. Tax has been included because it shows the Group's tax contribution, almost all of which is paid to the Chilean state by the Group's operations in Chile. The tax expense represents the current tax charge regarding corporate tax, mining tax (royalty) and withholding tax, as set out in Note 11 to the financial statements.

Remuneration and Talent Management Committee Report

Key responsibilities

- The Committee ensures that the Group's remuneration arrangements support both the Group's purpose and the effective implementation of its strategy to enable the recruitment, motivation, reward and retention of talent.
- The Committee is responsible for setting remuneration for the Chairman, Directors and the CEO and monitoring the compensation strategy, level, structure and reward outcomes for Executive Committee members.
- The Committee actively participates in the Group's talent management strategy, including reviewing, assessing and implementing succession plans for the Executive Committee.
- The Committee also reviews workforce remuneration and related policies, including the Diversity and Inclusion Policy, the alignment of incentives and rewards with the Group's culture, the terms and limits of collective negotiations with the Company's unions and the implementation of policy changes that affect the workforce as a whole.

2023 Remuneration and Talent Management Committee activities

The critical matters considered by the Committee are set out in the table below:

	Jan 23	Mar 23 (x2)	Aug 23	Nov 23
Directors' and Executive Remuneration and Governance				
2022 annual bonus and LTIP	•			
2023 annual bonus and LTIP	•	•	•	
Review of remuneration policy	•	•		
Review of 2022 performance appraisal CEO and Executive Committee individual performance	•			
Directors' Remuneration Report	•	•		
Annual General Meeting season governance update			•	
UK governance update				•
CEO and Executive Committee compensation benchmarks	•			•
Workforce, HR policies and talent management				
Gender Pay Gap reporting	•			
CEO to worker pay ratio	•			
HR plan		•		•
Talent management and succession planning			•	•
Collective bargaining processes				
Staff engagement plan status			•	
2024 Mining division scorecard				•

Activities during the year

Executive remuneration	58%
Directors' remuneration	6%
Pay-related governance	11%
Workforce and HR policies	18%
Talent management and succession	7%

Engagement with colleagues

As explained in last year's Annual Report, when the Committee reviews the Directors' and the CEO's remuneration, it considers pay conditions across the Group. This is set in the context of different working environments and geographies and therefore is not a mechanical process. The Company does not have any executive directors, and the executive pay policy that applies to the CEO (who is not a Director) is the same as the Group's broader pay policy. This policy includes access to the same benefits and participation in the same Annual Bonus Plan. Members of the Executive Committee and certain key executives participate in the LTIP, and this plan is the same for the CEO as for the other participants. The same principles apply to our workforce remuneration plans as to that of the CEO, seeking to drive the same aligned culture, values and behaviours across the Group.

Approximately 79% of the Group's employees are unionised, and the number is close to 100% at the operator level. The Committee reviews the gender pay gap, CEO pay ratio figures and a range of other internal and external remuneration comparison metrics and benchmarks when determining the quantum and structure of the CEO's remuneration. This includes feedback from shareholders and more general feedback from employees on the Group's pay policies, including regular engagement with union representatives and oversight of the parameters for collective bargaining negotiations.

The Committee communicates with and receives feedback from employees through various channels, such as employee engagement surveys, and the results are reported to the Committee and the Board.

During 2023, in my capacity as the Senior Independent Director and Chair of the Remuneration and Talent Management Committee, I travelled to our Los Pelambres, Centinela and Zaldívar mine sites with other members of the Board to speak with employees and contractors of the Group to understand their day-to-day experiences and to hear their views and ideas. I met with groups of female employees to understand the challenges they face, working in a predominantly male-dominated industry and working environment. I am grateful for the valuable insights shared by all those we met with and have reported these back to the rest of the Board. The Remuneration Committee will keep these insights in mind through 2024 when decision-making.

In addition to our visits to the mines as noted above, the Directors visit Group operations throughout the year, individually or in small groups, to listen directly to employees' views on labour issues, including remuneration, culture and values, as well as the application of remuneration policy across the Group, including executive pay. The Board's engagement with the workforce is detailed on pages 130 and 131.

The Committee is regularly updated on workforce pay and benefits by the senior management team, who consult with the workforce on issues including the remuneration policy. The workforce receives regular communications throughout the year on the Group's performance targets and incentive awards, while the senior management team receives regular feedback on the performance of workforce roles and regularly engages with employees to understand their views on workforce remuneration policy and practices.

Consequently, the Committee has multiple touchpoints with the workforce for feedback on the Group's workforce remuneration policy, including that of senior management and the CEO. At the beginning of every Committee meeting, the CEO provides an update to the Committee on key workforce issues relating to remuneration and talent. The Committee meetings are focused on these subjects. Following each Committee meeting, the Committee Chair reports a summary of matters considered to the full Board.

The Committee receives regular feedback on safety performance, community relations, the working environment, operations and critical projects and ensures that the workforce remuneration policy (including senior management and CEO) is fair and transparent, and its outcomes reflect the desired culture and ensure alignment with the values and behaviours of the organisation. The Committee also ensures that the process for setting pay and establishing KPIs and performance outcomes across the workforce reflects the governance and outcomes for senior management and the CEO. The Committee ensures these principles are applied to the whole workforce, including senior management and the CEO.

Consideration by the Directors of matters relating to Directors' remuneration

The Committee engages Willis Towers Watson for advice on remuneration issues. Willis Towers Watson was selected through an independent and competitive process in 2019. Willis Towers Watson's fees for this work were charged in accordance on a time and materials basis and amounted to £87,715. The Committee is satisfied that the advice provided by Willis Towers Watson was objective and independent and that no conflict of interest arose concerning these services. Willis Towers Watson also provided advice and support to management during the year, primarily on general remuneration issues, benchmarking, HR best practices and ad hoc advice on topics such as equality and gender related pay disclosures.

In determining that the advice received was independent, the Committee took into account the fact that Willis Towers Watson is an independent global professional services firm that adheres to the Code of Conduct for Remuneration Consultants, to which it is a signatory. The Code of Conduct can be found at www.remunerationconsultantsgroup.com.

During 2023, the Committee also received assistance from the Chairman, Jean-Paul Luksic, the CEO, Iván Arriagada, the Vice President of Human Resources, Georgeanne Barcelo, and the Company Secretary, Julian Anderson, none of whom participated in discussions relating to their own remuneration. Additionally, part of each Committee meeting is held without management present to ensure that individual views or areas of concern can be debated between Committee members.

The responsibilities of the Committee are defined by its Terms of Reference, which can be found on the Company's website.

Talent management and succession planning

Oversight of talent management and succession planning is integral to the Committee's responsibilities and directly relates to the Group's ability to achieve long-term sustainable success. The talent review is carried out annually to update succession planning for key positions, identify talent pools, define individual development plans and agree on recruitment needs.

In recent years a new approach has been taken, prioritising employees' overall experience and positioning the Group as a top-tier employer capable of attracting and retaining top talent. Talent management is critical to ensuring the Group's ability to meet current and future business demands by focusing on the attraction, retention and development of high-potential individuals. This approach ensures the continuous growth and success of the Company.

Implementation of the CEO's Remuneration Policy in 2024

Base salary

The CEO's annual base salary is paid in Chilean pesos, and presented in this report in US dollars. The CEO's annual base salary will be $1,284,017 from 1 January 2024, increased from $1,255,552 as at 1 January 2023 as explained in last year's report. The CEO's base salary continues to be periodically reviewed and adjusted to reflect exchange rate adjustments, however, the exchange rate hurdle of 5% was not met in November 2023, and therefore no exchange rate adjustment was made. The Chilean peso/US dollar exchange rate will continue to be monitored during 2024. The Committee continues to monitor the overall remuneration package value of the CEO in comparison to peers in the FTSE 100 mining industry and our core global copper mining peer group.

Benefits will be provided in line with the remuneration policy and prior years.

Annual bonus for 2024

The approach to calculating the targets and outcomes will reflect the 2024 bonus plan, with a maximum of 200% of salary.

The performance targets which are not commercially sensitive are set out below. The remaining targets will be disclosed retrospectively.

Measure	Weighting	Threshold (0% payout)	On-target (50% payout)	Maximum (100% payout)
Core business	**50%**			
EBITDA[1] – Mining division ($m)	15%	≤-10%	The Group's future metals price assumptions are commercially sensitive, therefore the target for EBITDA will not be disclosed in advance. The Company will reveal the 2024 target and outcome in the 2024 Annual Report.	≤+10%
Copper production (kt)[2]	20%	657.5	678.5-699.5	710.0
Cash costs before by-product credits (c/lb)[3]	10%	234.2	220.9	207.6
Innovation[4]	5%			
Business development	**25%**			
Growth projects[5]	20%	Measured according to the schedule and budget as described in more detail in the footnotes.		
Exploration programmes[6]	5%			
Sustainability and organisational capabilities	**25%**			
Health and Safety[7]	5%	Measured according to the schedule and budget as described in more detail in the footnotes.		
People[8]	5%			
Environmental performance[9]	10%			
Social performance[10]	5%			

1. The EBITDA targets will be adjusted for exchange rate changes, the impact of hedging arrangements, copper price fluctuations, inflation rate, key input price deviations above 20% and the impact of any one-off bonuses paid on the conclusion of labour negotiations during the year.
2. 100% basis, except for Zaldívar (50%).
3. The cash cost targets will be adjusted for exchange rate changes, inflation rate, key input price deviations above 20% and the impact of any one-off bonuses paid on conclusion of labour negotiations.
4. Performance against targets for compliance with the Innovation Roadmap (50%): Cuprochlor T and Innovation in Tailings; and Data Analytics (50%): measured as the cumulative US dollar annual savings of all implemented data analytics projects.
5. Progress of growing projects according to predefined milestones. Split between Los Pelambres Desalination plant expansion and the replacement of the concentrate pipeline (3%), Los Pelambres Expansion Phase 2 – Mine life extensión (2%), Centinela's second Concentrator project (10%), and Zaldívar implementation of the business continuity strategy and water supply continuity (5%).
6. Maximum and on-target are defined according to the progress of planned exploration programmes for Cachorro and an International exploration project.
7. Performance against targets for reducing high potential incidents (50%) and decrease in similar exposure group of occupational hazards (50%). This metric considers the Lost Time Injury Frequency Rate (LTIFR) as a trigger if the LTIFR is higher than 1.
8. Performance against diversity and inclusion targets with the threshold at 23,7% female direct employees, on-target at 27,1% female direct employees and maximum at 28.1% female direct employees. In addition, a measure of women in leadership positions as of December 2024 is incorporated and it is included as part of the D&I KPI reaching 2% of people with disabilities as of October 2024.
9. Split between environmental commitments (40%) and the implementation of the Group's Decarbonisation Plan (60%).
10. Compliance with critical initiatives and measurement of impact according to the defined social project portfolio.

LTIP for 2024

The Committee has decided to award the CEO an increased exceptional award of 300% for 2024. The operation of the LTIP and maximum opportunity of 300% for 2024 will be in line with the policy:

- Restricted Awards (30% of the overall award) – vest one-third each year over a three-year period following the grant.
- Performance Awards (70% of the overall award) – awards subject to a three-year performance period with no subsequent holding period.

The final LTIP 2024 scorecard measures will be approved after this report is published. The Performance Awards measures, weightings and objectives are set out in the table below:

Weighting	Objective	Measure
50%	Relative total shareholder return	Comparison against Global X Copper Miners ETF (CopX Index) with 0% vesting if the Company's performance is below the index during the three-year period, 33% vesting at equal performance to the index and 100% vesting at performance 5% greater than the index during the three-year period to the 2026 financial year's end.
25%	Projects' performance	The maximum is achievable if the Los Pelambres Concentrate Pipeline (12.5%) and Desalination Plant Expansion (12.5%) construction progress is 85% or more of their approved plans, Los Pelambres Expansion Phase 2 (14%) environmental assessment of the project in Addendum 1 completed by December 2026, and (6%) tailings solution beyond Mauro conceptually defined by December 2026, Los Centinela's Second Concentrator (50%) construction progress is 85% or more of their approved plan and 75% or more progress on the feasibility of the Zaldívar's Primary Sulphide Project (5%).
12.5%	Mineral resources	Maximum is 91,317 million tonnes of contained copper, with an on-target and a threshold of 90,558 and 88,920 million tonnes, respectively, as of 31 December 2026.
12.5%	Environmental and social commitments	This KPI is made up of two parts: 1. Social Management Plan (40%). Maximum is achievable for equal or greater than 85% compliance with the initiatives included in the Group's social management plan, including initiatives existing as of 31 March 2024 and added before 31 December 2026, on time, within budget and impact evaluation, with an on-target at 75% and a threshold at 50%. The final score is calculated as the weighted average score of all initiatives. 2. Climate change and environment (60%). Maximum is achievable for compliance with the Decarbonisation Roadmap plan, Water Efficiency Strategy, Circular Economy Strategy and compliance with the International Tailings Standard.

Implementation of the Directors' Remuneration Policy in 2024

Chairman

Jean-Paul Luksic's total fee for 2024 is $1,015,000 (2023 – $1,015,000) comprising:

- $730,000 per annum for his services as Chairman of the Board;
- $25,000 per annum for his services as Chairman of the Nomination and Governance Committee; and
- $260,000 per annum for his services as Chairman of the Antofagasta Minerals board.

This fee level reflects his responsibility, experience and time commitment to the role.

Non-Executive Directors

There has been no change to Non-Executive Director base fees of $130,000 since 2012. Given the core role which Antofagasta Minerals plays in the management of the mining operations and projects, all Directors also serve as directors of Antofagasta Minerals. The annual fee payable to directors of Antofagasta Minerals remains $130,000 (as it has since 2012). Therefore, the combined base fees payable to Non-Executive Directors amount to $260,000 per annum. The Board periodically reviews both the structure and levels of fees paid to Non-Executive Directors and will continue reviewing these fees from time to time, in accordance with the policy.

Benefits that were reported for 2023 will continue to apply. Directors are not expected to receive any other remuneration in 2024.

The fees payable for Committee roles and the role of Senior Independent Director from January 2024 are set out below:

Additional Director fees payable from 1 January 2024

Role	Additional fees USD
Senior Independent Director	33,000
Audit and Risk Committee Chair	42,000
Audit and Risk Committee member	20,000
Nomination and Governance Committee Chair	25,000
Nomination and Governance Committee member	10,000
Projects Committee Chair	35,000
Projects Committee member	20,000
Remuneration and Talent Management Committee Chair	35,000
Remuneration and Talent Management Committee member	20,000
Sustainability and Stakeholder Management Committee Chair	35,000
Sustainability and Stakeholder Management Committee member	20,000

2023 AGM voting history

	2022 Directors' and CEO Annual Report on Remuneration
Votes for	95.17% 1,043,582,371
Votes against	4.83% 53,013,212
Votes cast as a percentage of issued share capital	92.47%
Votes withheld	2,127,429

	Resolution to approve the 2023 Directors' and CEO's Remuneration Policy
Votes for	94.33% 1,036,351,144
Votes against	5.67 % 62,339,995
Votes cast as a percentage of issued share capital	92.65%
Votes withheld	31,873

I hope this report demonstrates the importance that we place on the transparency of our decisions and how they are reached. I look forward to meeting shareholders and answering questions at our AGM.

FRANCISCA CASTRO

Chair of the Remuneration and Talent Management Committee

Directors' Report

Directors

Directors who have served during the year and summaries of current Directors' key skills and experience are set out in the Corporate Governance Report on pages 132-134.

Post-balance sheet events

During 2023 the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 12% of Buenaventura's issued share capital. Subsequent to the year-end, in March 2024, the agreement completed. Further details are set out in Note 22 to the financial statements.

Financial risk management

Details of the Company's policies on financial risk management are set out in Note 26 to the financial statements.

Results and dividends

The consolidated profit before tax has decreased from $2,558.9 million in 2022 to $1,965.5 million in 2023.

The Board has recommended a final dividend of 24.3 cents per ordinary share (2022 – 50.5 cents). An interim dividend of 11.7 cents was paid on 29 September 2023 (2022 interim dividend – 9.2 cents). This gives total dividends per share proposed in relation to 2023 of 36.0 cents (2022 – 59.7 cents) equivalent to a total dividend amount of $354.9 million (2022 – $588.3 million).

Preference shares carry the right to a fixed cumulative dividend of 5% per annum. The preference shares are classified within borrowings and preference dividends are included within finance costs. The total cost of dividends paid on preference shares and recognised as an expense in the income statement was $0.1 million (2022 – $0.1 million). Further information relating to dividends is set out in the Financial Review on page 113 and in Note 13 to the financial statements.

Political contributions

The Group did not make any political donations during the year ended 31 December 2023 (2022 – nil).

Auditor

Following a tender process in 2022, Deloitte LLP has indicated its willingness to be appointed as the Company's auditor from 2024 and a resolution seeking its appointment will be proposed at the Annual General Meeting.

Disclosure of information to auditors

The Directors in office at the date of this report have each confirmed that:

- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and
- they have taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Capital structure

Details of the authorised and issued ordinary share capital are shown in Note 31 to the financial statements. The Company has one class of ordinary shares, which carry no right to fixed income. Each ordinary share carries one vote at any general meeting of the Company.

Details of the preference share capital are shown in Note 24 to the financial statements. The preference shares are non-redeemable and are entitled to a fixed cumulative dividend of 5% of their nominal value of £1 per share per annum. Each preference share carries 100 votes on a poll at any general meeting of the Company.

When the preference shares were issued, they each carried one vote at any general meeting of the Company in parity with the ordinary shares in issue at that time. The number of ordinary shares in issue has increased since then through stock splits and bonus issues and the preference shares were not split at the same time as the ordinary shares. Therefore, in order to maintain proportionate voting rights attaching to the preference shares, the voting rights attaching to preference shares have increased to 100 votes on a poll at any general meeting of the Company.

There are no specific restrictions on the transfer of shares or on their voting rights beyond those standard provisions set out in the Company's Articles of Association and other provisions of applicable laws and regulations (including following a failure to provide the Company with information about interests in shares as required by the Companies Act 2006). The Company is not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by, and has regard to, its Articles of Association, the UK Corporate Governance Code 2018, the Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of the shareholders. There are no significant agreements in place that take effect, alter or terminate upon a change of control of the Company. Except as permitted by the Company's remuneration policy, there are no agreements in place between the Company and its Directors or employees that provide for compensation for loss of office or employment resulting from a change of control of the Company.

The percentages of the total nominal share capital of the Company represented by each class of share are:

Class	Number in issue	Nominal value per share	Percentage of capital
Ordinary shares of 5p each	985,856,695	5p	96.10%
Preference shares of £1.00 each	2,000,000	£1	3.90%

Authority to issue shares and authority to purchase own shares

At the AGM held on 10 May 2023, authority was given to the Directors to allot unissued relevant securities in the Company up to a maximum amount equivalent to two-thirds of the ordinary shares in issue (of which one-third may only be offered by way of rights issue). This authority expires on the date of this year's AGM, scheduled to be held on 8 May 2024. No shares have been issued pursuant to that authority as at the date of this report or during the year. The Directors propose to seek renewal of this authority at this year's AGM. However, in line with the Investment Association's most recent Share Capital Management Guidance, this year's proposed authority will authorise the Directors to allot one-third only by way of any fully pre-emptive offer (rather than by way of rights issue only).

Further special resolutions passed at the 2023 AGM granted authority to the Directors to allot equity securities in the Company for cash up to an aggregate nominal amount of £4,929,283 (representing slightly less than 10% of its issued ordinary share capital) without regard to the pre-emption provisions of the Companies Act 2006 and for an additional aggregate nominal amount of £4,929,283 (representing an additional 10% of its issued ordinary share capital) in connection with the financing or refinancing of an acquisition or specified capital investment (plus, in each case, an additional 2% for the purposes of a follow-on offer as described in the Pre-Emption Group's Statement of Principles). These authorities also expire on the date of this year's AGM. Accordingly, the Directors will seek to renew these authorities in line with the Pre-Emption Group's Statement of Principles and the Investment Association's guidance.

The Company was also authorised by a shareholders' resolution passed at the 2023 AGM to purchase up to 10% of its issued ordinary share capital. Any shares bought back may be held as treasury shares or, if not so held, must be cancelled immediately upon completion of the purchase, thereby reducing the amount of the Company's issued and authorised share capital. This authority will expire at this year's AGM and a resolution to renew the authority for a further year will be proposed. No shares were purchased by the Company during the year.

Directors' interests and indemnities

Details of Directors' contracts and letters of appointment, remuneration and emoluments and their interests in the shares of the Company as at 31 December 2023, are given in the Directors' Remuneration Report. No Director had any material interest in a contract of significance (other than a service contract in respect of Ramón Jara – see page 170) with the Company or any subsidiary of the Company during the year.

In accordance with the Company's Articles of Association and to the extent permitted by the laws of England and Wales, Directors are granted an indemnity from the Company in respect of liabilities personally incurred as a result of their office. The Company also maintained a Directors' and Officers' liability insurance policy throughout the financial year. A new policy has been entered into for the current financial year.

Conflicts of interest

Each year, the Directors complete a form identifying interests that may constitute a conflict of interest, including, for example, directorships in other companies. Directors are also required to notify the Company during the year of any relevant changes in those positions or situations.

The Board, with assistance from the Nomination and Governance Committee, considers potential and actual conflict situations and decides the steps, if any, which need to be taken to manage each situation.

The authorisation process is not regarded as a substitute for managing an actual conflict of interest if one arises and the monitoring and, if appropriate, authorisation of actual and potential conflicts of interest is an ongoing process.

Substantial shareholdings

As at 31 December 2023, the following significant holdings of voting rights in the share capital of the Company had been disclosed to the Company under Disclosure and Transparency Rule 5:

Shareholder	Ordinary share capital %	Preference share capital %	Total share capital %
Metalinvest Establishment	50.72	94.12	58.04
Kupferberg Establishment	9.94	–	8.27
Aureberg Establishment	4.26	–	3.54

Metalinvest Establishment and Kupferberg Establishment are both controlled by the E. Abaroa Foundation ("Abaroa"), in which members of the Luksic family are interested. As explained in Note 37 to the financial statements, Metalinvest Establishment is the immediate Parent Company of the Group and the E. Abaroa Foundation is the Ultimate Parent Company. Aureberg Establishment is controlled by the Severe Studere Foundation that, in turn, is controlled by Jean-Paul Luksic, the Chairman of the Company.

Exploration and research and development

The Group's subsidiaries carry out exploration and research and development activities that are necessary to support and expand the Group's operations.

Going concern

The Directors, having made appropriate enquiries, have satisfied themselves that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, as detailed in Note 1 to the financial statements. Additionally, the Directors have considered the Company's longer-term viability, as described in their statement on page 88.

Business relationships with suppliers, customers and others

A statement of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others and the effect of that regard, including on the principal decisions made by the Company during the year, are set out on pages 30-72 of the Strategic Report and pages 118-182 of the Corporate Governance Report.

Other statutory disclosures

The Corporate Governance Report on pages 118-180, the Statement of Directors' responsibilities on page 181 and Note 26 to the financial statements are incorporated into this Directors' Report by reference.

Other information can be found in the following sections of the Strategic Report:

	Location in Annual Report
Future developments in the business of the Group	Pages 100-102
Viability statement	Page 88
Subsidiaries, associates and joint ventures	Pages 90-99
Employee engagement	Pages 40-43
Greenhouse gas emissions	Pages 57-61
Streamlined energy and carbon reporting	Pages 57-61

Disclosures required pursuant to Listing Rule 9.8.4R can be found on the following pages of the Annual Report:

	Location in Annual Report
Statement of interest capitalised by the Group (LR 9.8.4(1))	See Notes 10 and 15 to the financial statements.
Long-term Incentive Plan (LR 9.8.4(7))	See pages 156-178 and Note 27 to the financial statements.
Relationship agreement (LR 9.8.4(14))	Page 123

By order of the Board

JULIAN ANDERSON

Company Secretary

20 March 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Financial Statements 2023 in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Financial Statements 2023 and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Corporate Governance Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Parent Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Parent Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Parent Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Parent Company's auditors are aware of that information.

By order of the Board

JEAN-PAUL LUKSIC
Chairman

FRANCISCA CASTRO
Senior Independent Director

20 March 2024

Financial Performance

Continuing to deliver strong returns while maintaining a robust financial position.


Haul truck at Centinela.

Independent auditors' report to the members of Antofagasta plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Antofagasta plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2023 (the "Annual Report"), which comprise: the consolidated and Parent Company balance sheets as at 31 December 2023; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8 to the Group financial statements, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We identified two components (2022: two) as individually financially significant components, which required an audit of their complete financial information due to their financial significance to the Group, and a further three components (2022: three) where we concluded that a full scope audit of the component financial information was warranted.
- Taken together, the components at which audit work was performed accounted for 97% of Group revenue.
- We also determined that specified procedures were necessary in respect of certain balances within the corporate segment and transport division to ensure that we had sufficient coverage from our audit work over each line of the Group's financial statements.

Key audit matters

- Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldívar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent Company)

Materiality

- Overall Group materiality: $117 million (2022: $112 million) based on 5% of the three year average of profit before tax adjusted for one-off items.
- Overall Parent Company materiality: $21 million (2022: $20 million) based on 1% of total assets.
- Performance materiality: $87.75 million (2022: $84 million) (Group) and $15.75 million (2022: $15 million) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The accounting for the disposal of the Group's interest in the Reko Diq project (Group), which was a key audit matter last year, is no longer included as a key audit matter because of the fact that the gain on disposal was fully recognised within the 2022 financial year, and the Group has subsequently, in 2023, received a private ruling from the Australian Tax Office to confirm that the disposal proceeds would not be subject to Australian tax. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldívar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent Company) In accordance with IAS 36 'Impairment of assets', the Directors are required to perform an impairment assessment of long-lived assets at any time an indicator of impairment exists. The Directors considered various external and internal factors, as set out in IAS 36, in assessing whether an indicator of impairment, or in respect of Antucoya, impairment reversal, existed as at 31 December 2023 in respect of the operating mine cash-generating units ('CGUs'), such as short- and long-term forecast copper prices, the operational performance of these mines and indicative estimates of movements in value during the year based on the latest Life of Mine plans. This assessment included consideration of the impact of climate risks, including scenario analysis, as detailed in note 5 to the Group financial statements. The Directors concluded that no indicators of impairment or impairment reversal existed as at 31 December 2023 in respect of these CGUs and, therefore, no detailed impairment tests were performed. This assessment required judgement on the part of the Directors in determining whether an impairment indicator existed and was an area which had a significant effect on our overall audit strategy and allocation of resources in the planning for, and completion of, our audit. It was, therefore, determined to be a key audit matter. The financial statements set out the key elements of the judgements made by the Directors, which include at Zaldívar that the ongoing renewal of mining and water permits, currently due to expire in 2025, will be successful, and that production issues experienced in the year are short-term in nature. Refer to notes 3 and 5 to the Group financial statements and the Audit and Risk Committee's views set out on page 146. As at 31 December 2023, the Parent Company holds investments in subsidiaries amounting to $938.3 million (2022: $589.1 million), comprising shares and long-term funding balances that the Directors do not intend to demand repayment of in the foreseeable future. Judgement is required to assess whether impairment indicators exist in relation to the shares held in subsidiaries and, where indicators are identified, to determine whether the recoverable amount is no lower than the investment carrying value. Judgement is also required in determining whether an expected credit loss should be recorded against the long-term funding balances. In assessing for impairment indicators, management considered whether the underlying net assets of the investment support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be an indicator of impairment. For the loan balances, management considered whether the relevant subsidiary could repay the loans if they were demanded at the balance sheet date. Based on management's assessment, no impairment indicators in respect of the carrying value of investments in subsidiaries were identified by the Directors at the balance sheet date, and no expected credit loss on the long-term funding balances was recognised. Refer to notes 3 and 5 to the Parent Company's financial statements.	We, supported by our component team, assessed the Directors' conclusion that there were no indicators of impairment or impairment reversal as at 31 December 2023 in respect of the operating mine CGUs. In performing this assessment, the following procedures were performed by the Group team, or, where appropriate, by our component team in Chile with oversight from the Group audit team in the UK. Our procedures included evaluating management's impairment indicator assessments, including its completeness by reference to both internal and external factors, including but not limited to operational performance in the year, macroeconomic factors including forecast copper prices, foreign currency exchange rates and market interest rates, climate change, and expected future production profiles and capital expenditure as included in the latest Life of Mine plan for each operation. In the case of Zaldívar, we also assessed the latest developments in respect of the permit applications. As well as considering whether any qualitative indicators of impairment existed, we evaluated management's quantitative impairment indicator assessments, and the process by which the indicative valuations were determined, including verifying the mathematical accuracy of the cash flow models and agreeing future capital and operating expenditure to the latest Board approved budgets and the latest approved Life of Mine plans. We assessed the reasonableness of the expected capital and operating expenses in light of their historical levels and recent operational performance, and considered the competence and objectivity of management's internal technical experts who prepared the Life of Mine plans. We evaluated the appropriateness of key market related assumptions in the indicative valuation models, including the copper prices, discount rates and foreign currency exchange rates, with the support of our valuation experts. We also performed sensitivity analysis around the key assumptions within the cash flow forecasts, using both lower long-term copper prices and a stronger Chilean peso. In addition, we considered management's impairment indicator assessments in the context of the Task Force on Climate-related Financial Disclosures ("TCFD") scenario analyses prepared by management during the year. In light of the above, we assessed the appropriateness of the related disclosures in note 5 to the Group financial statements, including the sensitivities provided. Overall, we identified no material issues in our work. In respect of investments in subsidiaries in the Parent Company, we evaluated and challenged management's assessment and judgements in relation to the identification of impairment indicators; independently performed an assessment of other potential internal and external impairment indicators, including considering the market capitalisation of the Group with reference to the carrying value in the Parent Company of investments in subsidiaries; and evaluated the ability of the subsidiaries to repay the loan balances. Based on the procedures performed, we noted no material issues arising from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The core mining business comprises four mining operations: Los Pelambres; Centinela; Antucoya; and Zaldívar, a joint venture with Barrick Gold Corporation operated by the Group. These mines produce copper cathodes, copper concentrates and significant volumes of by-products.

In addition to mining, the Group has a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including to the Group's own mining operations.

All of the above operations are located in Chile. In addition, the Group has corporate head offices located in both Santiago, Chile (Antofagasta Minerals S.A.) and London, UK (Antofagasta plc). The Group also has exploration projects in various countries.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at each of the four mine sites and the corporate offices in Chile, by us, as the Group engagement team and by component auditors from PwC Chile operating under our instruction. Los Pelambres and Centinela were considered to be financially significant components of the Group, due to their contribution towards Group profit before tax, and so required audits of their complete financial information. Antucoya and Zaldívar, as well as the Parent Company Antofagasta plc, were also subject to an audit of their complete financial information. We also requested that component auditors perform specified procedures over the corporate offices in Chile, and specific line items of other entities within the Group (including the transport division) to ensure that we had sufficient coverage from our audit work over each line of the Group's financial statements. The Group engagement team also performed testing of the Group's equity investment in Compañía de Minas Buenaventura S.A.A. and the related other financial asset, and the associated other comprehensive income and profit that has been recognised. For all other components, the Group team performed analytical review procedures.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Our oversight procedures included the issuance of formal, written instructions to the component auditors setting out the work to be performed, regular communication throughout the audit cycle including frequent meetings, the review of certain component auditor workpapers and participation in certain audit clearance meetings. In most cases, communication was performed through video conferencing. However, members of the Group team, including the senior statutory auditor, also visited Chile on multiple occasions during the audit.

Taken together, the components where we performed our audit work accounted for 97% of consolidated revenue, 89% of consolidated profit before tax and 88% of consolidated profit before tax adjusted for one-off items. This was before considering the contribution to our audit evidence from performing audit work at the Group level, including disaggregated analytical review procedures, which covers a significant portion of the Group's smaller and lower risk components that were not directly included in our Group audit scope.

The Parent Company financial statements are prepared in the corporate head office in Santiago, with oversight from the Group Financial Controller based in London, and are ultimately reviewed and approved by the Directors alongside the Group financial statements. The Parent Company financial statements were audited by the Group engagement team.

The impact of climate risk on our audit

In planning our work, including identifying areas of audit risk and determining an appropriate audit response, we were mindful of the increased focus on the impact of climate change risk on companies and their financial reporting, and also that the Group has identified climate change as a principal risk. As part of our audit, we made enquiries of management to understand its processes to assess the extent of the potential impact of climate change risks on the Group and its financial statements. This included consideration of the Group's Climate Change Strategy and newly published targets to reduce Scope 1 and 2 emissions by 50% by 2035 relative to the 2020 baseline, to reduce Scope 3 emissions by 10% by 2030, and, in the long-term, to achieve carbon neutrality.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	$117 million (2022: $112 million).	$21 million (2022: $20 million).
How we determined it	5% of the three year average of profit before tax adjusted for one-off items	1% of total assets
Rationale for benchmark applied	For overall Group materiality, we chose to use an underlying earnings measure as the benchmark because an underlying measure removes the impact of material items that do not recur from year-to-year or otherwise significantly affect the underlying trend of performance from continuing operations. The adoption of a multi-year average benchmark for materiality responds to longer term trends in commodity markets and reduces volatility in the measure year-on-year. Using our professional judgement, we determined materiality for this year at $117 million, which equates to approximately 6.5% of the current year's profit before tax adjusted for one-off items.	For the Parent Company materiality, we determined our materiality based on total assets, which is considered more relevant than a performance-related measure as the company is an investment holding company for the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between $10 million and $94 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to $87.75 million (2022: $84 million) for the Group financial statements and $15.75 million (2022: $15 million) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above $5.8 million (Group audit) (2022: $5.6 million) and $1.05 million (Parent Company audit) (2022: $1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecasts and downside scenarios, checking that the forecasts had been subject to board review and, in the case of the base case, approval;
- Considering the historical reliability of management forecasting by comparing budgeted results with actual performance;
- Assessing the future cash flows included in the base case to ensure that these were consistent with our understanding from work performed over other key accounting estimates in the financial statements such as the impairment indicator assessment;
- Confirming that the downside scenarios applied by management represent severe but plausible downside scenarios in the context of our understanding of the business, and performing our own sensitivity analysis to understand the impact of changes in cash flows and net debt on the resources available to the Group; and
- Reading management's papers to the Audit and Risk Committee in respect of going concern, and agreeing the forecasts set out in these papers to the underlying base case cash flow model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' and CEO's Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

UK Corporate Governance Code compliance statement (the "corporate governance statement")

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax law in the jurisdictions in which the Group operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Inquiries with management, including the Group's Vice President of Legal and the Head of Internal Audit, regarding their consideration of known or suspected instances of non-compliance with laws and regulation;
- Obtaining legal letters from the Group's external legal advisers in respect of litigation and claims and other such matters, where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with certain unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Directors' and CEO's Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 20 May 2015 to audit the financial statements for the year ended 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 31 December 2015 to 31 December 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

SIMON MORLEY (SENIOR STATUTORY AUDITOR)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 March 2024

Consolidated income statement

For the year ended 31 December 2023

	Note(s)	Excluding exceptional items 2023 $m	Exceptional Items 2023 $m	2023 $m	Excluding exceptional items 2022 $m	Exceptional Items 2022 $m	2022 $m
Group revenue	6, 7	**6,324.5**	**–**	**6,324.5**	5,862.0	–	5,862.0
Total operating costs		**(4,541.7)**	**–**	**(4,541.7)**	(4,227.7)	–	(4,227.7)
Operating profit from subsidiaries	8	**1,782.8**	**–**	**1,782.8**	1,634.3	–	1,634.3
Net share of results from associates and joint ventures	18	**(13.5)**	**–**	**(13.5)**	48.1	–	48.1
Gain on disposal of investment in joint venture	17	**–**	**–**	**–**	–	944.7	944.7
Operating profit from subsidiaries and share of total results from associates and joint ventures	8	**1,769.3**	**–**	**1,769.3**	1,682.4	944.7	2,627.1
Investment income	10	**138.1**	**–**	**138.1**	40.2	–	40.2
Interest expense	10	**(105.6)**	**–**	**(105.6)**	(78.6)	–	(78.6)
Other finance items	4,10	**(3.4)**	**167.1**	**163.7**	(29.8)	–	(29.8)
Net finance income/(expense)	10	**29.1**	**167.1**	**196.2**	(68.2)	–	(68.2)
Profit before tax		**1,798.4**	**167.1**	**1,965.5**	1,614.2	944.7	2,558.9
Income tax expense	11	**(624.3)**	**(41.8)**	**(666.1)**	(603.6)	–	(603.6)
Profit from continuing operations		**1,174.1**	**125.3**	**1,299.4**	1,010.6	944.7	1,955.3
Profit for the year		**1,174.1**	**125.3**	**1,299.4**	1,010.6	944.7	1,955.3
Attributable to:							
Non-controlling interests	32	**464.3**	**–**	**464.3**	422.3	–	422.3
Owners of the parent	12	**709.8**	**125.3**	**835.1**	588.3	944.7	1,533.0

		US cents	US cents	US cents	US cents	US cents	US cents
Basic earnings per share							
From continuing operations	12	**72.0**	**12.7**	**84.7**	59.7	95.8	155.5

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 $m	2022 $m
Profit for the year		**1,299.4**	1,955.3
Items that may be or were subsequently reclassified to profit or loss:			
Currency translation adjustment		**(0.5)**	(0.4)
Total items that may be or were subsequently reclassified to profit or loss		**(0.5)**	(0.4)
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gains /(losses) on defined benefit plans	28	**10.7**	(18.1)
Gains in fair value of equity investments	19	**137.0**	15.8
Tax on items recognised directly in equity that will not be reclassified	29	**(40.8)**	5.7
Share of other comprehensive losses of associates and joint ventures, net of tax	18	**(0.6)**	–
Total items that will not be subsequently reclassified to profit or loss		**106.3**	3.4
Total other comprehensive income		**105.8**	3.0
Total comprehensive income for the year		**1,405.2**	1,958.3
Attributable to:			
Non-controlling interests	32	**467.6**	418.1
Owners of the parent		**937.6**	1,540.2

	2023 $m	2022 $m
Total comprehensive income for the year – continuing operations	**1,405.2**	1,958.3

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Share capital $m	Share premium $m	Other reserves (Note 31) $m	Retained earnings (Note 31) $m	Equity attributable to owners of the parent $m	Non-controlling interests (Note 32) $m	Total equity $m
At 1 January 2022	89.8	199.2	(10.4)	8,071.6	8,350.2	2,678.8	11,029.0
Profit for the year	–	–	–	1,533.0	**1,533.0**	422.3	**1,955.3**
Other comprehensive income for the year	–	–	15.4	(8.2)	**7.2**	(4.2)	**3.0**
Total comprehensive income for the year	–	–	15.4	1,524.8	**1,540.2**	418.1	**1,958.3**
Dividends	–	–	–	(1,262.9)	**(1,262.9)**	(80.0)	**(1,342.9)**
At 31 December 2022	**89.8**	**199.2**	**5.0**	**8,333.5**	**8,627.5**	**3,016.9**	**11,644.4**
Profit for the year	**–**	**–**	**–**	**835.1**	**835.1**	**464.3**	**1,299.4**
Other comprehensive income for the year	**–**	**–**	**99.5**	**3.0**	**102.5**	**3.3**	**105.8**
Total comprehensive income for the year	**–**	**–**	**99.5**	**838.1**	**937.6**	**467.6**	**1,405.2**
Dividends	**–**	**–**	**–**	**(613.2)**	**(613.2)**	**(388.0)**	**(1,001.2)**
At 31 December 2023	**89.8**	**199.2**	**104.5**	**8,558.4**	**8,951.9**	**3,096.5**	**12,048.4**

Consolidated balance sheet

At as 31 December 2023

	Note	2023 $m	2022 $m
Non-current assets			
Property, plant and equipment	15	**12,678.7**	11,543.5
Other non-current assets		**–**	1.1
Inventories	20	**457.0**	347.0
Investment in associates and joint ventures	18	**891.1**	904.6
Trade and other receivables	21	**68.5**	51.0
Equity investments	19	**288.6**	90.5
Deferred tax assets	29	**72.0**	78.5
		14,455.9	13,016.2
Current assets			
Inventories	20	**671.0**	708.1
Trade and other receivables	21	**1,117.8**	2,087.2
Other financial asset	22	**457.2**	–
Current tax assets		**25.9**	35.6
Liquid investments	23	**2,274.7**	1,580.8
Cash and cash equivalents	23	**644.7**	810.4
		5,191.3	5,222.1
Total assets		**19,647.2**	18,238.3
Current liabilities			
Short-term borrowings and other financial liabilities	24	**(901.9)**	(432.5)
Trade and other payables	25	**(1,171.5)**	(1,079.7)
Short-term decommissioning and restoration provisions	30	**(15.2)**	(33.2)
Current tax liabilities		**(100.7)**	(60.4)
		(2,189.3)	(1,605.8)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	24	**(3,177.3)**	(2,844.5)
Trade and other payables	25	**(9.8)**	(8.0)
Post-employment benefit obligations	28	**(139.9)**	(137.3)
Decommissioning and restoration provisions	30	**(425.9)**	(455.0)
Deferred tax liabilities	29	**(1,656.6)**	(1,543.3)
		(5,409.5)	(4,988.1)
Total liabilities		**(7,598.8)**	(6,593.9)
Net assets		**12,048.4**	11,644.4
Equity			
Share capital	31	**89.8**	89.8
Share premium	31	**199.2**	199.2
Other reserves	31	**104.5**	5.0
Retained earnings	31	**8,558.4**	8,333.5
Equity attributable to owners of the parent		**8,951.9**	8,627.5
Non-controlling interests	32	**3,096.5**	3,016.9
Total equity		**12,048.4**	11,644.4

The financial statements on pages 190 to 234 were approved by the Board of Directors on 20 March 2024 and signed on its behalf by

Jean-Paul Luksic
Chairman

Francisca Castro
Senior Independent Director

Consolidated cash flow statement

For the year ended 31 December 2023

	Note(s)	2023 $m	2022 $m
Cash flow from continuing operations	33	**3,027.1**	2,738.3
Interest paid		**(166.0)**	(74.3)
Income tax paid		**(528.1)**	(787.1)
Net cash from operating activities		**2,333.0**	1,876.9
Investing activities			
Capital contributions to associates and joint ventures	18	**(0.6)**	–
Dividends from associates and joint ventures	18	**–**	50.0
Investment in other financial assets	22	**(290.1)**	–
Acquisition of equity investments	19	**(60.7)**	(66.5)
Proceeds from disposal of investment in joint venture	17	**944.7**	–
Proceeds from sale of property, plant and equipment		**–**	0.2
Purchases of property, plant and equipment		**(2,129.2)**	(1,879.2)
Net (increase)/decrease in liquid investments	23	**(674.2)**	1,388.9
Interest received		**117.1**	29.1
Net cash used in investing activities		**(2,093.0)**	(477.5)
Financing activities			
Dividends paid to owners of the parent	13	**(613.2)**	(1,262.9)
Dividends paid to preference shareholders of the Company	13	**(0.1)**	(0.1)
Dividends paid to non-controlling interests	32	**(388.0)**	(80.0)
Proceeds from issue of new borrowings	33	**1,062.2**	865.9
Repayments of borrowings	33	**(381.7)**	(751.3)
Principal elements of lease payments	33	**(81.2)**	(105.4)
Net cash used in financing activities		**(402.0)**	(1,333.8)
Net (decrease) /increase in cash and cash equivalents		**(162.0)**	65.6
Cash and cash equivalents at beginning of the year		**810.4**	743.4
Net (decrease) /increase in cash and cash equivalents	33	**(162.0)**	65.6
Effect of foreign exchange rate changes	33	**(3.7)**	1.4
Cash and cash equivalents at end of the year	23,33	**644.7**	810.4

Notes to the financial statements

1 Basis of preparation

The consolidated financial statements of the Antofagasta plc Group have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared on the going concern basis.

Going concern

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2025.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Strategic Report, and in particular within the Operating Review. Details of the cash flows of the Group during the period, along with its financial position at the period-end, are set out in the Financial Review. The consolidated financial statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 23, and details of borrowings are set out in Note 24.

When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the terms and remaining durations of the borrowing facilities in place. The Group had a strong financial position as at 31 December 2023, with combined cash, cash equivalents and liquid investments of $2,919.4 million. Total borrowings were $4,079.2 million, resulting in a net debt position of $1,159.8 million. Of the total borrowings, only 22% is repayable within one year, and 16% repayable between one and two years.

When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile and capital expenditure. These forecasts are based on the Group's budgets and life-of-mine models, which are also used when assessing relevant accounting estimates, including depreciation, deferred stripping and closure provisions, and accounting judgements including potential indicators of impairment.

The principal analysis has only considered existing committed borrowing facilities in place as of 31 December 2023, and has not assumed that any new borrowing facilities will be put in place. Given the planned financing for the Centinela Second Concentrator project was not in place as at 31 December 2023, we have not included the planned development of that project within this principal scenario. As an additional scenario we have forecast the impact of the development of this project, which assumes a typical financing environment which allows us to put in place our planned financing for the project. In addition, we have also modelled sensitivities reflecting the impact of potential overruns in the project costs.

The forecasts have assumed distributions in line with the Group's policy that the total annual dividend for each year would represent a payout ratio based on underlying net earnings (as defined in the Alternative Performance Measures section) for that year of at least 35%.

The Directors have assessed the key risks which could impact the prospects of the Group over the going concern period and consider the most relevant to be risks to the copper price outlook, as this is the factor most likely to result in significant volatility in earnings and cash generation. Robust down-side sensitivity analyses have been performed in relation to the principal analysis described above, assessing the standalone impact of each of:

- A significant deterioration in the future copper price forecasts, by an average of approximately 15% throughout the going concern period.
- An even more pronounced short-term reduction of 50 c/lb in the copper price for a period of three months, in addition to the above general deterioration in the copper price throughout the review period.
- The potential impact of the Group's most significant individual operational risks.
- A shut-down of any one of the Group's operations for a period of three months, or a shut-down of all of the Group's operations for a period of one month.

The stability of tailings storage facilities represents a potentially significant operational risk for mining operations globally. The Group's tailings storage facilities are designed to international standards, constructed using downstream methods, subject to rigorous monitoring and reporting, and reviewed regularly by an international panel of independent experts. Given these standards of design, development, operations and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.

The above down-side sensitivity analyses indicated results which could be managed in the normal course of business, including the aggregate impact of a number of the above sensitivities occurring at the same time. The analysis indicated that the Group is expected to remain in compliance with all of the covenant requirements of its borrowings throughout the review period and retain sufficient liquidity. Based on their assessment of the Group's prospects, the Directors have formed a judgement, at the time of approving the financial statements, that there are no material uncertainties that the Directors are aware of that cast doubt on the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2025. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Company structure

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ.The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

The nature of the Group's operations is mining and exploration activities and the transport of rail and road cargo.

A) Adoption of new accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period:

- IFRS 17, Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The application of these standards and interpretations effective for the first time in the current year has had no significant impact on the amounts reported in these financial statements.

B) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. None of these standards are expected to have a significant impact on the Group.

The following standards are effective after 1 January 2024:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The following standards are effective after 1 January 2025 (and subject to UK endorsement):

- Lack of Exchangeability (Amendments to IAS 21)

2 Material accounting policies

A) Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the use of fair values to measure certain financial instruments, principally provisionally priced sales as explained in Note 2(F) and financial derivative contracts as explained in Note 2(V).

B) Basis of consolidation

The financial statements comprise the consolidated financial statements of Antofagasta plc ("the Company" or "the Parent" or "the Parent Company") and its subsidiaries (collectively "the Group").

Subsidiaries – A subsidiary is an entity over which the Group has control, which is the case when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. For partly-owned subsidiaries, the net assets and profit attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated balance sheet and consolidated income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

C) Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the power to participate in the financial and operating policy decisions of that entity. The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

This requires recording the investment initially at cost to the Group and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associate's results less any impairment and any other changes to the associate's net assets such as dividends. When the Group loses control of a former subsidiary but retains an investment in associate in that entity, the initial carrying value of the investment in associate is recorded at its fair value at that point. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

D) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are accounted for depending on the nature of the arrangement.

(i) Joint ventures – are accounted for using the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures as described in Note 18.

(ii) Joint operations – are accounted for recognising directly the assets, obligations, revenues and expenses of the joint operator in the joint arrangement. The assets, liabilities, revenues and expenses are accounted for in accordance with the relevant IFRS.

When a Group entity transacts with its joint arrangements, profits and losses resulting from the transactions with the joint arrangements are recognised in the Group's consolidated financial statements only to the extent of interests in the joint arrangements that are not related to the Group.

E) Currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at year end exchange rates. Gains and losses on retranslation are included in net profit or loss for the period within other finance items.

The presentational currency of the Group and the functional currency of the Company is the US dollar. On consolidation, income statement items for entities with a functional currency other than the US dollar are translated into US dollars at average rates of exchange. Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities are taken to equity and recorded in a separate currency translation reserve. Cumulative translation differences arising after the transition date to IFRS are recognised as income or as expenses in the income statement in the period in which an operation is disposed of.

On consolidation, exchange gains and losses which arise on balances between Group entities are taken to reserves where that balance is, in substance, part of the net investment in a foreign operation, i.e. where settlement is neither planned nor likely to occur in the foreseeable future. All other exchange gains and losses on Group balances are recognised in the income statement within other finance items.

Fair value adjustments and any goodwill arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the period-end rate.

F) Revenue recognition and other income

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable, and excludes any applicable sales tax.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For the Group's mining products, the customer generally gains control over the material when it has been loaded at the port of loading, and so this is the point of revenue recognition. The Group sells a significant proportion of its products on Cost, Insurance & Freight (CIF) Incoterms, which means that the Group is responsible for shipping the product to a destination port specified by the customer. In these cases, the customer still gains control over the material when it has been loaded at the port of loading, and so that remains the point of revenue recognition for the sale of material; however, the shipping service represents a separate performance obligation, and revenue in relation to such services is recognised separately from the sale of the material over time as the shipping service is provided, along with the associated costs. Shipping revenue is recognised at the contracted price of the shipping service to the Group as this reflects the standalone selling price.

Revenue from mining activities is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date, as explained below. For copper and molybdenum concentrates, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. Revenue includes amounts from the sale of by-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average London Metal Exchange ("LME") copper price or the monthly average market molybdenum price for specified future periods. This normally ranges from one to four months after delivery to the customer. For sales contracts which contain provisional pricing mechanisms, the initial invoice typically reflects the month-average market price for the metal in the month of shipment, with the associated receivable balance subsequently measured at fair value through profit or loss. Gains and losses from the marking-to-market of the receivable balance in relation to open sales are recognised through adjustments to other income presented within revenue in the income statement and to trade receivables in the balance sheet. The fair value calculations are based on forward prices at the period end for copper concentrate and cathode sales, and period-end average prices for molybdenum concentrate sales due to the absence of a futures market for this product.

For the Transport division, revenue in respect of its transportation and ancillary services are recognised over time in line with the performance of those services.

2 Material accounting policies *continued*

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest received is recognised within investing activities in the consolidated cash flow statement.

Dividend income

Dividend income from equity investments, associates and joint ventures is recognised when the shareholders' right to receive payment has been established. For associates and joint ventures, it is recorded as a decrease of the investment.

G) Exploration and evaluation expenditure

Exploration and evaluation costs, other than those incurred in acquiring exploration licences, are expensed in the year in which they are incurred. When a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved) all further directly attributable pre-production expenditure is capitalised. Capitalisation of pre-production expenditure ceases when commercial levels of production are achieved.

Costs incurred in acquiring exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

H) Stripping costs

Pre-stripping and operating stripping costs are incurred in the course of the development and operation of open-pit mining operations.

Pre-stripping costs relate to the removal of waste material as part of the initial development of an open-pit, in order to allow access to the ore body. The capitalised costs are depreciated once production commences on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves for that pit at the beginning of the year.

Operating stripping costs relate to the costs of extracting waste material as part of the ongoing mining process. The ongoing mining and development of the Group's open-pit mines is generally performed via a succession of individual phases. The costs of extracting material from an open-pit mine are generally allocated between ore and waste stripping in proportion to the tonnes of material extracted. The waste stripping costs are generally absorbed into inventory and expensed as that inventory is processed and sold. Where the stripping costs relate to a significant stripping campaign which is expected to provide improved access to an identifiable component of the ore body (typically an individual phase within the overall mine plan), the costs of removing waste in order to improve access to that part of the ore body will be capitalised within property, plant and equipment. The capitalised costs will then be amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates.

I) Intangible assets

Exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences, the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

J) Property, plant and equipment

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment in the year in which they are incurred, when a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved). The cost of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Once a project has been established as commercially viable, related development expenditure is capitalised. This includes costs incurred in preparing the site for mining operations, including pre-stripping costs. Capitalisation ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Interest on borrowings related to the construction or development of projects is capitalised as part of the cost of the asset. To the extent that borrowings have been put in place specifically to fund the construction of the asset, the capitalised amount will reflect the actual interest costs incurred on that borrowing. If the construction is funded out of general borrowings, the capitalised interest expense will be calculated based on the entity's weighted average interest rate, applied to the expenditure on the asset (with the capitalised interest amount not exceeding the entity's total borrowing cost for the period). The interest costs are capitalised, until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production.

K) Depreciation of property, plant and equipment

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Property, plant and equipment is depreciated over its useful life, or over the remaining life of the operation if shorter, to residual value. The major categories of property, plant and equipment are depreciated as follows:

(i) Land – freehold land is not depreciated unless the value of the land is considered to relate directly to a particular mining operation, in which case the land is depreciated on a straight-line basis over the expected mine life.

(ii) Mining properties – mining properties, including capitalised financing costs, are depreciated on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.

(iii) Buildings and infrastructure – straight-line basis over 10 to 25 years.

(iv) Railway track (including trackside equipment) – straight-line basis over 20 to 25 years.

(v) Wagons and rolling stock – straight-line basis over 10 to 20 years.

(vi) Machinery, equipment and other assets – are depreciated on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis over 5 to 20 years.

(vii) Assets under construction – no depreciation until asset is available for use.

(viii) Lease right-of-use assets – depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(ix) Stripping cost – capitalised costs are amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates (Note 15).

Residual values and useful lives are reviewed, and adjusted if appropriate, at least annually, and changes to residual values and useful lives are accounted for prospectively.

L) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets relating to exploration and mining licences are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. In respect of historical impairments recognised in prior years, the Group also assesses whether there is any indication that impairment may no longer exist or may have decreased.

If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment or reversal (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. The estimates used in determining the present value of those cash flows are those that an independent market participant would consider appropriate. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation, as realisation of the full potential of the Group's mining operations typically requires further capital expenditure and ongoing mine development, and accordingly the Group typically applies this valuation estimate in its impairment assessments, unless indicated otherwise. Details of the valuations and sensitivities of the Group's mining operations considered as part of the impairment trigger assessment are included in Note 5.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment charge is recognised in the income statement immediately. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognised after taking into account the depreciation and/or amortisation that would otherwise have been recorded in the intervening period. A reversal is recognised in the income statement immediately.

M) Inventory

Inventory consists of raw materials and consumables, work-in-progress and finished goods. Work-in-progress represents material that is in the process of being converted into finished goods. The conversion process for mining operations depends on the nature of the copper ore. For sulphide ores, processing typically includes milling and concentrating, resulting in the production of copper concentrate. For oxide ores, processing includes leaching of stockpiles, solvent extraction and electrowinning and results in the production of copper cathodes. Finished goods consist of copper concentrate containing gold and silver at Los Pelambres and Centinela and copper cathodes at Centinela and Antucoya. Los Pelambres and Centinela also produce molybdenum as a by-product.

Inventory is valued at the lower of cost, on a weighted average basis, and net realisable value. Net realisable value represents estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost of finished goods and work-in-progress is production cost and for raw materials and consumables it is purchase price. Production cost includes:

- labour costs, raw material costs and other costs directly attributable to the extraction and processing of ore,
- depreciation of plant, equipment and mining properties directly involved in the production process, and
- an appropriate allocation of production overheads.

Stockpiles represent ore that is extracted and is available for further processing. Costs directly attributable to the extraction of ore are generally allocated as part of production costs in proportion to the tonnes of material extracted. Operating stripping costs are generally absorbed into inventory, and therefore expensed as that inventory is processed and sold. If ore is not expected to be processed within 12 months of the balance sheet date it is included within non-current assets. If there is significant uncertainty as to when any stockpiled ore will be processed, it is expensed as incurred.

N) Taxation

Tax expense comprises the charges or credits for the year relating to both current and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the income statement because it excludes items of income or expense that are taxable and deductible in different years and also excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates for each entity in the consolidated financial statements which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows:

(i) tax payable on undistributed earnings of subsidiaries, associates and joint ventures is provided except where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future,

(ii) deferred tax is not provided on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting or taxable profit and does not give rise to equal taxable and deductible temporary differences, and

(iii) the initial recognition of any goodwill.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

O) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

P) Provisions for decommissioning and restoration costs

Obligations to incur decommissioning and restoration costs can arise as a result of the development or ongoing operation of a mining property. Costs are estimated on the basis of a formal closure plan and are subject to regular formal review.

Decommissioning obligations arising from the construction of property, plant and equipment (including installation of plant and site preparation work) are provided for at their net present value as the construction of the asset gives rise to the obligation, and included within the property, plant and equipment cost. These decommissioning costs are charged against profit or loss over the life of the mine, through depreciation of the property, plant and equipment balance (recorded within operating expenses). The unwinding of the discount on the provision is recorded within other finance items. Changes in the measurement of a decommissioning provision are added to, or deducted from, the property, plant and equipment balance in the current year.

Restoration obligations, arising from ongoing operating activities, are provided for at their net present values and charged against operating expenses as the obligation arises. Changes in the measurement of a restoration provision which, relate to a change in the estimate of the closure costs or a change in the discount rate, are charged against operating expenses, and changes relating to foreign exchange are recorded within other finance items.

Q) Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. The Group currently does not have any equity settled share-based payments to employees or third parties.

R) Post-employment benefits

The Group operates defined contribution schemes for a limited number of employees. For such schemes, the amount charged to the income statement is the contributions paid or payable in the year.

2 Material accounting policies *continued*

Employment terms may also provide for payment of a severance indemnity when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated.

The obligation recognised in the balance sheet represents the present value of the severance indemnity obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

S) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

T) Liquid investments

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. These assets are designated as fair value through profit or loss, with the fair value movements recorded within investment income.

U) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

V) Other financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred the asset to another party. Financial liabilities are removed from the Group's balance sheet when they are extinguished – i.e. when the obligation specified in the contract has been discharged, cancelled or expired.

(i) Investments – Equity investments which are not subsidiaries, associates or joint ventures are recognised at fair value. The Group generally applies an irrevocable election for each equity investment to designate them as Fair Value through Other Comprehensive Income (FVOCI). Dividends from equity investments are recognised in the income statement when the right to receive payment is established.

(ii) Trade and other receivables – As explained above, for sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. Other receivable balances are recognised at amortised cost.

(iii) Trade and other payables – Trade and other payables are generally not interest-bearing and are normally stated at their nominal value.

(iv) Other financial assets – Other financial assets are measured at fair value through profit or loss.

(v) Borrowings (loans and preference shares) – Interest-bearing loans and bank overdrafts are initially recorded at fair value which is typically equal to the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method. Amounts are either recorded as financing costs in profit or loss or capitalised in accordance with the accounting policy set out in Note 2(J). Finance charges are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The total amount of interest paid, both in respect of interest recognised as an expense in profit or loss or capitalised in accordance with IAS 23 Borrowing Costs, is recognised within operating activities in the consolidated cash flow statement.

The Sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified within borrowings and translated into US dollars at period-end rates of exchange. Preference share dividends are included within other finance items within net finance expense in the income statement.

(vi) Equity instruments – Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its Sterling-denominated issued ordinary share capital and related share premium. As explained in Note 2(E), the presentational currency of the Group and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

(vii) Impairment of financial assets – The Group applies the forward-looking expected credit loss model to its financial assets, other than those measured at fair value through profit or loss. The Group applies the IFRS 9 "simplified approach" to its trade receivables, measuring the loss allowance at the lifetime expected credit loss. For other financial assets, where the credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12 month expected credit loss. If there has been a significant increase in credit risk, the loss allowance is measured at the lifetime expected credit loss. Increases or decreases to the credit loss allowance are recognised immediately in profit or loss.

W) Exceptional items
Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period.

X) Rounding
All amounts disclosed in the financial statements and notes have been rounded to the nearest million dollars unless otherwise stated.

These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting judgements and key sources of estimation uncertainty
Determining many of the amounts included in the financial statements involves the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is included in the principal accounting policies in Note 2 or the other notes to the financial statements, and the key areas are set out below.

A) Judgements
The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Non-financial assets impairment

As explained in Note 2(L), the Group reviews the carrying value of its intangible assets and property, plant and equipment, as well as the assets of its joint ventures, to determine whether there is any indication that those assets are impaired. In performing assessments for impairment triggers, assets that do not generate largely independent cash inflows are allocated to an appropriate cash generating unit ("CGU"). Details of the valuations and sensitivities of the Group's, and its joint venture Zaldívar's, mining operations considered as part of the impairment trigger assessment are included in Note 5, including quantitative sensitivity analyses. Details of the value of assets and liabilities for each of the mining operations are set out in Note 6.

When an impairment trigger is identified, an impairment test is performed, wherein the recoverable amount of those assets, or the CGU, is measured at the higher of their fair value less costs of disposal and value in use.

When an impairment test is performed, management necessarily applies its judgement and estimation in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the fair value less costs of disposal calculation. The key assumptions are set out in Note 5. Subsequent changes to CGU allocation, licensing status, reserves and resources, price assumptions or other estimates and assumptions in the fair value less costs of disposal calculation could impact the carrying value of the respective assets.

As explained in Note 5, based on an assessment of both qualitative and quantitative factors, there were no indicators of potential impairment, or reversal of previous impairments, for the Group's and its joint ventures' non-current assets associated with its mining operations at the 2023 year-end, and accordingly no impairment tests have been performed. However, whether or not an impairment indicator exists is a critical judgement, in particular as at 31 December 2023 for Zaldívar (given the ongoing permitting process and the other factors set out in Note 5).

B) Estimates
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Deferred tax liabilities in respect of undistributed earnings of subsidiaries

No deferred tax liability is recognised in respect of the undistributed earnings of subsidiaries where it is not likely that those profits will be distributed in the foreseeable future. When determining whether it is likely that distributions will be made in the foreseeable future, and what is the appropriate foreseeable future period for this purpose, the Group considers factors such as the predictability of the likely future Group dividends, taking into account the Group's dividend policy and the level of potential volatility of the Group's future earnings and cash generation, as well as the current level of distributable reserves at the Antofagasta plc entity level. As set out in Note 29, at 31 December 2023 deferred withholding tax liabilities of $66.6 million have been recognised (31 December 2022 – $71.6 million), which relate to undistributed earnings of subsidiaries where it is considered likely that the corresponding profits will be distributed in the foreseeable future. The value of the remaining undistributed earnings of subsidiaries, for which deferred tax liabilities have not been recognised, because the Group is in a position to control the timing of the distributions and it is likely that distributions will not be made in the foreseeable future, as at 31 December 2023 was $7,101.1 million (31 December 2022 – $6,430.4 million). If deferred withholding tax liabilities were recognised in respect of all of these remaining undistributed earnings of subsidiaries, this would result in an additional deferred tax liability and expense of approximately $1,314.9 million (31 December 2022 – $1,076.5 million), depending on the application of tax credits which may be available in particular circumstances.

In addition to the above estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next 12 months, we have also set out the following additional estimates and assumptions which have a significant impact on the financial statements, but which are not considered to be key sources of estimation uncertainty as defined in IAS 1.

(i) Inventory valuation

The valuation of work in progress inventories involves a number of estimates, including the average ore grade, volume and density of ore stockpiles, and the recoveries in respect of material on the leach piles. Evaluating the net realisable value of the inventories also requires an estimate of the likely future copper price for the periods when it is expected that the inventories will be completed and sold. As set out in Note 20, the value of work in progress inventories at 31 December 2023 was $832.4 million (31 December 2022 – $751.9 million).

If the copper spot price at 31 December 2023 (used for forecasting the likely sales price of short-term inventories) had been 10% lower, this would have resulted in a net realisable value provision and charge to the Income Statement of approximately $45 million.

The valuation of leachpile inventories can be particularly complex, given the required estimates including in respect of the total recoveries and the speed of recovery in relation to the material on the piles. This is particularly the case for leachpiles with a long leaching cycle, where material may remain on the pile for several years before it has been fully leached. The operation with the most significant long-term leachpile inventory is Zaldívar, with a long-term leachpile with a value of approximately $120 million (on a 50% attributable basis) at 31 December 2023 (2022 – $130 million). This balance is forecast to be consumed over the operation's remaining 13 year mine life (2022 – 14 year) and its recoverability is based on the same assumptions about future operational considerations as detailed in Note 5. As a simple high-level sensitivity, if this balance were reduced by 10% (due to changes in recovery estimates for example), this would result in a reduction in Zaldívar's inventory balance of approximately $12 million (on a 50% attributable basis) (2022 – $13 million).

3 Critical accounting judgements and key sources of estimation uncertainty *continued*

(ii) Useful economic lives of property, plant and equipment and ore reserves estimates

As explained in Note 2(K), mining properties, including capitalised financing costs, are depreciated in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.

There are numerous uncertainties inherent in estimating ore reserves, and assumptions that were valid at the time of estimation may change when new information becomes available. These include assumptions as to grade estimates and cut-off grades, recovery rates, commodity prices, exchange rates, production costs, capital costs, processing and reclamation costs and discount rates. The actual volume of ore extracted and any changes in these assumptions could affect prospective depreciation rates and carrying values.

Other items of property, plant and equipment are depreciated over their useful economic lives, on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis. Management reviews the appropriateness of useful economic lives at least annually and, again, any changes could affect prospective depreciation rates and asset carrying values.

The operation with the most significant depreciation expense is Centinela, with a depreciation expense of $727 million in 2023 (2022 – $710 million), representing approximately 61% of the total Group depreciation charge. As a simple high-level sensitivity, a 10% adjustment to the useful economic lives of Centinela's property, plant and equipment would result in an impact of approximately $73 million (2022 – $71 million) on the annual depreciation charge.

(iii) Provisions for decommissioning and site restoration costs

As explained in Note 2(P), provision is made, based on net present values, for decommissioning and site rehabilitation costs as soon as the obligation arises following the development or ongoing production of a mining property. The provision is based on a closure plan prepared with the assistance of external consultants.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and site rehabilitation is uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites.

The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Details of the decommissioning and restoration provisions are set out in Note 30. The total value of these provisions as at 31 December 2023 was $441.1 million (2022 – $488.2 million). As a simple high-level sensitivity, a 10% increase in the forecast closure costs would increase the provision balance by approximately $44 million (2022 – $49 million), the decommissioning costs asset capitalised in the year within property, plant and equipment by approximately $3 million (2022 – $17 million) and the ongoing annual operating expenses by approximately $1 million (2022 – $2 million).

(iv) Deferred tax assets in respect of tax losses

As explained in Note 2(N), deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

Generally under Chilean tax law, most tax losses can be carried forward indefinitely, and so the expiry of tax losses is not typically an issue. The key assumptions to which the forecasts of the probable level of future taxable profits are most sensitive are future commodity prices, production levels and operating costs.

As set out in Note 29, the Group has recognised $72.0 million of net deferred tax assets as at 31 December 2023 (2022 – $78.5 million), relating to tax losses, provisions and short-term timing differences. The deferred tax position includes $141.2 million (2022 – $124.5 million) of deferred tax assets in respect of tax losses available for offset against future profits. These losses may be carried forward indefinitely.

4 Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group.

Compañia de Minas Buenaventura S.A.A.

As detailed in Notes 22 and 26, during 2023 the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. An exceptional fair value gain of $167.1 million was recognised during 2023 in respect of this agreement. A deferred tax expense of $41.8 million has been recognised in respect of this gain (see Note 11), resulting in a post-tax impact of $125.3 million.

2022 – Disposal of investment in Tethyan joint venture (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan. As a result, Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. The disposal proceeds were received by the Group in May 2023. Full details of the agreements and gain on disposal are set out in Note 17.

5 Asset sensitivities

There were no indicators of potential impairment, or reversal of previous impairments, for the Group's non-current assets associated with its mining operations at the 2023 year-end, and accordingly no impairment tests have been performed. The impairment indicator assessment included consideration of the potential indicators set out in IAS 36, 'Impairment of Assets', which included quantitative analysis based on the operations' life-of-mine models as adjusted for certain assumptions (including potential future development opportunities) ("the models"). These models provide indicative valuations and do not represent, or comply with, a formal impairment assessment prepared in accordance with IAS 36. Sensitivity analyses have been performed on the models to quantify the impact of changes in assumptions to which the models are most sensitive and to support the overall impairment indicator assessment.

As noted above, no qualitative indicators of potential impairment or potential reversal of impairment were identified. Similarly, no quantitative indicators of impairment were identified, with the models used within the impairment indicator assessment continuing to indicate positive headroom for all of the Group's mining operations, including the Zaldívar joint venture, with the indicated value of the assets in excess of their carrying value.

Relevant aspects of this process are detailed below:

Copper price outlook

The assumption to which the value of the assets is most sensitive is the future long-term copper price. The copper price forecasts (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on consensus analyst forecasts. A long-term copper price of $3.70/lb (reflecting 2023 real terms) has been used in the models considered as part of the impairment indicator assessment, which has increased from $3.50/lb (reflecting 2022 real terms) at the prior year-end. As an additional down-side sensitivity an indicative valuation (based on the models) was performed with a long-term copper price of $3.33/lb, reflecting a 10% reduction in the long-term price forecast. Los Pelambres and Centinela still showed positive headroom in their models in this alternative down-side scenario. However, the Antucoya indicative valuation indicated a potential deficit of $60 million (2022 – potential deficit of $400 million) and the Zaldívar valuation indicated a potential deficit of $60 million (on a 50% basis) (2022 – potential deficit of $170 million). This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. In reality, a deterioration in the long-term copper price environment is likely to result in corresponding improvements in a range of input cost factors. In particular, given that copper exports account for over 50% of Chile's exports, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and a decrease in the copper price may therefore result in a weakening of the Chilean peso, with a resulting reduction in the Group's operating costs and capital expenditure in US$ terms. These likely cost reductions, as well as potential operational changes which could be made in a weaker copper price environment, could partly mitigate the impact of the lower copper price modelled in these estimated potential sensitivities.

The US dollar/Chilean peso exchange rate

The value of the assets is also sensitive to movements in the US dollar/Chilean peso exchange rate. A long-term exchange rate of Ch$785/$1 has been used in the models considered as part of the impairment indicator assessment. This compares with the long-term exchange rate of Ch$850/$1 used in 2022. As an additional down-side sensitivity an indicative valuation was prepared with a 10% stronger long-term Chilean peso exchange rate assumption. All of the Group's mining operations still showed positive headroom in their models in this alternative down-side scenario. As noted above, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and so a strengthening of the Chilean peso may often reflect a stronger copper price environment, which could mitigate the impact of a stronger exchange rate.

Discount rate

A real post-tax discount rate of 8% (2022 – 8%) calculated using relevant market data, has been used in the impairment indicator assessment.

Climate related impacts

The assessments reflect the Group's estimates of potential future climate-related impacts. The Group disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process includes scenario analyses assessing the potential future impact of transition and physical risks, as well as potential copper price upside (for example, due to increased demand for the construction of electric vehicles and renewable power generating capacity). On the basis that the potential copper price upside is expected to exceed the downside impact of future risks, no specific adjustments have been reflected in these assessments in relation to climate-change.

Other relevant assumptions

In addition to the impact of the future copper price, the US dollar/Chilean peso exchange rate, the discount rate and climate-related impacts, the models used in the impairment indicator assessment are sensitive to the assumptions in respect of future production levels, operating costs, and sustaining and development capital expenditure.

In the case of Zaldívar, in addition to the assumptions made in respect of the factors outlined above, the conclusion that there are no impairment indicators reflects certain assumptions about future operational considerations the model used as part of the impairment indicator assessment is sensitive, to certain assumptions in particular the following:

- The operational performance experienced in 2023, in particular the lower than expected throughput levels, is not considered to be indicative of future performance levels, with throughput and recovery levels forecast to increase over future years.
- Currently, Zaldívar is permitted to extract water and mine until 2025, following the approval of the Declaration of Environmental Impact ("DIA") in early 2024 to align both the permits for mining and water extraction. The mine life after 2025 is subject to an EIA application which was filed in June 2023 to extend mining and water environmental permits through 2051 and Zaldívar simultaneously withdrew an earlier EIA application filed in 2018 which remained unresolved. This EIA includes a proposal to develop the primary sulphide ore deposit, extending the current life of mine and requiring investments over the mine life of $1.2 billion, and a conversion of the water source for Zaldívar to either seawater or water from third parties, following a transition period during which the current continental water extraction permit is extended from 2025 to 2028. The impairment indicator assessment assumes that the EIA will be granted, to enable the continued operation of the mine without interruption. However, if this is not the case, this is likely to be considered an indicator of a potential impairment, requiring an IAS 36 impairment assessment at that point.
- Zaldívar's final pit phase, which represents approximately 20% of current ore reserves, impacts a portion of Minera Escondida's mine property, as well as infrastructure owned by third parties. Mining of the phase will be subject to agreements or easements to access these areas and relocate the infrastructure, and related permits. In July 2023, Zaldívar reached an agreement with Escondida with respect to mining matters and certain cost sharing. The impairment indicator assessment assumes that the additional necessary agreements, easements and permits will be obtained to allow the mining of the final pit phase.

The carrying value of the Group's investment in joint venture balance in respect of Zaldívar as at 31 December 2023 was $881.3 million (2022 – $897.3 million).

6 Segment information

The Group's reportable segments, which are the same as its operating segments, are as follows:

- Los Pelambres
- Centinela
- Antucoya
- Zaldívar
- Exploration and evaluation
- Corporate and other items
- Transport division

For management purposes, the Group is organised into two business divisions based on their products – Mining and Transport. The Mining division is split further for management reporting purposes to show results by mine and exploration activity.

Los Pelambres produces primarily copper concentrate containing gold and silver as a by-product, and molybdenum concentrate. Centinela produces copper concentrate containing gold and silver as a by-product, molybdenum concentrates and copper cathodes. Antucoya and Zaldívar produce copper cathodes. The Transport division provides rail cargo and road cargo transport together with a number of ancillary services. All the operations are based in Chile. The Exploration and evaluation segment incurs exploration and evaluation expenses. "Corporate and other items" comprises costs incurred by the Antofagasta plc, Antofagasta Minerals SA, the Group's mining corporate centre and other entities that are not allocated to any individual business segment. Consistent with its internal management reporting, the Group's corporate and other items are included within the Mining division.

The chief operating decision-maker (the Group's Chief Executive Officer) monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on the operating profit of each of the segments.

6 Segment information *continued*

A) Segment revenues and results

For the year ended 31 December 2023

	Los Pelambres $m	Centinela $m	Antucoya $m	Zaldívar $m	Exploration and evaluation[2] $m	Corporate and other items $m	Mining $m	Transport division $m	Total $m
Revenue	2,923.8	2,532.5	672.3	–	–	–	6,128.6	195.9	6,324.5
Operating cost excluding depreciation and loss on disposals	(1,199.2)	(1,313.5)	(457.2)	–	(141.1)	(98.7)	(3,209.7)	(120.7)	(3,330.4)
Depreciation	(318.6)	(727.3)	(109.4)	–	–	(24.3)	(1,179.6)	(31.7)	(1,211.3)
Operating profit/(loss)	1,406.0	491.7	105.7	–	(141.1)	(123.0)	1,739.3	43.5	1,782.8
Net share of results from associates and joint ventures	–	–	–	(15.4)	–	–	(15.4)	1.9	(13.5)
Total operating profit from subsidiaries, and share of total results from associates and joint ventures	1,406.0	491.7	105.7	(15.4)	(141.1)	(123.0)	1,723.9	45.4	1,769.3
Investment income	38.0	20.3	6.8	–	–	72.2	137.3	0.8	138.1
Interest expense	(4.3)	(20.3)	(30.7)	–	–	(49.2)	(104.5)	(1.1)	(105.6)
Other finance items (excluding exceptional items)	(0.2)	(0.2)	(0.4)	–	–	(1.9)	(2.7)	(0.7)	(3.4)
Fair value gain on other financial assets – exceptional items[3]	–	–	–	–	–	167.1	167.1	–	167.1
Profit/(loss) before tax	1,439.5	491.5	81.4	(15.4)	(141.1)	65.2	1,921.1	44.4	1,965.5
Tax	(465.2)	(143.1)	(14.6)	–	–	13.7	(609.2)	(15.1)	(624.3)
Tax – exceptional items	–	–	–	–	–	(41.8)	(41.8)	–	(41.8)
Profit/(loss) for the year	974.3	348.4	66.8	(15.4)	(141.1)	37.1	1,270.1	29.3	1,299.4
Non-controlling interests	372.5	89.5	5.5	–	–	(3.2)	464.3	–	464.3
Profit/(losses) attributable to the owners of the parent	601.8	258.9	61.3	(15.4)	(141.1)	40.3	805.8	29.3	835.1
EBITDA[1]	1,724.6	1,219.0	215.1	86.8	(141.1)	(98.7)	3,005.7	81.5	3,087.2
Additions to non-current assets									
Additions to property, plant and equipment	914.3	1,182.4	140.7	–	–	19.0	2,256.4	51.5	2,307.9
Segment assets and liabilities									
Segment assets	7,414.0	6,533.6	1,732.7	–	–	2,657.6	18,337.9	418.2	18,756.1
Investment in associates and joint ventures	–	–	–	881.3	–	–	881.3	9.8	891.1
Segment liabilities	(3,829.1)	(1,857.0)	(535.2)	–	–	(1,304.7)	(7,526.0)	(72.8)	(7,598.8)

1. EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group's subsidiaries, and the Group's proportional share of the EBITDA of its associates and joint ventures (Refer to the Alternative Performance Measures section on page 239).
2. Operating cash outflow in the exploration and evaluation segment was $137.5 million.
3. An exceptional fair value gain of $167.1 million has been recognised in respect of an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Notes 4 and 22.

For the year ended 31 December 2022

	Los Pelambres $m	Centinela $m	Antucoya $m	Zaldívar $m	**Exploration and evaluation[2] $m**	Corporate and other items $m	**Mining $m**	Transport division $m	**Total $m**
Revenue	2,558.9	2,406.2	703.5	–	–	–	5,668.6	193.4	5,862.0
Operating cost excluding depreciation and loss on disposals	(1,086.1)	(1,249.0)	(442.3)	–	(113.0)	(75.0)	(2,965.4)	(119.1)	(3,084.5)
Depreciation	(276.1)	(710.2)	(105.6)	–	–	(18.7)	(1,110.6)	(30.5)	(1,141.1)
Loss on disposals	(0.5)	(1.0)	–	–	–	(0.6)	(2.1)	–	(2.1)
Operating profit/(loss)	1,196.2	446.0	155.6	–	(113.0)	(94.3)	1,590.5	43.8	1,634.3
Net share of results from associates and joint ventures	–	–	–	47.3	–	(0.7)	46.6	1.5	48.1
Gain on disposal of investment in joint ventures[3]	–	–	–	–	–	944.7	944.7	–	944.7
Total operating profit from subsidiaries, and share of total results from associates and joint ventures	1,196.2	446.0	155.6	47.3	(113.0)	849.7	2,581.8	45.3	2,627.1
Investment income	10.7	6.6	2.4	–	–	19.8	39.5	0.7	40.2
Interest expense	(3.3)	(10.6)	(19.9)	–	–	(44.2)	(78.0)	(0.6)	(78.6)
Other finance items	(5.2)	(11.3)	(6.6)	–	–	(5.0)	(28.1)	(1.7)	(29.8)
Profit/(loss) before tax	1,198.4	430.7	131.5	47.3	(113.0)	820.3	2,515.2	43.7	2,558.9
Tax	(371.8)	(130.8)	(34.9)	–	–	(50.8)	(588.3)	(15.3)	(603.6)
Profit/(loss) for the year	826.6	299.9	96.6	47.3	(113.0)	769.5	1,926.9	28.4	1,955.3
Non-controlling interests	319.3	82.9	21.2	–	–	(1.1)	422.3	–	422.3
Profit/(losses) attributable to the owners of the parent	507.3	217.0	75.4	47.3	(113.0)	770.6	1,504.6	28.4	1,533.0
EBITDA[1]	1,472.8	1,157.2	261.2	147.2	(113.0)	(75.7)	2,849.7	80.0	2,929.7
Additions to non-current assets									
Additions to property, plant and equipment	965.2	889.0	75.1	–	0.5	16.4	1,946.2	55.8	2,002.0
Segment assets and liabilities									
Segment assets	6,786.6	5,922.8	1,708.0	–	–	2,504.1	16,921.5	412.2	17,333.7
Investment in associates and joint ventures	–	–	–	897.3	–	–	897.3	7.3	904.6
Segment liabilities	(3,155.0)	(1,565.1)	(558.1)	–	–	(1,225.8)	(6,504.0)	(89.9)	(6,593.9)

1. EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group's subsidiaries, and the Group's proportional share of the EBITDA of its associates and joint ventures (Refer to the Alternative Performance Measures section on page 239).
2. Operating cash outflow in the exploration and evaluation segment was $98.3 million.
3. An exceptional gain of $944.7 million has been recognised in respect of the Group's disposal of its investment in the Tethyan joint venture (Reko Diq project) (see Notes 3, 4 and 17).

Notes to segment revenues and results

(i) Inter-segment revenues are eliminated on consolidation. The only inter-segment revenue related to sales from the Transport division to the mining division of $10.3 million (year ended 31 December 2022 – $9.8 million), has been eliminated and is therefore not reflected in the above figures.

(ii) Revenue includes provisionally priced sales of copper, gold and molybdenum concentrates and copper cathodes. Further details of such adjustments are given in Note 7.

(iii) For sales of concentrates, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate (which is the amount recorded as revenue) reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. Treatment and refining charges for copper and molybdenum concentrates are detailed in Note 7.

(iv) The effects of tax and non-controlling interests on the expenses within the Exploration and evaluation segment are allocated to the mine that the exploration work relates to.

(v) The assets of the Transport division segment include $9.8 million (31 December 2022 – $7.3 million) relating to the Group's 30% interest in Antofagasta Terminal International SA ("ATI"), which operates a concession to manage installations in the port of Antofagasta. Further details of these investments are set out in Note 16.

6 Segment information *continued*

B) Entity-wide disclosures

Revenue by product

	2023 $m	2022 $m
Copper		
– Los Pelambres	**2,381.1**	2,107.7
– Centinela concentrate	**1,309.8**	1,132.7
– Centinela cathodes	**692.6**	844.4
– Antucoya	**666.1**	697.5
Provision of shipping services		
– Los Pelambres	**50.3**	51.9
– Centinela concentrate	**35.3**	58.5
– Centinela cathodes	**6.0**	6.7
– Antucoya	**6.2**	6.0
Gold		
– Los Pelambres	**83.5**	75.4
– Centinela concentrate	**323.4**	238.4
Molybdenum		
– Los Pelambres	**373.2**	291.4
– Centinela concentrate	**131.0**	100.8
Silver		
– Los Pelambres	**35.7**	32.5
– Centinela concentrate	**34.4**	24.7
Total	**6,128.6**	5,668.6
Transport division	**195.9**	193.4
	6,324.5	5,862.0

Revenue by location of customer

	2023 $m	2022 $m
Europe		
– United Kingdom	**22.8**	71.0
– Switzerland	**386.5**	753.6
– Spain	**–**	1.0
– Germany	**200.0**	140.0
– Rest of Europe	**89.9**	96.5
Latin America		
– Chile	**399.5**	369.1
– Rest of Latin America	**133.0**	179.7
North America		
– United States	**441.7**	312.3
Asia		
– Japan	**1,989.6**	1,668.6
– China	**1,417.3**	1,072.0
– Singapore	**450.2**	423.8
– South Korea	**391.1**	332.2
– Hong Kong	**204.7**	178.2
– Rest of Asia	**198.2**	264.0
	6,324.5	5,862.0

Information about major customers

In the year ended 31 December 2023, the Group's mining revenue included $1,081.0 million related to one large customer that individually accounted for more than 10% of the Group's revenue (year ended 31 December 2022 – one large customer representing $785.5 million).

Non-current assets by location of assets

	2023 $m	2022 $m
Chile	**14,017.3**	12,786.1
Other	**9.5**	10.1
	14,026.8	12,796.2

	2023 $m	2022 $m
Non-current assets per the balance sheet	**14,455.9**	13,016.2
The above amounts by location reflect non-current assets per the balance sheet excluding:		
– Deferred tax assets	**(72.0)**	(78.5)
– Account receivables	**(68.5)**	(51.0)
– Equity investments	**(288.6)**	(90.5)
Total of non-current assets above	**(429.1)**	(220.0)
Non-current assets by location of asset	**14,026.8**	12,796.2

7 Group revenue

Copper and molybdenum concentrate sale contracts and copper cathode sale contracts generally provide for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average London Metal Exchange copper price or monthly average molybdenum price for specified future periods. This normally ranges from one to four months after shipment to the customer. For sales contracts which contain provisional pricing mechanisms, the total receivable balance is measured at fair value through profit or loss. Gains and losses from the mark-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade receivables in the balance sheet. The Group determines mark-to-market prices using forward prices at each period-end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the absence of a futures market in the market price references for that commodity in the majority of the Group's contracts.

With sales of concentrates, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate (which is the amount recorded as revenue) reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal.

The Group sells a significant proportion of its products on Cost, Insurance & Freight (CIF) Incoterms, which means that the Group is responsible for shipping the product to a destination port specified by the customer. The shipping service represents a separate performance obligation, and is recognised separately from the sale of the material over time as the shipping service is provided.

The total revenue from contracts with customers and the impact of provisional pricing adjustments in respect of concentrate and cathode sales is as follows:

	2023 $m	2022 $m
Revenue from contracts with customers		
Sale of products	**6,016.2**	5,671.2
Provision of shipping services associated with the sale of products[1]	**97.8**	123.1
Transport division[2]	**195.9**	193.4
Provisional pricing adjustments in respect of copper, gold and molybdenum	**14.6**	(125.7)
Total revenue	**6,324.5**	5,862.0

1. The Group sells a significant proportion of its products on Cost, Insurance & Freight (CIF) Incoterms, which means that the Group is responsible for shipping the product to a destination port specified by the customer. The shipping service represents a separate performance obligation, and is recognised separately from the sale of the material over time as the shipping service is provided.

2. The Transport division provides rail and road cargo transport together with a number of ancillary services.

The categories of revenue which are principally affected by different economic factors are the individual product types. A summary of revenue by product is set out in Note 6.

The following tables set out the impact of provisional pricing adjustments, and treatment and refining charges for the more significant products.
The revenue from these products, along with the revenue from other products and services, is reconciled to total revenue in Note 6.

7 Group revenue *continued*

For the year ended 31 December 2023

	Los Pelambres Copper concentrate $m	Centinela Copper concentrate $m	Centinela Copper cathodes $m	Antucoya Copper cathodes $m	Los Pelambres Gold in concentrate $m	Centinela Gold in concentrate $m	Los Pelambres Molybdenum concentrate $m	Centinela Molybdenum concentrate $m
Provisionally priced sales of products	2,465.4	1,363.1	689.5	663.9	79.2	319.3	455.4	161.1
Revenue from freight services	50.3	35.3	6.0	6.2	–	–	–	–
	2,515.7	1,398.4	695.5	670.1	79.2	319.3	455.4	161.1
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(38.0)	(19.9)	(0.8)	(0.8)	–	(2.7)	(12.6)	(7.6)
Settlement of sales invoiced in the previous year	90.9	52.9	10.3	7.7	2.9	1.0	40.0	15.9
Total effect of adjustments to previous year invoices in the current year	52.9	33.0	9.5	6.9	2.9	(1.7)	27.4	8.3
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	(52.2)	(19.0)	(6.7)	(4.9)	1.5	3.9	(84.1)	(27.3)
Mark-to-market adjustments at the end of the current year	45.1	16.2	0.3	0.2	–	2.6	(1.0)	(0.4)
Total effect of adjustments to current year invoices	(7.1)	(2.8)	(6.4)	(4.7)	1.5	6.5	(85.1)	(27.7)
Total pricing adjustments	45.8	30.2	3.1	2.2	4.4	4.8	(57.7)	(19.4)
Realised losses on commodity derivatives	–	–	–	–	–	–	–	–
Revenues before deducting treatment and refining charges	2,561.5	1,428.6	698.6	672.3	83.6	324.1	397.7	141.7
Treatment and refining charges	(130.1)	(83.5)	–	–	(0.1)	(0.7)	(24.5)	(10.7)
Revenue net of tolling charges	2,431.4	1,345.1	698.6	672.3	83.5	323.4	373.2	131.0

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the Transport division, which are presented in the revenue by product table in Note 6 to reconcile to Group Revenue.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

For the year ended 31 December 2022

	Los Pelambres Copper concentrate $m	Centinela Copper concentrate $m	Centinela Copper cathodes $m	Antucoya Copper cathodes $m	Los Pelambres Gold in concentrate $m	Centinela Gold in concentrate $m	Los Pelambres Molybdenum concentrate $m	Centinela Molybdenum concentrate $m
Provisionally priced sales of products	2,313.7	1,231.8	851.8	710.6	75.1	235.9	281.3	98.5
Revenue from freight services	51.9	58.5	6.7	6.0	–	–	–	–
	2,365.6	1,290.3	858.5	716.6	75.1	235.9	281.3	98.5
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(12.0)	(5.2)	(0.3)	(0.8)	–	(0.3)	5.6	0.7
Settlement of sales invoiced in the previous year	10.7	23.3	0.5	1.0	–	3.6	(4.1)	(0.6)
Total effect of adjustments to previous year invoices in the current year	**(1.3)**	**18.1**	**0.2**	**0.2**	**–**	**3.3**	**1.5**	**0.1**
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	(155.3)	(68.7)	(8.4)	(14.1)	0.4	(2.9)	16.5	4.0
Mark-to-market adjustments at the end of the current year	38.0	19.9	0.8	0.8	–	2.7	12.6	7.6
Total effect of adjustments to current year invoices	(117.3)	(48.8)	(7.6)	(13.3)	0.4	(0.2)	29.1	11.6
Total pricing adjustments	(118.6)	(30.7)	(7.4)	(13.1)	0.4	3.1	30.6	11.7
Realised losses on commodity derivatives	–	–	–	–	–	–	–	–
Revenues before deducting treatment and refining charges	2,247.0	1,259.6	851.1	703.5	75.5	239.0	311.9	110.2
Treatment and refining charges	(87.4)	(68.4)	–	–	(0.1)	(0.6)	(20.5)	(9.4)
Revenue net of tolling charges	2,159.6	1,191.2	851.1	703.5	75.4	238.4	291.4	100.8

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the Transport division, which are presented in the revenue by product table in Note 6 to reconcile to Group Revenue.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

7 Group revenue *continued*

(I) Copper concentrate

The typical period for which sales of copper concentrate remain open until settlement occurs is a range of approximately three to four months from shipment date.

		2023	2022
Sales provisionally priced at the balance sheet date	Tonnes	**181,400**	179,000
Average mark-to-market price	$/lb	**3.87**	3.80
Average provisional invoice price	$/lb	**3.72**	3.65

(II) Copper cathodes

The typical period for which sales of copper cathodes remain open until settlement occurs is approximately one month from shipment date.

		2023	2022
Sales provisionally priced at the balance sheet date	Tonnes	**16,400**	22,700
Average mark-to-market price	$/lb	**3.85**	3.80
Average provisional invoice price	$/lb	**3.84**	3.77

(III) Gold in concentrate

The typical period for which sales of gold in concentrate remain open until settlement occurs is approximately one month from shipment date.

		2023	2022
Sales provisionally priced at the balance sheet date	Ounces	**32,400**	31,000
Average mark-to-market price	$/oz	**2,072**	1,828
Average provisional invoice price	$/oz	**1,992**	1,742

(IV) Molybdenum concentrate

The typical period for which sales of molybdenum remain open until settlement occurs is approximately two months from shipment date.

		2023	2022
Sales provisionally priced at the balance sheet date	Tonnes	**2,600**	2,500
Average mark-to-market price	$/lb	**18.50**	26.10
Average provisional invoice price	$/lb	**18.80**	22.20

As detailed above, the effects of gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade debtors in the balance sheet. The effect of mark-to-market adjustments on the balance sheet at the end of each period are as follows:

	Effect on debtors of year end mark-to-market adjustments	
	2023 $m	2022 $m
Los Pelambres – copper concentrate	**45.1**	38.0
Los Pelambres – molybdenum concentrate	**(1.0)**	12.6
Centinela – copper concentrate	**16.2**	19.9
Centinela – molybdenum concentrate	**(0.4)**	7.6
Centinela – gold in concentrate	**2.6**	2.7
Centinela – copper cathodes	**0.3**	0.8
Antucoya – copper cathodes	**0.2**	0.8
	63.0	82.4

8 Operating profit from subsidiaries, and share of total results from associates and joint ventures

Operating profit from subsidiaries, and share of total results from associates and joint ventures is derived from Group revenue by deducting operating costs as follows:

	2023 $m	2022 $m
Group revenue	**6,324.5**	5,862.0
Cost of sales	**(3,666.4)**	(3,432.7)
Gross profit	**2,658.1**	2,429.3
Administrative and distribution expenses	**(618.5)**	(558.9)
Other operating income	**50.8**	37.9
Other operating expenses[1]	**(307.6)**	(274.0)
Operating profit from subsidiaries	**1,782.8**	1,634.3
Net share of results from associates and joint ventures	**(13.5)**	48.1
Gain on disposal of investment in joint ventures	**–**	944.7
Total operating profit from subsidiaries, and share of total results from associates and joint ventures	**1,769.3**	2,627.1

1. Other operating expenses comprise $141.1 million of exploration and evaluation expenditure (2022 – $113.0 million), $25.7 million in respect of the employee severance provision (2022 – $19.1 million), $12.8 million in respect of the decommissioning and restoration provisions (2022 – $15.4 million, restated from the previously reported figure of $16.9 million in order to ensure consistency with the reconciliation reflected in Note 30), and $128.0 million of other expenses (2022 – $126.5 million, restated from the previously reported figure of $125.0 million in order to ensure consistency within this note).

Profit before tax is stated after (charging)/crediting:

	2023 $m	2022 Restated $m
Foreign exchange losses		
– included in net finance expense	**(12.5)**	(12.8)
Depreciation of property, plant and equipment		
– owned assets	**(1,127.7)**	(1,047.2)
– leased assets	**(83.6)**	(93.9)
Loss on disposal of property, plant and equipment	**–**	(2.1)
Cost of inventories recognised as an expense	**(2,457.8)**	(2,381.6)
Employee benefit expense	**(619.9)**	(476.6)
Decommissioning and restoration (operating expenses)[1]	**(12.8)**	(15.4)
Severance charges	**(25.7)**	(19.1)
Exploration and evaluation expense	**(141.1)**	(113.0)
Auditors´ remuneration	**(2.4)**	(2.2)

1. The comparative figure of $15.4 million has been restated from the previously reported figure of $16.9 million in order to ensure consistency with the reconciliation reflected in Note 30.

A more detailed analysis of auditors´ remuneration on a worldwide basis is provided below:

Group	2023 $000	2022 $000
Fees payable to the Company´s auditors and their associates for the audit of the Parent Company and consolidated financial statements	**1,685.0**	1,312.5
Fees payable to the Company´s auditors and their associates for other services:		
– The audit of the Company´s subsidiaries	**598.0**	549.6
– Audit-related assurance services[1]	**109.0**	98.0
– Other assurance services[2]	**–**	241.0
	2,392.0	2,201.1

1. The audit-related assurance services relate to the half-year review performed by the auditors.
2. The other assurance services in 2022 related to the bond issue in that year, which required the Group to engage PwC to act as the reporting accountant for that transaction, work which is in effect required to be performed by the Group's auditors.

Details of the Company's policy on the use of auditors for non-audit services, the reason why the auditors were used rather than another supplier and how the auditors' independence and objectivity was safeguarded are set out in the Audit and Risk Committee report on page 147. No services were provided pursuant to contingent fee arrangements.

9 Employees

A) Average monthly number of employees

	2023 Number	2022 Restated Number
Los Pelambres	**1,154**	1,069
Centinela	**2,503**	2,408
Antucoya	**914**	852
Exploration and evaluation	**58**	60
Corporate and other employees		
– Chile	**591**	582
– United Kingdom	**4**	4
– Other[1]	**4**	4
Mining and Corporate	**5,228**	4,979
Transport division	**1,402**	1,383
	6,630	6,362

1. The comparative figure of four employees has been restated from the previously reported figure of one employee in order to ensure the presentation of comparable figures.

The average number of employees for the year includes all the employees of subsidiaries. The average number of employees does not include contractors who are not directly employed by the Group.

The average number of employees does not include employees of associates and joint ventures.

B) Aggregate remuneration

The aggregate remuneration of the employees included in the table above was as follows:

	2023 $m	2022 $m
Wages and salaries	**(589.4)**	(448.5)
Social security costs	**(30.5)**	(28.1)
	(619.9)	(476.6)

C) Key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Directors (Executive and Non-Executive) of the Company. Key management personnel who are not Directors have been identified as senior management at the Corporate Centre and those responsible for the running of the key business divisions of the Group, specifically the Executive Committee and the General Managers of the Group's subsidiary operations.

Compensation for key management personnel (including Directors) was as follows:

	2023 $m	2022 $m
Salaries and short-term employee benefits	**(27.1)**	(25.0)
	(27.1)	(25.0)

Disclosures on Directors' remuneration required by Schedule 8 of the Large and Medium-sized Companies and Group (Financial Statement) Regulations 2008, including those specified for audit by that Schedule, are included in the Remuneration Report on pages 166 to 173.

10 Net finance income/(expense)

	2023 $m	2022 $m
Investment income		
Interest income	**43.1**	19.8
Gains on liquid investments held at fair value through profit or loss	**95.0**	20.4
	138.1	40.2
Interest expense		
Interest expense	**(105.6)**	(78.6)
	(105.6)	(78.6)
Other finance items		
Unwinding of discount on provisions	**(15.8)**	(16.9)
Exceptional fair value gains	**167.1**	–
Effects of changes in foreign exchange rates	**12.5**	(12.8)
Preference dividends	**(0.1)**	(0.1)
	163.7	(29.8)
Net finance income/(expense)	**196.2**	(68.2)

During 2023, amounts capitalised and consequently not included within the above table were as follows: $104.2 million at Los Pelambres (year ended 31 December 2022 – $47.0 million) and $7.9 million at Centinela (year ended 31 December 2022 – $2.0 million).

The interest expense shown above includes $10.5 million in respect of leases (2022 – $7.1 million). The interest paid in respect of leases was $9.7 million (2022 – $6.0 million).

An exceptional fair value gain of $167.1 million has been recognised in respect of an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Notes 4 and 22.

11 Income tax expense

The tax charge for the year comprised the following:

	2023 $m	2022 $m
Current tax charge		
– Corporate tax (principally first category tax in Chile)	**(472.8)**	(340.4)
– Mining tax (royalty)	**(109.3)**	(83.9)
– Withholding tax	**(4.5)**	(24.5)
– Exchange rate	**(0.2)**	–
	(586.8)	(448.8)
Deferred tax charge		
– Corporate tax (principally first category tax in Chile)	**(3.7)**	(96.5)
– Mining tax (royalty)	**(2.7)**	(9.8)
– Adjustment to deferred tax due to introduction of new royalty	**(34.3)**	–
– Exceptional items	**(41.8)**	–
– Withholding tax	**3.2**	(48.5)
	(79.3)	(154.8)
Total tax charge	**(666.1)**	(603.6)

The rate of first category (i.e. corporate) tax in Chile is 27.0% (2022 – 27.0%).

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile. Withholding tax is levied on remittances of profits from Chile at 35% less first category (i.e. corporate) tax already paid in respect of the profits to which the remittances relate. The withholding tax charge in the current period reflected a one-off adjustment of $34.7 million to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances.

The Group's mining operations are also subject to a mining tax (royalty). During 2023, production from Los Pelambres, Antucoya, Encuentro (oxides), the Tesoro North East pit and the Run-of-Mine processing at Centinela Cathodes was subject to a rate of between 5–14%, depending on the level of operating profit margin, and production from Centinela Concentrates and the Tesoro Central and Mirador pits at Centinela Cathodes was subject to a rate of 5% of taxable operating profit.

New mining royalty

In August 2023, the new Chilean mining royalty law was approved. The new law has taken effect from 1 January 2024, replacing the existing specific mining tax. However, companies with tax stability agreements will continue to be governed by their current terms until those agreements expire. The new regime applied to Los Pelambres' and Zaldívar's royalty payments from the start of 2024. Centinela and Antucoya had tax stability agreements which extend beyond that point, and so the new royalty rates will only impact their royalty payments from 2030 onwards.

The new royalty terms include a 1% ad valorem royalty on copper sales, as well as a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability. The new royalty terms have a cap, establishing that total taxation, which includes corporate income tax, the two components of the new mining royalty, and theoretical tax on dividends, should not exceed a rate of 46.5% on Mining Operating Margin less the royalty ad-valorem expense.

The impact on the Group's royalty payments starting in 2024 will be subject to various factors, including future revenue and earnings, which will be influenced by parameters such as copper prices, production volumes, and operating costs. A one-off adjustment has been recognised to the deferred tax balances of all of the Group's mining operations as at 31 December 2023, resulting in an increase in the Group's deferred tax liability balance of $34.3 million, along with a corresponding deferred tax expense. The Chilean tax authority has issued definitive interpretations regarding the methodologies for determining and calculating the new royalty amounts. The new administrative interpretation refers to all issues included in the new Royalty Law published in August 2023.

11 Income tax expense *continued*

The following table provides a numerical reconciliation between the accounting profit before tax multiplied by the applicable statutory tax rate and the total tax expense (including both current and deferred tax).

	Year ended 31 December 2023 Excluding exceptional items		Year ended 31 December 2023 Including exceptional items		Year ended 31 December 2022 Excluding exceptional items		Year ended 31 December 2022 Including exceptional items	
	$m	%	$m	%	$m	%	$m	%
Profit before tax	**1,798.4**		**1,965.5**		1,614.2		2,558.9	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(485.6)**	**27.0**	**(530.7)**	**27.0**	(435.9)	27.0	(691.0)	27.0
Mining tax (royalty)	**(109.7)**	**6.1**	**(109.7)**	**5.6**	(94.5)	5.8	(94.5)	3.7
Deduction of mining tax (royalty) as an allowable expense in determination of first category tax	**29.5**	**(1.6)**	**29.5**	**(1.5)**	23.1	(1.4)	23.1	(0.9)
Items not deductible from first category tax	**(21.4)**	**1.2**	**(21.4)**	**1.1**	(33.9)	2.1	(33.9)	1.3
Adjustment in respect of prior years	**4.5**	**(0.3)**	**4.5**	**(0.2)**	(2.6)	0.1	(2.6)	0.1
Effect of increase in future royalty tax on deferred tax balances	**(34.3)**	**1.9**	**(34.3)**	**1.7**	–	–	–	–
Withholding tax	**(1.4)**	**0.1**	**(1.4)**	**0.1**	(73.0)	4.6	(73.0)	2.9
Tax effect of (loss)/profit of associates and joint ventures	**(3.6)**	**0.2**	**(3.6)**	**0.2**	13.0	(0.8)	13.0	(0.5)
Impact of previously unrecognised tax losses on current tax	**(2.3)**	**0.1**	**(2.3)**	**0.1**	0.2	–	0.2	–
Gain on disposal of investment in joint venture	**–**	**–**	**–**	**–**	–	–	255.1	(10.0)
Difference in overseas tax rates	**–**	**–**	**3.3**	**(0.2)**	–	–	–	–
Tax expense and effective tax rate for the year	**(624.3)**	**34.7**	**(666.1)**	**33.9**	(603.6)	37.4	(603.6)	23.6

The effective tax rate (excluding exceptional items) of 34.7% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $80.2 million/4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the effect of the increase in future royalty tax on deferred tax balances (impact of $34.3 million/1.9%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $21.4 million/1.2%), the impact of the recognition of the Group's share of (loss)/profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $3.6 million/0.2%), the impact of unrecognised tax losses (impact of $2.3 million/0.1%) and the withholding tax relating to the remittance of profits from Chile (impact of $1.4 million/0.1%), partly offset by adjustments in respect of prior years (impact of $4.5 million/0.3%).

The effective tax rate (including exceptional items) of 33.9% varied from the statutory rate due to the factors outlined above, and also the $3.3 million impact of the difference in the overseas tax rate which applied to the exceptional item.

The main factors which could impact the sustainability of the Group's existing effective tax rate are:

- The impact of the new Chilean mining royalty as described above.
- The level of future distributions made by the Group's Chilean subsidiaries out of Chile, which could result in increased withholding tax charges. When determining whether it is likely that distributions will be made in the foreseeable future, and what is the appropriate foreseeable future period for this purpose, the Group considers factors such as the predictability of the likely future Group dividends, taking into account the Group's dividend policy and the level of potential volatility of the Group's future earnings, as well as the current level of distributable reserves at the Antofagasta plc entity level. As noted above, the withholding tax charge in the current period reflected a one-off adjustment of $34.7 million to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances.
- The impact of expenses which are not deductible for Chilean first category tax. Some of these expenses are fixed costs, and so the relative impact of these expenses on the Group's effective tax rate will vary depending on the Group's total profit before tax in a particular year.

OECD Pillar two model rules

The Group falls within the scope of the OECD Pillar two model rules, which will introduce a minimum effective tax rate of 15% for multinational companies. The rules were substantively enacted in the UK in 2023 and will be effective from 1 January 2024. Currently, the Antofagasta Group operates in Chile and is subject to the Chilean first category (corporate) tax rate of 27%, plus withholding taxes on any profits distributed from Chile. The Group is evaluating the potential future impact of these rules on its tax expense. However, based on the Group's current position, it does not anticipate any effect on its 2024 tax expense. This has included analysis of the Group's detailed financial information in respect of 2021. There have not been changes to the Group's position or results subsequent to that date which would significantly impact that analysis. The Group has applied the amendment to IAS 12, which requires that companies do not recognise deferred tax balances in relation to the Pillar two model rules.

Minera Centinela tax claims and queries

In the context of an administrative review, the Chilean Internal Revenue Service (IRS) has raised claims and queries with Minera Centinela in respect of approximately $85 million of tax deductions recognised in relation to the amortisation of start-up costs relating to the Encuentro pit. The Group considers the tax treatment adopted by Minera Centinela to be correct and appropriate, has robust arguments to support its position, and expects its position to be upheld by the review processes. If the Group is unsuccessful in supporting its position, this amount (plus potential interest and penalties) would fall due.

There are no other significant tax uncertainties which would require critical judgements, estimates or potential provisions other than deferred tax judgements and estimates as explained in Note 3B.

12 Earnings per share

	2023 $m	2022 $m
Profit for the period attributable to owners of the parent (excluding exceptional items)	**709.8**	588.3
Exceptional Items	**125.3**	944.7
Profit for the period attributable to owners of the parent (including exceptional items) from operations	**835.1**	1,533.0

	2023 Number	2022 Number
Ordinary shares in issue throughout each year	**985,856,695**	985,856,695

	2023 cents	2022 cents
Basic earnings per share (excluding exceptional items) from operations	**72.0**	59.7
Basic earnings per share (exceptional items) from operations	**12.7**	95.8
Basic earnings per share (including exceptional items) from operations	**84.7**	155.5

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2022: 985,856,695) ordinary shares.

There was no potential dilution of earnings per share in either year set out above, and therefore diluted earnings per share did not differ from basic earnings per share as disclosed above.

Reconciliation of basic earnings per share from continuing operations:

		2023	2022
Profit for the year attributable to owners of the parent	$m	**835.1**	1,533.0
Profit from continuing operations attributable to owners of the parent	$m	**835.1**	1,533.0
Ordinary shares	Number	**985,856,695**	985,856,695
Basic earnings per share from continuing operations	cents	**84.7**	155.5

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2023 $m	2022 $m	2023 cents per share	2022 cents per share
Final dividend paid in June (proposed in relation to the previous year)				
– Ordinary	**497.9**	1,172.2	**50.5**	118.9
Interim dividend paid in September				
– Ordinary	**115.3**	90.7	**11.7**	9.2
	613.2	1,262.9	**62.2**	128.1

The recommended final dividend for each year, which is subject to approval by shareholders at the Annual General Meeting and has therefore not been included as a liability in these financial statements, is as follows:

	2023 $m	2022 $m	2023 cents per share	2022 cents per share
Final dividend proposed in relation to the year				
– Ordinary	**239.6**	497.9	**24.3**	50.5

Total dividends proposed in relation to 2023 (including the interim dividend) are 36.0 cents per share or $354.9 million (2022 – 59.7 cents per share or $588.3 million).

In accordance with IAS 32, preference dividends have been included within net finance income/(expense) (see Note 10) and amounted to $0.1 million (2022 – $0.1 million).

Further details of the currency election timing and process (including the default currency of payment) are available on the Antofagasta plc website (www.antofagasta.co.uk) or from the Company's registrar, Computershare Investor Services PLC on +44 370 702 0159.

Further details relating to dividends for each year are given in the Directors' Report on page 179.

14 Intangible assets

	Cost $m	Accumulated depreciation and impairment $m	Net book value $m
At 1 January 2021	150.1	–	150.1
Provision against carrying value	–	(150.1)	(150.1)
At 31 December 2021	150.1	(150.1)	–
At 31 December 2022	150.1	(150.1)	–
At 31 December 2023	**150.1**	**(150.1)**	**–**

14 Intangible assets *continued*

The intangible asset relates to Twin Metals' mining licences assets (included within the corporate segment). A full impairment provision was recognised in respect of the $150.1 million cost of this asset as at 31 December 2021, as a result of the US federal government's cancellation of certain of Twin Metals' mining leases. Twin Metals believes it has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group is pursuing validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, a full impairment provision continues to be recognised in respect of the carrying value of the asset.

15 Property, plant and equipment

	Land $m	Mining properties $m	Stripping costs $m	Buildings and infrastructure $m	Railway track $m	Wagons and rolling stock $m	Machinery, equipment and others $m	Assets under construction $m	Right-of-use assets $m	Total $m
Cost										
At 1 January 2022	61.9	672.0	2,879.5	5,803.9	122.8	206.5	7,244.4	2,929.2	500.3	20,420.5
Additions	–	–	582.5	–	–	–	2.0	1,366.2	51.3	2,002.0
Additions – capitalised depreciation	–	–	73.3	–	–	–	–	–	–	73.3
Adjustment to capitalised decommissioning provisions	–	–	–	173.8	–	–	–	–	–	173.8
Capitalisation of interest	–	–	–	–	–	–	–	49.0	–	49.0
Reclassifications	–	–	–	1.4	11.9	1.5	4.1	(15.8)	(3.1)	–
Asset disposals	–	–	–	(0.2)	–	(0.6)	(9.2)	(5.9)	(17.4)	(33.3)
At 31 December 2022	61.9	672.0	3,535.3	5,978.9	134.7	207.4	7,241.3	4,322.7	531.1	22,685.3
At 1 January 2023	**61.9**	**672.0**	**3,535.3**	**5,978.9**	**134.7**	**207.4**	**7,241.3**	**4,322.7**	**531.1**	**22,685.3**
Additions	**11.9**	**–**	**792.5**	**1.5**	**12.2**	**13.6**	**5.3**	**1,293.2**	**177.7**	**2,307.9**
Additions – capitalised depreciation	**–**	**–**	**90.3**	**–**	**–**	**–**	**–**	**–**	**–**	**90.3**
Adjustment to capitalised decommissioning provisions	**–**	**–**	**–**	**(27.2)**	**–**	**–**	**(4.7)**	**–**	**–**	**(31.9)**
Capitalisation of interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**112.1**	**–**	**112.1**
Reclassifications	**(0.4)**	**–**	**–**	**10.7**	**–**	**–**	**(10.6)**	**(0.1)**	**–**	**(0.4)**
Asset disposals	**–**	**–**	**–**	**–**	**–**	**–**	**(1.9)**	**–**	**(0.7)**	**(2.6)**
At 31 December 2023	**73.4**	**672.0**	**4,418.1**	**5,963.9**	**146.9**	**221.0**	**7,229.4**	**5,727.9**	**708.1**	**25,160.7**
Accumulated depreciation and impairment										
At 1 January 2022	(25.0)	(588.1)	(1,372.4)	(2,889.9)	(44.4)	(111.5)	(4,540.7)	–	(310.0)	(9,882.0)
Charge for the year	–	(60.1)	(352.8)	(319.3)	(7.8)	(14.0)	(293.2)	–	(93.9)	(1,141.1)
Depreciation capitalised in inventories	–	–	–	–	–	–	(71.1)	–	–	(71.1)
Depreciation capitalised in property, plant and equipment	–	–	–	–	–	–	(73.3)	–	–	(73.3)
Asset disposals	–	–	–	0.1	–	0.6	7.6	–	17.4	25.7
At 31 December 2022	(25.0)	(648.2)	(1,725.2)	(3,209.1)	(52.2)	(124.9)	(4,970.7)	–	(386.5)	(11,141.8)
At 1 January 2023	**(25.0)**	**(648.2)**	**(1,725.2)**	**(3,209.1)**	**(52.2)**	**(124.9)**	**(4,970.7)**	**–**	**(386.5)**	**(11,141.8)**
Charge for the year	**–**	**(13.7)**	**(366.1)**	**(342.1)**	**(8.7)**	**(16.8)**	**(380.3)**	**–**	**(83.6)**	**(1,211.3)**
Depreciation capitalised in inventories	**–**	**–**	**–**	**–**	**–**	**–**	**(41.2)**	**–**	**–**	**(41.2)**
Depreciation capitalised in property, plant and equipment	**–**	**–**	**–**	**–**	**–**	**–**	**(90.3)**	**–**	**–**	**(90.3)**
Asset disposals	**–**	**–**	**–**	**–**	**–**	**–**	**1.9**	**–**	**0.7**	**2.6**
At 31 December 2023	**(25.0)**	**(661.9)**	**(2,091.3)**	**(3,551.2)**	**(60.9)**	**(141.7)**	**(5,480.6)**	**–**	**(469.4)**	**(12,482.0)**
Net book value										
At 31 December 2023	**48.4**	**10.1**	**2,326.8**	**2,412.7**	**86.0**	**79.3**	**1,748.8**	**5,727.9**	**238.7**	**12,678.7**
At 31 December 2022	36.9	23.8	1,810.1	2,769.8	82.5	82.5	2,270.6	4,322.7	144.6	11,543.5

The Group has no (2022: nil) assets pledged as security against bank loans provided to the Group.

At 31 December 2023, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $978.3 million (2022 – $845.1 million) of which $579.4 million was related to Los Pelambres and $389.5 million to Centinela.

The average interest rate for the interest capitalised was 6.0% (2022 – 2.8%).

At 31 December 2023, the net book value of assets capitalised relating to the decommissioning provision was $158.6 million (2022 – $212.1 million).

Depreciation capitalised in property, plant and equipment of $90.3 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (2022 – $73.3 million).

The Company leases various assets including office leases and machinery and equipment. The depreciation charge for Right-of-use assets for office leases for 2023 was $1.4 million (2022 – $0.8 million); the remaining amounts correspond to machinery and equipment.

16 Investments in subsidiaries

The subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2023	Economic interest at 2022
Direct subsidiaries of the Parent Company						
Antofagasta Railway Company plc	UK	Chile	1	Railway	100%	100%
Andes Trust Limited (The)	UK	UK	1	Investment	100%	100%
Andean LFMA Investment Limited	UK	Chile	1	Investment	100%	100%
Alfa Estates Limited	Jersey	Jersey	3	Investment	100%	100%
Andes Re Limited	Bermuda	Bermuda	4	Insurance	100%	100%
Indirect subsidiaries of the Parent Company						
Minera Los Pelambres SCM	Chile	Chile	2	Mining	60%	60%
Minera Centinela SCM	Chile	Chile	2	Mining	70%	70%
Minera Antucoya SCM	Chile	Chile	2	Mining	70%	70%
Antofagasta Minerals S.A.	Chile	Chile	2	Mining	100%	100%
Energía Andina Geothermal SpA	Chile	Chile	2	Energy	100%	100%
MLP Transmisión S.A.	Chile	Chile	2	Energy	100%	100%
Sociedad Contractual Minera El Encierro	Chile	Chile	2	Mining	57.17%	56.54%
Northern Minerals Investment (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Northern Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Northern Minerals Holding Co	USA	USA	5	Investment	100%	100%
Duluth Metals Limited	Canada	Canada	7	Investment	100%	100%
Twin Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Twin Metals (USA) Inc	USA	USA	6	Investment	100%	100%
Twin Metals Minnesota LLC	USA	USA	6	Mining	100%	100%
Franconia Minerals (US) LLC	USA	USA	6	Mining	100%	100%
Duluth Metals Holdings (USA) Inc	USA	USA	13	Investment	100%	100%
Duluth Exploration (USA) Inc	USA	USA	14	Investment	100%	100%
DMC LLC (Minnesota)	USA	USA	13	Investment	100%	100%
DMC (USA) LLC (Delaware)	USA	USA	13	Investment	100%	100%
DMC (USA) Corporation	USA	USA	13	Investment	100%	100%
Antofagasta Investment Company Limited	UK	UK	1	Investment	100%	100%
Minprop Limited	Jersey	Jersey	3	Mining	100%	100%
Antomin 2 Limited	BVI	BVI	8	Mining	51%	51%
Antomin Investors Limited	BVI	BVI	8	Mining	51%	51%
Antofagasta Minerals Australia Pty Limited	Australia	Australia	9	Mining	100%	100%
Minera Anaconda Peru S.A.	Peru	Peru	10	Mining	100%	100%
Los Pelambres Holding Company Limited	UK	UK	1	Investment	100%	100%
Los Pelambres Investment Company Limited	UK	UK	1	Investment	100%	100%
Lamborn Land Co	USA	USA	5	Investment	100%	100%
Anaconda South America Inc	USA	USA	15	Investment	100%	100%
El Tesoro (SPV Bermuda) Limited	Bermuda	Bermuda	4	Investment	100%	100%
Antofagasta Minerals Canada	Canada	Canada	9	Agency	100%	100%
Antofagasta Minerals (Shanghai) Co. Limited	China	China	16	Agency	100%	100%
Andes Investments Company (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Bolivian Rail Investors Co Inc	USA	USA	5	Investment	100%	100%
Inversiones Los Pelambres Chile Limitada	Chile	Chile	2	Investment	100%	100%
Equatorial Resources SpA	Chile	Chile	2	Investment	100%	100%
Minera Santa Margarita de Astillas SCM	Chile	Chile	2	Mining	82.0%	82.0%

16 Investments in subsidiaries *continued*

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2023	Economic interest at 2022
Minera Penacho Blanco SA	Chile	Chile	2	Mining	66.6%	66.6%
Michilla Costa SpA	Chile	Chile	2	Logistics	99.9%	99.9%
Minera Pampa Fenix SCM	Chile	Chile	2	Investment	90.0%	90.0%
Minera Mulpun Limitada	Chile	Chile	2	Mining	100%	100%
Fundación Minera Los Pelambres	Chile	Chile	2	Community development	100%	100%
Inversiones Punta de Rieles Limitada	Chile	Chile	12	Investment	100%	100%
Ferrocarril Antofagasta a Bolivia	Chile	Chile	12	Railway	100%	100%
Inversiones Chilean Northern Mines Limitada	Chile	Chile	12	Investment	100%	100%
The Andes Trust Chile SA	Chile	Chile	12	Investment	100%	100%
Forestal S.A.	Chile	Chile	12	Forestry	100%	100%
Servicios de Transportes Integrados Limitada	Chile	Chile	12	Road transport	100%	100%
Inversiones Train Limitada	Chile	Chile	12	Investment	100%	100%
Servicios Logisticos Capricornio Limitada	Chile	Chile	12	Transport	100%	100%
Embarcadores Limitada	Chile	Chile	12	Transport	100%	100%
FCAB Ingenieria y Servicios DOS Limitada	Chile	Chile	12	Transport	100%	100%
Inmobiliaria Parque Estación S.A.	Chile	Chile	12	Real Estates	100%	100%
Emisa Antofagasta SA	Chile	Chile	12	Transport	100%	100%

Registered offices:

1 103 Mount Street, London, W1K 2TJ, UK
2 Avenida Apoquindo N° 4001, Piso 18, Las Condes, Santiago, Chile
3 22 Grenville Street, St Helier, Jersey, JE4 8PX3, Channel Islands
4 Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
5 1209 Orange Street, Wilmington, DE 19801, USA
6 6040 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
7 161 Bay Street, Suite 4320, Toronto, Ontario, M5J 2S1, Canada
8 PO Box 958, Road Town, Tortola VG1110, British Virgin Islands
9 Riparian Plaza, Level 28, 71 Eagle Street, Brisbane, Qld 4001, Australia
10 Avenida Paseo de la Republica Nº 3245 Piso 3, Lima, Peru
11 Avenida 16 de Julio N° 1440, piso 19 oficina 1905, La Paz, Bolivia
12 Simon Bolivar 255, Antofagasta, Chile
13 6041 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
14 1010 Dale Street N, St Paul, MN 55117-5603, USA
15 2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
16 Unit 3309, IFC 2, 8 Century Avenue, Shanghai, China

With the exception of the Antofagasta Railway Company plc, all of the above Group companies have only one class of ordinary share capital in issue. The Antofagasta Railway Company plc has ordinary and preference share capital in issue, with the ordinary share capital representing 76% of the Company's total share capital, and the preference share capital representing 24%. Antofagasta plc holds 100% of both the ordinary and preference shares.

The proportion of voting rights is proportional to the economic interest for the companies listed above.

17 Disposal of investment in Tethyan joint venture (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its 50% interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation ("Barrick") in respect of the Reko Diq project in Pakistan. Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. The joint venture project was held via the Australian entity Atacama Copper Pty Limited ("Atacama"). The disposal proceeds, which together with accrued interest up to 15 December 2022 totalled US$946.0 million, were held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick agreed that the proceeds of this account, including all further interest received, less any Australian tax arising and working capital and other adjustments, would be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama was seeking a binding private ruling from the Australian Tax Office to confirm that the disposal proceeds and their distribution to the Antofagasta Group would not be subject to Australian tax. In May 2023, Atacama received the binding private ruling confirming these points. Antofagasta then requested that the disposal proceeds including interest be distributed to the Antofagasta Group, resulting in a total distribution of $956.3 million by Atacama to the Antofagasta Group in May 2023.

18 Investment in associates and joint ventures

	ATI (i) 2023 $m	Minera Zaldívar (ii) 2023 $m	Total 2023 $m
Balance at the beginning of the year	7.3	897.3	904.6
Obligations on behalf of JV and associates at the beginning of the year	–	–	–
Capital contribution	0.6	–	0.6
Share of profit/(loss) before tax	2.6	(1.2)	1.4
Share of tax	(0.7)	(14.2)	(14.9)
Share of profit/(loss) from JV and associates	1.9	(15.4)	(13.5)
Share of other comprehensive loss of associates and joint ventures, net of tax	–	(0.6)	(0.6)
Balance at the end of the year	9.8	881.3	891.1

	ATI (i) 2022 $m	Minera Zaldívar (ii) 2022 $m	Tethyan Copper (iii) 2022 $m	Total 2022 $m
Balance at the beginning of the year	5.8	900.0	–	905.8
Obligations on behalf of JV and associates at the beginning of the year	–	–	(0.6)	(0.6)
Share of profit/(loss) before tax	2.0	69.3	(0.7)	70.6
Share of tax	(0.5)	(22.0)	–	(22.5)
Share of profit/(loss) from JV and associates	1.5	47.3	(0.7)	48.1
Dividends receivable	–	(50.0)	–	(50.0)
Disposal of investment in JV	–	–	1.3	1.3
Balance at the end of the year	7.3	897.3	–	904.6

The investments, which are included in the $891.1 million balances at 31 December 2023, are set out below:

Investment in associates

(i) The Group's 30% interest in Antofagasta Terminal Internacional ("ATI"), which operates a concession to manage installations in the port of Antofagasta.

Investment in joint ventures

- The Group's 50% interest in Minera Zaldívar SpA ("Zaldívar").
- The Group had a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in the Islamic Republic of Pakistan ("Pakistan"). As explained in Note 17, on 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture and it is therefore no longer recognised as a joint venture by the Group.

As the net carrying value of the interest in Tethyan was negative, it was included within non-current liabilities, as the Group was liable for its share of the joint venture's obligations.

Summarised financial information for the associates is as follows:

	ATI 2023 $m	ATI 2022 $m
Cash and cash equivalents	5.9	0.4
Current assets	21.6	18.2
Non-current assets	84.3	91.8
Current liabilities	(13.6)	(19.3)
Non-current liabilities	(62.1)	(69.5)
Revenue	65.9	55.2
Profit from continuing operations	6.2	5.1
Total comprehensive income	6.2	5.1

18 Investment in associates and joint ventures *continued*

Summarised financial information for the joint ventures is as follows:

	Minera Zaldívar 2023 $m	Minera Zaldívar 2022 $m
Cash and cash equivalents	**38.4**	70.1
Current assets[1]	**664.5**	661.8
Non-current assets	**1,628.6**	1,658.6
Current financial liabilities (excluding trade, other payables and provisions)	**(57.8)**	(53.2)
Current liabilities	**(171.3)**	(159.3)
Non-current financial liabilities (excluding trade, other payables and provisions)	**(10.8)**	(68.3)
Non-current liabilities	**(230.0)**	(203.3)
Revenue	**718.6**	783.4
Depreciation and amortisation	**(164.4)**	(149.2)
Interest income	**2.0**	1.5
Interest expense	**(11.3)**	(0.8)
Income tax expense	**(28.4)**	(43.9)
(Loss)/profit after tax from continuing operations	**(2.1)**	94.6
Total comprehensive (expense)/income	**(2.1)**	94.6

1. The current assets include cash and cash equivalents

The above summarised financial information is based on the amounts included in the IFRS financial statements of the associate or joint venture (100% of the results or balances of the associate or joint venture, rather than the Group's proportionate share), after the Group's fair value adjustments and applying the Group's accounting policies.

19 Equity investments

	2023 $m	2022 $m
Balance at the beginning of the year	**90.5**	8.7
Acquisition	**60.7**	66.5
Movements in fair value[1]	**137.0**	15.8
Foreign currency exchange differences	**0.4**	(0.5)
Balance at the end of the year	**288.6**	90.5

1. A deferred tax expense of $37.0 million has been recognised in respect of the movements in the fair value of equity investments (pre-tax gain of $137.0 million), resulting in a post-tax gain of $100.0 million (see Note 29).

Equity investments represent those investments which are not subsidiaries, associates or joint ventures and are not held for trading purposes. The fair value of all equity investments are based on quoted market prices.

Of the total equity investment balance at 31 December 2023, $275.2 million relates to a holding of approximately 18.1 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 7% of Buenaventura's issued share capital. As detailed in Notes 4 and 22, during 2023 the Group entered into an agreement to acquire an additional holding of up to 30 million shares in Buenaventura, representing approximately 12% of Buenaventura's issued share capital.

20 Inventories

	2023 $m	2022 $m
Current		
Raw materials and consumables	**231.0**	221.4
Work-in-progress	**375.4**	404.9
Finished goods	**64.6**	81.8
	671.0	708.1
Non-current		
Work-in-progress	**457.0**	347.0
Total	**1,128.0**	1,055.1

During 2023, net realisable value ("NRV") adjustments of $6.0 million have been recognised (2022: nil). Non-current work-in-progress represents inventory expected to be processed more than 12 months after the balance sheet date.

21 Trade and other receivables

Trade and other receivables do not generally carry any interest, are principally short-term in nature and are normally stated at their nominal value less any impairment.

	Due in one year		Due after one year		Total	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Trade receivables	**950.1**	997.1	**–**	–	**950.1**	997.1
Other receivables[1]	**167.7**	1,090.1	**68.5**	51.0	**236.2**	1,141.1
	1,117.8	2,087.2	**68.5**	51.0	**1,186.3**	2,138.2

1. At 31 December 2022, the Other receivables balance included the proceeds receivable in respect of the Group's disposal of its investment in the Tethyan joint venture (Note 17).

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. There is no material element which is interest-bearing. Trade receivables include mark-to-market adjustments in respect of provisionally priced sales of copper and molybdenum concentrates which remain open as to final pricing. Further details of such adjustments are given in Note 7. Other receivables include mainly due to IVA (Chilean Value Added Tax) receivables of $106.8 million (31 December 2022 – $124.6 million) and employee loans of $53.0 million (31 December 2022 – $49.3 million).

Movements in the expected credit loss provision were as follows:

	2023 $m	2022 $m
Balance at the beginning of the year	**(1.0)**	(1.2)
Utilised in year	**(0.3)**	0.2
Foreign currency exchange difference	**0.1**	–
Balance at the end of the year	**(1.2)**	(1.0)

The ageing analysis of the trade and other receivables balance is as follows:

	Up to date $m	Up to 3 months past due $m	3-6 months past due $m	More than 6 months past due $m	Total excluding expected credit loss provision $m	Expected credit loss provision $m	Total $m
2023	**1,168.9**	**13.9**	**0.5**	**4.2**	**1,187.5**	**(1.2)**	**1,186.3**
2022	2,098.8	36.8	1.2	2.4	2,139.2	(1.0)	2,138.2

The carrying value of the trade receivables recorded in the financial statements represents the Group's maximum exposure to credit risk in relation to these items. Other than the expected credit loss provision amount set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

22 Other financial asset

Compañía de Minas Buenaventura S.A.A.

During 2023, the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 12% of Buenaventura's issued share capital. Subsequent to the year-end, in March 2024, the agreement completed. Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru. A payment of $290.1 million was made in respect of this agreement in June 2023. As at 31 December 2023, an "other financial asset" balance has been recognised on the balance sheet in respect of the agreement, at its fair value of $457.2 million. A fair value gain of $167.1 million has been recognised during 2023 in respect of this asset. As detailed in Notes 4 and 19, as at 31 December 2023 the Group held an existing holding of approximately 18.1 million shares in Buenaventura, representing approximately 7% of Buenaventura's issued share capital.

23 Cash and cash equivalents, and liquid investments

The fair value of cash and cash equivalents, and liquid investments is not materially different from the carrying values presented. The credit risk on cash and cash equivalents is considered to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cash and cash equivalents, and liquid investments comprised:

	2023 $m	2022 $m
Cash and cash equivalents	**644.7**	810.4
Liquid investments	**2,274.7**	1,580.8
	2,919.4	2,391.2

At 31 December 2023 and 2022 there is no cash which is subject to restriction.

The denomination of cash, cash equivalents and liquid investments was as follows:

	2023 $m	2022 $m
US dollars	**2,895.3**	2,371.1
Chilean pesos	**22.3**	18.8
Sterling	**1.2**	1.0
Other	**0.6**	0.3
	2,919.4	2,391.2

23 Cash and cash equivalents, and liquid investments *continued*

The credit quality of cash, cash equivalents and liquid investments are as follow:

	2023 $m	2022 $m
AAA	**2,075.1**	1,476.7
AA+	**–**	–
AA	**–**	–
AA-	**110.0**	36.5
A+	**223.4**	303.0
A	**405.4**	484.1
Subtotal	**2,813.9**	2,300.3
Cash at bank[1]	**105.5**	90.9
Total cash, cash equivalents and liquid investments	**2,919.4**	2,391.2

1. Cash at bank is held with investment grade financial institutions.

There have been no impairments recognised in respect of cash or cash equivalents in the year ended 31 December 2023 (year ended 31 December 2022: nil).

24 Borrowings and other financial liabilities

A) Analysis by type of borrowing and other financial liabilities

Borrowings and other financial liabilities may be analysed by business segment and type as follows:

	Note	2023 $m	2022 $m
Los Pelambres			
Senior loan	(i)	**(2,067.2)**	(1,470.5)
Leases		**(45.2)**	(55.3)
Centinela			
Senior loan	(ii)	**(166.3)**	(276.7)
Other loans	(ii)	**(265.0)**	–
Leases		**(142.8)**	(35.2)
Antucoya			
Senior loan	(iii)	**(174.1)**	(223.5)
Subordinated debt	(iv)	**(187.6)**	(171.5)
Leases	(v)	**(17.4)**	(16.5)
Corporate and other items			
Bond	(vi)	**(986.8)**	(985.3)
Leases	(vii)	**(18.4)**	(23.1)
Transport division			
Senior loan	(viii)	**(5.0)**	(15.3)
Leases		**(0.9)**	(1.6)
Preference shares	(ix)	**(2.5)**	(2.5)
Total		**(4,079.2)**	(3,277.0)

(i) The senior loan at Los Pelambres represents:

- a $1,280 million US dollar denominated syndicated loan divided in three tranches. The first tranche has a remaining duration of 2 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.48%. The second tranche has a remaining duration of 5 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.28%. The third tranche has a remaining duration of 4.5 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.53%. The loans are subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.
- three US dollar denominated senior loans issued in December 2023 for a total amount of $810 million. The first loan for $200 million is a 3 year bullet with an interest rate of Term SOFR six-month rate plus 1.60%. The second loan is also a bullet for $200 million with a remaining duration of 5 years and an interest rate of Term SOFR six-month rate plus 1.69%. And the third loan for $410 million has a remaining duration of 5 years, amortising, and an interest rate of Term SOFR six-month rate plus 1.70%.

(ii) Centinela has a US dollar denominated senior loan with an amount outstanding of $167 million with a duration of 1.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 1.38%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained. In July 2023, Centinela issued two short-term loans for a total amount of $265 million and a remaining duration of 0.5 years.

(iii) The senior loan at Antucoya represents a US dollar denominated syndicated loan with an amount outstanding of $175 million. This loan has a remaining duration of 3.5 years and has an interest rate of Term SOFR six-month rate plus 1.40%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.

(iv) Subordinated debt at Antucoya is US dollar denominated, provided to Antucoya by Marubeni Corporation with a remaining duration of 3.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 4.08%. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.

(v) Financial Leases at Antucoya are denominated in US dollars with an average interest rate of Term SOFR six-month rate plus 2.4% and a remaining duration of 0.5 years.

(vii) Antofagasta plc in October 2020 issued a corporate bond for $500 million with a 10 year tenor with a base spread of Treasuries plus 165 bps and a coupon of 2.375%. In May 2022, Antofagasta plc issued a new corporate bond for $500 million with a 10 year tenor with a base spread of Treasuries plus 287.5 bps and a coupon of 5.625%.

(viii) Financial Leases at Corporate and other items are denominated in Unidades de Fomento (i.e. inflation-linked Chilean pesos) and have a remaining duration of 3.0 years and are at fixed rates with an average interest rate of 5.2%.

(ix) Short-term loans at the Transport division are US dollar denominated, with an outstanding amount of $5 million and remaining duration of 0.1 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 1.49%.

(x) The preference shares are Sterling-denominated and issued by Antofagasta plc. There are 2 million shares of £1 each authorised, issued and fully paid. The preference shares are non-redeemable and are entitled to a fixed cumulative dividend of 5% per annum. On winding up they are entitled to repayment and any arrears of dividend in priority to ordinary shareholders but are not entitled to participate further in any surplus. Each preference share carries 100 votes in any general meeting of the Company.

B) Leases

Information in respect of the Group's leases is contained in the following notes:

- Note 15 – depreciation charges, additions and disposals in respect of the right of use assets relating to the leases
- Note 33 B) – repayments of the lease balances and new lease liabilities arising during the period
- Note 10 – interest expense in respect of the lease balances
- Note 10 – cash paid relating to interest on lease

C) Analysis of borrowings and other financial liabilities by currency

The exposure of the Group's borrowings to currency risk is as follows:

At 31 December 2023	**Chilean pesos $m**	**Sterling $m**	**US dollars $m**	**2023 Total $m**
Corporate loans	**–**	**–**	**(2,412.6)**	**(2,412.6)**
Bond	**–**	**–**	**(986.8)**	**(986.8)**
Other loans (including short-term loans)	**–**	**–**	**(452.6)**	**(452.6)**
Leases	**(174.8)**	**(3.5)**	**(46.4)**	**(224.7)**
Preference shares	**–**	**(2.5)**	**–**	**(2.5)**
	(174.8)	**(6.0)**	**(3,898.4)**	**(4,079.2)**

At 31 December 2022	Chilean pesos $m	Sterling $m	US dollars $m	2022 Total $m
Corporate loans	(0.3)	–	(1,985.7)	(1,986.0)
Bond	–	–	(985.3)	(985.3)
Other loans (including short-term loans)	–	–	(171.5)	(171.5)
Leases	(115.1)	(3.9)	(12.7)	(131.7)
Preference shares	–	(2.5)	–	(2.5)
	(115.4)	(6.4)	(3,155.2)	(3,277.0)

D) Analysis of borrowings and other financial liabilities by type of interest rate

The exposure of the Group's borrowings to interest rate risk is as follows:

At 31 December 2023	**Fixed $m**	**Floating $m**	**2023 Total $m**
Corporate loans	**(5.0)**	**(2,407.6)**	**(2,412.6)**
Bond	**(986.8)**	**–**	**(986.8)**
Other loans (including short-term loans)	**–**	**(452.6)**	**(452.6)**
Leases	**(224.7)**	**–**	**(224.7)**
Preference shares	**(2.5)**	**–**	**(2.5)**
	(1,219.0)	**(2,860.2)**	**(4,079.2)**

At 31 December 2022	Fixed $m	Floating $m	2022 Total $m
Corporate loans	(15.5)	(1,970.5)	(1,986.0)
Bond	(985.3)	–	(985.3)
Other loans (including short-term loans)	–	(171.5)	(171.5)
Leases	(125.7)	(6.0)	(131.7)
Preference shares	(2.5)	–	(2.5)
	(1,129.0)	(2,148.0)	(3,277.0)

24 Borrowings and other financial liabilities *continued*

E) Maturity profile

The maturity profile of the Group's borrowings is as follows:

At 31 December 2023	Within 1 year $m	Between 1-2 years $m	Between 2-5 years $m	After 5 years $m	2023 Total $m
Corporate loans	**(529.1)**	**(570.9)**	**(1,287.6)**	**(25.0)**	**(2,412.6)**
Bond	**–**	**–**	**–**	**(986.8)**	**(986.8)**
Other loans	**(265.0)**	**–**	**(187.6)**	**–**	**(452.6)**
Leases	**(107.8)**	**(73.0)**	**(42.6)**	**(1.3)**	**(224.7)**
Preference shares	**–**	**–**	**–**	**(2.5)**	**(2.5)**
	(901.9)	**(643.9)**	**(1,517.8)**	**(1,015.6)**	**(4,079.2)**

At 31 December 2022	Within 1 year $m	Between 1-2 years $m	Between 2-5 years $m	After 5 years $m	2022 Total $m
Corporate loans	(377.4)	(531.7)	(927.7)	(149.2)	(1,986.0)
Bond	–	–	–	(985.3)	(985.3)
Other loans	–	–	(171.5)	–	(171.5)
Leases	(55.1)	(39.5)	(35.9)	(1.2)	(131.7)
Preference shares	–	–	–	(2.5)	(2.5)
	(432.5)	(571.2)	(1,135.1)	(1,138.2)	(3,277.0)

The amounts included above for leases are based on the present value of minimum lease payments.

The total minimum lease payments for these leases may be analysed as follows:

	2023 $m	2022 $m
Within 1 year	**(121.0)**	(62.1)
Between 1 – 2 years	**(79.0)**	(40.1)
Between 2 – 5 years	**(47.4)**	(37.6)
After 5 years	**–**	(1.3)
Total minimum lease payments	**(247.4)**	(141.1)
Less amounts representing finance charges	**22.7**	9.4
Present value of minimum lease payments	**(224.7)**	(131.7)

All leases are on a fixed payment basis and no arrangements have been entered into for contingent rental payments.

F) Financing Facilities

On 30 December, 2022, Antofagasta plc agreed a revolving credit facility "RCF" of $500.0 million. This revolving credit facility has a term of three years, which expires on 30 December, 2025.

The facility remained undrawn throughout 2023.

	Facility available		Drawn		Undrawn	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Revolving credit facility	**(500.0)**	(500.0)	**–**	–	**(500.0)**	(500.0)
	(500.0)	(500.0)	**–**	–	**(500.0)**	(500.0)

25 Trade and other payables

	Due in one year		Due after one year		Total	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Trade creditors	**(788.1)**	(751.5)	**–**	–	**(788.1)**	(751.5)
Other creditors and accruals	**(383.4)**	(328.2)	**(9.8)**	(8.0)	**(393.2)**	(336.2)
	(1,171.5)	(1,079.7)	**(9.8)**	(8.0)	**(1,181.3)**	(1,087.7)

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Other creditors are mainly related to property plant and equipment payables, finance interest and employee tax.

The average credit period taken for trade purchases is 20 days (2022 – 18 days).

26 Financial instruments and financial risk management

A) Categories of financial instruments

The carrying value of financial assets and financial liabilities is shown below:

	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
				2023 $m
Financial assets				
Equity investments	**–**	**288.6**	**–**	**288.6**
Trade and other receivables	**916.5**	**–**	**157.1**	**1,073.6**
Other financial assets	**457.2**	**–**	**–**	**457.2**
Cash and cash equivalents	**1.1**	**–**	**643.6**	**644.7**
Liquid investments	**2,274.7**	**–**	**–**	**2,274.7**
	3,649.5	**288.6**	**800.7**	**4,738.8**
Financial liabilities				
Borrowings and leases	**–**	**–**	**(4,079.2)**	**(4,079.2)**
Trade and other payables	**–**	**–**	**(1,154.3)**	**(1,154.3)**
	–	**–**	**(5,233.5)**	**(5,233.5)**

	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
				2022 $m
Financial assets				
Equity investments	–	90.5	–	90.5
Trade and other receivables	897.2	–	1,047.5	1,944.7
Cash and cash equivalents	8.5	–	801.9	810.4
Liquid investments	1,580.8	–	–	1,580.8
	2,486.5	90.5	1,849.4	4,426.4
Financial liabilities				
Borrowings and leases	–	–	(3,277.0)	(3,277.0)
Trade and other payables	–	–	(1,067.3)	(1,067.3)
	–	–	(4,344.3)	(4,344.3)

The fair value of the fixed rate bonds included within the "Borrowings and leases" category was $908.3 million at 31 December 2023 compared with its carrying value of $986.8 million. The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

The Group has the following financial instruments:

	2023 $m	2022 $m
Financial assets		
Trade and other receivables (non-current) per balance sheet	**68.5**	51.0
Trade and other receivables (current) per balance sheet	**1,117.8**	2,087.2
Total trade and other receivables per balance sheet	**1,186.3**	2,138.2
Less: non-financial assets (including prepayments and VAT receivables)	**(112.7)**	(193.5)
Total trade and other receivables (financial assets)	**1,073.6**	1,944.7
Financial liabilities		
Trade and other payables (current) per balance sheet	**(1,171.5)**	(1,079.7)
Trade and other payables (non-current) per balance sheet	**(9.8)**	(8.0)
Total trade and other payables per balance sheet	**(1,181.3)**	(1,087.7)
Less: non-financial liabilities (including VAT payables)	**27.0**	20.4
Total trade and other payables (financial liabilities)	**(1,154.3)**	(1,067.3)

26 Financial instruments and financial risk management *continued*

B) Fair value of financial instruments

An analysis of financial assets and financial liabilities measured at fair value is presented below:

	Level 1 $m	Level 2 $m	Level 3 $m	Total 2023 $m
Financial assets				
Equity investments (a)	**288.6**	**–**	**–**	**288.6**
Trade and other receivables (b)	**–**	**916.5**	**–**	**916.5**
Other financial assets (c)	**–**	**457.2**	**–**	**457.2**
Cash and cash equivalents (d)	**1.1**	**–**	**–**	**1.1**
Liquid investment (e)	**–**	**2,274.7**	**–**	**2,274.7**
	289.7	**3,648.4**	**–**	**3,938.1**

	Level 1 $m	Level 2 $m	Level 3 $m	Total 2022 $m
Financial assets				
Equity investments (a)	90.5	–	–	90.5
Trade and other receivables (b)	–	897.2	–	897.2
Cash and cash equivalents (d)	8.5	–	–	8.5
Liquid investment (e)	–	1,580.8	–	1,580.8
	99.0	2,478.0	–	2,577.0

Recurring fair value measurements are those that are required in the balance sheet at the end of each reporting year.

a) Equity investments are investments in shares on active markets and are valued using unadjusted quoted market values of the shares at the financial reporting date. These are level 1 inputs as described below.
b) Provisionally priced metal sales for the period are marked-to-market at the end of the period. Gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and trade receivables in the balance sheet. Forward prices at the end of the period are used for copper sales while December average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.
c) The other financial asset relates to an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura") (as detailed in Note 22). Subsequent to the year-end, in March 2024, the agreement completed. A payment of $290.1 million was made in respect of this agreement in June 2023. As at 31 December 2023, an "other financial asset" balance has been recognised on the balance sheet in respect of the agreement, at its fair value of $457.2 million. A fair value gain of $167.1 million has been recognised during 2023 in respect of this asset. The fair value of the other financial asset has been calculated using observable market data, in particular the share price of Buenaventura as at 29 December 2023 (the last trading day in 2023). These are level 2 inputs. The valuation also assumed that the Group will acquire all 30 million shares and the agreement runs to its scheduled maturity, although this was not considered to be a significant factor in determining the fair value based on the assessed likelihood and impact of an early termination occurring.
d) The element of cash and cash equivalents measured at fair value relates to money market funds, which are valued reflecting market prices at the period end. These are level 1 inputs as described below.
e) Liquid investments are highly liquid current asset investments that are valued reflecting market prices at the period end. These are level 2 inputs as described below.

The inputs to the valuation techniques described above are categorised into three levels, giving the highest priority to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3 inputs):

- Level 1 fair value measurement inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurement inputs are derived from inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurement inputs are unobservable inputs for the asset or liability.

The degree to which inputs into the valuation techniques used to measure the financial assets and liabilities are observable and the significance of these inputs in the valuation are considered in determining whether any transfers between levels have occurred. In the year ended 31 December 2023, there were no transfers between levels in the hierarchy.

C) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group periodically uses derivative financial instruments, to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes.

The Board of Directors is responsible for overseeing the Group's risk management framework. The Audit and Risk Committee assists the Board with its review of the effectiveness of the risk management process, and monitoring of key risks and mitigations. The Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

(I) Commodity price risk

The Group generally sells its copper and molybdenum concentrate and copper cathode output at prevailing market prices, subject to final pricing adjustments which normally range from one to four months after delivery to the customer, and it is therefore exposed to changes in market prices for copper and molybdenum both in respect of future sales and previous sales, which remain open as to final pricing. In 2023, sales of copper and molybdenum concentrate and copper cathodes represented 89.4% of Group revenue and therefore revenues and earnings depend significantly on LME and realised copper prices.

The Group periodically uses futures and min-max options to manage its exposure to copper prices. These instruments may give rise to accounting volatility due to fluctuations in their fair value prior to the maturity of the instruments. Details of those copper and molybdenum concentrate sales and copper cathode sales, which remain open as to final pricing, are given in Note 7.

Commodity price sensitivity
The sensitivity analysis below shows the impact of a movement in the copper price on the financial instruments held as at the reporting date. A movement in the copper market price as at the reporting date will affect the final pricing adjustment to sales that remain open at that date, impacting the trade receivables balance and consequently the income statement. A movement in the copper market price will also affect the valuation of commodity derivatives, impacting the hedging reserve in equity if the fair value movement relates to an effective designated cash flow hedge, and impacting the income statement if it does not. The calculation assumes that all other variables, such as currency rates, remain constant.

- If the copper market price as at the reporting date had increased by 10 c/lb, profit attributable to the owners of the parent would have increased by $19.0 million (2022 – increase by $19.8 million).
- If the copper market price as at the reporting date had decreased by 10 c/lb, profit attributable to the owners of the parent would have decreased by $19.0 million (2022 – decrease by $19.8 million).

In addition, a movement in the average copper price during the year would impact revenue and earnings. A 10 c/lb change in the average copper price during the year would have affected profit attributable to the owners of the parent by $60.6 million (2022 – $58.7 million) and earnings per share by 6.1 cents (2022 – 6.0 cents), based on production volumes in 2023, without taking into account the effects of provisional pricing. A $1 /lb change in the average molybdenum price for the year would have affected profit attributable to the owners of the parent by $10.2 million (2022 – $9.5 million), and earnings per share by 1.0 cents (2022 – 1.0 cents), based on production volumes in 2023, and without taking into account the effects of provisional pricing. A $100 /oz change in the average gold price for the year would have affected profit attributable to the owners of the parent by $9.6 million (2022 – $11.6 million), and earnings per share by 1.0 cents (2022 – 1.2 cents), based on production volumes in 2023, and without taking into account the effects of provisional pricing.

(II) Currency risk
The Group is exposed to a variety of currencies. The US dollar, however, is the currency in which the majority of the Group's sales are denominated. Operating costs are influenced by the countries in which the Group's operations are based (principally in Chile) as well as those currencies in which the costs of imported goods and services are determined. After the US dollar, the Chilean peso is the most important currency influencing costs and to a lesser extent sales.

Given the significance of the US dollar to the Group's operations, this is the presentational currency of the Group for internal and external reporting. The US dollar is also the currency for borrowing and holding surplus cash, although a portion of this may be held in other currencies, notably Chilean pesos and Sterling, to meet short-term operating and capital commitments and dividend payments.

When considered appropriate, the Group uses forward exchange contracts and currency swaps to limit the effects of movements in exchange rates in foreign currency denominated assets and liabilities. The Group may also use these instruments to reduce currency exposure on future transactions and cash flows. Details of any exchange rate derivatives entered by the Group in the year are given in Note 26(D).

The currency exposure of the Group's cash, cash equivalents and liquid investments is given in Note 23, and the currency exposure of the Group's borrowings is given in Note 24(C). The effects of exchange gains and losses included in the income statement are given in Note 10. Exchange differences on translation of the net assets of entities with a functional currency other than the US dollar are taken to the currency translation reserve and are disclosed in the Consolidated Statement of Changes in Equity on page 191.

Currency sensitivity
The sensitivity analysis below shows the impact of a movement in the US dollar/Chilean peso exchange rate on the financial instruments held as at the reporting date.

The impact on profit or loss is as a result of the retranslation of non-US dollar monetary financial instruments (including cash, cash equivalents, liquid investments, trade receivables, trade payables and borrowings). The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges, and changes in the fair value of equity investments. The calculation assumes that all other variables, such as interest rates, remain constant.

If the US dollar had strengthened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have increased by $34.7 million (2022 – increase of $19.1 million). If the US dollar had weakened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have decreased by $42.5 million (2022 – decrease of $23.3 million).

(III) Interest rate risk
The Group's policy is generally to borrow and invest cash at floating rates. Fluctuations in interest rates may impact the Group's net finance income or cost, and to a lesser extent the value of financial assets and liabilities. The Group occasionally uses interest rate swaps and collars to manage interest rate exposures on a portion of its existing borrowings. Details of any interest rate derivatives entered into by the Group are given in Note 24(D).

The interest rate exposure of the Group's borrowings is given in Note 24.

Interest rate sensitivity
The sensitivity analysis below shows the impact of a movement in interest rates in relation to the financial instruments held as at the reporting date. The impact on profit or loss reflects the impact on annual interest expense in respect of the floating rate borrowings held as at the reporting date, and the impact on annual interest income in respect of cash and cash equivalents held as at the reporting date. The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges. The calculation assumes that all other variables, such as currency rates, remain constant.

If the interest rate increased by 1%, based on the financial instruments held as at the reporting date, profit attributable to the owners of the parent would have decreased by $3.3 million (2022 – decrease of $3.3 million). This does not include the effect on the income statement of changes in the fair value of the Group's liquid investments relating to the underlying investments in fixed income instruments.

(IV) Other price risk
The Group is exposed to equity price risk on its equity investments.

Equity price sensitivity
The sensitivity analysis below shows the impact of a movement in the equity values of the equity investment financial assets held as at the reporting date.

If the value of the equity investments had increased by 10% as at the reporting date, equity would have increased by $28.9 million (2022 – increase of $9.1 million). There would have been no impact on the income statement.

26 Financial instruments and financial risk management *continued*

(V) Cash flow risk

The Group's future cash flows depend on a number of factors, including commodity prices, production and sales levels, operating costs, capital expenditure levels, and financial income and costs. Its cash flows are therefore subject to the exchange, interest rate and commodity price risks described above as well as operating factors and input costs. To reduce the risk of potential short-term disruptions to the supply of key inputs such as electricity and sulphuric acid, the Group enters into medium and long-term supply contracts to help ensure continuity of supply. Long-term electricity supply contracts are in place at each of the Group's mines, in most cases linking the cost of electricity under the contract to the current cost of electricity on the Chilean grid or the generation cost of the supplier. The Group seeks to lock in supply of sulphuric acid for future periods of a year or longer, with contract prices agreed in the latter part of the year, to be applied to purchases of acid in the following year. Further information on production and sales levels and operating costs are given in the Operating review on pages 90 to 107.

(VI) Credit risk

Credit risk arises from trade and other receivables, cash, cash equivalents, liquid investments and derivative financial instruments. The Group's credit risk is primarily to trade receivables. The credit risk on cash, cash equivalents and liquid investments and on derivative financial instruments is limited as the counterparties are financial institutions with high credit ratings assigned by international credit agencies.

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. All customers are subject to credit review procedures, including the use of external credit ratings where available. Credit is provided only within set limits, which are regularly reviewed. The main customers are recurrent with a good credit history during the years they have been customers.

Outstanding receivable balances are monitored on an ongoing basis.

The carrying value of financial assets recorded in the financial statements represents the maximum exposure to credit risk. The amounts presented in the balance sheet are net of allowances for any doubtful receivables (Note 21).

The Group has recognised an expected credit loss provision for its employee receivables, with the main inputs into the provision calculation being the average level of staff turnover and the average level of recovery of receivables from former employees. For the reasons set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

(VII) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and financing facilities, through the review of forecast and actual cash flows.

The Group typically holds surplus cash in demand or term deposits or highly liquid investments, which typically can be accessed or liquidated within 24 hours.

At the end of 2023, the Group was in a net debt position (2022 – net debt position), as disclosed in Note 33(C). Details of cash, cash equivalents and liquid investments are given in Note 23, while details of borrowings including the maturity profile are given in Note 24(E). Details of undrawn committed borrowing facilities are also given in Note 24.

The following table analyses the maturity of the Group's contractual commitments in respect of its financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

At 31 December 2023	Less than 1 year $m	Between 1-2 years $m	Between 2-5 years $m	After 5 years $m	2023 Total $m
Corporate loans	**(704.8)**	**(705.8)**	**(1,460.0)**	**(25.9)**	**(2,896.5)**
Other loans (including short-term loans and bond)	**(305.0)**	**(40.0)**	**(306.8)**	**(1,122.2)**	**(1,774.0)**
Leases	**(122.0)**	**(79.0)**	**(45.6)**	**(0.9)**	**(247.5)**
Preference shares*	**(0.1)**	**(0.1)**	**(0.3)**	**(2.6)**	**(3.1)**
Trade and other payables	**(1,171.5)**	**(9.5)**	**(0.3)**	**–**	**(1,181.3)**
	(2,303.4)	**(834.4)**	**(1,813.0)**	**(1,151.6)**	**(6,102.4)**

At 31 December 2022	Less than 1 year $m	Between 1-2 years $m	Between 2-5 years $m	After 5 years $m	2022 Total $m
Corporate loans	(475.7)	(609.4)	(1,017.8)	(163.3)	(2,266.2)
Other loans (including short-term loans and bond)	(60.5)	(40.0)	(290.8)	(1,176.3)	(1,567.6)
Leases	(62.1)	(40.4)	(37.9)	(1.3)	(141.7)
Preference shares*	(0.1)	(0.1)	(0.3)	(2.5)	(3.0)
Trade and other payables	(1,079.8)	(4.0)	(3.9)	–	(1,087.7)
	(1,678.2)	(693.9)	(1,350.7)	(1,343.4)	(5,066.2)

* The preference shares pay an annual dividend of £100,000 in perpetuity, and accordingly it is not possible to determine total amounts payable for periods without a fixed end date.

(VIII) Capital risk management

The Group's objectives are to return capital to shareholders while leaving the Group with sufficient funds to progress its short, medium and long-term growth plans as well as preserving the financial flexibility to take advantage of opportunities as they may arise. This policy remains unchanged.

The Group monitors capital on the basis of net cash/debt (defined as cash, cash equivalents and liquid investments less borrowings) which was net debt of $1,159.8 million at 31 December 2023 (2022 – net debt $885.8 million), as well as gross cash (defined as cash, cash equivalents and liquid investments) which was $2,919.4 million at 31 December 2023 (2022 – $2,391.2 million). The Group's total cash is held in a combination of on demand and term deposits and managed funds investing in high quality, fixed income instruments. The managed funds are held primarily for investment purposes rather than meeting short-term cash commitments and accordingly these amounts are presented as liquid investments; however they are included in net cash for monitoring and decision-making purposes. The Group has a risk averse investment strategy. The Group's borrowings are detailed in Note 24. Additional project finance or shareholder loans are taken out by the operating subsidiaries to fund projects on a case-by-case basis.

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

1) Net Financial Debt/EBITDA
2) EBITDA/Interest Expense
3) Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value)

The Group has complied with these covenants throughout the reporting period.

D) Derivative financial instruments

The Group periodically uses derivative financial instruments, to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes.

The Group did not have any derivative financial instruments during 2023 or 2022.

When relevant, the Group applies the hedge accounting provisions of IFRS 9 "Financial Instruments". Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income or expense, with such amounts subsequently recognised in the income statement in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement are recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. Realised gains and losses and changes in the fair value of exchange and interest derivatives are recognised within other finance items for those derivatives where hedge accounting has not been applied. When hedge accounting has been applied, the realised gains and losses on exchange and interest derivatives are recognised within other finance items and interest expense respectively.

27 Long-term incentive plan

The long-term incentive plan (the "Plan") forms part of the remuneration of senior managers in the Group. Directors are not eligible to participate in the Plan.

Details of the Awards

Under the Plan, the Group may grant awards based on the price of ordinary shares in the Company and cannot grant awards over actual shares.

- Restricted Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company's ordinary shares, subject to the relevant employee remaining employed by the Group when the Restricted Award vests, and
- Performance Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company's ordinary shares subject to both the satisfaction of a performance condition and the relevant employee remaining employed by the Group when the Performance Award vests.

When awards vest under the Plan, participants become entitled to receive a cash payment by reference to the number and portion of awards that have vested and the market value of the Company's ordinary shares on the date of vesting. There is no exercise price payable by participants in respect of the awards.

Restricted Awards can only vest in full if participants remain employed by the Group for three years from the date that Restricted Awards are granted. In ordinary circumstances, the first one-third of a Restricted Award will vest after one year, the second one-third will vest after two years and the remaining one-third will vest after three years. There are no performance criteria attached to Restricted Awards. The fair value of Restricted Awards granted under the Plan is recorded as a compensation expense over the vesting periods, with a corresponding liability recognised for the fair value of the liability at the end of each period until settled.

Performance Awards only vest if certain performance criteria are met. The performance criteria reflect a number of factors including total shareholder return, earnings levels, growth in the Group's reserves and resources and project delivery targets. The fair value of Performance Awards under the Plan is recorded as a compensation expense over the vesting period, with a corresponding liability at the end of each period until settled.

Valuation process and accounting for the awards

The fair value of the awards is determined using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model are as follows:

	2023	2022
Weighted average forecast share price at vesting date	**$21.6**	$18.5
Expected volatility	**37.21%**	50.90%
Expected life of awards	**3 years**	3 years
Expected dividend yields	**2.93%**	6.77%
Discount rate	**5.32%**	4.33%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous one year. The expected life of awards used in the model has been adjusted based on management's best estimate for the effects of non-transferability and compliance of the objectives determined according to the characteristics of each plan.

27 Long-term incentive plan *continued*

The number of awards outstanding at the end of the year is as follows:

	Restricted Awards Number	Performance Awards Number
Outstanding at 1 January 2023	438,519	1,176,947
Granted during the year	291,060	468,967
Cancelled during the year	(25,178)	(49,510)
Payments during the year	(244,893)	(599,386)
Outstanding at 31 December 2023	459,508	997,018
Number of awards that have vested	171,803	–

The Group has recorded a liability of $13.9 million at 31 December 2023, of which $7.5 million is due after more than one year (31 December 2022 – $17.2 million of which $4.7 million was due after more than one year) and total expenses of $12.6 million for the year (2022 – expense of $13.1 million).

28 Post-employment benefit obligations

A) Defined contribution schemes

The Group operates defined contribution schemes for a limited number of employees. The amount charged to the income statement in 2023 was $0.1 million (2022 – $0.1 million), representing the amount paid in the year. There were no outstanding amounts which remain payable at the end of either year.

B) Severance provisions

Employment terms at some of the Group's operations provide for payment of a severance payment when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on the final salary level. The severance payment obligation is treated as an unfunded defined benefit plan, and the obligation recognised is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated. The obligation recognised in the balance sheet represents the present value of the severance payment obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

The most recent valuation was carried out in 2023 by Ernst & Young, a qualified actuary in Santiago, Chile who is not connected with the Group.

The main assumptions used to determine the actuarial present value of benefit obligations were as follows:

	2023 %	2022 %
Average nominal discount rate	6.2%	5.3%
Average rate of increase in salaries	1.9%	2.2%
Average staff turnover	3.2%	3.5%

Amounts included in the income statement in respect of severance provisions are as follows:

	2023 $m	2022 $m
Current service cost (charge to operating profit)	(25.7)	(19.1)
Interest cost (charge to other finance items)	(7.2)	(6.8)
Foreign exchange credit to other finance items	3.6	1.5
Total charge to income statement	**(29.3)**	(24.4)

Movements in the present value of severance provisions were as follows:

	2023 $m	2022 $m
Balance at the beginning of the year	(137.3)	(107.5)
Current service cost	(25.7)	(19.1)
Actuarial gains/(losses)	10.7	(18.1)
Unwinding of discount on provisions	(7.2)	(6.8)
Paid in the year	16.0	12.7
Foreign currency exchange difference	3.6	1.5
Balance at the end of the year	**(139.9)**	(137.3)

Assumptions description

Discount rate

	31 December 2023	31 December 2022
Nominal discount rate	6.52%	5.34%
Reference rate name	20 year Chilean Central Bank Bonds	20 year Chilean Central Bank Bonds
Governmental or corporate rate	Governmental	Governmental
Reference rating	AA–/AA+	AA–/AA+
Corresponds to an Issuance market (primary) or secondary market	Secondary	Secondary
Issuance currency associated to the reference rate	Chilean peso	Chilean peso
Date of determination of the reference interest rate	31 October 2023	28 November 2022
Source of the reference interest rate	Bloomberg	Bloomberg

The discount rate is the interest rate used to discount the estimated future severance payments to their present value. The table above shows the principal instruments and assumptions utilised in determining the discount rate.

Rate of increase in salaries
This represents the estimated average rates of future salary increases, reflecting likely future promotions and other changes. This has been based on historical information for the Group for the period from 2019 to 2023.

Turnover rate
This represents the estimated average level of future employee turnover. This has been based on historical information for the Group for the period from 2019 to 2023.

Sensitivity analysis
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and staff turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by $6.5 million (2022 – decrease by $10.2 million). If the discount rate is 100 basis points lower, the defined benefit obligation would increase by $7.1 million (2022 – increase by $11.7 million).
- If the expected salary growth increases by 1%, the defined benefit obligation would increase by $7.0 million (2022 – increase by $10.5 million). If the expected salary growth decreases by 1%, the defined benefit obligation would decrease by $6.5 million (2022 – decrease by $9.6 million).
- If the staff turnover increases by 1%, the defined benefit obligation would decrease by $2.9 million (2022 – decrease by $2.5 million). If the staff turnover decreases by 1%, the defined benefit obligation would increase by $3.1 million (2022 – increase by $2.5 million).

29 Deferred tax assets and liabilities

	Accelerated capital allowances $m	Temporary differences on provisions $m	Withholding tax $m	Short-term differences $m	Mining tax (Royalty) $m	Tax losses $m	Disposal $m	Total $m
At 1 January 2022	(1,371.0)	115.0	(23.1)	(61.3)	(102.9)	127.6	–	(1,315.7)
(Charge)/credit to income	(79.2)	1.4	(48.5)	(15.6)	(9.8)	(3.1)	–	(154.8)
Reclassification	(16.9)	7.8	–	9.1	–	–	–	–
Credit deferred in equity	–	4.9	–	–	0.8	–	–	5.7
At 31 December 2022 and 1 January 2023	(1,467.1)	129.1	(71.6)	(67.8)	(111.9)	124.5	–	(1,464.8)
(Charge)/credit to income	**(34.4)**	**14.0**	**3.2**	**(1.1)**	**(2.6)**	**18.0**	**–**	**(2.9)**
Adjustment due to introduction of new royalty	**–**	**–**	**–**	**50.8**	**(85.1)**	**–**	**–**	**(34.3)**
Tax on exceptional items[2]	**–**	**–**	**–**	**(41.8)**	**–**	**–**	**–**	**(41.8)**
Reclassification	**95.3**	**(77.1)**	**1.8**	**(30.0)**	**11.3**	**(1.3)**	**–**	**–**
Charge deferred in equity[1]	**–**	**(2.9)**	**–**	**(37.0)**	**(0.9)**	**–**	**–**	**(40.8)**
At 31 December 2023	**(1,406.2)**	**63.1**	**(66.6)**	**(126.9)**	**(189.2)**	**141.2**	**–**	**(1,584.6)**

1. The $40.8 million of deferred tax recognised directly in equity relates to a $37.0m deferred tax expense in respect of the movements in the fair value of equity investments (see Note 19) and a $3.8 million deferred tax expense in respect of actuarial gains on defined benefit plans.
2. A deferred tax expense of $41.8 million has been recognised in respect of the exceptional fair value gain of $167.1 million in respect of the agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. (see Note 4).

The charge to the income statement of $2.9 million (2022 – $154.8 million) included an impact from foreign exchange differences of $0.3 million (2022: nil).

Certain deferred tax assets and liabilities have been offset. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, which under Chilean tax regulations is only possible within individual legal entities.

The following is the analysis of the deferred tax balance (after offset):

	2023 $m	2022 $m
Net deferred tax assets	**72.0**	78.5
Net deferred tax liabilities	**(1,656.6)**	(1,543.3)
Net deferred tax balances	**(1,584.6)**	(1,464.8)

The $72.0 million net deferred tax asset balance (2022 – $78.5 million) relates to the total deferred tax position of those individual Group entities which have a net deferred tax asset position. In general, these net deferred tax asset positions reflect tax losses, which in some cases are partly offset by deferred tax liabilities in respect of accelerated capital allowances and other temporary differences.

29 Deferred tax assets and liabilities *continued*

At 31 December 2023, the Group had unused tax losses associated with Chilean entities (predominantly Antucoya) of $523.3 million (2022 – $460.3 million) available for offset against future profits. Generally under Chilean tax law, most tax losses can be carried forward indefinitely. A deferred tax asset of $141.2 million has been recognised in respect of 100% of these losses as at 31 December 2023 (31 December 2022 – $124.5 million). In addition, at 31 December 2023, the Group had unused tax losses associated with entities outside of Chile (predominantly in respect of the Twin Metals project) of $496.8 million (2022 – $427.0 million). A portion of the Twin Metals tax losses expire in the period from 2030 – 2037, and the remainder can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these tax losses, reflecting the fact that the relevant entities have generated taxable losses in recent years. At 31 December 2023, deferred withholding tax liabilities of $66.6 million have been recognised (31 December 2022 – $71.6 million) which relate to undistributed earnings of subsidiaries where it is considered likely that the corresponding profits will be distributed in the foreseeable future. The value of the remaining undistributed earnings of subsidiaries, for which deferred tax liabilities have not been recognised, because the Group is in a position to control the timing of the distributions and it is likely that distributions will not be made in the foreseeable future, was $7,101.1 million (31 December 2022 – $6,430.4 million). If deferred withholding tax liabilities were recognised in respect of all of these remaining undistributed earnings of subsidiaries this would result in an additional deferred tax liability and expense of approximately $1,314.9 million (31 December 2022 – $1,076.5 million), depending on the application of tax credits which may be available in particular circumstances.

Temporary differences arising in connection with interests in associates are insignificant.

The deferred tax balance of $1,584.6 million (2022 – $1,464.8 million) includes $1,567.2 million (2022 – $1,404.7 million) due in more than one year.

The deferred tax assets of $72.0 million include $23.5 million due in less than 1 year and $48.5 million due in more than 1 year.

The deferred tax liabilities of $1,656.6 million include $40.9 million due in less than 1 year and $1,615.7 million due in more than 1 year.

All amounts are shown as non-current on the face of the balance sheet as required by IAS 12 Income Taxes.

30 Decommissioning and restoration provisions

	2023 $m	2022 $m
Balance at the beginning of the year	**(488.2)**	(336.1)
Charge to operating profit in the year	**(12.8)**	(15.4)
Unwind of discount to net interest in the year	**(10.2)**	(10.1)
Adjustment to provision discount rates	**1.6**	(1.6)
Capitalised adjustment to provision	**31.9**	(173.8)
Utilised in year	**36.8**	49.7
Foreign currency exchange difference	**(0.2)**	(0.9)
Balance at the end of the year	**(441.1)**	(488.2)
Short-term provisions	**(15.2)**	(33.2)
Long-term provisions	**(425.9)**	(455.0)
Total	**(441.1)**	(488.2)

Decommissioning and restoration costs relate to the Group's mining operations. Costs are estimated on the basis of a formal closure plan and are subject to regular independent formal review by Sernageomin, the Chilean government agency which regulates the mining industry in Chile. During 2023, the Centinela provisions were updated to reflect new plans approved by Sernageomin during the year. The provision balance reflects the present value of the forecast future cash flows expected to be incurred in line with the closure plans, discounted using Chilean real interest rates with durations corresponding with the timings of the closure activities. At 31 December 2023, the real discount rates ranged from 2.29% to 2.41% (31 December 2022: 1.67% to 1.73%).

It is estimated that the provision will be utilised from 2024 until 2066 based on current mine plans, with approximately 16% of the total provision balance expected to be utilised between 2024 and 2033, approximately 48% between 2034 and 2043, approximately 9% between 2044 and 2053 and approximately 27% between 2054 and 2066.

Given the long-term nature of these balances, it is possible that future climate risks could impact the appropriate amount of these provisions, both in terms of the nature of the decommissioning and site rehabilitation activities that are required, or the costs of undertaking those activities. In its Annual Report and Accounts, the Group discloses in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process included scenario analyses assessing the impact of transition and physical risks. As a simple high-level sensitivity, we have considered whether the level of estimated costs relating to the potential future risks identified under the scenario analysis could indicate a general level of future cost increases as a consequence of climate risks which could indicate a significant potential impact on these provision balances. This analysis did not indicate a significant potential impact on the decommissioning and restoration provision balances. However, more detailed specific analysis of the potential impacts of climate risks in future periods could result in adjustments to these provision balances. When future updates to the closure plans are prepared and submitted to Sernageomin for review and approval, it is possible that additional consideration of potential climate risk impacts may need to be incorporated into the plan assumptions. In addition, Sernageomin may introduce new regulations or guidance in respect of climate risks which may need to be addressed in future updates to the Group's closure plans.

31 Share capital and other reserves

(I) Share capital

The ordinary share capital of the Company is as follows:

	2023 Number	2022 Number	2023 $m	2022 $m
Authorised				
Ordinary shares of 5p each	**1,300,000,000**	1,300,000,000	**118.9**	118.9

	2023 Number	2022 Number	2023 $m	2022 $m
Issued and fully paid				
Ordinary shares of 5p each	**985,856,695**	985,856,695	**89.8**	89.8

The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

There were no changes in the authorised or issued share capital of the Company in either 2023 or 2022. Details of the Company's preference share capital, which is included within borrowings in accordance with IAS 32 Financial Instruments, are given in Note 24A(ix).

(II) Other reserves and retained earnings

The share premium account, fair value and translation reserves and retained earnings for both 2023 and 2022 are included within the consolidated statement of changes in equity on page 191 as follow:

	2023 $m	2022 $m
Share premium		
At 1 January and 31 December	**199.2**	199.2
Equity investment revaluation reserve[1]		
At 1 January	**8.4**	(7.4)
Gains on equity investment	**100.0**	15.8
At 31 December	**108.4**	8.4
Foreign currency translation reserves[2]		
At 1 January	**(3.4)**	(3.0)
Currency translation adjustment	**(0.5)**	(0.4)
At 31 December	**(3.9)**	(3.4)
Total other reserves per balance sheet	**104.5**	5.0
Retained earnings		
At 1 January	**8,333.5**	8,071.6
Parent and subsidiaries' profit for the period	**848.6**	1,484.9
Equity accounted units' (loss)/profit after tax for the period	**(13.5)**	48.1
Actuarial gains/(losses) [3]	**3.0**	(8.2)
Total comprehensive income for the year	**838.1**	1,524.8
Dividends paid	**(613.2)**	(1,262.9)
At 31 December	**8,558.4**	8,333.5

1. The equity investments revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 19.
2. Exchange differences arising on the translation of the Group's net investment in foreign-controlled companies are taken to the foreign currency translation reserve. The cumulative differences relating to an investment are transferred to the income statement when the investment is disposed of.
3. Actuarial gains or losses relating to long-term employee benefits of the Group and associates and joint ventures, as described in Note 27.

32 Non-controlling interests

The non-controlling interests of the Group during 2023 and 2022 were as follows:

	Non-controlling Interest %	Country	At 1 January 2023 $m	Share of profit/(loss) for the financial year $m	Share of dividends $m	Hedging and actuarial gains $m	At 31 December 2023 $m
Minera Los Pelambres SCM	**40.0**	**Chile**	**1,443.0**	**373.4**	**(388.0)**	**1.2**	**1,429.6**
Minera Centinela SCM	**30.0**	**Chile**	**1,356.8**	**89.5**	**–**	**2.0**	**1,448.3**
Minera Antucoya SCM	**30.0**	**Chile**	**219.3**	**5.5**	**–**	**0.1**	**224.9**
Sociedad Contractual Minera El Encierro	**42.8**	**Chile**	**(2.2)**	**(4.1)**	**–**	**–**	**(6.3)**
Total			**3,016.9**	**464.3**	**(388.0)**	**3.3**	**3,096.5**

	Non-controlling Interest %	Country	At 1 January 2022 $m	Share of profit/(loss) for the financial year $m	Share of dividends $m	Hedging and actuarial losses $m	At 31 December 2022 $m
Minera Los Pelambres SCM	40.0	Chile	1,204.5	320.4	(80.0)	(1.9)	1,443.0
Minera Centinela SCM	30.0	Chile	1,275.9	82.9	–	(2.0)	1,356.8
Minera Antucoya SCM	30.0	Chile	198.4	21.2	–	(0.3)	219.3
Sociedad Contractual Minera El Encierro	43.5	Chile	–	(2.2)	–	–	(2.2)
Total			2,678.8	422.3	(80.0)	(4.2)	3,016.9

The proportion of the voting rights is proportional with the economic interest for each of the companies listed above.

32 Non-controlling interests *continued*

For material entities with non-controlling interests, the summarised financial position and cash flow information for the years ended 31 December 2023 and 31 December 2022 is set out below:

	Los Pelambres 2023 $m	Centinela 2023 $m	Antucoya 2023 $m
Non-controlling interest (%)	**40.0%**	**30.0%**	**30.0%**
Cash and cash equivalents	**222.2**	**156.5**	**52.0**
Current assets[1]	**1,320.8**	**1,256.7**	**340.2**
Non-current assets	**6,093.2**	**5,276.8**	**1,392.8**
Current liabilities	**(970.8)**	**(926.8)**	**(160.1)**
Non-current liabilities	**(2,858.4)**	**(930.3)**	**(375.1)**
Net cash from operating activities	**1,206.8**	**1,069.1**	**209.7**
Net cash used in investing activities	**(862.4)**	**(1,031.6)**	**(117.0)**
Net cash (used in)/from financing activities	**(409.0)**	**124.1**	**(67.8)**

1. The current assets include cash and cash equivalents

	Los Pelambres 2022 $m	Centinela 2022 $m	Antucoya 2022 $m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	249.3	134.9	46.1
Current assets[1]	1,373.2	1,170.7	340.6
Non-current assets	5,413.3	4,752.3	1,367.2
Current liabilities	(725.8)	(553.3)	(153.1)
Non-current liabilities	(2,408.8)	(1,011.8)	(405.0)
Net cash from operating activities	1,060.9	762.2	162.1
Net cash used in investing activities	(881.0)	(879.8)	(65.1)
Net cash from/(used in) financing activities	44.8	(163.2)	(174.3)

1. The current assets include cash and cash equivalents

Notes to the summarised financial position and cash flow

(i) The amounts disclosed for each subsidiary are based on the amounts included in the consolidated financial statements (100% of the results and balances of the subsidiary rather than the non-controlling interest proportionate share) before intercompany eliminations.

(ii) Summarised income statement information is shown in the segment information in Note 6.

(iii) There are some subsidiaries, including Encierro, with a non-controlling interest portion not included in this note where those portions are not material to the Group.

33 Notes to the consolidated cash flow statement

A) Reconciliation of profit before tax to cash flow from operations

	2023 $m	2022 $m
Profit before tax	**1,965.5**	2,558.9
Depreciation	**1,211.3**	1,141.1
Net loss on disposals	**–**	2.1
Net finance (income)/expense – excluding exceptional items	**(29.1)**	68.2
Net share of loss/(profit) of associates and joint ventures	**13.5**	(48.1)
Exceptional fair value gain in respect of other financial asset	**(167.1)**	–
Gain on disposal of investment in joint venture	**–**	(944.7)
Increase in inventories	**(31.6)**	(180.7)
(Increase)/decrease in debtors	**(57.9)**	27.0
Increase in creditors	**137.0**	141.0
Decrease in provisions	**(14.5)**	(26.5)
Cash flow generated from operations	**3,027.1**	2,738.3

B) Analysis of changes in net debt

	At 1 January 2023 $m	Cash flow $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Movement between maturity categories $m	Fair value gains $m	Exchange $m	At 31 December 2023 $m
Cash and cash equivalents	**810.4**	**(162.0)**	**–**	**–**	**–**	**–**	**–**	**(3.7)**	**644.7**
Liquid investments	**1,580.8**	**674.2**	**–**	**–**	**–**	**–**	**19.7**	**–**	**2,274.7**
Total cash and cash equivalents and liquid investments	**2,391.2**	**512.2**	**–**	**–**	**–**	**–**	**19.7**	**(3.7)**	**2,919.4**
Borrowings due within one year	**(377.4)**	**116.7**	**–**	**–**	**–**	**(533.4)**	**–**	**–**	**(794.1)**
Borrowings due after one year	**(2,765.4)**	**(797.2)**	**–**	**(12.7)**	**(16.0)**	**533.4**	**–**	**–**	**(3,057.9)**
Leases due within one year	**(55.1)**	**81.2**	**–**	**–**	**–**	**(133.9)**	**–**	**–**	**(107.8)**
Leases due after one year	**(76.6)**	**–**	**(178.6)**	**–**	**–**	**133.9**	**–**	**4.4**	**(116.9)**
Preference shares	**(2.5)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2.5)**
Total borrowings	**(3,277.0)**	**(599.3)**	**(178.6)**	**(12.7)**	**(16.0)**	**–**	**–**	**4.4**	**(4,079.2)**
Net cash/(debt)	**(885.8)**	**(87.1)**	**(178.6)**	**(12.7)**	**(16.0)**	**–**	**19.7**	**0.7**	**(1,159.8)**

	At 1 January 2022 $m	Cash flow $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Movement between maturity categories $m	Other $m	Exchange $m	At 31 December 2022 $m
Cash and cash equivalents	743.4	65.6	–	–	–	–	–	1.4	810.4
Liquid investments	2,969.7	(1,388.9)	–	–	–	–	–	–	1,580.8
Total cash and cash equivalents and liquid investments	3,713.1	(1,323.3)	–	–	–	–	–	1.4	2,391.2
Borrowings due within one year	(268.0)	373.9	–	–	–	(483.3)	–	–	(377.4)
Borrowings due after one year	(2,742.1)	(488.5)	–	(11.7)	(6.3)	483.3	(0.1)	–	(2,765.4)
Leases due within one year	(69.1)	105.4	–	–	–	(80.7)	–	(10.7)	(55.1)
Leases due after one year	(90.7)	–	(51.3)	–	–	80.7	(1.0)	(14.3)	(76.6)
Preference shares	(2.7)	–	–	–	–	–	–	0.2	(2.5)
Total borrowings	(3,172.6)	(9.2)	(51.3)	(11.7)	(6.3)	–	(1.1)	(24.8)	(3,277.0)
Net cash/(debt)	540.5	(1,332.5)	(51.3)	(11.7)	(6.3)	–	(1.1)	(23.4)	(885.8)

C) Net debt

	2023 $m	2022 $m
Cash, cash equivalents and liquid investments	**2,919.4**	2,391.2
Total borrowings and other financial liabilities	**(4,079.2)**	(3,277.0)
Net debt	**(1,159.8)**	(885.8)

34 Exchange rates

Assets and liabilities denominated in foreign currencies are translated into US dollars and Sterling at the period-end rates of exchange.

Results denominated in foreign currencies have been translated into US dollars at the average rate for each period.

	2023	2022
Year-end rates	**$1.2750=£1; $1 = Ch$877.12**	$1.2080=£1; $1 = Ch$855.86
Average rates	**$1.2440=£1; $1 = Ch$839.16**	$1.2340=£1; $1 = Ch$872.38

35 Related party transactions

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, and in which members of the Luksic family are interested. A Director of the Company, Jean-Paul Luksic, and a member of the Group's Executive Committee, Andronico Luksic L, 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 at market rates:

- the Group made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of $337.8 million (2022 – $309.9 million). The balance due to ENEX SA at the end of the year was $13.3 million (2022 – $28.6 million)
- the Group earned interest income of $0.9 million (2022 – $0.8 million) during the year on investments with BanChile Administradora General de Fondos SA, a subsidiary of Quiñenco. Investment balances at the end of the year were nil (2022: nil)
- the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of $9.0 million (2022 – $12.7 million). The balance due to Hapag Lloyd at the end of the year was nil (2022 – $0.3 million)
- the Group made purchases of technology services from ARTIKOS CHILE SA, a subsidiary of Quiñenco, of $0.2 million (2022 – $0.2 million). The balance due to ARTIKOS CHILE SA at the end of the year was nil (2022: nil)

B) Compañía de Inversiones Adriático SA

In 2023, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family are interested, at a cost of $0.8 million (2022 –$0.4 million).

C) 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, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. During the year ended 31 December 2023, the Group incurred $0.1 million (year ended 31 December 2022 – $0.1 million) of exploration expense at these properties.

D) Tethyan Copper Company Limited (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan, which is therefore no longer recognised as a joint venture by the Group. The group contributed nil (2022: nil) to Tethyan during 2023.

E) Compañia Minera Zaldívar SpA

The Group has a 50% interest in Zaldívar (see Note 18), which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar. The balance due from Zaldívar to Group companies at the end of the year was $6.7 million (2022 – $6.7 million). During 2023, Zaldívar declared dividends of nil to the Group (2022 – $50.0 million).

F) Directors and other key management personnel

Information relating to Directors' remuneration and interests is given in the Remuneration Report on page 170. Information relating to the remuneration of key management personnel including the Directors is given in Note 9.

36 Litigation and contingent liabilities

The Group is subject from time to time to legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. The Group cannot predict the outcome of individual legal actions or claims or complaints or investigations. As a result, the Group may become subject to liabilities that could affect our business, financial position and reputation. Litigation is inherently unpredictable and large judgements may at times occur. The Group may incur, in the future, judgement or enter into settlements of claims that could lead to material cash outflows. The Group considers that no material loss to the Group is expected to result from the legal proceedings, claims, complaints and investigations that the Group is currently subject to. Provisions are recognised when it is probable that the Group will be required to settle an obligation arising as a result of a legal claim against the Group.

Details of any significant potential tax uncertainties are set out in Note 11.

37 Ultimate parent company

The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

Both Metalinvest Establishment and the E. Abaroa Foundation are domiciled in Liechtenstein. Information relating to the interest of Metalinvest Establishment and the E. Abaroa Foundation is given in the Directors' Report.

Financial statements of the parent company (Antofagasta plc)

Parent Company balance sheet

As at 31 December 2023

	Note	2023 $m	2022 $m
Non-current assets			
Investment in subsidiaries	5	**938.3**	589.1
Other receivables	5	**53.6**	54.0
Property, plant and equipment		**3.8**	4.4
		995.7	647.5
Current assets			
Other receivables	5	**311.7**	744.6
Liquid investments		**773.3**	457.6
Cash and cash equivalents		**61.0**	238.5
		1,146.0	1,440.7
Total assets		**2,141.7**	2,088.2
Current liabilities			
Amounts payable to subsidiaries	6	**(345.2)**	(615.7)
Other payables		**(10.4)**	(9.2)
		(355.6)	(624.9)
Non-current liabilities			
Medium and long-term borrowings	7	**(992.5)**	(992.2)
		(992.5)	(992.2)
Total liabilities		**(1,348.1)**	(1,617.1)
Net assets		**793.6**	471.1
Equity			
Share capital		**89.8**	89.8
Share premium		**199.2**	199.2
Retained earnings			
At 1 January		**182.1**	1,064.2
Profit for the year attributable to the owners		**935.7**	380.8
Dividends		**(613.2)**	(1,262.9)
At 31 December		**504.6**	182.1
Total equity		**793.6**	471.1

The financial statements on pages 235 to 238 were approved by the Board of Directors on 20 March 2024 and signed on its behalf by

Jean-Paul Luksic
Chairman

Francisca Castro
Senior Independent Director

Parent Company statement of changes in equity

	Share capital $m	Share premium $m	Retained earnings $m	Total equity $m
At 1 January 2022	89.8	199.2	1,064.2	1,353.2
Comprehensive income for the year	–	–	380.8	380.8
Dividends	–	–	(1,262.9)	(1,262.9)
At 31 December 2022	89.8	199.2	182.1	471.1
Comprehensive income for the year	**–**	**–**	**935.7**	**935.7**
Dividends	**–**	**–**	**(613.2)**	**(613.2)**
At 31 December 2023	**89.8**	**199.2**	**504.6**	**793.6**

The ordinary shares rank after the preference shares in entitlement to dividends and on a winding-up. Each ordinary share carries one vote at any general meeting.

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ.

1 Basis of preparation of the Parent Company financial statements

The Antofagasta plc Parent Company financial statements have been prepared in accordance with the Companies Act 2006 applicable to companies using FRS 101, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements. The financial information has been prepared on an historical cost basis. The financial statements have been prepared on a going concern basis. The functional currency of the Company and the presentation currency adopted is US dollars.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant, and equipment'
  - (iii) paragraph 118(e) of IAS 38, Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows)
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 40A-D (requirements for a third statement of financial position)
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group. All of the Parent Company's intercompany transactions and balances are with wholly-owned subsidiaries of the Group.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The profit after tax for the year of the Parent Company amounted to $935.7 million (2022 – $380.8 million).

2 Principal accounting policies of the Parent Company
A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently.

A) Currency translation
The Company's functional currency is the US dollar. Transactions in currencies other than the functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities, including amounts due from or to subsidiaries, denominated in currencies other than the functional currency (being US dollars) are retranslated at year-end exchange rates. Gains and losses on retranslation are included in net profit or loss for the year.

B) Income recognition
Dividends proposed by subsidiaries are recognised as income by the Company when they represent a present obligation of the subsidiaries, in the period in which they are formally approved for payment.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

C) Dividends payable
Dividends proposed are recognised when they represent a present obligation, in the period in which they are formally approved for payment. Accordingly, an interim dividend is recognised when paid and a final dividend is recognised when approved by shareholders.

D) Investments in subsidiaries
Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments relating to equity holdings in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable; the recoverable amount of the investment is the higher of fair value less costs of disposal and value in use. Investments relating to long-term amounts owed by subsidiaries are reviewed to assess if a material expected credit loss provision is required in respect of these balances.

E) Liquid investments and cash and cash equivalents
Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

F) Borrowings
Interest-bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

G) Borrowings – preference shares
The sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified as borrowings and translated into US dollars at year-end rates of exchange. Preference share dividends are included within finance costs.

H) Equity instruments – ordinary share capital and share premium
Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its sterling-denominated issued ordinary share capital and related share premium.

The presentational and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

I) Financing facilities
On 30 December, 2023, Antofagasta plc agreed a revolving credit facility "RCF" of $500.0 million. This revolving credit facility has a term of three years, which expires on 30 December, 2025 (see Note 24F).

3 Significant accounting estimates and judgements
We do not consider there to be critical accounting judgements or key sources of estimation uncertainty which could have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year. We have set out below the most significant judgements and estimates applied in the preparation of the Company's balance sheet. The most significant accounting judgement is whether there are impairment indicators in respect of the carrying value of the Company's investments in subsidiaries, which have a total carrying value as at 31 December 2023 of $938.3 million. The most significant accounting estimate is whether a credit loss provision is required in respect of any of the Company's receivable balances. Over 99% of the receivable balances relate to intercompany balances, primarily with Group holding companies which hold the Group's investments in the operating companies. There is not considered to be any significant risk of a material overstatement of these carrying values. In assessing this, the Group has considered the overall market capitalisation of the Group, which was $21.1 billion at 31 December 2023, the cash and other assets held by the relevant Group companies and the level of earnings generated by the Group's operations.

4 Employee Benefit Expense

i) Average number of employees

The average monthly number of employees was 4 (2022 – 4), engaged in management and administrative activities.

ii) Aggregate remuneration

The aggregate remuneration of the employees mentioned above was as follows:

	2023 $m	2022 $m
Wages and salaries	**2.7**	2.3
Social security costs	**0.3**	0.3
Other pension costs	**0.1**	0.1
	3.1	2.7

The above employee figures exclude Directors who receive Directors' fees from Antofagasta plc. Details of fees payable to Directors are set out in the Remuneration Report.

5 Subsidiaries

i) Investment in subsidiaries

	2023 $m	2022 $m
Shares in subsidiaries at cost[1]	**469.8**	120.6
Amounts owed by subsidiaries due after more than one year	**468.5**	468.5
	938.3	589.1

	Shares $m	Loans $m	Total $m
1 January 2023	120.6	468.5	589.1
31 December 2023	**469.8**	**468.5**	**938.3**

1. The $349.2 million increase in the shares in subsidiaries balance reflects the acquisition by the Company of additional shares issued by the Company's direct subsidiary Andean LFMA Limited during the year.

The above amount of $468.5 million (31 December 2022 – $468.5 million) in respect of amounts owed by subsidiaries due after more than one year relates to long-term funding balances for which the Company does not expect to demand repayment in the foreseeable future and which form an integral part of the Company's long-term investment in those subsidiary companies.

The Company has reviewed whether there are any indicators of impairment in respect of the equity investment balance and concluded that there are no such indicators. The expected credit loss risk for the element of the investment balance relating to amounts owed by subsidiaries due after more than one year is considered to be immaterial to the Company.

ii) Trade and other receivables – amounts owed by subsidiaries due after one year

At 31 December 2023, an amount of $53.6 million (31 December 2022 – $54.0 million) was owed to the Company by indirect subsidiaries. This amount is not expected to be realised within 12 months after the reporting period. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

iii) Trade and other receivables – amounts owed by subsidiaries due within one year

At 31 December 2023, amounts owed by subsidiaries due within one year were $311.7 million (31 December 2022 – $744.6 million). These balances principally relate to $308.3 million of intercompany dividends declared but not yet paid to the Company by its immediate subsidiary companies. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

6 Amounts payable to subsidiaries

At 31 December 2023, amounts payable to subsidiaries due within one year were $345.2 million (31 December 2022 – $615.7 million). The decrease in this balance during the year mainly reflects the repayment of a $281.7 million balance as a result of an intra-group restructuring of intercompany balances.

7 Borrowings – preference shares

The authorised, issued and fully paid preference share capital of the Company comprised 2,000,000 5% cumulative preference shares of £1 each at both 31 December 2023 and 31 December 2022. As explained in Note 24C, the preference shares are recorded in the balance sheet in US dollars at period-end rates of exchange.

The preference shares are non-redeemable and are entitled to a fixed 5% cumulative dividend, payable in equal instalments in June and December of each year. On a winding-up, the preference shares are entitled to repayment and any arrears of dividend in priority to ordinary shareholders, but are not entitled to participate further in any surplus. Each preference share carries 100 votes (see Note 24A (ix)) at any general meeting.

Alternative performance measures

(not subject to audit or review)

This Annual Report includes a number of alternative performance measures, in addition to amounts in accordance with UK-adopted International Accounting Standards. These measures are included because they are considered to provide relevant and useful additional information to users of the financial statements. Set out below are definitions of these alternative performance measures, explanations as to why they are considered to be relevant and useful, and reconciliations to the IFRS figures.

A) Underlying earnings per share

Underlying earnings per share is earnings per share from continuing operations, excluding exceptional items. This measure is reconciled to earnings per share from continuing operations (including exceptional items) on the face of the income statement. This measure is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group, excluding the impact of exceptional items which are irregular or non-operating in nature.

B) EBITDA

EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

EBITDA is considered to provide a useful and comparable indication of the current operating earnings performance of the business, excluding the impact of the historical cost of property, plant and equipment or the particular financing structure adopted by the business.

For the year ended 31 December 2023

	Los Pelambres $m	Centinela $m	Antucoya $m	Zaldívar $m	Exploration and evaluation $m	Corporate and other items $m	Mining $m	Transport division $m	Total $m
Operating profit/(loss)	1,406.0	491.7	105.7	–	(141.1)	(123.0)	1,739.3	43.5	1,782.8
Depreciation	318.6	727.3	109.4	–	–	24.3	1,179.6	31.7	1,211.3
EBITDA from subsidiaries	1,724.6	1,219.0	215.1	–	(141.1)	(98.7)	2,918.9	75.2	2,994.1
Proportional share of the EBITDA from associates and JV	–	–	–	86.8	–	–	86.8	6.3	93.1
EBITDA	1,724.6	1,219.0	215.1	86.8	(141.1)	(98.7)	3,005.7	81.5	3,087.2

For the year ended 31 December 2022

	Los Pelambres $m	Centinela $m	Antucoya $m	Zaldívar $m	Exploration and evaluation $m	Corporate and other items $m	Mining $m	Transport division $m	Total $m
Operating profit/(loss)	1,196.2	446.0	155.6	–	(113.0)	(94.3)	1,590.5	43.8	1,634.3
Depreciation	276.1	710.2	105.6	–	–	18.7	1,110.6	30.5	1,141.1
Loss on disposal	0.5	1.0	–	–	–	0.6	2.1	–	2.1
EBITDA from subsidiaries	1,472.8	1,157.2	261.2	–	(113.0)	(75.0)	2,703.2	74.3	2,777.5
Proportional share of the EBITDA from associates and JV	–	–	–	147.2	–	(0.7)	146.5	5.7	152.2
EBITDA	1,472.8	1,157.2	261.2	147.2	(113.0)	(75.7)	2,849.7	80.0	2,929.7

C) Cash costs

Cash costs are a measure of the cost of operating production expressed in terms of cents per pound of payable copper produced.

This is considered to be a useful and relevant measure as it is a standard industry measure applied by most major copper mining companies which reflects the direct costs involved in producing each pound of copper. It therefore allows a straightforward comparison of the unit production cost of different mines, and allows an assessment of the position of a mine on the industry cost curve. It also provides a simple indication of the profitability of a mine when compared against the price of copper (per lb).

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

	2023 $m	2022 $m
Reconciliation of cash costs excluding treatment and refining charges and by-product revenue:		
Total Group operating cost (Note 6)	**4,541.7**	4,227.7
Zaldívar operating costs (attributable basis – 50%)	**263.1**	234.4
Less:		
Depreciation (Note 6)	**(1,211.3)**	(1,141.1)
Loss on disposal (Note 6)	**–**	(2.1)
Elimination of non-mining operations:		
Corporate and other items – Total operating cost (excluding depreciation) (Note 6)	**(98.7)**	(75.0)
Exploration and evaluation – Total operating cost (excluding depreciation) (Note 6)	**(141.1)**	(113.0)
Transport division – Total operating cost (excluding depreciation) (Note 6)	**(120.7)**	(119.1)
Closure provision and other expenses not included within cash costs	**(102.7)**	(97.6)
Inventories variation	**(13.6)**	(12.0)
Total cost relevant to the mining operations' cash costs	**3,116.7**	2,902.2
Copper production volumes (tonnes)[1]	**660,600**	646,200
Cash costs excluding treatment and refining charges and by-product revenue ($/tonne)	**4,718**	4,491
Cash costs excluding treatment and refining charges and by-product revenue ($/lb)	**2.14**	2.05
Reconciliation of cash costs before deducting by-product revenue:		
Treatment and refining charges – copper and by-product – Los Pelambres	**155.3**	108.5
Treatment and refining charges – copper and by-product – Centinela	**95.4**	78.8
Treatment and refining charges – copper – total	**250.7**	187.3
Copper production volumes (tonnes)[1]	**660,600**	646,200
Treatment and refining charges ($/tonne)	**379.4**	289.9
Treatment and refining charges ($/lb)	**0.17**	0.14
Cash costs excluding treatment and refining charges and by-product revenue ($/lb)	**2.14**	2.05
Treatment and refining charges ($/lb)	**0.17**	0.14
Cash costs before deducting by-product revenue ($/lb)	**2.31**	2.19

1. The 660,600 tonnes includes 40,500 tonnes of production at Zaldívar on a 50% attributable basis.

	2023 $m	2022 $m
Reconciliation of cash costs (net of by-product revenue):		
Gold revenue – Los Pelambres	**83.6**	75.5
Gold revenue – Centinela	**324.2**	239.0
Molybdenum revenue – Los Pelambres	**397.6**	311.9
Molybdenum revenue – Centinela	**141.7**	110.2
Silver revenue – Los Pelambres	**36.2**	33.1
Silver revenue – Centinela	**34.9**	25.1
Total by-product revenue	**1,018.2**	794.8
Copper production volumes (tonnes)[2]	**660,600**	646,200
By-product revenues ($/tonne)	**1,541.3**	1,230.0
By-product revenues ($/lb)	**0.70**	0.58
Cash costs before deducting by-product revenue ($/lb)	**2.31**	2.19
By-product revenue ($/lb)	**(0.70)**	(0.58)
Cash costs (net of by-product revenue) ($/lb)	**1.61**	1.61

1. The 660,600 tonnes includes 40,500 tonnes of production at Zaldívar on a 50% attributable basis.

D) Attributable cash, cash equivalents and liquid investments, borrowings and net debt

Attributable cash, cash equivalents and liquid investments, borrowings and net debt reflects the proportion of those balances which are attributable to the owners of the parent, after deducting the proportion attributable to the non-controlling interests in the Group's subsidiaries.

This is considered to be a useful and relevant measure as the majority of the Group's cash tends to be held at the corporate level and therefore 100% attributable to the owners of the parent, whereas the majority of the Group's borrowings tends to be at the level of the individual operations, and hence only a proportion is attributable to the owners of the parent.

	2023			2022		
	Total amount $m	**Attributable share $m**	**Attributable amount $m**	Total amount $m	Attributable share $m	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**587.0**	60%	**352.2**	655.4	60%	393.2
Centinela	**516.9**	70%	**361.8**	348.5	70%	244.0
Antucoya	**129.9**	70%	**90.9**	111.8	70%	78.3
Corporate	**1,668.3**	100%	**1,668.3**	1,247.0	100%	1,247.0
Transport division	**17.3**	100%	**17.3**	28.5	100%	28.5
Total (Note 23)	**2,919.4**		**2,490.5**	2,391.2		1,991.0
Borrowings:						
Los Pelambres (Note 24)	**(2,112.4)**	60%	**(1,267.4)**	(1,525.8)	60%	(915.5)
Centinela (Note 24)	**(574.1)**	70%	**(401.9)**	(311.9)	70%	(218.3)
Antucoya (Note 24)	**(379.1)**	70%	**(265.4)**	(411.5)	70%	(288.1)
Corporate (Note 24)	**(1,007.7)**	100%	**(1,007.7)**	(1,010.9)	100%	(1,010.9)
Transport division (Note 24)	**(5.9)**	100%	**(5.9)**	(16.9)	100%	(16.9)
Total (Notes 24 and 33)	**(4,079.2)**		**(2,948.3)**	(3,277.0)		(2,449.7)
Net debt	**(1,159.8)**		**(457.8)**	(885.8)		(458.7)

Five Year Summary

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Consolidated balance sheet					
Intangible asset	**–**	–	–	150.1	150.1
Property plant and equipment	**12,678.7**	11,543.5	10,538.5	9,851.9	9,556.7
Other non-current assets	**–**	1.1	1.3	2.6	2.1
Inventories	**457.0**	347.0	270.4	278.1	208.0
Investment in associates and joint ventures	**891.1**	904.6	905.8	914.6	1,024.8
Trade and other receivables	**68.5**	51.0	51.2	55.9	48.2
Derivative financial instruments	**–**	–	–	0.3	1.7
Equity investments	**288.6**	90.5	8.7	11.1	5.1
Deferred tax assets	**72.0**	78.5	96.8	6.4	8.2
Non-current assets	**14,455.9**	13,016.2	11,872.7	11,271.0	11,004.9
Current assets	**5,191.3**	5,222.1	5,405.7	5,333.3	3,605.5
Current liabilities	**(2,189.3)**	(1,605.8)	(1,574.2)	(1,625.7)	(1,548.9)
Non-current liabilities	**(5,409.5)**	(4,988.1)	(4,675.2)	(4,897.5)	(3,660.5)
	12,048.4	11,644.4	11,029.0	10,081.1	9,401.0
Share capital	**89.8**	89.8	89.8	89.8	89.8
Share premium	**199.2**	199.2	199.2	199.2	199.2
Reserves (retained earnings and hedging, translation and fair value reserves)	**8,662.9**	8,338.5	8,061.2	7,461.6	7,094.7
Equity attributable to owners of the parent	**8,951.9**	8,627.5	8,350.2	7,750.6	7,383.7
Non-controlling interests	**3,096.5**	3,016.9	2,678.8	2,330.5	2,017.3
	12,048.4	11,644.4	11,029.0	10,081.1	9,401.0

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Consolidated income statement					
Group revenue	**6,324.5**	5,862.0	7,470.1	5,129.3	4,964.5
Total profit from operations and associates	**1,769.3**	2,627.1	3,461.1	1,516.5	1,400.2
Profit before tax	**1,965.5**	2,558.9	3,477.1	1,413.1	1,349.2
Income tax expense	**(666.1)**	(603.6)	(1,242.3)	(526.5)	(506.1)
Profit from continuing operations	**1,299.4**	1,955.3	2,234.8	886.6	843.1
Profit from discontinued operations	**–**	–	–	7.3	–
Profit for the year	**1,299.4**	1,955.3	2,234.8	893.9	843.1
Non-controlling interests	**(464.3)**	(422.3)	(944.6)	(387.5)	(341.7)
Net earnings (profit attributable to owners of the parent)	**835.1**	1,533.0	1,290.2	506.4	501.4
EBITDA	**3,087.2**	2,929.7	4,836.2	2,739.2	2,438.9

	2023 cents	2022 cents	2021 cents	2020 cents	2019 cents
Earnings per share					
Basic and diluted earnings per share	**84.7**	155.5	130.9	51.3	50.9

	2023 cents	2022 cents	2021 cents	2020 cents	2019 cents
Dividends per share proposed in relation to the year					
Ordinary dividends (interim and final)	**36.0**	59.7	142.5	54.7	34.1
	36.0	59.7	142.5	54.7	34.1
Dividends per share paid in the year and deducted from equity	62.2	128.1	72.1	13.3	47.7

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Consolidated cash flow statement					
Cash flow from continuing operations	**3,027.1**	2,738.3	4,507.7	2,431.1	2,570.7
Interest paid	**(166.0)**	(74.3)	(60.7)	(52.7)	(76.3)
Income tax paid	**(528.1)**	(787.1)	(776.9)	(319.7)	(403.6)
Net cash from operating activities	**2,333.0**	1,876.9	3,670.1	2,058.7	2,090.8
Investing activities					
Capital contributions to associates and joint ventures	**(0.7)**	50.0	142.5	–	58.0
Equity investments, investing activities and recovery of VAT	**(80.3)**	1,322.4	(577.2)	(893.5)	(678.3)
Purchases and disposals of intangible assets, property, plant and equipment	**(2,129.2)**	(1,879.0)	(1,776.0)	(1,306.6)	(1,076.9)
Interest received	**117.2**	29.1	7.4	12.6	41.0
Net cash used in investing activities	**(2,093.0)**	(477.5)	(2,203.3)	(2,187.5)	(1,656.2)
Financing activities					
Dividends paid to owners of the parent	**(613.2)**	(1,262.9)	(710.8)	(131.1)	(470.3)
Dividends paid to preference holders and non-controlling interests	**(388.1)**	(80.1)	(604.6)	(280.1)	(400.1)
Capital increase from non-controlling interest	**–**	–	–	210.0	–
New borrowings less repayment of borrowings and leases	**599.3**	9.2	(634.5)	918.3	60.8
Net cash (used in)/generated from financing activities	**(402.0)**	(1,333.8)	(1,949.9)	717.1	(809.6)
Net (decrease)/increase in cash and cash equivalents	**(162.0)**	65.6	(483.1)	588.3	(375.0)

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Consolidated net cash					
Cash, cash equivalents and liquid investments	**2,919.4**	2,391.2	3,713.1	3,672.8	2,193.4
Short-term borrowings	**(901.9)**	(432.5)	(337.1)	(603.4)	(723.9)
Medium and long-term borrowings	**(3,177.3)**	(2,844.5)	(2,835.5)	(3,151.4)	(2,032.9)
	(4,079.2)	(3,277.0)	(3,172.6)	(3,754.8)	(2,756.8)
Net (debt)/cash at the year-end	**(1,159.8)**	(885.8)	540.5	(82.0)	(563.4)

Production statistics

Production and sales volumes, realised prices and cash costs by mine	Production 2023 '000 tonnes	Production 2022 '000 tonnes	Sales 2023 '000 tonnes	Sales 2022 '000 tonnes	Net cash costs 2023 $/lb	Net cash costs 2022 $/lb	Realised prices 2023 $/lb	Realised prices 2022 $/lb
Copper								
Los Pelambres	**300.3**	275.0	**299.0**	271.2	**1.14**	1.10	**3.89**	3.76
Centinela	**242.0**	247.5	**247.9**	246.1	**1.63**	1.75	**3.89**	3.89
Antucoya	**77.8**	79.2	**78.4**	80.8	**2.63**	2.50	**3.89**	3.95
Zaldívar (attributable basis – 50%)	**40.5**	44.5	**41.9**	44.4	**2.95**	2.39	**–**	–
Group total	**660.6**	646.2	**667.2**	642.5	**1.61**	1.61	**3.89**	3.84
Group weighted average (net cash costs)								
Group weighted average (excluding treatment and refining charges and before by-products)					**2.14**	2.05		
Group weighted average (before by-product credits)					**2.31**	2.19		
Cash costs at Los Pelambres comprises								
Cash costs before by-product credits					**1.92**	1.84		
By-product credits (principally molybdenum and gold)					**(0.78)**	(0.74)		
Net cash costs					**1.14**	1.10		
Cash cost at Centinela comprises								
Cash costs before by-product credits					**2.57**	2.44		
By-product credits (principally gold)					**(0.94)**	(0.69)		
Net cash costs					**1.63**	1.75		
LME average							**3.85**	4.00

	Production 2023 '000 ounces	Production 2022 '000 ounces	Sales 2023 '000 ounces	Sales 2022 '000 ounces	Realised prices 2023 $/oz	Realised prices 2022 $/oz
Gold						
Los Pelambres	**43.3**	43.1	**42.1**	42.3	**1,983**	1,785
Centinela	**165.8**	133.7	**162.8**	132.3	**1,991**	1,806
Group total	**209.1**	176.8	**204.9**	174.6	**1,990**	1,801
Market average price					**1,943**	1,800

	2023 '000 tonnes	2022 '000 tonnes	2023 '000 tonnes	2022 '000 tonnes	2023 $/lb	2022 $/lb
Molybdenum						
Los Pelambres	**8.1**	7.2	**8.1**	6.8	**22.0**	20.9
Centinela	**2.9**	2.4	**3.0**	2.4	**21.7**	20.5
Group total/average realised price	**11.0**	9.6	**11.1**	9.2	**22.0**	20.8
Market average price					**24.1**	18.7

Ore reserves and mineral resources estimates

At 31 December 2023

Introduction

The ore reserves and mineral resources estimates, presented in this report, comply with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (the JORC Code) which has been used by the Group as minimum standard for the preparation and disclosure of the information contained herein. The definitions and categories of ore reserves, and mineral resources are set out below.

The information on ore reserves and mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. The Competent Persons consent to the inclusion in this report of the matters based on their information in the form and context in which it appears. The Competent Person for Exploration Results and Mineral Resources is Osvaldo Galvez (CP, Chile), Mineral Resource Evaluation Deputy Manager for Antofagasta Minerals SA. The Competent Person for Ore Reserves is Sofia Orellana (CP, Chile), Long-Term Mine Planning Deputy Manager for Antofagasta Minerals SA.

The Group's operations and projects are subject to a comprehensive programme of audits aimed at providing assurance in respect of ore reserves and mineral resource estimates. The audits are conducted by suitably qualified Competent Persons from within an operation, another operation of the Company or from independent consultants. The ore reserves and mineral resource estimates are the total reserves and resources, with the Group's attributable share for each mine shown in the 'Attributable Tonnage' column. The Group's economic interest in each mine is disclosed in the notes following the estimates on pages 254 to 255. The totals in the table may include some small apparent differences due to rounding.

Definitions and categories of ore reserves and mineral resources

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics, and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity.

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on modifying factors such as mining methods, metallurgical process and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on modifying factors such as mining methods, metallurgical process and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on modifying factors such as mining methods, metallurgical processes and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Ore reserves estimates

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Ore Reserves										
Los Pelambres (see note (a))										
Proved	**574.0**	574.8	**0.59**	0.60	**0.020**	0.020	**0.05**	0.05	**344.4**	344.9
Probable	**274.6**	330.6	**0.55**	0.57	**0.020**	0.020	**0.05**	0.05	**164.8**	198.4
Total	**848.6**	905.5	**0.58**	0.59	**0.020**	0.020	**0.05**	0.05	**509.2**	543.3
Centinela (see note (b))										
Centinela Cathodes (oxides)										
Proved	**34.7**	59.1	**0.55**	0.50					**24.3**	41.4
Probable	**157.2**	215.4	**0.33**	0.33					**110.0**	150.8
Subtotal	**191.9**	274.5	**0.37**	0.37					**134.3**	192.1
Centinela Concentrates (sulphides)										
Proved	**542.5**	509.2	**0.43**	0.44	**0.012**	0.012	**0.17**	0.17	**379.8**	356.5
Probable	**1,163.5**	1,203.6	**0.38**	0.38	**0.012**	0.012	**0.12**	0.12	**814.4**	842.5
Subtotal	**1,706.0**	1,712.8	**0.40**	0.40	**0.012**	0.012	**0.13**	0.13	**1,194.2**	1,198.9
Proved	**577.2**	568.3	**0.44**	0.45					**404.0**	397.8
Probable	**1,320.7**	1,418.9	**0.37**	0.38					**924.5**	993.2
Total	**1,897.9**	1,987.2	**0.39**	0.40					**1,328.5**	1,391.1
Antucoya (see note (c))										
Proved	**438.9**	436.2	**0.32**	0.33					**307.2**	305.3
Probable	**287.7**	281.4	**0.28**	0.29					**201.4**	197.0
Total	**726.5**	717.6	**0.31**	0.31					**508.6**	502.3
Total Group Subsidiaries	**3,473.0**	3,610.3	**0.42**	0.43					**2,346.3**	2,436.7

Group Joint Ventures	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Ore reserves										
Zaldívar (see note (n))										
Proved	**199.8**	337.9	**0.45**	0.44					**99.9**	169.0
Probable	**153.1**	75.2	**0.38**	0.31					**76.5**	37.6
Total	**352.9**	413.2	**0.42**	0.42					**176.4**	206.6
Total Group	**3,825.9**	4,023.5	**0.42**	0.43					**2,522.7**	2,643.3

Mineral resources estimates (including ore reserves)

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Los Pelambres (see note (a))										
Sulphides										
Measured	**1,142**	1,054	**0.56**	0.57	**0.020**	0.020	**0.04**	0.05	**685.4**	632.6
Indicated	**2,282**	2,121	**0.49**	0.52	**0.016**	0.016	**0.05**	0.05	**1,369.4**	1,272.9
Measured + Indicated	**3,425**	3,176	**0.51**	0.54	**0.017**	0.018	**0.05**	0.05	**2,054.9**	1,905.5
Inferred	**2,704**	2,780	**0.43**	0.46	**0.016**	0.016	**0.05**	0.06	**1,622.5**	1,667.7
Total	**6,129**	5,955	**0.48**	0.50	**0.017**	0.017	**0.05**	0.05	**3,677.4**	3,573.2
Los Pelambres total										
Measured	**1,142**	1,054	**0.56**	0.57	**0.020**	0.020	**0.04**	0.05	**685.4**	632.6
Indicated	**2,282**	2,121	**0.49**	0.52	**0.016**	0.016	**0.05**	0.05	**1,369.4**	1,272.9
Measured + Indicated	**3,425**	3,176	**0.51**	0.54	**0.017**	0.018	**0.05**	0.05	**2,054.9**	1,905.5
Inferred	**2,704**	2,780	**0.43**	0.46	**0.016**	0.016	**0.05**	0.06	**1,622.5**	1,667.7
Total	**6,129**	5,955	**0.48**	0.50	**0.017**	0.017	**0.05**	0.05	**3,677.4**	3,573.2
Centinela (see note (b))										
Oxides										
Measured	**63**	101	**0.50**	0.47	**–**	–	**–**	–	**44.2**	70.7
Indicated	**240**	297	**0.31**	0.32	**–**	–	**–**	–	**168.0**	207.6
Measured + Indicated	**303**	398	**0.35**	0.36	**–**	–	**–**	–	**212.3**	278.3
Inferred	**14**	15	**0.30**	0.33	**–**	–	**–**	–	**9.8**	10.6
Subtotal	**317**	413	**0.35**	0.36	**–**	–	**–**	–	**222.1**	288.9
Sulphides										
Measured	**943**	913	**0.47**	0.48	**0.014**	0.014	**0.18**	0.19	**659.8**	639.4
Indicated	**1,880**	1,935	**0.36**	0.37	**0.013**	0.013	**0.12**	0.12	**1,315.7**	1,354.6
Measured + Indicated	**2,822**	2,848	**0.40**	0.40	**0.013**	0.013	**0.14**	0.14	**1,975.5**	1,993.9
Inferred	**1,912**	1,789	**0.29**	0.29	**0.011**	0.011	**0.08**	0.08	**1,338.5**	1,252.2
Subtotal	**4,734**	4,637	**0.36**	0.36	**0.012**	0.012	**0.11**	0.12	**3,314.0**	3,246.2
Centinela total										
Measured	**1,006**	1,014	**0.48**	0.48	**–**	–	**–**	–	**704.0**	710.1
Indicated	**2,120**	2,232	**0.36**	0.36	**–**	–	**–**	–	**1,483.8**	1,562.2
Measured + Indicated	**3,125**	3,246	**0.40**	0.40	**–**	–	**–**	–	**2,187.7**	2,272.2
Inferred	**1,926**	1,804	**0.29**	0.29	**–**	–	**–**	–	**1,348.3**	1,262.9
Total	**5,052**	5,050	**0.35**	0.36	**–**	–	**–**	–	**3,536.1**	3,535.1

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Antucoya (see note (c))										
Oxides										
Measured	**460.0**	463.7	**0.32**	0.32	**–**	–	**–**	–	**322.0**	324.6
Indicated	**360.7**	348.5	**0.28**	0.29	**–**	–	**–**	–	**252.5**	244.0
Measured + Indicated	**820.8**	812.3	**0.30**	0.31	**–**	–	**–**	–	**574.5**	568.6
Inferred	**280.5**	302.3	**0.25**	0.26	**–**	–	**–**	–	**196.3**	211.6
Total	**1,101.2**	1,114.6	**0.29**	0.30	**–**	–	**–**	–	**770.9**	780.2
Antucoya total										
Measured	**460.0**	463.7	**0.32**	0.32	**–**	–	**–**	–	**322.0**	324.6
Indicated	**360.7**	348.5	**0.28**	0.29	**–**	–	**–**	–	**252.5**	244.0
Measured + Indicated	**820.8**	812.3	**0.30**	0.31	**–**	–	**–**	–	**574.5**	568.6
Inferred	**280.5**	302.3	**0.25**	0.26	**–**	–	**–**	–	**196.3**	211.6
Total	**1,101.2**	1,114.6	**0.29**	0.30	**–**	–	**–**	–	**770.9**	780.2
Polo Sur (see note (d))										
Oxides										
Measured	**61.0**	46.6	**0.47**	0.45	**–**	–	**–**	–	**61.0**	46.6
Indicated	**45.4**	59.7	**0.37**	0.38	**–**	–	**–**	–	**45.4**	59.7
Measured + Indicated	**106.4**	106.4	**0.43**	0.41	**–**	–	**–**	–	**106.4**	106.4
Inferred	**6.5**	6.2	**0.34**	0.30	**–**	–	**–**	–	**6.5**	6.2
Subtotal	**112.8**	112.6	**0.42**	0.41	**–**	–	**–**	–	**112.8**	112.6
Sulphides										
Measured	**258.9**	257.0	**0.40**	0.39	**0.007**	0.007	**0.07**	0.07	**258.9**	257.0
Indicated	**675.9**	678.2	**0.33**	0.33	**0.007**	0.007	**0.05**	0.05	**675.9**	678.2
Measured + Indicated	**934.7**	935.2	**0.35**	0.35	**0.007**	0.007	**0.06**	0.06	**934.7**	935.2
Inferred	**621.7**	598.0	**0.27**	0.27	**0.006**	0.006	**0.04**	0.04	**621.7**	598.0
Subtotal	**1,556.4**	1,533.2	**0.32**	0.32	**0.006**	0.006	**0.05**	0.05	**1,556.4**	1,533.2
Polo Sur total										
Measured	**319.9**	303.7	**0.41**	0.40	**–**	–	**–**	–	**319.9**	303.7
Indicated	**721.2**	737.9	**0.34**	0.34	**–**	–	**–**	–	**721.2**	737.9
Measured + Indicated	**1,041.1**	1,041.6	**0.36**	0.36	**–**	–	**–**	–	**1,041.1**	1,041.6
Inferred	**628.2**	604.2	**0.27**	0.27	**–**	–	**–**	–	**628.2**	604.2
Total	**1,669.3**	1,645.8	**0.33**	0.32	**–**	–	**–**	–	**1,669.3**	1,645.8
Penacho Blanco (see note (e))										
Oxides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**18.3**	18.3	**0.29**	0.29	**–**	–	**–**	–	**9.3**	9.3
Subtotal	**18.3**	18.3	**0.29**	0.29	**–**	–	**–**	–	**9.3**	9.3
Sulphides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**452.3**	337.4	**0.35**	0.38	**–**	–	**0.05**	0.05	**230.7**	172.1
Subtotal	**452.3**	337.4	**0.35**	0.38	**–**	–	**0.05**	0.05	**230.7**	172.1
Penacho Blanco total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**470.6**	355.7	**0.35**	0.37	**–**	–	**–**	–	**240.0**	181.4
Total	**470.6**	355.7	**0.35**	0.37	**–**	–	**–**	–	**240.0**	181.4

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Mirador (see note (f))										
Oxides										
Measured	**2.0**	2.5	**0.28**	0.28	**–**	–	**–**	–	**1.4**	1.8
Indicated	**26.0**	26.8	**0.27**	0.27	**–**	–	**–**	–	**19.3**	20.2
Measured + Indicated	**28.0**	29.2	**0.27**	0.27	**–**	–	**–**	–	**20.7**	22.0
Inferred	**14.2**	11.1	**0.25**	0.26	**–**	–	**–**	–	**10.2**	8.9
Subtotal	**42.2**	40.3	**0.26**	0.27	**–**	–	**–**	–	**30.9**	30.8
Sulphides										
Measured	**40.0**	36.0	**0.33**	0.33	**0.006**	0.006	**0.12**	0.12	**40.0**	36.0
Indicated	**25.7**	20.7	**0.27**	0.28	**0.008**	0.008	**0.07**	0.07	**25.7**	20.7
Measured + Indicated	**65.7**	56.7	**0.31**	0.31	**0.007**	0.007	**0.10**	0.10	**65.7**	56.7
Inferred	**8.5**	5.0	**0.24**	0.25	**0.009**	0.008	**0.05**	0.05	**8.5**	5.0
Subtotal	**74.2**	61.8	**0.30**	0.31	**0.007**	0.007	**0.10**	0.10	**74.2**	61.8
Mirador total										
Measured	**42.0**	38.5	**0.32**	0.33	**–**	–	**–**	–	**41.5**	37.8
Indicated	**51.6**	47.5	**0.27**	0.27	**–**	–	**–**	–	**45.0**	40.9
Measured + Indicated	**93.6**	86.0	**0.29**	0.30	**–**	–	**–**	–	**86.4**	78.7
Inferred	**22.7**	16.1	**0.25**	0.26	**–**	–	**–**	–	**18.7**	13.9
Total	**116.4**	102.1	**0.29**	0.29	**–**	–	**–**	–	**105.1**	92.6
Los Volcanes (see note (g))										
Oxides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**30.8**	30.8	**0.31**	0.31	**–**	–	**–**	–	**15.7**	15.7
Subtotal	**30.8**	30.8	**0.31**	0.31	**–**	–	**–**	–	**15.7**	15.7
Sulphides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**1,902.3**	1,880.0	**0.50**	0.50	**0.011**	0.011	**–**	–	**970.2**	958.8
Subtotal	**1,902.3**	1,880.0	**0.50**	0.50	**0.011**	0.011	**–**	–	**970.2**	958.8
Los Volcanes total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**1,933.1**	1,910.8	**0.49**	0.50	**–**	–	**–**	–	**985.9**	974.5
Total	**1,933.1**	1,910.8	**0.49**	0.50	**–**	–	**–**	–	**985.9**	974.5

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Brujulina (see note (h))										
Oxides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**88.5**	88.0	**0.49**	0.49	**–**	–	**–**	–	**45.1**	44.9
Total	**88.5**	88.0	**0.49**	0.49	**–**	–	**–**	–	**45.1**	44.9
Brujulina total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**88.5**	88.0	**0.49**	0.49	**–**	–	**–**	–	**45.1**	44.9
Total	**88.5**	88.0	**0.49**	0.49	**–**	–	**–**	–	**45.1**	44.9
Sierra (see note (i))										
Oxides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**54.7**	52.3	**0.68**	0.68	**–**	–	**–**	–	**54.7**	52.3
Total	**54.7**	52.3	**0.68**	0.68	**–**	–	**–**	–	**54.7**	52.3
Sierra total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**54.7**	52.3	**0.68**	0.68	**–**	–	**–**	–	**54.7**	52.3
Total	**54.7**	52.3	**0.68**	0.68	**–**	–	**–**	–	**54.7**	52.3
Encierro (see note (j))										
Sulphides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**522.3**	522.3	**0.65**	0.65	**0.007**	0.007	**0.22**	0.22	**298.6**	295.3
Subtotal	**522.3**	522.3	**0.65**	0.65	**0.007**	0.007	**0.22**	0.22	**298.6**	295.3
Encierro total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**522.3**	522.3	**0.65**	0.65	**0.007**	0.007	**0.22**	0.22	**298.6**	295.3
Total	**522.3**	522.3	**0.65**	0.65	**0.007**	0.007	**0.22**	0.22	**298.6**	295.3

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	Tonnage (millions of tonnes) 2022	Copper (%) 2023	Copper (%) 2022	Molybdenum (%) 2023	Molybdenum (%) 2022	Silver (g/tonne) 2023	Silver (g/tonne) 2022	Attributable tonnage (millions of tonnes) 2023	Attributable tonnage (millions of tonnes) 2022
Cachorro (see note (k))										
Oxides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**10.9**	12.7	**1.15**	1.15	**–**	–	**–**	–	**10.9**	12.7
Measured + Indicated	**10.9**	12.7	**1.15**	1.15	**–**	–	**–**	–	**10.9**	12.7
Inferred	**17.8**	24.8	**0.87**	0.92	**–**	–	**–**	–	**17.8**	24.8
Subtotal	**28.7**	37.6	**0.98**	1.00	**–**	–	**–**	–	**28.7**	37.6
Sulphides										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**40.4**	36.7	**1.61**	1.54	**–**	–	**6.24**	6.21	**40.4**	36.7
Measured + Indicated	**40.4**	36.7	**1.61**	1.54	**–**	–	**6.24**	6.21	**40.4**	36.7
Inferred	**180.7**	168.2	**1.23**	1.19	**–**	–	**3.96**	3.49	**180.7**	168.2
Subtotal	**221.1**	204.9	**1.30**	1.25	**–**	–	**4.37**	3.98	**221.1**	204.9
Cachorro total										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**51.4**	49.4	**1.51**	1.44	**–**	–	**–**	–	**51.4**	49.4
Measured + Indicated	**51.4**	49.4	**1.51**	1.44	**–**	–	**–**	–	**51.4**	49.4
Inferred	**198.5**	193.0	**1.20**	1.15	**–**	–	**–**	–	**198.5**	193.0
Total	**249.8**	242.5	**1.27**	1.21	**–**	–	**–**	–	**249.8**	242.5

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Nickel (%) 2023	2022	TPM (g/tonne Au+Pt+Pd) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Twin Metals (see note (m))										
Maturi										
Measured	**291.4**	291.4	**0.63**	0.63	**0.20**	0.20	**0.57**	0.57	**224.6**	224.6
Indicated	**818.3**	818.3	**0.57**	0.57	**0.18**	0.18	**0.57**	0.57	**771.6**	771.6
Measured + Indicated	**1,109.7**	1,109.7	**0.59**	0.59	**0.19**	0.19	**0.57**	0.57	**996.1**	996.1
Inferred	**534.1**	534.1	**0.50**	0.50	**0.16**	0.16	**0.57**	0.57	**483.2**	483.2
Subtotal	**1,643.8**	1,643.8	**0.56**	0.56	**0.18**	0.18	**0.57**	0.57	**1,479.3**	1,479.3
Maturi South West										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**93.1**	93.1	**0.48**	0.48	**0.17**	0.17	**0.31**	0.31	**65.2**	65.2
Measured + Indicated	**93.1**	93.1	**0.48**	0.48	**0.17**	0.17	**0.31**	0.31	**65.2**	65.2
Inferred	**29.3**	29.3	**0.43**	0.43	**0.15**	0.15	**0.26**	0.26	**20.5**	20.5
Subtotal	**122.4**	122.4	**0.47**	0.47	**0.17**	0.17	**0.30**	0.30	**85.7**	85.7
Birch Lake										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**90.4**	90.4	**0.52**	0.52	**0.16**	0.16	**0.87**	0.87	**63.3**	63.3
Measured + Indicated	**90.4**	90.4	**0.52**	0.52	**0.16**	0.16	**0.87**	0.87	**63.3**	63.3
Inferred	**217.0**	217.0	**0.46**	0.46	**0.15**	0.15	**0.64**	0.64	**151.9**	151.9
Subtotal	**307.4**	307.4	**0.48**	0.48	**0.15**	0.15	**0.70**	0.70	**215.2**	215.2
Spruce Road										
Measured	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Measured + Indicated	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Inferred	**435.5**	435.5	**0.43**	0.43	**0.16**	0.16	**–**	–	**304.8**	304.8
Subtotal	**435.5**	435.5	**0.43**	0.43	**0.16**	0.16	**–**	–	**304.8**	304.8
Twin Metals total										
Measured	**291.4**	291.4	**0.63**	0.63	**0.20**	0.20	**0.57**	0.57	**224.6**	224.6
Indicated	**1,001.8**	1,001.8	**0.56**	0.56	**0.18**	0.18	**0.57**	0.57	**900.0**	900.0
Measured + Indicated	**1,293.2**	1,293.2	**0.57**	0.57	**0.18**	0.18	**0.57**	0.57	**1,124.6**	1,124.6
Inferred	**1,215.9**	1,215.9	**0.47**	0.47	**0.16**	0.16	**0.37**	0.37	**960.4**	960.4
Total	**2,509.1**	2,509.1	**0.52**	0.52	**0.17**	0.17	**0.47**	0.47	**2,085.0**	2,085.0
Group Subsidiaries										
Measured + Indicated	**9,850.2**	9,704.3	**0.45**	0.46	**–**	–	**–**	–	**7,120.6**	7,072.2
Inferred	**10,045.3**	9,844.2	**0.43**	0.44	**–**	–	**–**	–	**6,597.2**	5,720.9
Total Group Subsidiaries	**19,895.4**	19,548.6	**0.44**	0.45	**–**	–	**–**	–	**13,717.8**	12,793.2

Mineral resources estimates (including ore reserves) continued

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Zaldívar (see note (n))										
Oxides & Secondary Sulphides										
Measured	**343.9**	606.8	**0.40**	0.40	**–**	–	**–**	–	**172.0**	303.4
Indicated	**336.3**	124.8	**0.33**	0.29	**–**	–	**–**	–	**168.2**	62.4
Measured + Indicated	**680.3**	731.6	**0.38**	0.38	**–**	–	**–**	–	**340.1**	365.8
Inferred	**12.8**	14.0	**0.26**	0.35	**–**	–	**–**	–	**6.4**	7.0
Total	**693.1**	745.6	**0.38**	0.38	**–**	–	**–**	–	**346.5**	372.8
Primary Sulphides										
Measured	**105.4**	113.8	**0.40**	0.41	**–**	–	**–**	–	**52.7**	56.9
Indicated	**319.9**	265.6	**0.38**	0.40	**–**	–	**–**	–	**159.9**	132.8
Measured + Indicated	**425.3**	379.4	**0.39**	0.41	**–**	–	**–**	–	**212.6**	189.7
Inferred	**29.9**	25.2	**0.36**	0.37	**–**	–	**–**	–	**14.9**	12.6
Subtotal	**455.2**	404.6	**0.39**	0.40	**–**	–	**–**	–	**227.6**	202.3
Zaldívar total										
Measured	**449.3**	720.6	**0.40**	0.40	**–**	–	**–**	–	**224.7**	360.3
Indicated	**656.2**	390.4	**0.36**	0.37	**–**	–	**–**	–	**328.1**	195.2
Measured + Indicated	**1,105.6**	1,111.0	**0.39**	0.39	**–**	–	**–**	–	**552.8**	555.5
Inferred	**42.7**	39.2	**0.33**	0.37	**–**	–	**–**	–	**21.3**	19.6
Total Group Joint Ventures	**1,148.2**	1,150.2	**0.38**	0.39	**–**	–	**–**	–	**574.1**	575.1

Group Subsidiaries	Tonnage (millions of tonnes) 2023	2022	Copper (%) 2023	2022	Molybdenum (%) 2023	2022	Gold (g/tonne) 2023	2022	Attributable tonnage (millions of tonnes) 2023	2022
Measured + Indicated	**10,955.7**	10,815.3	**0.45**	0.45	**–**	–	**–**	–	**7,673.4**	7,596.2
Inferred	**10,087.9**	9,883.4	**0.43**	0.44	**–**	–	**–**	–	**6,618.5**	6,481.7
Total	**21,043.7**	20,698.8	**0.44**	0.45	**–**	–	**–**	–	**14,291.9**	14,077.9

Notes to ore reserves and mineral resources estimates

The ore reserves mentioned in this report were determined considering specific copper cut-off grades for each mine and using a long-term copper price of $3.50/lb ($3.30/lb in 2022), $13.00/lb molybdenum ($13.00/lb in 2022) and $1,600/oz gold ($1,600/oz in 2022), unless otherwise noted. These same values have been used for copper equivalent (CuEq) estimates, where appropriate.

In order to ensure that the stated resources represent mineralisation that has "reasonable prospects for eventual economic extraction" (JORC Code) the resources are enclosed within pit shells that were optimised based on measured, indicated and inferred resources and considering a copper price of $4.20/lb ($3.75/lb in 2022). Mineralisation estimated outside these pit shells is not included in the resource figures.

Group policy on auditing of resource and reserve estimates is that prior to first publication, an independent external audit is done. External audits are also done on resources and reserves for any material changes (incorporation of a significant amount of drillhole information, for instance) or every three to five years, whichever comes first. All the resource models that support the resource and reserve estimates have been audited as per Group policy. All resource and reserve estimates have been found to comply with the JORC Code (2012).

a) Los Pelambres

Los Pelambres is 60% owned by the Group. The cut-off grade applied to the determination of mineral resources is 0.30% copper, while the cut-off grade applied for ore reserves is variable over 0.35% copper. Ore Reserves decreased by 57 million tonnes due principally to depletion in the period and reflects the remaining capacity of the existing tailing dams, limiting the amount of mineral resource that can be converted into ore reserves. Mineral resources have increased overall by a net 174 million tonnes, including depletion, due to higher mineral prices and a decrease in the cut-off grade from 0.35%Cu to 0.30%Cu.

b) Centinela (Concentrates and Cathodes)

Centinela is 70% owned by the Group and consists of Centinela Concentrates (Esperanza, Esperanza Sur and Encuentro Sulphide) and Centinela Cathodes (Encuentro and Llano deposits, including the oxide portion of the Mirador). The cut-off grade applied to the determination of ore reserves for Centinela Concentrates is 0.15% equivalent copper, with 0.15% copper used as a cut-off grade for mineral resources. The cut-off grades used at Centinela Cathodes are 0.20% copper for ore reserves and 0.15% copper for mineral resources.

The Centinela Concentrates ore reserves have decreased by a net 7 million tonnes, due mainly to depletion in the period, partially compensated by an increase associated with higher metal prices. Centinela sulphides mineral resources increased by a net 97 million tonnes, incorporating ore material that connects former Esperanza and Esperanza Sur resources, due mainly to higher product prices. The Centinela Cathodes ore reserves have decreased by a net 83 million tonnes, due mainly to depletion in the period and the ending of the leaching cycle in some sectors of the ROM pad. Centinela Cathodes ore reserves are made up of 131 million tonnes at 0.43% copper of heap leach ore and 61 million tonnes at 0.23% copper of ROM ore. Centinela oxides mineral resources decreased by a net 95 million tonnes, due mainly to the removal of ROM materials that ended their leaching cycle, depletion and higher mining and processing costs.

c) Antucoya

Antucoya is 70% owned by the Group. The ore reserve cut-off grade is 0.16% copper, while the cut-off grade for mineral resources is 0.15% copper. Ore reserves have increased by a net 9 million tonnes due to the resource model update, including in-fill drilling data, which compensated depletion. For 2023, the mineral resource model has been updated with 52 drillholes for a total of 11,650 metres. Mineral resources have decreased by a net 14 million tonnes, due mostly to depletion, and new drilling data.

d) Polo Sur

Polo Sur is 100% owned by the Group. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.20% copper. The 2023 resource model has been updated with 89 drillholes for a total of 14,400 metres. Mineral resources have increased by a net 23 million tonnes, due mainly to the increase in metal prices.

e) Penacho Blanco

Penacho Blanco is 51% owned by the Group. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.20% copper. For 2023, the resource model has not been updated. The mineral resources have increased by a net 115 million tonnes, due mainly to the increase in metal prices.

f) Mirador

Mirador is 100% owned by the Group. A portion of Mirador Oxides is subject to an agreement between the Group and Centinela, whereby Centinela purchased the rights to mine the oxide ore reserves within an identified area. The mineral resources for Mirador Oxides subject to the agreement with Centinela are included in the Centinela Cathodes section. The resources not subject to the agreement are reported in this section. The cut-off grade applied to the determination of the mineral resources for oxides is 0.15% copper and for sulphides is 0.20% copper. The mineral resources have increased by a net 14 million tonnes, due mainly to the increase in metal prices.

g) Los Volcanes

Los Volcanes is 51% owned by the Group. The cut-off grade applied to the determination of mineral resources is 0.20% copper. For 2023, the mineral resource model has not been updated. The mineral resources have increased by a net 22 million tonnes, due mainly to the increase in metal prices.

h) Brujulina

Brujulina is 51% owned by the Group. The cut-off grade applied to the determination of mineral resources is 0.30% copper. For 2023, the mineral resource model has not been updated. The mineral resources have increased by a net 0.5 million tonnes, due mainly to the increase in metal prices.

i) Sierra

Sierra is 100% owned by the Group. The cut-off grade applied to the determination of mineral resources is 0.30% copper. For 2023, the mineral resource model has not been updated. The mineral resources have increased by a net 2 million tonnes, due mainly to the increase in metal prices.

j) Encierro

Encierro is 57.17% owned by the Group. For 2023, the mineral resource model has not been updated. Encierro's mineral resources are stated above cut-offs of 0.50% copper for sulphides. All reported mineral resources have been defined as inferred. Mineralisation estimated below a 0.5% cut-off is not included in the mineral resource figures.

k) Cachorro

Cachorro is 100% owned by the Group. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.50% copper. The 2023 resource model has been updated including new drilling data, adding 63 drillholes for a total of 37,000 metres. Mineral resources have increased by a net 7 million tonnes, due to the resource model update. Resources have been defined as indicated and inferred material. Mineralisation estimated below a 0.5% cut-off is not included in the mineral resource figures.

m) Twin Metals Minnesota LLC

Twin Metals Minnesota LLC ("Twin Metals") is 100% owned by the Group. Twin Metals has a 70% interest in the Birch Lake Joint Venture ("BLJV"), which holds the Birch Lake, Spruce Road and Maturi Southwest deposits, as well as a main portion of the Maturi deposit. With these interests taken into consideration, Twin Metals owns 83.1% of the mineral resource. For 2023, the mineral resource model has not been updated. The cut-off grade applied to the determination of mineral resources is 0.3% copper, which when combined with credits from nickel, platinum, palladium and gold, is deemed appropriate for an underground operation. In the mineral resource table 'TPM' (Total Precious Metals) refers to the sum of platinum, palladium and gold values in grammes per tonne. The TPM value of 0.57 g/tonne for the Maturi mineral resource estimate is made up of 0.15 g/tonne platinum, 0.34 g/tonne palladium and 0.08 g/tonne gold. The TPM value of 0.30 g/tonne for the Maturi Southwest mineral resource estimate is made up of 0.08 g/tonne platinum, 0.17 g/tonne palladium and 0.05 g/tonne gold. The TPM value of 0.70 g/tonne for the Birch Lake mineral resource estimate is made up of 0.19 g/tonne platinum, 0.41 g/tonne palladium and 0.10 g/tonne gold. The Spruce Road mineral resource estimate does not include TPM values as they were not assayed for TPMs.

In 2022, Twin Metals filed a lawsuit in the US District Court for the District of Columbia (District Court) challenging the administrative actions resulting in the rejection of Twin Metals' preference right lease applications (PRLAs), the cancellation of its federal mining leases 1352 and 1353, the rejection of its Mine Plan of Operation (MPO), and the dismissal of the administrative appeal of the MPO rejection. Twin Metals claimed that the government's actions were arbitrary and capricious, contrary to the law, and in violation of its rights. In September 2023, following a motion to dismiss filed by the government, the District Court dismissed Twin Metals' claims. In November 2023, Twin Metals appealed the District Court's order to the US Court of Appeals for the District of Columbia Circuit. This action is pending. If TMM is unsuccessful in having the decisions on the federal leases 1352 and 1353 and the PRLAs reversed through litigation, it will not have entitlement to the mineral resources associated with those mineral rights.

n) Zaldívar

Zaldívar is 50% owned by the Group. Heap leaching (HL) and dump leaching (DL) materials are defined based on total copper cut-off grades. The cut-off grade applied to the determination of ore reserves for Heap Leach ore is 0.31% copper, while the cut-off grade for Dump Leach material is 0.20% copper. Ore reserves have decreased by a net 60 million tonnes, due mainly to depletion in the period and higher mining and processing costs used for in pit optimisation. For mineral resources, the cut-off grade is 0.25% copper for HL and 0.10% copper for DL, throughout the life-of-mine period. The cut-off grade applied to the primary sulphide mineral resources is 0.3% copper. The mineral resources decreased by 2 million tonnes because of the combined effects of depletion and increase in metal prices.

In the southern part of the deposit (Phase 13), the final pit impacts a portion of the Minera Escondida mining property, for which there is an agreement for development. In parallel, agreements are pending with third parties to relocate additional infrastructure.

Currently, Zaldívar is permitted to extract water and mine until 2025, following the approval of the Declaration of Environmental Impact ("DIA") in early 2024 to align both the permits for mining and water extraction. The mine life after 2025 is based on an EIA application which was filed in June 2023 to extend mining and water environmental permits. This EIA includes a proposal to develop the primary sulphide ore deposit and a conversion of the water source for Zaldívar to either sea water or water from third parties, following a transition period during which the current continental water extraction permit is extended. The current ore reserves estimate assumes that the requested permit will be extended to allow for the extraction of all of Zaldívar's ore reserves, through continuous operation of the mine without interruption. The details of the future permits or alternative water supply arrangements could lead to a review of and, eventually, an update to, Zaldívar's mine plan.

o) Antomin 2 and Antomin investors

The Group has a 51% interest in two indirect subsidiaries, Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own several copper exploration properties in Chile's Antofagasta Region and Coquimbo Region. These include, among others, Penacho Blanco, Los Volcanes and Brujulina. The remaining 49% of Antomin 2 and Antomin Investors is owned by Mineralinvest Establishment ("Mineralinvest"), a company controlled by E. Abaroa Foundation, in which members of the Luksic family are interested. Further details are set out in Note 35(c) to the financial statements.

Glossary and definitions

ADS	Asset Delivery System.
AMSA	Antofagasta Minerals SA, a wholly-owned subsidiary of the Group incorporated in Chile, which acts as the corporate centre for the Mining division.
Annual Report	The Annual Report and Financial Statements of Antofagasta plc.
Antucoya	Minera Antucoya, a 70%-owned subsidiary incorporated in Chile.
Banco de Chile	A commercial bank that is a subsidiary of Quiñenco.
Barrick Gold	Barrick Gold Corporation, incorporated in Canada and our joint venture partner in Zaldívar.
Brownfield project	A development or exploration project in the vicinity of an existing operation.
Buenaventura	Compañía de Minas Buenaventura S.A.A., Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.
By-products (credits in copper concentrates)	Products obtained as a result of copper processing. Los Pelambres and Centinela Concentrates receive credit for the gold and silver content in the copper concentrate sold. Los Pelambres and Centinela also produce molybdenum concentrate.
Capex	Capital expenditure.
Cash costs	A measure of the cost of operating production expressed in terms of US dollars per pound of payable copper produced. Cash costs are stated net of by-product credits and include treatment and refining charges for concentrates for Los Pelambres and Centinela. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.
CDP	Carbon Disclosure Project.
Centinela	Minera Centinela SA, a 70%-owned subsidiary incorporated in Chile that holds the Centinela Concentrates and Centinela Cathodes operations.
Centinela Mining District	Copper district located in the Antofagasta region of Chile, where Centinela is located.
Chilean peso	Chilean currency.
CO_2e	Carbon dioxide equivalent.
Companies Act 2006	Principal legislation for United Kingdom Company law.
Company	Antofagasta plc.
Concentrate	The product of a physical concentration process, such as flotation or gravity concentration, which involves separating ore minerals from unwanted waste rock. Concentrates require subsequent processing (such as smelting or leaching) to break down or dissolve the ore minerals and obtain the desired elements, usually metals.
Contained copper	The proportion or quantity of copper contained in a given quantity of ore or concentrate.
Continental water	Water that comes from the interior of land masses including rain, snow, streams, rivers, lakes and groundwater.
Copper cathode	Refined copper produced by electrolytic refining of impure copper by electrowinning.
Corporate Governance Code	The UK Corporate Governance Code is a set of principles of good corporate governance, most of which have their own more detailed provisions published by the Financial Reporting Council, most recently updated in 2018.
Cut-off grade	The lowest grade of mineralised material considered economic to process and used in the calculation of ore reserves and mineral resources.
Directors	The Directors of the Company.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EIA	Environmental Impact Assessment.
Encuentro	Copper oxide and sulphide deposit in the Centinela Mining District.
EPS	Earnings per share.
Esperanza Sur	Copper deposit in the Centinela Mining District.
FCAB	Ferrocarril de Antofagasta a Bolivia, the corporate name of our Transport division.
Flotation	A process of separation by which chemicals in solution are added to finely crushed materials, some of which are attracted to bubbles and float, while others sink, which results in the production of concentrate.
FTSE All-Share Index	A market-capitalisation weighted index representing the performance of all eligible companies listed on the London Stock Exchange's main market.
FTSE100 and FTSE350 Index	A share index of the 100 or 350 companies listed on the London Stock Exchange with the highest market capitalisation.
GAAP	Generally Accepted Accounting Practice or Generally Accepted Accounting Principles, a collection of commonly-followed accounting rules and standards for financial reporting.
GHG	Greenhouse Gas.
Government	The Government of the Republic of Chile.
Grade A copper cathode	Highest-quality copper cathode, 99.99% pure.
Greenfield project	The development or exploration of a new project at a previously undeveloped site.
Group	Antofagasta plc and its subsidiary companies and share of joint ventures.

Heap-leaching or leaching	A process for the recovery of copper from ore, generally oxides. The crushed material is laid on a slightly sloping, impermeable pad and leached by uniformly trickling a (gravity fed) chemical solution through the heaps to collection ponds. The metal is then recovered from the solution through the SX-EW process.
HPI	High Potential Incident. An event that, under different circumstances, might easily have resulted in a serious injury or fatality.
ICMM	International Council on Mining and Metals.
IFRIC	International Financial Reporting Standards Interpretations Committee.
IFRS	International Financial Reporting Standards.
JORC	The Australasian Joint Ore Reserves Committee.
KPI	Key performance indicator.
Life-of-Mine ("LOM")	The remaining life of a mine expressed in years, calculated by reference to scheduled production rates (ie comparing the rate at which ore is expected to be extracted from the mine to current ore reserves).
LME	London Metal Exchange.
Los Pelambres	Minera Los Pelambres, a 60%-owned subsidiary incorporated in Chile.
LTIFR	Lost Time Injury Frequency Rate. The number of accidents with lost time during the year per million hours worked.
LTIP	Long Term Incentive Plan in which the Group's CEO, Executive Committee members and other senior managers participate.
Mineral resources	Material of intrinsic economic interest occurring in such form and quantity that there are reasonable prospects for eventual economic extraction. Mineral resources are stated inclusive of ore reserves, as defined by JORC.
Net cash cost	Gross cash costs less by-product credits.
Open pit	Mine working or excavation that is open to the surface.
Ore	Rock from which metal(s) or mineral(s) can be economically and legally extracted.
Ore grade	The relative quantity, or percentage, of metal content in an ore body or quantity of processed ore.
Ore reserves	Part of mineral resources for which appropriate assessments have been carried out to demonstrate that at a given date extraction could be reasonably justified. These include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.
Oxide and sulphide ores	Different kinds of ore containing copper. Oxide ore occurs on the weathered surface of ore-rich lodes and normally results in the production of cathode copper through a heap-leaching process. Sulphide ore is an unweathered parent ore normally treated using a flotation process to produce concentrate which then requires smelting and refining to produce copper cathodes.
Payable copper	The proportion or quantity of contained copper for which payment is received after metallurgical deduction.
Platts	A provider of energy and metals information and source of benchmark price assessments.
Porphyry	A large body of rock which contains disseminated chalcopyrite and other sulphide minerals. Such a deposit is mined in bulk on a large scale, generally in open pits, for copper and its by-products.
Provisional pricing	A sales term in several copper and molybdenum concentrate sale agreements and cathodes sale agreements that provides for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average LME copper price or monthly average molybdenum price for specific future periods, normally ranging from 30 to 180 days after delivery to the customer.
Quiñenco	Quiñenco SA, a Chilean financial and industrial group listed on the Santiago Stock Exchange and controlled by a foundation in which members of the Luksic family are interested.
RCA	Resolución de Calificación Ambiental, Environmental Approval Resolution.
Realised prices	Effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.
Reko Diq	A copper-gold deposit in Pakistan, previously a subsidiary of Tethyan.
Run-of-Mine ("ROM")	A process for the recovery of copper from ore, typically used for low-grade ores. The mined, uncrushed ore is leached with a chemical solution. The metal is then recovered from the solution through the SX-EW process.
SDGs	The United Nations' Sustainable Development Goals, which were adopted by all member states in 2015.
SERNAGEOMIN	Servicio Nacional de Geología y Minería, a government agency that provides geological and technical advice and regulates the mining industry in Chile.
SONAMI	Sociedad Nacional de Minería. Institution that represents the mining industry in Chile, for large, medium and small scale, metallic and non-metallic mining companies.
Sterling	Pounds sterling, UK currency.

Glossary and definitions *continued*

Stockpile	Material extracted and piled for future use.
SX-EW	Solvent extraction and electrowinning. A process for extracting metal from an ore and producing pure metal. First the metal is leached into solution, the resulting solution is then purified in the solvent-extraction process before being treated in an electrochemical process (electrowinning) to recover cathode copper.
Tailings dam or tailings storage facility (TSF)	Construction used to deposit the rock waste which remains as a result of the concentrating process after the recoverable minerals have been extracted in concentrate form.
TC/RCs	Treatment and refining charges, being terms used to set the smelting and refining charge or margin for processing copper concentrate and normally set on either an annual or spot basis.
TCFD	Task Force on Climate-related Financial Disclosures.
Tonne	Metric tonne.
TSR	Total Shareholder Return, being the movement in the Company's share price plus any dividends paid by the Company.
Twin Metals Minnesota Project	A copper, nickel and platinum group metals underground-mining project located in Minnesota, US.
UK	United Kingdom.
Underground mine	Natural or man-made excavation under the surface of the ground.
US	United States.
US dollar	United States currency.
Zaldívar	Compañía Minera Zaldívar SpA is a 50-50 joint venture with Barrick Gold and is operated by the Company.

Shareholder information

Currency abbreviations

$	US dollar
$000	Thousand US dollars
$m	Million US dollars
£	Pound sterling
£000	Thousand pounds sterling
£m	Million pounds sterling
P	Pence sterling
C$	Canadian dollar
C$m	Million Canadian dollars
Ch$	Chilean peso
Ch$000	Thousand Chilean pesos
Ch$m	Million Chilean pesos

Definitions and conversion of weights and measures

Lb	Pound
Oz	A troy ounce
1 troy ounce	31.1 grammes
'000 m3	Thousand cubic metres
1 kilogramme	2.2046 pounds
1 tonne	2,204.6 pounds or 1,000 kilogrammes
'000 tonnes	Thousand metric tonnes
1 kilometre	0.6214 miles
GL	Gigalitre
1 megalitre	Thousand cubic metres
1 GL	Thousand megalitres

Chemical symbols

Cu	Copper
Mo	Molybdenum
Au	Gold
Ag	Silver

Dividends

Details of dividends proposed in relation to the year are given in the Directors' Report on page 179, and in Note 13 to the Financial Statements.

If approved at the Annual General Meeting, the final dividend of 24.3 cents per share will be paid on 10 May 2024 to ordinary shareholders that are on the register at the close of business on 19 April 2024. Shareholders can elect (on or before 22 April 2024) to receive this final dividend in US dollars, Sterling or Euro, and the exchange rate, which will be applied to final dividends to be paid in Sterling or Euro, will be set as soon as reasonably practicable after that date, which is currently anticipated to be on 25 April 2024.

Further details of the currency election timing and process (including the default currency of payment) are available on the Antofagasta plc website (antofagasta.co.uk) or from the Company's registrar, Computershare Investor Services PLC on +44 37 0702 0159.

Dividends are paid gross without deduction of United Kingdom income tax. Antofagasta plc is a resident in the United Kingdom for tax purposes.

Annual General Meeting

The Annual General Meeting will be held as an in-person meeting at Church House Westminster, Dean's Yard, London SW1P 3NZ at 10:00am on Wednesday 8 May 2024. The formal notice of the Annual General Meeting and resolutions to be proposed are set out in the Notice of Annual General Meeting.

London Stock Exchange listing and share price

The Company's shares are listed on the London Stock Exchange.

Share capital

Details of the Company's ordinary share capital are given in Note 31 to the Financial Statements.

Shareholder calendar 2024

17 January 2024	Q4 2023 Production Report
20 February 2024	Full Year 2023 Results Announcement
17 April 2024	Q1 2024 Production Report
18 April 2024	2023 Final Dividend – Ex Dividend date
19 April 2024	2023 Final Dividend – Record date
22 April 2024	2023 Final Dividend – Final date for receipt of Currency Elections
25 April 2024	2023 Final Dividend – Pound sterling/ Euro Rate set
8 May 2024	Annual General Meeting
10 May 2024	2023 Final Dividend – Payment date
17 July 2024	Q2 2024 Production Report
20 August 2024	Half Year 2024 Results Announcement
5 September 2024	2024 Interim Dividend – Ex Dividend date
6 September 2024	2024 Interim Dividend – Record date
9 September 2024	2024 Interim Dividend – Final date for receipt of Currency Elections
12 September 2024	2024 Interim Dividend – Pound sterling/ Euro Rate set
30 September 2024	2024 Interim Dividend – Payment date
16 October 2024	Q3 2024 Production Report
16 January 2025	Q4 2024 Production Report

Dates are provisional and subject to change.

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Pureprint Ltd is a Carbon / Neutral® Printing Company.

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