ANTOFAGASTA PLC

For immediate release, 14 April 2015

2014 ANNUAL REPORT AND FINANCIAL STATEMENTS

Antofagasta plc (the "Company") will today post its 2014 Annual Report and Financial Statements and notice of the Annual General Meeting of the Company (the "2015 AGM Notice") to shareholders.

The 2014 Annual Report and Financial Statements, which was approved by the Board of Directors on 16 March 2015, constitute the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006 and the Annual Financial Report for the purposes of DTR 4.1.

The Annual General Meeting will be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on 20 May 2015 from 10.30 a.m.

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

- 2014 Annual Report and Financial Statements;
- 2015 AGM Notice;
- Form of Proxy for Ordinary Shareholders for Annual General Meeting;
- Form of Proxy for Preference Shareholders for Annual General Meeting; and
- Letter to Shareholders regarding Electronic Communications.

These documents will shortly be available for inspection via the National Storage Mechanism, www.hemscott.com/nsm.do, which may be searched by company name and filing date and/or document type. The 2014 Annual Report and Financial Statements and 2015 AGM Notice are also available on the Company's website at www.antofagasta.co.uk.

In compliance with DTR 6.3.5, the following information is extracted from the 2014 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 17 March 2015. Together, these constitute the material required by DTR 6.3.5 to be communicated to the media in full unedited text through a Regulatory Information Service. This material is not a substitute for reading the full 2014 Annual Report and Financial Statements and page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2014 Annual Report and Financial Statements.

The information contained in this announcement and in the Preliminary Results Announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006, but is derived from those accounts. The statutory accounts for the year ended 31 December 2014 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting, which will be held on 20 May 2015. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Companies Act 2006 (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

Directors' Responsibility Statement

The following information is extracted from page 102 of the 2014 Annual Report and Financial Statements.

"*Directors' Responsibility Statement*

We confirm that to the best of our knowledge:

- *the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;*
- *the Directors' report and the Strategic report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and*
- *the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.*

By order of the Board

Jean-Paul Luksic, Chairman, 16 March 2015
William Hayes, Senior Independent Director and Chairman Audit and Risk Committee, 16 March 2015"

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 35 to 37 of the 2014 Annual Report and Financial Statements.

"***Community relations***

Risk

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

Mitigation

The Group engages with local communities to establish and maintain relations based on trust and mutual benefit throughout the mining lifecycle, from exploration to final remediation. The Group seeks to identify any potentially negative operational impacts and minimise these through responsible behaviour. This means acting transparently and ethically, prioritising the health and safety of its workers and contractors, promoting dialogue and complying with commitments to stakeholders and establishing mechanisms to prevent or address a crisis. These steps are undertaken in the early stages of each project and continue throughout the life of each operation. The Group also contributes to the development of communities in the areas of influence in which it operates, particularly through human capital development – the education, training and employment of the local population. The Group endeavours to communicate clearly and transparently with local communities, in line with the established Community Relations Plan, including the use of a grievance management process, local perception surveys, local media and community engagement.

Reference

Details of the Group's community relations activities are included in the Sustainability section on page 57.

Strategic resources

Risk

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, fuel, sulphuric acid and mining equipment could have a negative impact on production. Longer term, any restrictions on the availability of key strategic resources such as water and electricity could affect the Group's opportunities for growth. A significant portion of the Group's input costs are influenced by external market factors.

Mitigation

Contingency plans are in place to address potential short-term disruptions to strategic resources. The Group commences early negotiations in supply contracts for key inputs to ensure supply continuity. Certain key supplies are purchased from several sources to mitigate potential disruption arising from exposure to a single supplier. Technological and innovative solutions, such as using sea water in the Group's mining operations, can help mitigate exposure to the potential lack of availability of scarce resources. Access to energy is a priority for the Group and during 2014 the Group secured several sources of non-traditional energy such as wind and solar power.

Reference

Information on the Group's arrangements for the supply of key inputs is included within the Key inputs section on pages 22 to 24, and details of significant operational or cost factors related to key inputs are included within the Operational review on pages 38 to 49.

Operational

Risk

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

Mitigation

The key risks relating to each operation are identified as part of the regular risk review process undertaken by the individual operations. This process also identifies appropriate mitigation techniques for such risks. Monthly reports to the Board provide a variance analysis of operational and financial performance, allowing potential key issues to be identified in a timely manner and any necessary actions, such as monitoring or control activities, to take place. During 2014, the Group implemented a Business Continuity Plan and Disaster Recovery Plan for all key processes within its operations in case of crisis or natural disaster. The Group has insurance to provide protection from some, but not all, of the costs that may arise from such events. Additionally, the Group has reinforced the corporate supply strategy, productivity innovation plan and geometallurgical standards and guidelines.

Reference

Details of the operational performance of each of the Group's operations are included within the Operational review on pages 38 to 49.

Project management

Risk

Failure to effectively manage the Group's development projects could result in delays in the start of production and cost overruns. Demand for supplies, equipment and skilled personnel could affect capital and operating costs. Increasing regulatory and environmental requirements could result in delays in construction or increases in project costs.

Mitigation

The Group has a project management system consisting of standards, manuals and procedures containing the best practices applicable and enforceable in all phases of project development. The project management system supports the decision-making process by balancing risk versus benefit, increasing the likelihood of success and providing a common defining language and standards. All geometallurgical models are reviewed by independent experts. Additionally, during the project lifecycle, quality checks for each of the standards applied are carried out by a panel of experts from within the Group. This panel reviews the feasibility study in order to assess the technical and commercial viability of the project. Detailed progress reports on ongoing projects are regularly reviewed, including assessments of progress against the key project milestones and performance against budget.

Reference

Details of the progress of the Group's development projects are included within the Operational review on pages 44 to 47.

Political, legal and regulatory

Risk

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

Mitigation

The Group assesses political risk as part of its evaluation of potential projects, including the nature of any foreign investment agreements. Political, legal and regulatory developments affecting the Group's operations and projects are monitored closely on a continuous basis. The Group operates in full compliance with the existing laws, regulations, licences, permits and rights in each country in which it operates. The Group monitors proposed changes in government policies and regulations and participates in several associations that consult with the government on these changes.

Reference

Details of any significant political, legal or regulatory developments impacting the Group's operations are included within the Operational review on pages 38 to 49.

Health and safety

Risk

Health and safety incidents could result in harm to the Group's employees, contractors or to local communities. Ensuring their safety and wellbeing is first and foremost an ethical obligation for the Group and is stated in the Charter of Values. Poor safety records or serious accidents could have a long-term impact on the Group's morale, reputation and production.

Mitigation

Health and safety risk management procedures are being strengthened, with particular focus on preventing fatalities and the early identification of risks. The corporate Health and Safety department provides a common strategy to the Group's operations and coordinates all health and safety matters. The Group is currently introducing a Significant Incident Report system as an important part of the Group's overall approach to safety. The Group's goal is for zero fatalities and to minimise the number of accidents. This goal requires all contractors to comply with the Group's Occupational Health and Safety Plan, which is monitored through monthly audits and supported by regular training and awareness campaigns for employees and contractors. The Plan is also being extended to employees' families and local communities, particularly with regard to road safety.

Reference

Further information about the Group's activities in respect of health and safety is set out in the Sustainability section on pages 53 and 54.

Environmental management

Risk

An operational incident which impacts the environment could affect the Group's relationship with local stakeholders, its reputation and ultimately undermine its social licence to operate and to grow. The Group operates in challenging environments, including the Atacama Desert where water scarcity is a key issue.

Mitigation

The Group has a comprehensive approach to incident prevention. Relevant risks have been assessed and are monitored and controlled. The Group's approach includes raising awareness among employees and providing training to promote operational excellence. Potential environmental impacts are key considerations when assessing project viability, including the integration of innovative technology in the project designed to mitigate these effects. The Group has pioneered the use of sea water for mining operations in Chile and strives to ensure maximum efficiency in water use, achieving high rates of reuse and recovery.

Reference

Further information in respect of the Group's environmental activities is set out in the Sustainability section on pages 50 to 60.

Growth opportunities

Risk

The Group may fail to identify attractive acquisition opportunities or may select inappropriate targets. The long-term commodity price forecast and other assumptions used when assessing potential projects and other investment opportunities have a significant influence on the forecast return on investment and if incorrectly estimated could result in the wrong decisions being made.

Mitigation

The Group assesses a wide range of potential growth opportunities, both internal projects and external opportunities. A rigorous assessment process is followed to evaluate all potential business acquisitions, which are subjected to different stress test scenarios for sensitivity analysis and to determine the risks associated with the project or opportunity under assessment. The Group's Business Development Committee reviews potential growth opportunities and potential transactions, and approves or recommends them within authority levels set by the Board.

Reference

The sensitivity of Group earnings to movements in commodity prices is set out in Note 23 to the Financial Statements. Details of the Group's growth opportunities are set out in the Operational review on pages 44 to 47.

Commodity prices

Risk

The Group's results are heavily dependent on commodity prices – principally copper and, to a lesser extent, gold and molybdenum. The prices of these commodities are strongly influenced by a variety of external factors, including world economic growth, inventory balances, industry demand and supply, possible substitution, etc.

Mitigation

The Group considers exposure to commodity price fluctuations to be an integral part of the Group's business and its usual policy is to sell its products at prevailing market prices. The Group monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows. Very occasionally the Group uses derivative instruments to manage its exposure to commodity price fluctuations when it feels it to be appropriate. The Group runs its business plans through various different commodity price scenarios and develops contingency plans as required.

Reference

Details of hedging arrangements put in place by the Group are included in Note 23 to the Financial Statements.

Foreign currency exchange

Risk

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

Mitigation

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

Reference

Details of the Group's currency hedging arrangements are shown in Note 23 to the Financial Statements.

Identification of new mineral resources

Risk

The Group needs to identify new mineral resources to ensure continued future growth. The Group seeks to identify new mineral resources through exploration and acquisition. There is a risk that exploration activities may not identify sufficient viable mineral resources.

Mitigation

The Group conducts exploration programmes both in Chile and other countries. The Group has entered into early-stage exploration agreements and strategic alliances with third parties in a number of countries and has also acquired equity interests in companies with known geological potential. The Group focuses its exploration activities on stable and secure countries to reduce country risk exposure.

Reference

A review of the Group's exploration activities is set out in the Operational review on page 47.

Ore reserves and mineral resources estimates

Risk

The Group's ore reserves and mineral resources estimates are subject to a number of assumptions and estimates, including geological, metallurgical and technical factors, future commodity prices and production costs. Fluctuations in these variables may result in some reserves or resources being deemed uneconomic, which could lead to a reduction in reserves and/or resources.

Mitigation

The Group's reserves and resources estimates are updated annually to reflect material extracted during the year, the results of drilling programmes and any revised assumptions. The Group follows the Joint Ore Reserves Committee ("JORC") Code in reporting its ore reserves and mineral resources, which requires that the reserves and resources estimates are based on work undertaken by a Competent Person, as defined by the Code. In addition, the Group's reserves and resources estimates are subject to a comprehensive programme of internal and external audits.

Reference

The ore reserves and mineral resources estimates, along with supporting explanations, are set out on pages 162 to 169.

Talent management and labour relations

Risk

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

Mitigation

There are long-term labour agreements in place with employees at each of the Group's mining operations, which help to ensure labour stability. These agreements were renegotiated for a period of up to four years for all of the Group's operations in 2014. The Group seeks to identify and address labour issues that may arise throughout the period covered by existing labour agreements, to anticipate any potential issues in good time. Contractors are also an important part of the Group's workforce and under Chilean law are subject to the same duties and responsibilities as the Group's own employees. The Group's approach is to treat contractors as strategic associates and its goal is to build long-term mutually beneficial contractor relationships. The Group maintains constructive relationships with its employees and the unions that represent them through regular communication and consultation. Union representatives are regularly involved in discussions about the future of the workforce.
The Group develops the talents of its employees through training and development, invests in initiatives to widen the talent pool and focuses on maintaining good relationships with employees, unions and contractors. The Group's performance management system is designed to provide reward and remuneration structures and personal development opportunities to attract and retain key employees. The Group has in place a talent management system to identify and develop internal candidates for critical management positions, as well as processes to identify suitable external candidates where appropriate.

Reference

Details of the Group's relations with its employees and contractors are set out within the Sustainability section on page 56 and within the Operational review on pages 38 to 49."

Related party transactions

The following description of related party transactions is extracted from Note 34 on page 153 of the 2014 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 25.

"***34. 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 are disclosed below.

The transactions that Group companies entered into with related parties who are not members of the Group are set out below.

a) Quiñenco S.A.

Quiñenco S.A. ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and three Directors of the Company, Jean-Paul Luksic, Andrónico Luksic and Gonzalo Menéndez, are also directors of Quiñenco.

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

- *the Group bought supply from Madeco, a subsidiary of Quiñenco for $0.4 million (2013 – nil). The balance due from Madeco at the end of the year was nil (2013 – nil);*
- *the Group sold copper cathodes during the year for nil (2013 – $6.8 million) to Madeco S.A., a subsidiary of Quiñenco. The balance due from Madeco at the end of the year was nil (2013 – less than $0.1 million);*
- *the Group bought copper wire from Madeco for nil (2013 – for $0.8 million);*
- *the Group earned interest income of $0.5 million (2013 – $0.7 million) during the year on deposits with Banco de Chile S.A., a subsidiary of Quiñenco. Deposit balances at the end of the year were $70.1 million (2013 – $48.7 million);*
- *the Group earned interest income of $1.5 million (2013 – $1.1 million) during the year on investments with BanChile Corredores de Bolsa S.A., a subsidiary of Quiñenco. Investment balances at the end of the year were $26.3 million (2013 – $17.3 million);*
- *the Group bought fuel from ENEX S.A. a subsidiary of Quiñenco of $54.3 million (2013 – $79.2 million). The balance due from ENEX S.A. at the end of the year was nil (2013 – nil); and*
- *the Group has contract shipping services from Compañia Sudamericana de Vapores S.A., subsidiary of Quiñenco, of nil (2013 – $0.5 million).*

b) Compañía de Inversiones Adriático S.A.

In 2013, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático S.A., a company controlled by the Luksic family, at a cost of less than $0.7 million (2013 – $0.7 million).

c) Compañía Antofagasta Terminal Internacional S.A.

As explained in Note 16, the Group has a 30% interest in Antofagasta Terminal Internacional S.A. ("ATI") which is accounted for as an associate. During 2014, the Group has not received dividends from ATI (2013 – nil).

d) Antomin Limited, Antomin 2 Limited and Antomin Investors Limited

The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, 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 2014 the Group incurred $17.0 million (year ended 31 December 2013 – $22.1 million) of exploration work at these properties.

e) Tethyan Copper Company Limited

As explained in Note 16 the Group has a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation over Tethyan's mineral interests in Pakistan. During 2014 the Group contributed $8.5 million (2013 – $7.0 million) to Tethyan. The balance due from Tethyan to Group companies at the end of the year was nil (2013 – nil).

f) Energía Andina S.A.

As explained in Note 16, the Group has a 50.1% interest in Energia Andina, which is a joint venture with Origin Energy Geothermal Chile Limitada for the evaluation and development of potential sources of geothermal and solar energy. The balance due from Energía Andina S.A. to the Group at 31 December 2014 was less than $0.1 million

(2013 – less than $0.1 million). During the year ended 31 December 2014 the Group contributed $7.7 million to Energía Andina (2013 – $21.6 million).

g) Minera Cerro Centinela S.A.

In March 2014 the Group acquired an additional 25.7% interest in Michilla for $30.9 million, increasing the Group's interest from 74.2% to 99.9%. This included the acquisition of the 7.973% stake held by Minera Cerro Centinela S.A., an entity ultimately controlled by the Luksic family, for $9.6 million. Prior to this transaction, Michilla paid dividends of $1.6 million to Minera Cerro Centinela S.A. (2013 – nil).

h) Directors and other key management personnel

Information relating to Directors' remuneration and interests are given in the Remuneration report on pages 86 to 99. Information relating to the remuneration of key management personnel including the Directors is given in Note 7.

i) Inversiones Hornitos S.A.

As explained in Note 16, the Group has a 40% interest in Inversiones Hornitos S.A., which is accounted for as an associate. The Group paid $175.3 million (year ended 31 December 2013 – $167.8 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During 2014, the Group has received dividends from Inversiones Hornitos S.A. for $20 million (2013 – nil).

j) El Arrayán

As explained in Note 16, the Group has a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayán"), which is accounted for as an associate. The Group paid $12.0 million (year ended 31 December 2013 – nil) to El Arrayán in relation to the energy supply contract at Los Pelambres. During 2014 the Group has contributed $2.6 million to El Arrayán (year ended December 2013 – nil).

k) Alto Maipo SpA

As explained in Note 16, the Group has a 40% interest in Alto Maipo SpA ("Alto Maipo"), which is accounted for as an associate. During 2014 the Group has not made capital contributions to Alto Maipo (2013 – $52.6 million). The balance due from Alto Maipo to the Group at 31 December 2014 was $152.4 (2013 – $47.0 million) representing loan financing with an interest rate of LIBOR six-month plus 4.25%.

l) Twin Metals

As explained in Note 16, the Group holds a 40% interest in Twin Metals Minnesota LLC ("Twin Metals"), which from July 2014 has been accounted for as an associate. The Group has contributed $2.8 million to Twin Metals since July 2014 while it has been accounted for as an associate. Throughout 2013 and up to July 2014 Twin Metals was controlled by the Group and accounted for as a subsidiary, and therefore all contributions from the Group to Twin Metals during this period were between consolidated Group subsidiaries."

Investors – London		**Media (Brunswick)**	
Andrew Lindsay	alindsay@antofagasta.co.uk	Carole Cable	antofagasta@brunswickgroup.com
Partesh Bhanderi	pbhanderi@antofagasta.co.uk	Robin Wrench	antofagasta@brunswickgroup.com
Telephone	*+44 20 7808 0988*	*Telephone +44 20 7404 5959*	

Investors – Santiago	
Alfredo Atucha	aatucha@aminerals.cl
Telephone	*+56 2 2798 7000*