2015 Results Presentation

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

1. 2015 Overview
2. Operations review and growth opportunities
3. Financial review
4. Investment case
Safety First Culture

- Unacceptably, a fatality occurred at Michilla during the year
- Committed to zero fatalities
- 38% improvement in injury rate
- New safety and occupational health model being extended to contractors

Focus on:
  - Early identification of key fatality and serious injury risks
  - Reporting and investigating high-potential near misses
  - On-the-ground senior safety leadership

![Safety Performance Graph]

Achieved 38% reduction in LTIFR
2015 Year’s Highlights

The Group’s position in a challenging environment
- Strong balance sheet
- Competitive operating cost position
- Re-setting community engagement
- Preserving growth projects

Optimise our portfolio
- Sale of water division
- Bring Antucoya to full production
- Purchase of TMM and stake in Zaldívar
- Closure of Michilla

Maintain our discipline and flexibility
- Cost control without increasing risk
- Reduce development capital expenditure without compromising future growth
## 2015 overview

Reducing costs and building a platform for long-term growth

<table>
<thead>
<tr>
<th></th>
<th>vs. 2014</th>
<th>2015&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>(34.0)%</td>
<td>$3,394.6m</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>(58.4)%</td>
<td>$890.7m</td>
</tr>
<tr>
<td><strong>Net earnings per share</strong></td>
<td>(98.6)%</td>
<td>0.6c</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>(65.8)%</td>
<td>$858.3m</td>
</tr>
<tr>
<td><strong>Copper production</strong></td>
<td>(10.6)%</td>
<td>630.3kt</td>
</tr>
<tr>
<td><strong>Net cash costs</strong></td>
<td>4.9%</td>
<td>$1.50/lb</td>
</tr>
</tbody>
</table>

- **Revenue**: Lower realised copper prices (24% decline), disruptions to production in Q1 and heavy rains in the Atacama Desert in Q2.
- **EBITDA**: Revenues declined and lower production lead to higher unit costs.
- **Net earnings per share**: Lower realised copper price and sales, partly offset by lower tax payable.
- **Operating cash flow**: Operations continue to generate significant cash despite the fall in revenue.
- **Copper production**: Lower production at Los Pelambres due to disruptions in Q1 as well as lower grades. Lower production at Centinela and delayed ramp-up at Antucoya.
- **Net cash costs**: Lower gold production and lower realised molybdenum prices.

<sup>1</sup> FY 2015 financials and comparatives for continuing operations
Investment Case
Responding to uncertain times

High quality assets
• Strong and growing production
• Large resource base
• Low costs and long-life assets
• Four mines in two ‘world-class’ mining districts in Chile

Cost control
• Focus on operating efficiencies through innovation and exploiting synergies
• Cost and Competitiveness Programme

Capital discipline
• Strong and flexible balance sheet
• Manageable debt levels
• Consistence payout ratio dividend policy

Robust platform
• Continuing to optimise mines
• Lowering cost base for future upturn
• Disciplined approach to capital allocation

Creating value for shareholders
**Copper market outlook**

- LME copper price averaged $2.50/lb 2015 (2014: $3.11/lb)
- Price remains under pressure as mine supply grows modestly
  - Small surpluses expected in 2016 and 2017
  - Market tightens from 2018 onwards
- Cost curve pushed down and flattened as producers cut costs
  - External factors (FX and Oil) provide additional relief
- Benchmark TC/RCs set lower 9% than in 2015
- Optimistic in medium and long term, supported by copper fundamentals

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**Global Supply and Demand**

![Graph showing supply and demand trends from 1992 to 2027](chart.png)

Source: Wood Mackenzie Q4 2015 Copper Outlook

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**China**

“New Normal” in China?

- Consumption led economy
- Slower sustained growth
- Investment in power grid
- Spending to support geopolitical ambitions
- One Belt, One Road
- Resources to prevent a hard landing
- 13th five-year plan – limited fiscal stimulus

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**Our Experience**

First hand experience suggests China demand growth has slowed, but we still see meaningful increases of copper imports into China
Operations review and growth opportunities
1. **Existing core business**
   - Constant focus on cost management and compliance
   - Delivery of production and cash cost guidance
   - Continue to get the best possible performance from existing assets
   - Proactive new approach with community and other stakeholders

2. **Organic & sustainable growth of the core business**
   - Complete Antucoya on budget
   - Complete Centinela 105 ktpd expansion
   - Progress Encuentro Oxides
   - Complete Centinela Second Concentrator and Los Pelambres Incremental Expansion feasibility studies and advance permitting

3. **Growth beyond the core business**
   - Progress international exploration activities
   - Continue optimisation of Twin Metals Minnesota pre-feasibility study
   - Monitor potential acquisition opportunities
# Operations overview

## Los Pelambres

<table>
<thead>
<tr>
<th>Year</th>
<th>Cu (t)</th>
<th>C1 ($/lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>391,300</td>
<td>$1.18</td>
</tr>
<tr>
<td>2015</td>
<td>363,200</td>
<td>$1.23</td>
</tr>
</tbody>
</table>

- Lower throughput due to harder ore zone of the mine
- Highest molybdenum production since 2012
- Protests in Q1 2015

## Centinela

<table>
<thead>
<tr>
<th>Year</th>
<th>Cu (t)</th>
<th>C1 ($/lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>266,600</td>
<td>$1.63</td>
</tr>
<tr>
<td>2015</td>
<td>221,100</td>
<td>$1.85</td>
</tr>
</tbody>
</table>

- Lower grade
- Throughput expansions progressing

## Michilla

<table>
<thead>
<tr>
<th>Year</th>
<th>Cu (t)</th>
<th>C1 ($/lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>47,000</td>
<td>$2.38</td>
</tr>
<tr>
<td>2015</td>
<td>29,400</td>
<td>$2.14</td>
</tr>
</tbody>
</table>

- Placed on care and maintenance at the end of 2015

## Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Cu (t)</th>
<th>C1 ($/lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>704,800</td>
<td>$1.43</td>
</tr>
<tr>
<td>2015</td>
<td>630,300</td>
<td>$1.50</td>
</tr>
</tbody>
</table>

- Lower production at Los Pelambres and Centinela
- Completed construction of Antucoya, with commissioning in Q2 2016

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1. Includes 4.4kt from Zaldivar and 12.2kt from Antucoya
## Growth opportunities

<table>
<thead>
<tr>
<th>Project</th>
<th>Year</th>
<th>Cu (ktpa)</th>
<th>Capex (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Centinela 105ktpd</strong></td>
<td>2016</td>
<td>10-12</td>
<td>110</td>
</tr>
<tr>
<td><strong>Centinela Moly Plant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Encuentro Oxides</strong></td>
<td>2017</td>
<td>50</td>
<td>636</td>
</tr>
<tr>
<td><strong>Centinela Second Concentrator</strong></td>
<td>2018</td>
<td>140</td>
<td>2700</td>
</tr>
<tr>
<td><strong>Los Pelambres Phase 1</strong></td>
<td>2019</td>
<td>60</td>
<td>1100</td>
</tr>
<tr>
<td><strong>Los Pelambres Phase 2</strong></td>
<td>2020+</td>
<td>35</td>
<td>500</td>
</tr>
</tbody>
</table>

### Notes
1. Feasibility study figures
2. Estimated figures for the first five years
3. Pre-feasibility study figures
4. Including desalination plant
Zaldívar acquisition

- 50% from Barrick for $1.0 billion closed in Q4 2015,
- Antofagasta operator of the mine
- Rare opportunity to acquire good-quality copper asset in familiar jurisdiction
- Production growth as grade increases
- $15-20 million of synergies and cost savings targeted
- Upside potential through exploration of mine’s resources
- Capital intensity of $17,000/t annual production

Zaldívar

Start of operation: 1998
Remaining mine life: 14 years
Reserves (P+P) (1): 455mt @ 0.55% Cu

<table>
<thead>
<tr>
<th></th>
<th>2015 (2)</th>
<th>First 5 years (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper production (t)</td>
<td>103,300</td>
<td>100-150,000</td>
</tr>
<tr>
<td>Cash costs ($/lb)</td>
<td>1.74</td>
<td>1.30-1.70</td>
</tr>
</tbody>
</table>

Note: Attributable production for 2015 was 4,400 tonnes
1. As of 31 December 2015
2. Full year figures. 100% of production.
Antucoya – ramp-up

Delivering growth on budget

- First cathode in Q3 2015
- Commissioning issues in the crushing circuits caused delay in ramp-up
- Approximately 7m tonnes of crushed material on the leach pads as at 31 December 2015
- Reach design capacity by mid-2016

### Antucoya

- **Start of operation:** 2015
- **Remaining mine life:** 18 years
- **Reserves (P+P)(1):** 686.6mt @ 0.34% Cu

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper production (t)</td>
<td>12,200</td>
<td>65-75,000</td>
</tr>
<tr>
<td>Cash costs ($/lb)</td>
<td>n/a</td>
<td>1.65</td>
</tr>
</tbody>
</table>

1. As of 31 December 2015
Centinela Mining District
Under construction

Centinela debottlenecking
• Debottlenecking concentrates plant to increase throughput to 105 ktpd
• Front-end completed in 2015
• Installation of tailing thickeners in 2016

Molybdenum plant
• Construction underway
• Completion in 2017

Encuentro Oxides
• Next stage in development of Centinela District
• Revised construction time line to conserve cash
• Commence production in 2017
• 8-year mine life
• Provides feed for existing SX-EW plant
• Full production 50,000 tonnes of copper per annum
• Focusing on critical items in project development
Centinela Mining District
Future development

**Centinela Second Concentrator**

- Planned 2nd concentrator 7 km from current facilities
  - Throughput: 90 ktpd
  - Annual production:
    - 140 kt copper
    - 150 koz gold
    - 3.0 kt molybdenum
- Two-phase growth:
  - Phase 1 - 90 ktpd
  - Phase 2 - +50 ktpd
- EIA submitted to authorities in Q2 2015
- Slowed feasibility study, focusing on critical path items
- Earliest investment decision 2017
Los Pelambres Incremental Expansion
Phased development

Phase 1
• Maximising throughput under existing permits
• Throughput capacity to 190 ktpd + desalination plant
• New grinding and flotation circuit to counter the increasing hardness of the ore
• Estimated capex of $1.1 billion including desalination plant and water pipeline
• Desalination and water pipeline EIA submission in 2016
• Earliest investment decision in late 2017

Phase 2
• Throughput expansion to 205 ktpd
• Mine life extension beyond 2037 with increases in capacity of tailings facility and waste rock dumps
• Repower conveyors from primary crusher to concentrator
• Estimated capex of $500 million
• EIA submission in 2018
Further growth opportunities
Beyond 2020

Twin Metals Minnesota Project
• 2.4 billion tonne resource containing copper, nickel and PGMs
• Optimising pre-feasibility study
• Consolidated ownership of project
• Advancing permitting process

Exploration and evaluation
• Chile and internationally
• Reduced exploration and evaluation as part of cost savings programme
**2015 Performance and Guidance**

Production and cost improvements to offset another challenging year

<table>
<thead>
<tr>
<th></th>
<th>Cu</th>
<th>Au</th>
<th>Mo</th>
<th>$/lb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015 Production</strong></td>
<td>630,300 t</td>
<td>213,900 oz</td>
<td>10,100 t</td>
<td>1.50/lb</td>
</tr>
<tr>
<td><strong>2016 Guidance</strong></td>
<td>710,000 - 740,000 t</td>
<td>245,000 - 275,000 oz</td>
<td>8,000 – 9,000 t</td>
<td>1.35/lb</td>
</tr>
</tbody>
</table>
Financial review
Weaker commodity price environment

Revenue declined by 34.0%
- Mainly as a result of lower copper prices and sales volumes
- Lower gold price and volumes
- Lower realised moly price (> 50% lower), partly offset by higher volumes

### Turnover 2015 vs 2014 ($m)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 13</th>
<th>30 Jun 14</th>
<th>31 Dec 14</th>
<th>30 Jun 15</th>
<th>31 Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>5,146</td>
<td>(1,556)</td>
<td>(187)</td>
<td>(9)</td>
<td>3,394</td>
</tr>
<tr>
<td>By-products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Restated to include results of continuing operations only

### Copper price

<table>
<thead>
<tr>
<th>Date</th>
<th>31 Dec 13</th>
<th>30 Jun 14</th>
<th>31 Dec 14</th>
<th>30 Jun 15</th>
<th>31 Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>1,000</td>
<td>1,100</td>
<td>1,200</td>
<td>1,300</td>
<td>1,400</td>
</tr>
</tbody>
</table>

### Gold price

<table>
<thead>
<tr>
<th>Date</th>
<th>31 Dec 13</th>
<th>30 Jun 14</th>
<th>31 Dec 14</th>
<th>30 Jun 15</th>
<th>31 Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>5,146</td>
<td>(1,556)</td>
<td>(187)</td>
<td>(9)</td>
<td>3,394</td>
</tr>
</tbody>
</table>

### Molybdenum price

<table>
<thead>
<tr>
<th>Date</th>
<th>31 Dec 13</th>
<th>30 Jun 14</th>
<th>31 Dec 14</th>
<th>30 Jun 15</th>
<th>31 Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>15</td>
<td>13</td>
<td>11</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>
2015 Unit cash costs

Cash costs before by-product credits ($/lb) - by operation

2014FY  | Los Pelambres  | Centinela  | Michilla  | Zaldívar  | 2015FY
---|---|---|---|---|---
$1.83/lb | (0.02) | 0.03 | (0.02) | (0.01) | $1.81/lb

Cash costs before by-product credits ($/lb) - by cost type

2014FY  | Fx & Inflation  | Input prices (1)  | Lower Production  | TC/RCs  | Savings  | 2015FY
---|---|---|---|---|---|---
$1.83/lb | (0.07) | (0.10) | 0.24 | 0.02 | (0.11) | $1.81/lb

1. Energy, diesel and acid
EBITDA FY 2015 vs FY 2014 ($m)

- EBITDA Margin FY 2015: 31.4%
- EBITDA Margin FY 2014: 26.2%

$1,250m variance

1. Results of continuing operations only
Net earnings FY 2015 vs FY 2014 ($m)

1. Results of continuing operations only
Operating cash flow

Cash flow in period ($m)

Net Cash/(Debt) Gross Basis 31 Dec 2015

Net Cash/(Debt) Attributable Basis 31 Dec 2015

1. Subordinated debt of $483 million on a gross basis and $338 million on an attributable basis
Operating cost savings

**2015**

$246m of savings achieved

**Mine Site Costs**
- $152m ($0.11/lb) of savings
- Cumulative savings of $190m since start of CCP\(^{(1)}\)

**Corporate Costs**
- $94m of Exploration & Evaluation, and Corporate costs savings
- Cost control without increasing risk

**Gross Cash Costs (c/lb)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exploration &amp; Evaluation</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>183</td>
<td>168</td>
</tr>
<tr>
<td>2015</td>
<td>24</td>
<td>102</td>
</tr>
</tbody>
</table>

**2016**

$160m of savings targeted

**Target Areas**
- Additional $160 million from mine site costs, +6% of 2015 costs, already included in 2016 guidance
- Target wider group of contractors for cost reduction
- Evaluating organisational structures and effectiveness

**E&E and Corp Costs ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exploration &amp; Evaluation</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>90</td>
<td>62</td>
</tr>
<tr>
<td>2015</td>
<td>(36%)</td>
<td>(11)</td>
</tr>
</tbody>
</table>

1. Cost and Competitiveness Programme
2. Energy, diesel and acid
2014-2016 ($m)

- Slowing development projects under construction: Encuentro Oxides and the Molybdenum Plant
- Sustaining capex ratio steadily decreasing: $566/t Cu to $414/t Cu

Note: Figures are based on cash flow
1. Others include Transport Division, Water Division and Corporate
2. Sustaining Capex ratio does not include capex or production for Zaldivar
Investment Case
Responding to uncertain times

- Strong and growing production
- Large resource base
- Low costs and long-life assets
- Four mines in two ‘world-class’ mining districts in Chile

- Focus on operating efficiencies through innovation and exploiting synergies
- Cost and Competitiveness Programme

- Strong and flexible balance sheet
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- Continuing to optimise mines
- Lowering cost base for future upturn
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Creating value for shareholders