

LOS PELAMBRES EXPANSION PROJECT WILL REMAIN ON CARE AND MAINTENANCE UNTIL FURTHER NOTICE

Further to the announcement made of 2 April, Antofagasta Minerals SA today announced further details on the suspension of the Los Pelambres Expansion project, referred to in Chile as the INCO project. A translation of the announcement is as follows:

“ANTOFAGASTA MINERALS SUSPENDS INCO PROJECT CONTRACTING COMPANIES AGREEMENTS

- This action, which will be periodically reviewed based on the evolution of the emergency, will in principle apply for an estimated maximum period of 120 days and, in most cases, does not imply the contract will be terminated. *"This is a temporary suspension that has been taken as it is not possible to continue with the construction of the project as originally planned and is only for the duration of the emergency, as we hope to resume work as soon as possible,"* explained Francisco Walther, Vice President of Projects at Antofagasta Minerals.
- In the next few days, the terms of this decision will be reviewed with each of the contracting companies, with the central aim to maintain a minimum monthly salary for each workers' of at least Ch\$500,000¹, in addition to what the worker is entitled to in accordance with the law. *"We all must make an effort so that the cost of this crisis affects the project's workers as little as possible,"* said Walther.

Salamanca, April 4, 2020

As it is not possible to continue working normally as a result of the health emergency caused by the coronavirus, Antofagasta Minerals has decided to temporarily suspend the contracts with most of the companies building the INCO project of Minera Los Pelambres.

This decision makes it possible to strengthen general hygiene and social isolation measures, thus protecting the health of both workers and communities.

The suspension, which in principle will have a maximum duration of up to 120 days, should in most cases not lead to the termination of the contracts. *"We want to maintain a contractual relationship with most of the contractor companies with which we are working today, but we must accept that, given the current conditions, many cannot do the work for which they are contracted,"* explained Francisco Walther, Vice President of Projects at Antofagasta Minerals.

For this reason, instead of terminating contracts as other companies have done, the Company has proposed this course of action, which seeks to build solutions and tries to avoid such an outcome. *"It is a temporary suspension for the duration of this emergency, as we hope to resume work as soon as possible, hopefully well before the end of the initially defined timeframe,"* Walther said.

The terms that will apply to contractor companies during this suspension period will be agreed in the coming days. However, each case will be reviewed individually, seeking to maintain, whenever possible, each workers' minimum monthly income equal to Ch\$500,000¹, and avoiding the

termination of their employment. Additionally, if legally applicable, this benefit would be in addition to any benefits that may eventually receive under the law.

"We must all try to reduce the cost of this crisis on the INCO project's contractor workers as much as possible. Therefore, we are contributing so that, whenever possible, workers from the INCO project are not left without an income in these difficult times," said Walther.

At los Pelambres the workforce reductions of its regular operations that have already been implemented² are being maintained, with the aim of ensuring the necessary hygienic conditions to protect the health of those who work on site and in the communities. In each case, the company will agree the contractual conditions with each of the contract companies involved."

The original announcement by Antofagasta Minerals in Spanish can be found at www.aminerals.cl/comunicaciones/noticias/.

- 1 This is the minimum wage set by Antofagasta Minerals on 1 January 2020 for all its on-site contractors and is approximately two-thirds higher than the national minimum wage.
- 2 As previously announced on 20 March 2020 and 2 April 2020, workforce numbers at Los Pelambres have been reduced by approximately 50% with critical employees remaining at work to ensure production continues largely unaffected.

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