

NEWS RELEASE, 14 APRIL 2020

## **PUBLICATION OF 2019 ANNUAL REPORT AND 2020 NOTICE OF ANNUAL GENERAL MEETING**

Antofagasta plc (the "Company") will today post its 2019 Annual Report and Financial Statements and notice of the Annual General Meeting of the Company (the "2020 AGM Notice") to shareholders.

The 2019 Annual Report and Financial Statements, which were approved by the Board of Directors on 16 March 2020, 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 the Company's offices at Cleveland House, 33 King Street, London SW1Y 6RJ on 20 May 2020 from 10 a.m. Due to the impact of COVID-19, the Board anticipate that the meeting will go ahead but that shareholders will not be able to attend in person. A separate RNS announcement will be published today in relation to these arrangements.

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

- 2019 Annual Report and Financial Statements
- 2020 AGM Notice
- Letter to Shareholders regarding Arrangements for the Annual General Meeting, which is supplementary to, and must be read in conjunction with, the 2020 AGM Notice.
- Form of Proxy for Ordinary Shareholders for Annual General Meeting
- Form of Proxy for Preference Shareholders for Annual General Meeting
- Letter to Shareholders regarding Electronic Communications

These documents will shortly be available for inspection via the National Storage Mechanism, ([www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)).

In compliance with DTR 6.3.5, the following information is extracted from the 2019 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 17 March 2020. 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 2019 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 2019 Annual Report and Financial Statements. The full 2019 Annual Report and Financial Statements are available on the Company's website at ([www.antofagasta.co.uk](http://www.antofagasta.co.uk)).

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 2019 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual

General Meeting. 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).

### **Statement of Directors' Responsibilities**

The following information is extracted from page 140 of the 2019 Annual Report and Financial Statements.

*"The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.*

*Each of the Directors, whose names and functions are listed in the Corporate Governance Report, confirms that, to the best of his or her knowledge:*

- *the Parent Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company,*
- *the Group financial statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group, and*
- *the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.*

*By order of the Board*

*Jean-Paul Luksic, Chairman*

*Ollie Oliveira, Senior Independent Director"*

## **Principal Risks and Uncertainties**

The following description of Principal Risks and Uncertainties is extracted from pages 25 to 30 of the 2019 Annual Report and Financial Statements.

### ***“1. Talent management and labour relations***

*Our highly skilled workforce and experienced management team are critical to maintaining our current operations, implementing development projects and achieving long-term growth without major disruption.*

*Managing talent and maintaining a high-quality labour force in a changing technological and cultural environment is a key priority for us. Any failures in this respect could have a negative impact on the performance of the existing operations and prospects for future growth.*

#### ***Preventive and mitigation measures***

*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 compliance with Chile’s strict labour regulations.*

*There are long-term labour agreements in place with all 19 unions at our operations, helping to ensure labour stability.*

*We seek to identify and address labour issues that may arise throughout the period covered by the labour agreements (usually three years) and to anticipate any potential issues in good time. Contractors are an important part of our workforce and under Chilean law are subject to the same duties and responsibilities as our own employees. We treat contractors as strategic associates and build long-term, mutually beneficial relationships.*

*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.*

*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 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 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 identifying suitable external candidates where appropriate.*

#### ***Highlights***

*Four labour negotiations took place in 2019. In one case, at Antucoya, the Company and labour representatives could not reach an agreement within the prescribed negotiation period and the workers’ union decided to execute their legal option to initiate a strike. The negotiation was successfully concluded after 18 days.*

## **2. Safety and health**

*Safety and health incidents could result in harm to our employees, contractors and local communities. Ensuring their safety and wellbeing is our ethical obligation and first priority and is part of our core values. A poor safety record or serious accidents could have a long-term impact on Antofagasta's morale, reputation and production.*

### **Preventive and mitigation measures**

*We seek continuous improvement of our safety and health risk management procedures, with particular focus on the early identification of risks and the prevention of fatalities.*

*The Corporate Safety and Health Department provides a common strategy for our operations and coordinates all safety and health matters. We have a Significant Incident Report system, which is an important part of the overall approach to safety.*

*Our goal of zero serious accidents and fatalities and minimising the number of accidents requires all contractors to comply with our Occupational Safety and Health Plan. This plan is monitored through monthly audits and is supported by regular training and awareness campaigns for employees, contractors, employees' families and local communities, particularly with regard to road safety. We require all staff in defined safety-critical roles to satisfy at least the minimum qualifications, to have the necessary experience for their role and to complete any required training prior to commencing their work activities.*

*Critical controls and verification tools are regularly strengthened through the verification programme and regular audits of critical controls for potentially high-risk activities.*

*We continuously seek to incorporate technology and innovation to reduce workers' exposure to safety and health risks.*

### **Highlights**

*In 2019 there were no fatal accidents. Our focus remained on preventing accidents to our employees and contractors by regularly revisiting and improving safety and health standards. Risks were re-evaluated, focusing on the risk of fatality and analysing high potential accidents identified during the year.*

## **3. Environmental management**

*An operating incident that damages the environment could affect both our relationship with local stakeholders and our reputation, undermining our social licence to operate and grow.*

*We operate in challenging environments, including the largely agricultural Choapa Valley and the Atacama Desert, where water scarcity is a key issue.*

### **Preventive and mitigation measures**

*We have a comprehensive approach to incident prevention. Relevant risks are assessed, monitored and controlled in order to achieve our goal of zero incidents with significant environmental impact. We work to raise awareness among employees and contractors, providing training to promote operating excellence. 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 renewable resources by using sea water, favouring the use of renewable power sources, achieving higher rates of reuse and recovery of water through thickened tailings technology and reducing greenhouse gas emissions through energy efficiency and other measures.*

*We recognise that environmental sustainability is key to our licence to operate and perform regular risk assessments to identify potential impacts and develop preventive and mitigating strategies.*

*Each site maintains an updated environmental emergency preparedness plan and a detailed closure plan with appropriate financial provisions to ensure physical and chemical stability once operations have ceased.*

### **Highlights**

*We had no incidents with significant environmental impact during 2019. We also monitored and reinforced our critical controls in line with our low appetite for environmental risk.*

### **4. Climate change**

*The effects of climate change have had an increasing impact on our operations. The drought in the central area of Chile is affecting water availability, while higher than expected rainfall in the northern part of the country is impacting the infrastructure in the region and the increasing severity of sea swells are leading to delays in the delivery of key supply materials.*

*We are committed to contributing to the reduction of the global problem of growing greenhouse gas emissions and water scarcity by reducing our own emissions. We can do this by increasing the amount of power and water we obtain from renewable and sustainable sources.*

### **Preventive and mitigation measures**

*We recognise that climate change is a threat to human life and the planet as we know it today.*

*We measure and report our greenhouse gas emissions and have committed to reduction targets based on realistic plans.*

*As regards water scarcity, we are reducing our dependence on continental water through improved water use efficiency and the increased use of sea water as a total proportion of our water consumption. On completion of the Los Pelambres desalination plant the proportion of continental water used will decrease further.*

*We constantly seek to identify risks associated with climate change and to implement actions to mitigate and adapt to their potential impact. For each risk evaluated as “High” or “Extreme” we define 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.*

### **Highlights**

*The climate change risk area was included in the key risks analysis for the first time in 2019, in recognition of the increasing impact it could have on our operations and business sustainability. We are committed to*

*contributing to the reduction of greenhouse gas emissions and support local communities in preparing for the effects of increasing emissions.*

## **5. Community relations**

*Failure to identify and manage local concerns and expectations could negatively impact Antofagasta. Relations with local communities and stakeholders affect our reputation and social licence to operate and grow.*

### **Preventive and mitigation measures**

*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 identify early any potentially negative operating impacts and minimise these through responsible behaviour. This means acting transparently and ethically, prioritising the safety and health 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 of the existing situation and their specific needs, while looking to develop long-term, sustainable relations and evaluating the impact of our contributions. We are also focused 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.*

### **Highlights**

*In 2019, during a period of nationwide social unrest, a blockade of the access road to Los Pelambres affected its operations. Transparency and open dialogue with stakeholders led to a return to normal operations after a short period of disruption.*

## **6. Political, legal and regulatory**

*Political instability may 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.*

### **Preventive and mitigation measures**

*Political, legal and regulatory developments affecting our operations and projects are constantly monitored. We comply fully with the existing laws, regulations, licences, permits and rights in each country 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 changes. This helps to improve our internal processes and better prepare to meet any new regulatory requirements.*

*As we have no operations or material exposure to the UK, Brexit is not expected to have any appreciable impact on the Company. This position is kept under review as Brexit discussions continue.*

### **Highlights**

*Following nationwide social unrest in Chile several legal and regulatory changes have been proposed, including labour, tax and environmental reforms. We will evaluate the impact of these changes on our activities and will seek to mitigate any negative impacts.*

### **7. Corruption**

*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”. Such risks depend on the economic or political stability of the country in which we are operating.*

#### **Preventive and mitigation measures**

*We have a “zero tolerance” regime for any activity that would result in contravening anti-bribery and corruption legislation. A robust governance regime, including an Ethics Committee, open channels of communication, training and multiple layers of controls, are maintained at all of our operations and exploration activities, and in our third-party relationships.*

*Our compliance model seeks to prevent any activity which may involve us directly or indirectly in any irregular situation, to detect any potential risk in good time and to act accordingly. There are control procedures in place that help to prevent corruption, covering such issues as conflicts of interest, suitability of suppliers, the receiving and giving of gifts and hospitality, and facilitation payments.*

*All our employees receive training on our Compliance Model, which is subject to external certification.*

### **Highlights**

*New offences were included in the Chilean anti-bribery law in late 2018 and early 2019. Accordingly, our crime prevention model was updated, and related risks re-evaluated. The main risk identified is the severe transgression of the law, which has been evaluated as being very unlikely, yet with a potentially severe impact.*

### **8. Operations**

*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, extreme weather conditions and natural disasters, any of which could adversely affect production and/or costs.*

### **Preventive and mitigation measures**

*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 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 utilisation of our assets, in line with their nameplate design and technical limits. We keep the variation of processes within defined tolerance limits.*

*We have Business Continuity Plans and Disaster Recovery Plans for all key processes within our operations in order 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.*

### **Highlights**

*In 2019 all operational risks were continually and consistently monitored at all of our operations. Common operating models, preventive maintenance and cost control supported our strong operating performance during the year, despite the materialisation of social and labour risks.*

## **9. Tailings storage**

*Ensuring the stability of our tailings storage facilities (TSFs) during their entire lifecycles is central to our operations. A failure or collapse of any of our TSFs could result in fatalities, damage to the environment, regulatory violations, reputational damage and the disruption of the quality of life of neighbouring communities as well as our operations.*

### **Preventive and mitigation measures**

*We manage our TSFs in a manner that allows the effectiveness of their design, operation and closure to be monitored at the highest level of the Company.*

*Catastrophic failures of TSFs are unacceptable and their potential for failure will be evaluated and addressed throughout the entire life of each facility. The facilities 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 based on data, modelling, and construction and operating methods validated by highly qualified independent international experts, whose recommendations we implement in order to strengthen the control environment. Risk management includes timely risk identification, and control definition and verification. Controls are based on the consequences of the potential failure of the tailings facilities.*

### **Highlights**

*The tailings storage risk area was included as a specific risk in the key risks analysis in 2019 for the first time. It was previously included as part of Operations risks.*



## **10. Strategic resources**

*Disruption or restrictions to 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.*

*A significant portion of our input costs are influenced by external market factors.*

### **Preventive and mitigation measures**

*In order to achieve security of supply, contingency plans are in place to address any short-term disruptions to strategic resources. We negotiate early with suppliers of 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.*

*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 are committed to incorporating sustainable technological and innovative solutions, such as using sea water and renewable power when economically viable, to mitigate exposure to potentially scarce resources.*

*We maintain a rigorous, risk-based supplier management framework to ensure that we engage solely with reputable product and service providers and keep in place necessary controls to ensure the traceability of all supplies (including avoiding any conduct related to modern slavery).*

### **Highlights**

*In 2019 Antucoya's power supply contract was renegotiated, achieving cost reductions and supply from renewable energy sources, which will reduce the Company's greenhouse gas emissions from 2022.*

## **11. Cyber security**

*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.*

### **Preventive and mitigation measures**

*Our information security management model is designed with defensive structural controls to prevent and mitigate the effects of computer risks. 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 threats to the operations and additional systems have been put in place to protect our assets and data.*

## **Highlights**

*In 2019, in addition to periodic IT systems assessments, operating control systems hacking tests were performed, following which the probability of this risk was re-evaluated downwards.*

## **12. Liquidity**

*Restrictions in financing sources for future growth could prevent us from taking advantage of growth or other opportunities available in the market.*

### **Preventive and mitigation measures**

*Security, liquidity and return represent the order of priorities for our 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 while maintaining our 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 financing 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.*

## **Highlights**

*In 2019 we successfully financed the Los Pelambres Expansion project with 100% debt and refinanced the Antucoya project financing with a long-term unsecured corporate loan.*

## **13. Commodity prices and exchange rates**

*Our 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.*

*Our sales are mainly denominated in US dollars, although some of our operating costs are in Chilean pesos. As a result, the strengthening of the Chilean peso may negatively affect our financial results.*

### **Preventive and mitigation measures**

*We consider exposure to commodity price fluctuations to be an integral part of our business and our usual policy is to sell our products at prevailing market prices. We monitor the 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 through various commodity price scenarios and develop contingency plans as required.*

*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 our foreign exchange exposure. However, we monitor the foreign exchange markets and the macroeconomic variables that affect*

*them and on occasion we implement a focused currency hedging programme to reduce short-term exposure to fluctuations in the US dollar against the Chilean peso.*

### **Highlights**

*In 2019 copper price and exchange rates risks remained high, unchanged compared to 2018.*

### **14. Growth of mineral resource base and opportunities**

*We need to identify new mineral resources to ensure continued future growth, and 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, have a significant influence on the forecast return of investments. If incorrectly estimated, these could result in poor decision-making.*

*As regards exploration, there is a risk that we may not identify sufficient viable mineral resources.*

### **Preventive and mitigation measures**

*Our exploration and investment strategy prioritises exploration and investment in the Americas. We focus on growth opportunities in stable and secure countries in order to reduce our risk exposure.*

*We conduct rigorous assessment processes to evaluate and determine the risks associated with all potential business acquisitions and strategic exploration alliances, including conducting stress-test scenarios for sensitivity analysis. Each assessment includes 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 growth opportunities and transactions, and approves or recommends them within authority levels set by the Board.*

### **Highlights**

*During 2019 our exploration activities focused mostly on the Americas and our risk exposure level remained at the same level as in 2018.*

### **15. Project execution**

*Failure to effectively manage our development projects could result in delays to the start of production and cost overruns.*

### **Preventive and mitigation measures**

*We have a project management system to apply the best practices 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 benefit 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 ongoing projects are regularly reviewed and include assessments of progress against key project milestones and performance against budget.*

*Project robustness is stress-tested against a range of copper price scenarios. Joint project/operation teams are established early in the development project in order to ensure smooth transition of the project into operating mode once construction is completed.*

### **Highlights**

*The Los Pelambres Expansion project started construction at the beginning of the year, increasing the Company's exposure to project execution risks. These risks are being proactively managed and frequently evaluated by the project team according to a specific project risk management procedure.*

### **16. Innovation and digitisation**

*Our ability to deliver on our strategy and performance targets may be undermined by missed opportunities or delays in adopting new technologies and our ability to innovate.*

#### **Preventive and mitigation measures**

*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 where there is no competitive barrier to doing so, in order to maximise the potential for improvements in our processes and systems. A dedicated team monitors, identifies and analyses external innovation trends with potential application to our business, including 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 innovations to our day-to-day operating systems. We also dedicate resources to testing and, if successful, escalating innovations with potential positive impact on our business and growth options.*

### **Highlights**

*In 2019 we launched our digital transformation programme, focused on increasing the integration of technology into our operating and administrative processes."*

## **Related party transactions**

The following description of related party transactions is extracted from Note 33 on page 200 of the 2019 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 25.

*“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. Two Directors of the Company, Jean-Paul Luksic and Andronico Luksic, 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 \$159.3 million (2018 – \$221.6 million). The balance due to ENEX SA at the end of the year was nil (2018 – nil);*
- *the Group earned interest income of \$4.0 million (2018 – \$2.8 million) during the year on deposits with Banco de Chile SA, a subsidiary of Quiñenco. Deposit balances at the end of the year were \$67.9 million (2018 – \$47.0 million);*
- *the Group earned interest income of \$0.2 million (2018 – \$1.4 million) during the year on investments with BanChile Corredores de Bolsa SA, a subsidiary of Quiñenco. Investment balances at the end of the year were \$6.0 million (2018 – \$6.5 million).*
- *the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of \$1.0 million (2018 – nil). The balance due to Hapag Lloyd at the end of the year was nil (2018 – nil).*

### **B) Compañía De Inversiones Adriático SA**

*In 2019, 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 \$0.6 million (2018 – \$1.2 million).*

### **C) 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, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. Mineralinvest is owned by the E. Abaroa Foundation, in which members of the Luksic family are interested. During the year ended 31 December 2019 the Group incurred \$0.1 million (year ended 31 December 2018 – \$0.2 million) of exploration expense at these properties.*

#### **D) Tethyan Copper Company Limited**

As explained in Note 17 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 2019 the Group contributed \$1.8 million (2018 – \$8.1 million) to Tethyan.

#### **E) Compañía Minera Zaldívar SPA**

The Group has a 50% interest in Zaldívar (see Note 16), 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 \$6.0 million (2018 – \$3.6 million). During 2019 the Group has received dividends of \$50.0 million from Minera Zaldívar (2018 – nil).

#### **F) Inversiones Hornitos SA**

As explained in Note 17, the Group has a 40% interest in Inversiones Hornitos SA, which is accounted for as an associate. The Group paid \$187.7 million (year ended 31 December 2018 – \$162.2 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During 2019 the Group received dividends from Inversiones Hornitos SA of \$8.0 million (2018 – \$16.6 million).

#### **G) SLM Rio Turbio Comuna Paihuano**

During 2019 the Group sold certain property rights which were assessed as having no commercial value to the Group to SLM Rio Turbio Comuna Paihuano, a company controlled by Andronico Luksic, a Director of the Company, for a consideration of \$30,000 reflecting the original cost and related fees in respect of those property rights.

#### **H) Directors and Other Key Management Personnel**

Information relating to Directors’ remuneration and interests is given in the Remuneration Report on page 116. Information relating to the remuneration of key management personnel including the Directors is given in Note 8.”

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### **Cautionary statement about forward – looking statements**

This announcement 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.