



ANTOFAGASTA PLC

Antofagasta Plc Annual General Meeting 2018 Performance

Iván Arriagada
Chief Executive Officer

22 May 2019

OUR PURPOSE

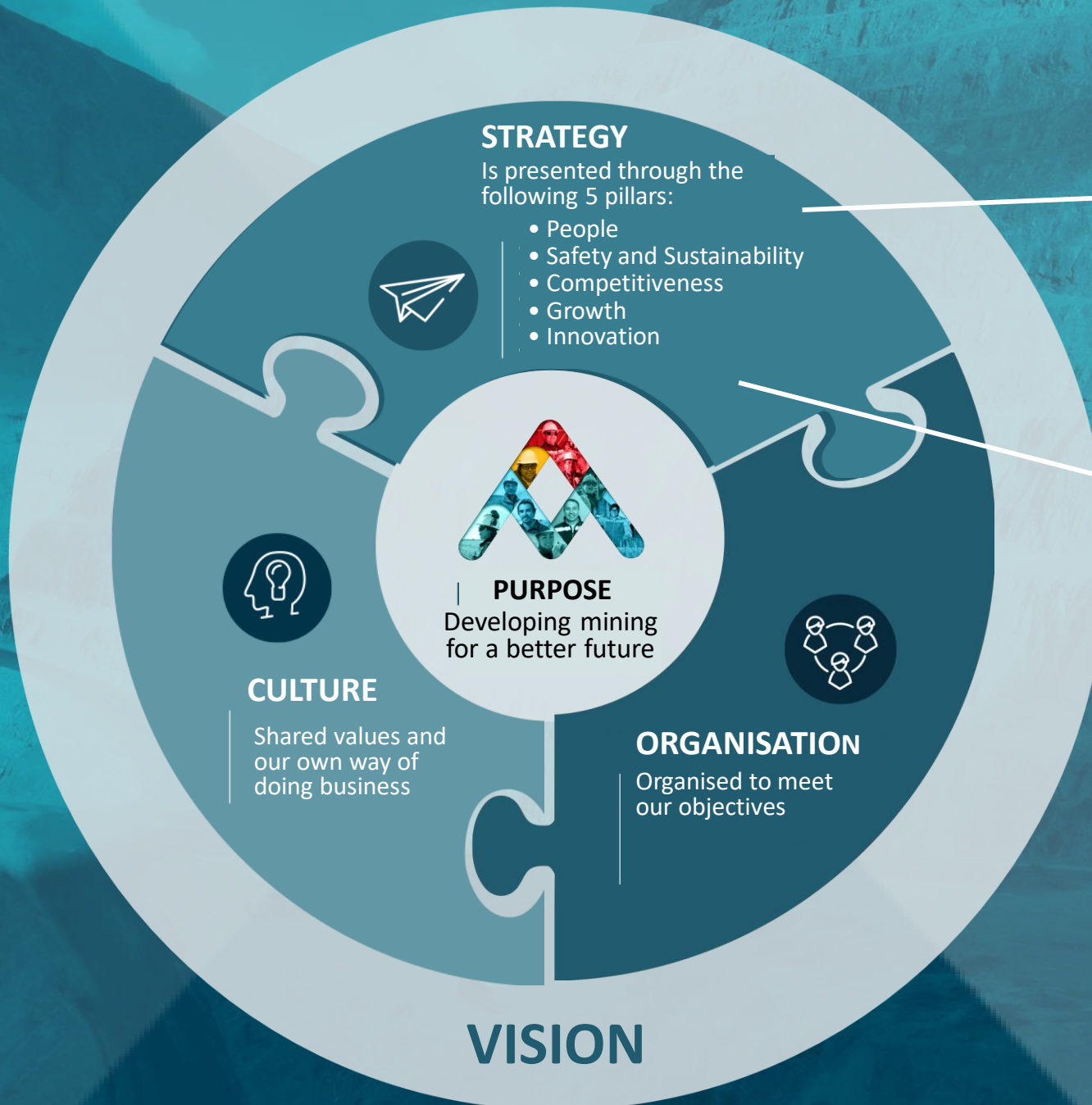
**Developing mining
for a better future**

COPPER FOR A MODERN AND LOW CARBON ECONOMY

- Copper is a key component of the wiring, plumbing, heating and cooling, lighting and roofing.
- It's also crucial in the transport, power and telecommunications systems in modern cities.
- The metal is also important in renewable energy. Solar and wind power need four to six times as much copper as conventional sources.
- The advent of electric vehicles will also require copper, as these vehicles contain up to almost four times the amount of copper as conventional ones.



Future demand for copper will be driven by continued urbanisation and rapidly rising adoption of renewable energy and electric vehicles.



PILLARS OF OUR STRATEGY

- People
- Safety and Sustainability
- Competitiveness
- Growth
- Innovation

OUR VISION

To be an international mining company based in Chile, 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.



PEOPLE

In 2018, our people included:

- ▶ 6,500 direct employees
- ▶ 15,000 Contractors
- ▶ Of which 9% were women
- ▶ And 54% from local areas

We successfully closed 6 labour negotiations

- ▶ 2 at Los Pelambres and 4 in the Transport Division

We advanced our Diversity & Inclusion strategy



As of December 2018. Local workers: from Antofagasta and Coquimbo regions



SAFETY

▶ Fatal accidents

Regrettably in 2018, after 26 months without a fatality, a contractor suffered a fatal accident.

1

▶ Lost Time Injury Frequency Rate (LTIFR 1.6)



▶ Reduction of high-potential incidents



40%

2018 compared with 2017



COMMUNITY RELATIONS

- ▶ No material incidents were reported by communities. One incident involving an unusual amount of dust due to climatic conditions at Los Pelambres.
- ▶ In 2014 we developed an innovative local engagement framework called Somos Choapa which we continue to consolidate and evolve.
- ▶ The objective is to increase community participation jointly developing a shared vision of a sustainable future which is transparently monitored in the areas where we operate.



PELAMBRES SOMOS CHOAPA

2014-2018



Green areas

51,224 m² of parks built for communities.



Sports infrastructure

26,209 m² in Illapel, Salamanca, Panguessillo and Los Vilos.



Community building

3,924 individual beneficiaries and 236 social organisations strengthened.



Water resources

18,029 inhabitants benefiting from rural drinking water systems and sanitation solutions. 1,049 beneficiaries of 6,615 m of improved canals.



Supporting farming

746 entrepreneurs benefit from the Cosecha, Impulso and Emprende programmes.

54

COMPLETED INITIATIVES

37

INITIATIVES UNDERWAY

40

INITIATIVES AT DESIGN STAGE



ENERGY AND WATER

▶ Group's seawater consumption

45%

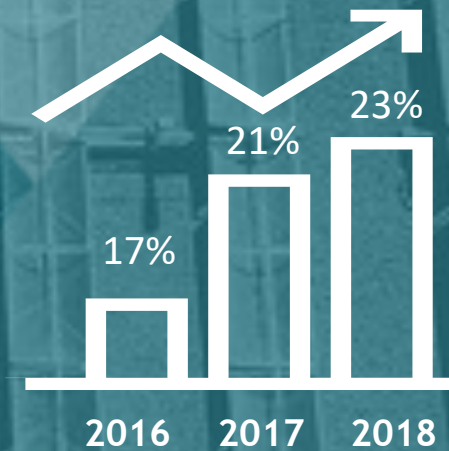
- Centinela 86%
- Antucoya 96%



▶ Group renewable energy consumption (wind and solar)

23%

- Los Pelambres 59%
- New energy contracts for Zaldívar (2020) and Antucoya (2022) 100% renewable





CLIMATE CHANGE

We are committed to reducing greenhouse gas emissions, with a reduction of 300,000 tonnes of CO₂ emissions during the five-year period 2018-2022.

HOW?

- ▶ Greater use of energy from renewable sources
- ▶ Improve energy efficiency of processes and projects
- ▶ CO₂ abatement by incorporating green areas



TAILINGS DAMS

Group operates two major concentrators producing tailings

- **Los Pelambres:** El Mauro dam designed for extreme weather and severe earthquakes.
- **Centinela:** Thickened tailings. Low population, low vegetation location.
- **Independent** review twice a year by a panel of international experts.

Chile has very strict regulations governing dam construction

- Prohibits upstream construction method.
- Requires continuous stability analysis.
- Safety measures and emergency plans required for all dams.

El Mauro tailings dam

Built using the safest
method: downstream

76 instruments
monitoring wall
stability in real-time

In 2015, withstood an
8.3° earthquake 100km
away (Richter scale)

82% of the water is
recirculated and used
up to 8 times



TRANSPORT DIVISION

- ▶ Safety – Zero fatalities in 2018
- ▶ Celebrated 130th anniversary
- ▶ Commissioned 7 new replacement locomotives
- ▶ 3 new long-term transport contracts for copper concentrate
- ▶ Rail yard re-development studies underway



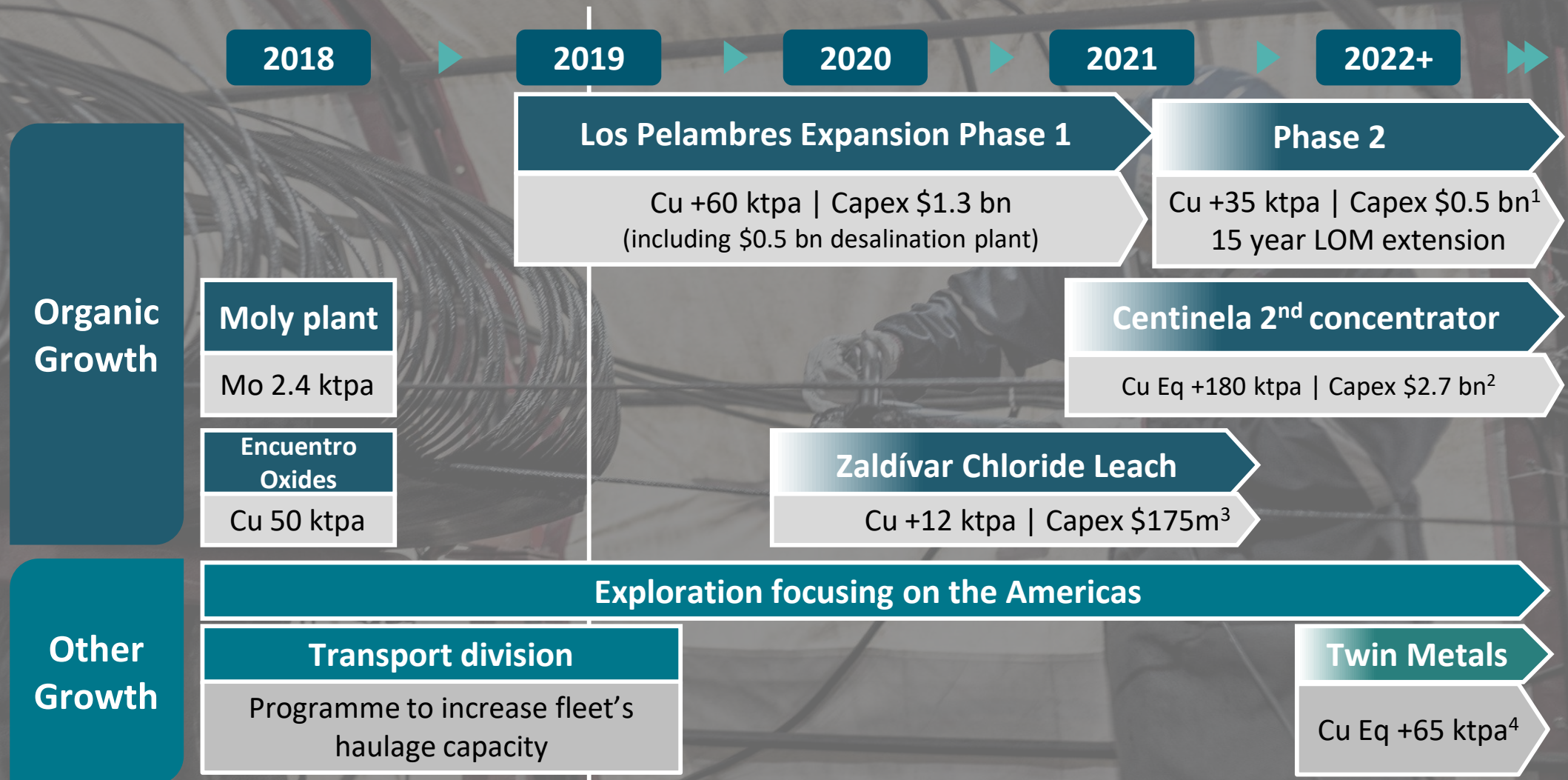


2018: A SOLID YEAR

- ▶ **Record production** 725,300 tonnes Cu
- ▶ **Net cash costs** \$1.29/lb
- ▶ **EBITDA** \$2,228m
- ▶ **EBITDA Margin** 47%
- ▶ **Dividend per share** 43.8 cents



GROWTH OPPORTUNITIES



¹ 2014 Prefeasibility study; ² 2015 Prefeasibility study; ³ 2018 Feasibility study; ⁴ 2018 Prefeasibility study

INNOVATION



▶ **Strategic Initiatives**

- Primary sulphide leaching
- Thickened tailings
- Material movement

▶ **Open innovation collaboration platform**

- InnovaMinerals – initiatives from employees, contractors and suppliers

▶ **Digital Roadmap**

- Autonomy
- Integrated remote operating centre
- Data-analytics



OUR PRIORITIES FOR 2019



Zero fatalities



Continue to deliver on guidance



Maintain operating reliability and efficiency



Achieve further cost savings



Advance Los Pelambres expansion and Centinela expansion feasibility study



Progress innovation portfolio



Returns to shareholders