

## CHAIRMAN'S COMMENTS ON THE DATE OF THE 2020 ANNUAL GENERAL MEETING

*Antofagasta plc (the "Company") today released a statement from its Chairman, Jean-Paul Luksic, on the date of the Company's Annual General Meeting ("AGM"). In compliance with the UK Government's COVID-19 Measures limiting public gatherings shareholders will not be able to attend the AGM in person and this year's AGM will be purely functional in format to comply with the relevant legal requirements. There will be no speeches, presentations or Q&A at the AGM, and no directors or senior management will be in attendance.*

*A video and copy of a presentation that was planned to be made by Iván Arriagada, the Company's CEO, at the AGM on the Company's sustainability performance in 2019 and response to the outbreak of COVID-19 can be found on the Company's website.*

*Following the announcement on 18 May of the revision of the final dividend amount, the payment date will now be 27 May.*

"Dear shareholders,

Due to the COVID-19 health emergency and the UK Government's compulsory measures limiting public gatherings, this year's AGM will be purely functional in format to comply with the relevant legal requirements. The Company will ensure that the necessary quorum requirement is satisfied and that the resolutions set out in the AGM Notice are proposed and voted upon. Shareholders were invited to submit questions and vote on all AGM resolutions in advance of the AGM; responses to questions received and the results of the poll on each of the resolutions proposed in the AGM Notice will be published later today.

As we all know, we are currently living in unprecedented times and over the last few months the onset of COVID-19, has introduced global challenges of an unparalleled nature. I would like to begin, therefore, by describing how Antofagasta is facing the current emergency and ensuring a safe and healthy environment for our workforce and local communities. I will also provide a brief overview of the Company's strategy and performance, and make some comments on the macro environment in which we are operating.

The safety and health of our employees and the communities in which we operate has always been our top priority. Since the outbreak of COVID-19 we have implemented several measures across our operations to prevent the spread of infection and launched a \$6 million fund to support local communities, as well as working alongside government to deliver a coordinated response to the emergency. We are constantly reviewing the situation to ensure we are responding effectively to all health, operational and financial concerns.

Our operations are continuing to produce copper at or close to their originally expected levels of production with about two-thirds of the workforce currently on-site. Yet a significant rise in the

number of new COVID-19 cases since 13 May and, the declaration of quarantine for all of the Santiago area on 15 May, increases the risk of the Company being restricted from moving its workforce to and from its operations. For now, strict social distancing, health monitoring and company-arranged chartered transport to and from the mine sites help maintain a safe working environment. However, we have largely suspended the Los Pelambres Expansion and other growth projects to further limit the risk of infection. We are committed to operating safely, providing employment, supporting our suppliers and contributing to the economic and social recovery of Chile.

Even though our growth projects are currently on hold, I continue to believe in the future of the copper industry. This means having a long-term approach to planning and a willingness to invest in new projects throughout the commodity cycle, while continuously developing a strong corporate culture, a sense of organisational purpose and a clear strategy. This is encompassed in our Purpose, *Developing Mining for a Better Future*. In 2019 the Board adopted a new strategic framework designed to underpin Antofagasta's long-term success. The framework is built around five pillars: growth, our people, safety and sustainability of our operations, innovation, and competitiveness.

With regards to our operating performance, 2019 was a good year marked by the Company's best safety performance ever, record production of 770,000 tonnes of copper and an above-target reduction in cash costs. Our financial performance was also healthy with EBITDA increasing by 9.5% and net earnings for the year at \$501.4 million. However, the Board's concerns regarding the complexity of the pandemic at both a national and international level, has led it to revise its original final dividend recommendation. The Board has therefore taken a prudent decision and reduced the final dividend and so the total dividend for the year will now be 17.8 cents per share, equivalent to a pay-out ratio of 35%.

On safety, I am particularly pleased to report that we suffered no fatalities during the year and that the programmes we have implemented have significantly improved our safety performance, as measured by other indicators such as Lost Time Injury Frequency Rate (LTIFR). This progress has been consistent across almost all our operations and reflects the work we have undertaken over the past five years since we implemented our new safety management system.

We have during 2019 and the beginning of this year signed new power contracts at Los Pelambres, Centinela and Antucoya for renewable power, which will supply 100% of the power the Mining Division uses as of 2022. This will help us achieve our greenhouse gas emissions reduction target set in 2018.

Despite last year's positive results, 2019 was a challenging year in other ways. Since October 2019, Chile has undergone a period of social tension with street demonstrations and demands for social improvements, followed by instances of violence by small groups. We condemn violence and strongly believe that the best way to achieve social advancement and cohesion is through dialogue, as well as taking measures that help the country grow and develop. In order to address these issues, the government and opposition parties have agreed to hold a referendum this year on the adoption of a new constitution.

The situation has been exacerbated by COVID-19 and Chile must now face the challenge of addressing the social issues and improving people's wellbeing. We must all work together, including the government and the opposition, to resolve the country's challenges, and mining, as one of the main contributors to Chile's economy, is part of the solution. When the mining industry is successful, the whole country benefits through higher tax revenues, higher levels of employment, better jobs and improved infrastructure.

As an industry and business that plans for the long term, we value certainty and stability. Making sure our interests are properly aligned with those of our stakeholders is critical to the long-term sustainability of our operations, given that when we are successful as a company our stakeholders benefit as well. This includes our employees and contractors, local communities, suppliers, customers, shareholders and the government and regulators. I am particularly proud of the work the team has done over the year to strengthen our community relations and I am even more proud for how they are handling the impact of COVID-19.

Turning to corporate governance, in 2019 we adopted the new version of the UK Corporate Governance Code that was published in July 2018 and the 2020 Directors' and CEO Remuneration Policy, which will be tabled for approval at the AGM. Our reporting outlines how we have applied the principles of the Code and corporate governance best practice in a way that can be meaningfully evaluated by our stakeholders. This not only reflects the emphasis of the new Code and its broader view on governance, but it also allows everyone concerned to understand the particular circumstances of our Company and how we apply the Code.

The Board's ability to deliver long-term sustainable success relies on a detailed understanding and reflection of the views of our workforce and stakeholders in Chile, where our corporate headquarters, senior management team and all our operating companies are located. The Company's governance structures include a network of arrangements to ensure that the outlook and interests of stakeholders are represented in the boardroom and are considered as part of deliberations.

Diversity and succession planning have been a key focus of the Board for a number of years. In June last year we reported with great sadness the passing of our Non-Executive Director, Gonzalo Menendez, who was crucial to Antofagasta's development for nearly 40 years. As General Manager of the Transport Division in the early 1980s, he was responsible for turning it into a profitable business, and later as a Director, he played a significant role in the Company's expansion and transformation into the mining company it is today. The Board will miss his wise counsel and advice.

Following nine years of dedicated service, Tim Baker, a Non-Executive Director of the Company since 2011, will not stand for re-election as a Director at the AGM. I would like to thank Mr Baker for the significant contribution he has made to the Company as a Director and member of all Board Committees. The Company has benefited enormously not only from Mr Baker's vast mine operating experience, but also from his dedicated stewardship of the Remuneration and Talent Management Committee from 2011 until 2019.

We are delighted to have appointed two new Directors to the Board over the last year. Michael Anglin was appointed in May 2019 and has joined the Remuneration and Talent Management Committee and Projects Committee as of September 2019. Mr Anglin has an international career with extensive experience in project development and mining operations. Tony Jensen was appointed to the Board and the Audit and Risk Committee on 13 March 2020. Mr Jensen has over 35 years of mining experience in operations, finance and business development in the US and Chile, and will stand for election by shareholders at the AGM. Following this AGM, six of the Board's ten Directors will be independent.

The copper price during the first months of this year has been impacted by the uncertainty around global trade and the COVID-19 pandemic, reducing copper to a low of \$2.14/lb in late March. It is now trading slightly higher in the \$2.25-2.40/lb range, and it is unclear how it will trade over the balance of the year given the potential for a worldwide recession. However, in the longer term we continue to believe the fundamentals for copper are strong and that future demand will remain

strong. The world's need for copper will grow with the advancement of renewable energies and greener transportation systems, at a time when new sources of copper supply are becoming rarer.

I believe the commodity price volatility we have experienced over the past few years highlights the strength of our Company. We plan for the long term. We deliver considered growth. We manage our costs tightly. We maintain a strong balance sheet, put the safety of our people and communities at the heart of all that we do, and invest in the future. This approach will remain at the core of our strategy for the coming years.

The future will bring opportunities as well as new challenges. We face many uncertainties as the COVID-19 global emergency continues to unfold. In addition to the health crisis, we are facing one of the most severe economic contractions in many decades. In times like these we must focus on our Purpose, running safe and efficient operations, controlling costs, and managing innovation and development programmes, so that we may advance towards a more sustainable world.

Finally, let me close by taking this opportunity to thank all our employees and contractors working across the Company during these challenging times. Their contribution has helped make the Company what it is today and together we shall face the new challenges the future brings.”

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