

Q3 2020 PRODUCTION REPORT

PRODUCTION AND COSTS IN LINE WITH EXPECTATIONS

Antofagasta plc CEO, Iván Arriagada said: *“Our copper production and cost control performance during the quarter were in line with expectations. For the year to date production was 541,300 tonnes at a net cash cost of \$1.14/lb.*

“We remain focused on the health and safety of our employees and contractors, and the communities near our operations. Although the rate of infections of COVID-19 in Chile fell during this quarter, we remain vigilant and continue to apply all the health protocols we have put in place. Following the temporary and precautionary suspension of the Los Pelambres Expansion project in Q2, approximately 75% of the original planned numbers are now working on site and all COVID-19 protocols are being followed. Similarly, work has also started at the Esperanza Sur and Zaldívar Chloride Leach projects.

“For the full year 2020 we continue to expect production to be at the lower end of the original 725-755,000 tonnes guidance range, and net cash costs are now expected to be below the originally guided \$1.20/lb. In 2021 we expect production to be in the range of 730-760,000 tonnes of copper, as grades increase at Centinela Concentrates, and we conservatively assume that COVID-19 health protocols will stay in place for the whole year.”

HIGHLIGHTS

PRODUCTION

- **Group copper production in Q3 2020 was 169,600 tonnes**, 4.6% lower than in the previous quarter on lower production at Los Pelambres, due to major maintenance work during the period, and expected lower grades at Antucoya
- **Group copper production for the first nine months of the year was in line with expectations at 541,300 tonnes**, 7.3% lower than in the same period last year mainly on expected lower grades at Centinela Concentrates, partly offset by higher production at Centinela Cathodes
- **Gold production for the quarter was 38,300 ounces**, 16.7% lower than in the previous quarter as grades and recoveries declined at Centinela, and for the year to date production fell by 34.1% to 149,400 ounces on lower grades and throughput at Centinela in line with the mine plan for the year
- **Molybdenum production in the quarter was 3,400 tonnes**, 9.7% higher than the previous quarter on higher grades and recoveries at Centinela. For the year to date, production was 8,900 tonnes, 400 tonnes lower than in the same period last year

CASH COSTS

- **Cash costs before by-product credits in Q3 2020 were \$1.60/lb and for the first nine months of the year were \$1.54/lb**, 6.7% higher than in Q2 2020 and 6.1% lower than in the year to date last year. This improvement in unit costs during the year to date is due to the weaker Chilean peso, lower input costs and continued tight cost control, partially offset by the lower production
- **Net cash costs were \$1.19/lb in Q3 2020 and \$1.14/lb for the year to date**, a 5.3% increase compared with the previous quarter and 2.6% lower than the same period last year, primarily due to lower cash costs before by-product credits, offset by lower by-product credits

GUIDANCE

- Copper production guidance for 2020 is unchanged at the lower end of the original 725-755,000 tonnes range, and net cash costs are now expected to be below \$1.20/lb, assuming no material change to the exchange rate during the remainder of the year
- In 2021 production is expected to be to 730-760,000 tonnes of copper mainly as grades start to increase at Centinela Concentrates in Q4 2020 and assuming that COVID-19 health protocols remain in place for the whole year

COVID-19

- The rate of COVID-19 infections in Chile peaked in June before declining to much lower levels that have remained stable since then. Government imposed restrictions are being eased but at the Company's operations the COVID-19 protocols are being maintained and will continue for the foreseeable future
- The Company continues to operate with approximately two-thirds of its workforce at its operations, with the balance working from home or in preventative quarantine
- The workforce at the Los Pelambres Expansion project has built up to 75% of the originally planned numbers and will stay at this level until the COVID-19 restrictions can be relaxed

OTHER

- Earlier this month the Company successfully issued its inaugural \$500 million 2.375% note due 2030, which was 12 times oversubscribed. The bond diversifies the Company's funding sources and provides access to longer tenors without changing the Company's levels of net debt
- Progress on the Los Pelambres Expansion project was 39% complete as at the end of the quarter and, with the increased number of workers on site, the rate of progress is accelerating. As indicated on 20 August, an update on the impact of the COVID-19 restrictions and changes to the desalination plant on the construction schedule and costs is underway and will be completed by the end of the year. The revised cost and schedule estimates will be included in the Q4 Production Report in January 2021
- As previously reported, labour negotiations were successfully concluded with the workers' union at Zaldívar, and two unions at Centinela during the quarter. Negotiations have recently started with the two remaining workers' unions at Centinela and are expected to be concluded by the end of the year

GROUP PRODUCTION AND CASH COSTS		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Copper production	kt	541.3	584.2	(7.3)	169.6	177.7	(4.6)
Copper sales	kt	536.3	578.6	(7.3)	162.1	178.9	(9.4)
Gold production	koz	149.4	226.6	(34.1)	38.3	46.0	(16.7)
Molybdenum production	kt	8.9	9.3	(4.3)	3.4	3.1	9.7
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.54	1.64	(6.1)	1.60	1.50	6.7
Net cash costs ⁽¹⁾	\$/lb	1.14	1.17	(2.6)	1.19	1.13	5.3

(1) Cash cost is a non-GAAP measure used by the mining industry to express the cost of production in US dollars per pound of copper produced.

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MINING OPERATIONS

Los Pelambres

Copper production at Los Pelambres in the quarter was 85,900 tonnes, 4.4% lower than in the previous quarter as throughput reduced by 3.1% primarily due to major maintenance work during the period that had been rescheduled from Q2 following COVID-19 restrictions and was completed in accordance with its original scope of work.

In the first nine months of 2020, copper production was 269,100 tonnes, 0.7% lower than in the same period last year primarily due to lower throughput, partially offset by higher grades and recoveries.

Molybdenum production was 2,700 tonnes in Q3 2020, slightly lower than in the previous quarter, and for the year to date was 7,900 tonnes, 12.2% lower than the same period last year as a result of the lower throughput and lower molybdenum grades.

Cash costs before by-product credits in Q3 were \$1.33/lb, 12.7% higher than in previous quarter on lower production and savings achieved in the previous quarter. For the first nine months of the year cash costs before by-product credits were \$1.25/lb, 12.0% lower than same period last year on a more favourable local exchange rate, lower input costs and savings from our Cost and Competitiveness Programme.

Net cash costs for the quarter were \$0.86/lb, and for the year to date were \$0.82/lb, 6.8% lower than the same period last year despite by-product credits being 11c/lb less than last year.

LOS PELAMBRES		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Daily ore throughput	kt	159.9	169.6	(5.7)	155.4	160.4	(3.1)
Copper grade	%	0.71	0.69	2.9	0.70	0.70	0.0
Copper recovery	%	89.9	87.7	2.5	89.9	89.9	0.0
Copper production	kt	269.1	271.0	(0.7)	85.9	89.9	(4.4)
Copper sales	kt	268.9	259.4	3.7	82.1	88.6	(7.3)
Molybdenum grade	%	0.020	0.021	(4.8)	0.023	0.021	9.5
Molybdenum recovery	%	85.9	85.5	0.5	86.4	86.4	0.0
Molybdenum production	kt	7.9	9.0	(12.2)	2.7	2.8	(3.6)
Molybdenum sales	kt	7.5	9.5	(21.1)	2.9	2.5	16.0
Gold grade	g/t	0.05	0.05	(1.7)	0.05	0.05	(3.1)
Gold recovery	%	72.5	68.8	5.4	73.3	68.6	6.9
Gold production	koz	43.7	44.8	(2.5)	14.6	14.3	2.1
Gold sales	koz	41.7	38.0	9.7	14.0	14.4	(2.8)
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.25	1.42	(12.0)	1.33	1.18	12.7
Net cash costs ⁽¹⁾	\$/lb	0.82	0.88	(6.8)	0.86	0.77	11.7

(1) Includes tolling charges of \$0.17/lb in Q3 2020, \$0.18/lb in Q2 2020, \$0.18/lb YTD 2020 and \$0.23/lb YTD 2019

Centinela

Centinela produced 55,200 tonnes of copper during the quarter, slightly higher than in the previous quarter as higher copper grades at Centinela Concentrates were partially offset by lower throughput, and lower grades at Centinela Cathodes. Production for the year to date was 176,800 tonnes, 17.8% lower than in the same period last year, primarily because of the expected lower grades at Centinela Concentrates, partially offset by increased production at Centinela Cathodes due to higher throughput with the plant running consistently at, or above, nominal capacity.

Production of copper in concentrate was 32,100 tonnes in Q3 2020, 2.9% higher than in the previous quarter. For the first nine months of the year, copper in concentrate production was 106,900 tonnes, compared with 156,800 tonnes in the same period last year, reflecting expected lower grades.

Copper cathode production during the quarter was 23,100 tonnes, 3.3% lower than Q2 2020 primarily as grades and recoveries decreased. For the year to date, copper cathode production was 70,000 tonnes, 19.9% higher than in the same period last year primarily due to higher throughput and grades.

Gold production was 23,700 ounces in the quarter, 25.2% lower than the previous quarter on lower throughput, grades and recoveries, and for the first nine months was 105,700 ounces, 41.9% lower than same period last year, due to expected lower grades.

Cash costs before by-product credits were \$1.93/lb, 1.6% higher than in the previous quarter. Cash costs before by-product credits for the first nine months of the year were \$1.86/lb, 6.9% higher than the same period in 2019 as a result of lower copper production, partially offset by tight cost control, a weaker Chilean Peso and lower input costs.

By-product credits were unchanged in Q2 and Q3 at \$0.53/lb. For the first nine months of 2020, by-product credits were \$0.55/lb, \$0.05/lb lower than in the same period last year due to lower gold production, partially offset by a higher realised gold price.

Net cash costs in Q3 2020 were \$1.40/lb, 2.2% higher than in the previous quarter. During the first nine months of the year net cash costs were \$1.31/lb, 14.9% higher than in same period last year due to higher cash costs before by-product credits and lower by-product credits.

Labour negotiations with the one of the workers' unions and the supervisors' union were successfully concluded during the quarter and negotiations with the two remaining workers' unions have started and are expected to be completed by the end of the year.

CENTINELA		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
CONCENTRATES							
Daily ore throughput	kt	93.3	95.3	(2.1)	92.5	96.2	(3.8)
Copper grade	%	0.51	0.73	(30.1)	0.49	0.43	14.0
Copper recovery	%	85.3	85.6	(0.4)	82.3	82.9	(0.7)
Copper production	kt	106.9	156.8	(31.8)	32.1	31.2	2.9
Copper sales	kt	107.6	161.9	(33.5)	35.7	28.9	23.5
Molybdenum grade	%	0.010	0.007	42.9	0.014	0.010	40.0
Molybdenum recovery	%	35.2	76.1	(53.7)	50.1	30.4	64.8
Molybdenum production	kt	1.0	0.3	233.3	0.7	0.2	250.0
Molybdenum sales	kt	0.8	0.3	166.7	0.7	0.1	600.0
Gold grade	g/t	0.19	0.32	(40.6)	0.14	0.16	(12.5)
Gold recovery	%	71.2	69.7	2.2	65.7	68.6	(4.2)
Gold production	koz	105.7	181.9	(41.9)	23.7	31.7	(25.2)
Gold sales	koz	106.3	190.4	(44.2)	25.6	30.3	(15.5)
CATHODES							
Daily ore throughput	kt	56.5	46.1	22.6	57.8	58.1	(0.5)
Copper grade	%	0.64	0.58	10.3	0.63	0.65	(3.1)
Copper recovery	%	68.4	70.0	(2.3)	66.9	68.8	(2.8)
Copper production – heap leach	kt	66.8	54.0	23.7	22.4	22.9	(2.2)
Copper production – total ⁽¹⁾	kt	70.0	58.4	19.9	23.1	23.9	(3.3)
Copper sales	kt	68.9	63.5	8.5	21.3	25.4	(16.1)
Total copper production	kt	176.8	215.2	(17.8)	55.2	55.1	0.2
Cash costs before by-product credits ⁽²⁾	\$/lb	1.86	1.74	6.9	1.93	1.90	1.6
Net cash costs ⁽²⁾	\$/lb	1.31	1.14	14.9	1.40	1.37	2.2

(1) Includes production from ROM material

(2) Includes tolling charges of \$0.15/lb in Q3 2020, \$0.14/lb in Q2 2020, \$0.14/lb YTD 2020 and \$0.18/lb YTD 2019

Antucoya

Total copper production at Antucoya during the quarter was 17,300 tonnes, 14.4% lower than previous quarter as grades decreased as expected and following major maintenance in August and unplanned downtime at the plant, partly due to COVID-19 precautionary restrictions temporarily impacting the number of workers on site. Production in the first nine months of 2020 was 57,700 tonnes, 2.9% higher than the same period last year on higher throughput, partially offset by lower grades and recoveries.

During the quarter, cash costs were \$1.95/lb compared to \$1.69/lb in Q2 as production decreased. For the year to date, cash costs were \$1.80/lb, 18.2% lower than same period last year due to tight cost control, higher production, the weaker Chilean peso and lower input prices.

ANTUCOYA		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Daily ore throughput	Kt	74.8	72.2	3.6	68.5	82.4	(16.9)
Copper grade	%	0.38	0.39	(2.6)	0.35	0.37	(5.4)
Copper recovery	%	73.2	73.7	(0.7)	72.4	71.1	1.8
Copper production	Kt	57.7	56.1	2.9	17.3	20.2	(14.4)
Copper sales	Kt	53.8	55.4	(2.9)	13.2	22.2	(40.5)
Cash costs	\$/lb	1.80	2.20	(18.2)	1.95	1.69	15.4

Zaldívar

Copper production for the quarter at Zaldívar was 11,100 tonnes, 11.2% lower than in the previous quarter on lower throughput partly due to COVID-19 precautionary restrictions temporarily impacting the number of workers on site, partially offset by higher grades. Production for the year to date was 37,700 tonnes, 10.0% lower than in the same period last year due to lower grades and recoveries, partially offset by higher throughput.

Cash costs during the quarter were \$1.55/lb, \$0.23/lb lower than in Q2 2020 as the new lower-cost 100% renewable energy contract came into effect and accounted for about half of the decrease, partially offset by the lower production volumes. However, due to some one-off factors savings from the new power contract in future periods will be lower. Cash costs for the first nine months of the year were \$1.67/lb, 6.2% lower than in the same period last year, primarily due to the weaker exchange rate and lower input prices, partially offset by lower production.

Labour negotiations with the workers union were successfully concluded during the quarter.

ZALDÍVAR		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Daily ore throughput	kt	40.9	38.4	6.5	33.4	47.2	(29.2)
Copper grade	%	1.03	1.15	(10.4)	1.19	0.95	25.3
Copper recovery ⁽¹⁾	%	53.7	61.7	(13.0)	53.7	60.1	(10.6)
Copper production – heap leach ⁽²⁾	kt	28.6	34.5	(17.1)	8.2	9.5	(13.7)
Copper production – total ^(2,3)	kt	37.7	41.9	(10.0)	11.1	12.5	(11.2)
Copper sales ⁽²⁾	kt	37.1	38.4	(3.4)	9.8	13.9	(29.5)
Cash costs	\$/lb	1.67	1.78	(6.2)	1.55	1.78	(12.9)

(1) Restated from average over full leach cycle to 12-month rolling recoveries

(2) Group's 50% share

(3) Includes production from secondary leaching

Transport Division

Total transport volumes in Q3 2020 were 1.6 million tonnes, marginally lower than in the previous quarter. For the first nine months of the year, transport volumes decreased by 2.6% to 4.8 million tonnes.

TRANSPORT		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Rail	kt	3,592	3,770	(4.7)	1,185	1,186	(0.1)
Road	kt	1,207	1,156	4.4	396	406	(2.5)
Total tonnage transported	kt	4,799	4,926	(2.6)	1,581	1,592	(0.7)

Commodity prices and exchange rates

		Year to Date			Q3	Q2	
		2020	2019	%	2020	2020	%
Copper							
Market price	\$/lb	2.65	2.74	(3.4)	2.96	2.42	18.2
Realised price	\$/lb	2.71	2.71	0.0	3.28	2.94	10.4
Gold							
Market price	\$/oz	1,735	1,364	21.4	1,912	1,710	10.4
Realised price	\$/oz	1,761	1,388	21.2	1,982	1,786	9.9
Molybdenum							
Market price	\$/lb	8.6	11.9	(38.4)	7.7	8.4	(9.1)
Realised price	\$/lb	8.3	11.9	(43.4)	7.8	7.7	(1.3)
Exchange rates							
Chilean peso	per \$	802	685	14.6	781	823	(5.4)

Spot commodity prices for copper, gold and molybdenum as at 30 September 2020 were \$3.00/lb, \$1,885/oz and \$8.2/lb respectively, compared with \$2.74/lb, \$1,769/oz and \$7.4/lb as at 30 June 2020 and \$2.79/lb, \$1,523/oz and \$9.2/lb as at 31 December 2019.

The provisional pricing adjustments for copper, gold and molybdenum for the quarter were positive \$105.8 million, negative \$1.9 million and positive \$4.4 million respectively.

The provisional pricing adjustments for copper, gold and molybdenum for the first nine months of the year were positive \$78.5 million, positive \$4.2 million and negative \$1.9 million respectively.