

Q4 2020 PRODUCTION REPORT

FULL YEAR GUIDANCE ACHIEVED STRONG FINAL QUARTER

Antofagasta plc CEO, Iván Arriagada said: *“Despite a challenging year that was placed on the world by COVID-19, the resilience and flexibility of our operations has meant that we have finished the year strongly, achieving full year production guidance and lower cash costs than in 2019.*

“Full year copper production was 733,900 tonnes and cash costs were \$1.14/lb, reflecting the resilience and flexibility of the Company in the face of the year’s challenges.

“Our priority during 2020 was to protect the health and safety of our employees and contractors, and the communities near our operations, and that will not change as we keep in place all the health protocols we successfully implemented in 2020. I am also pleased to report that, for a second year in a row, there were no fatalities and our safety performance continues to improve at all our operations.

“We expect another solid performance in 2021 with copper production of 730-760,000 tonnes at a net cash cost of \$1.25/lb as ore grades increase at Centinela Concentrates and operating efficiency at our mines remains high.”

HIGHLIGHTS

PRODUCTION

- **Copper production for the full year was 733,900 tonnes**, in line with guidance and 4.7% lower than the record production in 2019 mainly on expected lower grades at Centinela Concentrates
- **Copper production in Q4 2020 was 192,600 tonnes**, 13.6% higher than in the previous quarter on higher throughput at all operations
- **Gold production for the quarter was 54,700 ounces**, 42.8% higher than in the previous quarter as throughput, grades and recoveries increased at Centinela. Full year production was above guidance at 204,100 ounces, 27.7% less than in 2019, on expected lower grades at Centinela
- **Molybdenum production in the quarter was 3,700 tonnes**, 8.8% higher than the previous quarter on higher throughput at Los Pelambres. For the full year, production was 12,600 tonnes, 8.6% higher than in 2019 and within guidance

CASH COSTS

- **Cash costs before by-product credits in 2020 were \$1.56/lb**, 9c/lb lower than last year due the weaker Chilean peso, lower input costs and continued tight cost control, partially offset by lower production
- **Cash costs before by-product credits in Q4 2020 were \$1.63/lb**, 1.9% higher than in Q3 2020 due to stronger exchange rate and the impact of the one-off signing bonus payable following the successful completion of labour negotiations at Centinela
- **Net cash costs for the full year were \$1.14/lb**, below guidance and 6.6% lower than in 2019 due to lower cash costs before by-product credits
- **Net cash costs in Q4 2020 were \$1.14/lb**, 4.2% lower than in the previous quarter, reflecting the higher by-products credits, partially offset by the increase in cash costs before by-products credits

GUIDANCE 2021

- Guidance assumes COVID-19 will remain in place for all of 2021, limiting transport to and from site and available camp accommodation, and requiring the extensive use of remote working and the implementation of a full set of health controls at our operations and offices. Considering the unprecedented situation, further changes may be required during the year
- Group production in 2021 is expected to be 730-760,000 tonnes of copper (as previously announced), 240-260,000 ounces of gold and 9,500-11,000 tonnes of molybdenum. The higher copper and gold production than in 2020 reflects higher grades at Centinela Concentrates
- Group cash costs in 2021 before and after by-product credits are expected to be at \$1.65/lb and \$1.25/lb respectively
- Capital expenditure in 2021 is expected to be \$1.6 billion, as the rate of expenditure on our growth projects accelerates following their temporary suspension in 2020 which deferred some \$200 million into 2021 and higher costs at the Los Pelambres Expansion project

GROWTH PROJECTS UPDATE

- The Los Pelambres Expansion project was 45% complete as at the end of the quarter
- As previously announced, the construction of the Los Pelambres Expansion project restarted in August and a detailed review of the project schedule and costs, including those associated with the realised and continued restrictions due to COVID-19 and changes to the marine works to enable the future expansion of the desalination plant, has recently been completed.

The marine works associated with the inlet and outlet pipes and the desalination plant will now be sized to allow for an expanded water flow required for the future plant expansion to 800 litres per second. Other adjustments including ancillary piping, cabling, civil works and the expanded future plant footprint have also been included in the revised project plan where feasible within the existing permits. The balance of the project remains within the original scope.

The revised capital cost estimate resulting from the review is \$1.7 billion (up from the original project cost of \$1.3 billion) and completion is now expected in early H2 2022. Of this increase approximately \$235 million is related to the revised marine works, desalination plant and pipeline, \$140 million to COVID-19 costs and construction schedule extension and the balance reflects other adjustments including changes in input prices and exchange rate.

Given the high degree of interactions with the existing operations and the nearby communities, the very high manpower requirements during peak construction in the original project execution plan have been revised down to address the COVID-19 risks and restrictions. These restrictions are assumed to continue for the whole of 2021, limiting on-site manpower to approximately 75% of the original planned levels which results in the requirement to extend the original construction schedule.

- As previously announced, the Zaldívar Chloride Leach project and Esperanza Sur pit are expected to achieve first production in the first half of 2022. Capital expenditure estimates are unchanged

GROUP PRODUCTION AND CASH COSTS		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Copper production	kt	733.9	770.0	(4.7)	192.6	169.6	13.6
Copper sales	kt	738.5	772.2	(4.4)	202.2	162.1	24.7
Gold production	koz	204.1	282.3	(27.7)	54.7	38.3	42.8
Molybdenum production	kt	12.6	11.6	8.6	3.7	3.4	8.8
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.56	1.65	(5.5)	1.63	1.60	1.9
Net cash costs ⁽¹⁾	\$/lb	1.14	1.22	(6.6)	1.14	1.19	(4.2)

(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

Los Pelambres had a strong year with copper production at the top end of its guidance and costs outperforming guidance despite restrictions due to the pandemic.

Copper production at Los Pelambres in the quarter was 90,500 tonnes, 5.4% higher than in the previous quarter as higher throughput, following major maintenance in Q3, was partially offset by lower ore grades.

For the full year, copper production was 359,600 tonnes, 1.0% lower than last year primarily due to lower throughput, which was largely offset by higher recoveries.

Molybdenum production was 3,000 tonnes in Q4 2020, 11.1% higher than in the previous quarter, and for the full year was 10,900 tonnes, slightly lower than in 2019 as a result of the lower throughput.

Cash costs before by-product credits in Q4 were \$1.36/lb, 2.3% higher than in previous quarter on higher throughput and lower grades. For the full year cash costs before by-product credits were \$1.27/lb, 9.3% lower than 2019 due to a more favourable local exchange rate, lower input costs and savings from the Cost and Competitiveness Programme.

Net cash costs for the quarter were \$0.80/lb, and for the full year were \$0.81/lb, 11.0% lower than in 2019 despite lower by-product credits.

Labour negotiations with the workers' unions at the mine and the plant are underway and are expected to be concluded by the end of Q1 2021.

Major maintenance in 2021 is scheduled in Q2 and Q4.

LOS PELAMBRES		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Daily ore throughput	kt	161.9	167.8	(3.5)	167.8	155.4	8.0
Copper grade	%	0.70	0.70	0.0	0.67	0.70	(4.3)
Copper recovery	%	90.0	87.8	2.5	90.3	89.9	0.4
Copper production	kt	359.6	363.4	(1.0)	90.5	85.9	5.4
Copper sales	kt	366.0	356.1	2.8	97.1	82.1	18.3
Molybdenum grade	%	0.021	0.021	0.0	0.023	0.023	0.0
Molybdenum recovery	%	85.6	85.0	0.7	85.1	86.4	(1.5)
Molybdenum production	kt	10.9	11.2	(2.7)	3.0	2.7	11.1
Molybdenum sales	kt	10.8	11.8	(8.5)	3.3	2.9	13.8
Gold grade	g/t	0.05	0.05	0.6	0.05	0.05	(2.5)
Gold recovery	%	73.0	70.5	3.5	74.5	73.3	1.6
Gold production	koz	60.3	59.7	1.0	16.6	14.6	13.7
Gold sales	koz	58.4	52.6	11.0	16.7	14.0	19.3
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.27	1.40	(9.3)	1.36	1.33	2.3
Net cash costs ⁽¹⁾	\$/lb	0.81	0.91	(11.0)	0.80	0.86	(7.0)

(1) Includes tolling charges of \$0.15/lb in Q4 2020, \$0.17/lb in Q3 2020, \$0.18/lb in FY 2020 and \$0.23/lb in FY 2019

Centinela

Centinela had a solid year in 2020 despite expected lower copper and gold grades, as throughput increased at both the concentrate and cathodes lines and cash costs outperformed guidance.

Centinela produced 70,000 tonnes of copper during the quarter, 26.8% higher than in the previous quarter on higher throughput and grades at both Centinela Concentrates and Centinela Cathodes. Production for 2020 was 246,800 tonnes, 10.8% lower than in 2019, due to the expected lower grades at Centinela Concentrates, partially offset by the higher production at Centinela Cathodes due to increased plant throughput during the year.

Production of copper in concentrate was 46,600 tonnes in Q4 2020, 45.2% higher than in the previous quarter on higher grades and recoveries, and throughput was at its highest level since 2018. For the full year, copper in concentrate production was 153,500 tonnes, 21.5% lower than in 2019 as copper grades decreased to an average of 0.53%.

Copper cathode production during the quarter was 23,400 tonnes, 1.3% higher than Q3 2020. For the full year, copper cathode production was 93,300 tonnes, 15.0% higher than in 2019 primarily due to higher throughput and grades.

Gold production was 38,000 ounces in the quarter, 60.3% higher than Q3 on higher throughput, grades and recoveries. For the full year 2020, gold production was 143,700 ounces, 35.4% lower than 2019, due to expected lower grades.

Cash costs before by-product credits were \$1.80/lb in Q4 2020, 6.7% lower than in the previous quarter due to higher production, partially offset by the impact of a one-off signing bonus following the completion of labour negotiations. Cash costs before by-product credits for the full year were \$1.85/lb, 1.1% higher than in 2019 as a result of the lower copper production offset by tight cost control, a weaker Chilean Peso and lower input costs.

By-product credits increased in Q4 to \$0.62/lb as gold production increased. For the full year, by-product credits were \$0.58/lb, \$0.01/lb higher than in 2019 as lower gold production was offset by a higher realised gold price.

Net cash costs in Q4 2020 were \$1.18/lb, 15.7% lower than in the previous quarter. During the full year net cash costs were \$1.27/lb, 0.8% higher than 2019.

Labour negotiations with two workers' unions were successfully concluded during the quarter, and with another two labour negotiations having been completed earlier during the year. The next negotiation at Centinela are scheduled for 2023.

Major maintenance in 2021 is scheduled in Q1 and Q3.

CENTINELA		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
CONCENTRATES							
Daily ore throughput	kt	97.0	92.9	4.4	108.0	92.5	16.8
Copper grade	%	0.53	0.69	(23.2)	0.59	0.49	20.4
Copper recovery	%	84.5	85.8	(1.5)	82.9	82.3	0.7
Copper production	kt	153.5	195.5	(21.5)	46.6	32.1	45.2
Copper sales	kt	152.7	205.3	(25.6)	45.1	35.7	26.3
Molybdenum grade	%	0.012	0.008	50.0	0.015	0.014	7.1
Molybdenum recovery	%	38.6	78.2	(50.6)	44.6	50.1	(11.0)
Molybdenum production	kt	1.7	0.4	325.0	0.7	0.7	0.0
Molybdenum sales	kt	1.7	0.3	466.7	0.9	0.7	28.6
Gold grade	g/t	0.19	0.30	(36.7)	0.18	0.14	28.6
Gold recovery	%	70.6	70.0	0.9	68.9	65.7	4.9
Gold production	koz	143.7	222.6	(35.4)	38.0	23.7	60.3
Gold sales	koz	141.2	236.3	(40.2)	34.9	25.6	36.3
CATHODES							
Daily ore throughput	kt	56.9	48.4	17.6	58.0	57.8	0.3
Copper grade	%	0.64	0.59	8.5	0.64	0.63	1.6
Copper recovery	%	67.6	70.0	(3.4)	65.1	66.9	(2.7)
Copper production – heap leach	kt	89.0	75.4	18.0	22.3	22.4	(0.4)
Copper production – total ⁽¹⁾	kt	93.3	81.1	15.0	23.4	23.1	1.3
Copper sales	kt	95.0	82.6	15.0	26.1	21.3	22.5
Total copper production	kt	246.8	276.6	(10.8)	70.0	55.2	26.8
Cash costs before by-product credits ⁽²⁾	\$/lb	1.85	1.83	1.1	1.80	1.93	(6.7)
Net cash costs ⁽²⁾	\$/lb	1.27	1.26	0.8	1.18	1.40	(15.7)

(1) Includes production from ROM material

(2) Includes tolling charges of \$0.14/lb in Q4 2020, \$0.15/lb in Q3 2020, \$0.14/lb in FY 2020 and \$0.17/lb in FY 2019

Antucoya

Copper production at Antucoya during the quarter was 21,600 tonnes, 24.9% higher than the previous quarter as throughput, grades and recoveries increased. Production for the full year was 79,300 tonnes, 10.3% higher than the previous year on higher throughput, partially offset by lower grades and recoveries.

During the quarter, cash costs were \$1.87/lb compared to \$1.95/lb in Q3 as production increased. For the full year cash costs were \$1.82/lb, 16.1% lower than in 2019 due to tight cost control, higher production, the weaker Chilean peso and lower input prices.

Major maintenance in 2021 is scheduled in Q1 and Q3.

ANTUCOYA		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Daily ore throughput	Kt	76.0	66.5	14.3	79.5	68.5	16.1
Copper grade	%	0.38	0.39	(2.6)	0.39	0.35	11.4
Copper recovery	%	73.7	74.6	(1.2)	75.3	72.4	4.0
Copper production	Kt	79.3	71.9	10.3	21.6	17.3	24.9
Copper sales	Kt	76.5	71.6	6.8	22.8	13.2	72.7
Cash costs	\$/lb	1.82	2.17	(16.1)	1.87	1.95	(4.1)

Zaldívar

Zaldívar produced 10,600 tonnes of copper in the quarter, 4.5% lower than in the previous quarter on lower grades and recoveries, partially offset by higher throughput. Production for the year was 48,200 tonnes, 17.0% lower than in 2019 mainly on lower recoveries as the proportion of secondary sulphides, relative to oxides, increased.

Cash costs during the quarter were \$2.25/lb and for the full year were \$1.80/lb, 2.9% higher than in 2019, as lower production was offset by the weaker exchange rate and lower input prices.

Major maintenance in 2021 is scheduled in Q2.

ZALDÍVAR		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Daily ore throughput	kt	39.3	39.6	(0.8)	34.8	33.4	4.2
Copper grade	%	1.02	1.04	(1.9)	0.99	1.19	(16.8)
Copper recovery ⁽¹⁾	%	50.1	63.6	(21.2)	50.1	53.7	(6.7)
Copper production – heap leach ⁽²⁾	kt	36.6	45.3	(19.1)	8.0	8.2	(2.5)
Copper production – total ^(2,3)	kt	48.2	58.1	(17.0)	10.6	11.1	(4.5)
Copper sales ⁽²⁾	kt	48.3	56.7	(14.8)	11.1	9.8	13.3
Cash costs	\$/lb	1.80	1.75	2.9	2.25	1.55	45.2

(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

The Division transported 1.6 million tonnes in Q4 2020, 4.0% higher than in the previous quarter. For the full year, transport volumes decreased by 1.4% to 6.4 million tonnes impacted by the pandemic.

TRANSPORT		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Rail	kt	4,847	4,983	(2.7)	1,255	1,185	5.9
Road	kt	1,597	1,551	3.0	390	396	(1.5)
Total tonnage transported		6,444	6,533	(1.4)	1,645	1,581	4.0

Commodity prices and exchange rates

		Year to Date			Q4	Q3	
		2020	2019	%	2020	2020	%
Copper							
Market price	\$/lb	2.80	2.72	2.9	3.25	2.96	9.8
Realised price	\$/lb	2.98	2.75	8.4	3.67	3.28	11.9
Gold							
Market price	\$/oz	1,770	1,393	27.1	1,875	1,912	(1.9)
Realised price	\$/oz	1,797	1,416	26.9	1,901	1,982	(4.1)
Molybdenum							
Market price	\$/lb	8.7	11.4	(23.7)	9.0	7.7	16.9
Realised price	\$/lb	8.8	10.8	(18.5)	9.8	7.8	25.6
Exchange rates							
Chilean peso	per \$	792	703	12.7	762	781	(2.4)

Spot commodity prices for copper, gold and molybdenum as at 31 December 2020 were \$3.51/lb, \$1,891/oz and \$10.0/lb respectively, compared with \$3.00/lb, \$1,885/oz and \$8.2/lb as at 30 September 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 \$179.9 million, negative \$1.1 million and positive \$7.5 million, respectively.

The provisional pricing adjustments for copper, gold and molybdenum for the full year were positive \$258.4 million, positive \$3.1 million and positive \$5.6 million, respectively.

Depreciation and amortisation

Depreciation and amortisation (including loss on disposals) for 2020 is expected to be approximately \$1,050 million. This increase is mainly due to higher amortisation of capitalised stripping costs under IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, particularly at Centinela.

Effective tax rate

The effective tax rate for 2020 is approximately 37%.

Share of profit from associates and JVs

As previously announced, following the agreement to dispose of the Company's 40% interest in the Hornitos power station in March the Company has recognised an exceptional post-tax impairment of \$61.1 million, of which \$40.2 million is attributable to the equity owners of the Company.

2021 Guidance

		Los Pelambres	Centinela	Antucoya	Zaldívar	Group
Production						
Copper	kt	340 – 350	270 – 280	75 – 80	45 – 50	730 – 760
Gold	koz	50 – 60	190 – 200			240 – 260
Molybdenum	kt	8.0 – 9.0	1.5 – 2.0			9.5 – 11.0
Grade						
Copper	%	0.64%	0.60%	0.35%	0.70%	–
Cash costs						
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.45	1.75	1.80	1.75	1.65
Net cash costs ^(1, 2)	\$/lb	1.05	1.15	1.80	1.75	1.25

(1) Assumed CLP/USD exchange rate of 780

(2) Includes by-product credits at a gold price of \$1,700/oz and a molybdenum price of \$8.5/lb

As previously announced, Group copper production for 2021 is expected to be 730-760,000 tonnes as grades increase at Centinela Concentrates, offset by lower grades at the other operations.

Group gold production for 2021 is expected to be 240-260,000 ounces, as grades increase at Centinela Concentrates.

Molybdenum production is expected to be 9,500-11,000 tonnes, lower than in 2020 on lower grades at Los Pelambres.

Group cash costs in 2021 before and after by-product credits are expected to increase to be \$1.65/lb and \$1.25/lb, respectively.

Consolidated Group capital expenditure (i.e. excluding Zaldívar) is expected to increase to \$1.6 billion with some \$200 million carried over from 2020 and increased costs at the Los Pelambres Expansion project.