



ANTOFAGASTA PLC

Developing mining for a better future

2021 HY Results | 19th August 2021

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Past performance cannot be relied on as a guide to future performance.

Agenda

- 1** | **Overview**
- 2** | **Financial review**
- 3** | **Sustainability performance**
- 4** | **Growth opportunities and investment case**



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Overview

2021 HY Results

Iván Arriagada | Chief Executive Officer

2021 HY highlights

Strong financials, reflecting improved copper price

Safety

LTIFR¹: 1.28 ↑

Financial results

EBITDA: \$2,357m ↑

EBITDA margin²: 66%

EPS: 67.5 c/share ↑

Balance sheet and dividend

Net cash of \$701m ↑

Cash flow from operations of \$2.5bn

Interim dividend **23.6 c/share** ↑

Copper production

361,500 tonnes

in line with guidance

Net cash costs

\$1.14/lb

below guidance

Growth projects

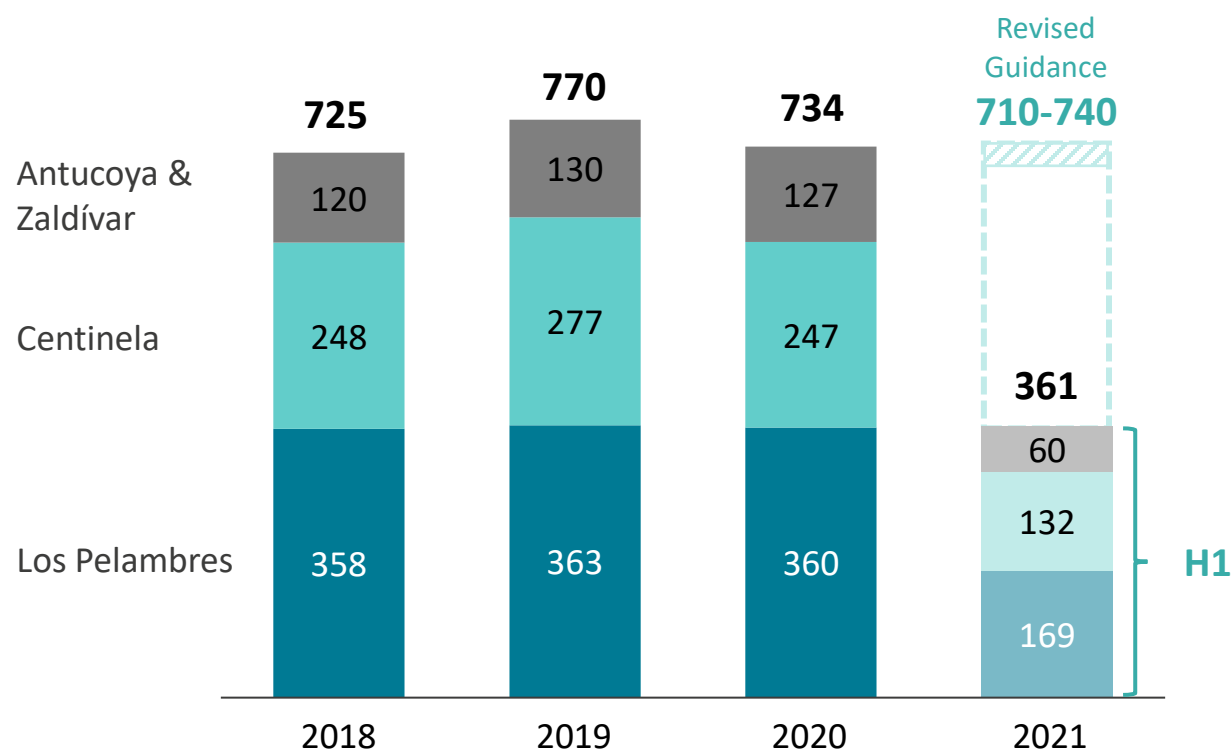
**Los Pelambres Expansion
Zaldívar Chloride Leach
Esperanza Sur pit**

¹ Lost Time Injury Frequency Rate. The number of accidents with lost time during the year per million hours worked

² EBITDA Margin calculated as EBITDA/Revenue. If Associates and JVs revenue is included EBITDA margin was 62.1%

2021 guidance

Copper production (kt)



Copper production

710-740,000 tonnes

Bottom end of range based on assumption that there is minimal precipitation for the rest of 2021

Net cash costs

\$1.25/lb

Assuming by-product prices and FX rate remain at similar levels to H1

Capital expenditure

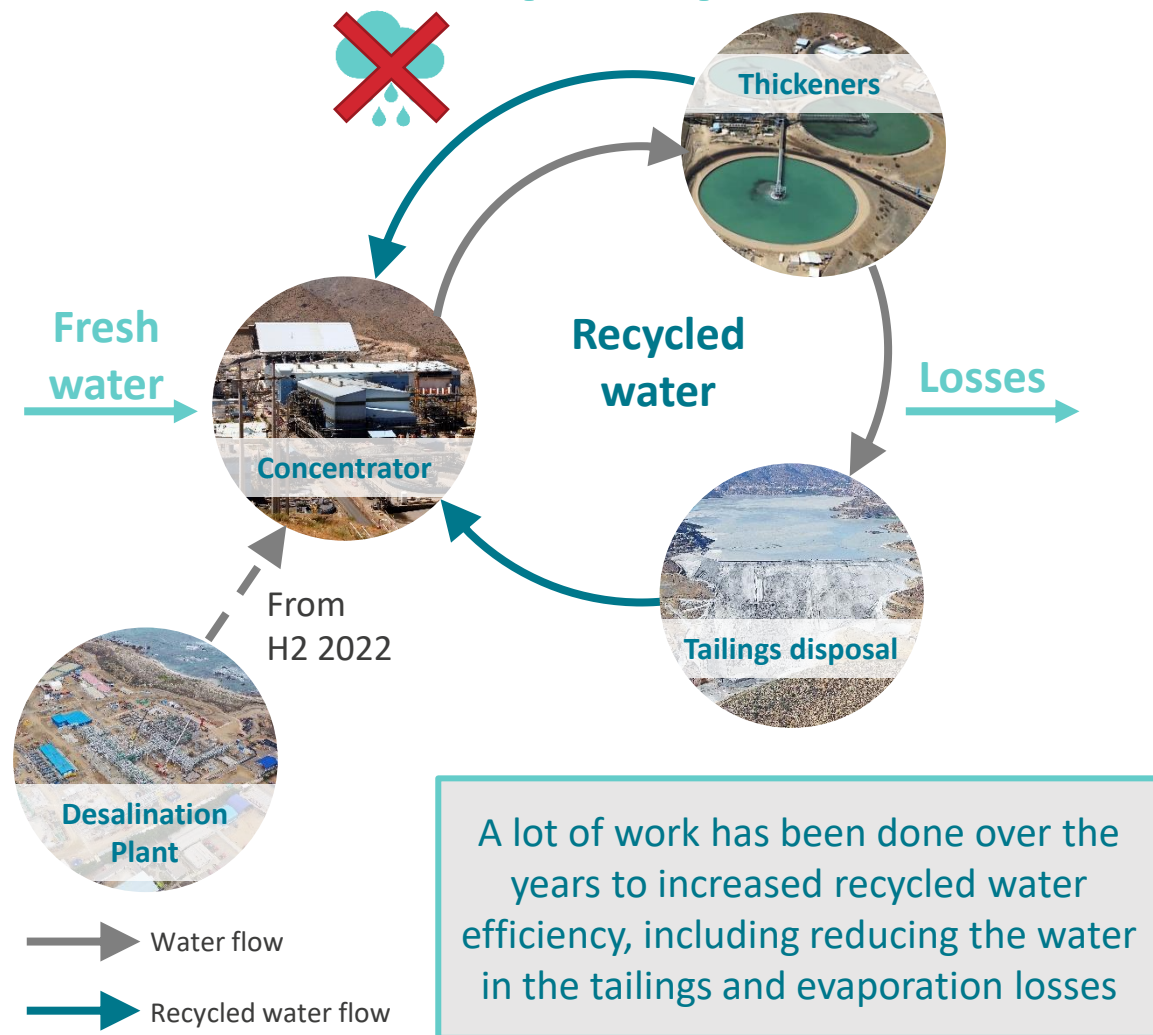
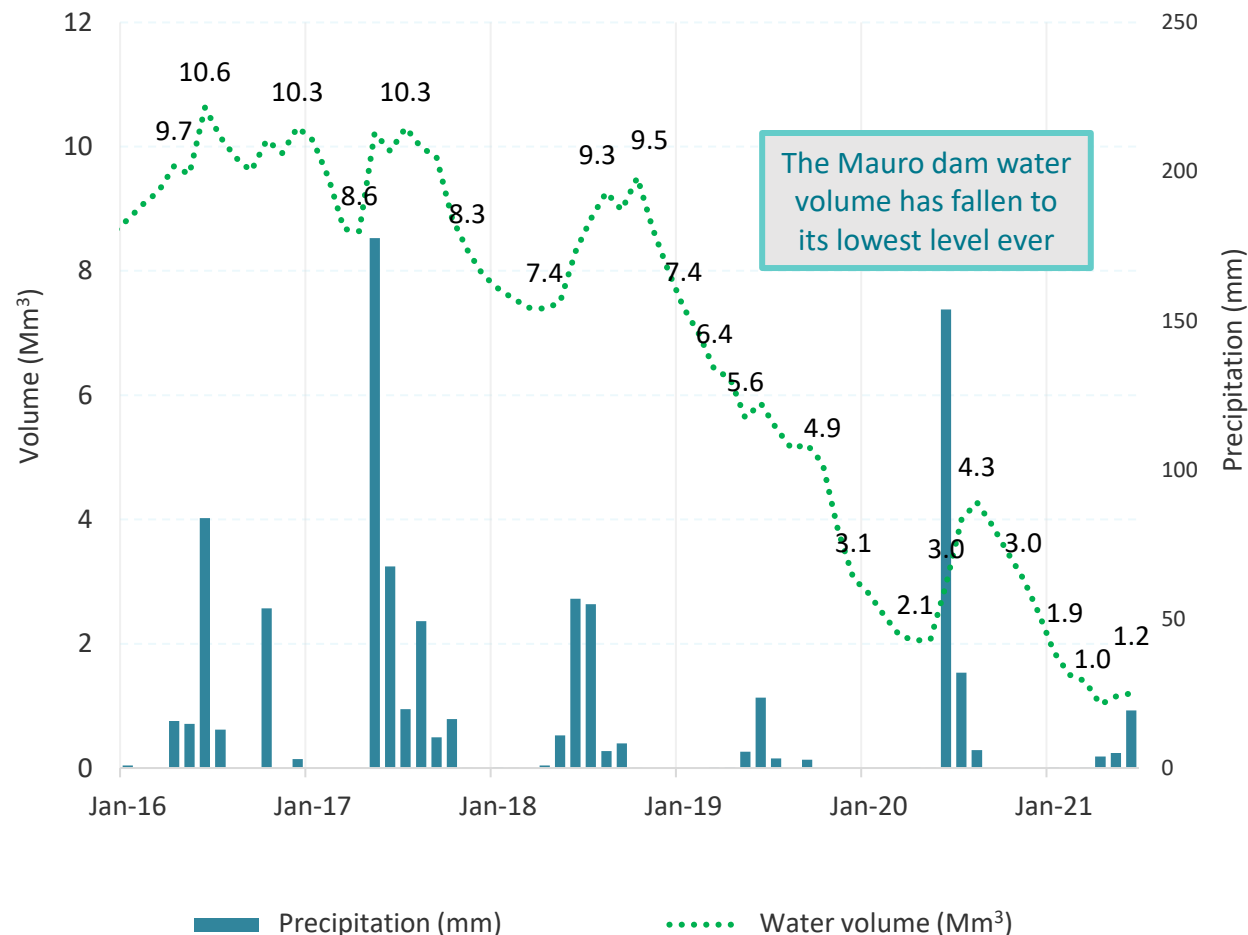
\$1.6 billion

Opportunities to accelerate execution of selected capital expenditure programmes under review

Water situation at Los Pelambres

Unprecedented dry conditions, with almost no precipitation

Precipitation and water contained – Mauro tailings dam



Mining royalty



- Draft legislation approved by lower house (May)
- Senate is taking the time for a considered debate
- Evidence requested from many parties
- Amended draft being prepared
- The stated intention is to complete this legislation before the end of the year



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Financial review

2021 HY Results

Mauricio Ortiz | Chief Financial Officer



2021 HY financial highlights

Strong EBITDA margin and cash flow

Revenue

\$3,591m
↑ 68%

Net cash costs

\$1.14/lb
below guidance

EBITDA and EBITDA margin¹

\$2,357m
↑ 133%

65.6%
↑ 18 ppt

Earnings per share

67.5 c/share
↑ 54 cents

Financial strength

Net cash \$701m
**Cash flow from
operations \$2.5bn**

Dividends per share

Interim dividend **23.6** cps
Payout ratio of **35%**

¹ EBITDA margin calculated as EBITDA/Group revenue. If Associates and JVs revenue is included EBITDA margin was 62.1%

Operating performance

Group production of 361,500 tonnes at \$1.14/lb



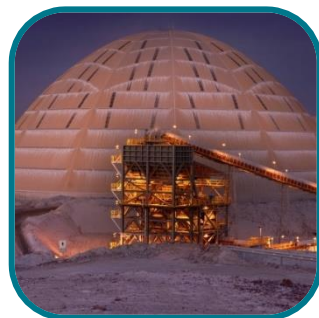
Los Pelambres

Cu production

169,300 t

Net cash costs

\$0.83/lb



Centinela

Cu production

132,100 t

Net cash costs

\$1.08/lb



Antucoya

Cu production

39,500 t

Cash costs

\$2.04/lb



Zaldívar

Cu production¹

20,600 t

Cash costs

\$2.46/lb



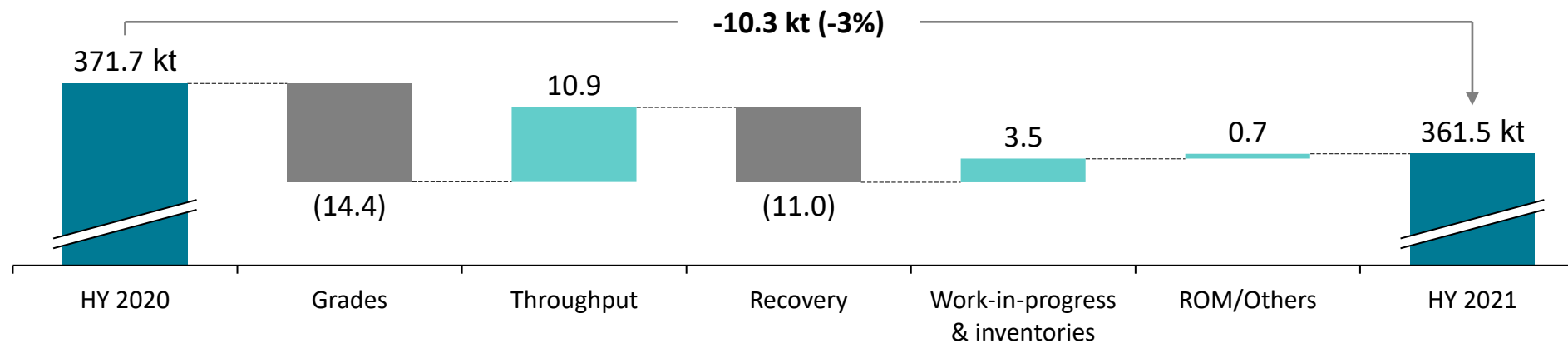
Transport

Tonnage
transported

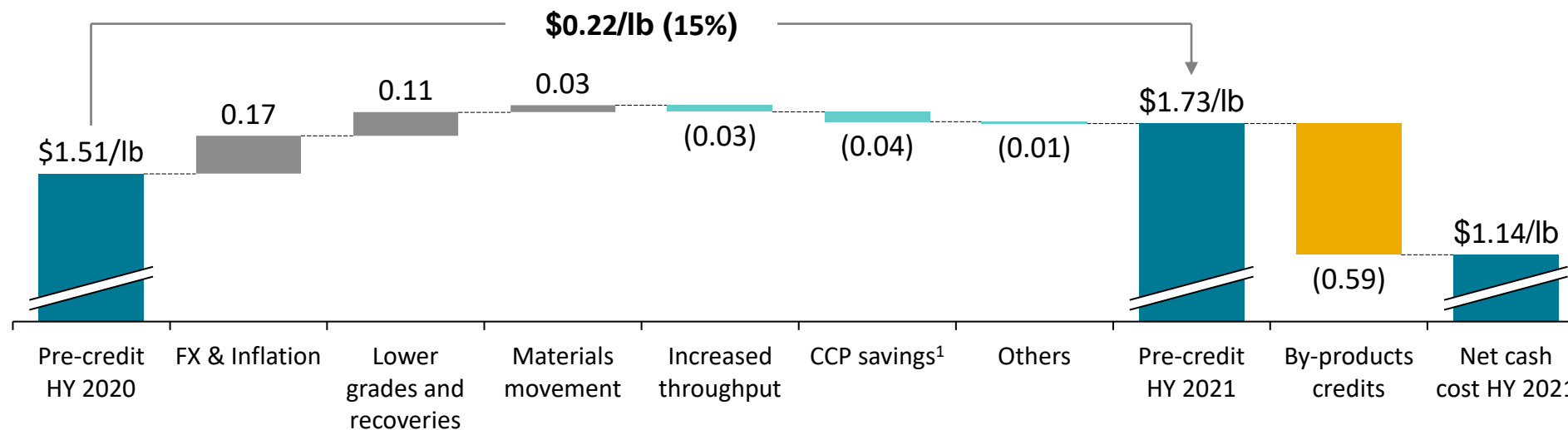
3,192 kt

Production and cash costs

Copper Production kt



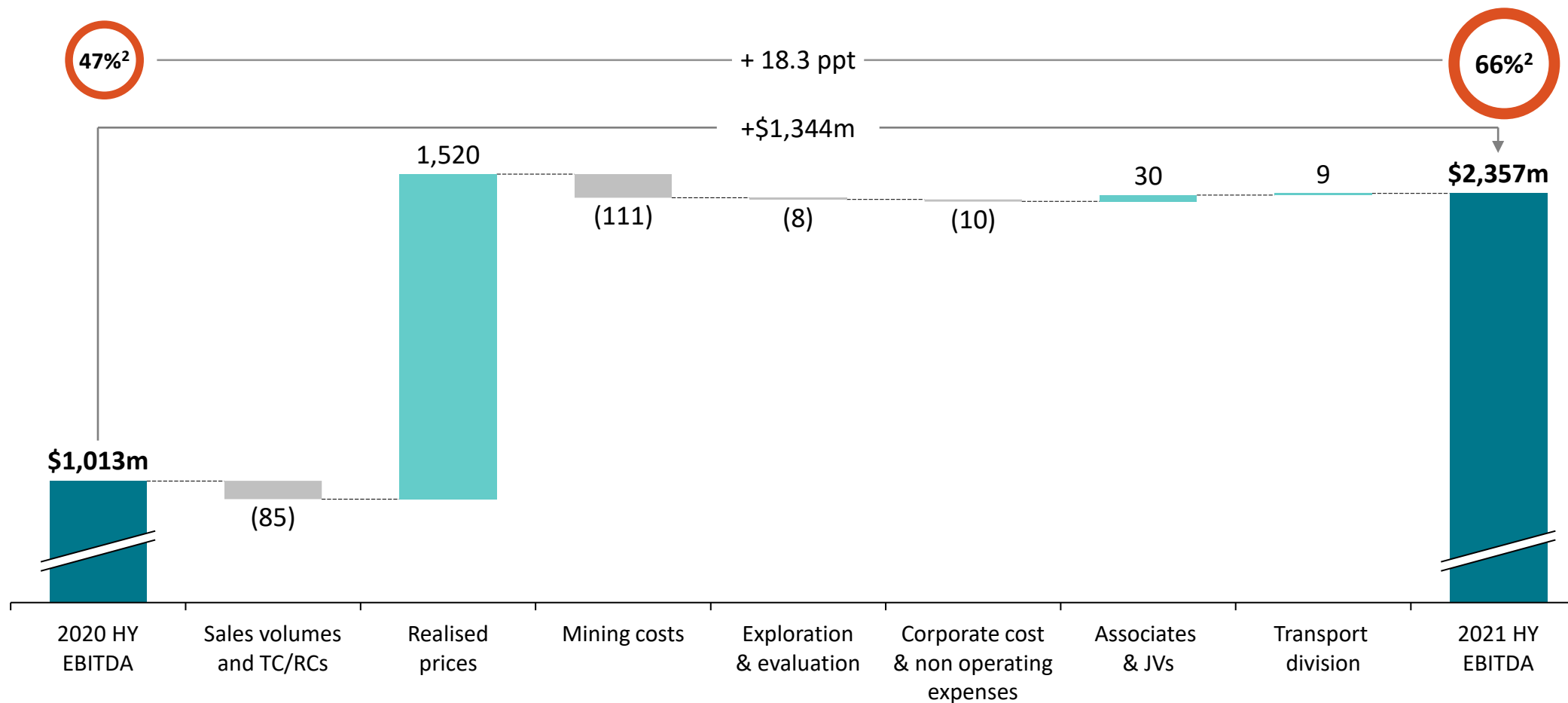
Cash costs by cost type \$/lb



EBITDA

EBITDA¹ and margin² 2020 HY versus 2021 HY

\$ million and %



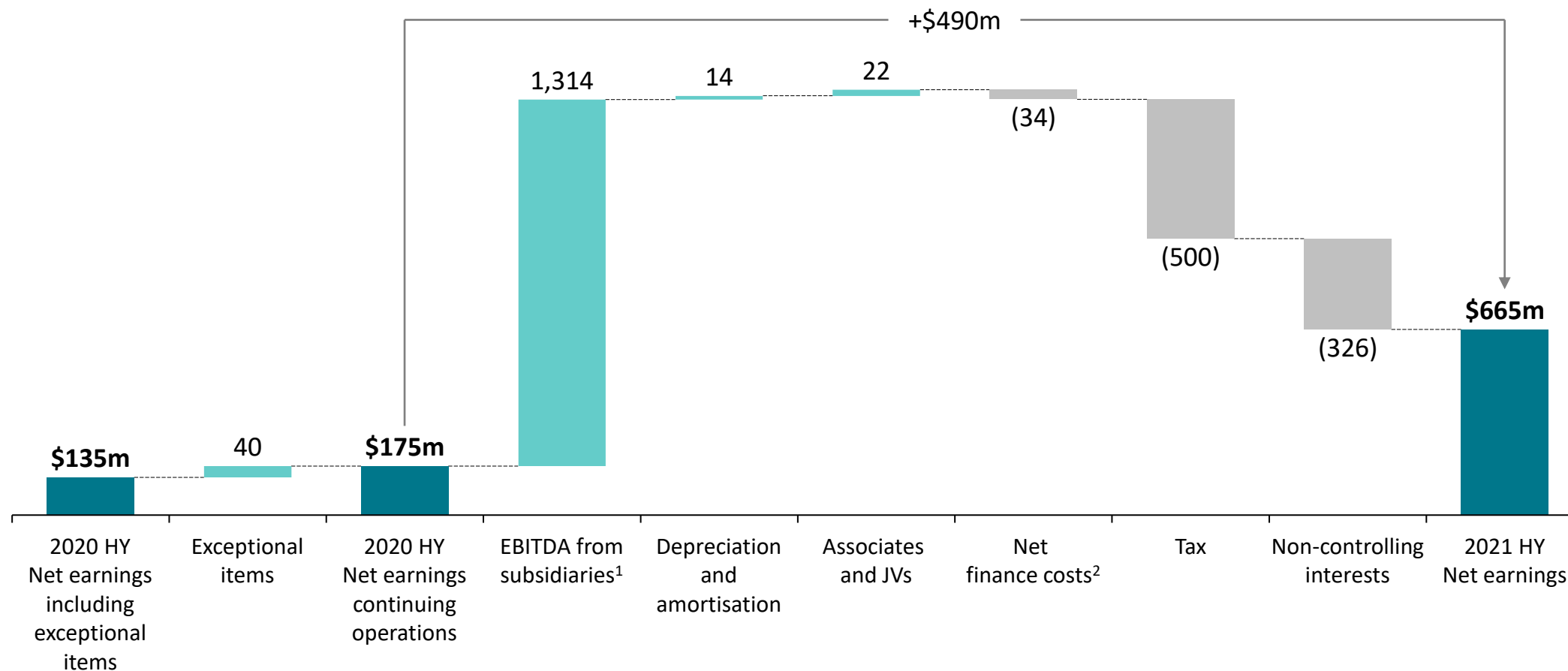
¹ Results of continuing operations only and includes EBITDA from Associates and JVs

² Calculated as EBITDA/Group revenue. If Associates and JVs' revenue is included the EBITDA margin was 62.1% in 2021 and 44.1% in 2020

Net earnings

Net earnings 2020 HY versus 2021 HY

\$ million



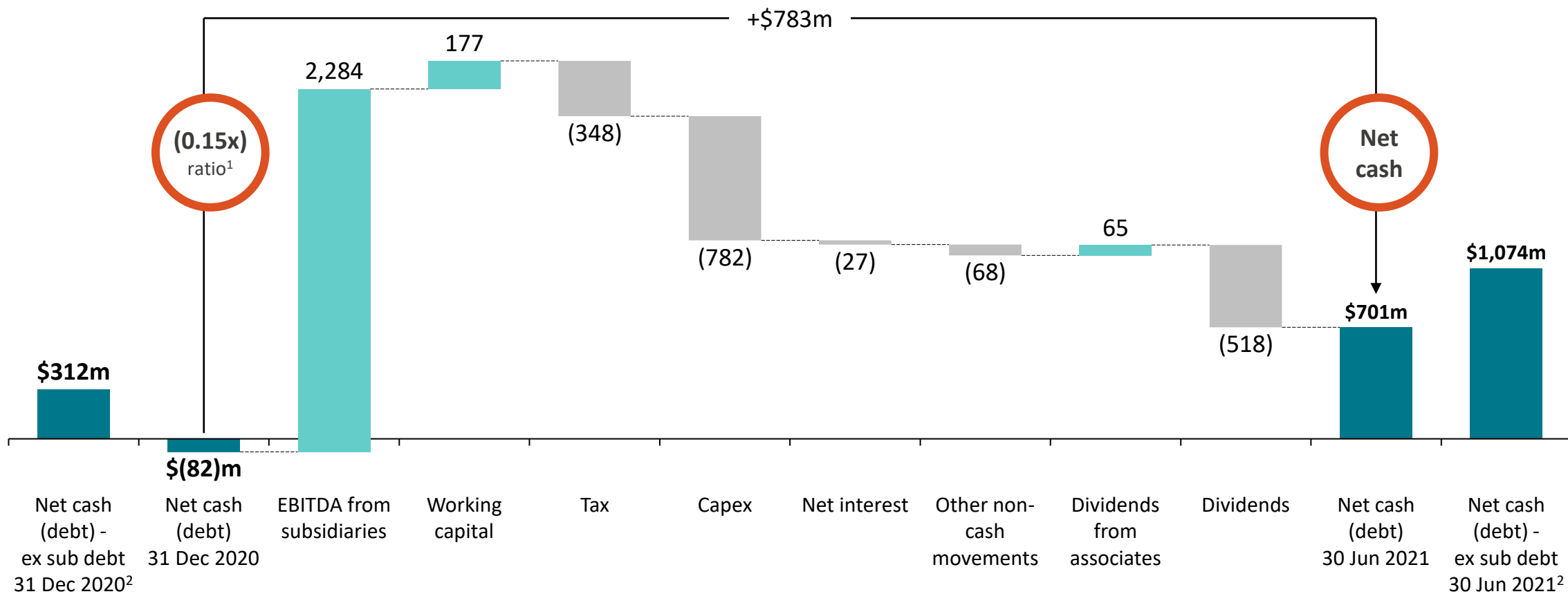
¹ Excludes Associates and JVs' EBITDA

² Includes foreign exchange adjustments

Balance sheet

Net cash / (debt) and Net debt/EBITDA ratio

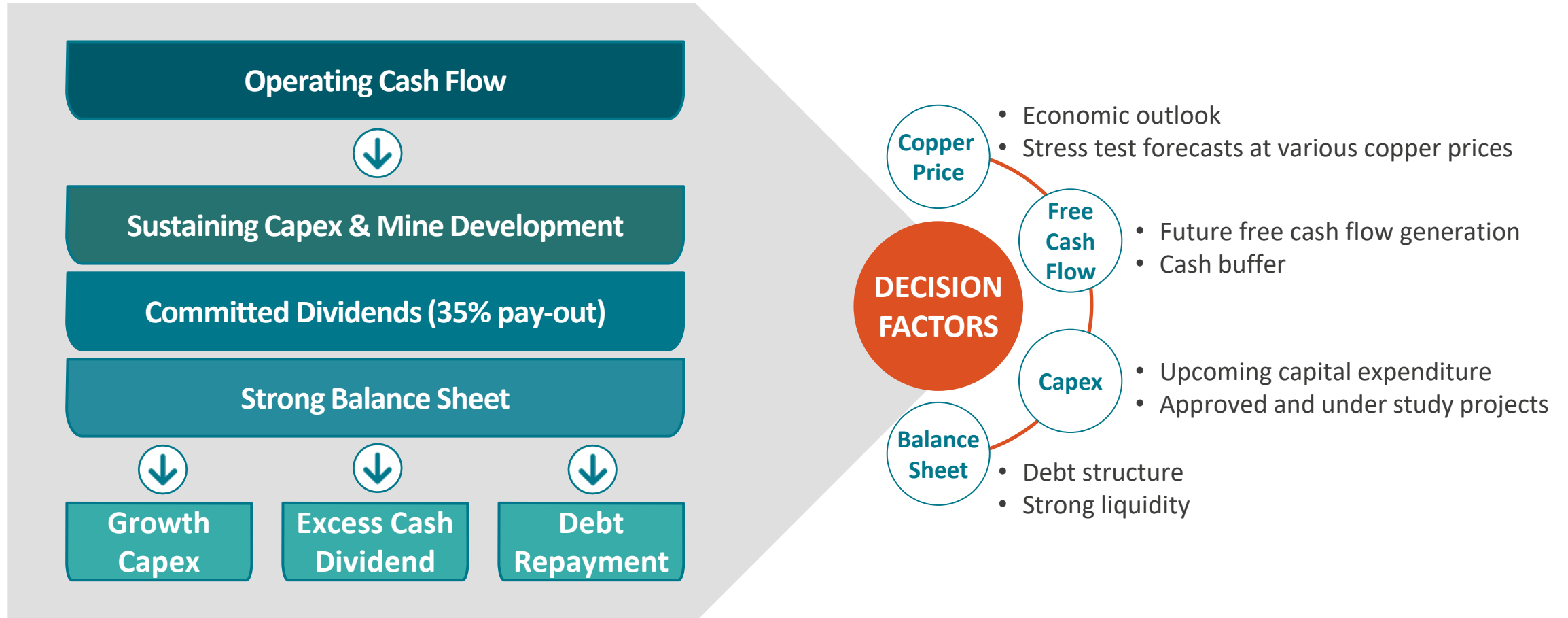
\$ million and times



¹ Net debt/EBITDA ratio

² Subordinated debt: \$373 million end June 2021, \$394 million end 2020

Capital allocation drives decision making

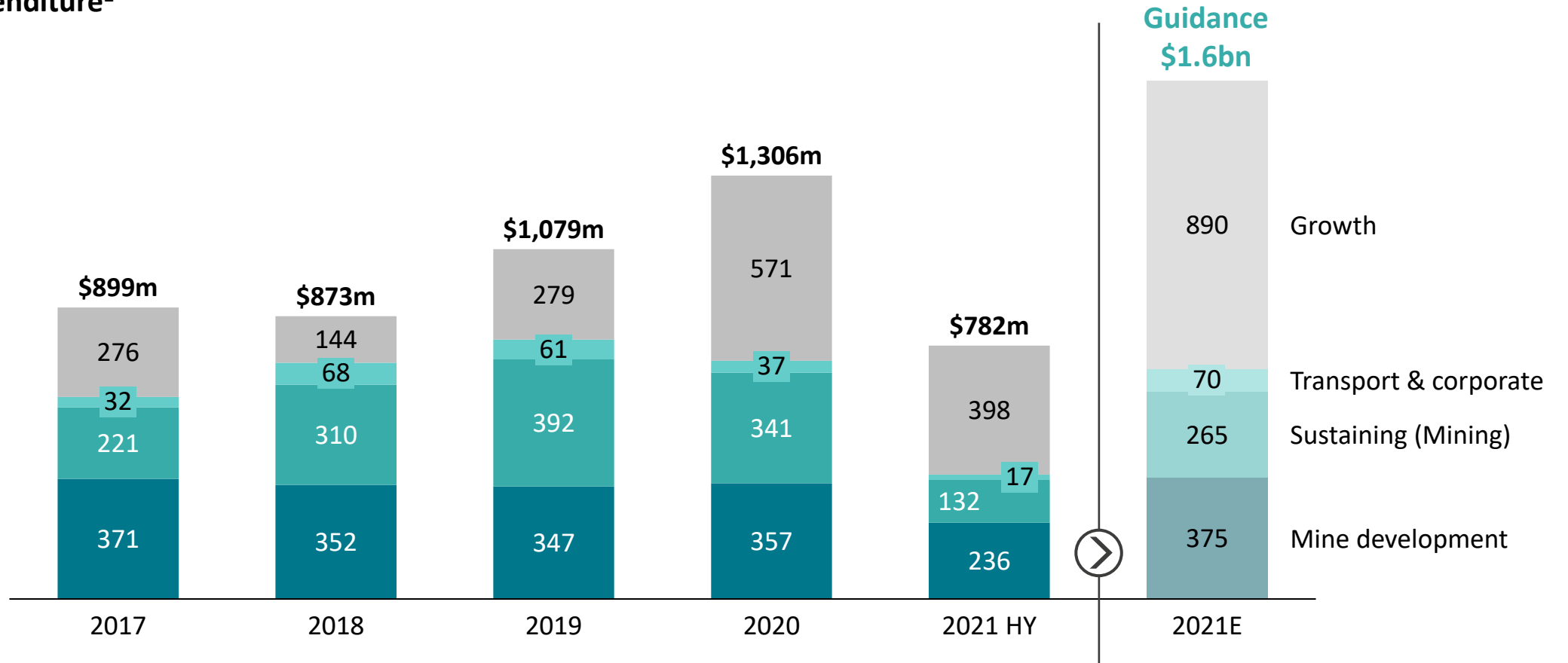


2021 interim dividend of \$233 million representing 35% of net earnings
Any excess cash will be distributed as part of the final dividend

Capital expenditure

Investing through the cycle

Capital expenditure¹
\$ million



1 Figures are based on cash flow and exclude Zaldívar. Attributable Zaldívar capital expenditure was \$51m in 2017, \$52m in 2018, \$45m in 2019, \$74 in 2020 and \$35 in 2021 HY.



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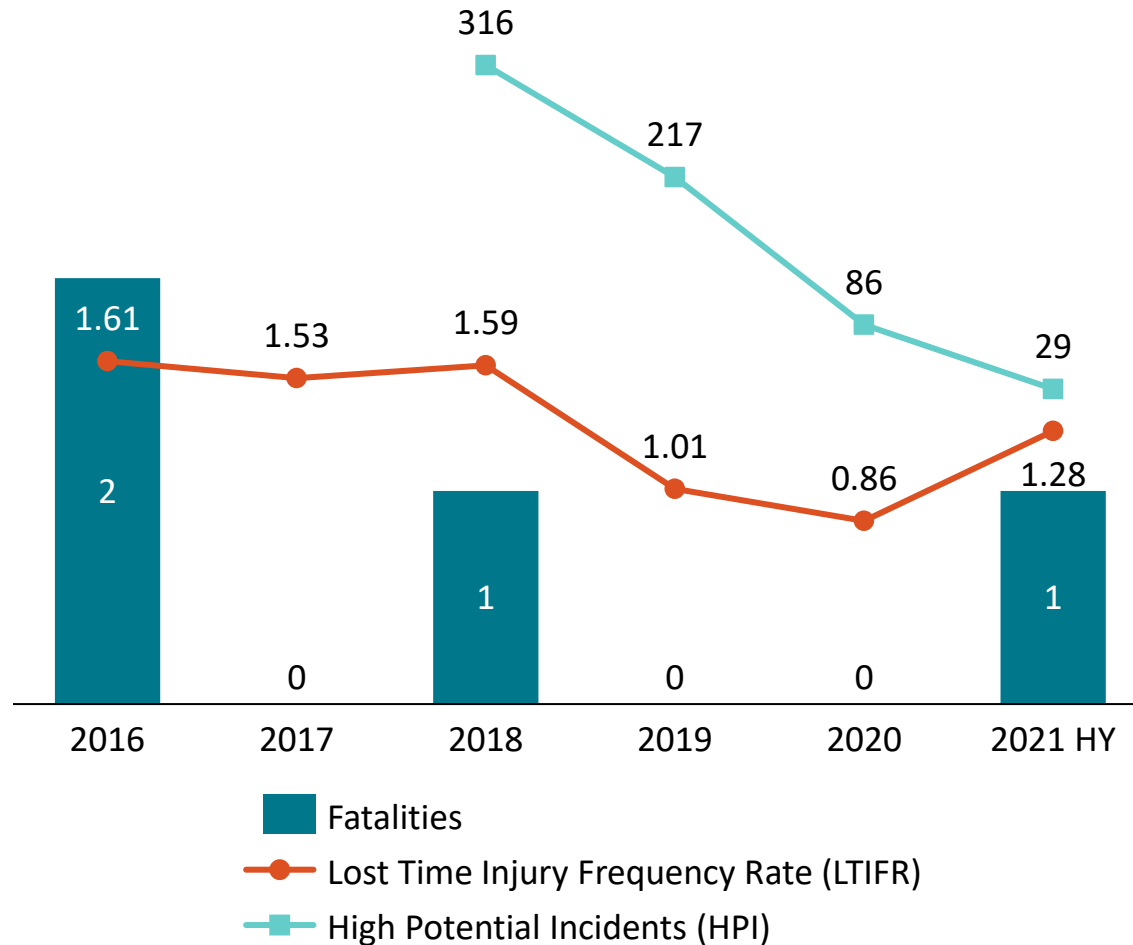
Sustainability performance

2021 HY Results

René Aguilar | Vice President of Corporate Affairs and Sustainability

Safety

The safety of our people is our top priority



Note: 2021 fatality was in July



High Potential Incidents (HPIs) are leading indicators of the effectiveness of safety controls and facilitate the early introduction of improvements to prevent serious accidents

2021 HY sustainability performance

Commitment to communities and the environment

Climate change

New targets on GHG emissions

30% reduction by 2025¹
Carbon neutral by 2050

Renewable energy

Expect 100% renewable by-end 2022

Zaldívar: 100% since 2020

Water

- Mitigating water shortage at Los Pelambres with desalination plant in H2 2022
- Progressing water permit extension at Zaldívar

TCFD

The Company is fully implementing the TCFD recommendations

Progress report will be released shortly

Copper Mark²

Centinela
Zaldívar
Los Pelambres
Antucoya

Awarded in July
Expected in Sept
Applying shortly
Applying shortly

Communities

- Proactive and transparent dialogue
- Community digital integration
- COVID-19 fund

¹ 2020 base

² An international assurance framework to promote responsible production practices



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Growth opportunities and investment case

2021 HY Results

Iván Arriagada | Chief Executive Officer



Copper market

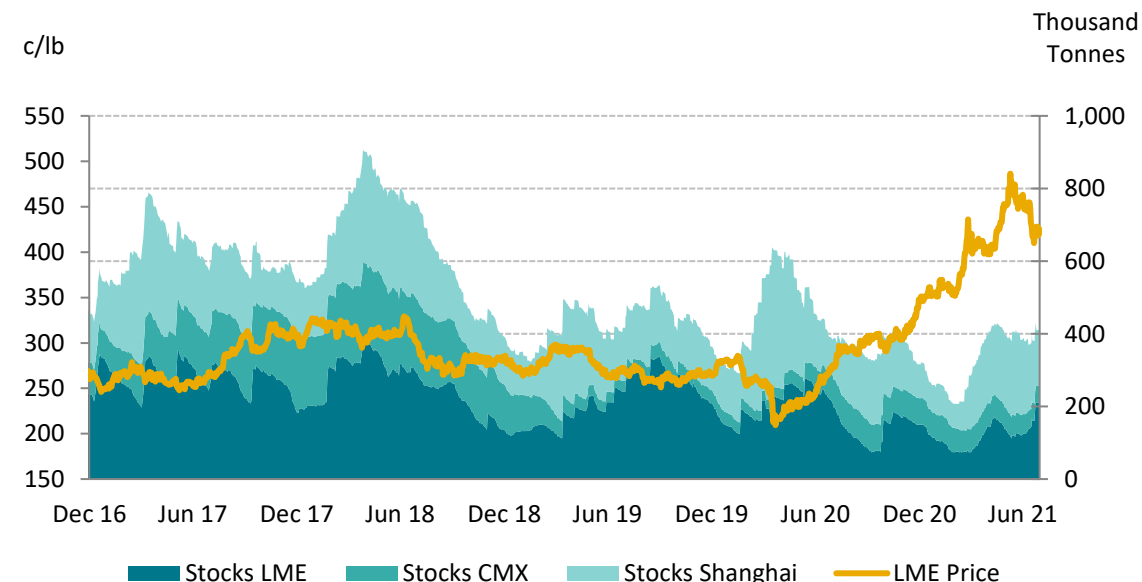
Short term

- Global economic recovery underway, subject to pandemic
- Fiscal and monetary stimulus in many countries
- China still very important but considerable demand growth expected from Europe and North America
- Small market deficit is expected in 2021
- Spot TC/RCs remain low and below annual contract levels

Longer term factors remain supportive

- Structural acceleration driven by decarbonisation
- Urbanisation in key developing countries
- Grades continue to decline
- New projects facing more regulatory uncertainties and environmental restrictions
- Supply gap expected as supply growth slows relative to demand

Copper price and exchange stocks



Urbanisation



Renewable energy



Electromobility



Growth opportunities

2020

2021

2022

2023

2024+

Organic Growth

LOS PELAMBRES EXPANSION - PHASE 1 (in construction)

Cu +60 ktpa | Capex \$1.7 bn¹ (including desalination plant)

PHASE 2 (in FS stage)

Cu +35 ktpa | Capex \$0.5 bn²
15 year LOM extension

ESPERANZA SUR PIT (in construction)

Cu +10-15 ktpa | Capex \$0.17bn³

CENTINELA 2ND CONCENTRATOR (in FS stage)

Cu eq +180 ktpa | Capex \$2.7 bn⁴

ZALDÍVAR CHLORIDE LEACH (in construction)

Cu +10-15 ktpa | Capex \$0.19 bn⁵

Other Growth

EXPLORATION FOCUSING ON THE AMERICAS

TWIN METALS (in FS stage)

Cu Eq +65 ktpa⁶

1 Revised January 2021
2 2014 Prefeasibility study
3 2018 Feasibility study

4 2015 Prefeasibility study
5 100% basis
6 2018 Prefeasibility study

Growth projects update



Los Pelambres Expansion – Phase 1

52% complete

Desalinated water system

- Marine Works progress over 60% in Discharge and Intake tunnels
- Desalination plant civil works close to completion

Concentrator

- New flotation circuit being erected
- Stockpile expansion completed



Zaldívar Chloride Leach

76% complete

- Chlorine corrosion-resistant materials installed in three of four solvent extraction (SX) trains
- New reagents facilities and washing ponds on schedule



Centinela Esperanza Sur Pit

- Pre-stripping completed in July
- First autonomous trucks arrived in June
- Operating autonomy tests start in September

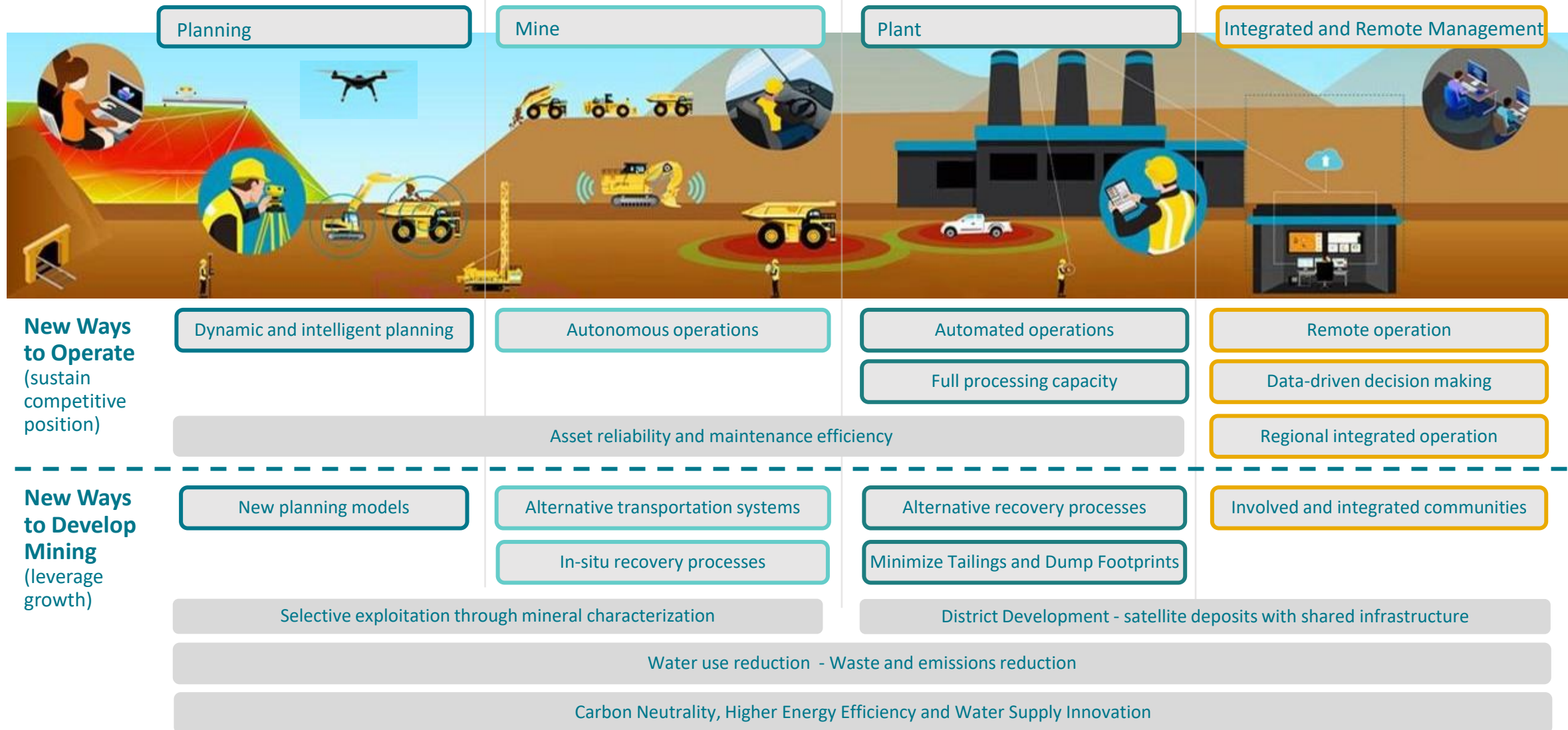


Centinela Second concentrator

- EIS update approved and SERNAGEOMIN critical permits granted
- Started detailed engineering for concentrator EPC
- Bidding processes for new tailings storage facility, water pipeline and other infrastructure are in progress

Transformational innovation

Our "Operation of the Future" vision



Our priorities for 2021 and beyond



Commitment to zero fatalities and protecting employees and communities from COVID-19



Embed climate change and sustainability strategy across all decision making and update climate change targets



Maintaining operating resilience and flexibility



Continuous productivity improvements to optimise margins



Advancing our growth projects and innovation portfolio



Returns to shareholders

Investment case

Responsible copper producer



Sustainability

- Zero fatalities culture
- Safety and health model
- Environment stewardship
- Community relations and shared development
- Culture and labour relations
- Robust governance

High quality assets

- Strong and growing production
- Large resource base
- Low cost and long-life assets
- Four mines in two “world-class” districts in Chile

Operating efficiency

- Constant focus on unit costs
- Continuous productivity improvement
- Cost and Competitiveness Programme
- Innovation for long term gains

Financial position

- Strong balance sheet
- Healthy cash flows
- Disciplined capital allocation and shareholder returns



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Appendix



Antofagasta at a glance

Group

- 65% owned by Luksic Group, 35% free float
- Market cap: \$20.4 billion (August 17th 2021)
- FTSE 100

Mining division¹

- Top 10 copper producer
- High quality assets with significant potential production growth
- Copper production: 733,900 tonnes
- Gold production: 204,100 oz
- Molybdenum production: 12,600 tonnes
- Net cash costs: \$1.14/lb
- All operations in Chile

Transport division¹

- Provides rail and road cargo services in Chile's Antofagasta Region
- Total tonnage transported: 6.4 million tonnes

Antucoya

- 70% owned
- Copper production¹: 79,300 t
- Remaining mine life²: 19 years
- Reserves³: 711 million t @ 0.32% Cu

Centinela

- 70% owned
- Copper production¹: 246,800 t
- Remaining mine life²: 47 years
- Reserves³: 2.1 billion t @ 0.41% Cu

Zaldívar

- 50% owned, operator
- Copper production¹: 48,200 t (50%)
- Remaining mine life²: 15 years
- Reserves³: 468 million t @ 0.45% Cu

Los Pelambres

- 60% owned
- Copper production¹: 359,600 t
- Remaining mine life²: 14 years
- Reserves³: 1.0 billion t @ 0.59% Cu, 0.020% Mo and 0.05g/t Au

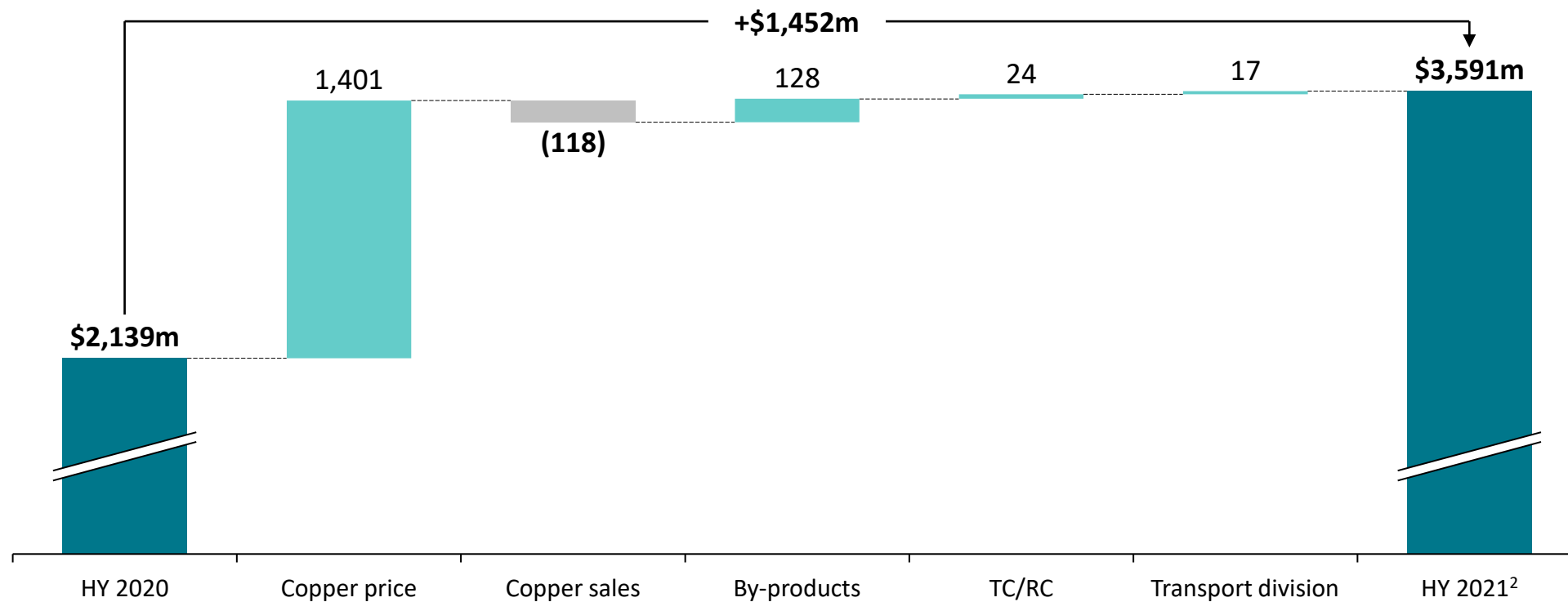
Santiago

1 2020 figures
2 From 31 December 2020
3 As of 31 December 2020 on 100% basis

Revenue

Revenue 2020 HY versus 2021 HY

\$ million

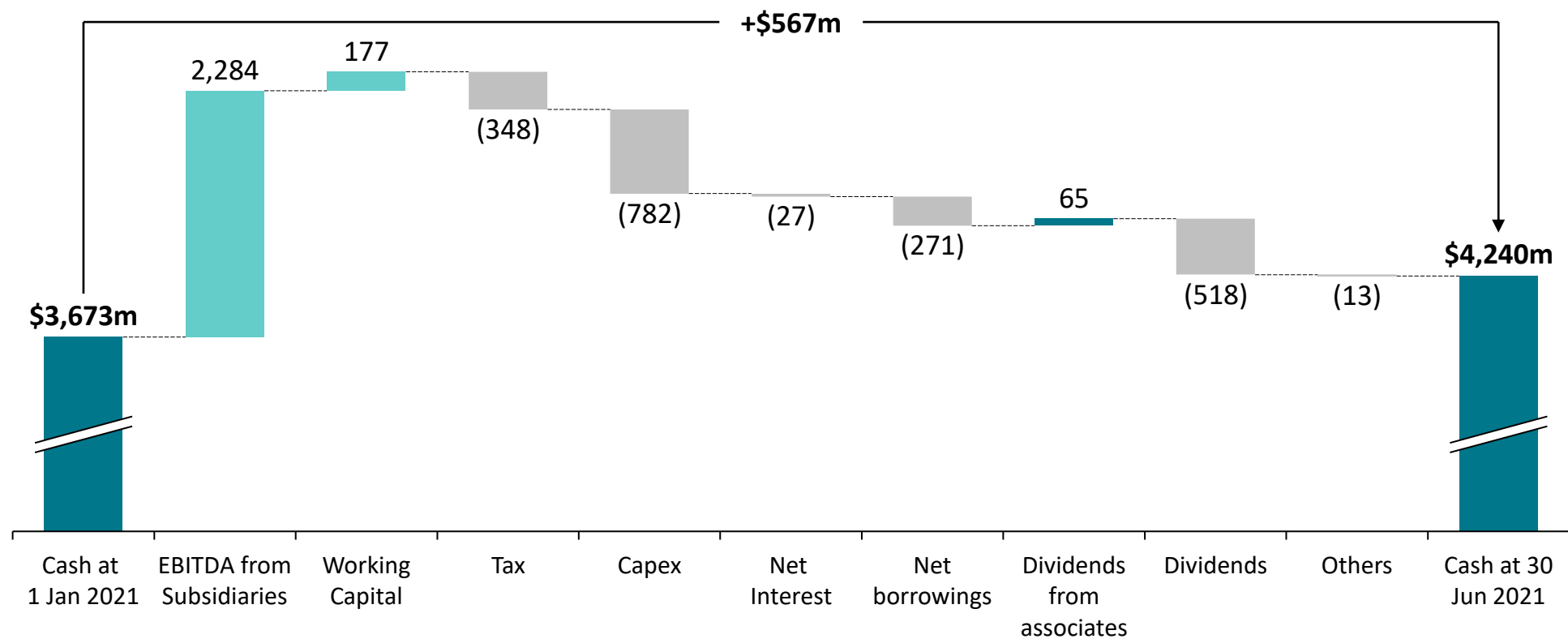


1 Excludes Zaldívar and JVs

Cash flow

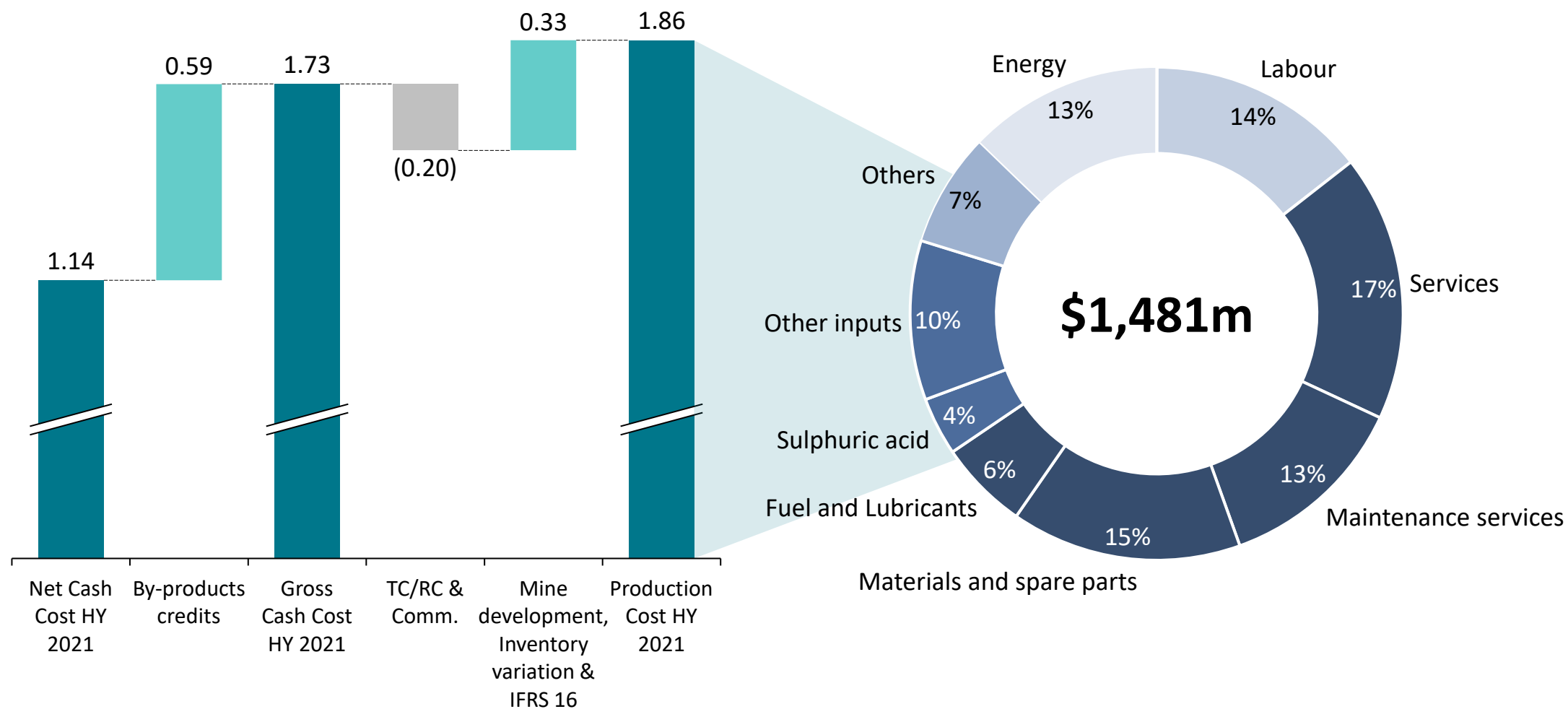
Cash flow in 2021 HY¹

\$ million



1 Excludes Zaldívar and JVs

2021 HY production cost breakdown



Production and metals prices

Group production

	2018	2019	2020	2021 HY	2021E ¹
Copper ('000 tonnes)					
Los Pelambres	357.8	363.4	359.6	169.3	340-350
Centinela Concentrates	155.5	195.5	153.5	90.4	270-280
Centinela Cathodes	92.5	81.1	93.3	41.7	
Antucoya	72.2	71.9	79.3	39.5	75-80
Zaldívar	47.3	58.1	48.2	20.6	45-50
Group total	725.3	770.0	733.9	361.5	710-740²

	2018	2019	2020	2021 HY	2021E ¹
Gold ('000 ounces)					
Los Pelambres	63.2	59.7	60.3	28.0	50-60
Centinela	146.9	222.6	143.7	92.5	190-200
Group total	210.1	282.3	204.1	120.5	240-260

	2018	2019	2020	2021 HY	2021E ¹
Molybdenum ('000 tonnes)					
Los Pelambres	13.3	11.2	10.9	5.1	8.0-9.0
Centinela	0.3	0.4	1.7	0.7	1.5-2.0
Group total	13.6	11.6	12.6	5.8	9.5-11.0

Metal prices

	2018	2019	2020	2021 HY
Copper (\$/lb)				
Realised	2.81	2.75	2.98	4.42
LME	2.96	2.72	2.80	4.13

	2018	2019	2020	2021 HY
Gold (\$/oz)				
Realised	1,256	1,416	1,797	1,776
Market	1,270	1,393	1,770	1,808

	2018	2019	2020	2021 HY
Molybdenum (\$/lb)				
Realised	12.4	10.8	8.8	16.1
Market	11.9	11.4	8.7	12.7

¹ Guidance January 2021

² Revised Guidance August 2021

Unit cash costs

Group cash costs

	2018	2019	2020	2021 HY	2021E ¹
Group cash costs (\$/lb)					
Los Pelambres	1.52	1.40	1.27	1.51	1.45
Centinela	1.89	1.83	1.85	1.80	1.75
Antucoya	1.99	2.17	1.82	2.04	1.80
Zaldívar ²	1.94	1.75	1.80	2.46	1.75
Cash costs before by-products credits (\$/lb)	1.72	1.65	1.56	1.73	1.65
By-products credits (\$/lb)	(0.43)	(0.43)	(0.42)	(0.59)	(0.40)
Net cash costs (\$/lb)	1.29	1.22	1.14	1.14	1.25³

	2018	2019	2020	2021 HY	2021E ¹
Los Pelambres cash costs (\$/lb)					
Cash costs before by-products credits (\$/lb)	1.52	1.40	1.27	1.51	1.45
By-products credits (\$/lb)	(0.61)	(0.49)	(0.46)	(0.68)	(0.40)
Net cash costs (\$/lb)	0.91	0.91	0.81	0.83	1.05

	2018	2019	2020	2021 HY	2021E ¹
Centinela cash costs (\$/lb)					
Cash costs before by-products credits (\$/lb)	1.89	1.83	1.85	1.80	1.75
By-products credits (\$/lb)	(0.38)	(0.57)	(0.58)	(0.72)	(0.60)
Net cash costs (\$/lb)	1.51	1.26	1.27	1.08	1.15

¹ Guidance January 2021. Assumptions: CLP/USD 780, gold \$1,700/oz, molybdenum \$8.5/lb.

² Attributable share

³ Confirmed August 2021

Reserves and resources as of 31 December 2020

	Tonnage (millions tonnes)		Copper (%)		Molybdenum (%)		Gold (g/t)		Attributable Tonnage (millions tonnes)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Ore reserves										
Los Pelambres	1,010.5	1,072.0	0.59	0.60	0.020	0.020	0.05	0.05	606.3	643.2
<i>Centinela Concentrates (Sulphides)</i>	<i>1,738.1</i>	<i>1,829.4</i>	<i>0.41</i>	<i>0.42</i>	<i>0.012</i>	<i>0.012</i>	<i>0.14</i>	<i>0.14</i>	<i>1,216.7</i>	<i>1,280.6</i>
<i>Centinela Cathodes (Oxides)</i>	<i>323.9</i>	<i>325.5</i>	<i>0.40</i>	<i>0.41</i>	-	-	-	-	<i>226.7</i>	<i>227.9</i>
Centinela Total	2,062.0	2,154.9	0.41	0.41	-	-	-	-	1,443.4	1,508.4
Antucoya	710.7	687.0	0.32	0.33	-	-	-	-	497.5	480.9
Total	3,783.2	3,913.9	0.44	0.45	-	-	-	-	2,547.2	2,632.5
Group Joint Ventures										
Zaldivar	467.5	568.5	0.45	0.43					233.7	284.2
Total Group Ore Reserves	4,250.7	4,482.4	0.44	0.45	-	-	-	-	2,780.9	2,916.8
Mineral resources (including ore reserves)										
Los Pelambres	6,046.1	6,061.5	0.50	0.50	0.017	0.017	0.05	0.05	3,627.6	3,636.9
Centinela Concentrates (Sulphides)	4,126.0	4,191.6	0.38	0.38	0.012	0.012	0.03	0.13	2,888.2	2,934.1
Centinela Cathodes (Oxides)	474.2	519.2	0.37	0.39	-	-	-	-	331.9	363.4
Antucoya	1,235.8	1,200.8	0.30	0.31	-	-	-	-	865.0	840.6
Polo Sur	1,657.0	1,514.5	0.33	0.34	-	-	-	-	1,657.0	1,514.5
Penacho Blanco	340.2	340.2	0.37	0.37	-	-	-	-	173.5	173.5
Mirador	92.3	68.5	0.30	0.30	-	-	-	-	85.2	63.5
Los Volcanes	1,904.2	1,904.2	0.50	0.50	-	-	-	-	971.1	971.1
Brujulina	87.2	87.2	0.49	0.49	-	-	-	-	44.5	44.5
Sierra	52.0	52.0	0.69	0.69	-	-	-	-	52.0	52.0
					Nickel (%)		Total precious metals (g/t Au+Pt+Pd)			
Twin Metals	2,509.1	2,509.1	0.52	0.52	0.17	0.17	0.47	0.47	2,085.0	2,085.0
Group Joint Ventures										
Zaldivar	1,268.8	1,323.0	0.39	0.40	-	-	-	-	634.4	661.5
Total Group										
Measured + Indicated	11,070.6	10,987.0	0.45	0.46	-	-	-	-	7,728.7	7,586.6
Inferred	8,722.3	8,784.6	0.42	0.43	-	-	-	-	5,686.9	5,753.9
Total Group Mineral Resources (including ore reserves)	19,792.8	19,771.6	0.44	0.44	-	-	-	-	13,415.6	13,340.5

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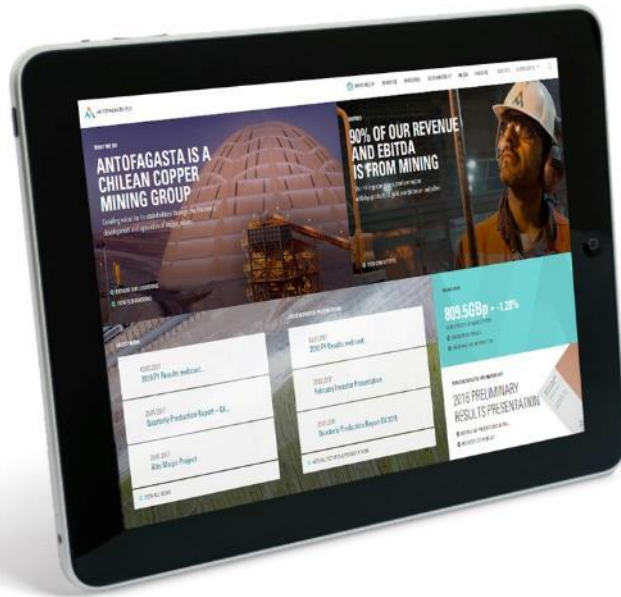
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